

CORPORATE GOVERNANCE REPORT

HPH Trust is a business trust constituted under the Business Trusts Act 2004 of Singapore (“BTA”). Hutchison Port Holdings Management Pte. Limited (“Trustee-Manager”) as the trustee-manager of HPH Trust is responsible for managing the business of HPH Trust as defined in the deed of trust dated 25 February 2011 and as amended and supplemented by the first supplemental deed dated 28 April 2014 and the second supplemental deed dated 8 June 2020 (collectively, “Trust Deed”).

The Trustee-Manager strives to attain and maintain high standards of corporate governance best suited to the needs and interests of HPH Trust group of companies (“Group”) as it believes that an effective corporate governance framework is fundamental to promoting and safeguarding the interests of unitholders and other stakeholders and enhancing unitholder value. Accordingly, the Trustee-Manager has adopted and applied corporate governance principles and practices that emphasise a quality Board of Directors (“Board”), effective risk management and internal control systems, stringent disclosure practices, transparency and accountability as well as effective communication and engagement with unitholders and other stakeholders. It is, in addition, committed to continuously enhancing these standards and practices and inculcating a robust culture of compliance and ethical governance underlying the business operations and practices across the Group.

The Board sets out in this report the corporate governance principles and practices put in place for the financial year ended 31 December 2023 with reference to the BTA, the Business Trusts Regulations (“BTR”), the Code of Corporate Governance 2018 (“Code”) and the Listing Manual of Singapore Exchange Securities Trading Limited (“SGX-ST Listing Manual”).

HPH Trust has complied throughout the financial year ended 31 December 2023 with all the principles and provisions of the Code, where applicable. The reasons for deviations from the provisions of the Code are explained in this report.

BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1

Role of the Board

The Board, which is accountable to unitholders for the long-term sustainable success of HPH Trust, is responsible for shaping and overseeing the corporate culture, setting and guiding the long-term strategic objectives of HPH Trust with appropriate focus on value creation and risk management, directing, supervising and monitoring the managerial performance and operating practices of the Group to ensure they align with the desired culture. It also ensures ongoing effective communication with unitholders and engagement with key stakeholders as it develops the purpose and values of HPH Trust. Directors are fiduciaries and are charged with the task of promoting the long term sustainable success of HPH Trust and making decisions in the best interests of HPH Trust with due regard to sustainability considerations. The Board has established a framework for the management of HPH Trust, putting in place all relevant risk management and internal control systems review assessment and reporting processes.

The Board, led by the Chairman and Non-executive Director, Mr. Fok Kin Ning, Canning, fosters and oversees the culture, determines and monitors Group-wide strategies and policies, annual budgets and business plans, evaluates the performance of HPH Trust, and supervises the management of HPH Trust (“Management”). Management is responsible for the day-to-day operations of the Group under the leadership of Mr. Ivor Chow, the Chief Executive Officer (“CEO”), and putting in place mechanisms for ensuring that the desired culture of HPH Trust is understood and shared at all levels of the Group.

Procedures are instituted to deal with conflicts of interest issues. Except for those circumstances permitted by the constitution of the Trustee-Manager, the Trust Deed and the SGX-ST Listing Manual, a Director would abstain from voting on resolutions approving any contract, transaction, arrangement or any other kind of proposal put forward to the Board in which he/she or any of his/her close associates is materially interested in, and such Director is not counted for quorum determination purposes.

HPH Trust has in place, among others, an Internal Control Manual which includes a code of conduct that sets the tone for the Group in respect of ethics, values, the desired organisational culture and the proper accountability with the Group, the Finance Manual and the Legal and Regulatory Compliance Manual.

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To enable Directors to fully discharge their duties and obligations, each Director has been furnished with the Legal and Regulatory Compliance Manual, the Internal Control Manual and Finance Manual setting forth comprehensive internal guidelines on matters relating to internal control and finance.

Board Process

The Board meets at least four times a year at approximately quarterly intervals, with all Board and board committee meetings and the Annual General Meeting dates scheduled well in advance, in consultation with the Board. Among other things, the Board approves the half-yearly and full year financial results for release to Singapore Exchange Securities Trading Limited ("SGX-ST") and material transactions requiring announcements under the SGX-ST Listing Manual and notes perceptions of the key stakeholder groups on HPH Trust. Whenever warranted, additional meetings are held. Board meetings are also supplemented by resolutions circulated to Directors for decisions as and when necessary.

The Trustee-Manager has adopted and documented internal guidelines setting forth matters reserved for Board approval ("Reserved Matters"). The Reserved Matters include:

- (a) matters in relation to the overall strategy and management of the Group;
- (b) material changes to the Group's capital or corporate structure;
- (c) matters involving financial reporting and distributions;
- (d) major investments, major capital projects, material transactions and transactions not in the ordinary course of business;
- (e) transactions between the Trustee-Manager for and on behalf of HPH Trust and any of its related parties; and
- (f) matters which require Board approval as specified under the SGX-ST Listing Manual, BTA or other relevant laws and regulations.

Board Committees

The Board is supported by four board committees: Audit Committee ("AC"), Nominating Committee ("NC"), Remuneration Committee ("RC") and Sustainability Committee ("SC"), details of which are described below in this report. The terms of reference for these committees, which have been adopted by the Board, are available on the corporate website of HPH Trust. Other board committees are established by the Board as and when warranted to take charge of specific tasks.

In 2023, the Board held four Board meetings with 100% Director attendance. The Company Secretary and the Deputy Company Secretary attended all Board meetings held in 2023.

NAME OF DIRECTOR

ATTENDED / ELIGIBLE TO ATTEND

Chairman and Non-executive Director

Mr. Fok Kin Ning, Canning	4/4
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Executive Director

Mr. Ip Sing Chi	4/4
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Non-executive Directors

Ms. Edith Shih	4/4
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Ms. Lee Tung Wan, Diana	4/4
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NAME OF DIRECTOR	ATTENDED / ELIGIBLE TO ATTEND
Independent Non-executive Directors	
Mr. Chan Tze Leung, Robert ⁽¹⁾	3/3
Prof. Chan Fan-cheong, Tony ⁽²⁾	2/2
Dr. Fong Chi Wai, Alex	4/4
Mr. Graeme Allan Jack ⁽³⁾	2/2
Mr. Lee Kah Lup ⁽⁴⁾	1/1
Ms. Seah Bee Eng (alias Jennifer Loh) ⁽²⁾	2/2
Mrs. Sng Sow-Mei (alias Poon Sow Mei) ⁽³⁾	2/2
Mr. Wong Kwai Lam	4/4

(1) Retired with effect from 26 July 2023

(2) Appointed with effect from 26 April 2023

(3) Retired with effect from 26 April 2023

(4) Appointed with effect from 26 July 2023

The constitution of the Trustee-Manager allows directors to participate in the Board and board committee meeting by telephone conference or video-conference whereby all persons participating in the meeting are able to communicate as a group.

The Board does not set the maximum number of board representations which a Director may hold but confirmation is received from each Director that he or she has provided sufficient time and attention to the affairs of HPH Trust. In addition, Directors disclose to the Trustee-Manager in a timely manner their other principal commitments, such as directorships in other public listed companies and major appointments as well as update the Trustee-Manager on any subsequent changes. The Board and the NC, on the basis of the foregoing, is satisfied that the Directors have given sufficient time and attention to the affairs of the Trustee-Manager and HPH Trust. Further details on the basis of such determination are set out under the section "Board Membership" below.

Access to information

Management recognises the importance of complete, adequate and timely information flow to the Board. With respect to regular meetings of the Board, Directors receive written notice of the meeting generally about a month in advance and an agenda with supporting Board papers no less than three days prior to the meeting. For other meetings, Directors are given as much notice as is reasonable and practicable in the circumstances.

At every AC meeting, the Chief Financial Officer ("CFO") briefs the AC members on developments in accounting and governance standards.

At every quarterly Board meeting, the CEO and/or CFO provide business updates and highlights of HPH Trust's quarterly accounts. The scope of such update includes general economic conditions and how it affects HPH Trust's business, overview of industry trends and developments, and developing trends.

Between scheduled meetings of the Board, Management provides to Directors, on a regular basis, financial performance reports of key operating entities of the Group and other relevant information with respect to the performance, business activities and development of the Group. Throughout the year, in addition to the Board meetings, Directors participate in the deliberation and approval of routine and operational matters of the Trustee-Manager, on behalf of HPH Trust, by way of written resolutions with supporting explanatory materials, supplemented by additional verbal and/or written information from the CEO, CFO or other executives as and when required. Details of material or notable transactions of subsidiaries and associated companies are provided to the Directors as appropriate. Whenever warranted, additional Board meetings are held.

In addition, Directors have unrestricted access to Management, the Company Secretary, Deputy Company Secretary and independent professional advisers at the expense of HPH Trust at all times whenever deemed necessary by Directors. They are at liberty to propose appropriate matters for inclusion in Board agendas.

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Directors are provided with updates and briefings from time to time by Management, professional advisers and auditors on relevant practices, new laws, rules and regulations, directors' duties and responsibilities, corporate governance, changes in accounting standards and risk management issues applicable or relevant to the performance of their duties and responsibilities as Directors.

Directors' induction and training

Upon appointment to the Board, Directors receive a formal letter of appointment setting out directors' duties and a comprehensive and tailored induction to the Group's businesses, strategic direction and governance practice by senior executives. A pack of orientation materials which include detailed information of the Trustee-Manager and the Group, duties as a director and/or board committee member (as the case may be) as well as internal governance and sustainability policies of the Group are also provided to the Directors. Every new director is taken through such orientation materials at an induction session, including attending site visits.

The Trustee-Manager arranges and provides continuous professional development ("CPD") training in the forms of seminars, webcasts and selected reading materials to Directors to help them to keep abreast of current trends and issues facing the Group, including the latest changes in the commercial (including industry-specific and innovative changes), legal and regulatory environment in which the Group conducts its businesses and to refresh their knowledge and skills on the roles, functions and duties of a listed entity director. In addition, CPD may take the form of attendance at external forums or briefing sessions (including delivery of speeches) on relevant topics. CPD training of approximately 54 hours had been provided to the Directors during the year.

The Directors are required to provide the Trustee-Manager with details of the CPD training undertaken by them from time to time. Based on the details so provided, the CPD training undertaken by the Directors in 2023 is summarised as follows, representing an average of approximately 32 hours undertaken by each Director during the year:

NAME OF DIRECTOR	AREAS				
	LEGAL AND REGULATORY	CORPORATE GOVERNANCE / SUSTAINABILITY PRACTICES	FINANCIAL REPORTING / RISK MANAGEMENT	GROUP'S BUSINESSES / DIRECTORS' DUTIES	DIGITAL / INFORMATION TECHNOLOGY
Chairman and Non-executive Director					
Mr. Fok Kin Ning, Canning	✓	✓	✓	✓	✓
Executive Director					
Mr. Ip Sing Chi	✓	✓	✓	✓	✓
Non-executive Directors					
Ms. Edith Shih	✓	✓	✓	✓	✓
Ms. Lee Tung Wan, Diana	✓	✓	✓	✓	✓
Independent Non-executive Directors					
Mr. Chan Tze Leung, Robert ⁽¹⁾	✓	✓	✓	✓	✓
Prof. Chan Fan-cheong, Tony ⁽²⁾	✓	✓	✓	✓	–
Dr. Fong Chi Wai, Alex	✓	✓	✓	✓	✓
Mr. Graeme Allan Jack ⁽³⁾	✓	✓	✓	✓	–
Mr. Lee Kah Lup ⁽⁴⁾	✓	✓	✓	✓	✓
Ms. Seah Bee Eng (alias Jennifer Loh) ⁽²⁾	✓	✓	✓	✓	✓
Mrs. Sng Sow-Mei (alias Poon Sow Mei) ⁽³⁾	✓	✓	✓	✓	–
Mr. Wong Kwai Lam	✓	✓	✓	✓	✓

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- (1) Retired with effect from 26 July 2023
- (2) Appointed with effect from 26 April 2023
- (3) Retired with effect from 26 April 2023
- (4) Appointed with effect from 26 July 2023

All Directors of the Trustee-Manager attended the mandatory sustainability training prescribed by SGX-ST. During the year ended 31 December 2023, Prof. Chan Fan-cheong, Tony, Ms. Seah Bee Eng (alias Jennifer Loh) and Mr. Lee Kah Lup were appointed as Independent Non-executive Directors to succeed Mr. Graeme Allan Jack, Mrs. Sng Sow-Mei (alias Poon Sow Mei) and Mr. Chan Tze Leung, Robert respectively. Since Prof. Chan and Mr. Lee do not have prior experience as a director of a listed issuer listed on the SGX-ST, they have attended the mandatory training prescribed by Rule 210(5)(a) of SGX-ST Listing Manual.

The appointment and removal of the Company Secretary is subject to Board approval.

During the year, Ms. Edith Shih resigned as Deputy Company Secretary of the Trustee-Manager and the Board had collectively decided to appoint Ms. Chow Yan Hing, Agnes as the new Deputy Company Secretary.

The Company Secretary, Ms. Wong Yoen Har and the Deputy Company Secretary are accountable to the Board for ensuring that Board procedures are followed and Board activities are efficiently and effectively conducted. These objectives are achieved through adherence to proper Board processes and timely preparation of and dissemination to Directors comprehensive Board meeting papers. Minutes of all meetings of the Board and board committees are prepared and maintained by the Company Secretary or Deputy Company Secretary to record in sufficient details the matters considered and decisions reached by the Board or board committees, including any concerns raised or dissenting views voiced by any Director. All draft and final minutes of the Board meetings and meetings of board committees are sent to Directors or board committee members as appropriate for comments, approval and records. Board records are available for inspection by any Director upon request.

Board Composition and Guidance

Principle 2

Board Independence

The Trustee-Manager recognises that Board independence and diversity of thoughts and background would enable the Board to make decisions in the Group's best interest.

The current composition of the Board (comprising a majority of independent and non-executive Directors) and the AC (comprising all independent non-executive Directors) comply with the requirements of the Code. Board appointment has been, and will continue to be, made based on merit and the contribution such appointment can bring to the Board as a whole, taking into account the following principles:

- (a) The majority of Board members should be non-executive and independent Directors;
- (b) The chairman of the Board should be a non-executive Director;
- (c) At least a majority of the Directors should be independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager; and
- (d) The Board should comprise Directors with a wide range of commercial and management experience, which provides an appropriate balance of diversity of skills, experience, gender and industry knowledge.

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Directors' Independence

HPH Trust recognises that Board independence is key to good corporate governance. As part of the established governance framework, the Group has in place effective mechanisms that underpin a strong independent Board and that independent views and input from Directors are conveyed to the Board. The governance framework and mechanisms are kept under regular review to align with international best practice, ensuring their effectiveness.

The Board and the NC have assessed the independence of all the independent non-executive Directors having regard to the independence criteria as set out in the SGX-ST Listing Manual, the BTR and the Code. Declarations of independence were provided by the Directors.

The Board and the NC considers all of them to be independent in accordance with Rule 210(5) of the SGX-ST Listing Manual because none of them (i) have been employed by the Trustee-Manager or any of its related corporations for the current financial year or any of the past three financial years of the Trustee-Manager, and (ii) have an immediate family member who is or has been in any of the past three financial years, employed by the Trustee-Manager or any of its related corporations and whose remuneration is determined by the Board.

A Director is considered to be independent in accordance with the provisions of the BTR if he or she is independent from Management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager.

Mr. Lee Kah Lup (appointed with effect from 26 July 2023), Ms. Seah Bee Eng (alias Jennifer Loh) and Prof. Chan Fan-cheong, Tony (both appointed with effect from 26 April 2023) are considered to be independent from Management and business relationships with the Trustee-Manager, and from every substantial shareholder of the Trustee-Manager.

Construed within the context of the BTR, Dr. Fong Chi Wai, Alex and Mr. Wong Kwai Lam are considered to be independent from Management and business relationships with the Trustee-Manager, but not independent from the substantial shareholder(s) of the Trustee-Manager. With respect to Dr. Fong and Mr. Wong, the Board has in its review taken the following into consideration:

In the case of Dr. Fong, notwithstanding that he is currently an independent non-executive director, chairman of the remuneration committee and the audit committee, and a member of the sustainability committee of TOM Group Limited ("TOM"), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited ("HKEx") and an independent non-executive director, a member of the remuneration committee and the sustainability committee of HK Electric Investments Limited; an independent non-executive director of HK Electric Investments Manager Limited (as trustee-manager of HK Electric Investments) and a director of The Hongkong Electric Company, Limited (collectively, the "Companies"), the share stapled units jointly issued by HK Electric Investments Limited and HK Electric Investments are listed in Hong Kong, the Board and the NC noted that these roles should not interfere with his ability to exercise independent judgment in the interests of the unitholders of HPH Trust for the following reasons:

- (i) Dr. Fong does not have any relationship with the chief executive officer, members of the management team, board of directors or substantial shareholder(s) of the Companies;
- (ii) he is not involved in the day-to-day management and operation of the Companies;
- (iii) he does not own any shares in the Companies;
- (iv) he exercises independent judgment as an independent non-executive director/a director of the Companies, in particular on interested person transactions and on internal audit control and management; and
- (v) the Companies are in different businesses from HPH Trust.

As such, given his extensive experience and qualifications, he is able to contribute as an Independent Director on the Board.

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In the case of Mr. Wong, notwithstanding that he is currently an independent non-executive director, chairman of the audit committee and a member of the remuneration committee of CK Hutchison Holdings Limited (“CKHH”), the shares of which are listed on the Main Board of HKEx, the Board and the NC noted that these roles should not interfere with his ability to exercise independent judgment in the interest of the unitholders of HPH Trust for the following reasons:

- (i) Mr. Wong does not have any relationship with the managing director(s), members of the management team, board of directors or substantial shareholder(s) of CKHH;
- (ii) he is not involved in the day-to-day management and operation of CKHH;
- (iii) he does not own any shares in CKHH;
- (iv) he exercises independent judgment as an independent non-executive director of CKHH, in particular on interested person transactions and on internal audit control and management; and
- (v) Hutchison Port Holdings Limited (“HPH”), a member of CKHH group, has entered into a Non-Compete Agreement with the Trustee-Manager pursuant to which there is a mutual non-compete undertaking between the two entities such that HPH undertakes not to invest in, develop, operate and manage deep-water container ports in the Guangdong Province, Hong Kong and Macau, and HPH Trust undertakes not to invest in, develop, operate and manage deep-water container ports in any part of the world outside of the Guangdong Province, Hong Kong and Macau, save that HPH may pursue any investment opportunity (including undertaking greenfield port development) declined by HPH Trust.

As such, given his extensive experience and qualifications, he is able to contribute as an independent Director on the Board.

Having carried out the review, the Board and the NC are satisfied that the relationships described above will not interfere with the independent judgment and ability to act with regard to the interests of all the unitholders of HPH Trust as a whole of Dr. Fong or Mr. Wong. Accordingly, the Board has, pursuant to Regulation 12(6) of the BTR, determined that Dr. Fong Chi Wai, Alex and Mr. Wong Kwai Lam are independent.

Neither of Dr. Fong nor Mr. Wong participates nor will they participate in any discussion of the Board in relation to any transaction with a company of whom he is a director thereof or any matters that might give rise to a conflict of interests with such company and they shall abstain from voting on any such proposals at any meeting of the Board.

Under the letter of appointment, the Directors are required to report changes of circumstances at any time which may affect their independence.

The Board and the NC are satisfied that the independent Directors are considered to be independent.

Board Composition and Diversity

The Board and the NC considered the structure, size and composition as appropriate for the current scope and nature of the Group’s operations, requirement of the business and facilitates effective decision making. Throughout the year, the number of Independent Non-executive Directors on the Board fulfilled the minimum requirement of the BTA. The Board has the appropriate balance of Independent Directors and the five Independent Directors are particularly aware of their responsibility to constantly place the interests of unitholders as a whole foremost in the consideration of all relevant matters.

The Board and the NC have set qualitative and quantitative targets (where appropriate) for achieving board diversity, which are explained in further detail below. In particular, the Board and the NC seek to have Directors selected based on the merit and the contribution such Director can bring to the Board to complement and expand the competencies, experience and perspective of the Board as a whole, taking into account the corporate strategy of the Group and the benefits of various aspects of diversity, including gender, age, culture, ethnicity, educational background, professional experience and other factors that the NC may consider relevant from time to time towards achieving a diversified board.

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As shown in the Board Skills Matrix on page 107 of this Report, (i) all Directors have experience in business management, strategic planning and risk management and are able to apply their expertise and experience to further the interests of HPH Trust, (ii) more than half of the Directors have related industry knowledge and experience, and (iii) more than one-third of the Directors have financial reporting, banking and other experience in legal/regulatory/sustainability. These are in line with the targets set by the Board and the NC in relation to the skills, experience, values and background necessary to support the long-term strategic objectives of the Trust.

Additionally, the Directors come from diverse backgrounds with various expertise in the container terminal industry and finance, business, legal and management fields, which are the targets set by the Board and the NC in relation to the professional experience required.

As such, the qualitative board diversity targets relating to the experience, skills, expertise, values and background required of the Board have been met.

For gender diversity, the target is to have the Board comprise at least 30% female directors, which has been achieved by HPH Trust. Out of the nine Directors, three are female, which also exceeds the target to be met by 2030 recommended by the Council for Board Diversity of Singapore. Female representation at the Board stands at a relatively high level (33%, three out of nine Directors) amongst companies listed on the SGX-ST.¹ In 2023, Ms. Seah Bee Eng (alias Jennifer Loh) was appointed as an Independent Non-executive Director following the retirement of Mrs. Sng Sow-Mei (alias Poon Sow Mei) as an Independent Non-executive Director. HPH Trust targets the Board to have at least 30% female Directors in the coming years. For other diversity criteria based on ethnicity and age, please refer to the diversity profile chart set out on page 107 of this Report.

The Board has long viewed diversity as a core consideration for Board composition to strengthen the versatility and resilience of the Trust. To incorporate diversity aspects into its decision-making and strategy formulation, the Board has adopted the Board Diversity Policy in 2019 followed by the set-up of the NC in April 2022. In 2022, the Board has revised the Board Diversity Policy upon the recommendation of the NC to encapsulate the additional disclosure requirements under the SGX-ST Listing Manual and the code and any other relevant aspects of diversity. The revised Board Diversity Policy, which addresses gender, skills and experience, and any other relevant aspects of diversity, recognises the benefits of a Board that possesses a balance of skills set, experience, expertise and diversity of perspectives appropriate for the strategies of HPH Trust. The Board Diversity Policy is available on HPH Trust's corporate website (https://www.hphtrust.com/corporate_governance.html).

The Trustee-Manager believes that board diversity enhances decision-making capability and thus the overall effectiveness of the Board in achieving sustainable business operation and enhancing unitholder value. HPH Trust will continue to assess the Trustee-Manager's Board Diversity Policy on an annual basis to see if the existing policy remains relevant to the diversity strategies of the Trustee-Manager using a holistic approach and taking into consideration the evolving changes to the environment, society and the business needs of HPH Trust. If the need arises, the NC will come up with relevant measurable targets and objectives, the accompanying plans and timelines for achieving the targets for consideration and approval by the Board.

The Board comprises 9 Directors including the Chairman, one Executive Director, two Non-executive Directors and five Independent Non-executive Directors.

Biographical details of the Directors are set out on pages 28 to 32 of the Annual Report and on HPH Trust's corporate website.

¹ The Diversity Action Committee (now known as the Council for Board Diversity of Singapore) set a triple tier target of 20% by 2020, 25% by 2025 and 30% by 2030 for the largest 100 primary-listed companies on SGX. PwC's study suggests that there has been a 57% increase in women board directors between 2015 to 2020, with 14.17% of board directors being females.

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The table below shows the Board structure, and skills set, expertise and competencies of the Directors:

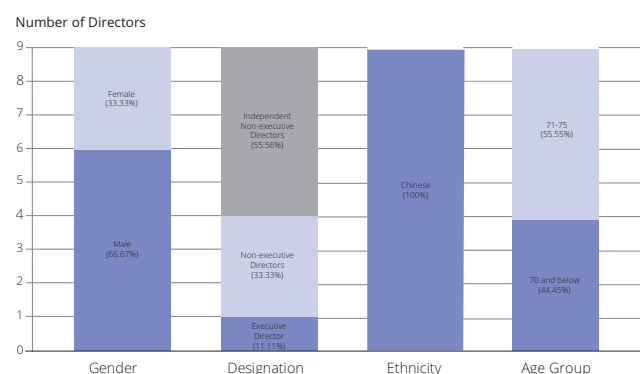
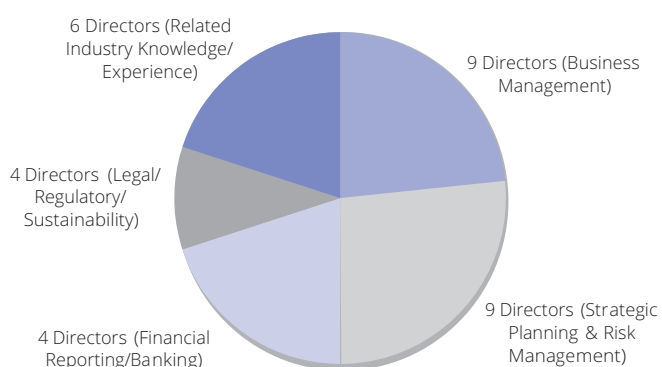
Structure and size					Committees				Skills and Expertise				
Name	Age	Gender	Ethnicity	ED/NED/INED	Audit	Nominating	Remuneration	Sustainability	Business Management	Strategic Planning & Risk Management	Financial Reporting/ Banking	Legal/Regulatory/ Sustainability	Related Industry Knowledge/ Experience
Mr. Fok Kin Ning, Canning	72	M	C	NED					✓	✓	✓		✓
Ms. Edith Shih	72	F	C	NED		✓		✓	✓	✓		✓	✓
Mr. Ip Sing Chi	70	M	C	ED					✓	✓			✓
Ms. Lee Tung Wan, Diana	55	F	C	NED			✓	✓	✓	✓	✓	✓	✓
Prof. Chan Fan-cheong, Tony	72	M	C	INED	✓				✓	✓			
Dr. Fong Chi Wai, Alex	67	M	C	INED		✓	✓	✓	✓	✓			✓
Mr. Lee Kah Lup	57	M	C	INED				✓	✓	✓		✓	✓
Ms. Seah Bee Eng (alias Jennifer Loh)	71	F	C	INED	✓			✓	✓	✓	✓	✓	
Mr. Wong Kwai Lam	74	M	C	INED	✓	✓	✓		✓	✓	✓		

F : Female
M : Male

C : Chinese

ED : Executive Director
NED : Non-executive Director
INED : Independent Non-executive Director

The charts below show the diverse skills set of the Directors and the diversity profile of the Board as at 31 December 2023:



Mr. Wong Kwai Lam has been appointed as the Lead Independent Director following the retirement of Mrs. Sng Sow-Mei (alias Poon Sow Mei) during the year. The Lead Independent Director provides feedback to the Chairman as appropriate should there be any issue coming to her/his attention from the periodic meetings among the independent non-executive Directors without the presence of the other Directors or Management.

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Chairman and CEO

Principle 3

The role of the Chairman is separate from that of the CEO and they are not immediate family members. The Chairman is a non-executive director and is not part of the management team. Such division of responsibilities reinforces the independence and increases accountability of the Board.

The Chairman, Mr. Fok Kin Ning, Canning is responsible for providing leadership to, and overseeing the functioning of, the Board to ensure that it acts in the best interests of the Group. He is also responsible for ensuring that Board meetings are planned and conducted effectively, including setting the agenda for each Board meeting, taking into account, where appropriate, matters proposed by the Directors, the Company Secretary and the Deputy Company Secretary. With the support of the Executive Director, the Company Secretary, the Deputy Company Secretary and Management, the Chairman seeks to ensure that all Directors are properly briefed on issues to be deliberated at Board meetings and are provided with adequate and accurate information in a timely manner.

The Chairman promotes a culture of openness and actively encourages Directors to voice their opinion and be fully engaged in the Board's affairs so as to contribute to the Board's effective functioning. The Board, under the leadership of the Chairman, has adopted good corporate governance practices and procedures and taken appropriate steps to promote effective communication and ongoing engagement with unitholders and other stakeholders, as outlined later in this report.

Mr. Wong, the Lead Independent Director is appointed to provide leadership in situations where the Chairman has a conflict of interests. He is accessible to the unitholders of HPH Trust in cases where they have concerns for which contact through normal channels of the Chairman, the CEO or the CFO has failed to resolve the issue or is inappropriate. His contact details are available on HPH Trust's corporate website (https://www.hphtrust.com/corporate_governance.html).

The CEO is responsible for managing the businesses of the Group, attending to the formulation and successful implementation of Group policies and assuming full accountability to the Board for all Group operations. Acting as the principal manager of the Group's businesses, the CEO attends to developing strategic operating plans that reflect the long-term objectives and priorities established by the Board and is directly responsible for overseeing and delivering operational performance of the Group.

Working with the CFO, and the executive management team of each core business division, the CEO presents annual budgets to the Board for consideration and approval, and ensures that the Board is fully apprised of the funding requirements of the Group. With the assistance of the CFO, the CEO ensures that the funding requirements of the businesses are met and monitors the operating and financial performance of the businesses against plans and budgets. The CEO maintains an ongoing dialogue with the Chairman and all Directors to keep them fully informed of all major business development and issues relating to HPH Trust. In addition, he is also responsible for building and maintaining an effective executive team to support him in his role.

Board Membership

Principle 4

Nominating Committee

The NC, currently chaired by Mr. Wong Kwai Lam, an Independent Non-executive Director and the Lead Independent Director with Ms. Edith Shih, a Non-executive Director and Dr. Fong Chi Wai, Alex, an Independent Non-executive Director as members, was established by the Board and meets the requirements of the Code.

The Board, with the support of the NC, has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

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The responsibilities of the NC are to review the structure, size, diversity profile and skills set of members of the Board against its needs and make recommendation on the composition of the Board to achieve the Group's corporate strategy as well as promote unitholder value. It identifies suitable director candidates and selects or makes recommendation to the Board on the appointment or re-appointment of, as well as succession planning for Directors and key management personnel, in particular the appointment and/or replacement of, without limitation, the Chairman, the CEO and the CFO. The NC also takes the lead on the development of a transparent process for evaluating the performance of the Board and Directors, including assessing whether directors are able to commit enough time to discharge their responsibilities and the maximum number of listed company board representations which a Director may hold. Periodically, the NC reviews the training and professional development programs for the Board including training on sustainability matters as prescribed by SGX-ST, corporate governance, financial reporting, risk management as well as legal and regulatory updates. It also reviews orientation training materials provided to new director(s) to ensure he/she is aware of his/her duties and obligations and has an overview of the Trust and its business. Furthermore, it also assesses the independence of Independent Non-executive Directors having regard to the criteria under the SGX-ST Listing Manual, the Code and the BTR and reviews the Director Nomination Policy and the Board Diversity Policy periodically and makes recommendations on any proposed revisions to the Board.

The NC held two meetings in 2023 with 100% attendance:

NAME OF MEMBER	ATTENDED / ELIGIBLE TO ATTEND
Mr. Wong Kwai Lam (Chairman)	2/2
Dr. Fong Chi Wai, Alex [#]	N.A./N.A.
Ms. Edith Shih	2/2
Mrs. Sng Sow-Mei (alias Poon Sow Mei) [*]	2/2

* Retired with effect from 26 April 2023

Appointed with effect from 26 April 2023

During the year, Mrs. Sng Sow-Mei (alias Poon Sow Mei) retired as a member of NC and Dr. Fong Chi Wai, Alex was appointed as a member of the NC.

Nomination Process

From time to time, new Directors may be identified by the NC for appointment or re-appointment, if necessary, by the Board. Under the Board Diversity Policy, Board candidates are selected based on merit and the contribution such candidate can bring to the Board to complement and expand the competencies, experience and perspectives of the Board as a whole, taking into account the corporate strategy of the Group and the benefits of various aspects of diversity, including gender, age, culture, ethnicity, educational background, professional experience and other factors that the NC may consider relevant from time to time towards achieving a diversified Board. In determining suitability of a candidate, the Board will have due regard to the benefits of various aspects of diversity in accordance with the Board Diversity Policy. If the NC determines that an additional or replacement Director is required, it will deploy multiple channels for identifying suitable director candidates, including referral from Directors, shareholders, management, advisors of the Trustee-Manager, unitholders of HPH Trust and external executive search firms.

The nomination process has been and will be conducted in accordance with the Director Nomination Policy and the Board Diversity Policy, which are available on the corporate website of HPH Trust. The Board will from time to time review these policies and monitor their implementation to ensure continued effectiveness and compliance with regulatory requirements and good corporate governance practices.

Pursuant to the Director Nomination Policy, the NC, in determining the suitability of a candidate, will consider the potential contributions a candidate can bring to the Board including the attributes complementary to the Board, the commitment, motivation and integrity of the candidate, having due consideration of the benefits of a diversified Board.

The ultimate responsibility for the selection and appointment of directors rests with the Board as a whole.

No alternate director is appointed to the Board.

CORPORATE GOVERNANCE REPORT

In 2023, the NC considered the long-term succession planning of the independent non-executive Directors who had served the Board for more than nine years, and had then conducted the nomination process in accordance with the Director Nomination Policy and the Board Diversity Policy.

After taking into consideration of the structure, diversity profile and skills set of the existing Board and the profile of candidates as well as assessing the independence of the candidates and reviewing the training requirements and materials to be provided to the new director(s) to ensure new director(s) is/are aware of his/her duties and obligations, the NC recommended to the Board the appointment of Prof. Chan Fan-cheong, Tony, Ms. Seah Bee Eng (alias Jennifer Loh) and Mr. Lee Kah Lup as Independent Non-executive Directors in anticipation of retirement of Mr. Graeme Allan Jack, Mrs. Sng Sow-Mei (alias Poon Sow Mei) and Mr. Chan Tze Leung, Robert whose retirement took effect on 26 April 2023 or 26 July 2023 (as the case maybe) with no overlapping of tenure. The appointment of Prof. Chan, Mrs. Loh and Mr. Lee were subject to stringent assessment process in accordance with Director Nomination Policy and Board Diversity Policy, to ensure the Board possesses the necessary skills, experience and knowledge in alignment with the Group's strategy. The Board is of the view that their respective qualifications, experience in the areas of management, technologies and engineering and/or financial and accounting could provide further diversity to the core competencies and skills set of the Board. They have also provided their independence confirmation in respect of the provisions of the SGX-ST Listing Manual, the code and the BTR, and the Company is not aware of any factor adversely affecting their independence. Having taken into account the above and the independence criteria set out in the applicable laws and regulations, the Board is satisfied with the independence of each of Prof. Chan, Mrs. Loh and Mr. Lee in acting as Independent Non-executive Directors.

Multiple Directorships

As part of its functions, the NC also reviews the ability of each Director to adequately carry out his/her duties as Director of the Trustee-Manager taking into consideration all relevant facts, including annual declaration of director's time commitment from each Director to confirm to the Board his/her ability to devote sufficient time and attention to the affairs of the Trust, having regard to his/her directorship and other principal commitments (and related changes in such appointments or commitments during the year) outside the Group, attendance and contributions of the Directors at meetings of the Board and/or, if applicable, its committees, level of commitment required of the director's other principal commitments, results of the assessment of the effectiveness of the Board as a whole and its committees, and the respective Directors' actual conduct and participation on the Board and its committees.

For the year 2023, the NC was of the view that each Director has devoted sufficient time and attention to the affairs of the Trust and has been able to discharge his/her duties as director effectively. The NC noted that based on the attendance at meetings of the Board and its committees during the year, all Directors were able to participate in all such meetings to carry out their duties. The NC is satisfied that all Directors have been able to and had adequately carried out their duties notwithstanding, their multiple board representations, where applicable and other principal commitments.

Review of Board Diversity Policy and Director Nomination Policy; Independence and Trainings

In 2023, the NC also reviewed (i) the Board Diversity Policy; (ii) the Director Nomination Policy; (iii) their respective implementation in the previous financial year; (iv) the objective performance criteria and process for evaluation of the performance of the Board and board committee; (v) the contribution by the Chairman and the Directors; and (vi) the training and professional development programmes provided to the Board during the previous financial year, and affirmed the independence of the Independent Non-executive Directors having regard to their annual independence confirmation and the assessment of their independence with reference to the independence criteria set out in the SGX-ST Listing Manual, the BTR and the Code. In particular, the NC considered that the Independent Non-executive Directors continue to provide a balanced and independent view to the Board and play a leading role in the board committees and bring independent and external dimension as well as constructive and informed comments on issues of the Group's strategy, policy, performance, accountability, resources, key appointments and standards of conduct. The Board endorsed the NC's view on the independence of the Independent Non-executive Directors. Further details on the review of the directors' independence are set out under the section "Directors' Independence" above.

CORPORATE GOVERNANCE REPORT

Board Performance

Principle 5

The NC implements an annual board evaluation process through the identification of the objective performance criteria and process for evaluation of the effectiveness of the Board as a whole, and that of each of its committees separately, as well as the contributions by the Chairman and each individual Director to the Board for the Board's approval.

Evaluation of the performance of the Board as a whole, each board committee, contribution by the Chairman and the Directors to the Board was conducted by evaluation questionnaires. The findings of the questionnaires were evaluated and discussed by the NC and the Directors. The objective of such evaluation is to ensure that the Board, each board committee and the Directors continue to act effectively in fulfilling the duties and responsibilities expected of them. The performance criteria included amongst others, the composition, expertise, leadership and processes of the Board and its committees. The contribution and performance of the Chairman and individual Directors are taken into account in their re-appointment. The Directors' attendance, participation in and out of meetings, his or her special skills and contributions are taken into consideration. The Trustee-Manager believes that the effectiveness of the Directors' individual performance is best assessed by a qualitative assessment of a Director's contribution instead of focusing on the time committed to the Group. The Trustee-Manager considers that the existing practice is effective.

The Board has reviewed and is satisfied that it has met its performance objectives and each Director has contributed positively to the overall effectiveness of the Board.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6

The RC was set up to oversee the design and implementation of a formal and transparent procedure for developing policies on remuneration for all Directors and key management personnel. It reviews the remuneration policy from time to time, considers all aspects of remuneration, including termination terms, to ensure they are fair, and has the power to determine the framework for the remuneration and specific remuneration packages of individual Directors and key management personnel including the CEO. The RC, where necessary, has access to independent professional advice on remuneration matters.

The RC comprises three members. During the year, Mr. Chan Tze Leung, Robert and Mrs. Sng Sow-Mei (alias Poon Sow Mei) retired as chairman and member of RC respectively and Dr. Fong Chi Wai, Alex and Mr. Wong Kwai Lam were appointed as chairman and member of RC respectively. It is currently chaired by Dr. Fong Chi Wai, Alex, an Independent Non-executive Director, with Ms. Lee Tung Wan, Diana, a Non-executive Director, and Mr. Wong Kwai Lam, an Independent Non-executive Director and the Lead Independent Director, as members. The composition of the RC meets the requirements of chairmanship and independence under the Code.

The RC held one meeting in 2023 with 100% attendance.

NAME OF MEMBER	ATTENDED / ELIGIBLE TO ATTEND
Dr. Fong Chi Wai, Alex (Chairman) [#]	1/1
Mr. Chan Tze Leung, Robert (Chairman) [*]	N.A./N.A.
Ms. Lee Tung Wan, Diana	1/1
Mrs. Sng Sow-Mei (alias Poon Sow Mei) ^{**}	N.A./N.A.
Mr. Wong Kwai Lam ^{##}	1/1

[#] Appointed with effect from 26 July 2023

^{*} Retired with effect from 26 July 2023

^{##} Appointed with effect from 26 April 2023

^{**} Retired with effect from 26 April 2023

CORPORATE GOVERNANCE REPORT

The responsibilities of the RC are to assist the Board in achieving its objectives of attracting, retaining and motivating employees of the highest calibre and experience needed to shape and execute strategy across the Group's business operations.

During the year, the RC reviewed background information on market data (including economic indicators, statistics and the remuneration bulletin), the Group's business activities and human resources issues, and headcount and staff cost. It also reviewed and recommended the proposed 2024 directors' fees. The RC reviewed and approved the 2023 year end bonus and 2024 remuneration package of senior executives of the Group. No director or any of his/her associates is involved in deciding his/her own remuneration. No remuneration consultant was engaged during the year.

Level and Mix of Remuneration

Principle 7

The level and structure of remuneration of key management personnel have regard to the long-term interests and risk policies of the Group and comprise both fixed and variable components for the purpose of achieving sustained performance and value creation of the Group, and to achieve its strategic objectives. The key management personnel participate in bonus arrangements which are determined in accordance with the performance of the Group and the individual's performance in order to promote the long-term success of the Group.

The remuneration of the Board is determined by the Trustee-Manager with reference to the contribution, taking into account effort, time spent and responsibilities as well as remuneration benchmarks from other listed business trusts. The Directors are remunerated directly by the Trustee-Manager, not by HPH Trust.

The remuneration of the Trustee-Manager which is paid out of HPH Trust is provided for in the Trust Deed, fees paid to the Trustee-Manager for the financial year ended 31 December 2023 are set out on page 185 of the Annual Report.

Disclosure on Remuneration

Principle 8

Notwithstanding that the Directors are remunerated directly by the Trustee-Manager, and not the Trust, for the benefit of the unitholders, the table below sets out the remuneration of individual directors of the Trustee-Manager for the financial year ended 31 December 2023:

Name	Directors' fee (USD)					Total
	Executive or Non-executive director	Member or chairperson of AC	Member or chairperson of NC	Member or chairperson of RC	Member or chairperson of SC	
FOK Kin Ning, Canning ^{(i) & (xi)}	60,000.00					60,000.00
Edith SHIH ^{(i), (v), (x) & (xi)}	60,000.00		4,000.00		6,000.00	70,000.00
IP Sing Chi ^{(ii) & (xii)}	60,000.00					60,000.00
LEE Tung Wan, Diana ^{(i), (vii), (ix) & (xii)}	60,000.00			4,000.00	5,000.00	69,000.00
CHAN Tze Leung, Robert ^{** (i), (iii) & (viii)}	33,863.01**	11,287.67**		2,821.92**		47,972.60
CHAN Fan-cheong, Tony ^{# (i) & (iii)}	41,095.89#	13,698.63#				54,794.52
FONG Chi Wai, Alex ^{(i), (viii) & (ix)}	60,000.00		2,739.73#	2,178.08##	5,000.00	69,917.81
Graeme Allan JACK ^{* (i), (iv)}	18,904.11*	9,452.05*				28,356.16
SEAH Bee Eng (alias Jennifer LOH) ^{# (i), (iii) & (ix)}	41,095.89#	13,698.63#			3,424.66#	58,219.18
SNG Sow-Mei (alias POON Sow-Mei) ^{* (i), (iii), (v) & (vii)}	18,904.11*	6,301.37*	1,260.27*	1,260.27*		27,726.02
LEE Kah Lup ^{## (i) & (ix)}	26,136.99##				2,178.08##	28,315.07
WONG Kwai Lam ^{(i), (iv), (vi) & (vii)}	60,000.00	20,547.95#	5,000.00	2,739.73#		88,287.68
Total	540,000.00	74,986.30	13,000.00	13,000.00	21,602.74	662,589.04

CORPORATE GOVERNANCE
REPORT**Notes:**

- (i) Non-executive director
- (ii) Executive director
- (iii) Member of Audit Committee
- (iv) Chairperson of Audit Committee
- (v) Member of Nominating Committee
- (vi) Chairperson of Nominating Committee
- (vii) Member of Remuneration Committee
- (viii) Chairperson of Remuneration Committee
- (ix) Member of Sustainability Committee
- (x) Chairperson of Sustainability Committee
- (xi) Such Directors' fees were paid to his/her employer, Hutchison International Limited, a subsidiary of CK Hutchison Holdings Limited
- (xii) Such Directors' fees were paid to his/her employer, Hutchison Ports Limited, a subsidiary of CK Hutchison Holdings Limited
- * Retired with effect from 26 April 2023
- ** Retired with effect from 26 July 2023
- # Appointed with effect from 26 April 2023
- ## Appointed with effect from 26 July 2023

The table below disclosed (a) the remuneration of the CEO and (b) in bands of S\$250,000, the remuneration of the key management personnel (other than the CEO) for the financial year ended 31 December 2023:

Key management personnel	Salary (%)	Variable (%)	Benefits (%)	Total (%)
<i>S\$1,000,001 to S\$1,250,000</i>				
Mr. Ivor Chow				
CEO				
Managing Director, HIT	47	48	5	100 ¹
<i>S\$750,001 to S\$1,000,000</i>				
Mr. Lawrence Shum				
Managing Director, YANTIAN	54	41	5	100 ³
<i>S\$500,001 to S\$750,000</i>				
Mr. Jimmy Ng				
CFO and Investor Relations Officer	63	30	7	100 ²
Ms. Ma Xiaoli				
Managing Director, COSCO-HIT	54	40	6	100 ³
Mr. Raymond Lam				
Chief Operating Officer of Hong Kong Seaport Alliance Director – Operations, HIT	61	32	7	100 ³
Mr. Raymond Chan				
Director – Operations, YANTIAN	64	31	5	100 ³

Notes:

- 1 The total remuneration paid to Mr. Ivor Chow, the CEO, was S\$1,028,348, of which S\$896,348 (48% as salary, 47% as variable and 5% as benefits) was paid by HIT in relation to his role as Managing Director of HIT and S\$132,000 (44% as salary and 56% as variable) was paid by the Trustee-Manager (out of its own account).
- 2 Most of the total remuneration paid to Mr. Jimmy Ng, the CFO and Investor Relations Officer, was paid by HPHT Limited and the remainder was paid by the Trustee-Manager (out of its own account).

CORPORATE GOVERNANCE REPORT

- 3 Most of the aggregate compensation of the relevant key management personnel was paid by the relevant operating subsidiaries of the Group (i.e. YANTIAN to Mr. Lawrence Shum in relation to his role as Managing Director of YANTIAN; YANTIAN to Mr. Raymond Chan in relation to his role as Director – Operations of YANTIAN; HIT to Mr. Raymond Lam in relation to his role as Chief Operating Officer of Hong Kong Seaport Alliance and Director – Operations of HIT; and COSCO-HIT to Ms. Ma Xiaoli in relation to her role as Managing Director of COSCO-HIT). In 2023, the total remuneration paid to the above key executives (excluding the CEO) was S\$2,958,781.
- 4 Remuneration of key management personnel are paid in Hong Kong dollar (“HK\$”) while the table above reflects the remuneration translated in Singapore dollar (“S\$”) based on the 2023 average HK\$/S\$ exchange rate. Therefore, the remuneration set out in the table above are subject to currency exchange rates fluctuations.

The remuneration package of key management personnel comprised base salaries, variable bonus, long-term incentive award and benefits. Base salaries were determined based on the responsibilities of the job function and the market pay level of similar positions. The variable bonus and long-term incentive award were determined based on the Group's performance, the individual's overall work performance and achievement of the agreed performance targets. Long-term incentive awards are vested into cash over the vesting period of 3 years. Benefits mainly refer to the provisions of retirement and medical benefits which are in line with general market practice.

There is no employee of the Trustee-Manager and the Group who is a substantial shareholder of the Trustee-Manager or a substantial unitholder of the Trust, an immediate family member of a Director, the CEO or a substantial shareholder of the Trustee-Manager or a substantial unitholder of the Trust, and whose remuneration exceeded S\$100,000 during the financial year ended 31 December 2023.

The Group currently does not have any compensation plan in the form of unit option scheme or arrangement to enable the key management personnel to acquire units in HPH Trust. There are no existing or proposed service agreements with the CEO and the key management personnel of HPH Trust that provide for benefits upon termination of appointment, retirement or post-employment.

The remuneration of the Trustee-Manager is provided for in the Trust Deed. The Trustee-Manager is entitled under the Trust Deed to management fees, acquisition fee, divestment fee and development fee based on pre-agreed mechanisms set out in the Trust Deed. Fees paid to the Trustee-Manager for the financial year ended 31 December 2023 are set out on page 185 of the Annual Report.

Remuneration Policy

The remuneration of key management personnel is determined with reference to their expertise and experience in the industry, the performance and profitability of the Group as well as remuneration benchmarks from other local and international companies and prevailing market conditions.

The employees also participate in bonus arrangements which are determined in accordance with the performance of the Group and individual performance.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9

The Board has overall responsibility for the Group's systems of risk management and internal controls and, to safeguard the interests of the Group and the unitholders.

In meeting its responsibilities, the Board seeks to inculcate risk awareness across the Group's business operations and has put in place policies and procedures, including parameters of delegated authority, which provide a framework for the identification, reporting and management of risks. The Board evaluates and determines the nature and extent of the risks (including environmental, social and governance related risks) that the Trustee-Manager is willing to accept in pursuit of the Group's strategic and business objectives as well as value creation. It also reviews and monitors the effectiveness of the systems of risk management and internal control on an ongoing basis. The reporting and review processes include the review by the Executive Director and Board of the Group's budgets, strategic plans, detailed operational and financial reports, budgets and plans provided by management of the business operations, actual results against the budget, review by the AC of the ongoing work of the Group's internal audit and risk management functions, as well as regular business reviews by the Executive Director, CEO, CFO and the executive management team of each core business division.

CORPORATE GOVERNANCE REPORT

On behalf of the Board, the AC regularly reviews the corporate governance structure and practices within the Group and monitors compliance fulfillment on an ongoing basis.

Whilst these procedures are designed to identify and manage risks that could adversely impact the achievement of the Group's business objectives, they do not provide absolute assurance against material mis-statement, errors, losses, fraud or non-compliance.

Internal Control Environment and Systems

Group structures covering all subsidiaries, associated companies and joint ventures are maintained and updated on a timely and regular basis. Managing Directors or General Managers are appointed to the boards of all material operating subsidiaries and associated companies for overseeing and monitoring those companies, including attendance at board meetings, review and approval of budgets and plans, and determination of business strategies with associated risks identified and key business performance targets set. The executive management team of each core business division is accountable for the conduct and performance of each business in the division within the agreed strategies, and similarly management of each business is accountable for its conduct and performance. The CEO monitors the performance and reviews the risk profiles of the Group companies on an on-going basis.

The internal control procedures of the Group include a comprehensive system for reporting information to the executive management teams of each core business units and the Executive Director.

Business plans and budgets are prepared annually by management of individual businesses and subject to review and approval by both the executive management teams and the Executive Director as part of the Group's five-year corporate planning cycle. Reforecasts for the current year are prepared on a quarterly basis, reviewed for variances to the budget and for approval. When setting budgets and reforecasts, management identifies, evaluates and reports on the likelihood and potential financial impact of significant business risks.

The Executive Director reviews monthly management reports on the financial results and key operating statistics of each business and holds monthly meetings with the executive management team and senior management of business operations to review these reports, business performance against budgets, forecasts, significant business risk sensitivities and strategies. In addition, finance directors and financial controllers of each of the major businesses attend monthly meetings with the CFO to review monthly performance against budget and forecast, and to address accounting and finance related matters.

The Group maintains a centralised cash management system for its subsidiary operations. The Group's Finance Department oversees the Group's investment and lending activities and also evaluates and monitors financial and operational risks, and makes recommendations to the Management to mitigate those risks. Treasury reports on the Group's cash and liquid investments, borrowings and movements thereof are distributed weekly.

The Group has established guidelines and procedures for the approval and control of expenditures. Operating expenditures are subject to overall budget control and are controlled within each business with approval levels set by reference to the level of responsibility of each executive and officer. Capital expenditures are subject to overall control within the annual budget review and approval process, and more specifically, material expenditures within the approved budget as well as unbudgeted expenditures are subject to approval by the Executive Director, the CEO or the CFO prior to commitment. Quarterly reports of actual versus budgeted and approved expenditures are also reviewed.

The Group has also established treasury policies covering specific aspects, such as bank account control and procedures, monitoring and compliance control for loan covenants, approval and reporting process for derivatives and hedging transactions.

In terms of formal review of the Group's risk management and internal control systems, a risk management and internal control self-assessment process that requires the executive management team and senior management of each core business unit to review, evaluate and declare the effectiveness of such systems covering all material controls, including financial, operational and compliance controls over the operations and devise action plans to address the issues, if any, is in place. These assessment results, together with the risk management report described later in this report and the independent assessments by the internal and external auditors, form part of the bases on which the AC formulates its opinion on the effectiveness of the Group's risk management and internal control systems.

CORPORATE GOVERNANCE REPORT

HPH Trust is committed to high standards of business integrity. The Group has in place an internal policy on competition law compliance, set out guidelines and conducts trainings for employees to ensure compliance with competition law in all its business dealings and conduct.

Review of Risk Management and Internal Controls Systems

The Trustee-Manager regularly reviews the business and operational activities of HPH Trust to identify areas of significant business risk, assess how the risks are being managed, as well as take appropriate measures to control and mitigate these risks. HPH Trust adopts an Enterprise Risk Management framework which is consistent with the COSO (the Committee of Sponsoring Organisations of the Treadway Commission) framework. The framework facilitates a systematic approach in identifying, assessing and managing risks (including sustainability and cybersecurity risks) within the Group, be they of strategic, financial, operational or compliance nature.

Risk management is an integral part of the day-to-day operations and management of the Group and is a continuous process carried out at all levels of the Group. There are ongoing dialogues between the CEO, CFO and the Management about current and emerging risks (including sustainability and cybersecurity risks), their plausible impact and mitigation measures to ensure that the Management has performed its duty to have effective system. These measures include instituting additional controls and deploying appropriate insurance instruments to minimise or transfer the impact of risks that the Group's businesses face. The latter also includes Directors and Officers Liability Insurance to protect Directors and officers of the Group against potential personal legal liabilities.

In terms of formal risk review and reporting, the Group adopts a "top-down and bottom-up" approach, involving regular input from each core business unit as well as discussions and reviews by the Management, CEO and CFO and the Board, through the AC. More specifically, on a half-yearly basis, each core business unit is required to formally identify and assess the significant risks (including sustainability and cybersecurity risks) their business faces, whilst the CEO and CFO provide input after taking a holistic assessment of all the significant risks that the Group faces. Relevant risk information including key mitigation measures and plans are recorded in a risk register to facilitate the ongoing review and tracking of progress.

The composite risk register together with the risk heat map, as confirmed by the CEO and CFO, form part of the risk management report for review and approval by the AC on a half-yearly basis. The AC, on behalf of the Board, reviews the report, discuss the risk management and internal control systems, including matters related to cybersecurity risks, with the Internal Audit General Manager, CEO and CFO, and provides input as appropriate so as to ensure effective systems in place.

The Board has received assurance from (i) the CEO and the CFO that the Group's financial records have been properly maintained and the financial statements give a true and fair view of HPH Trust's operations and finances and (ii) the CEO and other relevant key management personnel that the internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place within the Group are adequate and effective in addressing the material risks in the Group in its current business environment for the financial year ended 31 December 2023.

The Board, through the AC, has conducted a review of the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems for the financial year ended 31 December 2023. Based on such reviews and the work performed by the internal and external auditors, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management and internal control systems addressing material financial, operational, compliance and information technology risks are adequate and effective to meet the needs of the Group in its current business environment as at 31 December 2023. Such review covered reviews on the Group's compliance with terms provided for in the right of first refusal agreement ("ROFR Agreement") and the non-compete agreement ("Non-Compete Agreement"), both dated 28 February 2011 and amended by the respective amendment agreement dated 22 December 2015, entered into between HPH and the Trustee-Manager, in its capacity as the trustee-manager of HPH Trust. Details of the ROFR Agreement and Non-Compete Agreement are set out in the "Statement of Policies and Practices" section on page 124 of the Annual Report. The Board notes that the system of risk management and internal controls established by the Management provides reasonable assurance that the Group, as it strives to achieve its business objectives, will not be significantly affected by any event that can be reasonably foreseen or anticipated. However, the Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision-making, human error, losses, fraud or other irregularities.

CORPORATE GOVERNANCE REPORT

Audit Committee

Principle 10

The AC comprised three Independent Non-executive Directors who possessed the relevant business, accounting and/or financial management experience and skills to understand financial statements and contribute to the financial governance, internal controls and risk management of HPH Trust. During the year, Mr. Graeme Allan Jack, Mr. Chan Tze Leung, Robert and Mrs. Sng Sow-Mei (alias Poon Sow Mei) retired as chairman or member (as the case maybe) of the AC and Mr. Wong Kwai Lam, Prof. Chan Fan-cheong, Tony and Ms. Seah Bee Eng (alias Jennifer Loh) were appointed as chairman or member (as the case maybe) of the AC. It is currently chaired by Mr. Wong Kwai Lam with Prof. Chan Fan-cheong, Tony and Ms. Seah Bee Eng (alias Jennifer Loh) as members.

The AC held four meetings in 2023 with 100% attendance. All members attended the AC meetings held in 2023.

NAME OF MEMBER	ATTENDED / ELIGIBLE TO ATTEND
Mr. Graeme Allan Jack (Chairman)*	2/2
Mr. Wong Kwai Lam (Chairman)#	2/2
Mr. Chan Tze Leung, Robert**	3/3
Prof. Chan Fan-cheong, Tony#	2/2
Ms. Seah Bee Eng (alias Jennifer Loh)#	2/2
Mrs. Sng Sow-Mei (alias Poon Sow Mei)*	2/2
* Retired with effect from 26 April 2023	
** Retired with effect from 26 July 2023	
# Appointed with effect from 26 April 2023	

In 2023, the AC performed the duties and responsibilities under its terms of reference and other duties of the Code.

Acting in accordance with its terms of reference, throughout the year the AC oversees the relationship between the Trustee-Manager and its external auditor and external audit process, reviews the Group's half-yearly and full-year results and financial statements, and formal announcements relating to the Group's financial performance, oversees the Group's internal control and risk management function, monitors compliance with statutory and the SGX-ST Listing Manual requirements, reviews the scope, extent and effectiveness of the activities of the Group's internal audit function, and also oversees interested person transactions of the Group. Under its terms of reference, the AC is also required to report to the Board any inadequacies or deficiencies or matters of concern within its terms of reference and engage independent legal and other advisers and perform investigations as it determines to be necessary. The AC considers and makes recommendations to the Board on the appointment, re-appointment and removal of the external auditors, their remuneration and terms of engagement.

The AC meets with the CEO and CFO and other senior management of the Group from time to time to review the half-yearly and full-year results and financial statements, and any formal financial performance-related announcements and other financial, internal control, corporate governance and risk management matters of the Group. It receives, considers and discusses the reports and presentations of the Management, the Group's internal and external auditors, PricewaterhouseCoopers LLP ("PwC"), to ensure that the Group's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Hong Kong and Singapore and comply with the applicable disclosure requirements of the BTA, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. It also meets at least four times a year with PwC to consider their reports on the scope, strategy, progress and outcome of its independent review of the half-yearly financial information, its annual audit of the consolidated financial statements as well as to discuss other matters arising from their audit of the Group. In addition, the AC holds regular private meetings with PwC, the CFO and the internal auditor separately without the presence of the Management. During these meetings, the following key audit matters as reported by the external auditor for the year ended 31 December 2023 were addressed as follows:

CORPORATE GOVERNANCE REPORT

Significant Matters	How the AC reviewed these matters
Asset impairment	The AC discussed with the Management on the approach, valuation methodology and key assumptions applied to the asset impairment assessment. The AC also discussed with the external auditor and took into consideration the audit procedures undertaken to address such matter.
Revenue recognition	The AC had discussion with the Management on tariffs applied and the adequacy and appropriateness of the revenue provision. They also discussed with the external auditor on their work performed, including their assessment of the key controls over revenue recognition.

To assist the Board in assessing the overall governance, financial reporting, risk management and internal control framework and maintaining effective risk management and internal control systems covering all material controls, including financial, operational and compliance controls, in 2023, the AC also reviewed the process by which the Group evaluated its control environment and managed significant risks (including cybersecurity risks). It received, considered and provided feedback on the risk management report, the composite risk register, risk heat map, the presentation of Internal Audit General Manager and Management on their review with respect to the effectiveness of the risk management and internal control systems of the Group. Based on these reviews, the AC concurred with Management confirmation that such systems are effective and adequate.

In addition, the AC reviewed, in conjunction with the Group's Internal Audit, the 2023 work plans and resource requirements, and deliberated on the reports regarding the effectiveness of risk management and internal controls systems (including cybersecurity risks) of the Group. Further, it also considered the reports from the Legal Department on the Group's material litigation proceedings and compliance status on legal and regulatory requirements. These reviews and reports were taken into consideration by the AC when it made its recommendation to the Board for approval of the consolidated financial statements. During 2023, the AC also received periodic presentations on, and reviewed, the compliance status of the Group with respect to the Code as well as other corporate governance topics including the Group's policies and practices on compliance with legal and regulatory requirements, and ensured that any deviation from the Code was properly explained and disclosed in this report. In 2023, the AC also reviewed and recommended to the Board updates to certain corporate governance policies including Anti-Fraud and Anti-Bribery Policy and Whistleblowing Policy. The AC has adequate resources, including access to external consultants and auditors, to enable it to discharge its responsibilities properly.

The AC reviewed the volume and nature of all non-audit services provided by the external auditor and received the requisite information from the external auditor evidencing the latter's independence. Based on the information received and review of the AC, the AC is satisfied that the non-audit services provided by the external auditor will not prejudice the independence and objectivity of the external auditor. Having considered the performance and independence of PwC, the AC recommended to the Board on the re-appointment of PwC as the external auditor which will be considered by the unitholders at the forthcoming annual general meeting.

The total fees paid to the external auditor, PwC, are disclosed in the table below:

External Auditor Fees For FY2023	HK\$'000	% of total fees
Total Audit Fees	15,962	93%
Total Non-Audit Fees	1,287	7%
Total Fees Paid	17,249	100%

Based on the Interested Person Transactions Policy, the AC monitored the procedures established by the Trustee-Manager to regulate interested person transactions to ensure timely, complete and accurate reporting of these transactions. The AC also reviewed the volume and nature of interested person transactions. No AC member is a former partner or director of HPH Trust's existing auditing firm or auditing corporation (a) within a period of two years commencing on the date of his/her ceasing to be a partner or director and in any case (b) for as long as he/she has any financial interest in auditing firm or auditing corporation.

CORPORATE GOVERNANCE REPORT

Whistleblowing

In line with the commitment to achieve and maintain the highest standards of openness, probity and accountability, the Trustee-Manager expects and encourages employees of the Group and those who deal with the Group (e.g. customers, suppliers, creditors and debtors) to report to the Trustee-Manager, in confidence, any suspected impropriety, misconduct or malpractice concerning the Group. In this regard, the Trustee-Manager has adopted the Whistleblowing Policy. The policy aims to provide reporting channels and guidance on reporting possible improprieties and reassurance to whistleblowers of the protection that the Group will extend to them in the formal system, including anonymity and legal protection against unfair dismissal or victimisation treatment for any genuine reports made. The Board delegated the authority to the AC, which is responsible for ensuring that proper arrangements are in place for independent investigation of any matters raised and appropriate follow-up actions are taken.

The AC is responsible for the oversight and monitoring of the matters raised through the whistleblowing channel. Under its terms of reference, the AC may report to the Board the significant matters raised through the whistleblowing channel. The Whistleblowing Policy sets out procedures which seek to ensure the identity of the whistleblower is kept confidential. To this end, the Trustee-Manager has deployed mechanism (such as specific email address and post box) to restrict access to the identity of the whistleblower by the Deputy Company Secretary and the General Manager of Internal Audit of the Trustee-Manager only. To prohibit obstructive or retaliatory actions, the Trustee-Manager may take any disciplinary, administrative and/or other action against any person or entity who engages in obstructive or retaliatory action against the whistleblower. The Whistleblowing Policy is available on HPH Trust's corporate website (https://www.hphtrust.com/corporate_governance.html).

Internal Audit

The Group's internal audit function is performed by the internal audit staff of the controlling unitholder, CK Hutchison Holdings Limited and does not administratively report to the CEO.

The General Manager of the Group's internal audit function, reporting directly to the chairman of the AC, provides independent assurance as to the existence and effectiveness of the risk management activities and controls in the Group's business operations. It has wide authority to access to documents, records, properties and personnel of the Group. By applying risk assessment methodology and considering the dynamics of the Group's activities, internal audit function devises its three-year risk-based audit plan for review by the AC. The audit plan is subject to continuous reassessment taking into account external and internal factors such as macro economic and regulatory changes, business and operational changes, emerging risks and opportunities (including sustainability and cyber-related ones), as well as audit and fraud findings which may affect the risk profile of the Group during the year.

Internal audit is responsible for assessing the Group's risk management and internal control systems, including reviewing the interested person transactions of HPH Trust, formulating an impartial opinion on the systems, and reporting its findings to the AC, the CEO, the CFO and the senior management concerned as well as following up on the issues to ensure that they are satisfactorily resolved within the agreed timeline. In addition, internal audit maintains a regular dialogue with the Group's external auditor so that the parties are aware of the significant factors which may affect their respective scope of work.

Depending on the nature of business and risk exposure of individual business units, the scope of work performed by the internal audit function includes financial, IT, operations, business ethics, governance policy and regulatory compliance reviews, recurring and surprise audits, as well as productivity efficiency reviews.

The Internal Audit team including the Head of Internal Audit attained a combination of one or more professional qualifications in accountancy, internal audit, information systems audit, fraud examination, and also has specialised knowledge in relevant areas like engineering. In addition, all the managerial grade staff have an average of over 20 years of experience in audit. The internal auditor carried out their audit work based on the Code of Ethics and International Standards for the Professional Practices for Internal Auditing issued by The Institute of Internal Auditors, which provide guidance for the professional conduct of internal auditing. Depending on the nature of business and risk exposure of individual business units, the scope of work performed by the internal audit function includes financial and operations reviews, business ethics, the reviews of compliance and information technology controls as well as risk management system, recurring and surprise audits, fraud investigations and productivity efficiency reviews. The internal Audit team also incorporates the sustainability reporting processes into its internal audit plan, taking into consideration the expectations of the Board, Management and other stakeholders as part of HPH Trust's prioritisation of material ESG factors. During the course of their work, the internal audit function is given full access to any documents, records or personnel including access to the AC.

CORPORATE GOVERNANCE REPORT

The internal audit function is also responsible for periodic fraud analyses and independent investigations. In accordance with the Group's Code of Conduct and Anti-Fraud and Anti-Bribery Policy, each business unit follows the stated escalation procedures to report to the CFO and the General Manager of Internal Audit of the Trustee-Manager any actual or suspected fraudulent activities within one working day should the amount involved exceed the de minimis threshold as agreed between the CFO and the CEO or the head of finance of each business unit. In addition, each business unit submits a summary of fraud incidents statistics to the CFO who reports the statistics to the General Manager of Internal Audit of the Trustee-Manager on a quarterly basis. These cases, together with those escalated through the whistleblowing channels, are recorded in the Trustee-Manager's centralised fraud incidents register under the custody of the General Manager of Internal Audit of the Trustee-Manager, and are independently assessed and investigated as appropriate. The General Manager of Internal Audit of the Trustee-Manager would promptly escalate any incidents of a material nature to the Chairman of the AC for his direction. Also, a summary of the fraud incidents and relevant statistics (including results of independent investigations and actions taken) is presented to the AC on a quarterly basis.

Reports from the external auditor on internal controls and relevant financial reporting matters are presented to the General Manager of the Group's internal audit function and, as appropriate, to the CFO and the finance director or financial controller of the relevant executive management team. These reports are reviewed and the appropriate actions are taken.

The AC reviews the adequacy and effectiveness of the internal audit function annually. The review covers an assessment on the adequacy, qualifications and experience of its staff.

Based on the reporting structure, the methodology and standard used, the above-mentioned reviews and the work performed by the internal auditor, the AC is satisfied that the internal audit function is independent, effective and adequately resourced.

UNITHOLDER RIGHTS AND ENGAGEMENT

Unitholder Rights and Conduct of General Meetings

Principle 11

The Trustee-Manager treats all unitholders fairly and equitably in order to enable them to exercise unitholders' rights and have the opportunity to communicate their views on matters affecting HPH Trust. The Trustee-Manager gives unitholders a balanced and understandable assessment of the performance, position and prospects of HPH Trust.

All unitholders are entitled to attend the general meeting(s) of unitholders and are given the opportunity to participate effectively in the meeting(s). In accordance with the Trust Deed, individual or corporate unitholder (other than a unitholder who is a Relevant Intermediary with such meaning ascribed to it in the Companies Act 1967 of Singapore and applied with such modification and qualifications as may be necessary, to the units of HPH Trust) is allowed to appoint up to two proxies to attend and vote at the general meeting(s) on his or her behalf through proxy forms sent in advance. Unitholders who hold units through nominees such as custodian banks may vote through their nominee or custodian banks. Such unitholders may also, upon presentation of official letters issued by their nominees, attend the general meeting(s) as observers, subject to availability of seats. However, the Trust Deed does not allow for absentee voting at general meeting of unitholders. Since the authentication of unitholder identity information and other related security issues still remain a concern and given that the existing measures in place as outlined above would sufficiently enable unitholders to exercise their rights as unitholders and provide them the opportunity to communicate their views on matters affecting HPH Trust even when they are not in attendance at general meetings, the Trustee-Manager has decided, for the time being, not to implement voting in absentia by mail, email or fax.

Each item of special business included in the notice of the general meetings is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meetings and not bundled together unless the resolutions are interdependent and form one significant proposal.

All Directors, the respective chairperson of Board committees and the representatives from the external auditors attended the Annual General Meeting of the unitholders of HPH Trust ("Annual General Meeting") held on 25 April 2023.

CORPORATE GOVERNANCE REPORT

Voting at all general meetings are conducted by way of poll. Electronic polling was adopted for the Annual General Meeting held on 25 April 2023. Unitholders are informed of the rules of the Annual General Meeting and voting procedures by the electronic polling vendor. Detailed results of the outcome are announced after the meeting via SGXNet.

The Company Secretary prepares minutes of unitholders' meetings. The minutes of the Annual General Meeting held on 25 April 2023 are announced via SGXNet and are available on HPH Trust's corporate website (<https://www.hphtrust.com/download.html>).

HPH Trust's distribution policy is to distribute 100% of its Distributable Income. HPH Trust will make distributions 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.

Engagement with Unitholders

Principle 12

In order to stay attuned to changing expectations of stakeholders, the Group gives high priority to, and actively promotes investor relations and communication with the investment community throughout the year. An Investor Relations Policy, which is available on HPH Trust's corporate website, was adopted by the Board and is subject to regular review to ensure its effectiveness and compliance with the prevailing regulatory and other requirements. Through its CEO and CFO and the Group's Corporate Affairs function, the Group responds to requests for information and queries from the investment community including unitholders, analysts and the media through regular briefing meetings, announcements, conference calls and presentations. In addition, based on the Trust's Investor Relations Policy, unitholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or Management of HPH Trust via HPH Trust's Investor Relations team, whose contact details are available from HPH Trust's corporate website.

The Board also provides clear and full information on the Group to unitholders through the publication of notices, announcements, circulars, half-yearly and full-year financial results. The Trustee-Manager does not practise selective disclosures and releases its financial results and other material information to the unitholders of HPH Trust on a timely basis in accordance with the requirements of the SGX-ST Listing Manual, via the SGXNet system. All announcements made on behalf of HPH Trust are also available on HPH Trust's corporate website throughout the year.

All unitholders of HPH Trust will receive a copy of the Annual Report, and Notice of Annual General Meeting of the unitholders annually. Notices of all general meetings of the unitholders will also be advertised in a major newspaper in Singapore and will be made available on the SGX-ST's website.

The 2022 Annual Report and the Notice for Annual General Meeting held on 25 April 2023 were dispatched in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended).

The Annual General Meeting and other general meetings of HPH Trust provide one of the primary forums for communication with Unitholders and for Unitholders' participation. Such meetings provide Unitholders with the opportunity to share their views and to meet the Board, and certain members of senior management. At the Annual General Meeting, HPH Trust's financial performance and business for the preceding year is presented to Unitholders, followed by a question and answer session which fosters a constructive dialogue between Unitholders, Board members and Management. The Board members and senior management also engage with Unitholders before and after the Annual General Meeting and address their concerns as and when appropriate. These exchanges provide a forum for management to explain HPH Trust's strategy and financial performance.

The Group values feedback from unitholders and other stakeholders on its efforts to promote transparency and foster investor relationships. Further information concerning the Group and its business can be located on corporate website. Comments and suggestions to the Board or HPH Trust are welcome and can be addressed to the Group Corporate Affairs function by mail at 150 Beach Road, #17-03 Gateway West, Singapore 189720 or by email to the Group at ir@hphtrust.com.

CORPORATE GOVERNANCE REPORT

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Group are served. For details, please refer to the Sustainability Report and Investor Relations section set out on pages 38 to 97 and page 98 of the Annual Report respectively. Information on the Group is also available at its corporate website (<https://www.hphtrust.com>).

SUSTAINABILITY

Sustainability Governance

The Group's sustainability governance structure provides a solid foundation for developing and delivering its commitment to sustainability, which is embedded at all levels of the Group, including the Board, the SC, the AC, the Sustainability Working Group as well as sustainability functions embedded across all core businesses.

During the year, Ms. Seah Bee Eng (alias Jennifer Loh) and Mr. Lee Kah Lup were appointed as members of the SC. The SC is currently chaired by Ms. Edith Shih with Dr. Fong Chi Wai, Alex, Ms. Lee Tung Wan, Diana, Ms. Seah Bee Eng (alias Jennifer Loh) and Mr. Lee Kah Lup as members.

The responsibilities of the SC are to propose and recommend to the Board on the Group's corporate social responsibility and sustainability objectives, strategies, priorities, initiatives and goals. It oversees, reviews and evaluates actions taken by the Group in furtherance of the corporate social responsibility and sustainability priorities and goals, including coordinating with business divisions of the Group and ensuring that their operations and practices adhere to the relevant priorities and goals. The SC also reviews and reports to the Board on sustainability risks and opportunities as well as the sustainability reporting process, monitors and assesses emerging corporate social responsibility and sustainability issues and trends that could impact the business operations and performance of the Group. Moreover, it considers the impact of the Trustee-Manager's corporate social responsibility and sustainability on its stakeholders, including employees, shareholders, local communities and the environment and reviews and advises the Board on the Trustee-Manager's public communication, disclosure and publications as regards to its corporate social responsibility and sustainability performance.

The SC held two meetings in 2023 with 100% attendance.

NAME OF MEMBER	ATTENDED / ELIGIBLE TO ATTEND
Ms. Edith Shih (Chairperson)	2/2
Dr. Fong Chi Wai, Alex	2/2
Mr. Lee Kah Lup**	N.A./N.A.
Ms. Lee Tung Wan, Diana	2/2
Ms. Seah Bee Eng (alias Jennifer Loh)*	1/1

* Appointed with effect from 26 April 2023

** Appointed with effect from 26 July 2023

During 2023, the SC reviewed and discussed the proposed revision to the target of reducing overall emission intensity, endorsed the 2022 Sustainability Report published in April 2023 and reviewed the sustainability KPIs and related activities, framework of the 2023 sustainability report and 2023 sustainability initiatives of HPH Trust.

CORPORATE GOVERNANCE REPORT

At its meeting in February 2024, the SC reviewed the 2024 sustainability initiatives of HPH Trust and endorsed the 2023 Sustainability Report, which will be published together with the 2023 annual report.

Supporting the SC is the Sustainability Working Group, comprising the CEO and the CFO, as well as other senior executives from key business units and departments that impact the material sustainability issues of the Group.

Sustainability is embedded in the risk management approach of the Group, through the bi-annual formal examination of all business divisions as to their material sustainability risks and presentations to senior management their plans on how these risks are managed as part of the bi-annual review of risk management and internal control systems. As an integral part of sustainability governance, these self-assessment results are subject to internal audits.

For other sustainability aspects of the Group, please refer to the Sustainability Report set out on pages 38 to 97 of the Annual Report, which had been reviewed and approved by the SC at its meeting on 7 February 2024.

Legal and Regulatory

The Group is committed to ensuring its businesses are operated in compliance with local and international laws, rules and regulations. The Legal Department has the responsibility of safeguarding the legal interests of the Group. It is responsible for monitoring the day-to-day legal affairs of the Group, including preparing, reviewing and approving all legal documentation of Group companies, working in conjunction with finance, tax, treasury, corporate secretarial and business unit personnel on the review and co-ordination process, and advising the Management on legal and commercial issues of concern. In addition, the Legal Department is also responsible for overseeing regulatory compliance matters of all Group companies. It analyses and monitors the regulatory frameworks within which the Group operates, including reviewing applicable laws and regulations and preparing and submitting responses or filings with relevant regulatory and/or government authorities on regulatory issues and consultations. The department also determines and approves the engagement of external legal advisers, ensuring the requisite professional standards are adhered to as well as most cost effective services are rendered.

DEALING IN SECURITIES

The Trustee-Manager has adopted its own internal compliance code to provide guidance to all officers of the Trustee-Manager with regard to dealings in units of HPH Trust ("Policies on Dealing in Securities") in compliance with Rule 1207(19) of the SGX-ST Listing Manual. Pursuant to the Policies on Dealing in Securities effective for the year 2023, the Directors and officers of the Trustee-Manager and the Group are prohibited from dealing in the Units:

- (a) in the period commencing one month before the public announcement of HPH Trust's half-year and full-year results, and expiring on the date of announcement of the relevant results; and
- (b) at any time while in possession of price sensitive information.

The Directors and officers of the Group are also expected not to deal in the units of HPH Trust on short-term considerations and to observe insider-trading laws at all times even when dealing with units of HPH Trust within the permitted trading period.

In response to specific enquiries made, all Directors have confirmed that they have complied with the relevant Policies on Dealing in Securities in their securities transactions throughout their tenure during the year 2023. Key officers may, as requested by the Trustee-Manager, be required to confirm annually that they have complied with and are not in breach of the provisions of the relevant Policies on Dealing in Securities.

CORPORATE GOVERNANCE REPORT

STATEMENT OF POLICIES AND PRACTICES

The Trustee-Manager has established the following policies and practices in relation to its management and governance:

- (a) The trust property of HPH Trust is properly accounted for and the trust property is kept distinct from the property of the Trustee-Manager held in its own capacity. Different bank accounts are maintained for the Trustee-Manager in its capacity as trustee-manager of HPH Trust and the Trustee-Manager in its own capacity, and regular internal reviews are carried out to ascertain that all trust property has been fully accounted for.
- (b) The Management provides regular updates to the Board and the AC about potential projects that it is looking into on behalf of HPH Trust and the Board and the AC ensure that all such projects are within the permitted business scope under the Trust Deed. Prior to the carrying out of any significant business transaction, the Board, the AC and/ or the Management will have careful regard to the provisions of the Trust Deed and when in doubt seek advice from professional advisers.
- (c) The Trustee-Manager is not involved in any other businesses other than managing HPH Trust. All potential conflicts, if they arise, will be identified and reviewed by the Board and the Management. In addition, the majority of the Board are Independent Directors of the Trustee-Manager who do not have management or business relationships with the Trustee-Manager and are independent from any substantial shareholder of the Trustee-Manager and are therefore able to examine independently and objectively, any potential conflicts between the interest of the Trustee-Manager in its own capacity and the interests of all unitholders of HPH Trust. In respect of matters in which a Director has an interest, direct or indirect, such interested Director will abstain from participating in the review and approval process with regard to the matter. There is (i) the Non-Compete Agreement pursuant to which HPH has undertaken not to invest in, develop, operate and manage deep-water container ports in the Guangdong Province, Hong Kong and Macau and HPH Trust has undertaken not to invest in, develop, operate and manage deep-water container ports in any part of the world outside of the Guangdong Province, Hong Kong and Macau, save that HPH may pursue any investment opportunity (including undertaking greenfield port development) declined by HPH Trust; and (ii) the ROFR Agreement pursuant to which (aa) a right of first refusal has been granted by HPH to HPH Trust to acquire a port development project or a developed port falling within the investment mandate of HPH Trust and owned by HPH or its subsidiaries and (bb) a right of first refusal has been granted by the Trustee-Manager as the trustee-manager of HPH Trust to HPH to acquire a port development project or a developed port of HPH Trust, both on terms and conditions contained in the ROFR Agreement. The Trustee-Manager maintains a register of all opportunities/transactions arising from the implementation of the Non-Compete Agreement and the ROFR Agreement. Also, the Trustee-Manager incorporates in its internal audit plan, a review of the implementation of the Non-Compete Agreement and the ROFR Agreement and the AC reviews the internal audit reports at least twice a year to ascertain that the terms of the Non-Compete Agreement and the ROFR Agreement have been complied with.
- (d) The Management identifies interested person transactions in relation to HPH Trust. The Trustee-Manager maintains a register to record all interested person transactions which are entered into by HPH Trust and the bases, including any quotations from unrelated parties obtained to support such bases, on which they are entered into. The Trustee-Manager incorporates into its internal audit plan a review of all interested person transactions entered into by HPH Trust. The AC reviews the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor interested person transactions have been complied with and conducts an annual review of all such transactions to determine if such transactions have been conducted on normal commercial terms and will not be prejudicial to the interests of HPH Trust and the unitholders. In addition, all such interested person transactions conducted and any contract entered into by the Trustee-Manager on behalf of HPH Trust with a related party of the Trustee-Manager or HPH Trust, shall comply with and be in accordance with all applicable requirements of the SGX-ST Listing Manual and the BTA as well as such other guidelines as may from time to time be prescribed to apply to business trusts.
- (e) The expenses payable to the Trustee-Manager in its capacity as the trustee-manager of HPH Trust out of the Trust property are appropriate and in accordance with the Trust Deed, and regular internal reviews are carried out to ensure such expenses payable are in order. Fees and expenses paid to the Trustee-Manager out of HPH Trust property for the financial year ended 31 December 2023 are disclosed in note 29(i)(f) to the financial statements, on page 186 of the Annual Report.
- (f) The Trustee-Manager has engaged the services of and obtained advice from professional advisers and consultants from time to time, and has complied with the requirements of the BTA and the SGX-ST Listing Manual.

CORPORATE GOVERNANCE
REPORT

INTERESTED PERSON TRANSACTIONS

The aggregate of transactions entered into with interested persons of HPH Trust during the financial year ended 31 December 2023 pursuant to Rule 907 of the SGX-ST Listing Manual are as follows:

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		2023 HK\$'000	2022 HK\$'000	2023 and 2022 HK\$'000
(a) Sales of Goods and Services				
CKHH and its subsidiaries and its associates				
- AS Watson Group (HK) Limited (formerly known as A. S. Watson Group (HK) Limited)		2,663	4,081	
- AS Watson Retail (HK) Limited (formerly known as A. S. Watson Retail (HK) Limited)		9,184	77,817	
- Hong Kong Air Cargo Terminals Limited		-	3,985	
- Hutchison Logistics Limited - F.Z.E.		-	2,709	NIL
- Hutchison Logistics (UK) Limited		1,603	7,000	
- Hutchison Port Holdings Limited		43,283	43,498	
- Hutchison Telephone Company Limited		2,691	654	
- PARKnSHOP (HK) Limited		10,224	10,167	
- Watson's Water (HK) Limited		1,704	1,255	
(b) Purchases				
CKHH and its subsidiaries and its associates				
- Bigboxx.com Limited	CKHH is the controlling unitholder of HPH Trust and controlling shareholder of the Trustee-Manager	-	638	
- CKHH		1,000	-	
- HPH Corporate Services Limited		2,847	9,216	
- HUD General Engineering Services Limited		3,375	5,337	
- Hutchison International Limited		5,528	9,198	
- Hutchison Logistics (Shanghai) Limited		1,061	3,727	
- Hutchison Logistics Centre Management Limited		5,498	5,529	
- Hutchison Port Holdings Limited		161,322	146,041	NIL
- Hutchison Ports nGen Services Limited		14,864	13,256	
- Hutchison Telecommunications (Hong Kong) Limited		944	2,395	
- Hutchison Telephone Company Limited		2,841	-	
- Hutchison Travel Limited		1,278	-	
- South Asia Pakistan Terminals Limited		3,903	3,203	
- Whampoa Property Management Limited		1,184	1,102	
(c) Management Fee Expenses				
CKHH and its subsidiaries and its associates				
- Hutchison Port Holdings Management Pte. Limited		57,865	30,967	NIL
Total		334,862	381,775	

CORPORATE GOVERNANCE REPORT

MATERIAL CONTRACTS

There are no material contracts between HPH Trust and its subsidiaries involving the interests of the CEO, each Director or controlling unitholder¹ of HPH Trust, either still subsisting at the end of the financial year ended 31 December 2023, or if not then subsisting, entered into since the end of the previous financial year, other than, where applicable:

- (a) as disclosed on pages 305 to 330 of the IPO Prospectus²;
- (b) as disclosed in note 29 to the financial statements of the Annual Report; and
- (c) interested person transactions as listed in the Interested Person Transactions section of the Annual Report.

1 "Controlling unitholder" refers to a person with an interest in the units of HPH Trust consisting not less than 15% of all outstanding units

2 The Prospectus dated 7 March 2011 and registered with the Monetary Authority of Singapore on 7 March 2011

SUMMARY OF DISCLOSURES

Summary of Disclosures of Code of Corporate Governance 2018 (“Code”)

Rule 710 of the SGX-ST Listing Manual requires Singapore listed companies to describe their corporate governance practices with specific reference to the Code in their annual reports for financial years commencing on or after 1 January 2019. This summary of disclosures describes our corporate governance practices with specific reference to the disclosure requirements in the principles and provisions of the Code.

Board Matters	Remuneration Matters	Unitholder Rights and Engagement
<p>The Board’s Conduct of Affairs</p> <p>Principle 1</p> <p>Provision 1.1 Page 99</p> <p>Provision 1.2 Pages 100 to 103</p> <p>Provision 1.3 Page 100</p> <p>Provision 1.4 Pages 100, 108, 109, 110, 111, 112, 117, 118, 119, 120, 122 and 123</p> <p>Provision 1.5 Pages 100, 101, 109, 111, 117 and 122</p> <p>Provision 1.6 Pages 101 to 102</p> <p>Provision 1.7 Pages 101 and 103</p> <p>Board Composition and Guidance</p> <p>Principle 2</p> <p>Provision 2.1 Pages 104 to 105</p> <p>Provision 2.2 Pages 103, 105 and 106</p> <p>Provision 2.3 Pages 103, 105 and 106</p> <p>Provision 2.4 Pages 103, 105, 106 and 107</p> <p>Provision 2.5 Page 107</p> <p>Chairman and Chief Executive Officer</p> <p>Principle 3</p> <p>Provision 3.1 Page 108</p> <p>Provision 3.2 Page 108</p> <p>Provision 3.3 Page 108</p> <p>Board Membership</p> <p>Principle 4</p> <p>Provision 4.1 Pages 108 and 109</p> <p>Provision 4.2 Page 108</p> <p>Provision 4.3 Pages 109 and 110</p> <p>Provision 4.4 Pages 104 to 105</p> <p>Provision 4.5 Pages 28 to 32, 101 and 110</p> <p>Board Performance</p> <p>Principle 5</p> <p>Provision 5.1 Page 111</p> <p>Provision 5.2 Page 111</p>	<p>Procedures for Developing Remuneration Policies</p> <p>Principle 6</p> <p>Provision 6.1 Page 111</p> <p>Provision 6.2 Page 111</p> <p>Provision 6.3 Page 111</p> <p>Provision 6.4 Page 112</p> <p>Level and Mix of Remuneration</p> <p>Principle 7</p> <p>Provision 7.1 Page 112</p> <p>Provision 7.2 Pages 111 and 112</p> <p>Provision 7.3 Pages 111, 112 and 114</p> <p>Disclosure on Remuneration</p> <p>Principle 8</p> <p>Provision 8.1 Pages 111 to 114</p> <p>Provision 8.2 Page 114</p> <p>Provision 8.3 Pages 112 to 114</p> <p style="background-color: black; color: white; text-align: center;">Accountability and Audit</p> <p>Risk Management and Internal Controls</p> <p>Principle 9</p> <p>Provision 9.1 Pages 114 to 115</p> <p>Provision 9.2 Page 116</p> <p>Audit Committee</p> <p>Principle 10</p> <p>Provision 10.1 Pages 117 to 120</p> <p>Provision 10.2 Page 117</p> <p>Provision 10.3 Page 118</p> <p>Provision 10.4 Pages 119 to 120</p> <p>Provision 10.5 Page 117</p>	<p>Unitholder Rights and Conduct of General Meetings</p> <p>Principle 11</p> <p>Provision 11.1 Pages 120 and 121</p> <p>Provision 11.2 Page 120</p> <p>Provision 11.3 Page 120</p> <p>Provision 11.4 Page 120</p> <p>Provision 11.5 Page 121</p> <p>Provision 11.6 Page 121</p> <p>Engagement with Unitholders</p> <p>Principle 12</p> <p>Provision 12.1 Page 121</p> <p>Provision 12.2 Page 121</p> <p>Provision 12.3 Page 121</p> <p style="background-color: black; color: white; text-align: center;">Managing Stakeholders Relationships</p> <p>Engagement with Stakeholders</p> <p>Principle 13</p> <p>Provision 13.1 Pages 38 to 97, 98, and 122</p> <p>Provision 13.2 Pages 38 to 97, 98, and 122</p> <p>Provision 13.3 Pages 38 to 97, 98, and 122</p>