



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.

JOINT OPERATING ALLIANCE OF THE KWAI TSING CONTAINER TERMINALS WHICH HUTCHISON PORT HOLDINGS TRUST HAS AN INTEREST IN

Pursuant to Rule 703 of the Listing Manual of Singapore Exchange Securities Trading Limited, Hutchison Port Holdings Management Pte. Limited (the **"Trustee-Manager"**), as trustee-manager of Hutchison Port Holdings Trust (**"HPH Trust"**), wishes to announce that on 8 January 2019, Hongkong International Terminals Limited (**"HIT"**), Modern Terminals Limited (**"MTL"**), COSCO-HIT Terminals (Hong Kong) Limited (**"CHT"**) and Asia Container Terminals Limited (**"ACT"**) entered into a Hong Kong Seaport Joint Operating Alliance Agreement (the **"Agreement"**) regarding the terms on which they will 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"**) of Kwai Tsing, New Territories, Hong Kong (the **"Hong Kong Seaport Alliance"**).

HIT, which owns 12 berths in Terminals 4, 6, 7 and 9 North, is a wholly-owned subsidiary of HPH Trust. MTL, which owns 7 berths in Terminals 1, 2, 5 and 9 South, is a subsidiary of The Wharf (Holdings) Limited. CHT, which owns 2 berths in Terminal 8 East, is effectively held as to 50% by each of COSCO SHIPPING Ports Limited (**"CSPL"**) and HPH Trust through certain intermediary companies. ACT, which owns 2 berths in Terminal 8 West, is effectively held as to 60% and 40%, respectively by CSPL and HPH Trust through certain intermediary companies.

The objective of the Hong Kong Seaport Alliance is to (i) improve the value proposition of the Combined Terminal Facilities in the context of growing regional competition; (ii) maximise efficiencies to the benefit of customers and the industry at large; (iii) optimise utilisation of the Combined Terminal Facilities and cost synergies; and (iv) reduce the environmental impact of such operations in Hong Kong.

Pursuant to the Agreement, the parties will establish an Executive Committee, a Joint Management Committee, a Commercial Committee, a Finance Committee and an Operations Coordination Team in order to govern and manage the Combined Terminal Facilities. The revenue and costs from the management and operation of the facilities of the Combined Terminal Facilities will be shared among the parties at a pre-agreed ratio. The Agreement may be terminated in certain circumstances upon the giving of not less than six months' written notice.

Rationale for the Hong Kong Seaport Alliance

The Trustee-Manager believes that the Hong Kong Seaport Alliance will enable the parties to deploy their facilities and resources in a more cost effective and efficient manner. Taking into account the changing dynamics of the shipping industry, in particular with the formation of strategic alliances between shipping lines and the growing use by lines of larger vessels, the Trustee-Manager is of the view that the Hong Kong Seaport Alliance will enable better utilisation of the existing capacity by increasing the flexibility in the overall berth and yard planning among the 23 berths to better accommodate the need of such shipping alliances. This will result in an enhanced service for customers, thereby increasing the overall competitiveness of the Combined Terminal Facilities.

By Order of the Board

Hutchison Port Holdings Management Pte. Limited

(as trustee-manager of Hutchison Port Holdings Trust)

(Company Registration No. 201100749W)

Mr Lai Kuan Loong Victor

Ms Kim Yi Hwa

Joint Company Secretaries

8 January 2019

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 busiest container port cities by throughput – Kwai Tsing, 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.