

Hutchison Port Holdings Trust

2020 Full-Year Financial Results Presentation

AGM - 19 April 2021

1 Key Highlights

Key Highlights

- 2020 full year throughput of HPH Trust's ports was 2% above last year. YICT's throughput was 2% above last year. Combined throughput^(N1) of HIT, COSCO-HIT and ACT (collectively "HPHT Kwai Tsing") was 1% above last year
- Outbound cargoes to the US and EU grew at a faster pace in the second half of 2020 by 24% and 18%, respectively when compared to last year. As a result, both of the outbound cargoes to the US and EU for the year of 2020 were above 2019 by 5%. YICT's full year throughput increase was mainly attributed to the increase in US, EU and transshipment cargoes, but partially offset by decrease in empty cargoes. The growth in HPHT Kwai Tsing's throughput was mainly due to higher transshipment cargoes, but partially offset by the decrease in intra-Asia cargoes
- 2020 full year NPAT was HK\$2,012.5 million, HK\$190.8 million or 10% above last year. NPAT attributable to unitholders was HK\$831.4 million, HK\$303.2 million or 57% above last year
- 2020 full year Distribution Per Unit was 12.00 HK cents

N1 Represents the allocated throughput from Hong Kong Seaport Joint Operating Alliance with effect from 1 April 2019

2 Business Overview

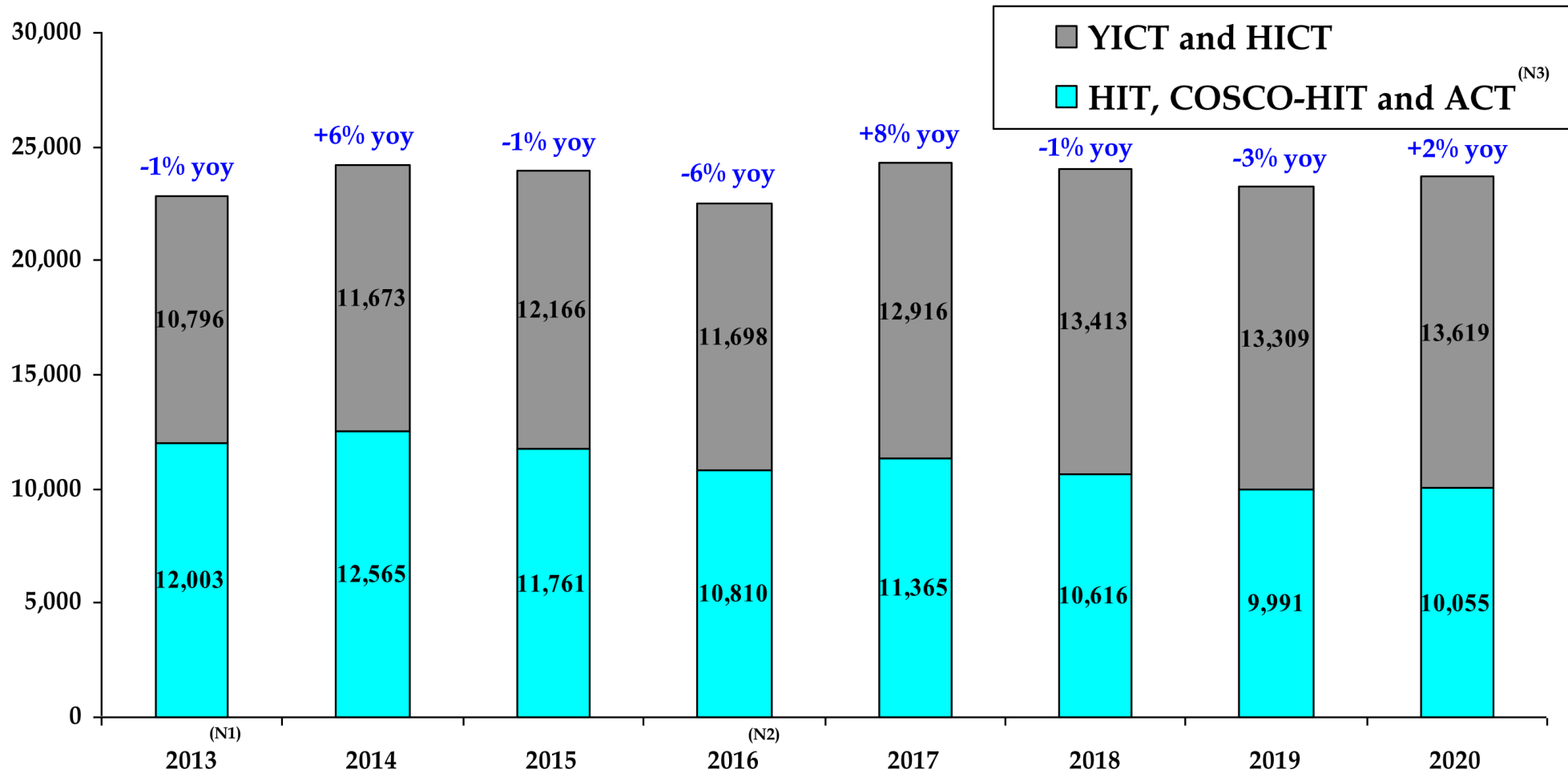
Business Overview

- 2020 has been a challenging year with an abrupt interruption to trade in the first half followed by a significant upturn in the second half. Shipping lines have been adjusting capacity and schedules to cope with increased outbound cargoes from China, congestion delays at container terminals in Europe and the US and a shortage of containers
- Following the pent-up demand and rebound in global trade in the second half of 2020, the pace for such upward trend continued in the first quarter of 2021. Total throughput of HPH Trust in the first quarter of 2021 surpassed the pre-pandemic level in 2019
- In February 2021, Yantian celebrated reaching total throughput of 200 million TEU in just over 25 years. This is a milestone for the port industry
- The Hong Kong Seaport Alliance (“HKSPA”) formed in 2019 by HIT, COSCO-HIT, ACT and Modern Terminals Limited consistently raises the competitiveness and resilience of the port of Hong Kong. On 30 October 2020, the Competition Commission of Hong Kong issued a Notice of Acceptance of commitments offered by HKSPA under the Competition Ordinance. This marks an end to its investigation and represents a key development that enables HKSPA to focus on seizing business opportunities and delivering greater efficiency

3 Key Financial Performance

Key Business Update

Throughput Volume (TEU in thousand)



N1 Includes throughput volume of ACT after the acquisition in March 2013

N2 Includes throughput volume of HICT after the acquisition in December 2016

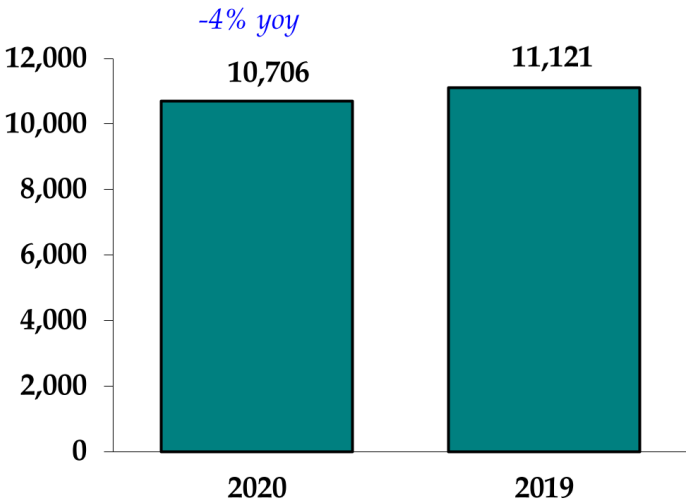
N3 Represents the allocated throughput from Hong Kong Seaport Joint Operating Alliance with effect from 1 April 2019

Key Financial Performance

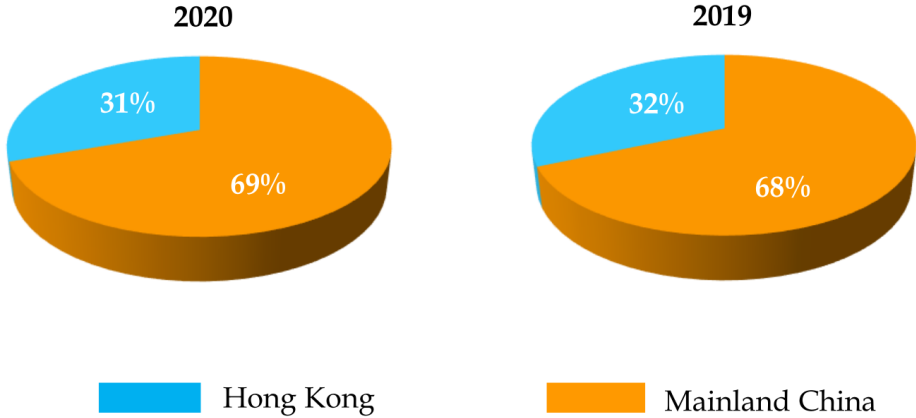
Revenue and other income

For the year ended 31 December 2020

(HK\$ Million)



Segment Information

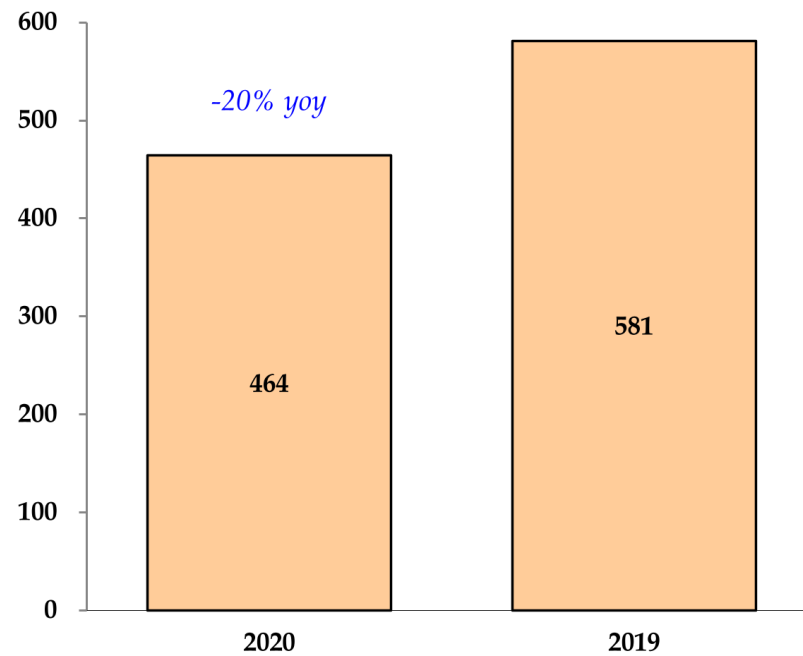


Key Financial Performance

Total Capex

For the year ended 31 December 2020

(HK\$ Million)



Key Financial Performance

Financial Position

	At 31 December 2020 HK\$'Million	At 31 December 2019 HK\$'Million
Short Term Debt	\$3,992.0	\$4,102.5
Long Term Debt	\$25,428.0	\$26,576.4
Total Consolidated Debt	\$29,420.0	\$30,678.9
Total Consolidated Cash	\$7,766.6	\$7,040.2

HPH Trust's Results

Full Year 2020 against Last Year

(HK\$'Million)	1 January to 31 December		
	2020 <u>Actual</u>	2019 <u>Actual</u>	% variance <u>Fav/(Unfav)</u>
Revenue and other income	10,705.8	11,120.9	(4%)
Cost of services rendered	(3,568.4)	(3,881.6)	8%
Staff costs	(256.4)	(288.0)	11%
Depreciation and amortisation	(3,054.0)	(3,079.7)	1%
Other operating income	193.2	96.4	100%
Other operating expenses	(513.3)	(537.1)	4%
Total operating expenses	(7,198.9)	(7,690.0)	6%
Operating profit	3,506.9	3,430.9	2%
Interest and other finance costs	(766.3)	(1,075.2)	29%
Share of profits less losses after tax of Associated Cos/JVs	(10.1)	(54.0)	81%
Profit before tax	2,730.5	2,301.7	19%
Taxation	(718.0)	(480.0)	(50%)
Profit after tax	2,012.5	1,821.7	10%
Profit after tax attributable to non-controlling interests	(1,181.1)	(1,293.5)	(9%)
Profit after tax attributable to unitholders of HPH Trust	831.4	528.2	57%

There are no material differences between HKFRSs and IFRSs and no material adjustments are required to restate the financial statements of HPH Trust in accordance with IFRSs

Statement of Financial Position as at 31 December 2020 and 31 December 2019

(HK\$ Million)	<u>2020</u>	<u>2019</u>
ASSETS		
Non-current assets		
Fixed assets	22,839.0	23,789.5
Projects under development	478.2	648.1
Leasehold land and land use rights	35,843.7	37,047.0
Railway usage rights	11.1	10.8
Customer relationships	5,167.6	5,501.8
Goodwill	11,270.0	11,270.0
Associated companies	1,032.6	952.5
Joint ventures	2,593.1	2,656.7
Other non-current assets	428.1	560.7
Pension assets	85.7	-
Deferred tax assets	19.3	25.0
Total non-current assets	<u>79,768.4</u>	<u>82,462.1</u>
Current assets		
Cash and bank balances	7,766.6	7,040.2
Trade and other receivables	3,033.6	3,056.0
Inventories	99.3	102.4
Total current assets	<u>10,899.5</u>	<u>10,198.6</u>

Statement of Financial Position as at 31 December 2020 and 31 December 2019 (cont'd)

(HK\$'Million)	<u>2020</u>	<u>2019</u>
Current liabilities		
Trade and other payables	5,517.5	5,783.1
Bank and other debts	3,990.6	4,097.3
Current tax liabilities	278.6	473.9
Total current liabilities	<u>9,786.7</u>	<u>10,354.3</u>
Net current assets/(liabilities)	<u>1,112.8</u>	<u>(155.7)</u>
Total assets less current liabilities	<u>80,881.2</u>	<u>82,306.4</u>
Non-current liabilities		
Bank and other debts	25,328.2	26,459.1
Pension obligations	-	41.7
Deferred tax liabilities	9,536.0	9,918.2
Other non-current liabilities	413.1	324.1
Total non-current liabilities	<u>35,277.3</u>	<u>36,743.1</u>
Net assets	<u>45,603.9</u>	<u>45,563.3</u>
EQUITY		
Units in issue	68,553.8	68,553.8
Reserves	<u>(42,551.8)</u>	<u>(42,702.9)</u>
Net assets attributable to unitholders of HPH Trust	26,002.0	25,850.9
Non-controlling interests	<u>19,601.9</u>	<u>19,712.4</u>
Total equity	<u>45,603.9</u>	<u>45,563.3</u>

Statement of Cash Flows

Full Year 2020 and 2019

(HK\$'Million)	1 January to 31 December 2020	1 January to 31 December 2019
Operating activities		
Cash generated from operations	6,608.8	6,369.3
Interest and other finance costs paid	(738.4)	(999.5)
Tax paid	(1,285.7)	(735.2)
Net cash from operating activities	<u>4,584.7</u>	<u>4,634.6</u>
Investing activities		
Loan to an associated company	(99.9)	(133.2)
Purchase of fixed assets and projects under development	(463.7)	(581.4)
Proceeds on disposal of fixed assets	24.9	15.8
Dividends received from investments	33.5	25.7
Dividends received from associated companies and joint ventures	142.8	102.5
Interest received	84.9	147.8
Repayment of loan by a joint venture	1.6	1.6
Restricted deposit released	42.0	-
Net cash used in investing activities	<u>(233.9)</u>	<u>(421.2)</u>
Financing activities		
New borrowings	3,870.8	6,210.0
Repayment of borrowings	(5,159.3)	(7,219.0)
Upfront debt transaction costs and facilities fees of borrowings	-	(40.8)
Principal elements of lease payments	(12.7)	(4.4)
Payment to acquire additional interest in a subsidiary company	(9.8)	-
Distributions to unitholders of HPH Trust	(810.1)	(1,261.4)
Dividends to non-controlling interests	(1,461.3)	(1,424.0)
Net cash used in financing activities	<u>(3,582.4)</u>	<u>(3,739.6)</u>
Net changes in cash and cash equivalents	768.4	473.8
Cash and cash equivalents at beginning of the year	6,998.2	6,524.4
Cash and cash equivalents at end of the year	<u>7,766.6</u>	<u>6,998.2</u>

THE WORLD'S LEADING PORT NETWORK