

Hutchison Port Holdings Trust

2024 Financial Results Presentation

for the Period Ended 30 June 2024

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 period ended 30 June 2024 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), the trustee-manager of HPH Trust, of future events.

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1 Key Highlights

Key Highlights

- YTD June 2024 throughput of HPH Trust's ports was 4% above last year. YICT's throughput was 11% above last year but the combined throughput^(N1) of HIT, COSCO-HIT and ACT (collectively "HPHT Kwai Tsing") was 7% lower than last year
- Outbound cargoes to the US and EU increased by 16% and 11% yoy in the first six months of 2024
- YTD June 2024 NPAT was HK\$817.2 million, HK\$141.7 million or 21% above last year. NPAT attributable to unitholders was HK\$158.1 million, HK\$63.2 million or 67% above last year
- 2024 interim Distribution Per Unit is 5.00 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

- In the U.S. and Europe, consumer spending remained stable in 1H 2024 as reflected by the consumer confidence indicators
- The earlier than usual stock replenishment in the U.S. ahead of Christmas and the attempt to avoid freight general rate increase contributed to the upward trend of exports to the U.S. and EU in Q2 2024. The peak season has started earlier than usual this year
- The ship attacks at the Red Sea persist in Q2 2024, bringing disruption to global trade and erratic shipping schedules as ships re-routed from the Suez Canal, taking on a longer journey around the Africa continent or in some cases resulting in cancellation of services
- Despite facing the change in shippers' preference and competitive pricing offered by ports in Greater Bay Area, Hong Kong's volume was positively impacted by the disruptions faced by nearby ports, including Singapore as vessels are returning out of schedule due to the Red Sea crisis. Extra loaders have called Hong Kong since June 2024

Outlook and Prospects (cont'd)

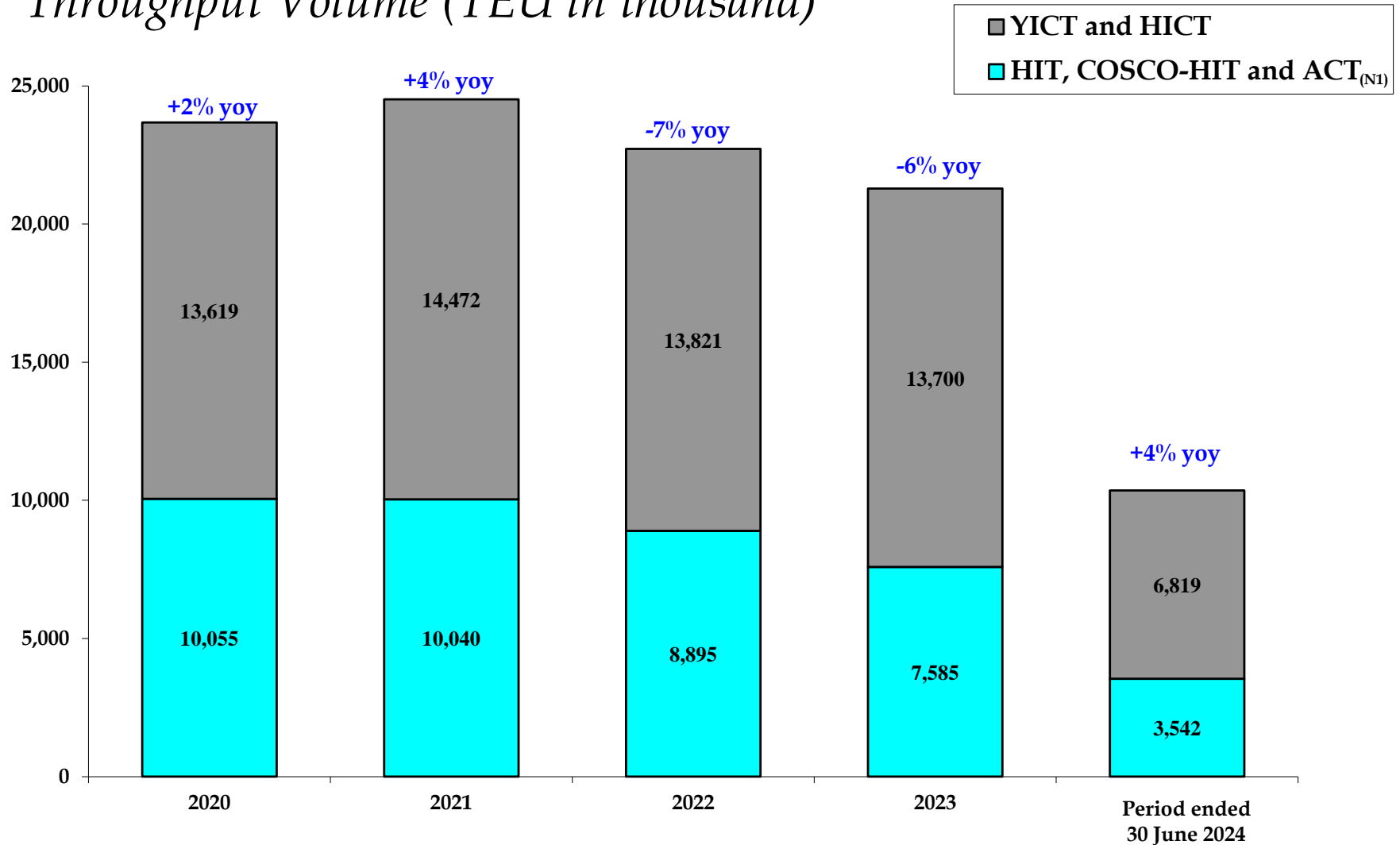
Overview (cont'd)

- As at 30 June 2024, 64% of HPH Trust's debts are on fixed interest rate, which helps reduce its exposure to high interest rate. Most financial market participants are projecting a decrease in interest rate in 2H 2024. HPH Trust's monthly interest expense would decrease by approximately HK\$1.9 million should interest rate decrease by 25 basis points. However, when HPH Trust refinances its debts, approximately HK\$7.8 billion in November 2024 to March 2025, the refinancing interest rate may be significantly higher compared to the relatively low interest rate HPH Trust currently enjoys from loans drawn 4 - 5 years ago given the currently high interest rate environment
- HPH Trust is committed to reduce overall emissions intensity by 30% between 2021 and 2030. It is working with external parties on setting and verifying net zero target, as well as improvement in sustainability disclosure

3 Business Review for the Period Ended 30 June 2024

Key Business Update

Throughput Volume (TEU in thousand)



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

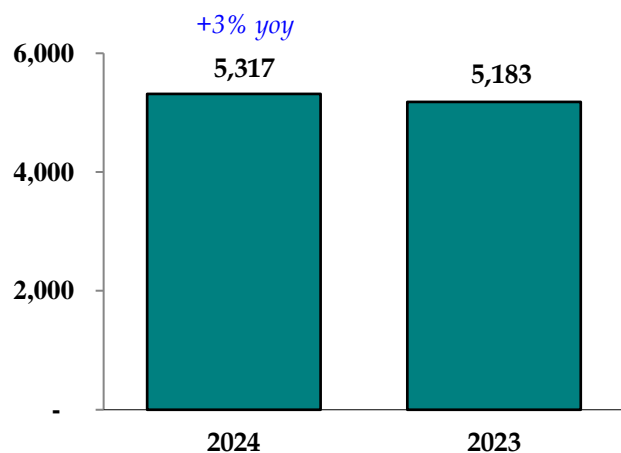
4 Key Financial Performance

Key Financial Performance

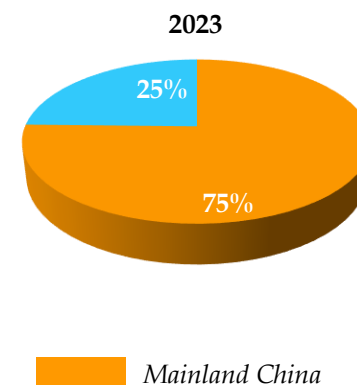
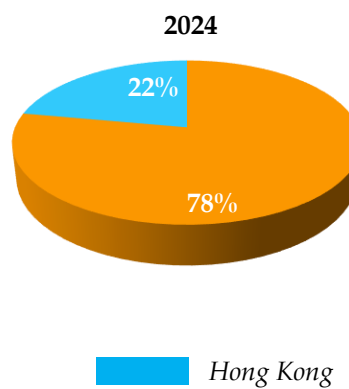
Revenue and other income

For the period ended 30 June 2024

(HK\$'Million)



Segment Information

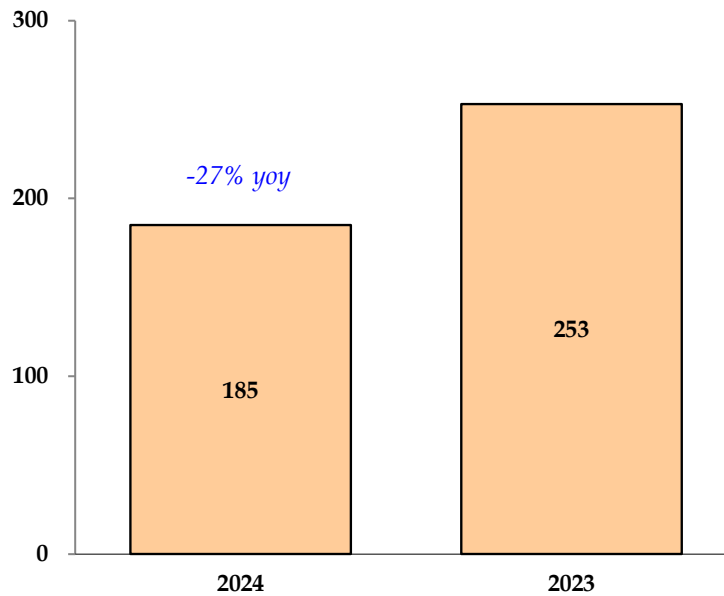


Key Financial Performance

Total Capex

For the period ended 30 June 2024

(HK\$'Million)



Key Financial Performance

Financial Position

	At 30 June 2024 HK\$'Million	At 31 December 2023 HK\$'Million
Short Term Debt	\$8,736.3	\$4,780.5
Long Term Debt	\$16,955.0	\$20,955.0
Total Consolidated Debt	\$25,691.3	\$25,735.5
Total Consolidated Cash	\$6,724.1	\$8,194.9
Net Attributable Debt	\$19,900.5	\$19,795.6

Key Financial Performance

Distribution

**For the period from
1 January 2024 to
30 June 2024**

Distribution Amount

HK\$435.6 million

Distribution Per Unit

5.00 HK cents

Ex-distribution date

30 July 2024

Record date

5:00p.m. 31 July 2024

Payment of distribution

20 September 2024

HPH Trust's Unaudited Results Half Year 2024 against Last Year

(HK\$'Million)	1 January to 30 June		
	2024	2023	% variance
	<u>Actual</u>	<u>Actual</u>	<u>Fav/(Unfav)</u>
Revenue and other income	5,316.8	5,183.1	3%
Cost of services rendered	(1,710.2)	(1,734.1)	1%
Staff costs	(136.1)	(132.0)	(3%)
Depreciation and amortisation	(1,420.7)	(1,463.7)	3%
Other operating income	41.1	45.7	(10%)
Other operating expenses	(252.2)	(323.0)	22%
Total operating expenses	(3,478.1)	(3,607.1)	4%
Operating profit	1,838.7	1,576.0	17%
Interest and other finance costs	(431.5)	(421.7)	(2%)
Share of profits less losses after tax of Associated Cos/JVs	(75.1)	(53.9)	(39%)
Profit before tax	1,332.1	1,100.4	21%
Taxation	(514.9)	(424.9)	(21%)
Profit after tax	817.2	675.5	21%
Profit after tax attributable to non-controlling interests	(659.1)	(580.6)	14%
Profit after tax attributable to unitholders of HPH Trust	158.1	94.9	67%

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 30 June 2024 and 31 December 2023

(HK\$'Million)	30 June 2024 <u>Unaudited</u>	31 December 2023 <u>Audited</u>
ASSETS		
Non-current assets		
Fixed assets	19,279.2	19,622.0
Projects under development	392.5	664.2
Leasehold land and land use rights	31,194.2	31,858.3
Railway usage rights	8.3	8.7
Customer relationships	3,997.8	4,164.9
Goodwill	11,270.0	11,270.0
Associated companies	756.1	778.8
Joint ventures	3,749.3	3,808.2
Other non-current assets	270.1	272.9
Interest rate swaps under cash flow hedges	-	194.0
Pension assets	126.0	131.9
Deferred tax assets	32.4	14.7
Total non-current assets	<u>71,075.9</u>	<u>72,788.6</u>
Current assets		
Cash and bank balances	6,724.1	8,194.9
Trade and other receivables	3,177.8	3,021.2
Interest rate swaps under cash flow hedges	128.1	-
Inventories	75.8	75.9
Total current assets	<u>10,105.8</u>	<u>11,292.0</u>

Statement of Financial Position as at 30 June 2024 and 31 December 2023 (cont'd)

(HK\$'Million)	30 June 2024 <u>Unaudited</u>	31 December 2023 <u>Audited</u>
Current liabilities		
Trade and other payables	5,816.6	6,276.0
Bank and other debts	8,730.0	4,774.8
Current tax liabilities	362.9	286.6
Total current liabilities	<u>14,909.5</u>	<u>11,337.4</u>
Net current liabilities	<u>(4,803.7)</u>	<u>(45.4)</u>
Total assets less current liabilities	<u>66,272.2</u>	<u>72,743.2</u>
Non-current liabilities		
Bank and other debts	16,891.7	20,870.4
Deferred tax liabilities	8,166.9	8,410.6
Other non-current liabilities	107.8	107.2
Total non-current liabilities	<u>25,166.4</u>	<u>29,388.2</u>
Net assets	<u>41,105.8</u>	<u>43,355.0</u>
EQUITY		
Units in issue	68,553.8	68,553.8
Reserves	<u>(43,574.6)</u>	<u>(42,924.6)</u>
Net assets attributable to unitholders of HPH Trust	24,979.2	25,629.2
Non-controlling interests	<u>16,126.6</u>	<u>17,725.8</u>
Total equity	<u>41,105.8</u>	<u>43,355.0</u>

Statement of Cash Flows

Half Year 2024 and 2023

(HK\$'Million)	<u>1 January to 30 June 2024</u>	<u>1 January to 30 June 2023</u>
Operating activities		
Cash generated from operations	3,074.1	2,588.3
Interest and other finance costs paid	(425.0)	(391.9)
Tax paid	(699.1)	(735.7)
Net cash from operating activities	<u>1,950.0</u>	<u>1,460.7</u>
Investing activities		
Loans to an associated company	(492.2)	(904.5)
Purchase of fixed assets and projects under development	(185.3)	(252.7)
Proceeds/(payment) on disposal of fixed assets	0.9	(4.0)
Dividends received from investments	2.1	2.5
Dividends received from joint ventures	-	33.6
Interest received	174.6	205.3
Repayment of loans by an associated company and a joint venture	-	1,011.2
Net cash (used in)/from investing activities	<u>(499.9)</u>	<u>91.4</u>
Financing activities		
New borrowings	463.3	3,925.0
Repayment of borrowings	(490.0)	(5,095.0)
Principal elements of lease payments	(8.3)	(6.4)
Distributions to unitholders of HPH Trust	(670.8)	(696.9)
Dividends to non-controlling interests	(2,215.1)	(2,924.3)
Net cash used in financing activities	<u>(2,920.9)</u>	<u>(4,797.6)</u>
Net changes in cash and cash equivalents	(1,470.8)	(3,245.5)
Cash and cash equivalents at beginning of the period	8,194.9	10,395.2
Cash and cash equivalents at end of the period	<u>6,724.1</u>	<u>7,149.7</u>

THE WORLD'S LEADING PORT NETWORK