

Hutchison Port Holdings Trust

2020 Financial Results Presentation

for the Year Ended 31 December 2020

Disclaimer

This presentation should be read in conjunction with, and figures herein are based on, the results of Hutchison Port Holdings Trust (“HPH Trust”) for the year ended 31 December 2020 in the SGXNET announcement.

This presentation may contain forward-looking statements that involve risks and uncertainties. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. As these statements and financial information reflect our current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Hutchison Port Holdings Management Pte. Limited (incorporated in the Republic of Singapore with limited liability), a trustee-manager of HPH Trust, of future events.

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1 Key Highlights

Key Highlights

- 2020 full year throughput of HPH Trust's ports was 2% above last year. YICT's throughput was 2% above last year. Combined throughput^(N1) of HIT, COSCO-HIT and ACT (collectively "HPHT Kwai Tsing") was 1% above last year
- Outbound cargoes to the US and EU grew at a faster pace in fourth quarter of 2020 by 33% and 24%, respectively when compared to last year. As a result, both of the outbound cargoes to the US and EU for the year of 2020 were above 2019 by 5%. YICT's full year throughput increase was mainly attributed to the increase in US, EU and transshipment cargoes, but partially offset by decrease in empty cargoes. The growth in HPHT Kwai Tsing's throughput was mainly due to higher transshipment cargoes, but partially offset by the decrease in intra-Asia and US cargoes
- 2020 full year NPAT was HK\$2,012.5 million, HK\$190.8 million or 10% above last year. NPAT attributable to unitholders was HK\$831.4 million, HK\$303.2 million or 57% above last year
- 2020 full year Distribution Per Unit is 12.00 HK cents

N1 Represents the allocated throughput from Hong Kong Seaport Joint Operating Alliance with effect from 1 April 2019

2 Outlook and Prospects

Outlook and Prospects

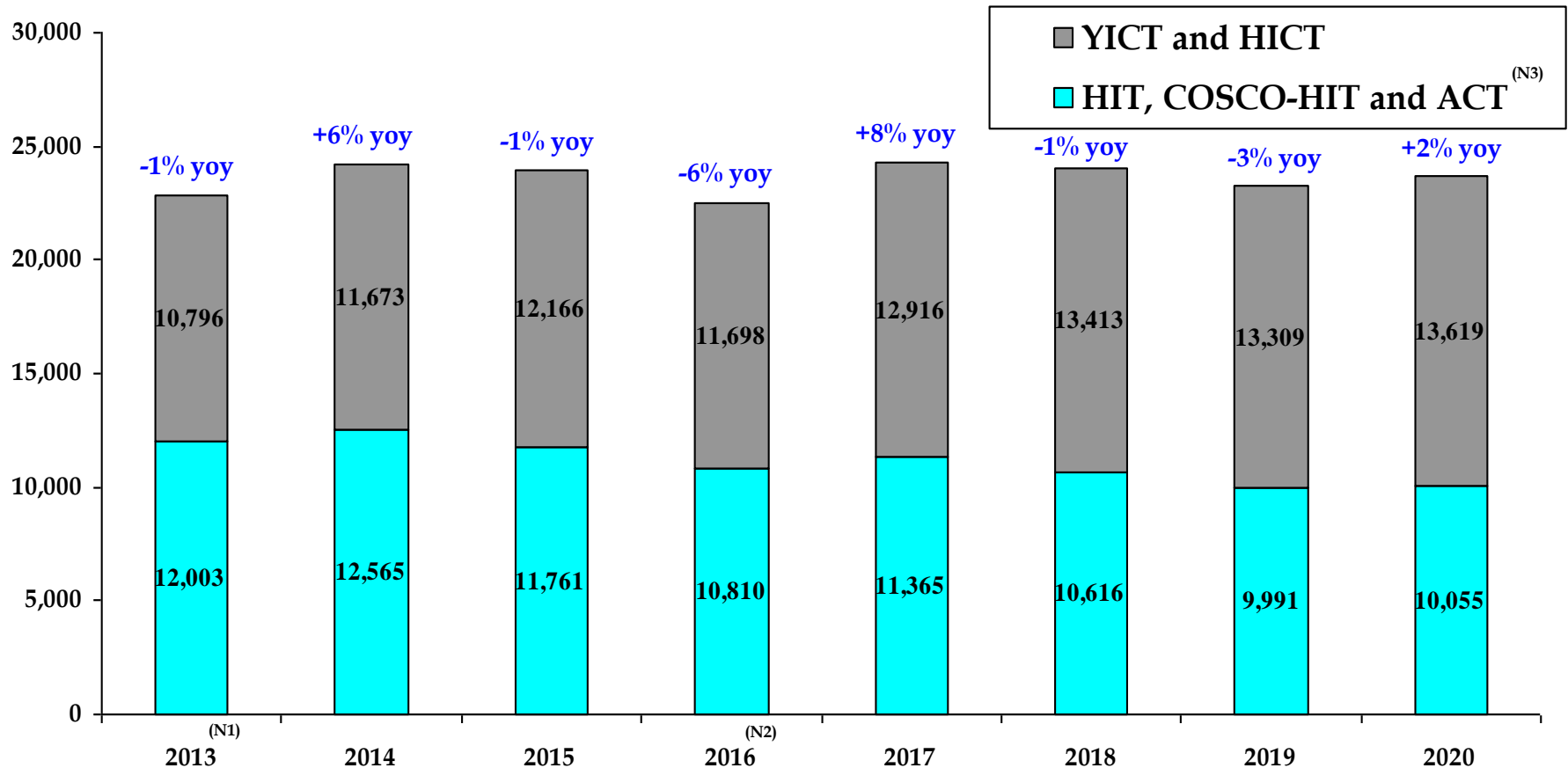
Overview

- 2020 has been a challenging year with an abrupt interruption to trade in the first half followed by a significant upturn in the second half. Shipping lines have been adjusting capacity and schedules to cope with increased outbound cargoes from China, congestion delays at container terminals in Europe and the USA and a shortage of shipping containers. A desirable return to more predictable shipping schedules is awaited
- The increase in outbound cargoes to the US and the Europe in the second half of 2020 of 24% and 18% year on year, respectively, reflects increased household and hospital PPE demand in these regions, airline freighter capacity cuts and efforts to catch up from pandemic disrupted supply chains. It is unclear as to whether these factors will continue to drive cargo volumes in 2021 given the unpredictable economic trajectories of the European and USA economies
- Consequently, in view of the continuing supply chain disruptions and economic uncertainties, management remains cautious about future cargo volumes and will continue to focus on operational efficiency and cost saving measures. HPH Trust continues to build on its strengths and is committed to serving its customers with its unparalleled mega-vessel handling capabilities

3 Business Review for the Year Ended 31 December 2020

Key Business Update

Throughput Volume (TEU in thousand)



N1 Includes throughput volume of ACT after the acquisition in March 2013

N2 Includes throughput volume of HICT after the acquisition in December 2016

N3 Represents the allocated throughput from Hong Kong Seaport Joint Operating Alliance with effect from 1 April 2019

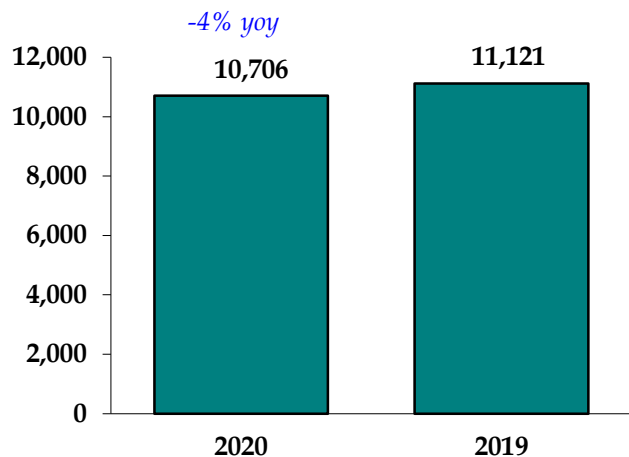
4 Key Financial Performance

Key Financial Performance

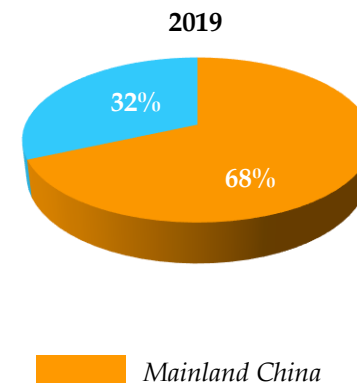
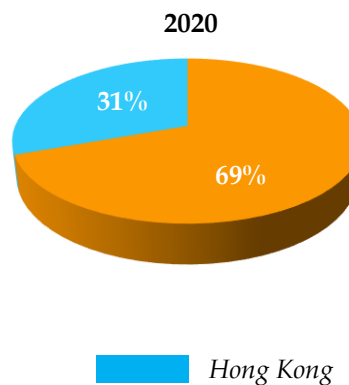
Revenue and other income

For the year ended 31 December 2020

(HK\$ Million)



Segment Information

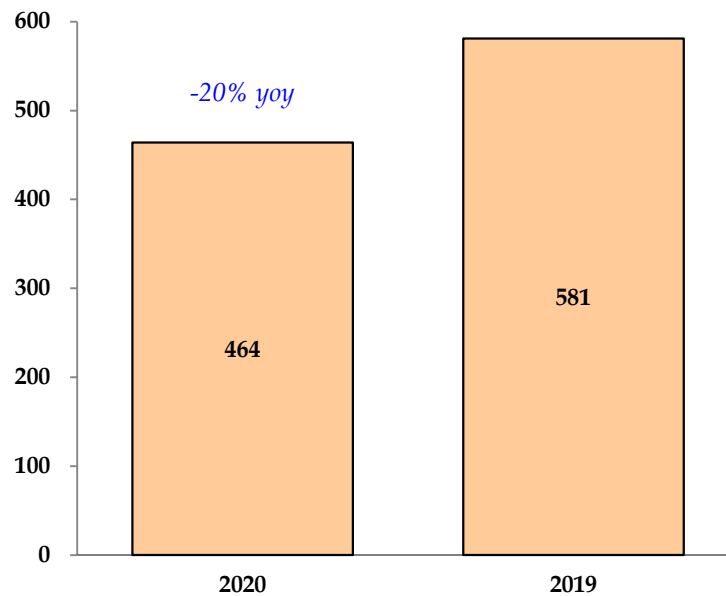


Key Financial Performance

Total Capex

For the year ended 31 December 2020

(HK\$ Million)



Key Financial Performance

Financial Position

	At 31 December 2020 HK\$'Million	At 31 December 2019 HK\$'Million
Short Term Debt	\$3,992.0	\$4,102.5
Long Term Debt	\$25,428.0	\$26,576.4
Total Consolidated Debt	\$29,420.0	\$30,678.9
Total Consolidated Cash	\$7,766.6	\$7,040.2

Key Financial Performance

Distribution

**For the period from
1 January 2020 to
30 June 2020**

**For the period from
1 July 2020 to
31 December 2020**

Distribution Amount

HK\$374.6 million

HK\$670.7 million

Distribution Per Unit (“DPU”)

4.30 HK cents

7.70 HK cents

DPU for the year ended 31 December 2020

12.00 HK cents

2020 distribution – yield (%)

7.8% (at US\$0.198 market price on 31 December 2020)

Ex-distribution date

17 February 2021

Record date

5:00p.m. 18 February 2021

Payment of distribution

26 March 2021

HPH Trust's Results

Full Year 2020 against Last Year

	1 January to 31 December		
	2020 <u>Actual</u>	2019 <u>Actual</u>	% variance <u>Fav/(Unfav)</u>
(HK\$ Million)			
Revenue and other income	10,705.8	11,120.9	(4%)
Cost of services rendered	(3,568.4)	(3,881.6)	8%
Staff costs	(256.4)	(288.0)	11%
Depreciation and amortisation	(3,054.0)	(3,079.7)	1%
Other operating income	193.2	96.4	100%
Other operating expenses	(513.3)	(537.1)	4%
Total operating expenses	(7,198.9)	(7,690.0)	6%
Operating profit	3,506.9	3,430.9	2%
Interest and other finance costs	(766.3)	(1,075.2)	29%
Share of profits less losses after tax of Associated Cos/JVs	(10.1)	(54.0)	81%
Profit before tax	2,730.5	2,301.7	19%
Taxation	(718.0)	(480.0)	(50%)
Profit after tax	2,012.5	1,821.7	10%
Profit after tax attributable to non-controlling interests	(1,181.1)	(1,293.5)	(9%)
Profit after tax attributable to unitholders of HPH Trust	831.4	528.2	57%

There are no material differences between HKFRSs and IFRSs and no material adjustments are required to restate the financial statements of HPH Trust in accordance with IFRSs

Statement of Financial Position as at 31 December 2020 and 31 December 2019

(HK\$'Million)	<u>2020</u>	<u>2019</u>
ASSETS		
Non-current assets		
Fixed assets	22,839.0	23,789.5
Projects under development	478.2	648.1
Leasehold land and land use rights	35,843.7	37,047.0
Railway usage rights	11.1	10.8
Customer relationships	5,167.6	5,501.8
Goodwill	11,270.0	11,270.0
Associated companies	1,032.6	952.5
Joint ventures	2,593.1	2,656.7
Other non-current assets	428.1	560.7
Pension assets	85.7	-
Deferred tax assets	19.3	25.0
Total non-current assets	<u>79,768.4</u>	<u>82,462.1</u>
Current assets		
Cash and bank balances	7,766.6	7,040.2
Trade and other receivables	3,033.6	3,056.0
Inventories	99.3	102.4
Total current assets	<u>10,899.5</u>	<u>10,198.6</u>

Statement of Financial Position as at 31 December 2020 and 31 December 2019 (cont'd)

(HK\$'Million)	<u>2020</u>	<u>2019</u>
Current liabilities		
Trade and other payables	5,517.5	5,783.1
Bank and other debts	3,990.6	4,097.3
Current tax liabilities	278.6	473.9
Total current liabilities	<u>9,786.7</u>	<u>10,354.3</u>
Net current assets/(liabilities)	<u>1,112.8</u>	<u>(155.7)</u>
Total assets less current liabilities	<u>80,881.2</u>	<u>82,306.4</u>
Non-current liabilities		
Bank and other debts	25,328.2	26,459.1
Pension obligations	-	41.7
Deferred tax liabilities	9,536.0	9,918.2
Other non-current liabilities	413.1	324.1
Total non-current liabilities	<u>35,277.3</u>	<u>36,743.1</u>
Net assets	<u>45,603.9</u>	<u>45,563.3</u>
EQUITY		
Units in issue	68,553.8	68,553.8
Reserves	(42,551.8)	(42,702.9)
Net assets attributable to unitholders of HPH Trust	<u>26,002.0</u>	<u>25,850.9</u>
Non-controlling interests	19,601.9	19,712.4
Total equity	<u>45,603.9</u>	<u>45,563.3</u>

Statement of Cash Flows

Full Year 2020 and 2019

(HK\$'Million)	<u>1 January to</u> <u>31 December 2020</u>	<u>1 January to</u> <u>31 December 2019</u>
Operating activities		
Cash generated from operations	6,608.8	6,369.3
Interest and other finance costs paid	(738.4)	(999.5)
Tax paid	(1,285.7)	(735.2)
Net cash from operating activities	<u>4,584.7</u>	<u>4,634.6</u>
Investing activities		
Loan to an associated company	(99.9)	(133.2)
Purchase of fixed assets and projects under development	(463.7)	(581.4)
Proceeds on disposal of fixed assets	24.9	15.8
Dividends received from investments	33.5	25.7
Dividends received from associated companies and joint ventures	142.8	102.5
Interest received	84.9	147.8
Repayment of loan by a joint venture	1.6	1.6
Restricted deposit released	42.0	-
Net cash used in investing activities	<u>(233.9)</u>	<u>(421.2)</u>
Financing activities		
New borrowings	3,870.8	6,210.0
Repayment of borrowings	(5,159.3)	(7,219.0)
Upfront debt transaction costs and facilities fees of borrowings	-	(40.8)
Principal elements of lease payments	(12.7)	(4.4)
Payment to acquire additional interest in a subsidiary company	(9.8)	-
Distributions to unitholders of HPH Trust	(810.1)	(1,261.4)
Dividends to non-controlling interests	(1,461.3)	(1,424.0)
Net cash used in financing activities	<u>(3,582.4)</u>	<u>(3,739.6)</u>
Net changes in cash and cash equivalents	768.4	473.8
Cash and cash equivalents at beginning of the year	6,998.2	6,524.4
Cash and cash equivalents at end of the year	<u>7,766.6</u>	<u>6,998.2</u>

THE WORLD'S LEADING PORT NETWORK