



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 FIRST QUARTER ENDED 31 MARCH 2017

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

1(a)(i) Consolidated income statement for the first quarter ended 31 March 2017

	Group		
	01/01/2017 to 31/03/2017	01/01/2016 to 31/03/2016	Favorable/ (Unfavorable)
	HK\$'M	HK\$'M	%
<b>Revenue and other income</b>	2,578.0	2,751.8	(6.3)
Cost of services rendered	(918.5)	(1,040.8)	11.8
Staff costs	(75.0)	(79.7)	5.9
Depreciation and amortisation	(735.9)	(722.4)	(1.9)
Other operating income	2.5	2.0	25.0
Other operating expenses <sup>(a)</sup>	(142.1)	242.3	(158.6)
<b>Total operating expenses</b>	(1,869.0)	(1,598.6)	(16.9)
<b>Operating profit</b>	709.0	1,153.2	(38.5)
Interest and other finance costs	(194.1)	(168.7)	(15.1)
Share of profits less losses after tax of associated companies <sup>(b)</sup>	(29.2)	4.7	(721.3)
Share of profits less losses after tax of joint ventures	17.0	12.4	37.1
<b>Profit before tax</b>	502.7	1,001.6	(49.8)
Taxation	(126.8)	(207.4)	38.9
<b>Profit for the quarter</b>	375.9	794.2	(52.7)
Allocated as:			
Profit attributable to non-controlling interests	(209.0)	(239.3)	(12.7)
Profit attributable to unitholders of HPH Trust	166.9	554.9	(69.9)
<b>Earnings per unit attributable to unitholders of HPH Trust</b>	<b>HK cents</b> 1.92	<b>HK cents</b> 6.37	(69.9)

As in footnote (c), the comparable profit for the quarter, profit attributable to unitholders of HPH Trust and earnings per unit attributable to unitholders of HPH Trust excluding HIT's rent and rates refund in below footnote (a), are as follows:

Profit for the quarter	375.9	437.2	(14.0)
Profit attributable to unitholders of HPH Trust	166.9	197.9	(15.7)
	<b>HK cents</b>	<b>HK cents</b>	
Earnings per unit attributable to unitholders of HPH Trust	1.92	2.27	(15.7)

Footnotes:

- (a) Other operating expenses for the quarter ended 31 March 2016 recorded a net income of HK\$242.3 million as HIT received a government rent and rates refund of HK\$430.0 million during the first quarter of 2016.
- (b) Share of profits less losses after tax of associated companies for the quarter ended 31 March 2017 was at a loss of HK\$29.2 million whereas it was at a profit of HK\$4.7 million for the quarter ended 31 March 2016. The decrease was mainly due to share of the result of Huizhou International Container Terminals Limited ("HICT") after the acquisition by HPH Trust at the end 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 quarter ended 31 March 2017 ("Condensed Interim Financial Statements").

**1(a)(ii) Consolidated statement of comprehensive income for the first quarter ended 31 March 2017**

	Group		
	01/01/2017 to 31/03/2017	01/01/2016 to 31/03/2016	Favorable/ (Unfavorable)
	HK\$'M	HK\$'M	%
<b>Profit for the quarter</b>	375.9	794.2	(52.7)
<b>Other comprehensive income/(loss)<sup>(a)</sup>: Items that may be reclassified subsequently to profit or loss:</b>			
Investments			
Valuation gains/(losses) taken to reserves	0.7	(2.7)	125.9
Currency translation differences	41.3	(32.5)	227.1
<b>Total other comprehensive income/(loss) for the quarter</b>	42.0	(35.2)	219.3
<b>Total comprehensive income for the quarter</b>	417.9	759.0	44.9
Allocated as:			
Attributable to non-controlling interests	(227.8)	(224.4)	1.5
Attributable to unitholders of HPH Trust	190.1	534.6	(64.4)

Footnote:

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

**1(b)(i) Statements of financial position as at 31 March 2017**

	<b>Group</b>	
	<b>31/03/2017</b>	<b>31/12/2016</b>
	HK\$'M	HK\$'M
<b>ASSETS</b>		
<b>Non-current assets</b>		
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
<b>Total non-current assets</b>	<b>101,717.4</b>	<b>102,442.7</b>
<b>Current assets</b>		
Cash and bank balances <sup>(a)</sup>	6,533.0	6,999.9
Trade and other receivables	3,449.7	3,818.2
Inventories	120.3	112.3
<b>Total current assets</b>	<b>10,103.0</b>	<b>10,930.4</b>
<b>Current liabilities</b>		
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
<b>Total current liabilities</b>	<b>15,570.9</b>	<b>12,149.6</b>
<b>Net current liabilities<sup>(b)</sup></b>	<b>(5,467.9)</b>	<b>(1,219.2)</b>
<b>Total assets less current liabilities</b>	<b>96,249.5</b>	<b>101,223.5</b>
<b>Non-current liabilities</b>		
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
<b>Total non-current liabilities</b>	<b>36,595.7</b>	<b>40,541.6</b>
<b>Net assets</b>	<b>59,653.8</b>	<b>60,681.9</b>
<b>EQUITY</b>		
Units in issue	68,553.8	68,553.8
Reserves	(28,561.0)	(27,305.1)
<b>Net assets attributable to unitholders of HPH Trust</b>	<b>39,992.8</b>	<b>41,248.7</b>
Non-controlling interests	19,661.0	19,433.2
<b>Total equity</b>	<b>59,653.8</b>	<b>60,681.9</b>

*Footnotes:*

(a) Cash and bank balances were HK\$6,533.0 million as at 31 March 2017 which consisted of HK\$6,491.0 million cash and cash equivalents and HK\$42.0 million restricted deposit.

(b) Net current liabilities were HK\$5,467.9 million as at 31 March 2017 which mainly consisted of the US\$0.5 billion (approximately HK\$3.9 billion) 2-year term loan facility and US\$0.5 billion (approximately HK\$3.9 billion) 3-year guaranteed note, expiring in May 2017 and March 2018 respectively.

1(b)(i) Statements of financial position as at 31 March 2017 (Continued)

	Trust	
	31/03/2017	31/12/2016
	HK\$'M	HK\$'M
<b>ASSETS</b>		
<b>Non-current asset</b>		
Investment in a subsidiary company	53,199.0	54,675.0
<b>Total non-current asset</b>	53,199.0	54,675.0
<b>Current assets</b>		
Cash and bank balances	5.5	3.2
Trade and other receivables	0.6	1.1
<b>Total current assets</b>	6.1	4.3
<b>Current liability</b>		
Trade and other payables	30.8	50.3
<b>Total current liability</b>	30.8	50.3
<b>Net current liabilities</b>	(24.7)	(46.0)
<b>Total assets less current liabilities</b>	53,174.3	54,629.0
<b>Net assets</b>	53,174.3	54,629.0
<b>EQUITY</b>		
Units in issue	68,553.8	68,553.8
Reserves	(15,379.5)	(13,924.8)
<b>Total equity</b>	53,174.3	54,629.0

**1(b)(ii) Aggregate amount of the Group's borrowings and debt securities as at 31 March 2017**

<b>Group</b>	<b>Current portion HK\$'M</b>	<b>Non-current portion HK\$'M</b>	<b>Total HK\$'M</b>
Unsecured bank loans	4,240.0	21,525.4	25,765.4
Secured bank loan	4.5	71.2	75.7
Guaranteed notes	3,900.0	3,900.0	7,800.0
<b>Total principal amount of bank and other debts</b>	<b>8,144.5</b>	<b>25,496.6</b>	<b>33,641.1</b>
Unamortised loan facilities fees and discounts related to debts	(9.4)	(93.8)	(103.2)
Unrealised loss on bank and other debts pursuant to interest rate swap contracts	(9.9)	(42.2)	(52.1)
	<b>8,125.2</b>	<b>25,360.6</b>	<b>33,485.8</b>

**Aggregate amount of the Group's borrowings and debt securities as at 31 December 2016**

<b>Group</b>	<b>Current portion HK\$'M</b>	<b>Non-current portion HK\$'M</b>	<b>Total HK\$'M</b>
Unsecured bank loans	4,240.0	21,525.4	25,765.4
Secured bank loan	4.5	71.7	76.2
Guaranteed notes	-	7,800.0	7,800.0
<b>Total principal amount of bank and other debts</b>	<b>4,244.5</b>	<b>29,397.1</b>	<b>33,641.6</b>
Unamortised loan facilities fees and discounts related to debts	(2.3)	(112.7)	(115.0)
Unrealised loss on bank and other debts pursuant to interest rate swap contracts	-	(43.8)	(43.8)
	<b>4,242.2</b>	<b>29,240.6</b>	<b>33,482.8</b>

**Details of any collateral at HPH Trust**

Bank loan of HK\$75.7 million (31 December 2016: HK\$76.2 million) is secured by a charge over certain assets of subsidiary companies.

1(c) Consolidated statement of cash flows for the first quarter ended 31 March 2017

	<b>Group</b>	
	<b>01/01/2017 to 31/03/2017</b>	<b>01/01/2016 to 31/03/2016</b>
	HK\$'M	HK\$'M
<b>Operating activities</b>		
Cash generated from operations	1,513.1	1,663.3
Interest and other finance costs paid	(178.4)	(154.1)
Tax paid <sup>(a)</sup>	(129.5)	(273.3)
<b>Net cash from operating activities</b>	<b>1,205.2</b>	<b>1,235.9</b>
<b>Investing activities</b>		
Purchase of fixed assets, projects under development, leasehold land and 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
<b>Net cash used in investing activities</b>	<b>(225.0)</b>	<b>(440.3)</b>
<b>Financing activities</b>		
Repayment of borrowing	(1.1)	(11.8)
Distributions to unitholders of HPH Trust	(1,446.0)	(1,629.0)
<b>Net cash used in financing activities</b>	<b>(1,447.1)</b>	<b>(1,640.8)</b>
<b>Net changes in cash and cash equivalents</b>	<b>(466.9)</b>	<b>(845.2)</b>
Cash and cash equivalents at beginning of the quarter	6,957.9	6,840.8
Cash and cash equivalents at end of the quarter	6,491.0	5,995.6

Footnote:

- (a) Tax paid was HK\$129.5 million for the quarter ended 31 March 2017 whereas it was HK\$273.3 million for the quarter ended 31 March 2016. The decrease was mainly due to YICT's tax saving from its "High and New Technology Enterprise" status and the timing difference of YICT's 2015 profits tax payment in 2016.

## 1(d)(i) Statements of changes in equity for the first quarter ended 31 March 2017

### 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 January 2017	68,553.8	(183.0)	(47.0)	(79.3)	(26,995.8)	41,248.7	19,433.2	60,681.9
Profit for the quarter	-	-	-	-	166.9	166.9	209.0	375.9
Other comprehensive income:								
Investments:								
Valuation gains taken to reserves	-	-	0.7	-	-	0.7	-	0.7
Currency translation differences	-	22.5	-	-	-	22.5	18.8	41.3
Total other comprehensive income	-	22.5	0.7	-	-	23.2	18.8	42.0
Total comprehensive income	-	22.5	0.7	-	166.9	190.1	227.8	417.9
Transactions with owners:								
Distributions	-	-	-	-	(1,446.0)	(1,446.0)	-	(1,446.0)
<b>At 31 March 2017</b>	<b>68,553.8</b>	<b>(160.5)</b>	<b>(46.3)</b>	<b>(79.3)</b>	<b>(28,274.9)</b>	<b>39,992.8</b>	<b>19,661.0</b>	<b>59,653.8</b>
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 quarter	-	-	-	-	554.9	554.9	239.3	794.2
Other comprehensive loss:								
Investments:								
Valuation losses taken to reserves	-	-	(2.7)	-	-	(2.7)	-	(2.7)
Currency translation differences	-	(17.6)	-	-	-	(17.6)	(14.9)	(32.5)
Total other comprehensive loss	-	(17.6)	(2.7)	-	-	(20.3)	(14.9)	(35.2)
Total comprehensive (loss)/income	-	(17.6)	(2.7)	-	554.9	534.6	224.4	759.0
Transactions with owners:								
Distributions	-	-	-	-	(1,629.0)	(1,629.0)	-	(1,629.0)
<b>At 31 March 2016</b>	<b>68,553.8</b>	<b>(50.8)</b>	<b>(43.3)</b>	<b>(19.0)</b>	<b>(26,935.0)</b>	<b>41,505.7</b>	<b>19,791.9</b>	<b>61,297.6</b>

### Trust

	Units in issue	Accumulated losses	Attributable to unitholders
	HK\$'M	HK\$'M	HK\$'M
At 1 January 2017	68,553.8	(13,924.8)	54,629.0
Loss and total comprehensive loss for the quarter	-	(8.7)	(8.7)
Transaction with owners:			
Distributions	-	(1,446.0)	(1,446.0)
<b>At 31 March 2017</b>	<b>68,553.8</b>	<b>(15,379.5)</b>	<b>53,174.3</b>
At 1 January 2016	68,553.8	(11,039.8)	57,514.0
Loss and total comprehensive loss for the quarter	-	(10.0)	(10.0)
Transaction with owners:			
Distributions	-	(1,629.0)	(1,629.0)
<b>At 31 March 2016</b>	<b>68,553.8</b>	<b>(12,678.8)</b>	<b>55,875.0</b>



**1(d)(ii) Details of any changes in units for the first quarter ended 31 March 2017**

	<b>Group</b>	
	<b>01/01/2017 to 31/03/2017</b>	<b>01/01/2016 to 31/03/2016</b>
At beginning and at end of the quarter	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 the HIT's rent and rates refund – 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 April 2017 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 (the "Group") for the year ended 31 December 2016 except for the adoption of joint operations described below and 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 2017. The effect of the adoption of these new standards and amendments was not material to the Group's results of operations or financial position.

Accounting policy on joint operations has been adopted during the period upon a Co-Management Agreement was entered by HIT, COSCO-HIT and ACT where they will collaborate for the efficient co-management and operation of the 16 berths across Terminals 4, 6, 7, 8 and 9 in Kwai Tsing with effect from 1 January 2017. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses.

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 period are consistent with those specified in the audited financial statements of HPH Trust and its subsidiary companies for the financial year ended 31 December 2016 except for the adoption of joint operations described in Item 4 above and the adoption of the standards, amendments and interpretations issued by the 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 first quarter ended 31 March 2017**

		01/01/2017 to 31/03/2017	01/01/2016 to 31/03/2016
(i)	Weighted average number of units in issue	8,711,101,022	8,711,101,022
(ii)	Earnings per unit for the quarter based on the weighted average number of units in issue (HK cents) - Basic and diluted	1.92	6.37
(iii)	Number of units issued at end of the quarter	8,711,101,022	8,711,101,022
(iv)	Distribution per unit for the quarter (HK cents) <sup>(a)</sup>	-	-

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 31 March 2017<sup>(a)</sup>**

	Group		Trust	
	31/03/2017	31/12/2016	31/03/2017	31/12/2016
Net asset value attributable to unitholders per unit (HK\$) <sup>(a)</sup>	4.59	4.74	6.10	6.27

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 31 March 2017 (31 December 2016: 8,711,101,022).

## 8. Review of performance

In order to allow a more meaningful comparison of certain key operating drivers of HIT<sup>(a)</sup>, COSCO-HIT<sup>(b)</sup> and ACT<sup>(c)</sup> following the commencement of the co-management arrangement on 1 January 2017, management has restated the % variance of revenue and other income, and cost of services rendered by assuming that 1) the co-management arrangement had been effective as at 1 January 2016; and 2) including 100% of the corresponding line items of COSCO-HIT and ACT into HPH Trust consolidated results. The resultant impact of these assumptions are collectively referred to as “restated % variance” under this section.

### Consolidated income statement (01/01/2017-31/03/2017 vs 01/01/2016-31/03/2016)

Revenue and other income for the quarter was HK\$2,578.0 million, HK\$173.8 million or 6.3% below last year. However, the restated % variance on revenue and other income was 1.7% below last year. Combined container throughput of HIT, COSCO-HIT and ACT (collectively “HPHT Kwai Tsing”) increased by 3.2% as compared to the same quarter in 2016, primarily due to higher transshipment cargoes. The container throughput of YICT<sup>(d)</sup> decreased by 1.4% as compared to the same quarter in 2016, primarily due to weaker empty and transshipment cargoes partially compensated by the growth in US and EU cargoes. The average revenue per TEU for Hong Kong was below last year mainly due to greater volume of concessions offered to certain liners. For China, the lower than last year’s average revenue per TEU is predominantly attributed to RMB depreciation.

Cost of services rendered was HK\$918.5 million, HK\$122.3 million or 11.8% below last year. However, the restated % variance on cost of services rendered was 4.2% below last year. The decrease was attributed to savings in operation costs due to improved resources’ allocation efficiencies, lower repairs and maintenance expenses, and RMB depreciation, but were partially offset by general cost inflations, including the increase in external contractors’ costs. Staff costs were HK\$75.0 million, HK\$4.7 million or 5.9% below last year. Depreciation and amortisation was HK\$735.9 million, HK\$13.5 million or 1.9% above last year mainly due to the operational commencement of YICT Phase III Expansion South Berth and West Port Phase II in the early part of 2016. Other operating income was HK\$2.5 million, HK\$0.5 million or 25.0% above last year.

#### *Footnotes:*

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

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

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

(d) 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)

Other operating expenses were HK\$142.1 million, HK\$384.4 million or 158.6% below last year's net other operating income of HK\$242.3 million which included the effect of the government rent and rates refund of HK\$430.0 million received during the first quarter of 2016 by HIT. With the aforesaid, total operating expenses were HK\$1,869.0 million, HK\$270.4 million or 16.9% above last year.

As a result, the operating profit was HK\$709.0 million, HK\$444.2 million or 38.5% below last year.

Interest and other finance costs were HK\$194.1 million, HK\$25.4 million or 15.1% above last year, primarily due to higher HIBOR/ LIBOR applied on the bank loans' interest rates.

Share of profits less losses after tax of associated companies was a loss of HK\$29.2 million, HK\$33.9 million or 721.3% below last year, mainly reflecting the share of HICT's result following the completion of the acquisition by HPH Trust at the end of 2016.

Share of profits less losses after tax of joint ventures was HK\$17.0 million, HK\$4.6 million or 37.1% above last year, primarily due to better performances of COSCO-HIT and ACT following the co-management arrangement as throughput of HPHT Kwai Tsing was 3.2% above last year.

Taxation was HK\$126.8 million, HK\$80.6 million or 38.9% below last year, mainly due to lower profit and tax savings from YICT Phase I & II as it qualified as "High and New Technology Enterprise" in November 2016, which entitles YICT Phase I & II to a preferential corporate income tax from 2016 to 2018, but were partially offset by the increase of YICT Phase III Expansion and West Port Phase 1's tax rates following the expiry of their tax exemption period.

Overall, profit and profit attributable to unitholders of HPH Trust was HK\$375.9 million and HK\$166.9 million respectively. Excluding HIT's rent and rates refund in 2016, profit was HK\$61.3 million or 14.0% below last year and profit attributable to unitholders of HPH Trust was HK\$31.0 million or 15.7% below last year. With HIT's rent and rates refund in 2016, profit and profit attributable to unitholders of HPH Trust was 52.7% and 69.9% below last year respectively.

### 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 2017 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 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.

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.

## **11. Distribution**

### **(a) Current financial quarter**

Any distribution recommended for the current financial quarter?

No distribution has been recommended for the current financial quarter.

### **(b) Corresponding quarter of the immediately preceding financial quarter**

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 quarter ended 31 March 2017 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 April 2017



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 April 2017

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 19, which comprise the condensed consolidated statement of financial position of the Group, the condensed statement of financial position of the Trust as at 31 March 2017, 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 2017 to 31 March 2017, 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 large, stylized 'PwC' logo.

PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants  
Singapore, 24 April 2017

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