



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.

## **ANNUAL GENERAL MEETING TO BE HELD ON 23 APRIL 2025 RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS**

Hutchison Port Holdings Management Pte. Limited, as trustee-manager (the “**Trustee-Manager**”) of Hutchison Port Holdings Trust (“**HPH Trust**” or the “**Trust**”), would like to thank unitholders of HPH Trust (“**Unitholders**”) for submitting their questions in advance of the Annual General Meeting of HPH Trust which will be held at Jasmine Ballroom, Level 3, Sands Expo & Convention Centre, 10 Bayfront Avenue, Singapore 018956 on Wednesday, 23 April 2025 at 11:00 a.m. (Singapore time).

The Trustee-Manager has endeavored to address all substantial and relevant questions received up to 11:00 a.m. on Wednesday, 9 April 2025 (Singapore time). Certain repetitive or similar questions are summarised and addressed together after grouping. Please refer to responses below.

### **Question 1**

**What is the impact on HPH Trust and its operations on tariffs and trade policies under Trump’s regime, especially on the reciprocal tariffs on worldwide goods announced in early April 2025? Does the Board consider this a principle and emerging risk, and what was the mitigating measures in response to this?**

#### **The Trustee-Manager’s Response:**

There have been frequent changes in the United States trade policies in recent months since President Donald Trump’s second inauguration as the president of the United States. For instance, on 2 April 2025, President Trump announced a set of reciprocal tariffs on worldwide goods which was unprecedented in the market.

Any extra tariff duties imposed on imports are expected to bring negative impact to demand of products from the originating countries. It is expected that as trade policies become more complex, besides possible frontloading demand on goods, global trade could be affected when geopolitical tensions increase and consumer confidence in different countries and regions changes.

As mentioned on page 11 of the annual report of HPH Trust for the financial year ended 31 December 2024 (the “**2024 Annual Report**”), HPH Trust anticipates complex landscapes in 2025 due to events including shifts in the United States’ trade policies. In view of this, HPH Trust’s board and management will continue to closely monitor the changing situation and stay focused as a port operator by staying agile to customers’ needs, delivering quality service and focusing on operational efficiency at its ports.

## **Question 2**

**What are the reasons for the downward trend of throughput at HPH Trust's Hong Kong operations in the Kwai Tsing Terminals ("Kwai Tsing") since 2014? Are there any contingency plans for better use of the Kwai Tsing site if throughput in Kwai Tsing continues to drop without signs of recovery?**

### **The Trustee-Manager's Response:**

In the past decade, Kwai Tsing has gone through various challenges including (i) industry-specific events, such as over-capacity and structural consolidation within the shipping industry and (ii) global and macroeconomic events, such as the US-China trade tension and COVID-19. In recent years, cargo volumes at Kwai Tsing did not see a substantial recovery since the easing of COVID-19 precautionary measures and cross-border controls due to the intense competition from ports around the Greater Bay Area.

In 2024, the Hong Kong government introduced initiatives to bolster the city's position as a maritime hub, such as the promotion of green maritime, fuel bunkering and smart port infrastructure, which aligned closely with its strategic priorities. As a key player in the Hong Kong port industry, HPH Trust is working with the Hong Kong government on its initiatives to promote the Kwai Tsing port and to leverage on the Hong Kong government's smart port development. HPH Trust also continues to engage with governments and policymakers in advocating for sector-specific support and increased collaboration in the Greater Bay Area.

In 2024, HPH Trust formed the Shenzhen-Hong Kong Connect port cluster, integrating Kwai Tsing and Yantian International Container Terminals ("**YANTIAN**"). Under the cluster with 36 deep-sea container berths, Kwai Tsing as a "free port" international transshipment hub, is offering extensive access to Intra-Asia, South and Central America, and Oceania markets, while YANTIAN as a pivotal national logistics hub serving hinterland cargoes to the United States and Europe. This is set to strengthen the ports' competitiveness and better position Kwai Tsing for a long-term recovery. A remarkable milestone was the inauguration of the Chongqing-Shenzhen-Hong Kong scheduled rail service, which allows Chongqing cargoes to reach YANTIAN in merely two days for the United States and European markets, and further to Kwai Tsing for Intra-Asia or other high-growth markets.

## **Question 3**

**What is the completion status of YANTIAN East Port Phase I? When will it become operational?**

### **The Trustee-Manager's Response:**

In June 2021, HPH Trust, through its indirect subsidiary, Hutchison Ports Yantian Limited ("**HPYL**"), entered into a joint venture agreement with Shenzhen Port Group Company Limited (formerly known as "Shenzhen Yantian Port Group Company Limited") to establish a 50/50 joint venture to construct, develop, operate and manage phase I of a container terminal with an approximate size of 120 hectares located in the eastern side of YANTIAN ("**East Port Phase I**"). HPH Trust holds 79.45% of the effective interest in HPYL. The capital contribution committed to-date by HPH Trust was approximately RMB1.1 billion and was fully injected into the joint venture company in 2022.

Construction of the project is progressing according to plan and within costs expectation. Reclamation work has been completed, and major cranes have arrived at the port site for safety and compliance testing. The first berth of East Port Phase I is expected to commence operation in 2026.

It is expected that when completed, East Port Phase I will contribute to HPH Trust by adding three automated berths for vessels with a displacement exceeding 200,000 tons to YANTIAN, strengthening YANTIAN's infrastructure, enhancing its capabilities to serve mega-vessels, and positioning YANTIAN as a premier all-round national logistics hub in China.

#### **Question 4**

**What are the gearing ratio and interest coverage ratio of HPH Trust and imposed by banks? Are there any target ratios that the Board would like to achieve? As mentioned on page 192 of 2024 Annual Report, please advise what are the leverage ratios from the externally imposed capital requirement and what is the current leverage ratio of HPH Trust.**

#### **The Trustee-Manager's Response:**

HPH Trust has been maintaining disciplined financial management, as evidenced by the annual debt repayment embarked since 2017. As at 31 December 2024, the gearing ratio of HPH Trust, being the net-debt-to-equity, was 41%, which has decreased from 44% as at 31 December 2016. The interest coverage ratio for 2024, being the consolidated-EBITDA-to-net-interest, was 14.2, also improved from 10.2 in 2016.

The Board is comfortable with the existing ratios and will continue to pursue reduction in net debt level. There are currently no specific targets that it wishes to achieve.

As at 31 December 2024, HPH Trust has bank borrowings of approximately HK\$16 billion, which are unsecured and subject to bank covenants such as interest coverage. Bank covenants are closely monitored by management, and in 2024, HPH Trust complied with all bank covenants with ample headroom.

#### **By Order of the Board**

Hutchison Port Holdings Management Pte. Limited  
(Incorporated in the Republic of Singapore with limited liability)  
(as trustee-manager of Hutchison Port Holdings Trust)  
(Company Registration No. 201100749W)

#### **WONG YOEN HAR**

Company Secretary  
Singapore, 17 April 2025

## **ABOUT HPH TRUST**

HPH Trust is a container port business trust listed in Singapore.

HPH Trust owns interests in world class deep-water container port assets located in two of the world's famous container port cities – Hong Kong and Shenzhen, the People's Republic of China ("**PRC**"). Other assets in the HPH Trust portfolio include the port in Huizhou, PRC, as well as certain port ancillary services and the economic benefits of river ports complementary to the deep-water container ports operated by HPH Trust.

The investment mandate of HPH Trust is principally to invest in, develop, operate and manage deep-water container ports in the Guangdong Province, Hong Kong and Macau, one of the world's largest trading hubs by throughput.