



Hutchison Port Holdings Trust is a business trust constituted on 25 February 2011 under the laws of the Republic of Singapore and managed by Hutchison Port Holdings Management Pte. Limited.

HUTCHISON PORT HOLDINGS TRUST (“HPH Trust”) UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2020

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Footnote:

(a) The listing manual issued by the Singapore Exchange Securities Trading Limited (“Listing Manual”).

1(a)(i) Consolidated income statement for the six months ended 30 June 2020

	Group		
	01/01/2020 to 30/06/2020	01/01/2019 to 30/06/2019	Favorable/ (Unfavorable)
	HK\$'M	HK\$'M	%
Revenue and other income	4,776.7	5,423.8	(11.9)
Cost of services rendered	(1,567.4)	(1,900.7)	17.5
Staff costs	(128.3)	(148.2)	13.4
Depreciation and amortisation	(1,524.4)	(1,544.1)	1.3
Other operating income ^(a)	64.8	42.9	51.0
Other operating expenses	(252.4)	(266.1)	5.1
Total operating expenses	(3,407.7)	(3,816.2)	10.7
Operating profit	1,369.0	1,607.6	(14.8)
Interest and other finance costs	(428.2)	(545.5)	21.5
Share of profits less losses after tax of associated companies	(43.1)	(46.5)	7.3
Share of profits less losses after tax of joint ventures	21.2	20.9	1.4
Profit before tax	918.9	1,036.5	(11.3)
Tax ^(b)	(239.9)	(216.1)	(11.0)
Profit for the period	679.0	820.4	(17.2)
Allocated as:			
Profit attributable to non-controlling interests	(466.6)	(587.0)	(20.5)
Profit attributable to unitholders of HPH Trust	212.4	233.4	(9.0)
Earnings per unit attributable to unitholders of HPH Trust	HK cents 2.44	HK cents 2.68	(9.0)

Footnotes:

- (a) Other operating income was HK\$64.8 million for the period ended 30 June 2020 compared to HK\$42.9 million for the period ended 30 June 2019. The increase was mainly due to the wages subsidy from the Hong Kong Employment Support Scheme and gain on disposal of fixed assets for the period ended 30 June 2020.
- (b) Tax was HK\$239.9 million for the period ended 30 June 2020 compared to HK\$216.1 million for the period ended 30 June 2019. The increase was mainly due to the increase of tax rates upon the expiries of "High and New Technology Enterprise" status of YICT Phase III, but partially offset by lower profit.

1(a)(ii) Consolidated statement of comprehensive income for the six months ended 30 June 2020

	Group		
	01/01/2020 to 30/06/2020	01/01/2019 to 30/06/2019	Favorable/ (Unfavorable)
	HK\$'M	HK\$'M	%
Profit for the period	679.0	820.4	(17.2)
Other comprehensive loss^(a):			
Items that will not be reclassified to profit or loss:			
Investments			
Valuation losses taken to reserves	(8.4)	-	N/A
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges arising from cross currency interest rate swap contracts and interest rate swap contracts			
Fair value losses recognised directly in reserves	(204.9)	(92.7)	(121.0)
Costs of hedging			
Changes in fair value of currency basis spread	8.1	(0.4)	N/A
Share of other comprehensive (loss)/income of associated companies	(3.4)	0.5	(780.0)
Share of other comprehensive loss of joint ventures	(0.3)	-	N/A
Investments			
Valuation gains taken to reserves	-	3.4	(100.0)
Currency translation differences	(42.6)	(4.5)	(846.7)
Total other comprehensive loss for the period	(251.5)	(93.7)	(168.4)
Total comprehensive income for the period	427.5	726.7	(41.2)
Allocated as:			
Attributable to non-controlling interests	(446.9)	(584.9)	(23.6)
Attributable to unitholders of HPH Trust	(19.4)	141.8	(113.7)

Footnote:

(a) Items shown within other comprehensive loss have no tax effect.

1(b)(i) Statement of financial position as at 30 June 2020

	Group	
	30/06/2020	31/12/2019
	HK\$'M	HK\$'M
ASSETS		
Non-current assets		
Fixed assets	23,254.5	23,789.5
Projects under development	440.4	648.1
Leasehold land and land use rights	36,390.0	37,047.0
Railway usage rights	10.5	10.8
Customer relationships	5,334.7	5,501.8
Goodwill	11,270.0	11,270.0
Associated companies	900.7	952.5
Joint ventures	2,612.6	2,656.7
Other non-current assets	536.0	560.7
Deferred tax assets	27.8	25.0
Total non-current assets	80,777.2	82,462.1
Current assets		
Cash and bank balances ^(a)	6,875.7	7,040.2
Trade and other receivables	3,005.8	3,056.0
Inventories	117.3	102.4
Total current assets	9,998.8	10,198.6
Current liabilities		
Trade and other payables	6,156.8	5,783.1
Bank and other debts	3,999.6	4,097.3
Current tax liabilities	472.3	473.9
Total current liabilities	10,628.7	10,354.3
Net current liabilities^(b)	(629.9)	(155.7)
Total assets less current liabilities	80,147.3	82,306.4
Non-current liabilities		
Bank and other debts	25,393.5	26,459.1
Pension obligations	49.3	41.7
Deferred tax liabilities	9,690.2	9,918.2
Other non-current liabilities	441.4	324.1
Total non-current liabilities	35,574.4	36,743.1
Net assets	44,572.9	45,563.3
EQUITY		
Units in issue	68,553.8	68,553.8
Reserves	(43,157.9)	(42,702.9)
Net assets attributable to unitholders of HPH Trust	25,395.9	25,850.9
Non-controlling interests	19,177.0	19,712.4
Total equity	44,572.9	45,563.3

Footnotes:

(a) Cash and bank balances were HK\$6,875.7 million as at 30 June 2020 which consisted of HK\$6,833.7 million cash and cash equivalents and HK\$42.0 million restricted deposit.

(b) Net current liabilities were HK\$629.9 million as at 30 June 2020 which mainly comprises of US\$0.5 billion (equivalent to approximately HK\$3.9 billion) 5-year term loan facility, expiring in March 2021.

1(b)(i) Statement of financial position as at 30 June 2020 (Continued)

	Trust	
	30/06/2020	31/12/2019
	HK\$'M	HK\$'M
ASSETS		
Non-current asset		
Investment in a subsidiary company	24,641.3	25,088.9
Total non-current asset	24,641.3	25,088.9
Current assets		
Cash and bank balances	1.4	2.5
Trade and other receivables	0.5	1.9
Total current assets	1.9	4.4
Current liability		
Trade and other payables	21.4	16.8
Total current liability	21.4	16.8
Net current liabilities	(19.5)	(12.4)
Total assets less current liabilities	24,621.8	25,076.5
Net assets	24,621.8	25,076.5
EQUITY		
Units in issue	68,553.8	68,553.8
Reserves	(43,932.0)	(43,477.3)
Total equity	24,621.8	25,076.5

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities as at 30 June 2020

Group	Current portion HK\$'M	Non-current portion HK\$'M	Total HK\$'M
Unsecured bank loans	3,992.0	17,674.0	21,666.0
Secured bank loan	12.1	38.5	50.6
Guaranteed notes	-	7,800.0	7,800.0
Total principal amount of bank and other debts	4,004.1	25,512.5	29,516.6
Unamortised loan facilities fees and discounts related to debts	(4.5)	(119.0)	(123.5)
	3,999.6	25,393.5	29,393.1

Aggregate amount of the Group's borrowings and debt securities as at 31 December 2019

Group	Current portion HK\$'M	Non-current portion HK\$'M	Total HK\$'M
Unsecured bank loans	192.0	18,731.4	18,923.4
Secured bank loan	10.5	45.0	55.5
Guaranteed notes	3,900.0	7,800.0	11,700.0
Total principal amount of bank and other debts	4,102.5	26,576.4	30,678.9
Unamortised loan facilities fees and discounts related to debts	(1.6)	(117.3)	(118.9)
Unrealised loss on bank and other debts pursuant to interest rate swap contracts	(3.6)	-	(3.6)
	4,097.3	26,459.1	30,556.4

Details of any collateral at HPH Trust

Bank loan of HK\$50.6 million (31 December 2019: HK\$55.5 million) is secured by a charge over certain assets of subsidiary companies.

1(c) Consolidated statement of cash flows for the six months ended 30 June 2020

	Group	
	01/01/2020 to 30/06/2020	01/01/2019 to 30/06/2019
	HK\$'M	HK\$'M
Operating activities		
Cash generated from operations	2,588.3	3,476.3
Interest and other finance costs paid	(417.8)	(557.8)
Tax paid ^(a)	(468.2)	(355.9)
Net cash from operating activities	1,702.3	2,562.6
Investing activities		
Purchase of fixed assets and projects under development	(288.3)	(288.1)
Proceeds on disposal of fixed assets	6.1	0.3
Dividends received from investments	2.2	2.0
Dividends received from associated companies and joint ventures	65.0	50.1
Interest received	61.4	73.9
Net cash used in investing activities	(153.6)	(161.8)
Financing activities		
New borrowings ^(b)	3,870.8	1,170.0
Repayment of borrowings ^(b)	(5,059.6)	(2,078.6)
Upfront debt transaction costs and facilities fees of borrowings	-	(8.8)
Principal elements of lease payments	(2.5)	-
Distributions to unitholders of HPH Trust	(435.6)	(738.7)
Dividends to non-controlling interests	(86.3)	(92.5)
Net cash used in financing activities	(1,713.2)	(1,748.6)
Net changes in cash and cash equivalents	(164.5)	652.2
Cash and cash equivalents at beginning of the period	6,998.2	6,524.4
Cash and cash equivalents at end of the period	6,833.7	7,176.6

Footnotes:

(a) Tax paid was HK\$468.2 million for the period ended 30 June 2020 compared to HK\$355.9 million for the period ended 30 June 2019. The increase was mainly due to the deferral of HIT and YICT 2019 profits tax payments to 2020.

(b) The Group drew down new bank loan of US\$500 million during the first half of 2020 to redeem US\$500 million guaranteed notes.

1(d)(i) Statement of changes in equity for the six months ended 30 June 2020

Group

	Units in issue	Exchange and other reserves	Revaluation reserve	Hedging reserve	Costs of hedging reserve	Pension reserve	Accumulated losses	Attributable to unitholders	Non-controlling interests	Total
	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
At 1 January 2020	68,553.8	(212.8)	(243.1)	(102.7)	(38.4)	213.1	(42,319.0)	25,850.9	19,712.4	45,563.3
Profit for the period	-	-	-	-	-	-	212.4	212.4	466.6	679.0
Other comprehensive (loss)/income:										
Investments:										
Valuation losses taken to reserves	-	-	(8.4)	-	-	-	-	(8.4)	-	(8.4)
Cash flow hedges arising from cross currency interest rate swap contracts and interest rate swap contracts										
Fair value losses recognised directly in reserves	-	-	-	(204.9)	-	-	-	(204.9)	-	(204.9)
Costs of hedging										
Changes in fair value of currency basis spread	-	-	-	-	8.1	-	-	8.1	-	8.1
Share of other comprehensive loss of associated companies	-	(2.4)	-	-	-	-	-	(2.4)	(1.0)	(3.4)
Share of other comprehensive loss of joint ventures	-	(0.3)	-	-	-	-	-	(0.3)	-	(0.3)
Currency translation differences	-	(23.9)	-	-	-	-	-	(23.9)	(18.7)	(42.6)
Total other comprehensive (loss)/income	-	(26.6)	(8.4)	(204.9)	8.1	-	-	(231.8)	(19.7)	(251.5)
Total comprehensive (loss)/income	-	(26.6)	(8.4)	(204.9)	8.1	-	212.4	(19.4)	446.9	427.5
Transaction with owners:										
Distributions	-	-	-	-	-	-	(435.6)	(435.6)	-	(435.6)
Dividends	-	-	-	-	-	-	-	-	(982.3)	(982.3)
At 30 June 2020	68,553.8	(239.4)	(251.5)	(307.6)	(30.3)	213.1	(42,542.2)	25,395.9	19,177.0	44,572.9
At 1 January 2019	68,553.8	(133.8)	(151.5)	(67.1)	(30.1)	182.0	(41,585.6)	26,767.7	19,900.4	46,668.1
Profit for the period	-	-	-	-	-	-	233.4	233.4	587.0	820.4
Other comprehensive (loss)/income:										
Cash flow hedges arising from cross currency interest rate swap contracts and interest rate swap contracts										
Fair value losses recognised directly in reserves	-	-	-	(92.7)	-	-	-	(92.7)	-	(92.7)
Costs of hedging										
Changes in fair value of currency basis spread	-	-	-	-	(0.4)	-	-	(0.4)	-	(0.4)
Share of other comprehensive income of associated companies	-	0.2	-	-	-	-	-	0.2	0.3	0.5
Investments:										
Valuation gains taken to reserves	-	-	3.4	-	-	-	-	3.4	-	3.4
Currency translation differences	-	(2.1)	-	-	-	-	-	(2.1)	(2.4)	(4.5)
Total other comprehensive (loss)/income	-	(1.9)	3.4	(92.7)	(0.4)	-	-	(91.6)	(2.1)	(93.7)
Total comprehensive (loss)/income	-	(1.9)	3.4	(92.7)	(0.4)	-	233.4	141.8	584.9	726.7
Transferred to/(from) reserve	-	0.1	-	-	-	-	(0.1)	-	-	-
Transaction with owners:										
Distributions	-	-	-	-	-	-	(738.7)	(738.7)	-	(738.7)
Dividends	-	-	-	-	-	-	-	-	(92.5)	(92.5)
At 30 June 2019	68,553.8	(135.6)	(148.1)	(159.8)	(30.5)	182.0	(42,091.0)	26,170.8	20,392.8	46,563.6

1(d)(i) Statement of changes in equity for the six months ended 30 June 2020 (Continued)

Trust

	Units in issue HK\$'M	Accumulated losses HK\$'M	Attributable to unitholders HK\$'M
At 1 January 2020	68,553.8	(43,477.3)	25,076.5
Loss and total comprehensive loss for the period	-	(19.2)	(19.2)
Transaction with owners:			
Distributions	-	(435.5)	(435.5)
At 30 June 2020	68,553.8	(43,932.0)	24,621.8
At 1 January 2019	68,553.8	(42,179.3)	26,374.5
Loss and total comprehensive loss for the period	-	(19.0)	(19.0)
Transaction with owners:			
Distributions	-	(738.7)	(738.7)
At 30 June 2019	68,553.8	(42,937.0)	25,616.8

1(d)(ii) Details of any changes in units for the six months ended 30 June 2020

At beginning and at end of the period

Group	
01/01/2020 to 30/06/2020	01/01/2019 to 30/06/2019
8,711,101,022	8,711,101,022

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The financial information set out in Item 1 and 6 of this announcement was extracted from the Condensed Interim Financial Statements which have been reviewed in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by International Auditing and Assurance Standards Board.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).

The review report on the Condensed Interim Financial Statements dated 27 July 2020 issued by PricewaterhouseCoopers LLP is enclosed in Appendix 1.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation used in the preparation of the Condensed Interim Financial Statements for the current period are consistent with those specified in the audited financial statements of HPH Trust and its subsidiary companies (the "Group") for the year ended 31 December 2019 except for the adoption and early adoption of the new standards and amendments to its existing standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to the Group's operations and mandatory for annual accounting periods beginning 1 January 2020. The effect of the adoption of these standards, amendments and interpretations was not material to the Group's results of operations or financial position.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all of the new and revised standards, amendments and interpretations issued by the HKICPA that are relevant to the Group's operations and mandatory for annual period beginning 1 January 2020. The effect of the adoption of these new and revised standards, amendments and interpretations was not material to the Group's results or financial position.

Early adoption of amendments to existing standards

The Group has early adopted Amendments to HKFRS 16 Leases on COVID-19-related rent concessions for the annual period beginning 1 January 2020. The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before 30 June 2021. The amendment does not affect lessors. The effect of the early adoption of this amendment was not material to the Group's results or financial position.

6. **Group's earnings per unit ("EPU") and distribution per unit ("DPU") for the six months ended 30 June 2020**

		01/01/2020 to 30/06/2020	01/01/2019 to 30/06/2019
(i)	Weighted average number of units in issue	8,711,101,022	8,711,101,022
(ii)	Earnings per unit for the period based on the weighted average number of units in issue (HK cents) - Basic and diluted	2.44	2.68
(iii)	Number of units issued at end of the period	8,711,101,022	8,711,101,022
(iv)	Distribution per unit for the period (HK cents) ^(a)	4.30	6.00

Footnote:

(a) HPH Trust will make distribution to unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates.

7(a) **Net asset value ("NAV") attributable to unitholders per unit based on units issued as at 30 June 2020^(a)**

	Group		Trust	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019
Net asset value attributable to unitholders per unit (HK\$) ^(a)	2.92	2.97	2.83	2.88
Net asset value attributable to unitholders per unit after deducting distribution per unit for the financial period ended (HK\$) ^(a)	2.87	2.92	2.78	2.83

Footnote:

(a) The number of units used for computation of NAV per unit is 8,711,101,022 which is the number of units in issue as at 30 June 2020 (31 December 2019: 8,711,101,022).

7(b) **Rate of return^(a)**

Year	Rate of Return (%)
For the six months ended 30 June 2020 ^(b)	(0.1)

Footnotes:

(a) $\text{Rate of Return (\%)} = (A-B)/B \times 100$

A = NAV per unit before interim distribution per unit as of the end of the period

B = NAV per unit as of the beginning of the period (after deducting total distribution per unit for the financial period ended 31 December 2019)

(b) The financial period was from 1 January 2020 to 30 June 2020

8. Value of assets by region as at 30 June 2020

Trust

Kind of assets	Region	Net Asset Value (HK\$'M)	Investment Ratio
Investment in a subsidiary ^(a)	Hong Kong	24,641.3	100.1%
Cash and other assets (after deduction of liabilities)	Singapore	(14.5)	(0.1%)
Other liabilities	Hong Kong	(5.0)	0.0%
Total net assets		24,621.8	100.0%

Group

Region^(b)	Net Asset Value (HK\$'M)	Investment Ratio
Singapore	(14.5)	0.0%
Hong Kong ^(c)	(8,935.0)	(20.1%)
People's Republic of China	53,522.4	120.1%
Total net assets	44,572.9	100.0%

Footnotes:

(a) It represents investment in HPHT Limited, a wholly owned subsidiary of HPH Trust, which is the holding company of the underlying assets of HPH Trust.

(b) It represents the net asset value segmented by geographical locations where the operation is performed.

(c) US\$3.7 billion of bank loans and notes (equivalent to HK\$29,038 million) are grouped under Hong Kong region.

9. Review of performance

Consolidated income statement (01/01/2020-30/06/2020 vs 01/01/2019-30/06/2019)

Revenue and other income for the period was HK\$4,776.7 million, HK\$647.1 million or 11.9% below last year. Combined container throughput^(a) of HIT^(b), COSCO-HIT^(c) and ACT^(d) (collectively “HPHT Kwai Tsing”) decreased by 2.9% as compared to the same period in 2019, primary due to the decrease in intra-Asia, US and transshipment cargoes. The container throughput of YICT^(e) decreased by 12.2% as compared to the same period in 2019, primarily driven by the decrease in the US, EU and empty cargoes. Average revenue per TEU for Hong Kong was below last year, mainly attributed to the increased transshipment mix and write-back of agency fee provision in 2019 following the finalisation of tariff negotiation. Average revenue per TEU for China was comparable to last year.

Cost of services rendered was HK\$1,567.4 million, HK\$333.3 million or 17.5% below last year. This was attributed to lower throughput, savings arising from SPA arrangement and cost control initiatives, RMB depreciation and reduction in operating costs due to PRC government’s supportive measures to COVID-19, but partially offset by the general cost inflations, including the increase in external contractors’ costs. Staff costs were HK\$128.3 million, HK\$19.9 million or 13.4% below last year primarily due to lower headcount, RMB depreciation and reduction in staff costs due to PRC government’s supportive measures to COVID-19, but partially offset by general cost inflations. Depreciation and amortisation was HK\$1,524.4 million, HK\$19.7 million or 1.3% below last year. Other operating income was HK\$64.8 million, HK\$21.9 million or 51.0% above last year. The increase was largely due to the wages subsidy from the Hong Kong Employment Support Scheme and gain on disposal of fixed assets.

Other operating expenses were HK\$252.4 million, HK\$13.7 million or 5.1% below last year, mainly due to savings in general overheads such as business promotion and travelling expenses.

As a result, total operating profit was HK\$1,369.0 million, HK\$238.6 million or 14.8% below last year.

Interest and other finance costs were HK\$428.2 million, HK\$117.3 million or 21.5% below last year, primarily due to lower LIBOR applied on the bank loans’ interest rates and lower interest cost after loan repayment.

Share of profits less losses after tax of associated companies was a loss of HK\$43.1 million, HK\$3.4 million or 7.3% better than last year mainly due to better performance of HICT.

Footnotes:

(a) Represents the allocated throughput from Hong Kong Seaport Joint Operating Alliance with effect from 1 April 2019

(b) HIT means Terminals 4, 6, 7 and two berths in Terminal 9, located at Kwai Tsing, Hong Kong.

(c) COSCO-HIT means Terminal 8 East, located at Kwai Tsing, Hong Kong.

(d) ACT means Terminal 8 West, located at Kwai Tsing, Hong Kong.

(e) YICT means Yantian International Container Terminals, located at Yantian, Shenzhen, China, which comprises Yantian International Container Terminals Phases I & II, Phase III & Phase III Expansion, and Shenzhen Yantian West Port Terminals Phases I & II

9. Review of performance (Continued)

Share of profits less losses after tax of joint ventures was HK\$21.2 million, HK\$0.3 million or 1.4% above last year.

Taxation was HK\$239.9 million, HK\$23.8 million or 11.0% above last year, primarily due to the increase of tax rates upon the expiries of “High and New Technology Enterprise” status of YICT Phase III, but partially offset by lower profit.

Overall, profit was HK\$679.0 million, HK\$141.4 million or 17.2% below last year. Profit attributable to unitholders of HPH Trust was HK\$212.4 million, HK\$21.0 million or 9.0% below last year.

Material changes in statement of financial position and consolidated statement of cash flows

Please refer to footnotes of 1(b)(i) and 1(c).

10. Where a forecast, or a prospect statement, has been previously disclosed to unitholders, any variance between it and the actual results.

No forecast statement for the financial year 2020 has been disclosed.

11. Commentary on the significant trends of the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

The COVID-19 outbreak early this year has spread rapidly worldwide. Precautionary and control measures such as border control, city and regional lockdowns and closure of businesses in many countries including the US and Europe have led to a sharp deceleration of economic activities. Manufacturing in China was at a standstill as factories completely suspended production after the Chinese New Year. Global supply chains and business activities have been disrupted, resulting in a slump in global cargo volume.

HPH Trust, with HPHT Kwai Tsing being a major transshipment hub in the region, and YICT being the premier gateway to China for foreign trade, was inevitably affected. Outbound cargoes to the US and Europe fell to register a double-digit year-on-year fall in the first half of 2020. The throughput decline in the first quarter was 4% at HPHT Kwai Tsing and 16% at YICT. However, in the second quarter, the decline was significantly less - 1% at HPHT Kwai Tsing and 8% at YICT with June in particular seeing encouraging improvement.

Based on the latest developments, manufacturing in China has mostly resumed and many overseas countries have loosened lockdown and border controls. It is expected that the negative impact of COVID-19 on our volume will gradually be reduced.

During this difficult business environment, HPH Trust has been exploring different initiatives to improve performance. HPH Trust remains vigilant about the situation and will continue to focus on operational efficiency and cost management, as evidenced by the formation of Hong Kong Seaport Alliance, to increase the competitiveness of our ports.

To mitigate the sharp downturn in demand caused by COVID-19, shipping lines cut their capacity to maintain rates through an increase in blank sailings and service suspensions. Meanwhile, coordination among alliance members to optimise fleet and capacity continues – HMM joined THE Alliance effective 1 April 2020. Against this backdrop, HPH Trust will continue to build on its strengths and is committed to serving its customers, supporting and complementing this industry shift through its unparalleled mega-vessel handling capabilities and continuous process improvements.

12. Distribution

(a) Current financial period

Any distribution recommended for the current financial period	:	Yes
Amount	:	HK\$374.6 million
Distribution type	:	Cash
Distribution rate	:	4.30 HK cents per unit for the period 1 January 2020 to 30 June 2020
Par value	:	Not applicable
Tax rate	:	Distributions received by either Singapore tax resident Unitholders or non-Singapore tax resident Unitholders are exempted from Singapore income tax and also not subject to Singapore withholding tax. The Unitholders are not entitled to tax credits of any taxes paid by the Trustee-Manager of HPH Trust.

12. Distribution (Continued)

(b) Corresponding period of the immediately preceding financial period

Any distribution declared for the previous corresponding period	:	Yes
Amount	:	HK\$522.7 million
Distribution type	:	Cash
Distribution rate	:	6.00 HK cents per unit for the period 1 January 2019 to 30 June 2019
Par value	:	Not applicable
Tax rate	:	Distributions received by either Singapore tax resident Unitholders or non-Singapore tax resident Unitholders are exempted from Singapore income tax and also not subject to Singapore withholding tax. The Unitholders are not entitled to tax credits of any taxes paid by the Trustee-Manager of HPH Trust.

12. Distribution (Continued)

(c) Date payable

25 September 2020

(d) Record date

The Transfer Books and Register of HPH Trust will be closed at 5:00 p.m. on 5 August 2020 for the purposes of determining each unitholder's entitlement to the Distribution.

Registered unitholders (other than The Central Depository (Pte) Limited ("CDP")), and unitholders whose securities accounts with CDP are credited with units, at 5:00 p.m. on 5 August 2020 will be entitled to the Distribution to be paid on or about 25 September 2020.

13. If no distribution has been declared/recommended, a statement to that effect

Not applicable.

14. General mandate from unitholders for interested person transaction ("IPT")

No IPT general mandate has been obtained.

15. Negative confirmation by the Board

The Board of Directors of Hutchison Port Holdings Management Pte. Limited (as the Trustee-Manager) has confirmed that, to the best of its knowledge, nothing has come to its attention which may render these interim financial results of the Group for the period ended 30 June 2020 to be false or misleading in any material respect.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Trustee-Manager confirms that it has procured the undertakings from its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risk, uncertainties and assumptions. Representative examples of these factors included (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sales/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management of future events.

BY ORDER OF THE BOARD

HUTCHISON PORT HOLDINGS MANAGEMENT PTE. LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE WITH LIMITED LIABILITY)

(COMPANY REGISTRATION NO. 201100749W)

AS TRUSTEE-MANAGER OF HPH TRUST

Ms Kim Yi Hwa

Company Secretary

27 July 2020

17. Outline of the Trustee-Manager

(a) Amount of capital

The Trustee-Manager, Hutchison Port Holdings Management Pte. Limited, has an issued and paid-up capital of HK\$100,001.

(b) Description of business and outline of operation

The Trustee-Manager was incorporated in Singapore under the Companies Act, Chapter 50 of Singapore on 7 January 2011. Its registered office is located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. The Trustee-Manager is an indirect wholly-owned subsidiary of CK Hutchison Holdings Limited.

The Trustee-Manager manages HPH Trust's business with the key objective of providing Unitholders with stable and regular distributions as well as long-term DPU growth.

(c) Miscellaneous

Not applicable.

18. Financial information of the Trustee-Manager

18(a) Income statement for the six months ended 30 June 2020

	01/01/2020 to 30/06/2020	01/01/2019 to 30/06/2019
	HK\$'M	HK\$'M
Revenue and other income	12.6	12.3
Staff costs	(1.1)	(1.5)
Depreciation	(0.1)	-
Other operating expenses	(2.6)	(2.8)
Total operating expenses	(3.8)	(4.3)
Operating profit	8.8	8.0
Finance costs	-	-
Profit before tax	8.8	8.0
Tax	(1.5)	(1.4)
Profit for the period	7.3	6.6

18. Financial information of the Trustee-Manager (Continued)

18(b) Statement of financial position as at 30 June 2020

	30/06/2020	31/12/2019
	HK\$'M	HK\$'M
ASSETS		
Non-current assets		
Fixed assets	-	-
Right-of-use assets	0.3	0.4
Total non-current assets	0.3	0.4
Current assets		
Cash and cash equivalents	2.7	8.7
Trade and other receivables	12.6	12.8
Total current assets	15.3	21.5
Current liabilities		
Trade and other payables	5.9	4.4
Lease liabilities	0.2	0.2
Current tax liabilities	1.6	2.6
Total current liabilities	7.7	7.2
Net current assets	7.6	14.3
Total assets less current liabilities	7.9	14.7
Non-current liability		
Lease liabilities	0.1	0.2
Total non-current liability	0.1	0.2
Net assets	7.8	14.5
EQUITY		
Share capital	0.1	0.1
Reserves	7.7	14.4
Total equity	7.8	14.5



The Board of Directors
Hutchison Port Holdings Management Pte. Limited
(in its capacity as Trustee-Manager of Hutchison Port Holdings Trust)
50 Raffles Place, #32-01
Singapore Land Tower
Singapore 048623

27 July 2020

Dear Sir

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS OF HUTCHISON PORT HOLDINGS TRUST

We have reviewed the accompanying condensed interim financial statements of Hutchison Port Holdings Trust (the “Trust”) and its subsidiaries (the “Group”) set out on pages 1 to 22, which comprise the condensed consolidated statement of financial position of the Group, the condensed statement of financial position of the Trust as at 30 June 2020, and the related condensed consolidated income statement of the Group, the condensed consolidated statement of comprehensive income of the Group, the condensed consolidated statement of changes in equity of the Group, the condensed statement of changes in equity of the Trust, and the condensed consolidated statement of cash flows of the Group for the six months ended 30 June 2020, and other explanatory notes (collectively the “Condensed Interim Financial Statements”). The management of Hutchison Port Holdings Management Pte. Limited, the Trustee-Manager of the Trust, is responsible for the preparation and presentation of these Condensed Interim Financial Statements in accordance with Hong Kong Accounting Standard 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on these Condensed Interim Financial Statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Financial Statements are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, “Interim Financial Reporting”.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 27 July 2020

PricewaterhouseCoopers LLP, 7 Straits View Marina One, East Tower Level 12, Singapore 018936
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