



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.

HUTCHISON PORT HOLDINGS TRUST (“HPH Trust”) UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016

TABLE OF CONTENTS

Item No.	Description	Page No.
1(a)(i)	Consolidated income statements	1
1(a)(ii)	Consolidated statements of comprehensive income	2
1(b)(i)	Statements of financial position	3 – 4
1(b)(ii)	Aggregate amount of the Group’s borrowings and debt securities	5
1(c)	Consolidated statements of cash flows	6
1(d)(i)	Statements of changes in equity	7 – 8
1(d)(ii)	Details of any changes in units	9
2&3	Review statement	9
4&5	Changes in accounting policies	9
6	Earnings per unit (“EPU”) and distribution per unit (“DPU”)	10
7	Net asset value (“NAV”) attributable to unitholders per unit	10
8	Review of performance	11 – 13
9	Variance from forecast / prospect statement	14
10	Outlook and prospects	14
11&12	Distribution	15
13	General mandate from unitholders for interested person transaction (“IPT”)	15
14	Negative confirmation by the Board	16
15	Confirmation pursuant to Rule 720(1) of the Listing Manual ^(a)	16
Appendix 1	Auditor’s Review Report	

Footnote:

(a) The listing manual issued by the Singapore Exchange Securities Trading Limited (“Listing Manual”).

1(a)(i) Consolidated income statements for the third quarter and nine months ended 30 September 2016

	Group					
	01/07/2016 to 30/09/2016	01/07/2015 to 30/09/2015	Favorable/ (Unfavorable)	01/01/2016 to 30/09/2016	01/01/2015 to 30/09/2015	Favorable/ (Unfavorable)
	HK\$'M	HK\$'M	%	HK\$'M	HK\$'M	%
Revenue and other income	3,265.2	3,501.7	(6.8)	8,954.8	9,578.1	(6.5)
Cost of services rendered	(1,076.2)	(1,211.1)	11.1	(3,153.6)	(3,525.6)	10.6
Staff costs	(72.4)	(75.8)	4.5	(226.8)	(232.0)	2.2
Depreciation and amortisation	(734.7)	(707.2)	(3.9)	(2,184.4)	(2,104.5)	(3.8)
Other operating income	1.6	8.1	(80.2)	7.8	28.4	(72.5)
Other operating expenses ^(b)	(223.0)	(186.4)	(19.6)	(147.5)	(586.8)	74.9
Total operating expenses	(2,104.7)	(2,172.4)	3.1	(5,704.5)	(6,420.5)	11.2
Operating profit	1,160.5	1,329.3	(12.7)	3,250.3	3,157.6	2.9
Interest and other finance costs	(174.5)	(152.9)	(14.1)	(520.9)	(467.4)	(11.4)
Share of profits less losses after tax of associated companies	5.4	6.3	(14.3)	15.3	16.1	(5.0)
Share of profits less losses after tax of joint ventures	15.6	28.5	(45.3)	50.0	91.7	(45.5)
Profit before tax	1,007.0	1,211.2	(16.9)	2,794.7	2,798.0	(0.1)
Taxation	(195.0)	(262.7)	25.8	(558.1)	(614.0)	9.1
Profit for the period	812.0	948.5	(14.4)	2,236.6	2,184.0	2.4
Allocated as:						
Profit attributable to non-controlling interests	(381.8)	(422.6)	(9.7)	(908.8)	(972.4)	(6.5)
Profit attributable to unitholders of HPH Trust	430.2	525.9	(18.2)	1,327.8	1,211.6	9.6
Earnings per unit attributable to unitholders of HPH Trust	HK cents 4.94	HK cents 6.04	(18.2)	HK cents 15.24	HK cents 13.91	9.6

As in footnote (c), the comparable profit for the period, profit attributable to unitholders of HPH Trust and earnings per unit attributable to unitholders of HPH Trust excluding HIT's rent and rates refund and additional depreciation due to change of an accounting estimate as stated in below footnotes (a) – (b) are as follows:

Profit for the period	827.5	958.7	(13.7)	1,926.1	2,194.2	(12.2)
Profit attributable to unitholders of HPH Trust	442.4	534.1	(17.2)	1,007.5	1,219.8	(17.4)
Earnings per unit attributable to unitholders of HPH Trust	HK cents 5.08	HK cents 6.13	(17.2)	HK cents 11.57	HK cents 14.00	(17.4)

Footnotes:

- (a) Effective from August 2015, the estimated useful life of container handling equipment was changed from 10 - 35 years to 10 - 30 years and hence additional depreciation of HK\$19.0 million (2015: HK\$12.5 million) and HK\$57.1 million (2015: HK\$12.5 million) were provided for the current quarter and the nine-month period respectively.
- (b) Other operating expenses were HK\$147.5 million for the period ended 30 September 2016 whereas it was HK\$586.8 million for the period ended 30 September 2015. The decrease was mainly due to a government rent and rates refund of HK\$430.0 million to HIT during the first quarter of 2016.
- (c) This analysis is provided as additional information and is not directly extracted from the condensed interim financial statements of HPH Trust and its subsidiary companies for the period ended 30 September 2016 ("Condensed Interim Financial Statements").

1(a)(ii) Consolidated statements of comprehensive income for the third quarter and nine months ended 30 September 2016

Group						
01/07/2016 to 30/09/2016	01/07/2015 to 30/09/2015	Favorable/ (Unfavorable)	01/01/2016 to 30/09/2016	01/01/2015 to 30/09/2015	Favorable/ (Unfavorable)	
HK\$'M	HK\$'M	%	HK\$'M	HK\$'M	%	
Profit for the period	812.0	948.5	(14.4)	2,236.6	2,184.0	2.4
Other comprehensive (loss)/ income^(a):						
Items that will not be reclassified to profit or loss:						
Remeasurement of defined benefit plans	-	47.1	N/A	-	47.1	N/A
Items that may be reclassified subsequently to profit or loss:						
Investments						
Valuation losses taken to reserves	(0.3)	(5.4)	94.4	(8.1)	(5.4)	(50.0)
Currency translation differences	(33.8)	(126.7)	73.3	(133.8)	(120.5)	(11.0)
Total other comprehensive loss for the period	(34.1)	(85.0)	59.9	(141.9)	(78.8)	(80.1)
Total comprehensive income for the period	777.9	863.5	(9.9)	2,094.7	2,105.2	(0.5)
Allocated as:						
Attributable to non-controlling interests	(366.4)	(365.0)	0.4	(847.7)	(917.6)	(7.6)
Attributable to unitholders of HPH Trust	411.5	498.5	(17.5)	1,247.0	1,187.6	5.0

Footnote:

(a) Items shown within other comprehensive (loss)/income have no tax effect.

1(b)(i) Statements of financial position as at 30 September 2016

	Group	
	30/09/2016	31/12/2015
	HK\$'M	HK\$'M
ASSETS		
Non-current assets		
Fixed assets	25,093.3	24,480.8
Projects under development	1,639.1	2,966.2
Leasehold land and land use rights	41,295.7	41,269.8
Railway usage rights	13.0	13.9
Customer relationships	6,587.9	6,838.6
Goodwill	22,629.0	22,629.0
Associated companies	172.0	161.3
Joint ventures	3,881.5	3,898.5
Other non-current assets ^(a)	734.6	1,272.1
Deferred tax assets	11.7	12.7
Total non-current assets	102,057.8	103,542.9
Current assets		
Cash and cash equivalents	6,329.6	6,840.8
Trade and other receivables	3,504.4	3,723.4
Inventories	127.7	123.5
Total current assets	9,961.7	10,687.7
Current liabilities		
Trade and other payables	6,100.3	7,295.0
Bank and other debts	5,686.2	8,911.2
Current tax liabilities	359.0	312.7
Total current liabilities	12,145.5	16,518.9
Net current liabilities^(b)	(2,183.8)	(5,831.2)
Total assets less current liabilities	99,874.0	97,711.7
Non-current liabilities		
Bank and other debts	28,011.3	24,082.3
Pension obligations	213.2	200.3
Deferred tax liabilities	10,999.8	11,204.7
Other non-current liabilities	29.1	56.8
Total non-current liabilities	39,253.4	35,544.1
Net assets	60,620.6	62,167.6
EQUITY		
Units in issue	68,553.8	68,553.8
Reserves	(27,555.2)	(25,953.7)
Net assets attributable to unitholders of HPH Trust	40,998.6	42,600.1
Non-controlling interests	19,622.0	19,567.5
Total equity	60,620.6	62,167.6

Footnotes:

- (a) The other non-current assets decreased from HK\$1,272.1 million as at 31 December 2015 to HK\$734.6 million as at 30 September 2016, mainly due to the prepayment of leasehold land for YICT's West Port Phase II project being transferred to the leasehold land and land use rights.
- (b) Net current liabilities were HK\$2,183.8 million as at 30 September 2016 which mainly consisted of the US\$0.5 billion (approximately HK\$3.9 billion) 2-year term loan facility, expiring in May 2017 and YICT's bank loan of HK\$1.5 billion, expiring in November 2016.

1(b)(i) Statements of financial position as at 30 September 2016 (Continued)

	Trust	
	30/09/2016	31/12/2015
	HK\$'M	HK\$'M
ASSETS		
Non-current asset		
Investment in a subsidiary company	54,675.0	57,561.3
Total non-current asset	54,675.0	57,561.3
Current assets		
Cash and cash equivalents	4.2	3.7
Trade and other receivables	1.3	1.3
Total current assets	5.5	5.0
Current liability		
Trade and other payables	38.9	52.3
Total current liability	38.9	52.3
Net current liabilities	(33.4)	(47.3)
Total assets less current liabilities	54,641.6	57,514.0
Net assets	54,641.6	57,514.0
EQUITY		
Units in issue	68,553.8	68,553.8
Reserves	(13,912.2)	(11,039.8)
Total equity	54,641.6	57,514.0

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities as at 30 September 2016

Group	Current portion HK\$'M	Non-current portion HK\$'M	Total HK\$'M
Unsecured bank loans	5,685.4	20,200.0	25,885.4
Secured bank loans	4.6	75.4	80.0
Guaranteed notes	-	7,800.0	7,800.0
Total principal amount of bank and other debts	5,690.0	28,075.4	33,765.4
Unamortised loan facilities fees and discounts related to debts	(3.8)	(123.2)	(127.0)
Unrealised gain on bank and other debts pursuant to interest rate swap contracts	-	59.1	59.1
	5,686.2	28,011.3	33,697.5

Aggregate amount of the Group's borrowings and debt securities as at 31 December 2015

Group	Current portion HK\$'M	Non-current portion HK\$'M	Total HK\$'M
Unsecured bank loans	8,819.2	16,420.0	25,239.2
Secured bank loans	108.0	-	108.0
Guaranteed notes	-	7,800.0	7,800.0
Total principal amount of bank and other debts	8,927.2	24,220.0	33,147.2
Unamortised loan facilities fees and discounts related to debts	(16.0)	(98.9)	(114.9)
Unrealised loss on bank and other debts pursuant to interest rate swap contracts	-	(38.8)	(38.8)
	8,911.2	24,082.3	32,993.5

Details of any collateral at HPH Trust

Bank loan of HK\$80.0 million (31 December 2015: HK\$108.0 million) is secured by a charge over certain assets of a subsidiary company.

1(c) Consolidated statements of cash flows for the third quarter and nine months ended 30 September 2016

	Group			
	01/07/2016 to 30/09/2016	01/07/2015 to 30/09/2015	01/01/2016 to 30/09/2016	01/01/2015 to 30/09/2015
	HK\$'M	HK\$'M	HK\$'M	HK\$'M
Operating activities				
Cash generated from operations	1,704.9	1,677.9	5,144.6	4,962.0
Interest and other finance costs paid	(161.9)	(166.5)	(475.9)	(429.0)
Tax paid ^(a)	(239.8)	(239.8)	(712.6)	(888.1)
Net cash from operating activities	1,303.2	1,271.6	3,956.1	3,644.9
Investing activities				
Purchase of fixed assets, projects under development, leasehold land and land use rights	(226.1)	(838.0)	(1,510.6)	(1,717.0)
Proceeds on disposal of fixed assets	1.8	3.2	3.2	11.8
Dividends received from investments	14.1	1.2	22.6	35.6
Dividends received from a joint venture	15.0	31.0	65.0	93.0
Interest received	11.4	19.0	31.5	63.9
Repayment of loan by joint ventures	-	240.0	1.0	241.0
Net cash used in investing activities	(183.8)	(543.6)	(1,387.3)	(1,271.7)
Financing activities				
New borrowings ^(b)	81.2	-	7,881.2	14,013.3
Repayment of borrowings ^(b)	(82.3)	-	(7,260.0)	(14,496.4)
Upfront debt transaction costs and facilities fees of borrowings	-	-	(59.5)	(69.0)
Capital contribution from non-controlling interests	-	-	-	345.3
Distributions to unitholders of HPH Trust	(1,219.5)	(1,367.6)	(2,848.5)	(3,310.2)
Dividends to non-controlling interests	(793.2)	(876.4)	(793.2)	(876.4)
Net cash used in financing activities	(2,013.8)	(2,244.0)	(3,080.0)	(4,393.4)
Net changes in cash and cash equivalents	(894.4)	(1,516.0)	(511.2)	(2,020.2)
Cash and cash equivalents at beginning of the period	7,224.0	7,294.6	6,840.8	7,798.8
Cash and cash equivalents at end of the period	6,329.6	5,778.6	6,329.6	5,778.6

Footnotes:

- (a) Tax paid was HK\$712.6 million for the period ended 30 September 2016 whereas it was HK\$888.1 million for the period ended 30 September 2015. The decrease was mainly due to timing difference of YICT's 2014 profits tax payment in 2015.
- (b) New bank loans of US\$1.0 billion (approximately HK\$7.8 billion) and RMB70.0 million (approximately HK\$81.2 million) were drawn down during the period ended 30 September 2016 to refinance the existing bank borrowings, whereas for the period ended 30 September 2015, the Group issued US\$500 million 2.25% guaranteed notes due 2018 and US\$500 million 2.875% guaranteed notes due 2020 and drew down US\$800 million bank loans to refinance the bank borrowings.

1(d)(i) Statements of changes in equity for the periods ended 30 September 2016

Group

	Units in issue	Exchange and other reserves	Revaluation reserve	Pension reserve	Accumulated losses	Attributable to unitholders	Non-controlling interests	Total
	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
At 1 July 2016	68,553.8	(87.5)	(48.4)	(19.0)	(26,592.3)	41,806.6	20,048.8	61,855.4
Profit for the quarter	-	-	-	-	430.2	430.2	381.8	812.0
Other comprehensive loss:								
Investments:								
Valuation losses taken to reserves	-	-	(0.3)	-	-	(0.3)	-	(0.3)
Currency translation differences	-	(18.4)	-	-	-	(18.4)	(15.4)	(33.8)
Total other comprehensive loss	-	(18.4)	(0.3)	-	-	(18.7)	(15.4)	(34.1)
Total comprehensive (loss)/income	-	(18.4)	(0.3)	-	430.2	411.5	366.4	777.9
Transaction with owners:								
Distributions	-	-	-	-	(1,219.5)	(1,219.5)	-	(1,219.5)
Dividends	-	-	-	-	-	-	(793.2)	(793.2)
At 30 September 2016	68,553.8	(105.9)	(48.7)	(19.0)	(27,381.6)	40,998.6	19,622.0	60,620.6
At 1 January 2016	68,553.8	(33.2)	(40.6)	(19.0)	(25,860.9)	42,600.1	19,567.5	62,167.6
Profit for the period	-	-	-	-	1,327.8	1,327.8	908.8	2,236.6
Other comprehensive loss:								
Investments:								
Valuation losses taken to reserves	-	-	(8.1)	-	-	(8.1)	-	(8.1)
Currency translation differences	-	(72.7)	-	-	-	(72.7)	(61.1)	(133.8)
Total other comprehensive loss	-	(72.7)	(8.1)	-	-	(80.8)	(61.1)	(141.9)
Total comprehensive (loss)/income	-	(72.7)	(8.1)	-	1,327.8	1,247.0	847.7	2,094.7
Transaction with owners:								
Distributions	-	-	-	-	(2,848.5)	(2,848.5)	-	(2,848.5)
Dividends	-	-	-	-	-	-	(793.2)	(793.2)
At 30 September 2016	68,553.8	(105.9)	(48.7)	(19.0)	(27,381.6)	40,998.6	19,622.0	60,620.6
At 1 July 2015	68,553.8	54.2	(13.0)	20.4	(25,552.5)	43,062.9	19,099.3	62,162.2
Profit for the quarter	-	-	-	-	525.9	525.9	422.6	948.5
Other comprehensive (loss)/income:								
Investments:								
Valuation losses taken to reserves	-	-	(5.4)	-	-	(5.4)	-	(5.4)
Currency translation differences	-	(69.1)	-	-	-	(69.1)	(57.6)	(126.7)
Remeasurement of defined benefit plans	-	-	-	47.1	-	47.1	-	47.1
Total other comprehensive (loss)/income	-	(69.1)	(5.4)	47.1	-	(27.4)	(57.6)	(85.0)
Total comprehensive (loss)/income	-	(69.1)	(5.4)	47.1	525.9	498.5	365.0	863.5
Transaction with owners:								
Distributions	-	-	-	-	(1,367.6)	(1,367.6)	-	(1,367.6)
At 30 September 2015	68,553.8	(14.9)	(18.4)	67.5	(26,394.2)	42,193.8	19,464.3	61,658.1
At 1 January 2015	68,553.8	50.8	(13.0)	20.4	(24,295.6)	44,316.4	19,077.8	63,394.2
Profit for the period	-	-	-	-	1,211.6	1,211.6	972.4	2,184.0
Other comprehensive (loss)/income:								
Investments:								
Valuation losses taken to reserves	-	-	(5.4)	-	-	(5.4)	-	(5.4)
Currency translation differences	-	(65.7)	-	-	-	(65.7)	(54.8)	(120.5)
Remeasurement of defined benefit plans	-	-	-	47.1	-	47.1	-	47.1
Total other comprehensive (loss)/income	-	(65.7)	(5.4)	47.1	-	(24.0)	(54.8)	(78.8)
Total comprehensive (loss)/income	-	(65.7)	(5.4)	47.1	1,211.6	1,187.6	917.6	2,105.2
Transaction with owners:								
Equity contribution from non-controlling interests	-	-	-	-	-	-	345.3	345.3
Distributions	-	-	-	-	(3,310.2)	(3,310.2)	-	(3,310.2)
Dividends	-	-	-	-	-	-	(876.4)	(876.4)
At 30 September 2015	68,553.8	(14.9)	(18.4)	67.5	(26,394.2)	42,193.8	19,464.3	61,658.1

1(d)(i) Statements of changes in equity for the periods ended 30 September 2016 (Continued)

Trust

	Units in issue HK\$'M	Accumulated losses HK\$'M	Attributable to unitholders HK\$'M
At 1 July 2016	68,553.8	(12,684.8)	55,869.0
Loss and total comprehensive loss for the quarter	-	(7.9)	(7.9)
Transaction with owners:			
Distributions	-	(1,219.5)	(1,219.5)
At 30 September 2016	68,553.8	(13,912.2)	54,641.6
At 1 January 2016	68,553.8	(11,039.8)	57,514.0
Loss and total comprehensive loss for the period	-	(23.9)	(23.9)
Transaction with owners:			
Distributions	-	(2,848.5)	(2,848.5)
At 30 September 2016	68,553.8	(13,912.2)	54,641.6
At 1 July 2015	68,553.8	(9,655.8)	58,898.0
Loss and total comprehensive loss for the quarter	-	(9.2)	(9.2)
Transaction with owners:			
Distributions	-	(1,367.6)	(1,367.6)
At 30 September 2015	68,553.8	(11,032.6)	57,521.2
At 1 January 2015	68,553.8	(7,696.0)	60,857.8
Loss and total comprehensive loss for the period	-	(26.4)	(26.4)
Transaction with owners:			
Distributions	-	(3,310.2)	(3,310.2)
At 30 September 2015	68,553.8	(11,032.6)	57,521.2

1(d)(ii) Details of any changes in units for the periods ended 30 September 2016

	Group			
	01/07/2016 to 30/09/2016	01/07/2015 to 30/09/2015	01/01/2016 to 30/09/2016	01/01/2015 to 30/09/2015
At beginning and at end of the period	8,711,101,022	8,711,101,022	8,711,101,022	8,711,101,022

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The financial information set out in Item 1 (except the table of excluding HIT's rent and rates refund and additional depreciation due to change of an accounting estimate - see footnote 1(a)(i)(c)) and 6 of this announcement was extracted from the Condensed Interim Financial Statements which have been reviewed in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by International Auditing and Assurance Standards Board.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).

The review report on the Condensed Interim Financial Statements dated 24 October 2016 issued by PricewaterhouseCoopers LLP is enclosed in Appendix 1.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation used in the preparation of the Condensed Interim Financial Statements for the current period are consistent with those specified in the audited financial statements of HPH Trust and its subsidiary companies for the year ended 31 December 2015 except for the adoption of the standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to the Group's operations and mandatory for annual accounting periods beginning 1 January 2016. The effect of the adoption of these new standards and amendments was not material to the Group's results of operations or financial position.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The accounting policies and methods of computation used in the preparation of the Condensed Interim Financial Statements for the current quarter are consistent with those specified in the audited financial statements of HPH Trust and its subsidiary companies for the financial year ended 31 December 2015 except for the adoption of the standards, amendments and interpretations issued by HKICPA that are effective and applicable for the Condensed Interim Financial Statements. The effect of the adoption of these standards, amendments and interpretations was not material to the Group's results of operations or financial position.

6. **Group's earnings per unit ("EPU") and distribution per unit ("DPU") for the periods ended 30 September 2016**

	01/07/2016 to 30/09/2016	01/07/2015 to 30/09/2015	01/01/2016 to 30/09/2016	01/01/2015 to 30/09/2015
(i) Weighted average number of units in issue	8,711,101,022	8,711,101,022	8,711,101,022	8,711,101,022
(ii) Earnings per unit for the period based on the weighted average number of units in issue (HK cents)				
- Basic and diluted	4.94	6.04	15.24	13.91
(iii) Number of units issued at end of the period	8,711,101,022	8,711,101,022	8,711,101,022	8,711,101,022
(iv) Distribution per unit for the period (HK cents) ^(a)	-	-	14.00	15.70

Footnote:

(a) HPH Trust will make distribution to unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates.

7. **Net asset value ("NAV") attributable to unitholders per unit based on units issued as at 30 September 2016^(a)**

	Group		Trust	
	30/09/2016	31/12/2015	30/09/2016	31/12/2015
Net asset value attributable to unitholders per unit (HK\$) ^(a)	4.71	4.89	6.27	6.60

Footnote:

(a) The number of units used for computation of NAV per unit is 8,711,101,022 which is the number of units in issue as at 30 September 2016 (31 December 2015: 8,711,101,022).

8. Review of performance

Consolidated income statement (01/07/2016-30/09/2016 vs 01/07/2015-30/09/2015)

Revenue and other income for the quarter was HK\$3,265.2 million, representing HK\$236.5 million or 6.8% below last year. The container throughput of HIT^(a) decreased by 5.3% as compared to the same quarter in 2015, primarily due to weaker intra-Asia and transshipment cargoes. The container throughput of YICT^(b) decreased by 7.7% as compared to the same quarter in 2015, primarily due to weaker empty and transshipment cargoes. The average revenue per TEU for Hong Kong was below last year mainly due to adverse throughput mix from liners. For China, the average revenue per TEU was below last year, mainly due to RMB depreciation.

Cost of services rendered was HK\$1,076.2 million, representing HK\$134.9 million or 11.1% below last year. The decrease was primarily due to lower throughput handled, lower fuel price and savings in operation costs due to better deployment and RMB depreciation, but were partially offset by inflation and the increase in external contractors' costs. Staff costs were HK\$72.4 million, representing HK\$3.4 million or 4.5% below last year. Depreciation and amortisation was HK\$734.7 million, representing HK\$27.5 million or 3.9% above last year. The increase was mainly due to higher depreciation after YICT's West Port Phase II and Phase III Expansion South Berth were put into operation in 2016. Other operating income was HK\$1.6 million, representing HK\$6.5 million or 80.2% below last year. The decrease was largely due to timing difference for receipt of dividends from River Ports Economic Benefits.

Other operating expenses were HK\$223.0 million, representing HK\$36.6 million or 19.6% above last year. The increase was mainly due to the provision for bad debt for Hanjin Shipping as it filed for receivership at Seoul District Court on 31 August 2016, but was partially offset by the savings in rent and rates. With the aforesaid, total operating expenses were HK\$2,104.7 million, representing HK\$67.7 million or 3.1% below last year.

As a result, the operating profit was HK\$1,160.5 million, representing HK\$168.8 million or 12.7% below last year.

Interest and other finance costs were HK\$174.5 million, representing HK\$21.6 million or 14.1% above last year. It was primarily due to higher HIBOR/ LIBOR for the bank loans' interest rates.

Footnotes:

(a) HIT means Terminals 4, 6, 7 and two berths in Terminal 9, located at Kwai Tsing, Hong Kong.

(b) YICT means Yantian International Container Terminals, located at Yantian, Shenzhen, PRC, which comprises Yantian International Container Terminals Phases I & II, Phase III & Phase III Expansion, and Shenzhen Yantian West Port Terminals Phases I & II.

8. Review of performance (Continued)

Share of profits less losses after tax of associated companies was HK\$5.4 million, representing HK\$0.9 million or 14.3% below last year, mainly due to weaker performance of tugboat operations of an associated company.

Share of profits less losses after tax of joint ventures was HK\$15.6 million, representing HK\$12.9 million or 45.3% below last year, mainly due to weaker performance of COSCO-HIT^(a) and ACT^(b) as their throughput were 10.7% and 23.3% below last year respectively.

Taxation was HK\$195.0 million, representing HK\$67.7 million or 25.8% below last year, mainly due to savings in taxation after YICT's West Port Phase II and Phase III Expansion South Berth were put into operation in 2016 and started enjoying preferential income tax treatment.

Overall, profit was HK\$812.0 million, representing HK\$136.5 million or 14.4% below last year. Profit attributable to unitholders of HPH Trust was HK\$430.2 million, representing HK\$95.7 million or 18.2% below last year. Excluding the additional depreciation due to the change of an accounting estimate in 2015, profit was 13.7% below last year and profit attributable to unitholders of HPH Trust was 17.2% below last year.

Consolidated income statement (01/01/2016-30/09/2016 vs 01/01/2015-30/09/2015)

Revenue and other income for the period was HK\$8,954.8 million, representing HK\$623.3 million or 6.5% below last year. The container throughput of HIT decreased by 9.4% as compared to the same period in 2015, mainly due to weaker intra-Asia and transshipment cargoes. The container throughput of YICT decreased by 3.7% as compared to the same period in 2015, primarily due to weaker empty and transshipment cargoes but were partially offset by the growth in US and EU cargoes. The average revenue per TEU for Hong Kong was higher than last year mainly due to favourable throughput mix from liners. For China, the average revenue per TEU was below last year, mainly due to RMB depreciation.

Cost of services rendered was HK\$3,153.6 million, representing HK\$372.0 million or 10.6% below last year. The decrease was mainly due to lower throughput handled, lower fuel price and savings in operation costs due to better deployment and RMB depreciation, but were partially offset by inflation and the increase in external contractors' costs. Staff costs were HK\$226.8 million, representing HK\$5.2 million or 2.2% below last year. Depreciation and amortisation was HK\$2,184.4 million, representing HK\$79.9 million or 3.8% above last year. The increase was mainly due to higher depreciation after YICT's West Port Phase II and Phase III Expansion South Berth were put into operation in 2016 and additional depreciation arising from the change of estimated useful life of container handling equipment. Other operating income was HK\$7.8 million, representing HK\$20.6 million or 72.5% below last year, mainly due to timing difference for receipt of dividends from River Ports Economic Benefits. Moreover, in 2015, there were net exchange gain deriving from YICT's RMB-denominated monetary liabilities and disposal gain of 2 barges.

Footnotes:

(a) COSCO-HIT means Terminal 8 East, located at Kwai Tsing, Hong Kong.

(b) ACT means Terminal 8 West, located at Kwai Tsing, Hong Kong.

8. Review of performance (Continued)

Other operating expenses were HK\$147.5 million, representing HK\$439.3 million or 74.9% below last year. It was because HIT received a government rent and rates refund of HK\$430.0 million during the first quarter of 2016. With the aforesaid, total operating expenses were HK\$5,704.5 million, representing HK\$716.0 million or 11.2% below last year.

As a result, the operating profit was HK\$3,250.3 million, representing HK\$92.7 million or 2.9% above last year.

Interest and other finance costs were HK\$520.9 million, representing HK\$53.5 million or 11.4% above last year. It was primarily due to higher HIBOR/ LIBOR for the bank loans' interest rates.

Share of profits less losses after tax of associated companies was HK\$15.3 million, representing HK\$0.8 million or 5.0% below last year, mainly due to weaker performance of tugboat operations of an associated company.

Share of profits less losses after tax of joint ventures was HK\$50.0 million, representing HK\$41.7 million or 45.5% below last year, mainly due to weaker performance of COSCO-HIT and ACT as their throughput were 15.0% and 18.2% below last year respectively.

Taxation was HK\$558.1 million, representing HK\$55.9 million or 9.1% below last year, mainly due to savings in taxation after YICT's West Port Phase II and Phase III Expansion South Berth were put into operation in 2016 and started enjoying preferential income tax treatment.

Overall, profit was HK\$2,236.6 million, representing HK\$52.6 million or 2.4% above last year. Profit attributable to unitholders of HPH Trust was HK\$1,327.8 million, representing HK\$116.2 million or 9.6% above last year. Excluding HIT's rent and rates refund and additional depreciation due to the change of an accounting estimate in 2015, profit was 12.2% below last year and profit attributable to unitholders of HPH Trust was 17.4% below last year.

Material changes in statements of financial position and statements of cash flows

Please refer to footnotes of 1(b)(i) and 1(c).

9. Where a forecast, or a prospect statement, has been previously disclosed to unitholders, any variance between it and the actual results.

No forecast statement for the financial year 2016 has been disclosed.

10. Commentary on the significant trends of the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting quarter and the next 12 months.

Outbound cargoes to US showed a mild rebound in the third quarter of 2016 after a weak performance in the second quarter. US economy is regaining its growth momentum and economic activity has increased at a faster pace.

On the other hand, the growth in outbound cargoes to Europe slowed down in the third quarter of 2016. Weak consumer sentiment, high unemployment rate and the knock-on effects from Brexit continue to affect its economic recovery and the pickup of the European trade.

Other than the economic performance of the US and Europe, HPH Trust's performance is also affected by the outcomes of structural changes occurring in the container shipping industry. The service rationalisation of various global shipping alliances has negatively impacted the transshipment volume of both HIT and YICT over the past few quarters.

Shipping lines continue to deploy mega-vessels to promote economies of scale, reform their carrier alliances - such as Ocean Alliance (China COSCO, CMA CGM, Evergreen and OOCL) and THE Alliance (Hapag-Lloyd, Kline, MOL, NYK, and Yang Ming), to improve efficiency, control costs and expand the coverage of vessel-sharing schemes to strengthen competitiveness. HPH Trust's natural deep-water channels and unparalleled mega-vessel handling capabilities position it to be the preferred port of call for mega-vessels and HPH Trust is expected to benefit from these developments.

Hanjin Shipping filed for receivership at Seoul District Court on 31 August 2016. Management is taking appropriate action to manage the exposure and does not expect it to have material negative impact to HPH Trust.

Given the soft global trade outlook, management remains cautious on the expected cargo volume for 2016 and will continue to focus on improvements to costs.

The Trustee-Manager is confident that HPH Trust will respond promptly and effectively to any challenges, given its strong fundamentals.

11. Distribution

(a) Current financial period

Any distribution recommended for the current financial quarter?

No distribution has been recommended for the current financial quarter.

(b) Corresponding period of the immediately preceding financial period

Any distribution declared for the previous corresponding quarter? No

(c) Date Payable

Not applicable

(d) Books closure date

Not applicable

12. If no distribution has been declared/recommendeded, a statement to that effect

No distribution has been declared/recommendeded for the current financial quarter.

HPH Trust will make distribution to unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates.

13. General mandate from unitholders for interested person transaction ("IPT")

No IPT general mandate has been obtained.

14. Negative confirmation by the Board

The Board of Directors of Hutchison Port Holdings Management Pte. Limited (as the Trustee-Manager) has confirmed that, to the best of its knowledge, nothing has come to its attention which may render these interim financial results of the Group for the period ended 30 September 2016 to be false or misleading in any material respect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Trustee-Manager confirms that it has procured the undertakings from its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risk, uncertainties and assumptions. Representative examples of these factors included (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sales/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management of future events.

BY ORDER OF THE BOARD

HUTCHISON PORT HOLDINGS MANAGEMENT PTE. LIMITED

(COMPANY REGISTRATION NO. 201100749W)

AS TRUSTEE-MANAGER OF HPH TRUST

Ms Lynn Wan Tiew Leng

Company Secretary

24 October 2016



The Directors
Hutchison Port Holdings Management Pte. Limited
(in its capacity as Trustee-Manager of Hutchison Port Holdings Trust)
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

24 October 2016

Dear Sirs

**REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS
OF HUTCHISON PORT HOLDINGS TRUST**

We have reviewed the accompanying condensed interim financial statements of Hutchison Port Holdings Trust (the "Trust") and its subsidiaries (the "Group") set out on pages 1 to 20, which comprise the condensed consolidated statement of financial position of the Group, the condensed statement of financial position of the Trust as at 30 September 2016, and the related condensed consolidated income statement of the Group, the condensed consolidated statement of comprehensive income of the Group, the condensed consolidated statement of changes in equity of the Group, the condensed statement of changes in equity of the Trust and the condensed consolidated statement of cash flows of the Group for the periods from 1 January 2016 to 30 September 2016 and 1 July 2016 to 30 September 2016, and other explanatory notes (collectively the "Condensed Interim Financial Statements"). The management of Hutchison Port Holdings Management Pte. Limited, the Trustee-Manager of the Trust, is responsible for the preparation and presentation of these Condensed Interim Financial Statements in accordance with Hong Kong Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on these Condensed Interim Financial Statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Financial Statements are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, "Interim Financial Reporting".

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', is written over a horizontal line.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 24 October 2016

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