



Your Preferred Port-of-Call

**2015 Financial Results
Presentation for the Period Ended
30 September 2015**

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 September 2015 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, a trustee-manager of HPH Trust, of future events.

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1 Key Highlights

Key Highlights

- HPH Trust continues to outperform the market and achieved stable third quarter results as management focused primarily on tariffs and costs improvements
- Despite weak market outlook, overall YTD September 2015 results of HPH Trust has improved from its first half. Management remains cautious on the volume outlook for the remainder of the year given the depressed EU market and will continue to focus on improvements to tariffs and costs
- YTD September 2015 throughput of HPH Trust's deep-water ports was in line with last year. YICT's throughput grew by 6% yoy. Combined throughput of HIT, COSCO-HIT and ACT dropped 5% yoy
- Outbound cargoes to the US showed an upward trend but at a slower growth rate. The decline in outbound cargoes to EU continued but showed some improvements in the third quarter of 2015. Throughput growth of YICT was mainly driven by US, transshipment and empty cargoes but was offset by EU decline. HIT's throughput drop was mainly due to weaker transshipment and intra-Asia cargoes

Key Highlights

- Revenue and other income was HK\$9,578.1 million, representing HK\$147.7 million or 2% above last year. Without the net gain of HK\$243.8 million arising from the disposal of 60% effective interest in ACT in 2014 (“ACT gain”), YTD September 2015 NPAT was HK\$2,184.0 million, representing HK\$145.4 million or 7% above last year. NPAT attributable to unitholders was HK\$1,211.6 million, representing HK\$37.4 million or 3% above last year
- With ACT gain, YTD September 2015 NPAT was 4% below last year and NPAT attributable to unitholders was 15% below last year

2 Outlook and Prospects

Outlook and Prospects

Overview



- The volume of containers handled by HPH Trust is affected materially by the economic performance of the US and Europe
- The US economy showed solid growth in the second quarter of 2015 on stronger consumer spending but weakening global economy may affect the momentum in the near term. Outbound cargoes to the US grew at a slower rate in the third quarter of 2015 and this trend is expected to continue for the rest of the year
- Outbound cargoes to Europe remained weak due to the sluggish European economy. It is anticipated that Europe's economic difficulties will continue to depress the outgoing volume
- HPH Trust's performance is also dependent on the outcomes of structural changes occurring in the container shipping industry. Leading container shipping companies continue to expand their mega-vessel fleets, form alliances and broaden vessel-sharing schemes to achieve cost advantages, improve efficiency and strengthen overall competitiveness. HPH Trust's natural deep-water channels and significant 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

Outlook and Prospects

Overview

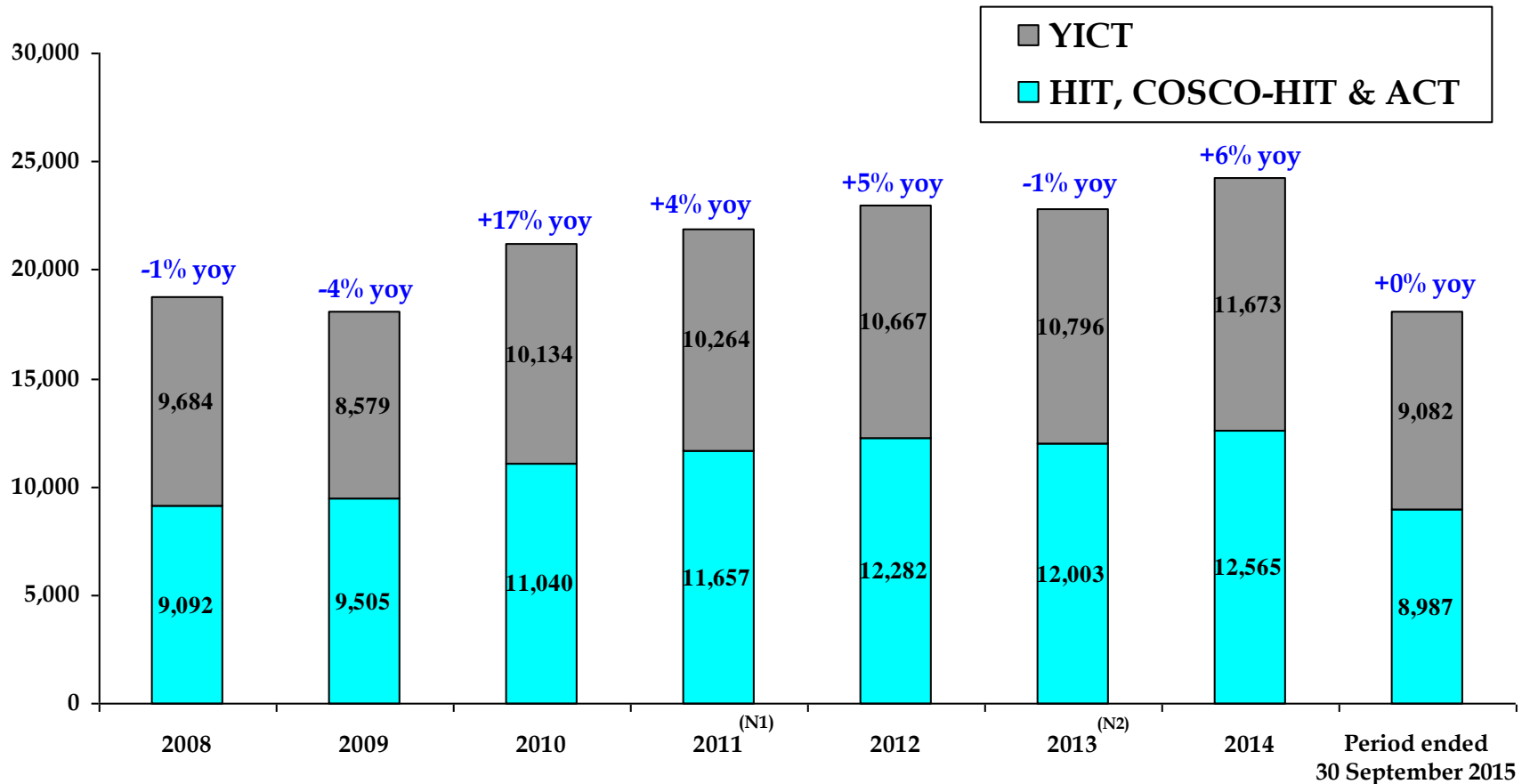


- HPH Trust's 2015 third quarter results were stable but given the depressed European market, management remains cautious on the volume outlook for the remainder of the year and will continue to focus on improvements to tariffs and costs
- The Trustee-Manager is confident that HPH Trust will respond promptly and effectively to any challenges, given its strong fundamentals

3 Business Review for the Period Ended 30 September 2015

Key Business Update

Throughput Volume (TEU in thousand)



N1 2011 throughput volume is on full year basis (i.e. include the throughput volume before listing) for comparison purpose

N2 Includes throughput volume of ACT from 7 March 2013, the date of acquisition

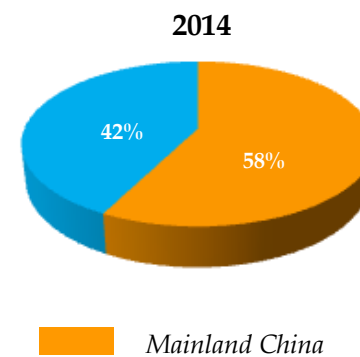
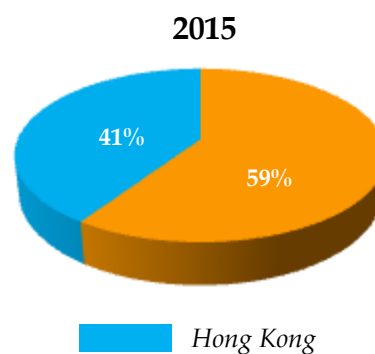
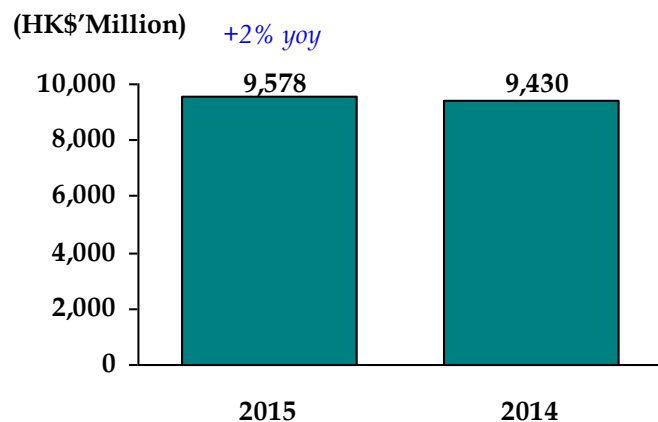
4 Key Financial Performance

Key Financial Performance

Revenue and other income

For the period ended 30 September 2015

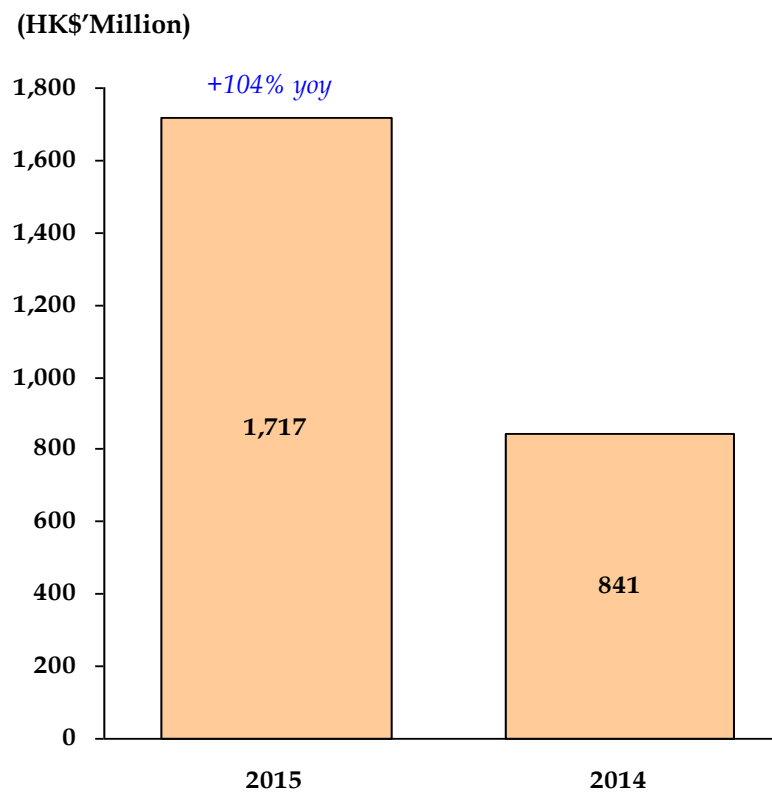
Segment Information



Key Financial Performance

Total Capex

For the period ended 30 September 2015



Key Financial Performance

Financial Position



At 30 September 2015
HK\$'Million

| | |
|-------------------------|------------|
| Short Term Debt | \$7,408.7 |
| Long Term Debt | \$25,885.4 |
| Total Consolidated Debt | \$33,294.1 |
| Total Consolidated Cash | \$5,778.6 |

Unaudited Financial Results of HPH Trust for the Period Ended 30 September 2015 against Last Year



| (HK\$'Million) | 1 January to 30 September | | |
|---|---------------------------|---------------------------------------|----------------------------------|
| | 2015 <u>Actual</u> | 2014 <u>Actual</u> ^(N1) | % variance <u>Fav/(Unfav)</u> |
| Revenue and other income | 9,578.1 | 9,430.4 | 2% |
| Cost of services rendered | (3,525.6) | (3,590.8) | 2% |
| Staff costs | (232.0) | (229.2) | (1%) |
| Depreciation and amortisation | (2,104.5) | (2,101.1) | - |
| Other operating income | 28.4 | 29.8 | (5%) |
| Other operating expenses | (586.8) | (649.9) | 10% |
| Total operating expenses | (6,420.5) | (6,541.2) | 2% |
| Operating profit | 3,157.6 | 2,889.2 | 9% |
| Interest and other finance costs | (467.4) | (438.7) | (7%) |
| Share of profits/(losses) after tax of Associated Cos/JVs | 107.8 | 113.0 | (5%) |
| Profit before tax | 2,798.0 | 2,563.5 | 9% |
| Taxation | (614.0) | (524.9) | (17%) |
| Profit after tax before net gain from the disposal of ACT (a) | 2,184.0 | 2,038.6 | 7% |
| Net gain from the disposal of ACT | - | 243.8 | (100%) |
| Profit after tax (b) | 2,184.0 | 2,282.4 | (4%) |
| Profit after tax attributable to non-controlling interests (c) | (972.4) | (864.4) | 12% |
| Profit after tax attributable to unitholders of HPH Trust before net gain from the disposal of ACT (a) - (c) | 1,211.6 | 1,174.2 | 3% |
| Profit after tax attributable to unitholders of HPH Trust after net gain from the disposal of ACT (b) - (c) | 1,211.6 | 1,418.0 | (15%) |

N1 On 13 March 2014, HPH Trust entered into a strategic partnership with COSCO Pacific Limited and China Shipping Terminal Development (Hong Kong) Company Limited through their investment of 40% and 20% respectively, of effective equity and loan interests in ACT. Subsequent to the transaction, ACT has changed from being a wholly-owned subsidiary to a joint venture with 40% effective interest held by HPH Trust. Accordingly, its results are reported under "Share of profits/(losses) after tax of Associated Cos/JVs", instead of being consolidated into each line item of HPH Trust's consolidated income statement as previously recorded

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

Unaudited Financial Results of HPH Trust for the HPHT Quarter Ended 30 September 2015 against Last Year

| (HK\$'Million) | 1 July to 30 September | | |
|---|------------------------|------------------------|-----------------------------------|
| | <u>2015 Actual</u> | <u>2014 Actual</u> | <u>% variance Fav/(Unfav)</u> |
| Revenue and other income | 3,501.7 | 3,422.0 | 2% |
| Cost of services rendered | (1,211.1) | (1,262.7) | 4% |
| Staff costs | (75.8) | (77.1) | 2% |
| Depreciation and amortisation | (707.2) | (698.7) | (1%) |
| Other operating income | 8.1 | 22.0 | (63%) |
| Other operating expenses | (186.4) | (168.5) | (11%) |
| Total operating expenses | (2,172.4) | (2,185.0) | 1% |
| Operating profit | 1,329.3 | 1,237.0 | 7% |
| Interest and other finance costs | (152.9) | (157.0) | 3% |
| Share of profits/(losses) after tax of Associated Cos/JVs | 34.8 | 40.7 | (14%) |
| Profit before tax | 1,211.2 | 1,120.7 | 8% |
| Taxation | (262.7) | (237.1) | (11%) |
| Profit after tax | 948.5 | 883.6 | 7% |
| Profit after tax attributable to non-controlling interests | (422.6) | (392.9) | 8% |
| Profit after tax attributable to unitholders of HPH Trust | 525.9 | 490.7 | 7% |

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

Statements of Financial Position as at 30 September 2015 and 31 December 2014



| (HK\$'Million) | 30 September 2015 <u>Unaudited</u> | 31 December 2014 <u>Audited</u> |
|------------------------------------|--|---------------------------------------|
| ASSETS | | |
| Non-Current assets | | |
| Fixed assets | 24,643.8 | 25,040.0 |
| Projects under development | 2,304.5 | 2,332.0 |
| Leasehold land and land use rights | 41,590.1 | 42,554.8 |
| Railway usage rights | 14.1 | 15.0 |
| Customer relationships | 6,922.1 | 7,172.8 |
| Goodwill | 22,629.0 | 22,629.0 |
| Associated companies | 155.8 | 154.4 |
| Joint ventures | 3,907.0 | 4,150.3 |
| Other non-current assets | 1,680.5 | 798.4 |
| Deferred tax asset | 15.8 | 12.9 |
| Total non-current assets | 103,862.7 | 104,859.6 |
| Current assets | | |
| Cash and cash equivalents | 5,778.6 | 7,798.8 |
| Trade and other receivables | 3,906.5 | 3,318.2 |
| Inventories | 128.6 | 133.8 |
| Total current assets | 9,813.7 | 11,250.8 |

Statements of Financial Position as at 30 September 2015 and 31 December 2014 (cont'd)



| (HK\$'Million) | 30 September 2015 <u>Unaudited</u> | 31 December 2014 <u>Audited</u> |
|--|--|---------------------------------------|
| Current liabilities | | |
| Trade and other payables | 7,022.4 | 6,941.0 |
| Bank and other debts | 7,387.1 | 8,190.2 |
| Current tax liabilities | 402.9 | 487.1 |
| Total current liabilities | <u>14,812.4</u> | <u>15,618.3</u> |
| Net current liabilities | <u>(4,998.7)</u> | <u>(4,367.5)</u> |
| Total assets less current liabilities | <u>98,864.0</u> | <u>100,492.1</u> |
| Non-current liabilities | | |
| Bank and other debts | 25,822.5 | 25,491.2 |
| Pension obligations | 108.8 | 144.1 |
| Deferred tax liabilities | 11,256.1 | 11,442.9 |
| Other non-current liabilities | 18.5 | 19.7 |
| Total non-current liabilities | <u>37,205.9</u> | <u>37,097.9</u> |
| Net assets | <u>61,658.1</u> | <u>63,394.2</u> |
| EQUITY | | |
| Units in issue | 68,553.8 | 68,553.8 |
| Reserves | <u>(26,360.0)</u> | <u>(24,237.4)</u> |
| Net assets attributable to unitholders of HPH Trust | 42,193.8 | 44,316.4 |
| Non-controlling interests | <u>19,464.3</u> | <u>19,077.8</u> |
| Total equity | <u>61,658.1</u> | <u>63,394.2</u> |

Statements of Cash Flows for the Period Ended 30 September 2015 and 30 September 2014



| (HK\$'Million) | <u>1 January to 30 September 2015</u> | <u>1 January to 30 September 2014</u> |
|---|---|---|
| Operating activities | | |
| Cash generated from operations | 4,962.0 | 4,772.2 |
| Interest and other finance costs paid | (429.0) | (371.2) |
| Tax paid | (888.1) | (656.1) |
| Net cash from operating activities | <u>3,644.9</u> | <u>3,744.9</u> |
| Investing activities | | |
| Purchase of fixed assets, projects under development and leasehold land & land use rights | (1,717.0) | (840.6) |
| Proceeds on disposal of fixed assets | 11.8 | 3.0 |
| Dividends received from investments | 35.6 | 16.8 |
| Dividends received from associated companies and joint ventures | 93.0 | 99.0 |
| Interest received | 63.9 | 72.4 |
| Proceeds on disposal of subsidiary companies | - | 2,411.3 |
| Net cash (used in)/from investing activities | <u>(1,512.7)</u> | <u>1,761.9</u> |
| Financing activities | | |
| New borrowings | 14,013.3 | 10,800.0 |
| Repayment of borrowings | (14,496.4) | (10,837.6) |
| Upfront debt transaction costs and facilities fees of borrowings | (69.0) | (7.8) |
| Repayment of loans by joint ventures | 241.0 | 1.0 |
| Capital contribution from non-controlling interests | 345.3 | - |
| Distributions to unitholders of HPH Trust | (3,310.2) | (3,571.6) |
| Dividends to non-controlling interests | (876.4) | (1,263.6) |
| Net cash used in financing activities | <u>(4,152.4)</u> | <u>(4,879.6)</u> |
| Net changes in cash and cash equivalents | <u>(2,020.2)</u> | <u>627.2</u> |
| Cash and cash equivalents at beginning of the period | <u>7,798.8</u> | <u>5,818.7</u> |
| Cash and cash equivalents at end of the period | <u>5,778.6</u> | <u>6,445.9</u> |

Statements of Cash Flows for the Quarter Ended 30 September 2015 and 30 September 2014



| (HK\$' Million) | <u>1 July to 30 September 2015</u> | <u>1 July to 30 September 2014</u> |
|---|--|--|
| Operating activities | | |
| Cash generated from operations | 1,677.9 | 1,870.4 |
| Interest and other finance costs paid | (166.5) | (138.3) |
| Tax paid | (239.8) | (254.8) |
| Net cash from operating activities | <u>1,271.6</u> | <u>1,477.3</u> |
| Investing activities | | |
| Purchase of fixed assets, projects under development and leasehold land & land use rights | (838.0) | (197.6) |
| Proceeds on disposal of fixed assets and investment | 3.2 | 2.7 |
| Dividends received from investments | 1.2 | 14.7 |
| Dividends received from associated companies and joint ventures | 31.0 | 35.0 |
| Interest received | 19.0 | 25.2 |
| Net cash used in investing activities | <u>(783.6)</u> | <u>(120.0)</u> |
| Financing activities | | |
| Drawdown of bank loans | - | 7,800.0 |
| Repayment of bank loans | - | (7,801.3) |
| Upfront debt transaction costs and facilities fees of borrowings | - | (7.8) |
| Repayment of loans by joint ventures | 240.0 | - |
| Distributions to unitholders of HPH Trust | (1,367.6) | (1,629.0) |
| Dividends to non-controlling interests | (876.4) | (1,263.6) |
| Net cash used in financing activities | <u>(2,004.0)</u> | <u>(2,901.7)</u> |
| Net changes in cash and cash equivalents | <u>(1,516.0)</u> | <u>(1,544.4)</u> |
| Cash and cash equivalents at beginning of the quarter | 7,294.6 | 7,990.3 |
| Cash and cash equivalents at end of the quarter | <u>5,778.6</u> | <u>6,445.9</u> |