

Hutchison Port Holdings Trust

Your Preferred Port-of-Call

**2017 Financial Results Presentation
for the Quarter Ended 31 March 2017**

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 quarter ended 31 March 2017 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, a trustee-manager of HPH Trust, of future events.

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1 Key Highlights

Key Highlights

- YTD March 2017 throughput of HPH Trust's deep-water ports was 2% above last year. YICT's throughput was 1% below last year. Combined throughput of HIT, COSCO-HIT and ACT (collectively "HPHT Kwai Tsing") increased 3% yoy
- Although outbound cargoes to US and EU grew in the first quarter of 2017, YICT's throughput overall declined compared to 2016 as it was adversely impacted by the decrease in empty and transshipment cargoes. The increase in HPHT Kwai Tsing's throughput was mainly attributed to stronger transshipment cargoes
- Revenue and other income was HK\$2,578.0 million, HK\$173.8 million or 6% below last year. However, the restated % variance^(N1) on revenue and other income was 2% below last year
- Excluding HIT's rent and rates refund in 2016, YTD March 2017 NPAT was HK\$375.9 million, HK\$61.3 million or 14% below last year. NPAT attributable to unitholders was HK\$166.9 million, HK\$31.0 million or 16% below last year
- With HIT's rent and rates refund in 2016, YTD March 2017 NPAT was 53% below last year and NPAT attributable to unitholders was 70% below last year

N1 *In order to allow a more meaningful comparison under co-management arrangement which was effective 1 January 2017, the restated % variance has been calculated assuming i) the co-management arrangement was effective as at 1 January 2016, and ii) including 100% of the revenue and other income of COSCO-HIT and ACT into HPH Trust consolidated results*

2 Outlook and Prospects

Outlook and Prospects

Overview

- Outbound cargoes to the US continued to grow in the first quarter of 2017 driven by the moderate expansion in economic activity in the US with the support of strong employment data. However, there remains a high level of uncertainty over the domestic and global ramifications on the US economy and trade in 2017 as the new US administration commences the roll out of its fiscal policies and initiatives
- The European economic activity is gaining momentum and outbound cargoes to Europe showed a mild uplift in the first quarter of 2017. Despite this, continued weak consumer sentiment and high unemployment rate are still plaguing the sustainability of Europe's economic recovery and the pickup of the European trade in 2017
- In addition to the economic performances of the US and Europe, HPH Trust's performance is also impacted by the outcomes of the structural consolidation within the container shipping industry and the consequent rationalisation of services. The co-management arrangement signed in December 2016 has enabled more efficient use of the facilities and manpower resources

Outlook and Prospects (cont'd)

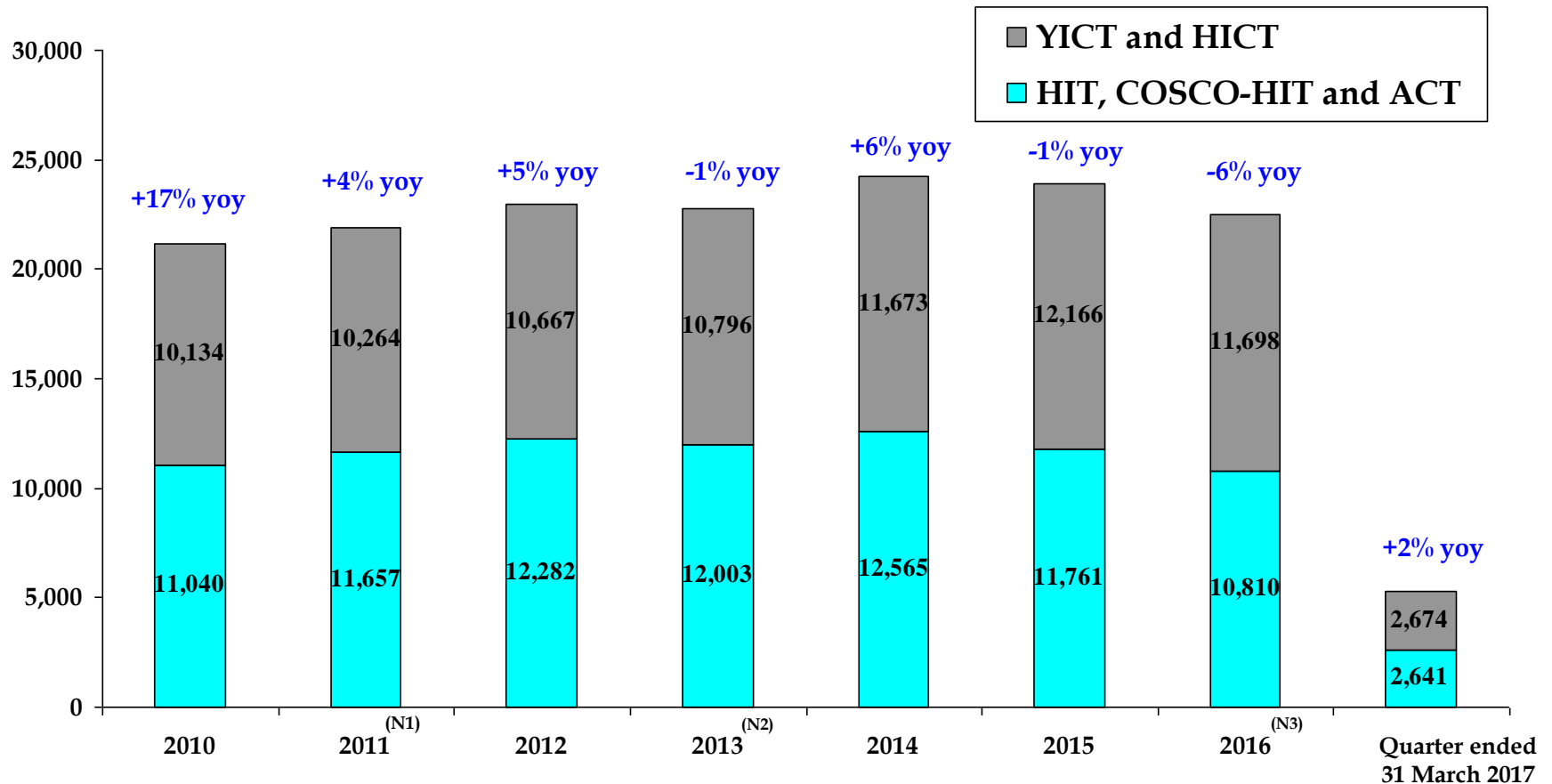
Overview

- Due to adverse market conditions, including overcapacity and low freight rates in 2016, shipping lines will continue to deploy mega-vessels, reform their carrier alliances and expand the coverage of vessel-sharing schemes in 2017 to achieve economies of scale to improve efficiency, lower costs and enhance overall competitiveness. Against this setting, HPH Trust is well positioned to be the preferred port of call given its natural deep-water channels and unparalleled mega-vessel handling capabilities
- The roll-out of the co-management arrangement is progressing well. HPH Trust is confident to deliver the expected cost and operational synergies in 2017
- Given the uncertainty around global trade outlook, management remains cautious on the expected cargo volume for 2017 and will continue to focus on better cost control through improvements in productivity and efficiency
- Given its strong fundamentals, the Trustee-Manager is confident that HPH Trust is well-equipped to respond to external developments and challenges

3 Business Review for the Quarter Ended 31 March 2017

Key Business Update

Throughput Volume (TEU in thousand)



N1 2011 throughput volume is on full year basis (i.e. include the throughput volume before listing) for comparison purpose

N2 Includes throughput volume of ACT after the acquisition in March 2013

N3 Includes throughput volume of HICT after the acquisition in December 2016

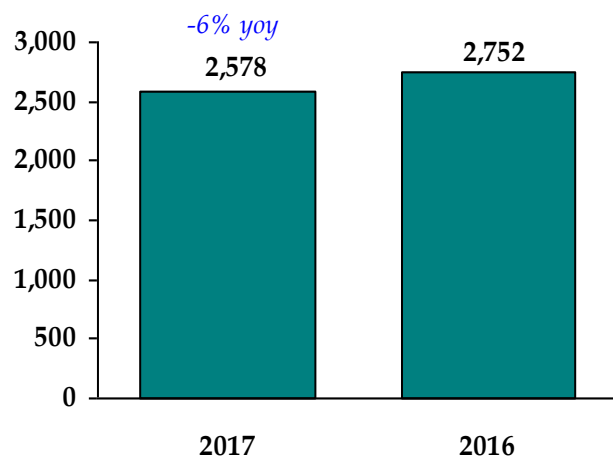
4 Key Financial Performance

Key Financial Performance

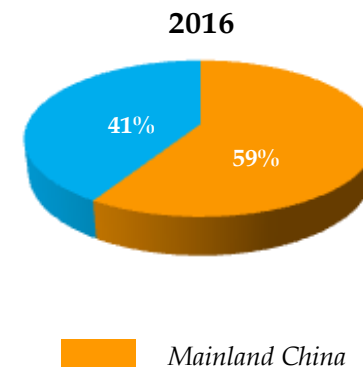
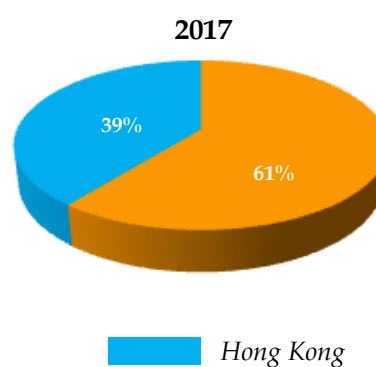
Revenue and other income

For the quarter ended 31 March 2017

(HK\$'Million)



Segment Information

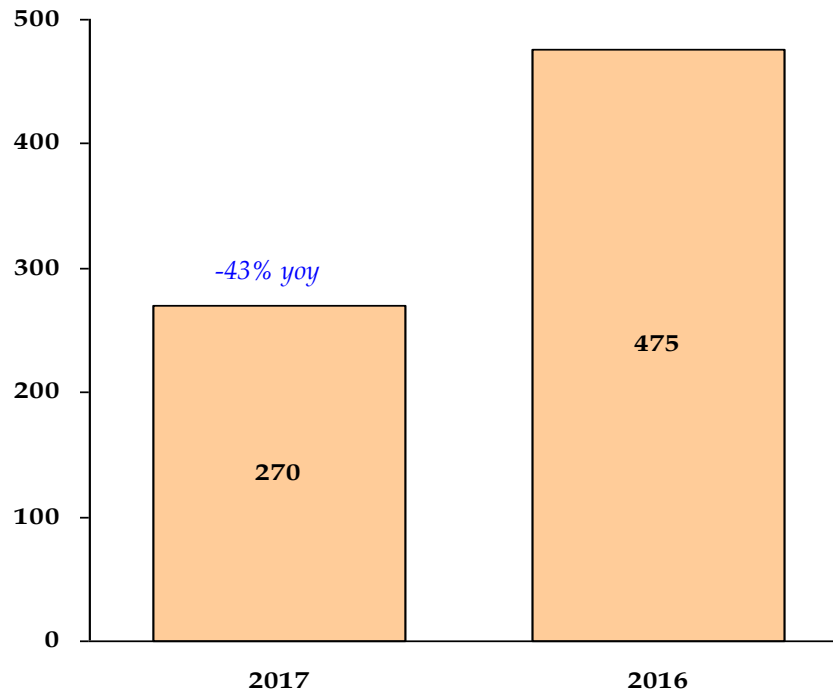


Key Financial Performance

Total Capex

For the quarter ended 31 March 2017

(HK\$ Million)



Key Financial Performance

Financial Position

At 31 March 2017
HK\$'Million

Short Term Debt	\$8,144.5
Long Term Debt	\$25,496.6
Total Consolidated Debt	\$33,641.1
Total Consolidated Cash	\$6,533.0

Financial Results of HPH Trust for the Quarter Ended 31 March 2017 against Last Year

(HK\$ Million)	1 January to 31 March 2017			Restated % variance Fav/(Unfav) (N1)
	2017 Actual	2016 Actual	% variance Fav/(Unfav)	
Revenue and other income	2,578.0	2,751.8	(6%)	(2%)
Cost of services rendered	(918.5)	(1,040.8)	12%	4%
Staff costs	(75.0)	(79.7)	6%	
Depreciation and amortisation	(735.9)	(722.4)	(2%)	
Other operating income	2.5	2.0	25%	
Other operating expenses	(142.1)	(187.7)	24%	9%
Total operating expenses	(1,869.0)	(2,028.6)	8%	
Operating profit	709.0	723.2	(2%)	
Interest and other finance costs	(194.1)	(168.7)	(15%)	
Share of profits/(losses) after tax of Associated Cos/JVs	(12.2)	17.1	(171%)	
Profit before tax	502.7	571.6	(12%)	
Taxation	(126.8)	(134.4)	6%	
Profit after tax and normalisation (a)	375.9	437.2	(14%)	
HIT's rent and rates refund	-	357.0	(100%)	
Profit after tax (b)	375.9	794.2	(53%)	
Profit after tax attributable to non-controlling interests (c)	(209.0)	(239.3)	(13%)	
Profit after tax attributable to unitholders of HPH Trust after normalisation (a) - (c)	166.9	197.9	(16%)	
Profit after tax attributable to unitholders of HPH Trust before normalisation (b) - (c)	166.9	554.9	(70%)	

N1 In order to allow a more meaningful comparison of certain key operating drivers under co-management arrangement which was effective 1 January 2017, the restated % variance has been calculated assuming i) the co-management arrangement was effective as at 1 January 2016, and ii) including 100% of the corresponding line items of COSCO-HIT and ACT into HPH Trust consolidated results

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

Statements of Financial Position as at 31 March 2017 and 31 December 2016

(HK\$'Million)	31 March 2017 Unaudited	31 December 2016 Audited
ASSETS		
Non-current assets		
Fixed assets	24,805.9	25,026.5
Projects under development	1,796.0	1,846.9
Leasehold land and land use rights	40,616.0	40,925.1
Railway usage rights	12.4	12.4
Customer relationships	6,420.8	6,504.4
Goodwill	22,629.0	22,629.0
Associated companies	815.5	842.5
Joint ventures	3,861.2	3,869.9
Other non-current assets	748.3	773.5
Deferred tax assets	12.3	12.5
Total non-current assets	101,717.4	102,442.7
Current assets		
Cash and bank balances	6,533.0	6,999.9
Trade and other receivables	3,449.7	3,818.2
Inventories	120.3	112.3
Total current assets	10,103.0	10,930.4

Statements of Financial Position as at 31 March 2017 and 31 December 2016 (cont'd)

(HK\$'Million)	31 March 2017 <u>Unaudited</u>	31 December 2016 <u>Audited</u>
Current liabilities		
Trade and other payables	7,121.1	7,648.3
Bank and other debts	8,125.2	4,242.2
Current tax liabilities	324.6	259.1
Total current liabilities	<u>15,570.9</u>	<u>12,149.6</u>
Net current liabilities	<u>(5,467.9)</u>	<u>(1,219.2)</u>
Total assets less current liabilities	<u>96,249.5</u>	<u>101,223.5</u>
Non-current liabilities		
Bank and other debts	25,360.6	29,240.6
Pension obligations	283.9	279.1
Deferred tax liabilities	10,864.3	10,932.7
Other non-current liabilities	86.9	89.2
Total non-current liabilities	<u>36,595.7</u>	<u>40,541.6</u>
Net assets	<u>59,653.8</u>	<u>60,681.9</u>
EQUITY		
Units in issue	68,553.8	68,553.8
Reserves	(28,561.0)	(27,305.1)
Net assets attributable to unitholders of HPH Trust	<u>39,992.8</u>	<u>41,248.7</u>
Non-controlling interests	19,661.0	19,433.2
Total equity	<u>59,653.8</u>	<u>60,681.9</u>

Statements of Cash Flows for the Quarter Ended 31 March 2017 and 31 March 2016

(HK\$'Million)	<u>1 January to 31 March 2017</u>	<u>1 January to 31 March 2016</u>
Operating activities		
Cash generated from operations	1,513.1	1,663.3
Interest and other finance costs paid	(178.4)	(154.1)
Tax paid	(129.5)	(273.3)
Net cash from operating activities	<u>1,205.2</u>	<u>1,235.9</u>
Investing activities		
Purchase of fixed assets, projects under development, leasehold land & land use rights	(270.4)	(475.3)
Proceeds on disposal of fixed assets	0.1	0.1
Dividends received from investments	5.0	-
Dividends received from joint ventures	26.0	25.0
Interest received	14.3	9.9
Net cash used in investing activities	<u>(225.0)</u>	<u>(440.3)</u>
Financing activities		
Repayment of borrowing	(1.1)	(11.8)
Distributions to unitholders of HPH Trust	(1,446.0)	(1,629.0)
Net cash used in financing activities	<u>(1,447.1)</u>	<u>(1,640.8)</u>
Net changes in cash and cash equivalents	(466.9)	(845.2)
Cash and cash equivalents at beginning of the quarter	6,957.9	6,840.8
Cash and cash equivalents at end of the quarter	<u>6,491.0</u>	<u>5,995.6</u>

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