

Hutchison Port Holdings Trust

2021 Financial Results Presentation

for the Year Ended 31 December 2021

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 2021 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.

Table of Contents

- 1 Key Highlights
- 2 Outlook and Prospects
- 3 Business Review for the Year Ended 31 December 2021
- 4 Key Financial Performance

1 Key Highlights

Key Highlights

- 2021 full year throughput of HPH Trust's ports was 4% above last year. YICT's throughput was 6% above last year. Combined throughput^(N1) of HIT, COSCO-HIT and ACT (collectively "HPHT Kwai Tsing") was marginally lower than last year
- Outbound cargoes to the US and EU for 2021 were above 2020 volume by 7% and 11%, respectively. YICT's full year throughput increase was mainly attributed to the increase in the US, EU and empty cargoes
- 2021 full year NPAT was HK\$3,527.2 million, HK\$1,514.7 million or 75% above last year. NPAT attributable to unitholders was HK\$1,747.2 million, HK\$915.8 million or 110% above last year
- 2021 full year Distribution Per Unit is 14.50 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

- 2021 has been a challenging but rewarding year for HPH Trust, with significant improvement in financial results arising from increased volume and effective cost control
- The Omicron variant of COVID-19 has been spreading quicker than previous variants leading to a surge in COVID-19 cases around the world. This has resulted in new rounds of precautionary measures, further straining the global supply chain
- Although the economy in the USA and Europe improved in the second half of 2021, disruption of the global supply chain worsened during the second half of 2021. Global port congestions induced delays in moving containers along the supply chain
- Vessel schedule reliability was significantly affected, and the volume of skipped calls accounted for 30% of total volume in 2021, compared with 10% in 2020
- Empty containers could not return to Asia ports in time for transporting export cargoes to the US and Europe. The shortage of empty containers may exert future pressure on the global supply chain as manufacturing in China picks up after Chinese New Year. Management anticipates the continued disruption will linger for an extended period in 2022

Outlook and Prospects (cont'd)

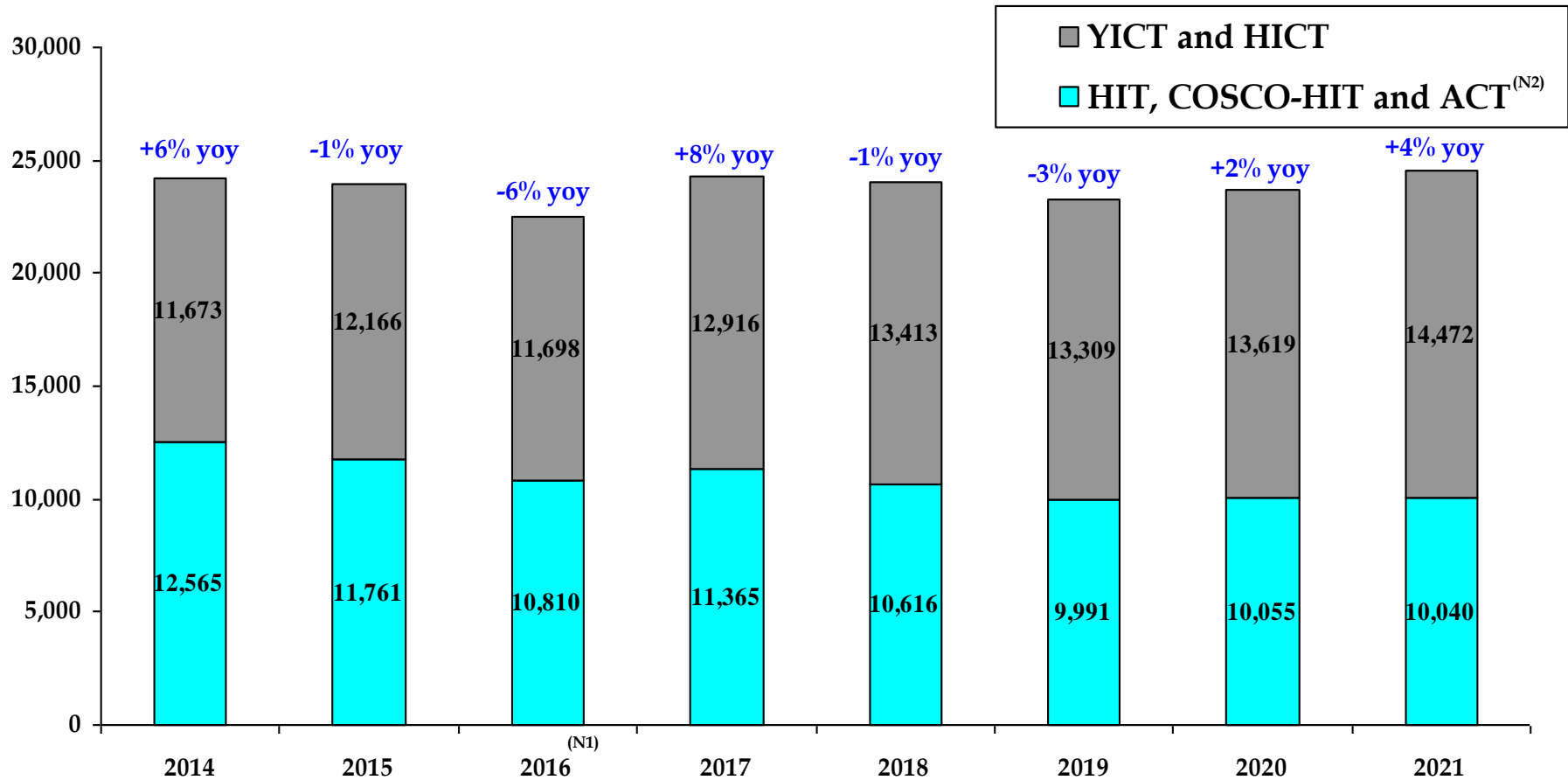
Overview (cont'd)

- Financial market in general expects Federal Fund Rate to increase in 2022, though the timing and size of the expected increase varies amongst market participants. Impact for Federal Fund Rate increase to HPH Trust is expected to be relatively small, as over 80% of its debt has fixed interest rate
- HPH Trust will continue to stay focused in our business in both commercial and operational aspects. HPH Trust is committed to operate its ports as efficiently as possible through manpower management and upgrades to our existing infrastructure, while continuing with our commitment to reduce overall emissions by 5% from 2021 to 2026

3 Business Review for the Year Ended 31 December 2021

Key Business Update

Throughput Volume (TEU in thousand)



N1 Includes throughput volume of HICT after the acquisition in December 2016

N2 Represents the allocated throughput from Hong Kong Seaport Joint Operating Alliance with effect from 1 April 2019

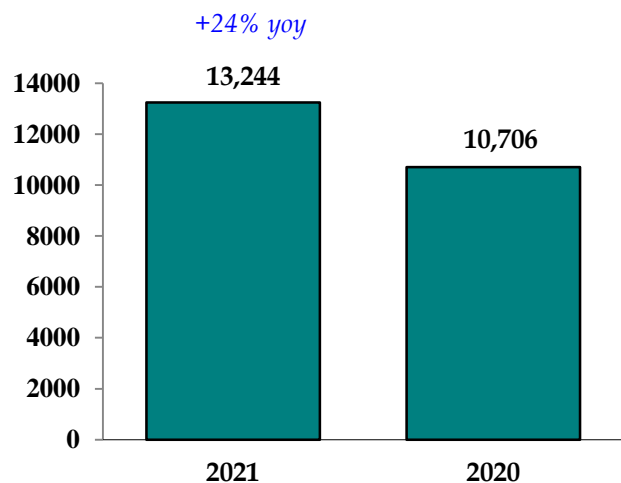
4 Key Financial Performance

Key Financial Performance

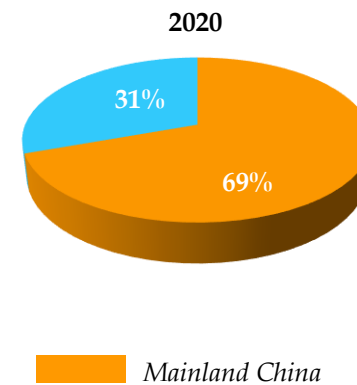
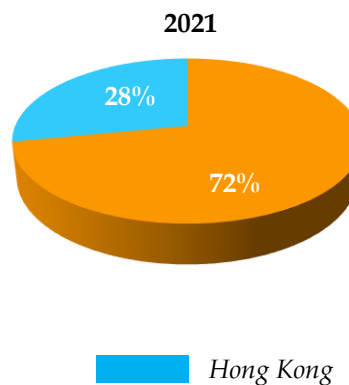
Revenue and other income

For the year ended 31 December 2021

(HK\$ Million)



Segment Information

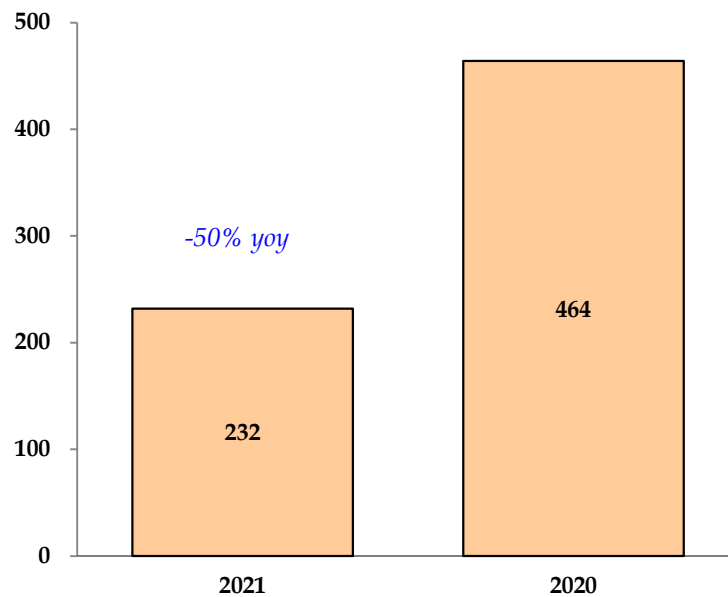


Key Financial Performance

Total Capex

For the year ended 31 December 2021

(HK\$'Million)



Key Financial Performance

Financial Position

At 31 December 2021
HK\$'Million

At 31 December 2020
HK\$'Million

Short Term Debt	\$7,198.0	\$3,992.0
Long Term Debt	\$21,840.0	\$25,428.0
Total Consolidated Debt	\$29,038.0	\$29,420.0
Total Consolidated Cash	\$11,048.0	\$7,766.6

Key Financial Performance

Distribution

**For the period from
1 January 2021 to
30 June 2021**

**For the period from
1 July 2021 to
31 December 2021**

Distribution Amount

HK\$566.2 million

HK\$696.9 million

Distribution Per Unit (“DPU”)

6.50 HK cents

8.00 HK cents

DPU for the year ended 31 December 2021

14.50 HK cents

2021 distribution – yield (%)

8.3% (at US\$0.225 market price on 31 December 2021)

Ex-distribution date

16 February 2022

Record date

5:00p.m. 17 February 2022

Payment of distribution

25 March 2022

HPH Trust's Results

Full Year 2021 against Last Year

	1 January to 31 December		
	2021 <u>Actual</u>	2020 <u>Actual</u>	% variance <u>Fav/(Unfav)</u>
(HK\$'Million)			
Revenue and other income	13,244.1	10,705.8	24%
Cost of services rendered	(4,474.7)	(3,568.4)	(25%)
Staff costs	(257.2)	(256.4)	-
Depreciation and amortisation	(3,050.9)	(3,054.0)	-
Other operating income	417.9	193.2	116%
Other operating expenses	(500.4)	(513.3)	3%
Total operating expenses	(7,865.3)	(7,198.9)	(9%)
Operating profit	5,378.8	3,506.9	53%
Interest and other finance costs	(616.5)	(766.3)	20%
Share of profits less losses after tax of Associated Cos/JVs	34.1	(10.1)	438%
Profit before tax	4,796.4	2,730.5	76%
Taxation	(1,269.2)	(718.0)	(77%)
Profit after tax	3,527.2	2,012.5	75%
Profit after tax attributable to non-controlling interests	(1,780.0)	(1,181.1)	51%
Profit after tax attributable to unitholders of HPH Trust	1,747.2	831.4	110%

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 2021 and 31 December 2020

(HK\$'Million)	<u>2021</u>	<u>2020</u>
ASSETS		
Non-current assets		
Fixed assets	21,646.9	22,839.0
Projects under development	654.5	478.2
Leasehold land and land use rights	34,579.4	35,843.7
Railway usage rights	10.8	11.1
Customer relationships	4,833.4	5,167.6
Goodwill	11,270.0	11,270.0
Associated companies	957.5	1,032.6
Joint ventures	3,018.1	2,593.1
Other non-current assets	509.7	428.1
Pension assets	303.8	85.7
Deferred tax assets	12.0	19.3
Total non-current assets	<u>77,796.1</u>	<u>79,768.4</u>
Current assets		
Cash and bank balances	11,048.0	7,766.6
Trade and other receivables	4,033.0	3,033.6
Inventories	86.6	99.3
Total current assets	<u>15,167.6</u>	<u>10,899.5</u>

Statement of Financial Position as at 31 December 2021 and 31 December 2020 (cont'd)

(HK\$'Million)	<u>2021</u>	<u>2020</u>
Current liabilities		
Trade and other payables	6,713.1	5,517.5
Bank and other debts	7,190.3	3,990.6
Current tax liabilities	422.0	278.6
Total current liabilities	<u>14,325.4</u>	<u>9,786.7</u>
Net current assets	<u>842.2</u>	<u>1,112.8</u>
Total assets less current liabilities	<u>78,638.3</u>	<u>80,881.2</u>
Non-current liabilities		
Bank and other debts	21,730.0	25,328.2
Deferred tax liabilities	9,268.2	9,536.0
Other non-current liabilities	241.0	413.1
Total non-current liabilities	<u>31,239.2</u>	<u>35,277.3</u>
Net assets	<u>47,399.1</u>	<u>45,603.9</u>
EQUITY		
Units in issue	68,553.8	68,553.8
Reserves	(41,447.0)	(42,551.8)
Net assets attributable to unitholders of HPH Trust	27,106.8	26,002.0
Non-controlling interests	20,292.3	19,601.9
Total equity	<u>47,399.1</u>	<u>45,603.9</u>

Statement of Cash Flows

Full Year 2021 and 2020

(HK\$'Million)

Operating activities

	<u>1 January to 31 December 2021</u>	<u>1 January to 31 December 2020</u>
Cash generated from operations	8,624.0	6,608.8
Interest and other finance costs paid	(500.5)	(738.4)
Tax paid	(1,388.7)	(1,285.7)
Net cash from operating activities	<u>6,734.8</u>	<u>4,584.7</u>

Investing activities

Investment in a joint venture	(422.7)	-
Loan to an associated company	(408.3)	(99.9)
Purchase of fixed assets and projects under development	(232.3)	(463.7)
Proceeds on disposal of fixed assets	13.5	24.9
Dividends received from investments	28.9	33.5
Dividends received from associated companies and joint ventures	147.2	142.8
Interest received	59.0	84.9
Repayment of loans by an associated company and a joint venture	276.7	1.6
Restricted deposit released	-	42.0
Net cash used in investing activities	<u>(538.0)</u>	<u>(233.9)</u>

Statement of Cash Flows

Full Year 2021 and 2020 (cont'd)

(HK\$'Million)	<u>1 January to 31 December 2021</u>	<u>1 January to 31 December 2020</u>
Financing activities		
New borrowings	7,800.0	3,870.8
Repayment of borrowings	(8,182.0)	(5,159.3)
Upfront debt transaction costs and facilities fees of borrowings	(64.4)	-
Principal elements of lease payments	(12.7)	(12.7)
Repayment of loan to non-controlling interests	(10.5)	-
Payment to acquire additional interest in a subsidiary company	-	(9.8)
Distributions to unitholders of HPH Trust	(1,237.0)	(810.1)
Dividends to non-controlling interests	(1,208.8)	(1,461.3)
Net cash used in financing activities	<u>(2,915.4)</u>	<u>(3,582.4)</u>
Net changes in cash and cash equivalents	3,281.4	768.4
Cash and cash equivalents at beginning of the year	7,766.6	6,998.2
Cash and cash equivalents at end of the year	<u>11,048.0</u>	<u>7,766.6</u>

THE WORLD'S LEADING PORT NETWORK