



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.

## ACQUISITION OF EQUITY INTEREST IN HUIZHOU INTERNATIONAL CONTAINER TERMINALS LIMITED

### Acquisition of an Associated Company

Pursuant to Rule 704(17)(c) 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 28 December 2016, HPH Trust's subsidiaries Yantian International Container Terminals (Phase III) Limited (盐田三期国际集装箱码头有限公司) ("**YICT III**") and Shenzhen Pingyan Multimodal Company Limited (深圳平盐海铁联运有限公司) ("**PML**"), entered into an equity interest transfer agreement (the "**ETA**") with Hutchison Ports Huizhou Limited (the "**Vendor**"), a wholly-owned subsidiary of Hutchison Port Holdings Limited ("**HPH**"), the sponsor of HPH Trust, to acquire 65% and 15% equity interest respectively in Huizhou International Container Terminals Limited (惠州国际集装箱码头有限公司) ("**HICT**") (the "**Acquisition**"). Both YICT III and PML are effectively held as to 65% by Hutchison Ports Yantian Limited, a subsidiary of HPH Trust and 35% by Shenzhen Yantian Port Group Company Limited.

The Vendor holds an 80% equity interest in HICT, with the remaining 20% equity interest being held by Huizhou Port Group Co., Ltd. (惠州港务集团有限公司) ("**HPG**"). Upon completion of the Acquisition, HICT will be jointly held by YICT III, HPG and PML in the proportions of 65%, 20% and 15%. As HPH Trust has an indirect interest of 51.64% in YICT III and PML, HICT will become an associated company of HPH Trust after the Acquisition.

Along with the Acquisition, the new shareholders of HICT and the existing shareholder, HPG, entered into a new shareholders agreement and the articles of association of HICT were amended on 28 December 2016.

The purchase consideration of USD86,255,054 payable by YICT III and PML for the Acquisition which is approximately HKD673 million (the "**Consideration**") shall be paid in two instalments. 60% of the Consideration shall be paid by YICT III and PML according to their respective shareholdings after obtaining approval from State Administration of Foreign Exchange of the PRC ("**SAFE Approval**") for the remittance and within five working days of the satisfaction of certain conditions precedent, including among others, the obtaining of relevant approvals from PRC government authorities and HPG issuing a letter of consent to the proposed Acquisition. The remaining 40% of the Consideration shall be paid by YICT III and PML according to their respective shareholding after obtaining the SAFE Approval for remittance and within five working days after the satisfaction of certain conditions precedent, including among others, the issuance of the new business licence of HICT reflecting the transfer of the equity interests to YICT III and PML. The Consideration was arrived at after arm's length negotiations between the parties. YICT III and PML have taken into account an asset valuation performed by Ernst & Young Transactions Limited, an independent valuer appointed by the Trustee-Manager (the "**Independent Valuer**").

The Independent Valuer stated in its valuation report dated 15 December 2016 that, based on its valuation on 30 September 2016 using the fair market value basis of valuation, the market value of the 80% equity interest in HICT exceeds the Consideration for the Acquisition at HKD673 million.

The Acquisition shall be funded from the internal resources of YICT III and PML, and is not expected to have any material impact on the financial position of HPH Trust for the current financial year ending 31 December 2016.

In connection with the Acquisition, the Trustee-Manager will receive an acquisition fee in cash of an amount equivalent to 0.5% of the Enterprise Value (as defined in the trust deed of HPH Trust) of the equity interest acquired by HPH Trust (pro-rated to the proportion of HPH Trust's effective interest of 41.31% in the Acquisition).

### **Information on HICT**

HICT is a sino-foreign joint venture incorporated in the People's Republic of China ("PRC") which owns and operates Huizhou International Container Terminals. Huizhou International Container Terminals is situated in the Quanwan Port Zone of Daya Bay Economic and Technological Development Zone in the southeastern Guangdong Province of the PRC, and it is the first dedicated container terminal in the Huizhou Municipality. It comprises two 50,000-tonne container berths and one 3,000-ton container berth with an area of 60 hectares, a total quay length of 800 metres and depth alongside of 15.7 metres.

### **Rationale for the Acquisition**

The Trustee-Manager believes that the Acquisition will benefit HPH Trust and its unitholders. Given the construction of the two 50,000-tonne container berths is expected to be completed by the end of this year, the Trustee-Manager is of the view that, together with the local PRC shareholder of YICT III and PML, HICT will be able to attract more cargoes, in particular intra-Asia cargoes due to its strategic position. The Acquisition could provide additional handling capacity and generate operational synergies with Yantian International Container Terminals through sharing of resources and better utilisation of port and related facilities.

### **Relationship with the Vendor**

The Vendor is an indirect wholly-owned subsidiary of HPH, the sponsor of HPH Trust. HPH is an indirect subsidiary of CK Hutchison Holdings Limited ("CKHH"). For the purposes of Chapter 9 of the Listing Manual, the Vendor, being an indirect subsidiary of CKHH, (a controlling unitholder of HPH Trust and a controlling shareholder of the Trustee-Manager) is an "interested person" of HPH Trust for the purposes of the Listing Manual. Therefore, the Acquisition is an "interested person transaction" under Chapter 9 of the Listing Manual.

Shanghai Container Terminals Limited, which HPH has an effective equity interest of 40% in it, had provided an entrustment loan of RMB200,000,000 to HICT (the "Loan") with security provided by HPH. The Loan is in place as at the date on which the ETA is entered into and shall remain in place until after the completion of the Acquisition.

The aggregate value of all the “interested person transactions” entered into with CKHH and its subsidiaries and associates during the current financial year, including the Acquisition, based on HPH Trust’s effective interest of 51.64% in both YICT III and PML and taking into account the Consideration and the Loan, does not exceed 3.0% of the audited net tangible assets of HK\$33 billion (as at 31 December 2015) of the HPH Trust group.

### **Interests of the Directors of Trustee-Manager and Controlling Unitholders**

Save as disclosed above, none of the directors of the Trustee-Manager and the controlling unitholders of HPH Trust has an interest, direct or indirect, in the Acquisition.

By Order of the Board

**Hutchison Port Holdings Management Pte. Limited**

(as trustee-manager of Hutchison Port Holdings Trust)

(Company Registration No. 201100749W)

Ms Lynn Wan Tiew Leng

Company Secretary

28 December 2016

### **About HPH Trust**

HPH Trust is a container port business trust listed in Singapore.

The portfolio of HPH Trust consists of interests in deep-water container port assets located in Hong Kong and Shenzhen, the People’s Republic of China, two of the world’s busiest container port cities, 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.

HPH Trust is managed by Hutchison Port Holdings Management Pte. Limited, with the key objective of providing unitholders with stable and regular distributions as well as long-term distribution per unit growth.