



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 2023

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Footnote:

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

1(a)(i) Condensed consolidated income statement for the six months ended 30 June 2023

	01/01/2023 to 30/06/2023 HK\$'000	01/01/2022 to 30/06/2022 HK\$'000	Favourable/ (Unfavourable) %
Revenue and other income	5,183,060	6,471,451	(19.9)
Cost of services rendered	(1,734,089)	(2,162,952)	19.8
Staff costs	(131,968)	(133,033)	0.8
Depreciation and amortisation	(1,463,720)	(1,514,143)	3.3
Other operating income	45,711	67,831	(32.6)
Other operating expenses	(322,965)	(279,756)	(15.4)
Total operating expenses	(3,607,031)	(4,022,053)	10.3
Operating profit	1,576,029	2,449,398	(35.7)
Interest and other finance costs	(421,736)	(307,791)	(37.0)
Share of profits less losses after tax of associated companies	(45,056)	(42,130)	(6.9)
Share of profits less losses after tax of joint ventures	(8,841)	47,215	(118.7)
Profit before tax	1,100,396	2,146,692	(48.7)
Tax	(424,865)	(632,499)	32.8
Profit for the period	675,531	1,514,193	(55.4)
Allocated as: Profit attributable to non-controlling interests	(580,625)	(797,862)	(27.2)
Profit attributable to unitholders of HPH Trust	94,906	716,331	(86.8)
Earnings per unit attributable to unitholders of HPH Trust	HK cents 1.09	HK cents 8.22	(86.8)

1(a)(ii) Condensed consolidated statement of comprehensive income for the six months ended 30 June 2023

	01/01/2023 to 30/06/2023 HK\$'000	01/01/2022 to 30/06/2022 HK\$'000	Favourable/ (Unfavourable) %
Profit for the period	675,531	1,514,193	(55.4)
Other comprehensive (loss)/income:			
Items that will not be reclassified to profit or loss:			
Investments			
Valuation losses taken to reserves	(17,892)	(16,051)	(11.5)
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)/gains recognised directly in reserves	(23,261)	276,675	(108.4)
Costs of hedging			
Changes in fair value of currency basis spread	2,495	(4,689)	153.2
Share of other comprehensive loss of associated companies	(4,701)	(9,519)	50.6
Share of other comprehensive loss of joint ventures	(42,350)	(19,058)	(122.2)
Currency translation differences	(109,840)	(246,230)	55.4
Total other comprehensive loss for the period	<u>(195,549)</u>	<u>(18,872)</u>	<u>(936.2)</u>
Total comprehensive income for the period	479,982	1,495,321	(67.9)
Allocated as: Attributable to non-controlling interests	<u>(528,120)</u>	<u>(673,801)</u>	<u>(21.6)</u>
Attributable to unitholders of HPH Trust	<u>(48,138)</u>	<u>821,520</u>	<u>(105.9)</u>

Note:

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

1(b)(i) Condensed consolidated statement of financial position as at 30 June 2023

	30/06/2023 HK\$'000	31/12/2022 HK\$'000
ASSETS		
Non-current assets		
Fixed assets	20,021,217	20,357,742
Projects under development	536,707	762,911
Leasehold land and land use rights	32,503,165	33,178,968
Railway usage rights	8,903	9,400
Customer relationships	4,332,050	4,499,154
Goodwill	11,270,044	11,270,044
Associated companies	748,320	204,026
Joint ventures	3,872,808	3,957,599
Other non-current assets	583,338	685,042
Pension assets	115,259	123,213
Deferred tax assets	1,598	5,059
	<u>73,993,409</u>	<u>75,053,158</u>
	-----	-----
Current assets		
Cash and bank balances	7,149,669	10,395,168
Trade and other receivables	2,631,952	3,118,233
Inventories	79,470	79,609
	<u>9,861,091</u>	<u>13,593,010</u>
	-----	-----
Current liabilities		
Trade and other payables	5,830,845	6,014,844
Bank and other debts	1,168,741	5,067,659
Current tax liabilities	337,354	308,015
	<u>7,336,940</u>	<u>11,390,518</u>
	-----	-----
Net current assets	<u>2,524,151</u>	<u>2,202,492</u>
	-----	-----
Total assets less current liabilities	<u>76,517,560</u>	<u>77,255,650</u>
	-----	-----
Non-current liabilities		
Bank and other debts	24,746,617	21,971,912
Deferred tax liabilities	8,539,349	8,883,533
Other non-current liabilities	111,582	123,459
	<u>33,397,548</u>	<u>30,978,904</u>
	-----	-----
Net assets	<u>43,120,012</u>	<u>46,276,746</u>
	-----	-----
EQUITY		
Units in issue	68,553,839	68,553,839
Reserves	(42,491,793)	(41,746,767)
	<u>26,062,046</u>	<u>26,807,072</u>
	-----	-----
Net assets attributable to unitholders of HPH Trust	<u>26,062,046</u>	<u>26,807,072</u>
	-----	-----
Non-controlling interests	17,057,966	19,469,674
	<u>43,120,012</u>	<u>46,276,746</u>
	-----	-----
Total equity	<u>43,120,012</u>	<u>46,276,746</u>

1(b)(ii) Statement of financial position as at 30 June 2023

	30/06/2023 HK\$'000	31/12/2022 HK\$'000
ASSETS		
Non-current asset		
Investment in a subsidiary company	20,949,784	21,666,672
	-----	-----
Current assets		
Cash and bank balances	3,497	5,049
Trade and other receivables	2,692	1,014
	-----	-----
	6,189	6,063
	-----	-----
Current liability		
Trade and other payables	47,625	41,153
	-----	-----
Net current liabilities	(41,436)	(35,090)
	-----	-----
Total assets less current liabilities	20,908,348	21,631,582
	=====	=====
EQUITY		
Units in issue	68,553,839	68,553,839
Reserves	(47,645,491)	(46,922,257)
	-----	-----
Total equity	20,908,348	21,631,582
	=====	=====

1(c) Condensed consolidated statement of cash flows for the six months ended 30 June 2023

	01/01/2023 to 30/06/2023 HK\$'000	01/01/2022 to 30/06/2022 HK\$'000
Operating activities		
Cash generated from operations	2,588,344	3,827,145
Interest and other finance costs paid	(391,915)	(286,251)
Tax paid	(735,744)	(694,966)
	<u>1,460,685</u>	<u>2,845,928</u>
Investing activities		
Loan to an associated company	(904,450)	(159,900)
Purchase of fixed assets and projects under development	(252,668)	(169,737)
(Payment)/proceeds on disposal of fixed assets	(4,017)	294
Dividends received from investments	2,504	2,177
Dividends received from joint ventures	33,600	55,535
Interest received	205,270	31,524
Repayment of loans by an associated company and a joint venture	1,011,200	272,800
	<u>91,439</u>	<u>32,693</u>
Financing activities		
New borrowings	3,925,000	-
Repayment of borrowings	(5,095,000)	(1,700,000)
Principal elements of lease payments	(6,398)	(6,517)
Distributions to unitholders of HPH Trust	(696,888)	(696,888)
Dividends to non-controlling interests	(2,924,337)	(86,303)
	<u>(4,797,623)</u>	<u>(2,489,708)</u>
Net changes in cash and cash equivalents	(3,245,499)	388,913
Cash and cash equivalents at beginning of the period	10,395,168	11,048,007
Cash and cash equivalents at end of the period	<u><u>7,149,669</u></u>	<u><u>11,436,920</u></u>

1(d)(i) Condensed consolidated statement of changes in equity for the six months ended 30 June 2023

	Units in issue HK\$'000	Exchange and other reserves HK\$'000	Revaluation reserve HK\$'000	Hedging reserve HK\$'000	Costs of hedging reserve HK\$'000	Pension reserve HK\$'000	Accumulated losses HK\$'000	Attributable to unitholders HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
Group										
At 1 January 2023	68,553,839	(256,905)	(309,407)	314,682	(2,495)	458,621	(41,951,263)	26,807,072	19,469,674	46,276,746
Profit for the period	-	-	-	-	-	-	94,906	94,906	580,625	675,531
Other comprehensive (loss)/income:										
Investments:										
Valuation losses taken to reserves	-	-	(17,892)	-	-	-	-	(17,892)	-	(17,892)
Cash flow hedges arising from cross currency interest rate swap contracts and interest rate swap contracts										
Fair value losses recognised directly in reserves	-	-	-	(23,261)	-	-	-	(23,261)	-	(23,261)
Costs of hedging										
Changes in fair value of currency basis spread	-	-	-	-	2,495	-	-	2,495	-	2,495
Share of other comprehensive loss of associated companies	-	(3,803)	-	-	-	-	-	(3,803)	(898)	(4,701)
Share of other comprehensive loss of joint ventures	-	(33,862)	-	-	-	-	-	(33,862)	(8,488)	(42,350)
Currency translation differences	-	(66,721)	-	-	-	-	-	(66,721)	(43,119)	(109,840)
Total other comprehensive loss	-	(104,386)	(17,892)	(23,261)	2,495	-	-	(143,044)	(52,505)	(195,549)
Total comprehensive income	-	(104,386)	(17,892)	(23,261)	2,495	-	94,906	(48,138)	528,120	479,982
Transactions with owners:										
Distributions	-	-	-	-	-	-	(696,888)	(696,888)	-	(696,888)
Dividends	-	-	-	-	-	-	-	-	(2,939,828)	(2,939,828)
At 30 June 2023	68,553,839	(361,291)	(327,299)	291,421	-	458,621	(42,553,245)	26,062,046	17,057,966	43,120,012

**1(d)(i) Condensed consolidated statement of changes in equity for the six months ended 30 June 2023
(Continued)**

	Units in issue HK\$'000	Exchange and other reserves HK\$'000	Revaluation reserve HK\$'000	Hedging reserve HK\$'000	Costs of hedging reserve HK\$'000	Pension reserve HK\$'000	Accumulated losses HK\$'000	Attributable to unitholders HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
Group										
At 1 January 2022	68,553,839	69,619	(297,461)	(24,808)	(3,269)	596,658	(41,787,768)	27,106,810	20,292,313	47,399,123
Profit for the period	-	-	-	-	-	-	716,331	716,331	797,862	1,514,193
Other comprehensive (loss)/income:										
Investments:										
Valuation losses taken to reserves	-	-	(16,051)	-	-	-	-	(16,051)	-	(16,051)
Cash flow hedges arising from cross currency interest rate swap contracts and interest rate swap contracts										
Fair value gains recognised directly in reserves	-	-	-	276,675	-	-	-	276,675	-	276,675
Costs of hedging										
Changes in fair value of currency basis spread	-	-	-	-	(4,689)	-	-	(4,689)	-	(4,689)
Share of other comprehensive loss of associated companies	-	(6,820)	-	-	-	-	-	(6,820)	(2,699)	(9,519)
Share of other comprehensive loss of joint ventures	-	(15,462)	-	-	-	-	-	(15,462)	(3,596)	(19,058)
Currency translation differences	-	(128,464)	-	-	-	-	-	(128,464)	(117,766)	(246,230)
Total other comprehensive loss	-	(150,746)	(16,051)	276,675	(4,689)	-	-	105,189	(124,061)	(18,872)
Total comprehensive income	-	(150,746)	(16,051)	276,675	(4,689)	-	716,331	821,520	673,801	1,495,321
Transactions with owners:										
Distributions	-	-	-	-	-	-	(696,888)	(696,888)	-	(696,888)
Dividends	-	-	-	-	-	-	-	-	(86,303)	(86,303)
At 30 June 2022	68,553,839	(81,127)	(313,512)	251,867	(7,958)	596,658	(41,768,325)	27,231,442	20,879,811	48,111,253

1(d)(ii) Statement of changes in equity for the six months ended 30 June 2023

	Units in issue HK\$'000	Accumulated losses HK\$'000	Attributable to unitholders HK\$'000
Trust			
At 1 January 2023	68,553,839	(46,922,257)	21,631,582
Loss and total comprehensive loss for the period	-	(26,346)	(26,346)
Transaction with owners:			
Distributions	-	(696,888)	(696,888)
At 30 June 2023	<u>68,553,839</u>	<u>(47,645,491)</u>	<u>20,908,348</u>
At 1 January 2022	68,553,839	(45,601,462)	22,952,377
Loss and total comprehensive loss for the period	-	(18,992)	(18,992)
Transaction with owners:			
Distributions	-	(696,888)	(696,888)
At 30 June 2022	<u>68,553,839</u>	<u>(46,317,342)</u>	<u>22,236,497</u>

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

The financial information in Appendix I has 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 25 July 2023 issued by PricewaterhouseCoopers LLP is enclosed in Appendix II.

4(a) Net asset value (“NAV”) attributable to unitholders per unit based on units issued as at 30 June 2023^(a)

	Group		Trust	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Net asset value attributable to unitholders per unit (HK\$) ^(a)	2.99	3.08	2.40	2.48
Net asset value attributable to unitholders per unit after deducting distribution per unit for the financial period ended (HK\$) ^(a)	2.94	3.00	2.35	2.40

Note:

(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 2023 (31 December 2022: 8,711,101,022).

4(b) Rate of return^(a)

Year	Rate of Return (%)
For the six months ended 30 June 2023 ^(b)	(0.2%)

Notes:

(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 2022)

(b) The financial period was from 1 January 2023 to 30 June 2023

5. Value of assets by region as at 30 June 2023

Trust

Kind of assets	Region	Net Asset Value (HK\$'000)	Investment Ratio
Investment in a subsidiary ^(a)	Hong Kong	20,949,784	100.2%
Cash and other assets (after deduction of liabilities)	Singapore	(19,935)	(0.1%)
Other liabilities	Hong Kong	(21,501)	(0.1%)
Total net assets		20,908,348	100.0%

Group

Region ^(b)	Net Asset Value (HK\$'000)	Investment Ratio
Singapore	(20,049)	(0.0%)
Hong Kong ^(c)	(5,401,011)	(12.6%)
Mainland China	48,541,072	112.6%
Total net assets	43,120,012	100.0%

Notes:

(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) All bank loans and guaranteed notes are grouped under Hong Kong region.

6. Review of performance

Condensed consolidated income statement (01/01/2023-30/06/2023 vs 01/01/2022-30/06/2022)

Revenue and other income for the period was HK\$5,183.1 million, HK\$1,288.4 million or 19.9% below last year. Combined container throughput^(a) of HIT^(b), COSCO-HIT^(c) and ACT^(d) (collectively “HPHT Kwai Tsing”) decreased by 18.2% in 2023 as compared to the same period in 2022, primarily due to lower local and transshipment cargoes. The container throughput of YICT^(e) decreased by 12.4% in 2023 as compared to the same period in 2022, primarily driven by the decrease in the US, EU and empty cargoes. Average revenue per TEU for Hong Kong and China were below last year, mainly attributed to lower storage income and RMB depreciation.

Cost of services rendered was HK\$1,734.1 million, HK\$428.9 million or 19.8% below last year. This was attributed to lower throughput, RMB depreciation and lower COVID-19 precaution costs, but offset by increase in external contractors’ charge rate and higher fuel and electricity price. Staff costs were HK\$132.0 million, HK\$1.0 million or 0.8% below last year. Depreciation and amortisation was HK\$1,463.7 million, HK\$50.4 million or 3.3% below last year.

Other operating income was HK\$45.7 million, HK\$22.1 million or 32.6% below last year. The decrease was largely due to the wage subsidy received from the Hong Kong Employment Support Scheme in 2022 and less government subsidies received by YICT in 2023.

Other operating expenses were HK\$323.0 million, HK\$43.2 million or 15.4% above last year, mainly due to exchange loss mainly arising from revaluation of YICT’s RMB denominated financial assets.

As a result, total operating profit was HK\$1,576.0 million, HK\$873.4 million or 35.7% below last year.

Notes:

- (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

6. Review of performance (Continued)

Interest and other finance costs were HK\$421.7 million, HK\$113.9 million or 37.0% above last year, primarily due to higher HIBOR and LIBOR applied on the bank loans' interest rates.

Share of profits less losses after tax of associated companies was a loss of HK\$45.1 million, HK\$3.0 million or 6.9% worse than last year mainly due to weaker performance of HICT.

Share of profits less losses after tax of joint ventures was a loss of HK\$8.8 million, HK\$56.0 million or 118.7% below last year mainly due to worse performance in the combined results of COSCO-HIT and ACT driven by lower throughput.

Taxation was HK\$424.9 million, HK\$207.6 million or 32.8% below last year, primarily due to lower profit.

Overall, profit was HK\$675.5 million, HK\$838.7 million or 55.4% below last year. Profit attributable to unitholders of HPH Trust was HK\$94.9 million, HK\$621.4 million or 86.8% below last year.

Material changes in condensed consolidated statement of cash flows

Operating activities

Tax paid was HK\$735.7 million for the period ended 30 June 2023 compared to HK\$695.0 million for the period ended 30 June 2022. The increase was mainly due to timing difference in HIT's and YICT's tax payment.

Financing activities

A bank loan of HK\$3,925 million was drawn down to refinance the US\$500 million bank loan due in March 2023 and US\$150 million bank loan due in September 2023 was additionally repaid during the first half of 2023 whereas for the first half of 2022, the HK\$4,000 million bank loan due in September 2022 was partially repaid.

7. 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 2023 has been disclosed.

8. 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.

China exports to the US and EU has been weak in the first half of the year. However, we are seeing some easing off in volume drop in recent months. For instance in YICT, export to EU dropped by around 11% year-on-year in the first 3 months of 2023, but the yearly reduction has now narrowed to approximately 9% by May and 6% by June. An increase in the number of empty containers coupled with a decrease in laden containers in our yard in recent months may also indicate the market is preparing for a pick-up in export orders in the second half of the year.

In Hong Kong, despite the relaxation of COVID precautionary measures and cross-border controls, cargo volume has not seen substantial recovery in 1H 2023.

Interest rates rose significantly by over 500 basis points in the past 2 years. Interest expense increased by over HK\$110 million year-on-year in 1H 2023. As at 30 June 2023, 63% of HPH Trust's long term debt are on fixed interest rate, which help to reduce our exposure to further interest rate hikes. For every 50 basis point increase, the monthly interest expense would increase by HK\$4.3 million based on the latest loan profile.

HPH Trust embarked on a debt repayment programme since 2017. In the first six months of 2023, HPH Trust continued reducing debts by HK\$1.1 billion to further deleverage its balance sheet and manage its interest rate exposure. This improved position will allow HPH Trust to weather volatility during challenging market conditions.

HPH Trust has committed to reduce overall emissions intensity by 5% between 2021 and 2026. We are pleased to report that we have achieved and exceeded the target. To continue our effort in the sustainability front, management proposes to aim at reducing emissions intensity by 30% between 2021 and 2030.

9. Distribution

(a) Current financial period

Any distribution recommended for the current financial period	:	Yes
Amount	:	HK\$479.1 million
Distribution type	:	Cash
Distribution rate	:	5.50 HK cents per unit for the period 1 January 2023 to 30 June 2023
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.

(b) Corresponding period of the immediately preceding financial period

Any distribution recommended for the previous financial period	:	Yes
Amount	:	HK\$566.2 million
Distribution type	:	Cash
Distribution rate	:	6.50 HK cents per unit for the period 1 January 2022 to 30 June 2022
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.

9. Distribution (Continued)

(c) **Date payable** 22 September 2023

(d) **Record date** The Transfer Books and Register of HPH Trust will be closed at 5:00 p.m. on 2 August 2023 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 2 August 2023 will be entitled to the Distribution to be paid on or about 22 September 2023.

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

Not applicable.

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

No IPT general mandate has been obtained.

12. 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 2023 to be false or misleading in any material respect.

13. 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 risks, 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 Wong Yoen Har
Company Secretary
25 July 2023

14. 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 1967 of Singapore on 7 January 2011. Its registered office is located at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632. The Trustee-Manager is an indirect wholly-owned subsidiary of CK Hutchison Holdings Limited.

The Trustee-Manager has dual responsibilities in safeguarding the interests of unitholders and managing the business of HPH Trust.

(c) Miscellaneous

Not applicable.

15. Financial information of the Trustee-Manager

(a) Income statement for the six months ended 30 June 2023

	01/01/2023 to 30/06/2023 HK\$'000	01/01/2022 to 30/06/2022 HK\$'000
Revenue and other income	19,810	12,863
	-----	-----
Staff costs	(851)	(874)
Depreciation	(91)	(87)
Other operating expenses	(2,862)	(2,641)
Other non-operating income	2	2
	-----	-----
Total operating expenses	(3,802)	(3,600)
	=====	=====
Operating profit	16,008	9,263
Finance costs	(3)	(2)
	-----	-----
Profit before tax	16,005	9,261
Tax	(2,695)	(1,585)
	-----	-----
Profit for the period	<u>13,310</u>	<u>7,676</u>

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

(b) Statement of financial position as at 30 June 2023

	30/06/2023 HK\$'000	31/12/2022 HK\$'000
ASSETS		
Non-current assets		
Fixed assets	-	-
Right-of-use assets	330	418
	<u>330</u>	<u>418</u>
	-----	-----
Current assets		
Cash and cash equivalents	9,333	13,153
Trade and other receivables	19,465	32,855
	<u>28,798</u>	<u>46,008</u>
	-----	-----
Current liabilities		
Trade and other payables	8,286	5,181
Lease liabilities	180	178
Current tax liabilities	2,918	6,544
	<u>11,384</u>	<u>11,903</u>
	-----	-----
Net current assets	<u>17,414</u>	<u>34,105</u>
	-----	-----
Total assets less current liabilities	<u>17,744</u>	<u>34,523</u>
	-----	-----
Non-current liability		
Lease liabilities	153	242
	<u>153</u>	<u>242</u>
	-----	-----
Net assets	<u>17,591</u>	<u>34,281</u>
	-----	-----
EQUITY		
Share capital	100	100
Retained profits	17,491	34,181
	<u>17,591</u>	<u>34,281</u>
Total equity	<u>17,591</u>	<u>34,281</u>
	-----	-----

Appendix I

HUTCHISON PORT HOLDINGS TRUST

(A business trust constituted under the laws of the Republic of Singapore and managed by Hutchison Port Holdings Management Pte. Limited)

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023

HUTCHISON PORT HOLDINGS TRUST

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Note	01/01/2023 to 30/06/2023 HK\$'000	01/01/2022 to 30/06/2022 HK\$'000
Revenue and other income	3	5,183,060	6,471,451
Cost of services rendered		(1,734,089)	(2,162,952)
Staff costs		(131,968)	(133,033)
Depreciation and amortisation		(1,463,720)	(1,514,143)
Other operating income		45,711	67,831
Other operating expenses		(322,965)	(279,756)
Total operating expenses		(3,607,031)	(4,022,053)
Operating profit		1,576,029	2,449,398
Interest and other finance costs	4	(421,736)	(307,791)
Share of profits less losses after tax of associated companies		(45,056)	(42,130)
Share of profits less losses after tax of joint ventures		(8,841)	47,215
Profit before tax		1,100,396	2,146,692
Tax	5	(424,865)	(632,499)
Profit for the period		675,531	1,514,193
Allocated as: Profit attributable to non-controlling interests		(580,625)	(797,862)
Profit attributable to unitholders of HPH Trust		94,906	716,331
Earnings per unit attributable to unitholders of HPH Trust	7	HK cents 1.09	HK cents 8.22

HUTCHISON PORT HOLDINGS TRUST

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

	01/01/2023 to 30/06/2023 HK\$'000	01/01/2022 to 30/06/2022 HK\$'000
Profit for the period	675,531	1,514,193
	-----	-----
Other comprehensive (loss)/income:		
Items that will not be reclassified to profit or loss:		
Investments		
Valuation losses taken to reserves	(17,892)	(16,051)
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)/gains recognised directly in reserves	(23,261)	276,675
Costs of hedging		
Changes in fair value of currency basis spread	2,495	(4,689)
Share of other comprehensive loss of associated companies	(4,701)	(9,519)
Share of other comprehensive loss of joint ventures	(42,350)	(19,058)
Currency translation differences	(109,840)	(246,230)
	-----	-----
Total other comprehensive loss for the period	(195,549)	(18,872)
	-----	-----
Total comprehensive income for the period	479,982	1,495,321
Allocated as: Attributable to non-controlling interests	(528,120)	(673,801)
	-----	-----
Attributable to unitholders of HPH Trust	(48,138)	821,520
	=====	=====

Note:

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

HUTCHISON PORT HOLDINGS TRUST

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023

	Note	30/06/2023 HK\$'000	31/12/2022 HK\$'000
ASSETS			
Non-current assets			
Fixed assets	8	20,021,217	20,357,742
Projects under development	8	536,707	762,911
Leasehold land and land use rights		32,503,165	33,178,968
Railway usage rights		8,903	9,400
Customer relationships		4,332,050	4,499,154
Goodwill	9	11,270,044	11,270,044
Associated companies		748,320	204,026
Joint ventures		3,872,808	3,957,599
Other non-current assets	10	583,338	685,042
Pension assets		115,259	123,213
Deferred tax assets		1,598	5,059
		<u>73,993,409</u>	<u>75,053,158</u>
Current assets			
Cash and bank balances	11	7,149,669	10,395,168
Trade and other receivables		2,631,952	3,118,233
Inventories		79,470	79,609
		<u>9,861,091</u>	<u>13,593,010</u>
Current liabilities			
Trade and other payables		5,830,845	6,014,844
Bank and other debts	12	1,168,741	5,067,659
Current tax liabilities		337,354	308,015
		<u>7,336,940</u>	<u>11,390,518</u>
Net current assets		<u>2,524,151</u>	<u>2,202,492</u>
Total assets less current liabilities		<u>76,517,560</u>	<u>77,255,650</u>
Non-current liabilities			
Bank and other debts	12	24,746,617	21,971,912
Deferred tax liabilities		8,539,349	8,883,533
Other non-current liabilities	13	111,582	123,459
		<u>33,397,548</u>	<u>30,978,904</u>
Net assets		<u>43,120,012</u>	<u>46,276,746</u>
EQUITY			
Units in issue	14	68,553,839	68,553,839
Reserves		(42,491,793)	(41,746,767)
Net assets attributable to unitholders of HPH Trust		<u>26,062,046</u>	<u>26,807,072</u>
Non-controlling interests		17,057,966	19,469,674
Total equity		<u>43,120,012</u>	<u>46,276,746</u>

HUTCHISON PORT HOLDINGS TRUST

**CONDENSED STATEMENT OF FINANCIAL POSITION OF
HUTCHISON PORT HOLDINGS TRUST
AT 30 JUNE 2023**

	Note	30/06/2023 HK\$'000	31/12/2022 HK\$'000
ASSETS			
Non-current asset			
Investment in a subsidiary company		20,949,784	21,666,672
		-----	-----
Current assets			
Cash and bank balances		3,497	5,049
Trade and other receivables		2,692	1,014
		-----	-----
		6,189	6,063
		-----	-----
Current liability			
Trade and other payables		47,625	41,153
		-----	-----
Net current liabilities			
		(41,436)	(35,090)
		-----	-----
Total assets less current liabilities			
		20,908,348	21,631,582
		=====	=====
EQUITY			
Units in issue	14	68,553,839	68,553,839
Reserves		(47,645,491)	(46,922,257)
		-----	-----
Total equity			
		20,908,348	21,631,582
		=====	=====

HUTCHISON PORT HOLDINGS TRUST

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2023

		01/01/2023 to 30/06/2023 HK\$'000	01/01/2022 to 30/06/2022 HK\$'000
	Note		
Operating activities			
Cash generated from operations	15	2,588,344	3,827,145
Interest and other finance costs paid		(391,915)	(286,251)
Tax paid		(735,744)	(694,966)
		<u>1,460,685</u>	<u>2,845,928</u>
Investing activities			
Loan to an associated company		(904,450)	(159,900)
Purchase of fixed assets and projects under development		(252,668)	(169,737)
(Payment)/proceeds on disposal of fixed assets		(4,017)	294
Dividends received from investments		2,504	2,177
Dividends received from joint ventures		33,600	55,535
Interest received		205,270	31,524
Repayment of loans by an associated company and a joint venture		1,011,200	272,800
		<u>91,439</u>	<u>32,693</u>
Financing activities			
New borrowings		3,925,000	-
Repayment of borrowings		(5,095,000)	(1,700,000)
Principal elements of lease payments		(6,398)	(6,517)
Distributions to unitholders of HPH Trust		(696,888)	(696,888)
Dividends to non-controlling interests		(2,924,337)	(86,303)
		<u>(4,797,623)</u>	<u>(2,489,708)</u>
Net changes in cash and cash equivalents		(3,245,499)	388,913
Cash and cash equivalents at beginning of the period		10,395,168	11,048,007
Cash and cash equivalents at end of the period	11	<u>7,149,669</u>	<u>11,436,920</u>

HUTCHISON PORT HOLDINGS TRUST

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Units in issue HK\$'000	Exchange and other reserves HK\$'000	Revaluation reserve HK\$'000	Hedging reserve HK\$'000	Costs of hedging reserve HK\$'000	Pension reserve HK\$'000	Accumulated losses HK\$'000	Attributable to unitholders HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
Group										
At 1 January 2023	68,553,839	(256,905)	(309,407)	314,682	(2,495)	458,621	(41,951,263)	26,807,072	19,469,674	46,276,746
Profit for the period	-	-	-	-	-	-	94,906	94,906	580,625	675,531
Other comprehensive (loss)/income:										
Investments:										
Valuation losses taken to reserves	-	-	(17,892)	-	-	-	-	(17,892)	-	(17,892)
Cash flow hedges arising from cross currency interest rate swap contracts and interest rate swap contracts										
Fair value losses recognised directly in reserves	-	-	-	(23,261)	-	-	-	(23,261)	-	(23,261)
Costs of hedging Changes in fair value of currency basis spread	-	-	-	-	2,495	-	-	2,495	-	2,495
Share of other comprehensive loss of associated companies	-	(3,803)	-	-	-	-	-	(3,803)	(898)	(4,701)
Share of other comprehensive loss of joint ventures	-	(33,862)	-	-	-	-	-	(33,862)	(8,488)	(42,350)
Currency translation differences	-	(66,721)	-	-	-	-	-	(66,721)	(43,119)	(109,840)
Total other comprehensive loss	-	(104,386)	(17,892)	(23,261)	2,495	-	-	(143,044)	(52,505)	(195,549)
Total comprehensive income	-	(104,386)	(17,892)	(23,261)	2,495	-	94,906	(48,138)	528,120	479,982
Transactions with owners:										
Distributions	-	-	-	-	-	-	(696,888)	(696,888)	-	(696,888)
Dividends	-	-	-	-	-	-	-	-	(2,939,828)	(2,939,828)
At 30 June 2023	68,553,839	(361,291)	(327,299)	291,421	-	458,621	(42,553,245)	26,062,046	17,057,966	43,120,012

HUTCHISON PORT HOLDINGS TRUST

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2023 (CONTINUED)

	Units in issue HK\$'000	Exchange and other reserves HK\$'000	Revaluation reserve HK\$'000	Hedging reserve HK\$'000	Costs of hedging reserve HK\$'000	Pension reserve HK\$'000	Accumulated losses HK\$'000	Attributable to unitholders HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
Group										
At 1 January 2022	68,553,839	69,619	(297,461)	(24,808)	(3,269)	596,658	(41,787,768)	27,106,810	20,292,313	47,399,123
Profit for the period	-	-	-	-	-	-	716,331	716,331	797,862	1,514,193
Other comprehensive (loss)/income:										
Investments:										
Valuation losses taken to reserves	-	-	(16,051)	-	-	-	-	(16,051)	-	(16,051)
Cash flow hedges arising from cross currency interest rate swap contracts and interest rate swap contracts										
Fair value gains recognised directly in reserves	-	-	-	276,675	-	-	-	276,675	-	276,675
Costs of hedging Changes in fair value of currency basis spread	-	-	-	-	(4,689)	-	-	(4,689)	-	(4,689)
Share of other comprehensive loss of associated companies	-	(6,820)	-	-	-	-	-	(6,820)	(2,699)	(9,519)
Share of other comprehensive loss of joint ventures	-	(15,462)	-	-	-	-	-	(15,462)	(3,596)	(19,058)
Currency translation differences	-	(128,464)	-	-	-	-	-	(128,464)	(117,766)	(246,230)
Total other comprehensive loss	-	(150,746)	(16,051)	276,675	(4,689)	-	-	105,189	(124,061)	(18,872)
Total comprehensive income	-	(150,746)	(16,051)	276,675	(4,689)	-	716,331	821,520	673,801	1,495,321
Transactions with owners:										
Distributions	-	-	-	-	-	-	(696,888)	(696,888)	-	(696,888)
Dividends	-	-	-	-	-	-	-	-	(86,303)	(86,303)
At 30 June 2022	68,553,839	(81,127)	(313,512)	251,867	(7,958)	596,658	(41,768,325)	27,231,442	20,879,811	48,111,253

HUTCHISON PORT HOLDINGS TRUST

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Units in issue HK\$'000	Accumulated losses HK\$'000	Attributable to unitholders HK\$'000
Trust			
At 1 January 2023	68,553,839	(46,922,257)	21,631,582
Loss and total comprehensive loss for the period	-	(26,346)	(26,346)
Transaction with owners:			
Distributions	-	(696,888)	(696,888)
At 30 June 2023	<u>68,553,839</u>	<u>(47,645,491)</u>	<u>20,908,348</u>
At 1 January 2022	68,553,839	(45,601,462)	22,952,377
Loss and total comprehensive loss for the period	-	(18,992)	(18,992)
Transaction with owners:			
Distributions	-	(696,888)	(696,888)
At 30 June 2022	<u>68,553,839</u>	<u>(46,317,342)</u>	<u>22,236,497</u>

HUTCHISON PORT HOLDINGS TRUST

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1 General information

Hutchison Port Holdings Trust (“Trust” or “HPH Trust”) is a business trust constituted by a deed of trust dated 25 February 2011 (as amended) (the “Trust Deed”) and registered with the Monetary Authority of Singapore. HPH Trust is principally regulated by the Business Trusts Act 2004 of Singapore and Securities and Futures Act 2001 of Singapore. Under the Trust Deed, Hutchison Port Holdings Management Pte. Limited (the “Trustee-Manager”), has declared that it will hold all its assets (including businesses) acquired on trust for the unitholders as the Trustee-Manager of HPH Trust. The registered address of the Trustee-Manager is at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632. HPH Trust was listed on the Main Board of Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 18 March 2011.

HPH Trust is established with the principal investment mandate of investing in, developing, operating and managing deep-water container ports in the Guangdong Province of the China, Hong Kong and Macau. HPH Trust may also invest in other types of port assets including river ports, which are complementary to the deep-water container ports owned by HPH Trust, as well as undertake certain port ancillary services including, but not limited to, trucking, feeder, freight-forwarding, supply chain management, warehousing and distribution services.

2 Basis of preparation and significant accounting policies

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The financial statements have been prepared under the historical cost convention except for investments and derivative financial instruments which are stated at fair value.

There is no material difference in preparing the financial statements using HKFRS and International Financial Reporting Standards (“IFRS”). No material adjustments are required to restate the financial statements prepared under HKFRS to comply with IFRS.

The condensed interim financial statements should be read in conjunction with the 2022 annual consolidated financial statements, which have been prepared in accordance with HKFRS. The accounting policies and estimates applied and presentation used in the condensed interim financial statements are consistent with those set out in the annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the new standards and amendments to its existing standards, which are relevant to the Group’s operations and are applicable to the Group’s accounting periods beginning on 1 January 2023.

HUTCHISON PORT HOLDINGS TRUST

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

2 Basis of preparation and significant accounting policies (Continued)

Adoption of standards and amendments to existing standards

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 2023. 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.

Standards and amendments which are not yet effective

At the date of authorisation of the condensed interim financial statements, the following standards and amendments were in issue and relevant to the Group but not yet effective and have not been early adopted by the Group:

Amendments to HKAS 1 ⁽¹⁾	Classification of Liabilities as Current or Non-current
Amendments to HKFRS Practice Statement 2 ⁽¹⁾	Making Materiality Judgements
Amendments to HKFRS 16 ⁽¹⁾	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1 ⁽¹⁾	Non-current Liabilities with Covenants
Amendments to HKFRS 10 and HKAS 28 ⁽²⁾	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

(1) Effective for annual periods beginning 1 January 2024

(2) New effective date to be determined

The Group is assessing the full impact of these new or revised HKFRS. Certain of them may give rise to change in presentation, disclosure and measurements of certain items in the condensed interim financial statements. It is not expected to have material impact to the Group.

HUTCHISON PORT HOLDINGS TRUST

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

3 Revenue and other income and segment information

(a) Revenue and other income

	01/01/2023 to 30/06/2023 HK\$'000	01/01/2022 to 30/06/2022 HK\$'000
Revenue		
Rendering of port and related services	4,888,036	6,268,255
Rendering of transportation and logistics solutions	89,290	138,680
Management and service fee income	19,792	17,784
System development and support fees	3,623	3,399
Others	608	832
	<u>5,001,349</u>	<u>6,428,950</u>
Other income		
Interest income	181,711	42,501
	<u>5,183,060</u>	<u>6,471,451</u>

(b) Segment information

The chief operating decision maker has been determined to be the executive committee of HPH Trust (the "Executive Committee"). The Executive Committee reviews the internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

HPH Trust is principally engaged in investing in, developing, operating and managing deep-water container ports and port ancillary services and therefore management considers that HPH Trust operates in one single business segment at two geographical locations.

Revenue is recognised over time and disclosures by geographical location are shown below:

	<u>Revenue and other income</u>		<u>Non-current assets</u>	
	01/01/2023 to 30/06/2023 HK\$'000	01/01/2022 to 30/06/2022 HK\$'000	30/06/2023 HK\$'000	31/12/2022 HK\$'000
Hong Kong	1,277,720	1,690,450	19,595,099	20,140,660
Mainland China	3,905,340	4,781,001	54,398,310	54,912,498
	<u>5,183,060</u>	<u>6,471,451</u>	<u>73,993,409</u>	<u>75,053,158</u>

HUTCHISON PORT HOLDINGS TRUST

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

4 Interest and other finance costs

	01/01/2023 to 30/06/2023 HK\$'000	01/01/2022 to 30/06/2022 HK\$'000
Bank loans and overdrafts	275,212	110,321
Guaranteed notes	124,313	173,141
Loans from non-controlling interests	784	840
Lease liabilities	484	328
Other finance costs	20,943	23,161
	<u>421,736</u>	<u>307,791</u>

5 Tax

	01/01/2023 to 30/06/2023 HK\$'000	01/01/2022 to 30/06/2022 HK\$'000
Current tax	765,608	749,628
Deferred tax	(340,743)	(117,129)
	<u>424,865</u>	<u>632,499</u>

6 Distributions

On 25 July 2023, the board of directors of the Trustee-Manager recommended the distribution of 5.50 Hong Kong cents per unit for the six months ended 30 June 2023 amounting to HK\$479.1 million.

On 26 July 2022, the board of directors of the Trustee-Manager recommended the distribution of 6.50 Hong Kong cents per unit for the six months ended 30 June 2022 amounting to HK\$566.2 million.

HUTCHISON PORT HOLDINGS TRUST

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

7 Earnings per unit

The calculation of earnings per unit is based on profit attributable to unitholders of HPH Trust of HK\$94,906,000 for the six months ended 30 June 2023 (30 June 2022: HK\$716,331,000) and on 8,711,101,022 units in issue, which was the weighted average number of units for the period.

Diluted earnings per unit is the same as the basic earnings per unit for the six months ended 30 June 2023 and 2022.

8 Fixed assets and projects under development

During the period from 1 January 2023 to 30 June 2023, the Group acquired fixed assets and projects under development with a cost of HK\$156,484,000 (30 June 2022: HK\$41,278,000). Fixed assets with net book value of HK\$2,934,000 (30 June 2022: HK\$24,000) were disposed of during the period, resulting in a net loss on disposal of HK\$6,951,000 (30 June 2022: net gain on disposal of HK\$270,000).

9 Goodwill

Group	30/06/2023 HK\$'000	31/12/2022 HK\$'000
At beginning of the period/year	11,270,044	11,270,044
Impairment of goodwill (accumulated: HK\$30.4 billion)	-	-
At end of the period/year	<u>11,270,044</u>	<u>11,270,044</u>

HUTCHISON PORT HOLDINGS TRUST

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

10 Other non-current assets

Group	30/06/2023 HK\$'000	31/12/2022 HK\$'000
Investments		
Listed equity security	30,375	29,701
River Ports Economic Benefits (Note)	261,542	280,109
Prepayment for fixed assets	-	50,198
Derivative financial instruments		
Cash flow hedges		
Interest rate swaps	291,421	325,034
	<u>583,338</u>	<u>685,042</u>

Note:

The River Ports Economic Benefits represent the economic interest and benefits of the river ports in Nanhai and Jiangmen, China (together the "River Ports"), including all dividends and any other distributions or other monies payable to a related company or any of its subsidiary companies in its capacity as a shareholder of the relevant holding company of the River Ports arising from the profits attributable to the business of the River Ports and all sale or disposal proceeds derived from such businesses, assets, rights and/or liabilities constituting any part of the business of the River Ports as agreed with a related company and any of its subsidiary companies. The movement is due to change in fair value.

11 Cash and bank balances

Group	30/06/2023 HK\$'000	31/12/2022 HK\$'000
Cash and cash equivalents		
Cash at bank and on hand	1,228,984	1,614,255
Short-term bank deposits	5,920,685	8,780,913
Cash and bank balances	<u>7,149,669</u>	<u>10,395,168</u>

HUTCHISON PORT HOLDINGS TRUST

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

12 Bank and other debts

Group	Current portion HK\$'000	Non-current portion HK\$'000	Total HK\$'000
Unsecured bank loans	1,170,000	13,155,000	14,325,000
Guaranteed notes	-	11,700,000	11,700,000
	<hr/>	<hr/>	<hr/>
Total principal amount of bank and other debts	1,170,000	24,855,000	26,025,000
Unamortised loan facilities fees and discounts related to debts	(1,259)	(108,383)	(109,642)
	<hr/>	<hr/>	<hr/>
At 30 June 2023	<u>1,168,741</u>	<u>24,746,617</u>	<u>25,915,358</u>
	<hr/>	<hr/>	<hr/>
Unsecured bank loans	5,070,000	10,370,000	15,440,000
Guaranteed notes	-	11,700,000	11,700,000
	<hr/>	<hr/>	<hr/>
Total principal amount of bank and other debts	5,070,000	22,070,000	27,140,000
Unamortised loan facilities fees and discounts related to debts	(2,341)	(98,088)	(100,429)
	<hr/>	<hr/>	<hr/>
At 31 December 2022	<u>5,067,659</u>	<u>21,971,912</u>	<u>27,039,571</u>

13 Other non-current liabilities

Group	30/06/2023 HK\$'000	31/12/2022 HK\$'000
Derivative financial instruments:		
Cash flow hedges		
Cross currency interest rate swaps	-	12,847
Less: current portion of cross currency interest rate swaps	-	(12,847)
	<hr/>	<hr/>
Non-current portion of derivative financial instruments	-	-
Lease liabilities	10,859	16,674
Others	100,723	106,785
	<hr/>	<hr/>
	<u>111,582</u>	<u>123,459</u>

HUTCHISON PORT HOLDINGS TRUST

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

14 Units in issue

Group and Trust	Number of units	HK\$'000
At 1 January 2022, 31 December 2022 and 30 June 2023	8,711,101,022	68,553,839

All issued units are fully paid and rank pari passu in all respects.

15 Reconciliation of operating profit to cash generated from operations

	01/01/2023 to 30/06/2023 HK\$'000	01/01/2022 to 30/06/2022 HK\$'000
Operating profit	1,576,029	2,449,398
Depreciation and amortisation	1,463,720	1,514,143
Net loss/(gain) on disposal of fixed assets	6,951	(270)
Dividend income	(21,071)	(14,515)
Interest income	(181,711)	(42,501)
Operating profit before working capital changes	2,843,918	3,906,255
Decrease in inventories	139	1,978
Increase in trade and other receivables	(10,166)	(112,526)
Movement in balances with associated companies and joint ventures	(2,585)	(4,127)
(Decrease)/increase in trade and other payables	(250,916)	18,671
Decrease in pension assets	7,954	16,894
Cash generated from operations	2,588,344	3,827,145

HUTCHISON PORT HOLDINGS TRUST

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

16 Commitments

The Group's capital commitments are as follows:

	30/06/2023 HK\$'000	31/12/2022 HK\$'000
Fixed assets and projects under development Contracted but not provided for	<u>565,541</u>	<u>62,064</u>

The Group's share of capital commitments of the joint ventures are as follows:

	30/06/2023 HK\$'000	31/12/2022 HK\$'000
Contracted but not provided for	<u>2,279,847</u>	<u>2,590,767</u>

HUTCHISON PORT HOLDINGS TRUST

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

17 Related parties transactions

Significant transactions between the Group and related parties during the six months ended 30 June 2023 and 2022 that are carried out in the normal course of business are disclosed below.

(i) Income from and expenses to related parties

	01/01/2023 to 30/06/2023 HK\$'000	01/01/2022 to 30/06/2022 HK\$'000
Income:		
Container handling fees received from joint ventures and related companies (Note a)	6,460	6,232
Management, service and support fee received from related companies (Note b)	23,896	21,769
Transportation management services fee income from related companies (Note c)	6,691	63,082
Interest income from a joint venture and an associated company (Note d)	12,291	14,712
	<u> </u>	<u> </u>
Expenses:		
Container handling charges paid to joint ventures and related companies (Note e)	5,086	6,141
Lease rentals on premises and port facilities paid to a joint venture, an associated company and related companies (Note e)	8,408	8,814
Trustee-Manager's management fees (Note f)		
- Base fee	13,026	12,730
- Development fee	6,538	126
Global support services fees to a related company (Note g)	78,494	77,121
Information technology ("IT") support and maintenance service fees paid to a joint venture and related companies (Note h)	23,707	20,795
	<u> </u>	<u> </u>

HUTCHISON PORT HOLDINGS TRUST

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

17 Related parties transactions (Continued)

(i) Income from and expenses to related parties (Continued)

Notes:

- (a) Container handling fees received from joint ventures and related companies were charged at terms pursuant to the relevant agreements.
- (b) Management, service and support fee received from related companies were charged at terms mutually agreed.
- (c) Revenue from related companies for the provision of transportation management services was charged at prices and terms mutually agreed.
- (d) A loan of RMB545,000,000 approximate to HK\$594,050,000 (30 June 2022: RMB530,000,000 approximate to HK\$620,100,000) provided to an associated company is unsecured, interest bearing at a fixed rate of 2.75% per annum (30 June 2022: fixed rate of 4.0% per annum). As at 30 June 2022, another loan of HK\$120,000,000 provided to a joint venture is interest bearing at Hong Kong Interbank Offered Rate plus 2.1% per annum and is fully repaid in 2023.
- (e) Container handling charges and lease rentals paid to joint ventures and related companies were charged at terms pursuant to relevant agreements.
- (f) The Trustee-Manager's management fees were charged in accordance with the Trust Deed.
- (g) Global support services fees in respect of administration services and licence for certain intellectual property rights were charged at prices and terms mutually agreed.
- (h) IT support and maintenance services fees in respect of the support and maintenance of IT systems paid to a joint venture and related companies were charged at prices and terms mutually agreed.

HUTCHISON PORT HOLDINGS TRUST

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

17 Related parties transactions (Continued)

(ii) Joint Operating Alliance of the Kwai Tsing container terminals

Pursuant to the Hong Kong Seaport Joint Operating Alliance Agreement entered into by Hongkong International Terminals Limited, COSCO-HIT Terminals (Hong Kong) Limited, Asia Container Terminals Limited and Modern Terminals Limited, with effect from 1 April 2019, the parties collaborate with each other for the efficient management and operation of the 23 berths across Terminals 1, 2, 4, 5, 6, 7, 8 and 9 (together the “Combined Terminal Facilities”) in Kwai Tsing. The revenue and costs from the management and operation of the facilities of the Combined Terminal Facilities are shared among the parties at a pre-agreed ratio.

(iii) Key management compensation

Key management of the Group includes managing directors and key management of the deep-water container ports of the Group. The compensation paid or payable to key management for employee services is shown below:

	01/01/2023 to 30/06/2023 HK\$'000	01/01/2022 to 30/06/2022 HK\$'000
Salaries and employee benefits	<u>11,425</u>	<u>12,078</u>

HUTCHISON PORT HOLDINGS TRUST

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

18 Fair value estimation

The table below analyses recurring fair value measurements for financial assets/(liabilities). These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

	Note	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
At 30 June 2023					
Listed equity security	10	30,375	-	-	30,375
River Ports Economic Benefits	10	-	-	261,542	261,542
Cash flow hedges					
Interest rate swaps	10	-	291,421	-	291,421
		<u>30,375</u>	<u>291,421</u>	<u>261,542</u>	<u>583,338</u>

	Note	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
At 31 December 2022					
Listed equity security	10	29,701	-	-	29,701
River Ports Economic Benefits	10	-	-	280,109	280,109
Cash flow hedges					
Interest rate swaps	10	-	325,034	-	325,034
Cross currency interest rate swaps	13	-	(12,847)	-	(12,847)
		<u>29,701</u>	<u>312,187</u>	<u>280,109</u>	<u>621,997</u>

HUTCHISON PORT HOLDINGS TRUST

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

18 Fair value estimation (continued)

The fair value of the cross currency interest rate swaps and interest rate swaps included in level 2 category above are estimated using the present value of the estimated future cash flows based on observable yield curves. The fair value of financial instruments that are not traded in active market (level 3) is determined by discounted cash flow analysis with reference to inputs such as dividend stream.

During the six months ended 30 June 2023 and year ended 31 December 2022, there were no transfers between the Level 1, Level 2 and Level 3 fair value measurements.

At 30 June 2023, the fair value of bank and other debts (note 12) was HK\$24,951.8 million (31 December 2022: HK\$26,084.8 million). The carrying amounts of the remaining financial assets and financial liabilities approximate their fair values.

19 Approval of the financial statements

The condensed interim financial statements set out on pages 1 to 22 were approved by the Board of Directors of the Trustee-Manager for issue on 25 July 2023.



**To the Directors of Hutchison Port Holdings Management Pte. Limited
(in its capacity as Trustee-Manager of Hutchison Port Holdings Trust)**

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

Introduction

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 2023, 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 2023, 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 inquiries, 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.

REP032C 0822

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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”.

Restriction on Distribution and Use

This report has been prepared solely for the Trustee-Manager in accordance with the letter of engagement between us and the Trustee-Manager. We do not accept or assume liability or responsibility to anyone other than Trustee-Manager for our work or this report.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 25 July 2023