



# INTEGRATED SERVICES A STRATEGY FOR GROWTH





# CORPORATE INFORMATION

## TRUSTEE-MANAGER

Hutchison Port Holdings Management Pte. Limited  
(incorporated in the Republic of Singapore with limited liability)

## BOARD OF DIRECTORS

### Chairman and Non-executive Director

Mr. LAI Kai Ming, Dominic, BSc, MBA

### Executive Director

Mr. IP Sing Chi, BA

### Non-executive Directors

Ms. Edith SHIH, BSE, MA, MA, EdM, Solicitor, FCG, HKFCG

Ms. LEE Tung Wan, Diana, BCom, ACA (ANZ)

### Independent Non-executive Director and Lead Independent Director

Dr. FONG Chi Wai, Alex, BSS, MTM, MSGF, DBA, PhD, FCILT, FHKIOD

### Independent Non-executive Directors

Professor CHAN Fan-cheong, Tony, BS, MS, PhD

Ms. IM Man leng, BCom, MBus (Acc), CPA

Mr. LEE Kah Lup, B.Sc., MBA

Ms. SEAH Bee Eng (alias Jennifer LOH), B Acc, FCA (Singapore),  
CA (Australia)

## AUDIT COMMITTEE

Ms. SEAH Bee Eng (alias Jennifer LOH) (Chairperson)

Professor CHAN Fan-cheong, Tony

Ms. IM Man leng

## NOMINATING COMMITTEE

Dr. FONG Chi Wai, Alex (Chairman)

Professor CHAN Fan-cheong, Tony

Ms. Edith SHIH

## REMUNERATION COMMITTEE

Mr. LEE Kah Lup (Chairman)

Ms. IM Man leng

Ms. LEE Tung Wan, Diana

## SUSTAINABILITY COMMITTEE

Ms. Edith SHIH (Chairperson)

Dr. FONG Chi Wai, Alex

Mr. LEE Kah Lup

Ms. LEE Tung Wan, Diana

Ms. SEAH Bee Eng (alias Jennifer LOH)

## REGISTERED OFFICE

1 Harbourfront Avenue  
#14-07, Keppel Bay Tower  
Singapore 098632  
Telephone: (65) 6536 5355  
Fax: (65) 6536 1360

## COMPANY SECRETARY

Ms. WONG Yoen Har

## UNIT REGISTRAR AND UNIT TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte. Ltd.  
1 Harbourfront Avenue  
#14-07, Keppel Bay Tower  
Singapore 098632  
Telephone: (65) 6536 5355  
Fax: (65) 6536 1360

## AUDITOR

PricewaterhouseCoopers LLP  
7 Straits View  
Level 12, Marina One, East Tower  
Singapore 018936  
Telephone: (65) 6236 3388  
Fax: (65) 6236 3300  
Partner-in-charge: Ms. Debra Ann KER  
Date of appointment of Partner-in-charge: 25 April 2023

## PRINCIPAL BANKERS

DBS Bank Ltd  
Bank of China Ltd  
Industrial and Commercial Bank of China Ltd  
Standard Chartered Bank (Hong Kong) Ltd  
The Hongkong and Shanghai Banking Corporation Ltd

## CORPORATE DIRECTORY

Company Registration No.: 201100749W

Website: <https://www.hphtrust.com>

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## TRUST PROFILE

### HPH TRUST

Hutchison Port Holdings Trust (“HPH Trust” or the “Trust”) is the first publicly traded container port business trust in the world. It was listed on the Mainboard of the Singapore Exchange (“SGX”) in March 2011. In early 2012, it became the first entity to launch dual-currency trading for its units on the SGX.

The mandate of the Trust is principally to invest in, develop, operate and manage deep-water container ports in Guangdong Province, Hong Kong and Macau in China.

HPH Trust operates Hongkong International Terminals (“HIT”), COSCO-HIT Terminals (“COSCO-HIT”) and Asia Container Terminals (“ACT”) in Hong Kong, and Yantian International Container Terminals (“YANTIAN”) and Huizhou International Container Terminals (“HICT”) in mainland China. HPH Trust operates 38<sup>1</sup> berths across 647<sup>1,2</sup> hectares of land. In 2024, the Trust delivered a combined throughput of approximately 22.3 million twenty-foot equivalent units (“TEU”).

The core port operations of the Trust are complemented by river port facilities and ancillary services, which aim to provide customers with seamless logistics supply chain solutions for imports and exports. HPH Trust holds economic benefits in two river ports in mainland China (“River Ports Economic Benefits”<sup>3</sup>): Jiangmen International Container Terminals (“Jiangmen Terminal”) and Nanhai International Container Terminals (“Nanhai Terminal”). Collectively, they are known as the “River Ports”. HPH Trust also operates ancillary services including container depots, trucking, feeder and shipping agencies via Asia Port Services Limited (“APS”); HPH E.Commerce Limited (“Hutchison Logistics”), a provider of supply chain solutions across air, sea and land networks; and Shenzhen Hutchison Inland Container Depots Co., Limited (“SHICD”), operator of an inland container depot and warehouse in Shenzhen.

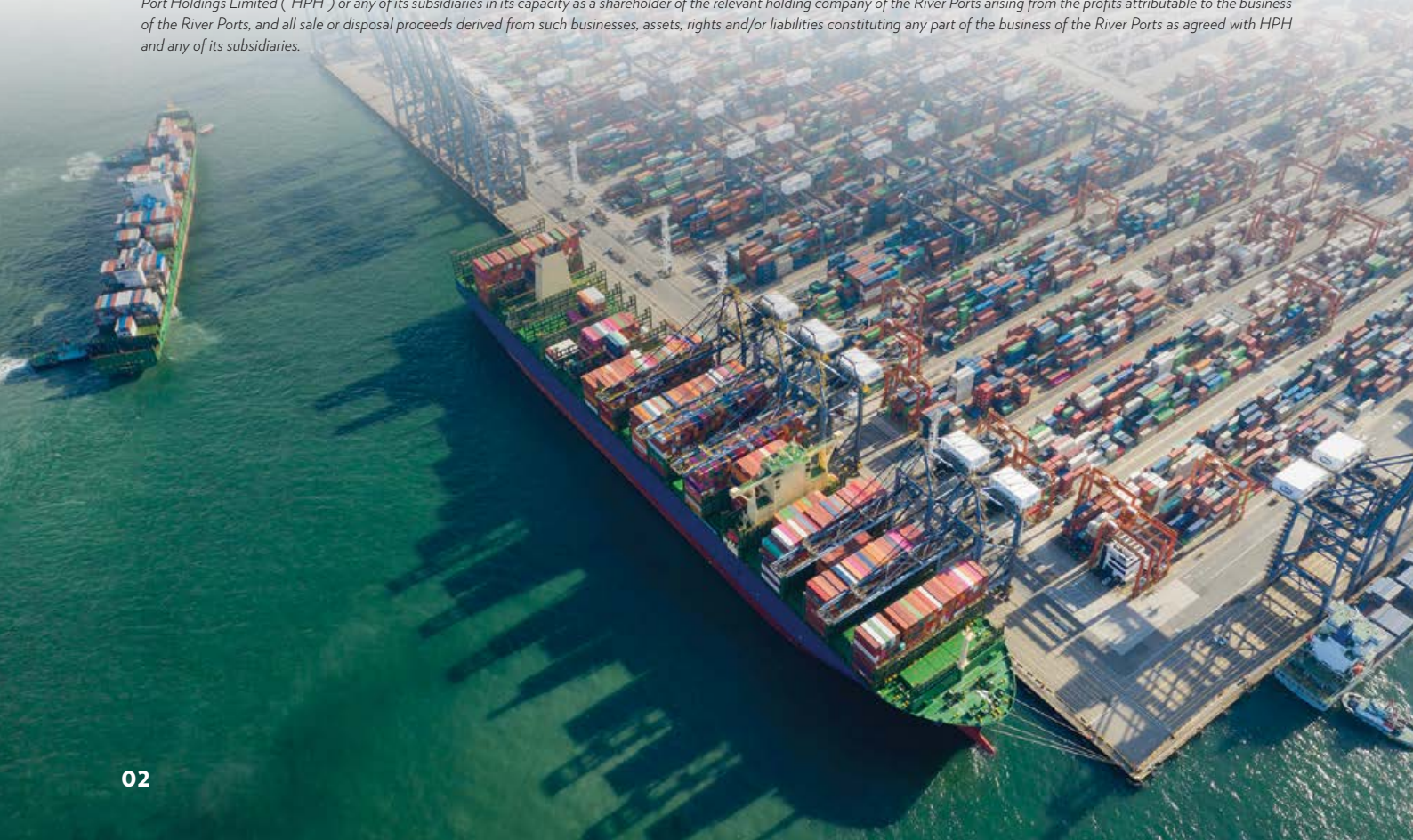
### THE TRUSTEE-MANAGER

The Trust is managed by Hutchison Port Holdings Management Pte. Limited (the “Trustee-Manager”), an indirect wholly owned subsidiary of CK Hutchison Holdings Limited (“CKHH”). The Trustee-Manager has the dual responsibilities of safeguarding the interests of unitholders as a whole and managing HPH Trust’s businesses. The Board of Directors of the Trustee-Manager consists of individuals with a broad range of commercial experience and expertise in the port industry.

<sup>1</sup> Excludes East Port Phase I, which is under development.

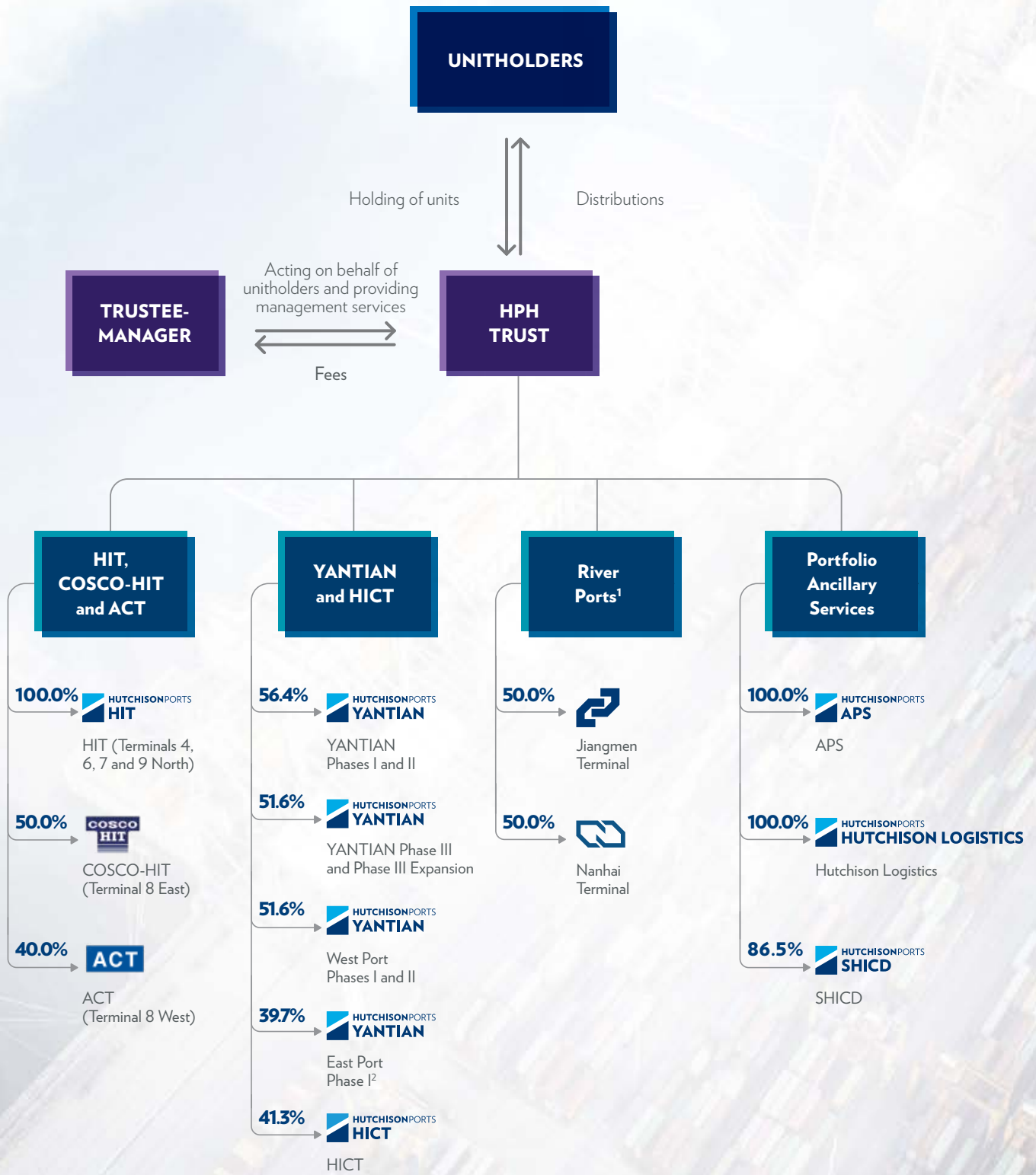
<sup>2</sup> Includes 2 hectares of land to be expropriated by the relevant local authority (“YTLAC”) designated by the City Renewal and Land Development Bureau of the Yantian District People’s Government of Shenzhen of the PRC pursuant to the expropriation and compensation agreement signed by YANTIAN Phases I and II and YTLAC in July 2024.

<sup>3</sup> The River Ports Economic Benefits represent the economic interest and benefits of the River Ports – including all dividends and any other distributions or other monies payable to Hutchison Port Holdings Limited (“HPH”) or any of its subsidiaries in its capacity as a shareholder of the relevant holding company of the River Ports arising from the profits attributable to the business of the River Ports, and all sale or disposal proceeds derived from such businesses, assets, rights and/or liabilities constituting any part of the business of the River Ports as agreed with HPH and any of its subsidiaries.





# CORPORATE STRUCTURE

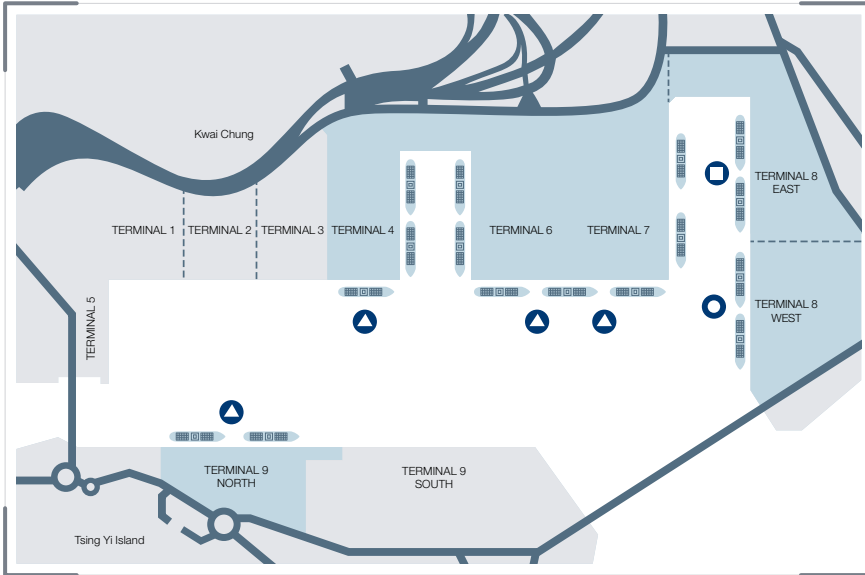


<sup>1</sup> HPH Trust holds River Ports Economic Benefits, but not the shares of the River Ports' holdings companies.

<sup>2</sup> Under development.

# PORTFOLIO OVERVIEW

## HONG KONG



### ▲ HIT

- 12 container berths across Terminals 4, 6, 7 and 9 North with a combined land area of 111 hectares
- 100% ownership

### ◻ COSCO-HIT

- 2 container berths at Terminal 8 East with a combined land area of 30 hectares
- 50/50 joint venture with COSCO SHIPPING Ports Limited (“COSCO SHIPPING Ports”)

### ○ ACT

- 2 container berths at Terminal 8 West with a combined land area of 29 hectares
- Strategic partnership between HPH Trust and COSCO SHIPPING Ports, with stakes of 40% and 60% respectively

### NANHAI



- Nanhai Terminal

### JIANGMEN



- Jiangmen Terminal



# PORTFOLIO OVERVIEW

## SHENZHEN AND HUIZHOU

### ▲ YANTIAN Phases I and II

- Effective interests: 56.4%
- 5 container berths with a combined land area of 130 hectares

### ○ West Port Phases I and II

- Effective interests: 51.6%
- 4 container berths with a combined land area of 61 hectares

### ▲ HICT

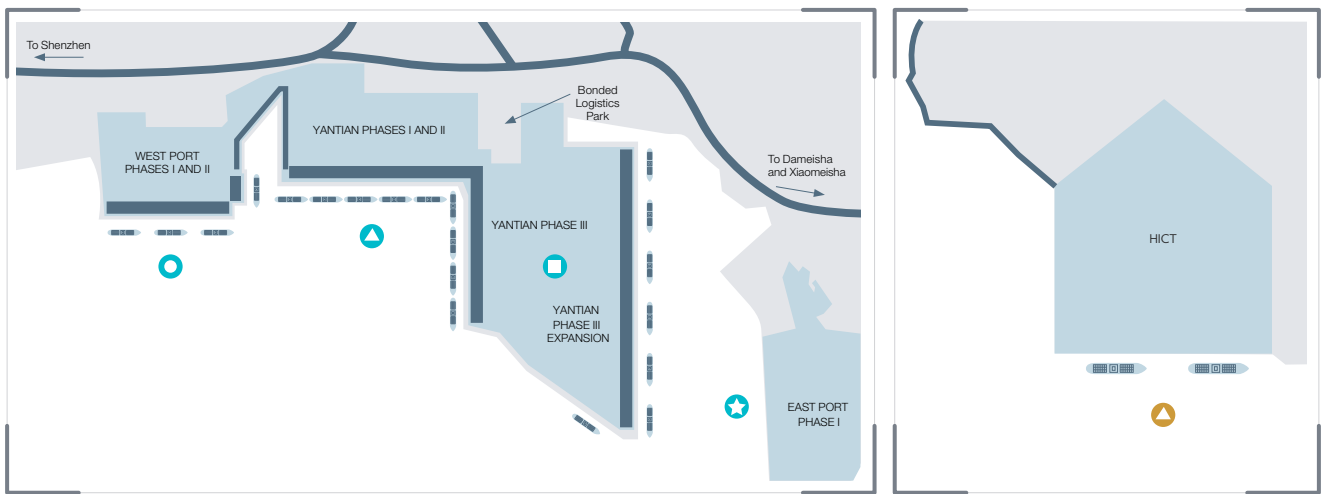
- Effective interests: 41.3%
- 2 container berths with a combined land area of 60 hectares

### □ YANTIAN Phase III and Phase III Expansion

- Effective interests: 51.6%
- 11 container berths with a combined land area of 226 hectares

### ★ East Port Phase I (under development)

- Effective interests: 39.7%
- Proposed to be 3 container berths with a combined land area of 120 hectares



### ▲ HUIZHOU

- HICT

### ▲ SHENZHEN

- YANTIAN Phases I and II
- YANTIAN Phase III and Phase III Expansion
- West Port Phases I and II
- East Port Phase I (under development)

### ▲ HONG KONG

- HIT
- COSCO-HIT
- ACT

# PORTFOLIO OVERVIEW



## HONG KONG

### HIT, COSCO-HIT and ACT

Strategically located on the south-east coast of China, Hong Kong is regarded as the gateway to the Greater Bay Area (“GBA”) and its vast mainland hinterland. Its deep-water port and modern, well-equipped facilities – augmented by a free, open and multilateral trading system – allow Hong Kong to remain as one of the world’s famous port cities and a major transshipment hub in the region.

On 8 January 2019, Hongkong International Terminals Limited, COSCO-HIT Terminals (Hong Kong) Limited, Asia Container Terminals Limited and Modern Terminals Limited established the Hong Kong Seaport Alliance (“HKSPA”), through which they collaborate to ensure the efficient management and operation of the 23 berths in Kwai Tsing.

16

CONTAINER BERTHS

170

HECTARES OF LAND

AROUND  
1,400

EMPLOYEES

66

QUAY CRANES

7.1<sup>1</sup>

MILLION TEU HANDLED IN 2024

AROUND  
2,000

EXTERNAL CONTRACTOR WORKERS ON-SITE DAILY

Figures as at 31 December 2024

<sup>1</sup> Represents the allocated throughput from HKSPA.



## PORTFOLIO OVERVIEW

SHENZHEN<sup>1</sup> AND HUIZHOU

## YANTIAN

YANTIAN is one of the busiest container terminals in China. South China has developed into a prosperous and dynamic economy, and the port has become the premier gateway for foreign trade.

As the sole terminal operator in eastern Shenzhen, YANTIAN is regularly visited by mega-vessels. Its natural deep-water berths and excellent mega-vessel handling capabilities secure its reputation as a key trading hub.

## HICT

The port of Huizhou is a natural coastal port in Guangdong. It is located near the manufacturing hinterland in eastern Guangdong, immediately east of Hong Kong and Shenzhen, and the Trust aims to develop it as a key player in the GBA shipping hub.

Situated in the Quanwan Port Zone in the Daya Bay Economic and Technological Development Zone, HICT is one of the dedicated container terminals in Huizhou.

22

CONTAINER  
BERTHS

477

HECTARES  
OF LANDAROUND  
2,300

EMPLOYEES

92

QUAY  
CRANES

15.2

MILLION TEU  
HANDLED IN 2024AROUND  
6,900EXTERNAL CONTRACTOR WORKERS  
ON-SITE DAILY

Figures as at 31 December 2024

<sup>1</sup> Excludes East Port Phase I, which is under development.

# UNLOCKING NEW OPPORTUNITIES





HPH Trust remains dedicated to advancing integrated services by offering more cost-effective, efficient and environmentally friendly solutions through innovative transportation methods. By leveraging cutting-edge technology and green investments, the Trust is unlocking new growth strategies and strengthening its position for the future.



## LETTER TO UNITHOLDERS

In 2024, HPH Trust successfully navigated the ever-changing global shipping patterns and capitalised on emerging opportunities. Global trade was on track for gradual recovery from the challenges of past years, primarily driven by solid consumer spending in the United States and Europe. Meanwhile, various global events continued to introduce uncertainty in the market. Ship attacks in the Red Sea led to longer transit times as vessels re-routed around Africa, while geopolitical tension and restructuring of shipping alliances added new complexity.

Despite these challenges, HPH Trust remained steadfast in its mission to be a world-class port operator and the preferred ports of call for megavessels. This year, the Trust achieved the growth by integrating its assets and services, delivering a seamless one-stop port service solution with unique competitive advantages.

### IMPROVED RESULTS TEMPERED BY CHALLENGING INTEREST RATE ENVIRONMENT

During the year under review, HPH Trust delivered improved performance, as throughput increased by 5% over the previous period, for a total 22.3 million twenty-foot equivalent units ("TEU"). YANTIAN's throughput was notably strong, rising 12% above last year, achieving its record-breaking throughput by handling over 15 million TEU. Outbound cargoes to the United States and European markets showed strong recovery, increasing by 14% and 12%, respectively.

Cargo volumes at the Kwai Tsing Terminals are yet to see a substantial recovery, with combined throughput decreasing by 6%. During the year, the Hong Kong government's initiatives to bolster the city's position as a maritime hub, such as the promotion of green maritime, fuel bunkering and smart port infrastructure, align closely with our strategic priorities. As a key player in Hong Kong's port industry, the Trust is committed to facilitating these developments, leveraging our expertise in building green and smart ports. The Trust will also continue to engage governments and policymakers in advocating for sector-specific support and increased collaboration in the Greater Bay Area ("GBA").

Financially, HPH Trust delivered solid results. Revenue in 2024 reached HK\$11,567.3 million, representing a year-on-year increment of 9%. Net profit after tax ("NPAT") was HK\$2,173.2 million, up by 47% compared to 2023. NPAT attributable to unitholders also showed strong growth, reaching HK\$650.0 million for a year-on-year improvement of 178%.

Despite an increase in profit, HPH Trust faces an increase in interest cost starting from the fourth quarter of 2024 as it refinances low cost debt previously drawn at the trough of the interest rate cycle, which will mature in 2025 and 2026. In addition, HPH Trust continued its debt repayment programme, lowering total borrowings to HK\$25.2 billion, down from HK\$25.7 billion in 2023. Distribution per unit to unitholders was 12.2 HK cents in 2024 against this backdrop of increase in interest cost and prudent debt management.

### BUILDING ON INTEGRATION

HPH Trust continued to develop its hinterland during the year, expanding cargo sources by adding 4 inland ports in Chongqing, Hunan and Foshan, and six alliance ports in the GBA, bringing the total to 17 inland ports and 14 alliance ports. The Trust is also exploring an opportunity with Beibu Gulf Port Group to establish the "Western-Beibu Gulf-Hong Kong/Yantian Destination Route", strengthening the intermodal corridor in Northwest China.

HPH Trust continued to capture opportunities in high-growth areas, particularly cross-border e-commerce and cold chain products. As Chinese brands expand internationally and a diverse array of overseas brands enters China via e-commerce, YANTIAN continues to reaffirm its position as the preferred port for cross-border e-commerce in South China. The Trust currently services more than 10 e-commerce lines. It was also the only Chinese port showcased for e-commerce at the 2024 World Internet Conference.

Fresh product imports is another market with increasing demand. Kwai Tsing Terminals and YANTIAN showcased in the Asia Fruit Logistica 2024 their high-quality reefer and cold chain infrastructure, which includes over 8,000 refrigerated container reefer points and services. Moreover, HPH Trust maintained close collaboration with customs authorities to ensure smooth and efficient cargo discharge.

In addition, HPH Trust will continue to leverage Hutchison Ports' network especially connecting to its One Belt, One Road initiatives and providing more South China shippers with access to places such as the Middle East, Mexico, Latin America and Southeast Asia.

### INTRODUCING THE LARGEST PORT CLUSTER IN SOUTH CHINA

In 2024, HPH Trust unveiled its foremost unique initiative, the Shenzhen-Hong Kong Connect ("SZ-HK Connect") port cluster, integrating the Trust's two major world-class port assets: Kwai Tsing Terminals and YANTIAN. Forming the largest port cluster in South China and the GBA is set to strengthen our competitiveness and better position Kwai Tsing Terminals for a long term recovery.

This concept is rooted in the geographical proximity and the unique strength of the two ports, each of which serves as the last port of call in China for most services. YANTIAN is a pivotal national logistics hub, demonstrating excellence in serving hinterland cargoes to the United States and Europe. Meanwhile, Kwai Tsing Terminals, enhanced by its "free port" status, is an international transshipment hub, offering extensive access to Intra-Asia, South and Central America, and Oceania markets. Collectively, this cluster has 36 deep-sea container berths, providing 240 weekly services reaching over 220 global destinations. Scheduled barge ensures seamless connection between the ports. This initiative aims to address the growing market demand for expedited cargo flows and flexible one-stop service, accommodating increasingly tight and dynamic delivery schedules. Its critical success extends beyond conventional port operations, and lies on its ability to establish comprehensive hinterland connections and a seamless intermodal transportation network via rail, truck and barge.

A remarkable milestone in 2024 was the inauguration of the Chongqing-Shenzhen-Hong Kong scheduled rail service. It connects Chongqing cargoes with YANTIAN and Kwai Tsing Terminals, reduces transit times to merely two days to YANTIAN for the United States or European markets, and further to Kwai Tsing Terminals for Intra-Asia or other high-growth markets.

### INVESTING IN OPERATIONAL UPGRADES

Robust and efficient intermodal and terminal capabilities form the backbone of efficient cargo movement. HPH Trust maintained its strategic focus on modernising digital systems and hardware infrastructure.



## LETTER TO UNITHOLDERS

In 2024, Kwai Tsing Terminals successfully extended the Remote Container Inspection technology at land-side gatehouses to all barge quay cranes, moving certain barge operations indoor thanks to technologies such as optical character recognition and image processing. HIT is going to further enhance the system with more artificial intelligence (“AI”) elements to improve overall container inspection efficiency and accuracy. Kwai Tsing Terminals also focused on safety upgrades, deploying an award-winning AI-powered obstacles detection system on yard cranes. HIT was the first Hong Kong port operator to use AI for crane safety, using CCTV cameras and AI to detect obstacles and identify blind spots on the crane runway in real time, which allows automated deceleration and halting of cranes when obstacles are detected. Concurrently, driverless autonomous electric trucks underwent comprehensive real-world safety and operation testings.

YANTIAN continued its capacity enhancement programme to drive business growth. The first berth of East Port Phase I is expected to commence operation in 2026. This new phase will add three automated berths for vessels with displacement exceeding 200,000 tons, equivalent to a carrying capacity of more than 24,000 TEU, extendable to 32,000 TEU. Within existing facilities, YANTIAN expanded its remote-controlled operations by installing 12 remote-controlled yard cranes in 2024, bringing its total remote-controlled fleet to 28 units. The 5G industrial control network started last year has also been ramped up for this augmented fleet. YANTIAN also raised the height of four quay cranes and 17 yard cranes.

Improving productivity is another focus for YANTIAN – besides continuous improvement on vessel handling rate at 6% above 2023, year-on-year barge handling productivity made a remarkable improvement of 28%, perfectly servicing the phenomenal growth of barge transshipment businesses connecting YANTIAN with Hong Kong and other Pearl River Delta areas. YANTIAN also invested in user platform enhancements, such as the “156YT” cargo tracking mobile application and the Sea-Rail Intermodal Transport Platform. The implementation of blockchain technology for import documentation has also revolutionised the release process, reducing the average release time from more than one day to less than an hour.

### DEMONSTRATING ENVIRONMENTAL LEADERSHIP

HPH Trust’s decarbonisation effort continues to gain widespread recognition. In addition to being the only port in the world to win its fourth “Best Green Container Terminal” award at the Asian Freight, Logistics and Supply Chain Awards, YANTIAN was also the only port enterprise nominated by the Guangdong government for its “dual carbon goal” pilot. HIT’s environmental endeavours were similarly acknowledged with recognition at the CLP Smart Energy Award 2024.

These commendations reflect HPH Trust’s remarkable journey towards electrification and the use of clean energy. Working towards HPH Trust’s target of reducing carbon emissions intensity by 30% between 2021 and 2030, the Kwai Tsing Terminals and YANTIAN fleet now contains a total of more than 1,000 pieces of electric and LNG-powered equipment. During the year, more than 120 electric facilities were put in place at our ports, encompassing yard cranes, trucks, service vehicles and empty handlers. YANTIAN has started to deploy battery-powered container trucks. It launched the world’s first on-dock under-chassis battery swapping station in collaboration with one of the world’s leading electric vehicle battery and energy storage system manufacturer.

The Trust also promotes the use of clean energy. In 2024, YANTIAN supplied 25 million kWh of electricity to more than 1,000 vessels using shore power, and bunkered over 284,000m<sup>3</sup> of LNG, which is six times more than the amount in 2023. Both shore power supply and LNG bunkering services are continuously breaking new records. Moreover, YANTIAN is the fourth global and first South China port with LNG bunkering capabilities, and in June proudly bunkered LNG for two vessels simultaneously. YANTIAN also welcomed the maiden call of a pioneering methanol-powered vessel and served the world’s longest transoceanic shipment of liquid hydrogen. Meanwhile, Kwai Tsing Terminals added a total of 19 solar photovoltaic power substations during the year.

Engaging with stakeholders – including the public and rating agencies – and establishing joint collaborations remain fundamental to our sustainability agenda. In 2024, The Trust further enhanced its sustainability report disclosure by aligning climate change analysis with the internationally recognised framework of the Task Force on Climate-Related Financial Disclosures. HIT conducted a joint media briefing with CLP Power Hong Kong on sharing our port sustainability initiatives with media and public. YANTIAN also signed a Memorandum of Cooperation with the ports of Los Angeles and Long Beach to develop a green maritime economy through clean energy and green infrastructure development.

### STRATEGIC POSITIONING

After the relatively smooth sailing of 2024, HPH Trust anticipates complex landscapes in the next year ahead, stemming from various global developments including policy shifts in the United States’ trade policies, and the restructuring of shipping alliances. Moreover, persistently high interest rates will increase debt refinancing costs in contrast to the favourable terms secured four to five years ago, adding layers of complexity to HPH Trust’s performance outlook.

Against this backdrop, HPH Trust’s strategy in integration, including launching SZ-HK Connect, creates a win-win solution across the maritime ecosystem. This user-oriented initiative optimises overall transportation costs and transit times, and provides convenience to shippers, shipping lines and other port users.

Embracing a progressive and future-shaping mindset, supported by shippers, shipping lines, government authorities, employees and port users, HPH Trust will continue to stand firm as a leading port operator in South China – maximising its opportunities, enhancing connectivity, streamlining and upgrading operations, and building port capacity.

**Mr. LAI Kai Ming, Dominic**  
Chairman

KEY EVENTS

# HPH TRUST LAUNCHES SZ-HK CONNECT

Shenzhen's Yantian Port and Hong Kong's Kwai Tsing Port have launched Shenzhen-Hong Kong Connect ("SZ-HK Connect"), a strategic collaboration enhancing cargo connectivity capabilities within the Greater Bay Area ("GBA") and extending their reach to the global market. With YANTIAN positioned as South China's most connected port for European and North American routes, and Kwai Tsing Port leading in service frequency to Asia and South America, SZ-HK Connect provides customers streamlined and seamless access across key global regions.

A key highlight of SZ-HK Connect is the Chongqing-Shenzhen-Hong Kong scheduled sea-rail service, which launched in August. The train, fully loaded with automotive parts, electronic products and other goods, travelled from Chongqing to YANTIAN in two days for exports to the US and Europe. Part of the cargoes was further transferred to Kwai Tsing Port for shipment to Asia and South America. The launch of the scheduled train service enables cargoes from the Chengdu and Chongqing areas to reach Hong Kong within three days.

SZ-HK Connect offers unparalleled connectivity, competitive costs and efficient transit times – all within a single, integrated solution.

Guangdong Province

Yantian

Hong Kong

**ONE CLUSTER TWO PORT ZONES**

**240**  
WEEKLY SERVICES TO WORLDWIDE

**48**  
WEEKLY CALLS OF 32 RAIL SERVICES

**YOUR SEAMLESS LOGISTICS GATEWAY**

TH38

EVERGREEN

和 谐

热烈祝贺 “渝深港固定班列” 隆重首发



## KEY EVENTS

### HPH TRUST PARTNERS WITH BEIBU GULF PORT GROUP TO DEVELOP GUANGXI-HONG KONG SEA-RAIL INTERMODAL CHANNEL

In May, HPH Trust has signed a memorandum of cooperation with Guangxi Beibu Gulf International Port Group Company Limited to develop the “Western-Beibu Gulf-Hong Kong/Yantian-Destination route” sea-rail intermodal channel. This partnership is set to enhance trade exchanges especially between Guangxi and Hong Kong, unlocking new opportunities for economic growth while solidifying the region’s role as a key logistics hub.



Mr. Vincent Yuen (seated, right), Managing Director, Port Services and Logistics, Hutchison Port Holdings Trust, signed the memorandum of cooperation at the ceremony.

### HIT AND CLP JOINTLY PROMOTE PORT DECARBONISATION EFFORTS

HIT and CLP Power Hong Kong Limited (“CLP”) jointly hosted a media briefing in August to spotlight HIT’s ongoing decarbonisation efforts, including the electrification of cranes and vehicles, and the adoption of renewable energy, resulting in a reduction of more than 15,000 tonnes of carbon emissions in 2023 - equivalent to the annual CO<sub>2</sub> emissions of approximately 9,000 average Hong Kong households. The media briefing highlighted the successful collaboration between HIT and CLP in driving local decarbonisation efforts, reinforcing their commitment to a greener future.



Jimmy Ng (left), Chief Financial Officer of the Trustee-Manager, and Dr. Anthony Lo, Director of Customer Success and Sales, CLP, standing in front of HIT’s green fleets.

## KEY EVENTS

### YANTIAN SETS NEW THROUGHPUT RECORD IN 2024

YANTIAN achieved its record-breaking throughput by handling over 15 million TEU in 2024. During the year, it attracted 17 new services connecting North and South America, Australia, and Asia, and recorded over 360 mega-vessel calls of 24,000 TEU or above, a 26 percent increase compared with 2023. To cope with the business growth, YANTIAN continuously upgrades and improves its productivity – its vessel handling rate and barge handling productivity recorded a year-on-year increment of 6 percent and 28 percent respectively in 2024.



#### FOUR NEW INLAND PORT CONNECTIONS ADDED TO YANTIAN NETWORK

YANTIAN has further strengthened its inland port network to 17 locations with the addition of four new inland ports, at Guanyao, Huaihua, Chongqing and Shaoyang in 2024. The expansion provides greener and more efficient logistics solutions to the industry.

These inland ports enable goods to be transported from the manufacturing hub in western and hinterland China to YANTIAN and further to Hong Kong via SZ-HK Connect, creating a convenient channel for goods to reach international markets.



The 17<sup>th</sup> YANTIAN inland port, in Shaoyang.



## KEY EVENTS

### YANTIAN PARTICIPATES IN MAJOR LOGISTICS AND E-COMMERCE EVENTS IN SHENZHEN



The 18<sup>th</sup> China (Shenzhen) International Logistics and Supply Chain Fair

YANTIAN showcased its position as a leading port at major industry events in Shenzhen during 2024.

In June, YANTIAN took part in the 7<sup>th</sup> Global Cross-Border E-Commerce Festival, attracting over 100,000 attendees from the cross-border e-commerce industry.

In July, YANTIAN participated in the Global Ecological Logistics Integration Development Summit and Shenzhen Logistics Festival which brought together more than 1,000 participants from the shipping, cross-border e-commerce, freight and logistics sectors.

In September, YANTIAN joined the 18<sup>th</sup> China (Shenzhen) International Logistics and Supply Chain Fair, which attracted approximately 2,000 exhibitors from 51 countries.

At these events, YANTIAN delivered keynote presentations highlighting its role as a preferred port of call, its strategic importance for cross-border e-commerce, its strength in green and efficient operations, and its connection to the Hutchison Ports global network.



The 7<sup>th</sup> Global Cross-Border E-commerce Festival



The Global Ecological Logistics Integration Development Summit and Shenzhen Logistics Festival

### ANNUAL CUSTOMER COMMUNICATION SESSION ORGANISED AT SHENZHEN

YANTIAN held its annual session themed “Green, Smart, World-Class Hub Port” to promote the latest development to its services, products, operational capabilities, green initiatives and digitalisation progress, and the new one-stop seamless logistics solution, SZ-HK Connect. Around 600 guests representing mainland authorities, mainland/Hong Kong industry associations, carriers, barge companies, end-users and Hutchison Ports business units representatives attended this event.



Presenter presenting SZ-HK Connect at the customer event



Group photo of Hutchison Ports business units and YANTIAN representatives at the customer event

# CORPORATE MILESTONES

## AWARDS AND RECOGNITION

### CORPORATE SOCIAL RESPONSIBILITY

Award	Organiser(s)	Awardee(s)
Caring Company Award 2024	The Hong Kong Council of Social Service	HIT, COSCO-HIT, APS and Hutchison Logistics
Double Star Certificate	Hong Kong Social Welfare Department of Tsuen Wan and Kwai Tsing District Caring Elders Award Scheme 2023-24	HIT and COSCO-HIT
Partner Employer Award 2024	The Hong Kong General Chamber of Small and Medium Business	HIT and COSCO-HIT
Good Employer Charter 2024	Labour Department	HIT and COSCO-HIT
Good MPF Employer Award	Mandatory Provident Fund Schemes Authority ("MPFA")	COSCO-HIT
Occupational Safety and Health Enhancement Program Award – Bronze <i>(refer to page 18)</i>	Occupational Safety and Health Council	HIT
Occupational Safety and Health Innovative Award – Silver <i>(refer to page 18)</i>	Occupational Safety and Health Council	HIT
Top 10 Safe Construction Site 2023 (YANTIAN East Port Development Project)	Department of Transport of Guangdong Province	YANTIAN

### CORPORATE

Award	Organiser(s)	Awardee(s)
Elite Enterprise Partnership Award 2024	Hong Kong Customs and Excise Department	HIT and COSCO-HIT
Quality Excellence Award 2023	Ocean Network Express ("ONE")	HIT
2024 ChinaGo Cross-border E-commerce: Outstanding Enterprise in High-Quality Development	Shenzhen Cross-Border E-Commerce Association	YANTIAN
The Best Market Influence Award	Shenzhen Cross-Border E-Commerce Association	YANTIAN
CIN Science and Technology Award – Winner	China Institute of Navigation ("CIN")	YANTIAN
2024 International Annual Report Competition Awards – Honour	MerComm, Inc.	HPH Trust
National (Shenzhen) Excellent Enterprises with Foreign Investment - Shenzhen Top Ten Tax-payment Enterprises (2023)	China Association of Enterprises with Foreign Investment, Shenzhen Association of Enterprises with Foreign Investment	YANTIAN
National (Shenzhen) Excellent Enterprises with Foreign Investment - Excellent Tax-payment and Turnover (2023)	China Association of Enterprises with Foreign Investment, Shenzhen Association of Enterprises with Foreign Investment	YANTIAN





## CORPORATE MILESTONES

## ENVIRONMENT AND SUSTAINABILITY

Award	Organiser(s)	Awardee(s)
CLP Smart Energy Award 2024 – Sustainable Vision Award (refer to page 18)	CLP Power Hong Kong Limited	HIT
UNSDG Achievement Awards Hong Kong 2024 – Recognised Project (refer to page 70)	Green Council	HIT
Hong Kong Green Organisation	Environmental Campaign Committee	HIT
Hong Kong Green Organisation Certification – Wastewi\$e Certificate – Good Level	Environmental Campaign Committee	HIT
Hong Kong Green Organisation Certification – IAQwi\$e Certificate – Good Level (HIT Towers 1 and 2)	Environmental Campaign Committee	HIT
Indoor Air Quality Certificate – Good Class (HIT Towers 1, 2, 3 and 4 and CT 9 North)	CMA Industrial Development Foundation Limited	HIT
Indoor Air Quality Certificate Award 2023 – Good Class (HIT Towers 1, 2 and 4)	Indoor Air Quality Information Centre	HIT
Best Green Container Terminal – 2024 Asian Freight, Logistics and Supply Chain Awards (“AFLAS”) (refer to page 19)	Asia Cargo News	YANTIAN
Climate Change Case Awards - Outstanding Case Award (refer to page 70)	CCM CSR Promotion Center	YANTIAN
2024 Leading Enterprise For ESG Practice In China Logistics Industry	China Shipping Gazette	YANTIAN
Model Unit for Dual-Carbon Goal (refer to page 19)	Guangdong Provincial Development and Reform Commission	YANTIAN
National (Shenzhen) Excellent Enterprises with Foreign Investment - Carbon Reduction Promotion (2023-2024)	China Association of Enterprises with Foreign Investment, Shenzhen Association of Enterprises with Foreign Investment	YANTIAN



## CORPORATE MILESTONES

### HIT WINS SUSTAINABLE VISION AWARD AT CLP SMART ENERGY AWARD 2024

HIT was awarded the Sustainable Vision Award at the CLP Smart Energy Award 2024. This recognition reflects HIT’s strategic commitment to energy-saving initiatives as part of its vision to become a smart and green port.

HIT remains committed to driving emissions-reduction efforts through key initiatives such as using electric hybrid rubber-tired gantry cranes (“ehRTGCs”), transitioning fossil-fuel-powered vehicles to electric, installing solar photovoltaic systems on the rooftops of substations, and revolutionising the application of rooftop solar systems on quay crane machinery houses.



Leung Yui Kwong (second from left), Senior Manager – Facilities, HIT Engineering Department, at the CLP Smart Energy Award 2024 ceremony.

### HIT’S AI-POWERED RTGC CCTV SYSTEM WINS PRESTIGIOUS OCCUPATIONAL SAFETY AND HEALTH AWARDS

HIT’s RTGC artificial intelligence closed-circuit television system (“AI CCTV System”), which identifies blind spots in crane operation, was recognised with two prestigious accolades at the Hong Kong Occupational Safety and Health Awards which received nearly 900 nominations for the award. HIT’s AI CCTV System earned the Bronze Award in the OSH Enhancement Program Award category, and the Silver Award in the OSH Innovative Award sub-category.



William Tsui (right), Senior Manager – Crane Engineering, HIT Engineering Department, and Phoebe Chung (left), Engineer II, HIT Engineering Department, at the Hong Kong Occupational Safety and Health Awards presentation ceremony.

### HIT to capitalise on the cold chain market in Hong Kong

Hong Kong is the leading trading hub for fresh fruit in South China, and is the preferred port for fruit shipments across the border. At the 2024 Asia Fruit Logistica event, HIT, a member of HKSPA, reached out to fruit traders, growers, wholesalers and logistics experts to explore transportation efficiency strategies within the cold chain market. HIT is committed to digitalising terminal operations and utilising the Remote Reefer Container Monitoring System to enhance the operational efficiency and competitiveness of the port, while solidifying Hong Kong’s leading status in the cold chain logistics industry.



### HIT demonstrates expertise in handling special cargo

HIT successfully handled the transport of a helicopter, which is a non-containerised cargo in June. The cargo was safely and efficiently moved via barge between terminals at Kwai Tsing Port in collaboration with a barge operator. This underscores HIT’s capability to manage complex logistics for re-export and transloading to international destinations.





## CORPORATE MILESTONES

### YANTIAN WINS BEST GREEN CONTAINER TERMINAL AWARD FOR THE FOURTH TIME

YANTIAN once again clinched the prestigious Best Green Container Terminal award, marking its fourth win in six years at the 2024 Asian Freight, Logistics and Supply Chain ("AFLAS") Awards. The company successfully reduced its total carbon emissions by nearly 20,000 tonnes in 2023 compared to 2022, an achievement made possible through its equipment electrification programme, green multimodal transportation, shore power supply, liquefied natural gas ("LNG") bunkering services and more.



Lawrence Shum (right), Managing Director of YANTIAN at the AFLAS awards ceremony.

### YANTIAN IS SELECTED FOR DUAL-CARBON GOAL PILOT PROGRAMME IN GUANGDONG PROVINCE

YANTIAN has long been recognised as a leader in environmental stewardship in Guangdong Province. The company was awarded "Model Unit for Dual-Carbon Goal" (Carbon Peaking and Carbon Neutrality) by the Guangdong Provincial Development and Reform Commission. Out of 48 pilot organisations, YANTIAN is the only port enterprise in Guangdong recognised for its outstanding sustainability efforts in establishing a green port and preserving clear waters and blue skies.



### YANTIAN signs MoCs with the Port of Los Angeles and the Port of Long Beach

YANTIAN signed Memorandum of Cooperations ("MoCs") with the Port of Los Angeles and the Port of Long Beach, reinforcing their strategic partnership. Both agreements lay the foundation for programmatic collaboration in areas such as clean energy and low-carbon environmental protection, driving the growth of a sustainable maritime economy.



### YANTIAN launches world's first on-dock chassis battery swapping station for electric trucks

YANTIAN introduced the world's first on-dock chassis battery swapping station to its fleet of electric trucks. The cutting-edge facility is expected to reduce carbon emission to nearly 2,000 tonnes annually to the first batch of 80 electric trucks compared to conventional diesel-powered trucks which accelerate decarbonisation and improve energy efficiency to the port, creating a more sustainable operating environment.



## CORPORATE MILESTONES

# MAIDEN CALLS

### YANTIAN PROVIDES LNG BUNKERING SERVICES FOR TWO INTERNATIONAL VESSELS SIMULTANEOUSLY

YANTIAN successfully provided LNG bunkering services to both *ZIM CORAL* and *DAMIETTA EXPRESS*, marking the first time two international container ships completed LNG fuelling concurrently at a single terminal in China. In 2024, YANTIAN's LNG bunkering volume reached 284,000m<sup>3</sup>, which is six times more than the volume bunkered in 2023, highlighting its growing role in supporting sustainable maritime operations.



LNG bunkering for *ZIM CORAL* at YANTIAN



LNG bunkering for *DAMIETTA EXPRESS* at YANTIAN



## CORPORATE MILESTONES

## YANTIAN WELCOMES MILESTONE GREEN VESSELS

YANTIAN continues to lead in green port initiatives, welcoming two landmark vessels in 2024.

In February, YANTIAN received the world's first large green methanol-enabled container vessel, *ANE MAERSK*, measuring 350 metres in length and with a capacity of 16,592 TEU. As her last port of call in China, YANTIAN supplied the vessel with shore power to further reduce emissions during her stay.

In May, YANTIAN welcomed the maiden voyage of Hapag-Lloyd's 24,000-TEU dual-fuel container vessel, *SINGAPORE EXPRESS*, which received its first LNG bunkering at the terminal.



YANTIAN welcomed *ANE MAERSK*, the world's first large green methanol-enabled container vessel

## YANTIAN achieves record high in shore power supply

YANTIAN set a new milestone in sustainability by reaching the record levels of shore power supply during the first seven months of 2024. In full year, the port surpassed the previous year's total for shore power consumption, reaching 25 million kWh, with more than 1,000 vessels connected. This accomplishment highlights YANTIAN's commitment to becoming a green port through dedicated efforts in sustainability and environmental responsibility.



LNG bunkering for *SINGAPORE EXPRESS* at YANTIAN

## CORPORATE MILESTONES

# TECHNOLOGICAL ADVANCEMENT

### HKSPA AUTONOMOUS TRUCK PROOF-OF-CONCEPT COMPLETED

The HKSPA's Autonomous Truck ("AT") proof-of-concept ("PoC") project has been successfully completed in November at Kwai Tsing Container Terminal 9 North. The two ATs underwent comprehensive real-world safety and operations testing, followed by a production trial completing more than 1,000 container moves from barge operations. Enhanced safety measures are protecting workers and ensuring efficiency throughout the trials. These include the Yard Surveillance System powered by artificial intelligence technology which detects and alerts unauthorised personnel and objects in restricted area, and the Checker Room Auxiliary System, which relocates checkers to indoor cabins so they can safely inspect containers via high-definition cameras.



### HPH TRUST CONTINUES TO ENHANCE TERMINAL FACILITIES WITH REMOTE OPERATIONS

HIT and ACT have commenced their remote control conversion plan for 12 new RTGCs across Terminals 6, 7 and 8 West. Six units at ACT have been completed by December and six units at HIT will be completed by 2025. Today, Kwai Tsing Terminals has a fleet of 24 remote control RMGCs and 34 remote control RTGCs.





## CORPORATE MILESTONES

### HIT EXPANDS SOLAR PHOTOVOLTAIC SYSTEMS

Kwai Tsing Terminals has taken another step towards sustainable operations by installing 19 solar photovoltaic systems. 13 systems were installed on the roofs of HIT, and six at Terminal 8. These systems are expected to generate more than 960,000 kWh of clean energy annually.



### YANTIAN STRENGTHENS REMOTE CONTROL RTGC FLEET

YANTIAN continues to advance its remote control operations, with the addition of 12 new remote control RTGCs in March and June. All 12 units have already been commissioned and are operational, with a total number of 28 remote control RTGC in service at YANTIAN. YANTIAN's upgrade plan will culminate in 2025 with the arrival of its final batch, bringing the total number of remote control RTGCs to 40, further enhancing operational efficiency and safety.



## OPERATIONAL REVIEW

In an evolving maritime landscape characterised by shifting global shipping patterns and complex geopolitical environments, HPH Trust focused on growth and offering integrated services to customers. In 2024, HPH Trust introduced “Shenzhen-Hong Kong Connect”, South China’s largest port cluster. The Trust’s combined network now handles over 240 weekly liner services that reach more than 220 global destinations.

Operations and infrastructure at YANTIAN and Kwai Tsing Terminals were strategically geared towards an integrated business strategy, ensuring efficient cargo movement across various transportation modes, including barge, rail and road transport networks. This brings a resilient and efficient port network that is responsive to customers’ needs and adaptive to ever-changing market conditions.

### A YEAR OF OPERATIONAL EXCELLENCE

The success of HPH Trust’s integrated services strategy stems from continuous infrastructure enhancement and the pursuit of operational excellence. Through constant capability upgrades, HPH Trust’s ports are well equipped to seamlessly handle diverse vessel types and cargo volumes.

YANTIAN stands firm as South China’s preferred hub for mega-vessels delivering hinterland cargoes to the United States and Europe. During the year, it achieved record-breaking throughput by handling over 15 million TEU. Besides, it proudly recorded over 360 mega-vessel calls of 24,000 TEU or above, a 26% increase compared with 2023. To strengthen YANTIAN’s capability for this leading role, four quay cranes were heightened in 2024 as part of a comprehensive project that has seen 15 cranes heightened since 2021. HPH Trust also increased yard storage capacity by converting rubber-tyred gantry crane (“RTGC”) stacking configurations from five containers high (1-over-5) to six containers high (1-over-6). 17 of such configuration upgrades were carried out in 2024, bringing the total number of 1-over-6 yard cranes to over 200 units.

YANTIAN’s productivity enhanced notably. Its vessel handling rate increased by 6% compared with 2023, and its barge handling productivity rose by 28%. These improvements complemented the phenomenal growth of barge transshipment businesses connecting YANTIAN with Hong Kong and other Pearl River Delta areas.

Enhanced by its free port status, Kwai Tsing port is an international transshipment hub that offers extensive access to high-growth markets including intra-Asia, South and Central America, and Oceania. This year, Kwai Tsing Terminals focused on enhancing operational efficiency by integration of smart technology in its systems. For instance, the Remote Container Inspection system, which combined automation and artificial intelligence (“AI”) with 5G technology on container damage inspection process, has been deployed at Kwai Tsing Terminals’ land-side gatehouses for years. This year, this technology was further extended to all barge quay cranes successfully, and HIT consolidated land and quayside inspection workplaces into a unified control centre, representing another milestone in digital innovation.

YANTIAN also experienced similar improvements. The port implemented a similar intelligent tally system on four quay cranes, automating the process of capturing container details and damage inspection, with full installation on 20 quay cranes expected by end of 2025.

One of our customers, Ocean Network Express, recognised our port service quality and outstanding performance in 2024 by presenting Kwai Tsing Terminals the “Quality Excellence Award” and YANTIAN the “Appreciation Award”.

### INCREASING CAPACITY TO MEET GROWING DEMAND

HPH Trust continued to increase capacity to meet growing trade demand. In June 2021, the business entered a joint venture agreement with Shenzhen Port Group Company Limited to develop YANTIAN East Port Phase I. This will add three automated berths for vessels with displacement exceeding 200,000 tons – the equivalent of carrying more than 24,000 TEU – with a stretch capacity of 32,000 TEU.

East Port Phase I is expected to be operational in 2026. It will strengthen YANTIAN’s infrastructure and enhance its capabilities to serve mega-vessels, positioning YANTIAN as a premiere all-round national logistics hub in China.

Robust safety measures implemented for the East Port construction led to the Department of Transport of Guangdong Province designating the development as a provincial-level “Safe Construction Site”.

### ACCELERATING DIGITAL TRANSFORMATION

Digital connectivity forms the backbone of port operations. Both YANTIAN and Kwai Tsing Terminals implemented digital systems that increase convenience for port users and enhance overall user experience to support our inter-modal transportation network.

For instance, Kwai Tsing Terminals’ Common Barge Platform streamlines barge scheduling and reporting processes by automating berthing requests and enhancing communication between barge operators and terminal management. Kwai Tsing Terminals has also digitalised inbound and outbound gate processes with its Electronic Booking Confirmation Note and Electronic Release Order, enabling a paperless workflow for tractor drivers during cargo discharge and pick-up.

Meanwhile, YANTIAN has prioritised efficiency for users of inland port and alliance members’ facilities. The Sea-Rail Intermodal Transport Platform now connects 17 inland ports and handles more than 80% of online rail transport orders. The Alliance Port Platform has expanded to 14 port alliance members. Improvements to the platform this year supported more import and export operations such as water gate operations.

### ENHANCING REMOTE CONTROL CAPABILITIES

In 2024, HPH Trust continued to enhance remote control operations to increase efficiency. At Kwai Tsing Terminals, the journey towards remote control operations began over six years ago at Terminal 9, and in 2024, it added a further six remote control RTGCs. Now, in addition to a fleet of 24 remote control rail-mounted gantry cranes at HIT, Kwai Tsing Terminals has a centralised remote centre at Terminal 8, serving 34 remote control RTGCs.

YANTIAN further developed its remote control operations in 2024 by adding 12 remote control RTGCs, bringing the total fleet number to 28. These cranes are capable of 1-over-6 stacking configurations. YANTIAN also successfully extended the remote control application to quay cranes, marking a significant advancement in port automation.

More remote control units are expected to come online at HPH Trust in the near future.



## OPERATIONAL REVIEW

### SPECIALISED CARGO SOLUTIONS

The Shenzhen-Hong Kong Connect network leverages multimodal capabilities to handle specialised cargo streams, establishing itself as South China's premiere hub for high-value and perishable goods.

YANTIAN has significantly enhanced its capabilities to cater for emerging dangerous goods markets, such as electric vehicles, lithium batteries and energy storage systems. In 2024, the port recorded double-digit year-on-year growth in handling specialised dangerous goods.

E-commerce market is another major focus at YANTIAN. Being selected as the only container terminal in China to showcase for e-commerce at the World Internet Conference and the China Council for the Promotion of International Trade, YANTIAN continued to strengthen its e-commerce role by maintaining close communications and cooperations with leading e-commerce platform and logistics enterprises, and developing new products in response to the latest market trends.

Another key strength of both ports is their extensive cold-chain infrastructure. Kwai Tsing Terminals features over 4,200 reefer points and a remote reefer monitoring system, enabling 24/7 oversight of refrigerated containers. This, combined with the terminal's freeport status and direct container pick-up options, equips the terminals' facilities to be a leading cold chain hub in South China. YANTIAN operates 4,000 reefer plugs, two dedicated on-dock customs inspection sites with consistently maintained temperatures, and 45 off-dock inspection bays. It also joined with Dapeng Customs to implement the one-stop customs clearance "Smooth Port Service Initiative" to ensure efficient cargo release. Value-added services such as door-to-door container delivery have also been introduced, allowing customers to transport goods directly to fruit markets.

### COMMITMENT TO SAFETY AND SECURITY

Safety and security are paramount to the ports' labour- and system-intensive operations. Both ports implement comprehensive safety and security strategies covering physical safety, operational protection and cybersecurity compliance, underpinned by international certifications including ISO 27001, ISO 27017 and IEC 62443 standards.

Kwai Tsing Terminals continued to receive recognition from third parties for its continuous dedication to enhancing safety. Its Alpowered obstacle detection system for yard cranes was recognised at the Hong Kong Occupational Safety and Health Awards, winning the Bronze Award in the OSH Enhancement Program Award category and the Silver Award in the OSH Innovation Award category. As the first Hong Kong port operator to use AI in crane safety, HIT uses CCTV cameras and AI to detect obstacles and identify blind spots on crane runways in real time, effectively preventing accidents.

Other new "smart port" initiatives include the smart helmet system and virtual fencing. Kwai Tsing Terminals places high emphasis on workers' safety while performing on-site terminal upgrades and maintenance. The smart helmet system protects workers by enabling real-time monitoring of workers in confined spaces such as underground cabling and crane columns, also providing twoway video

communication between workers and supervisors. On-site virtual fencing monitors unauthorised entry of workers beyond defined work site boundaries to dangerous zones, protecting them from high-risk areas. Also, driverless autonomous electric trucks underwent comprehensive real-world safety and operation testings.

In 2024, YANTIAN prioritised cyber security to safeguard its digital ecosystem. It established a dedicated Operational Technology CyberCom committee to monitor operational technology and information technology security across all operational aspects. The committee was responsible for implementing robust access controls and conducting regular assessments to fortify defences against cyber threats. Its current multi-layered cybersecurity strategy combines systems such as endpoint detection and response, network detection and response, and security information and event management. Operations are further supported by the dedicated Security Operations Centre for continuous threat detection and automated response.

### SUSTAINABILITY MATTERS

Sustainability measures implemented during the year directly responded to customer requirements for green logistics. YANTIAN's shore power connections supplied 25 million kWh of electricity to more than 1,000 vessels, achieving a 100% year-on-year increase in electricity supply, supporting vessel operations while reducing emissions. The port also bunkered over 284,000m<sup>3</sup> of LNG, which is six times more than the amount in 2023, and was proudly the first port in China bunkering LNG for two vessels simultaneously. YANTIAN deployed battery electric container trucks and launched the world's first on-dock under-chassis battery swapping station in collaboration with one of the world's leading electric vehicle battery and energy storage system manufacturer. Meanwhile, HIT collaborated with CLP Power to hold a media briefing showing their decarbonisation journey through electrification, the use of renewable energy and improved energy efficiency. Kwai Tsing Terminals also implemented extensive solar photovoltaic systems across 19 power substations and building roofs at HIT, alongside six substations at Terminal 8, collectively generating an estimated 1.2 million kWh annually.

The Sustainability Report on pages 40 to 103 of this Annual Report unveils comprehensive details on shore power initiatives, clean energy adoption, electric vehicle deployment and energy management systems across both ports.

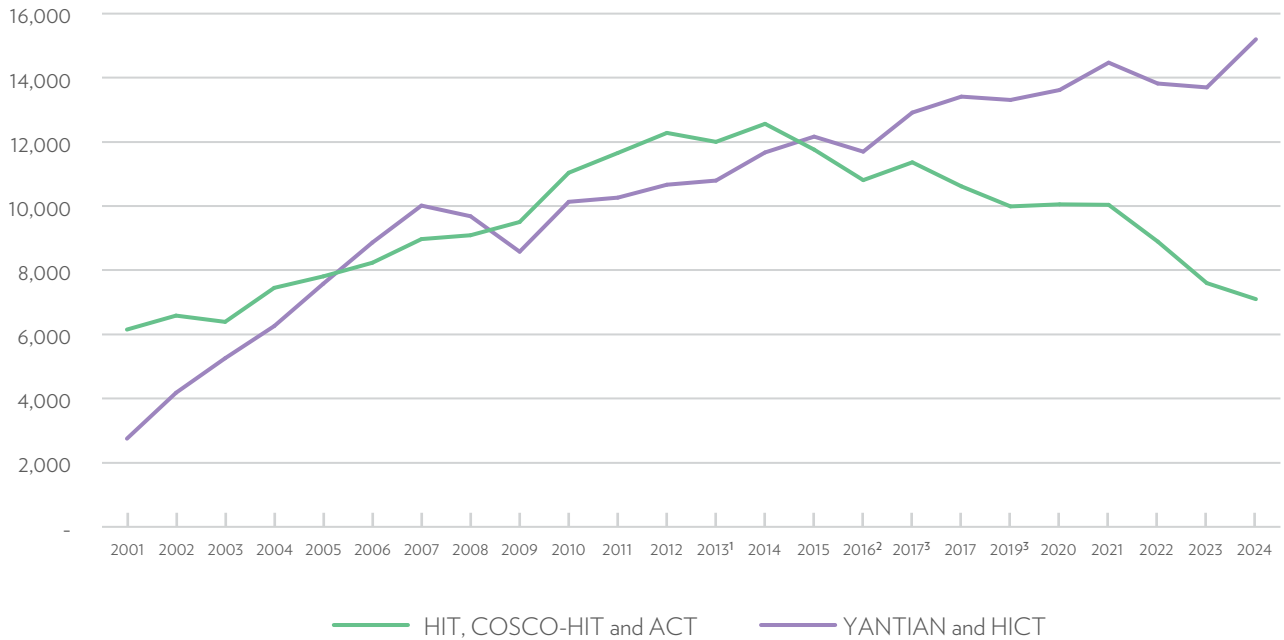
### BUILDING A PORT HUB OF THE FUTURE

HPH Trust's 2024 operational achievements underscore a business vision of innovation and sustainability. By leveraging advanced technologies and fostering collaboration between Kwai Tsing Terminals and YANTIAN – together with tremendous support from stakeholders including shippers, shipping lines, government authorities, employees and port users – HPH Trust continues to set new benchmarks for excellence in global maritime logistics while driving sustainable growth across the Greater Bay Area.

## OPERATIONAL REVIEW

### Throughput of HPH Trust's assets (2001-2024)

(thousand TEU)



<sup>1</sup> Throughput volume of ACT is included following the acquisition on 7 March 2013.

<sup>2</sup> Throughput volume of HICT is included following the acquisition on 28 December 2016.

<sup>3</sup> Following the Co-management Agreement with effect from 1 January 2017 and the Hong Kong Seaport Joint Operating Alliance Agreement with effect from 1 April 2019, throughput volumes of HIT, COSCO-HIT and ACT represent the allocated throughput according to the agreed split ratio under the aforesaid agreements.



## FINANCIAL REVIEW

HPH Trust recorded good financial results in 2024, as global trade gradually recovered primarily due to strong consumer spending in the United States and Europe. Although ship attacks in the Red Sea disrupted global trade and caused erratic shipping schedules, persistently high interest rates and geopolitical tensions also continued to complicate the operating and financial environment, HPH Trust's adaptability and robust financial management strategy enabled the Trust to navigate through these storms.

### STRONG CONSUMER SPENDING DRIVES THROUGHPUT GROWTH

During the year under review, throughput for HPH Trust ports was 22.3 million twenty-foot equivalent units ("TEU"), an increase of 5% compared to 2023. YANTIAN's performance was particularly strong, with throughput growing 12% compared to 2023. Outbound cargoes to the United States and the European markets rose by 14% and 12%, respectively. This was supported by strong consumer spending in these two major markets throughout 2024.

In contrast, Hong Kong's cargo volumes did not substantially recover throughout 2024. Facing changes in shippers' preferences and competitive pricing at ports in the Greater Bay Area ("GBA"), the combined throughput of Kwai Tsing Terminals decreased by 6% compared to the same period in 2023. In response, HPH Trust continued to actively lobby both Hong Kong and Central government and policymakers, advocating for sector-specific support and increased collaboration in the GBA. During the year, HPH Trust introduced Shenzhen-Hong Kong Connect, the largest port cluster in South China, integrating Kwai Tsing Terminals and YANTIAN, providing a seamless one-stop logistics solution for our customers in the long term.

Average revenue per TEU at YANTIAN and Kwai Tsing Terminals were comparable to 2023. Over the year, revenue and other income totalled HK\$11,567.3 million, a 9% increase from HK\$10,635.5 million in 2023.

### PROFIT GROWTH WITH BETTER OPERATING RESULTS

The cost of services rendered in 2024 was HK\$3,600.7 million, compared to HK\$3,624.8 million in 2023, due to savings in direct staff costs. Staff costs amounted to HK\$260.6 million, 1% higher than HK\$258.4 million in 2023 due to salary increment but partly offset by RMB depreciation. Depreciation and amortisation totalled HK\$2,824.4 million in 2024, which was 2% lower than HK\$2,894.8 million in 2023.

Other operating income in 2024 was HK\$60.5 million, a drop of 10% compared to HK\$67.4 million in 2023. Other operating expenses totalled HK\$564.0 million, compared to HK\$604.8 million in 2023, mainly due to loss on disposal of fixed assets in 2023 and lower rent and rates.

Total operating profit reached HK\$4,378.1 million, a rise of HK\$1,058.0 million or 32% compared to HK\$3,320.1 million in 2023. Profit for the year was HK\$2,173.2 million, a jump of HK\$691.7 million or 47% compared to HK\$1,481.5 million in 2023. Profit attributable to HPH Trust unitholders was HK\$650.0 million, representing an increase of HK\$416.5 million or 178% compared to HK\$233.5 million in 2023.

### PRUDENT FINANCIAL STRATEGIES

HPH Trust maintained a robust financial position throughout 2024, ending the year with a cash balance of HK\$8.1 billion, compared to HK\$8.2 billion at the end of 2023.

Debt management remained a key focus, with 50% of the Trust's debt maintained at fixed interest rates as at 31 December 2024. To further deleverage its balance sheet, HPH Trust continued its debt repayment programme. Total consolidated debt dropped to HK\$25.2 billion from HK\$25.7 billion at end of 2023. The Trust obtained new loans of HK\$3.9 billion, reduced external borrowings by HK\$0.5 billion, and redeemed guaranteed notes of HK\$3.9 billion during the year. Net attributable debt of HPH Trust was HK\$19.1 billion by year-end, a 3% decrease from 2023.

HPH Trust recommended a total payout of HK\$1,062.8 million for 2024, resulting in a distribution per unit of 12.2 HK cents. Based on the US\$0.164 market price as at 31 December 2024, the distribution yield stands at 10%.

### OUTLOOK

Even as HPH Trust celebrates a fruitful 2024, the global trade landscape continues to evolve, presenting both challenges and opportunities for 2025. Policy shifts in the United States' trade policies and the restructuring of shipping alliances may introduce new complexities to global trade dynamics. From a financial perspective, even though the interest rate is easing, HPH Trust will likely face higher costs to refinance its HK\$3.9 billion debt due in March 2025. The refinancing interest rate is expected to be significantly higher than the relatively low interest rate HPH Trust faces from loans drawn four to five years ago.

The Trust remains focused on operational excellence underpinned by prudent capital management and enhanced technological capabilities. With its robust financial foundation and proven adaptability, HPH Trust is well positioned to navigate future challenges while capitalising on emerging opportunities in the global maritime sector.

# ENERGISING CONNECTIONS





HPH Trust continues to expand its sea-rail intermodal transport, streamlining transportation routes and attracting businesses in mainland China. The Trust capitalises on the enhanced connectivity between foreign trade routes and inland manufacturing sites via Kwai Tsing terminals and YANTIAN, which boosts logistics efficiency and elevates the international competitiveness of the Greater Bay Area.



## BOARD OF DIRECTORS



**MR. LAI KAI MING, DOMINIC**  
*Chairman and Non-executive Director*

### Trustee-Manager

Date of appointment as Director:	1 April 2024
Date of appointment as Chairman:	1 April 2024
Length of service as Director (as at 31 December 2024):	9 months
Age:	71

### Board committee served on:

- Nil

### Academic & Professional Qualifications

- Master's degree in Business Administration
- Bachelor of Science (Hons) degree

### Present Directorships or Chairmanships

#### Listed companies

- CK Hutchison Holdings Limited ("CKHH") (executive director and group co-managing director)
- Hutchison Telecommunications Hong Kong Holdings Limited (non-executive director and alternate director)
- Hutchison Telecommunications (Australia) Limited (director and alternate director)
- PT Duta Intidaya Tbk (commissioner)
- TOM Group Limited (alternate director)

### Other Principal Commitments

- Nil

### Other Information

- All the aforesaid companies are either subsidiaries or associated companies of the CKHH Group of which Mr. Lai has oversight as director of CKHH

### Past Directorships or Chairmanships in listed companies held over the preceding 3 years (from 1 January 2022 to 31 December 2024)

- Nil



**MR. IP SING CHI**  
*Executive Director*

### Trustee-Manager

Date of appointment as Director:	14 February 2011
Length of service as Director (as at 31 December 2024):	13 years 10 months
Age:	71

### Board committee served on:

- Nil

### Academic & Professional Qualifications

- Bachelor of Arts degree

### Present Directorships or Chairmanships

#### Listed companies

- Westports Holdings Berhad (non-independent non-executive director)
- Orient Overseas (International) Limited (non-executive director)
- COSCO SHIPPING Development Co., Ltd. (non-executive director)

### Other Principal Commitments

- Group managing director of Hutchison Port Holdings Limited
- Chairman of Yantian International Container Terminals Limited

### Other Information

- A member of the Hong Kong Port Development Council until the end of December 2014
- Founding chairman (in 2000-2001) of the Hong Kong Container Terminal Operators Association Limited
- Over 40 years of experience in the maritime industry

### Past Directorships or Chairmanships in listed companies held over the preceding 3 years (from 1 January 2022 to 31 December 2024)

- Piraeus Port Authority S.A. (independent, non-executive director)



## BOARD OF DIRECTORS



**MS. EDITH SHIH**  
Non-executive Director

#### Trustee-Manager

Date of appointment as Director:	1 January 2017
Length of service as Director (as at 31 December 2024):	8 years
Age:	73

#### Board committee served on:

- Sustainability Committee of the Trustee-Manager (chairperson)
- Nominating Committee of the Trustee-Manager (member)

#### Academic & Professional Qualifications

- Bachelor of Science degree and Master of Arts degree from the University of the Philippines
- Master of Arts degree and Master of Education degree from Columbia University, New York
- Solicitor qualified in England and Wales, Hong Kong and Victoria, Australia
- Fellow of both The Chartered Governance Institute ("CGI") and The Hong Kong Chartered Governance Institute ("HKCGI"), holding Chartered Secretary and Chartered Governance Professional dual designations

#### Present Directorships or Chairmanships

##### Listed companies

- CK Hutchison Holdings Limited ("CKHH") (executive director)
- Hutchison Telecommunications Hong Kong Holdings Limited (non-executive director)
- HUTCHMED (China) Limited (non-executive director)
- PT Duta Intidaya Tbk (commissioner)

#### Other Principal Commitments

- Company Secretary of CKHH

#### Other Information

- Past International President (2018-2020) and current member of the Council of CGI
- Past President (2011-2014) and current Honorary Advisor of HKCGI
- Chairman of the Process Review Panel for the Accounting and Financial Reporting Council
- Vice-Chairman of the Council of The Hong Kong University of Science and Technology
- Member of Executive Committee and Council of Hong Kong Management Association

#### Past Directorships or Chairmanships in listed companies held over the preceding 3 years (from 1 January 2022 to 31 December 2024)

- Nil



**MS. LEE TUNG WAN, DIANA**  
Non-executive Director

#### Trustee-Manager

Date of appointment as Director:	1 January 2022
Length of service as Director (as at 31 December 2024):	3 years
Age:	56

#### Board committee served on:

- Sustainability Committee of the Trustee-Manager (member)
- Remuneration Committee of the Trustee-Manager (member)

#### Academic & Professional Qualifications

- Bachelor's degree in Commerce
- Associate of Chartered Accountants Australia and New Zealand

#### Present Directorships or Chairmanships

##### Listed company

- Westports Holdings Berhad (non-independent non-executive director)

#### Other Principal Commitments

- Group chief financial officer of Hutchison Port Holdings Limited

#### Other Information

- Extensive experience in financial and accounting matters as well as financial reporting and regulatory compliance
- Past Deputy Chief Financial Officer of the Trustee-Manager (February 2011 to April 2016) and past Chief Financial Officer and Investor Relations Officer of the Trustee-Manager (May 2016 to December 2021)

#### Past Directorships or Chairmanships in listed companies held over the preceding 3 years (from 1 January 2022 to 31 December 2024)

- Nil

## BOARD OF DIRECTORS



### PROFESSOR CHAN FAN-CHEONG, TONY

*Independent Non-executive Director*

Trustee-Manager	
Date of appointment as Director:	26 April 2023
Length of service as Director (as at 31 December 2024):	1 year 8 months
Age:	73

#### Board committee\* served on:

- Audit Committee of the Trustee-Manager (member)
- Nominating Committee of the Trustee-Manager (member)

#### Academic & Professional Qualifications

- Bachelor of Science and Master of Science degrees in Engineering from California Institute of Technology
- PhD in Computer Science from Stanford University
- Member of US National Academy of Engineering
- Fellow of Institute of Electrical and Electronics Engineers and American Association for Advancement of Science and Society for Industrial & Applied Math

#### Present Directorships or Chairmanships

*Listed company*

- Hanison Construction Holdings Limited (independent non-executive director)

#### Other Principal Commitments

- Future Investment Initiative Institute (FII Institute) (member of the Board of Trustees)
- Skolkovo Institute of Science and Technology (member of the Board of Trustees)
- Yidan Prize Foundation (director)
- King Fahd University of Petroleum & Minerals (member of advisory board/committee)
- Korea Advanced Institute of Science & Technology (member of advisory board/committee)
- RIKEN, Japan (member of International Advisory Board)
- National Center of Artificial Intelligence of Kingdom of Saudi Arabia (Advisory Board Member)

#### Other Information

- Past President of King Abdullah University of Science and Technology
- Past President of The Hong Kong University of Science and Technology

#### Past Directorships or Chairmanships in listed companies held over the preceding 3 years (from 1 January 2022 to 31 December 2024)

- Nil

\* Appointed as a member of the Nominating Committee with effect from 2 December 2024



### DR. FONG CHI WAI, ALEX

*Independent Non-executive Director and Lead Independent Director\**

Trustee-Manager	
Date of appointment as Director:	11 February 2020
Length of service as Director (as at 31 December 2024):	4 years 10 months
Age:	68

#### Board committee\* served on:

- Nominating Committee of the Trustee-Manager (chairman)
- Sustainability Committee of the Trustee-Manager (member)

#### Academic & Professional Qualifications

- Bachelor of Social Science degree in Business and Economics from the University of Hong Kong
- Master of Technology Management degree in Global Logistics Management from the Hong Kong University of Science and Technology
- Master of Science degree in Global Finance from the New York University/Hong Kong University of Science and Technology
- Doctor of Business Administration degree from the City University of Hong Kong
- Doctor of Philosophy from the City University of Hong Kong
- Fellow of the Chartered Institute of Logistics and Transport in Hong Kong
- Fellow of The Hong Kong Institute of Directors
- Adjunct Professor, Hong Kong University Business School
- Adjunct Professor, City University of Hong Kong College of Business
- Adjunct Associate Professor, The Chinese University of Hong Kong Business School

#### Present Directorships or Chairmanships

*Listed companies*

- TOM Group Limited (independent non-executive director)
- HK Electric Investments Limited (independent non-executive director)
- HK Electric Investments Manager Limited (as the trustee-manager of HK Electric Investments) (independent non-executive director)

#### Other Principal Commitments

- Director of The Hongkong Electric Company, Limited

#### Other Information

- CEO of the Hong Kong General Chamber of Commerce (2006-2011)
- Over 25 years of experience in the government of Hong Kong with operational and policy formulation expertise
- Former Secretary to the Hong Kong Port and Maritime Board and the Hong Kong Logistics Development Council

#### Past Directorships or Chairmanships in listed companies held over the preceding 3 years (from 1 January 2022 to 31 December 2024)

- China United Venture Investment Limited (previously known as "Glory Mark Hi-Tech (Holdings) Limited") (independent non-executive director)

# Appointed as the Lead Independent Director with effect from 2 December 2024

\* Re-designated from member to chairman of the Nominating Committee with effect from 2 December 2024; ceased to be the chairman and a member of the Remuneration Committee with effect from 2 December 2024



## BOARD OF DIRECTORS

**MS. IM MAN IENG***Independent Non-executive Director***Trustee-Manager**

Date of appointment as Director:	2 December 2024
Length of service as Director (as at 31 December 2024):	Not applicable
Age:	56

**Board committee\* served on:**

- Audit Committee of the Trustee-Manager (member)
- Remuneration Committee of the Trustee-Manager (member)

**Academic & Professional Qualifications**

- Master's degree in Business (Accountancy) from the University of Royal Melbourne Institute of Technology, Australia
- Bachelor of Commerce degree from the University of Wollongong, Australia
- Member of the Hong Kong Institute of Certified Public Accountants

**Present Directorships or Chairmanships***Listed company*

- Hutchison Telecommunications Hong Kong Holdings Limited (independent non-executive director)

**Other Principal Commitments**

- Nil

**Other Information**

- Extensive financial management experience in large multinational corporations and listed companies
- Served as Chief Financial Officer at Hong Kong Disneyland Resort (2016-2020)
- Served as Vice President, Finance of Shanghai Disneyland Resort (2015)
- Served as Chief Financial Officer of Forterra Real Estate Pte. Ltd., a trustee manager of Forterra Trust (an investment trust listed in Singapore) (2012-2014)

**Past Directorships or Chairmanships in listed companies held over the preceding 3 years (from 1 January 2022 to 31 December 2024)**

- Nil

\* Appointed with effect from 2 December 2024

**MR. LEE KAH LUP***Independent Non-executive Director***Trustee-Manager**

Date of appointment as Director:	26 July 2023
Length of service as Director (as at 31 December 2024):	1 year 5 months
Age:	58

**Board committee\* served on:**

- Remuneration Committee of the Trustee-Manager (chairman)
- Sustainability Committee of the Trustee-Manager (member)

**Academic & Professional Qualifications**

- Master of Business Administration from Leicester University, United Kingdom
- Bachelor of Science in Computer Science from National University of Singapore

**Present Directorships or Chairmanships***Listed company*

- Nil

**Other Principal Commitments**

- Directorship in Clean Kinetics Pte Ltd group of companies

**Other Information**

- Extensive management experience in technologies and engineering enterprises
- Serve as Vice-President (Marketing) at Singapore Technologies Engineering for Europe (2006-2017) and South-East Asia (2018-2020)
- Director of Operations at Singapore Technologies Electronics Hong Kong (2000-2004)

**Past Directorships or Chairmanships in listed companies held over the preceding 3 years (from 1 January 2022 to 31 December 2024)**

- Nil

\* Appointed as chairman and a member of the Remuneration Committee with effect from 2 December 2024

## BOARD OF DIRECTORS



### MS. SEAH BEE ENG (ALIAS JENNIFER LOH)

*Independent Non-executive Director*

#### Trustee-Manager

Date of appointment as Director:	26 April 2023
Length of service as Director (as at 31 December 2024):	1 year 8 months
Age:	72

#### Board committee\* served on:

- Audit Committee of the Trustee-Manager (chairperson)
- Sustainability Committee of the Trustee-Manager (member)

#### Academic & Professional Qualifications

- Bachelor of Accountancy from University of Singapore
- Chartered Accountant (Australia)
- Membership in Professional Bodies:
  - Institute of Singapore Chartered Accountants (ISCA) - FCA (Singapore)
  - Chartered Accountants Australia and New Zealand (CAANZ) - CA (Australia)

#### Present Directorships or Chairmanships

*Listed company*

- Nil

#### Other Principal Commitments

- Nil

#### Other Information

- Has extensive experience in financial, accounting matters and general management including directorship in companies in Asia Pacific

#### Past Directorships or Chairmanships in listed companies held over the preceding 3 years (from 1 January 2022 to 31 December 2024)

- Nil

\* Re-designated from member to chairperson of the Audit Committee with effect from 2 December 2024



## SENIOR MANAGEMENT

### MR. IVOR CHOW

*Chief Executive Officer of the Trustee-Manager and Managing Director of HIT*

Mr. Chow was appointed the Chief Executive Officer of the Trustee-Manager of HPH Trust ("Trustee-Manager") in June 2021. He is also the Managing Director of HIT and a member of the HPH Trust Exco, a committee of executives that determines strategy for HPH Trust. He has over 30 years of experience working in the port, accounting and banking industries.

Mr. Chow joined Hutchison Port Holdings Limited ("HPH") in 1998 and since 2001 has served as the General Manager of the Commercial division and Chief Financial Officer and Director – Corporate Finance & Business Development of several HPH subsidiaries (together with HPH, the "HPH Group"). He has also served as Finance Director of the South China division of Hutchison Ports Group as well as a director on some Hutchison Ports Group and HPH Trust business portfolio assets since 2008. He has also been an executive of the Trustee-Manager since 2011 and was the Chief Financial Officer and Investor Relations Officer of the Trustee-Manager from February 2011 to April 2016. Mr. Chow holds a Bachelor of Mathematics from the University of Waterloo in Canada. He is a Chartered Accountant of the Institute of Chartered Accountants of Ontario.

Mr. Chow is a General Committee Member of The Employers' Federation of Hong Kong ("EFHK"), the Chairman of EFHK's sub-group Shipping & Port Operations Group, and a Committee Member of The Hong Kong General Chamber of Commerce for the Shipping & Transport Committee. He serves as a member of the Hong Kong Maritime and Port Board; represents HIT at the British Chamber of Commerce and the Hong Kong Logistics Association; and has been a Committee Member of the Hong Kong Container Terminal Operators Association Limited since 2021.

### MR. JIMMY NG

*Chief Financial Officer and Investor Relations Officer of the Trustee-Manager*

Mr. Ng was appointed Chief Financial Officer and Investor Relations Officer of the Trustee-Manager in January 2022. He is also a member of the HPH Trust Exco. Prior to his current appointment, Mr. Ng was the Business Director of the South East Asia division of HPH Group from April 2017 to December 2021. Mr. Ng joined the Corporate Finance Department of HPH Group in 2008. He has over 20 years of experience in finance and banking. Mr. Ng holds a Master of Engineering, Economics and Management degree from the University of Oxford in the United Kingdom. He is a Chartered Financial Analyst.

## SENIOR MANAGEMENT

### **MR. LAWRENCE SHUM**

*Managing Director of YANTIAN*

Mr. Shum is the Managing Director of YANTIAN and a member of the HPH Trust Exco. Before the appointment to his current position in June 2021, he was the Managing Director of COSCO-HIT and Deputy Managing Director of ACT. Since joining the Hutchison Ports Group in 1996, Mr. Shum has held various executive positions in Hong Kong and mainland China within the Trust and HPH Group. He served as the Chief Financial Officer of YANTIAN, took up various posts in Shanghai and was the Regional Director – North and East China of HPH Group. He has over 28 years of experience in the port industry.

Currently, Mr. Shum is a Standing Committee Member of the Chinese People's Political Consultative Conference of Yantian District, Shenzhen, and was elected as President of Shenzhen Ports Association in October 2022. He is a Chartered Fellow of the Chartered Institute of Logistics and Transport in Hong Kong, and is a Fellow of the Institute of Chartered Accountants in England and Wales and the Association of Chartered Certified Accountants. He is also an Associate of the Hong Kong Institute of Certified Public Accountants. Mr. Shum was appointed by the Hong Kong Government as a member of the Hong Kong Maritime and Port Board from 1 April 2020 to 31 March 2022.

### **MS. MA XIAOLI**

*Managing Director of COSCO-HIT and  
Deputy Managing Director of ACT*

Ms. Ma is the Managing Director of COSCO-HIT, Deputy Managing Director of ACT and a member of the HPH Trust Exco. Prior to her appointment in June 2021, she was the Account Director – South China cum Relationship Director under the commercial function of HPH Group. She joined HPH Group in 2005 with 13 years of experience in the shipping industry before joining the group. Ms. Ma holds a Bachelor of Shipping Management from Dalian Maritime University in the People's Republic of China, and a Master in International Transport from Cardiff University in Wales.



## SENIOR MANAGEMENT

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### MR. RAYMOND LAM

*Chief Operating Officer of HKSPA and  
Director – Operations of HIT*

Mr. Lam is the Chief Operating Officer of HKSPA overseeing the operations collaboration among different terminal operators in Kwai Tsing, Hong Kong. He is also the Director – Operations of HIT and a member of the HPH Trust Exco. He joined HPH Group in 2015 and held various executive positions in Ports Panama, COSCO-HIT and YANTIAN focusing on terminal operations. He has over 29 years of experience in terminal operations and logistics business. Mr. Lam holds a Bachelor of Business Administration from the Chinese University of Hong Kong.

### MR. RAYMOND CHAN

*Chief Operating Officer of YANTIAN*

Mr. Chan is the Chief Operating Officer of YANTIAN and a member of the HPH Trust Exco. Prior to his appointment in September 2021, he had been the General Manager of the South Asia Pakistan Terminals and the Karachi International Container Terminals of HPH Group. He joined HPH Group in 1992 and held various executive positions over the years, including Deputy Chief Executive Officer of Hutchison Ports Panama, General Manager of Port Xiamen in the People's Republic of China and Operations Review Consultant of HPH Group. Mr. Chan holds a Bachelor of Industrial Engineering from the University of Hong Kong.

# FOSTERING A SUSTAINABLE PORT ECOSYSTEM





Decarbonisation and sustainable development have always been cornerstones of the HPH Trust management strategy. By partnering with industry leaders, exploring new modes of transportation and adopting green solutions, the Trust will continue to build a sustainable future, benefiting the port community and its employees.





# SUSTAINABILITY REPORT

## ABOUT THIS REPORT

HPH Trust is committed to prioritising sustainable development by integrating environmental, social and governance (“ESG”) factors into all aspects of its business. This Sustainability Report, as part of the Annual Report, is prepared in accordance with reporting principles of transparency and accountability. The report offers an overview of the Trust’s sustainability strategy, practice and ESG management performance during the reporting period of 1 January 2024 to 31 December 2024. The respective chapters of the Sustainability Report contain information on the Trust’s management approach, performance indicators and goals, as well as accomplishments and case studies on material sustainability topics (“Material Sustainability Topics”).

The Sustainability Report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards and Rule 711A of the SGX Listing Manual. The GRI Standards have been chosen as they are among the most commonly used and globally recognised sustainability reporting frameworks. The Sustainability Report has also been prepared with reference to the primary components set out in Rule 711B of the SGX Listing Manual and the recommendations from the Task Force on Climate-Related Financial Disclosures (“TCFD”) established by the Financial Stability Board. It has been reviewed by the Board of Directors (“the Board”) of the Trustee-Manager and is published on HPH Trust’s corporate website at [https://www.hphtrust.com/sr\\_hpht.html](https://www.hphtrust.com/sr_hpht.html).

### Reporting Scope

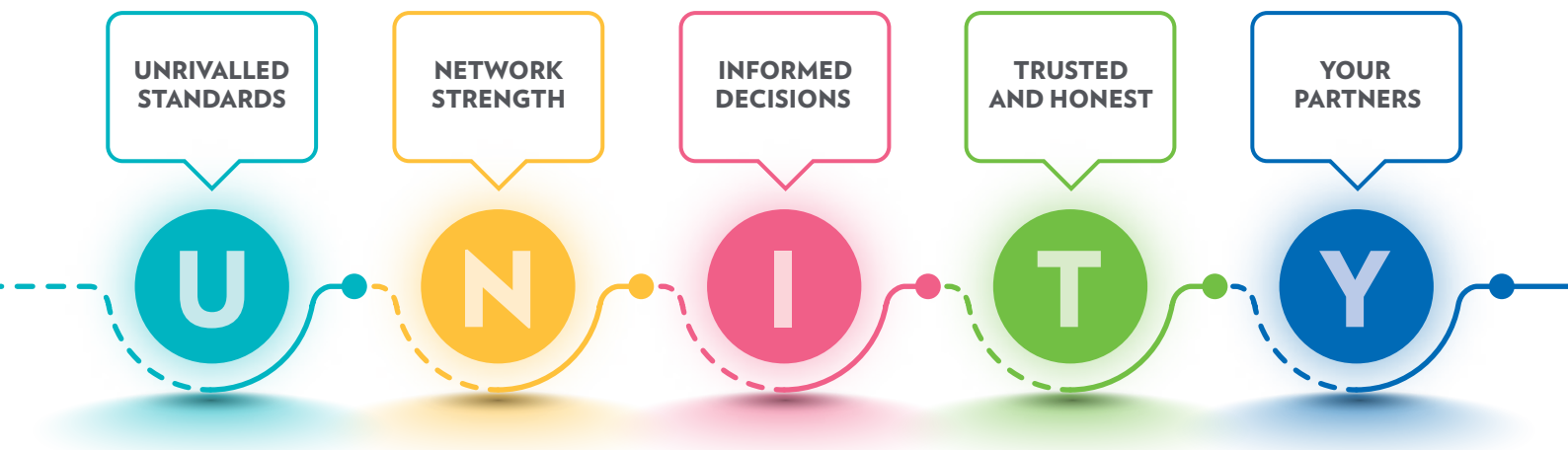
The Sustainability Report discloses data on Material Sustainability Topics identified and prioritised by stakeholders and management. Disclosures cover the core port operations of HPH Trust at HIT and YANTIAN<sup>1</sup>, which are the majority-owned terminals of the Trust and contribute around 90% of the total throughput handled during the year.

### Contact Us

HPH Trust welcomes your feedback on the Sustainability Report and other sustainability-related enquiries. Please contact the Trust at [ir@hphtrust.com](mailto:ir@hphtrust.com).

## CORE VALUES

The core values of the Trust revolve around the concept of UNITY, reflecting its commitment to excellence, integrity and strong partnerships. In particular, HPH Trust commits to a sustainable future.



<sup>1</sup> Excludes YANTIAN East Port Phase I, which is under development.

# SUSTAINABILITY REPORT

## MANAGING SUSTAINABILITY

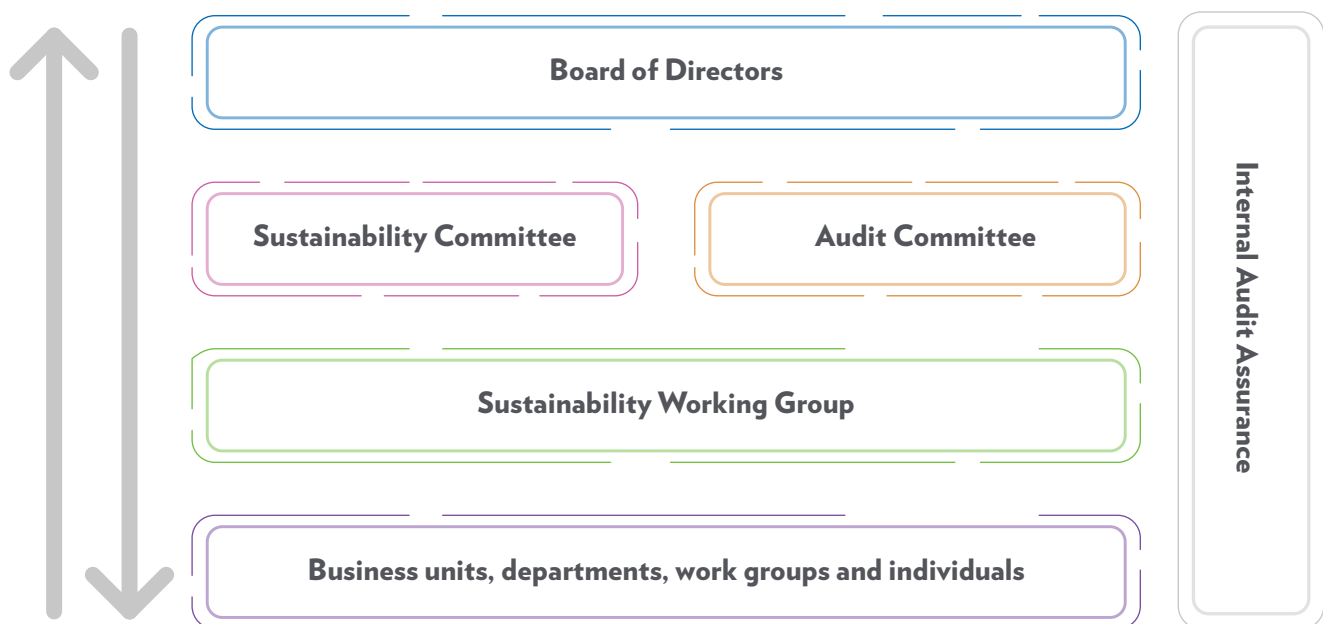
### Board Statement

Committed to sustainability, the Board of HPH Trust incorporates sustainability factors into its decision-making and strategy formulation. With overall responsibility for the sustainable development of the Trust, the Board regularly reviews and evaluates the relevance and importance of Material Sustainability Topics. It ensures accountability and oversees the management and monitoring of the Material Sustainability Topics. It also evaluates the performance of the Trust in relation to sustainability.

### Sustainability Governance

The Trust considers sustainable development to be a crucial component of its corporate agenda and has implemented a robust governance framework to integrate sustainability across all levels of its organisation. This framework establishes a strong foundation for fulfilling the Trust's pledge towards sustainability, and enables informed decision-making in response to the evolving environmental, social and economic challenges in the ever-changing business environment.

#### Sustainability Governance Structure of the Trust



The Trust's robust governance structure for sustainability is essential for fostering collaboration and partnership across all departments. By clearly describing responsibilities and delegating key roles to relevant parties, it unifies various teams and propels the Trust towards achieving its collective sustainability objectives.

The Board oversees the sustainability strategy and its management, while every HPH Trust employee shares the responsibility of promoting sustainable business practices. Implementing a two-way system for sustainability governance enhances transparency and nurtures a positive corporate culture that encourages ongoing assessment and communication. This, in turn, strengthens oversight processes and facilitates the implementation of sustainability strategies across all operations.

The Sustainability Committee understands the enhancement in SGX sustainability reporting regime requiring the Trust to provide ESG disclosures in alignment with the International Sustainability Standards Board's ("ISSB") International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards for the reporting period beginning 1 January 2025. Thus, the Sustainability Working Group has been instructed and working towards fulfilling the upcoming disclosure requirement.

More information on corporate governance at the Trust can be found on pages 105 to 133.

# SUSTAINABILITY REPORT

## Roles and Responsibilities at each Sustainability Governance Level





# SUSTAINABILITY REPORT

The Trust has implemented various policies to govern its ethical business practices and to achieve its sustainability objectives. Both the Sustainability Policies and Corporate Governance Policies are available to the public on HPH Trust's corporate website.

## List of Sustainability and Corporate Governance Policies

### Sustainability Policies

[https://www.hphtrust.com/sustainability\\_policies.html](https://www.hphtrust.com/sustainability_policies.html)

- [NEW] Biodiversity Policy
- Environmental Policy
- Health and Work Environment Policy
- Human Rights Policy
- Modern Slavery and Human Trafficking Statement
- Supplier Code of Conduct
- Sustainability Policy

### Corporate Governance Policies

[https://www.hphtrust.com/corporate\\_governance.html](https://www.hphtrust.com/corporate_governance.html)

- Anti-Fraud and Anti-Bribery Policy
- Appointment of Third Party Representatives
- Board Diversity Policy
- Code of Conduct
- Corporate Communications Policy
- Dealings in Securities (for Directors)
- Dealings in Securities (for Officers)
- Director Nomination Policy
- Donations, Contributions and Sponsorship
- Handling of Confidential and Price-sensitive Inside Information
- Information Security Policy
- Investor Relations Policy
- Personal Data Governance
- Whistleblowing Policy

## Risk Management

The Trust's overarching approach to managing sustainability risks aligns with the integrated framework established by the Committee of Sponsoring Organisations of the Treadway Commission. An Enterprise Risk Management ("ERM") framework operating across all business units enables the Trust to consistently identify, review, assess and prioritise potential sustainability risks and opportunities that could significantly impact the business. This framework outlines the process for identifying, evaluating and addressing these emerging risks and opportunities by implementing internal controls and mitigation measures to minimise negative effects. Furthermore, it highlights the importance of considering sustainability-related risks and opportunities when developing the Trust's strategic direction and action plans. As a result, the framework facilitates effective decision-making and resource allocation, fostering sustainable business growth for the Trust in the short, medium and long term.

As of 2024, HPH Trust is rated as Low Risk in the Sustainalytics ESG Risk Ratings<sup>1</sup> with a score of 11.3, highlighting strong management of ESG material risks due to the robust sustainability programmes, practices and policies in place. Consequently, the Trust is placed in the 17<sup>th</sup> percentile among 175 transportation infrastructure companies assessed worldwide.

<sup>1</sup> The Sustainalytics ESG Risk Ratings are ratings prepared by Sustainalytics, a member of the Morningstar Group. Sustainalytics evaluates ESG risks using an absolute value score and a five-level rating system based on a company's exposure to industry-specific material ESG risks, as well as its management of those risks.

# SUSTAINABILITY REPORT

## KEY HIGHLIGHTS IN 2024

### OVERVIEW

Conducted **climate scenario analysis** in accordance with the TCFD framework, quantifying the impacts of climate-related risks and opportunities




Rated as **Low Risk in the Sustainability ESG Risk Ratings** placing in the **17th** percentile among **175** transportation infrastructure companies assessed worldwide




### RESPONSIBLE BUSINESS



**100%** of new suppliers were screened for environmental and social issues




HIT automated sending the **final Dangerous Goods stowage plan to customers** to facilitate timely submission to the Marine Department



**Zero** incidents of corruption and **no** material breaches of relevant laws and regulations were recorded



**Integration of AI technology** to promote workplace safety and yard productivity



### ENVIRONMENT



**26%** carbon emissions intensity reduction compared to 2021 level<sup>1</sup>



HIT received the **Sustainable Vision Award** at the CLP Smart Energy Awards 2024



YANTIAN was the sole port in Guangdong selected for the **Dual-Carbon Goal Pilot Programme**



### OUR PEOPLE



HIT signed the **Good Employer Charter 2024** promoting a family-friendly employment culture



YANTIAN's team-building activity received the **2024 ESG Marketing Theme Shortlisted Case Award**



Provided over **67,000** training hours for employees



### SAFETY AND SECURITY



**Zero** fatalities recorded



Conducted **99** emergency drills

**Over 70,000** employees and contractor participants recorded in YANTIAN's online heatstroke prevention learning activity



**Over 400** drivers participated in HIT's safety week



<sup>1</sup> Market-based target.









# SUSTAINABILITY REPORT

## STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

### Stakeholder Engagement

The Trust recognises the importance of collaboration and building meaningful relationship with stakeholders who are impacted by or influential to its business. To stay abreast of the changing needs and expectations of stakeholders, the Trust has established various communication channels to facilitate consistent and open dialogue and partnership with its stakeholders regarding sustainability concerns.

### Stakeholder Engagement Channels

Stakeholder Groups	Engagement Channels	Key Areas of Concern
<b>Investors</b> 	<ul style="list-style-type: none"> <li>Investor meetings and calls</li> <li>Conference days</li> <li>Port visits</li> <li>Dedicated email communications</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting and publications via corporate website</li> <li>Sustainability and environment at ports</li> <li>Unit price</li> <li>Financial performance</li> <li>Throughput trends</li> <li>HKSPA</li> <li>Latest terminal development</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Port visits</li> <li>In-house magazines</li> <li>Company intranet</li> <li>Notices and bulletins</li> </ul>	<ul style="list-style-type: none"> <li>Performance appraisals</li> <li>LINK Committee</li> <li>Mobile app</li> <li>Financial performance</li> <li>Key initiatives</li> <li>Career prospects</li> <li>Well-being</li> <li>Health and safety</li> <li>HKSPA</li> <li>Personal development</li> </ul>
<b>Government</b> 	<ul style="list-style-type: none"> <li>Meetings</li> <li>Discussions and responses</li> </ul>	<ul style="list-style-type: none"> <li>Port visits</li> <li>Calls</li> <li>Key government maritime policies</li> <li>Competitiveness of Hong Kong and YANTIAN ports</li> <li>Sustainability and environment at ports</li> <li>HKSPA</li> </ul>
<b>External contractors and suppliers</b> 	<ul style="list-style-type: none"> <li>Compliance with Code of Conduct and Anti-Fraud and Anti-Bribery ("AFAB") Policy</li> </ul>	<ul style="list-style-type: none"> <li>Supplier evaluation</li> <li>Induction and safety training</li> <li>Workplace safety</li> <li>Service performance</li> <li>Tendering process and results</li> <li>HKSPA</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Mobile app</li> <li>Customer meetings</li> <li>Port visits</li> <li>Brochures</li> </ul>	<ul style="list-style-type: none"> <li>Exhibitions</li> <li>Webinars</li> <li>News releases</li> <li>Sustainability and environment at ports</li> <li>Operational performance of terminals</li> <li>Shore power implementation</li> <li>HKSPA</li> <li>Digitalisation and automation</li> <li>Cargo coverage and connectivity</li> <li>Updates to customs processes and local regulations</li> <li>Market updates</li> </ul>
<b>People and communities</b> 	<ul style="list-style-type: none"> <li>Recycling and waste reduction initiatives</li> <li>Visits to elderly homes</li> </ul>	<ul style="list-style-type: none"> <li>Internship programmes</li> <li>Activities and events for the elderly</li> <li>Port visits</li> <li>Introducing the port industry</li> <li>Building relationships with the local community</li> <li>Sustainability and environment at ports</li> </ul>
<b>Port users</b> 	<ul style="list-style-type: none"> <li>Mobile communication platform</li> <li>Safety information sharing</li> </ul>	<ul style="list-style-type: none"> <li>Help desk hotline</li> <li>Meetings with trade associations</li> <li>Turnaround time at ports</li> <li>HKSPA</li> <li>Operational safety</li> <li>Customs declaration</li> <li>Berth availability and arrangements</li> </ul>
<b>Media</b> 	<ul style="list-style-type: none"> <li>Press releases</li> <li>Press briefings</li> </ul>	<ul style="list-style-type: none"> <li>Corporate website</li> <li>Latest terminal developments</li> <li>Competitiveness of Hong Kong and YANTIAN ports</li> <li>Service-related concerns</li> <li>HKSPA</li> </ul>

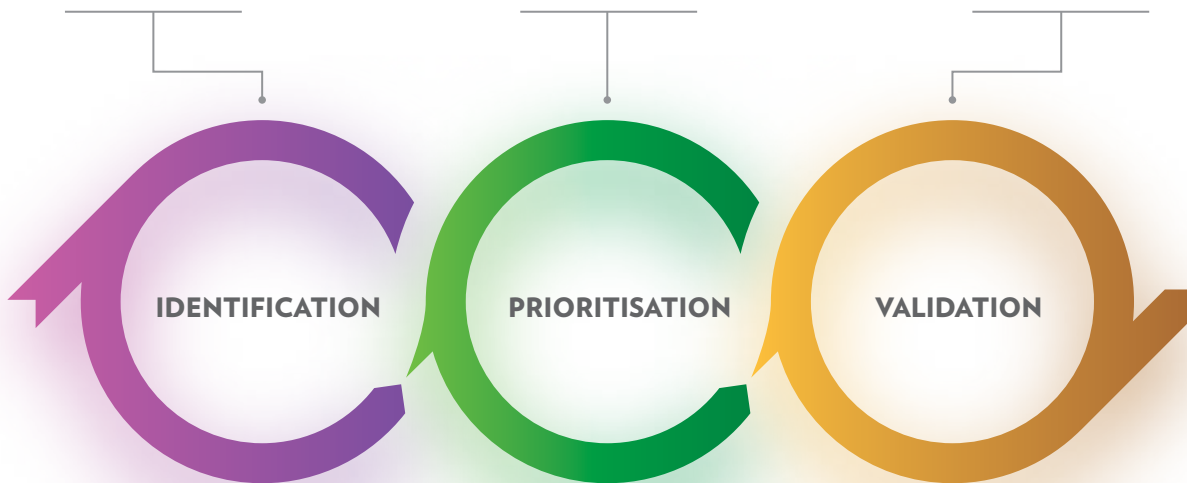


# SUSTAINABILITY REPORT

## Materiality Assessment

Stakeholder views and expectations play a crucial role in shaping the Trust’s strategic decision-making processes. Identifying key sustainability issues that significantly impact stakeholders and the Trust’s business operations is essential for efficiently allocating resources and prioritising communications. In 2021, the Trust conducted a materiality assessment through external and internal stakeholder engagements, as well as an industry landscape review, to evaluate the Material Sustainability Topics relevant to the business. Subsequently, including in 2024, the Trust has conducted annual reassessments of these Material Sustainability Topics through desktop research and benchmarking exercises. The latest review confirmed that the previous list of 17 Material Sustainability Topics remains relevant to HPH Trust’s present circumstances. The Trust engaged an independent consultant to undertake the following materiality review process:

- Conducted a benchmarking study against eight peers
- Performed desktop research and reviewed different sources, including international reporting standards, ESG raters, the previous year’s materiality review results, and emerging sustainability and industry megatrends
- Identified a potential list of Material Sustainability Topics that are relevant and important to the Trust and its stakeholders
- Prioritised topics with greater significance to and impacts on the Trust and its stakeholders
- Categorised Material Sustainability Topics into two tiers: “Material Topics” and “Relevant Topics”
- Reviewed and approved the list of Material Sustainability Topics by the Board of Directors



The Material Sustainability Topics were categorised based on their level of importance and urgency. This was determined by analysing the frequency of disclosures by peers, expectations from stakeholders referencing international standards and ESG rating agencies, and review by senior management.

### Material Topics

Issues of high priority for the business and stakeholders, with associated risks that may require urgent attention



### Relevant Topics

Issues that are relatively less pressing, with associated risks of lower priority for the Trust

The results of the materiality review guide the disclosure approach in the subsequent sections of this Sustainability Report, where “Material Topics” are discussed more extensively than “Relevant Topics”.

# SUSTAINABILITY REPORT

The materiality review centred on aligning the Trust’s sustainability commitments and disclosures with the latest industry landscape and stakeholder expectations. As an aspiring sustainability leader in the port industry, the Trust strives to contribute to the United Nations 2030 Agenda for Sustainable Development and has mapped relevant Sustainable Development Goals (“SDGs”) against its Material Sustainability Topics. The chart below summarises the Material Sustainability Topics and visually represents the specific areas of concern for individual stakeholders.

			Investors	Employees	Government	External contractors and suppliers	Customers	People and communities	Port users	Media
										
Pillar	Tier	Material Sustainability Topics	Impacts and Boundaries							
<b>RESPONSIBLE BUSINESS</b> 	Material	Business ethics and compliance	•	•	•	•	•	•	•	•
		Customer service	•	•			•		•	•
		Technology and operational efficiency	•	•		•	•			•
		Community engagement	•	•			•			•
		Supply chain management		•	•	•	•	•		
	Relevant	Corporate governance	•	•	•					•
		Contingency planning		•		•	•		•	
<b>ENVIRONMENT</b> 	Material	Climate change	•		•			•	•	•
		Energy and emissions	•	•	•	•	•	•	•	•
		Water and waste management	•		•		•	•	•	
	Relevant	Biodiversity	•		•			•		
<b>OUR PEOPLE</b> 	Material	People engagement and wellbeing	•	•	•	•	•	•		
		Knowledge empowerment		•	•	•	•			
	Relevant	Diversity and inclusion	•	•				•		
		Employment practices and labour rights	•	•	•		•	•		
<b>SAFETY AND SECURITY</b> 	Material	IT systems and data security	•	•	•	•	•			
		Occupational health and safety	•	•	•	•	•		•	•

# SUSTAINABILITY REPORT

## RESPONSIBLE BUSINESS

The sustained success of the business is fostered by the strong and trusting relationship built with customers, employees, and all other stakeholders. The Trust is committed to adhering to high ethical conduct that values business integrity, transparency, and honesty throughout its activities. The Trust has established internal policies and procedures to ensure all members of HPH Trust conduct themselves responsibly, without compromising the quality of services provided to customers.

### WHY IT MATTERS

As jurisdictions impose increasingly stringent regulations against unethical corporate practices, it is fundamental for companies to establish robust policies and take a proactive stance to ensure fair and ethical business operations. All employees of the Trust have a responsibility to uphold corporate values and ethical standards, creating a positive influence on business and stakeholder relations.

### HOW HPH TRUST RESPONDS

As a responsible corporate citizen, the Trust has implemented strong compliance, due diligence, and monitoring mechanisms to ensure internal and external stakeholders adhere to the Trust's ethical requirements. Emphasising responsibility as part of the corporate culture in a responsible business, along with employee accountability and operational excellence, enables the delivery of high-quality customer service and promotes the sustainable development of the Trust.

### RELATED SDGs



## BUSINESS ETHICS AND COMPLIANCE

The establishment of strong ethical standards and compliance measures are crucial to ensuring that the Trust's business operations are fair and free from all forms of corruption and unethical behaviour. Upholding its corporate responsibility as a major marine service provider and a key international shipping hub, the Trust has unequivocally conveyed to its stakeholders that it has a zero-tolerance policy for unethical corporate conduct, including, but not limited to unethical activities such as bribery, corruption, and other unlawful practices.

The AFAB Policy and Code of Conduct stipulate the procedures and industry standards that all employees must abide by. All newcomers are required to complete an orientation programme that introduces these policies, highlighting the Trust's firm stance on enforcing ethical business practices and maintaining full compliance with industry standards and relevant legislation. Meanwhile, an e-orientation programme is arranged for part-time staff. The policies are also stated in the Trust's internal control manuals, and in the Staff Handbook, which is available on the Trust's intranet. Employees are encouraged to observe the AFAB rules and regulations at all times.

Throughout the year, the Board received AFAB-related communications and training on corporate governance, policies and practices, enabling effective oversight of ethical issues and cultivating the ethical tone and culture of the Trust. All staff are required to annually declare their compliance with the Trust's policies via its mobile app. Additionally, 100% of the Trust's active suppliers received business ethics and compliance-related communications to ensure their alignment with the Trust's corporate values and ethical standards.




At the business unit level, managers, controllers, and general staff from the Human Resources, Commercial and Procurement functions, and nominated participants by Department Heads at HIT, undergo biennial anti-corruption training delivered by the Independent Commission Against Corruption of HKSAR ("ICAC"). Staff at YANTIAN also annually study relevant course materials on YANTIAN's e-learning platform and participate in an online quiz to deepen their understanding in accordance with the Integrity Management Policy. During monthly team briefings, employees are reminded of the company guidelines on the acceptance of seasonal gifts and/or business gifts, to combat potential bribery. To raise awareness, relevant employees also receive email reminders of the policy before major festivals, when customers or business partners are expected to offer gifts.

The Trust maintains a zero-tolerance policy towards fraudulent and unethical acts, as well as non-compliance with laws and regulations. The Trust has implemented a Whistleblowing Policy to provide a confidential channel for staff and other stakeholders to report suspected or actual cases of misconduct or malpractice without fear of reprisal, discrimination, retribution, or disadvantage. Regular evaluations are conducted to identify potential cases of fraud or bribery across the value chain, and instances of non-compliance are promptly reported to the Head of Finance in accordance with the Code of Conduct.



# SUSTAINABILITY REPORT

## Management approach on business ethics and compliance

Stakeholder group	Management approach
<b>Managers and supervisors</b> 	<ul style="list-style-type: none"> <li>• Providing AFAB training once every two years</li> <li>• Communicating the AFAB Policy to employees through regular briefings and email reminders to reinforce the importance of ethics and integrity</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>• Incorporating AFAB information into the new joiner orientation programme and the digital e-orientation programme for part-time staff</li> <li>• Ensuring employees have a clear and practical understanding of the AFAB Policy by providing online reading materials</li> <li>• Requiring employees to annually self-declare his/her understanding and compliance with the Trust's policies, with a Chinese version available for colleagues in HIT and YANTIAN</li> <li>• Sending reminders to staff during major festivals, stressing the importance of AFAB</li> <li>• Monitoring effective dissemination of training and policy information by checking policy self-declarations and training attendance records</li> </ul>
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>• Communicating the AFAB Policy to all suppliers at HIT and YANTIAN, emphasising zero tolerance for fraud and bribery</li> <li>• In 2024, 100% of the Trust's active suppliers received business ethics and compliance-related communications</li> </ul>

There were **NO** reported cases of fraud or bribery during the reporting period



Going forward, the Trust aims to maintain its record of zero reported cases of fraud or bribery as a medium- and long-term goal.

### CASE STUDY

#### HIT and COSCO-HIT garner Elite Enterprise Partnership Award 2024

HPH Trust recognises its responsibility as a major port operator to support the growth of logistics industry. To this end, HIT and COSCO-HIT continued to leverage their strengths and maintain close co-operation with the Customs and Excise Department of the HKSAR Government ("HK Customs") to support their efforts to combat illegal activities and implementation of various trade facilitation measures. In recognition of the Trust's continuous contribution, HK Customs has awarded HIT and COSCO-HIT the Elite Enterprise Partnership Award 2024. HIT will continue to strengthen the role of Hong Kong as an international transport and logistics hub by delivering outstanding services to its customers, while facilitating regulatory compliance in customs clearance in the city.



# SUSTAINABILITY REPORT

## CUSTOMER SERVICE

Port operators are essential parts of the global shipping network, serving as pivotal hubs for transferring cargo. The efficient handling and movement of cargo through ports significantly impact the internal business performance of these operators. Moreover, the quality of services provided to clients directly affects the operational costs and vessel scheduling of partners within the value chain. HPH Trust is committed to ensuring exceptional treatment for its customers and the fulfilment of contracts. The Commercial department, led by the Commercial Director, maintains open lines of communication with shipping line partners to ensure that any valid concerns or requests from customers are addressed appropriately. The Trust's steadfast dedication to delivering outstanding service has solidified its standing as a reputable and reliable member of the industry. Its emphasis on prioritising quality customer service and continually enhancing support systems has earned the Trust numerous industry accolades.

### YANTIAN

**Decade-long  
Accompanying Award**  
at the 10<sup>th</sup> Anniversary of Shenzhen  
Cross-Border E-Commerce Association

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2024 ChinaGO Cross-border  
E-commerce: **Outstanding  
Enterprise in High-Quality  
Development**



HPH Trust takes proactive steps to address evolving customer needs and market trends. YANTIAN has consistently extended inland connectivity by establishing strategic partnerships with the river ports in the Pearl River Delta and developing an intermodal rail-sea network linkage with inland provinces in central and western China. This expansion initiative has resulted in the opening of 17 inland ports, 32 rail-sea services, 14 port alliances, and 17 feeder services, effectively catering to the needs of the Greater Bay Area, Southwest, and Central China regions. YANTIAN also continues to explore and provide diverse clean and green energy sources to vessels in line with the decarbonisation and emissions reduction trends in the shipping industry, supporting the national dual-carbon strategy.

In the reporting year, there were no reported fines or non-monetary sanctions resulting from non-compliance with laws or regulations concerning products or services. HPH Trust aims to maintain its record of no reported fines or sanctions in the medium term and long run.

### CASE STUDY

#### System enhancement of customer portal at HIT

During the year, HIT completed a system enhancement of Customer Plus ("Cplus"), an advanced business-to-business web-based system that facilitates efficient communication between HIT and its customers. A new Cplus function has been implemented to automatically send the final dangerous goods ("DG") stowage plan to shipping lines three hours after the vessel's arrival at the berth ("ATB"). By streamlining the process, this enhancement enables the shipping lines to promptly submit their final DG stowage plan to the Marine Department, improving the efficiency and reliability of cargo handling and delivery. Not only does this enhancement facilitate compliance with regulatory requirements, but it also contributes to smoother operations, reduced delays, and an overall improved customer experience at HIT.



#### YANTIAN establishing partnerships to drive green ocean economy

YANTIAN actively pursues strategic partnerships with ports worldwide, to promote the development of a green maritime economy. In May and September, YANTIAN announced the signing of a Memorandum of Cooperation ("MoC") with the Port of Los Angeles and the Port of Long Beach in the United States, signalling a new chapter in the collaborative and sustainable growth of these ports. Each MoC serves as a platform for technical exchanges and project collaborations in vital areas such as clean energy and low-carbon environmental protection.



# SUSTAINABILITY REPORT

During the year, the Trust addressed the following topics of interest from customers.<sup>1</sup>

## What strategies can HPH Trust adopt to thrive in the midst of ongoing sluggish global economic growth trends?

HPH Trust has proactively adapted to changes in the business environment. Throughout the year, HIT has maintained close communication with shipping lines to stay informed about the latest changes in vessel schedules, enabling it to optimise resource deployment, handle volume forecasts, and manage any special activities or project cargoes. HIT has also strengthened its yard management to swiftly adjust container stacking strategies with an emphasis on optimising resource deployment for its daily container operations while at the same time to reserve land space for new business opportunities.

Meanwhile, with an enhanced handling capacity for dangerous cargoes, YANTIAN has successfully expanded its cargo streams to include new sectors such as electric vehicles, lithium batteries, and energy storage system. As a result, over 82,602 TEU of these new cargo streams were exported from YANTIAN, representing a significant growth of 15% compared to 2023.

Furthermore, YANTIAN has solidified its position as the preferred hub port for mega-vessels, with a significant rise in calls from ultra-large container vessels (“ULCVs”). Notably, the vessel calls for the largest vessel size category surged by 26% compared to the previous year. While the trend poses operational complexities in handling ULCVs, it also offers valuable opportunities for YANTIAN to further establish itself as the preferred hub for mega-vessels.

## How does HPH Trust collaborate to sustain its competitive advantage in the global logistics industry?

Leveraging Hong Kong’s free port status and strategic geographical location, HIT and YANTIAN have established close connections to enhance operational transparency and efficiency within the Greater Bay Area (“GBA”) and Hong Kong’s port.

HIT primarily serves Asian and South American markets, while YANTIAN focuses on European and US markets. In 2024, the “Shenzhen Hong Kong Connect” initiative was introduced to expand HIT’s in-gate services to YANTIAN, facilitating the direct export of cargoes from Southwest China via YANTIAN in Shenzhen or efficient transfer via feeders to Kwai Tsing Port in Hong Kong. This seamless process ensures rapid market access across Asia, South America, and beyond, ultimately boosting overall cargo volumes and strengthening the Trust’s competitive position. The partnership between YANTIAN and Kwai Tsing Port also fosters a synergistic relationship, resulting in mutual benefits for all parties involved and advancing high-quality international trade development in the Chengdu-Chongqing region.

Furthermore, in June 2024, YANTIAN launched its “Chongqing-Shenzhen Scheduled Service”, which not only offers a stable and reliable departure schedule for Chongqing’s export cargo, but also reduces the transportation time from Chongqing to YANTIAN from 5 days to just 2 days. This initiative provides exporters in the inland area with a more efficient and dependable green channel to the sea. Since its launch, the weekly export container volume for this scheduled freight rail service has increased by 10 times, effectively meeting customer demand with timely and responsive service.

## How can HPH Trust utilise emerging technologies to promote operational efficiency?

HPH Trust continues to adopt advanced technologies at its ports. In 2024, as part of a production trial, HIT deployed two driverless artificial intelligence (“AI”) autonomous trucks (“ATs”) at Terminal 9 for container handling in the area. The operational safety of these ATs is ensured by the Yard Surveillance System and Checker Room Auxiliary System.

Simultaneously, YANTIAN introduced an innovative intelligent tally system that integrates AI technology to automatically capture container details and inspect damage conditions under quay cranes (“QCs”). This installation enables quayside checkers to transition from outdoor work to remote office-based operations, promoting workplace safety, work accuracy, and operational efficiency. By the end of 2024, four QCs were equipped with the intelligent tally system, and further expansion of the system’s coverage is anticipated in the coming years.

<sup>1</sup> In the reporting year, the Trust received 0 complaints and 0 compliments



# SUSTAINABILITY REPORT

## TECHNOLOGY AND OPERATIONAL EFFICIENCY

HPH Trust acknowledges the crucial role of operational efficiency in sustaining its business growth and operational stability in a rapidly evolving industry. In order to maintain a seamless and consistent flow of cargoes at its terminal, the Trust has implemented a range of advanced technologies to streamline processes and enhance systems performance. The utilisation of technology not only reduces the ecological impact of the Trust but also improves customer experience and promotes workplace safety. The senior leadership team, which includes both Operations departments at HIT and YANTIAN, is dedicated to continually improving and assessing operational performance to strategically position the Trust for future success.

### Technology Adoption at HPH Trust

#### 5G TECHNOLOGY

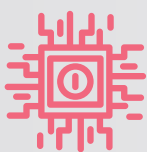


HIT has incorporated 5G technology into its CCTV system to enable real-time signals and alarms for intrusion detection, providing support to the Safety and Security control room. At the same time, YANTIAN has introduced its own 5G seaport border access control system, developed in-house, which enhances security control for individuals boarding and disembarking. Both of these initiatives have substantially improved the overall security capabilities at the respective sites.

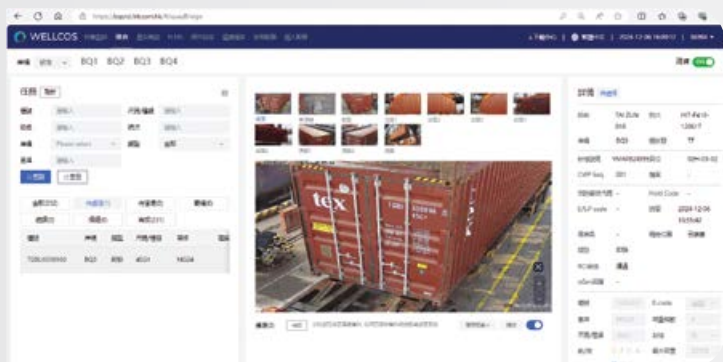
Additionally, the integration of 5G technology has revolutionised the operation of rubber-tyred gantry crane (“RTGC”) at both terminals, allowing for remote control through a stable and low-latency network. Furthermore, YANTIAN has effectively addressed the interference challenges associated with the simultaneous operation of multiple remote control RTGCs in high-density areas, resulting in a significant improvement in productivity.



#### AI APPLICATIONS



In 2024, HIT’s Operations department expanded the application of the 5G, Optical Character Recognition and AI technology-incorporated Remote Container Inspection (“RCI”) system from gate operations to barge operations at four barge quay crane (“BQC”). This expansion represents a milestone in consolidating the remote container inspection workplaces for both land and quayside into one indoor environment. BQC checkers can now examine real-time container images in the office, improving the safety and health of the working environment. The BQC RCI project has been successfully implemented for barge operations from November 2024, including integration with terminal operating system (nGen), AI container inspection, and the quayside safety & security surveillance.



Similarly, YANTIAN has implemented an intelligent tally system utilising AI technology and camera vision to automatically capture container details and inspect damage conditions under four QCs, with plans to expand coverage in the coming years.

# SUSTAINABILITY REPORT

## BLOCKCHAIN TECHNOLOGY



In 2024, YANTIAN initiated the trial operation of the Yantian Port Area Paperless Import Document Exchange Blockchain Platform. This platform aims to enhance efficiency by streamlining information services, incorporating blockchain technology and advanced authentication methods to support non-Global Shipping Business Network (“GSBN”) shipping agents. By addressing key challenges in the logistics chain segments involving non-GSBN shipping agents, this initiative significantly improves transparency, reduces paperwork, and facilitates seamless, paperless import operations throughout the entire process at YANTIAN.

## ENHANCEMENT OF AUTOMATION FEATURES



In 2024, HIT made efforts to enhance the automation features of existing remote-controlled rail-mounted gantry cranes (“RMGCs”) and RTGCs to further reduce manpower requirements and improve productivity. One RMGC has been equipped with an auto-landing function, enabling automatic completion of the lifting container motion. A production trial for this technology is currently in progress to evaluate its effectiveness.



The Trust evaluates the effectiveness of its initiatives based on key performance indicators related to cargo movement within the terminal. A full review of the Trust’s operational achievements is available on pages 24 to 26. HPH Trust aims to continuously apply the latest technology at its terminals to improve the efficiency of terminal operation.

## CASE STUDY

### Digitalisation at HPH Trust

HIT has made significant progress towards a paperless workflow by introducing Electronic Release Order and Electronic Booking Confirmation Note systems for the inbound and outbound gate processes. Furthermore, it has digitised various quayside operation documents, including the Vessel Operation Report and Damaged Container Report for both vessel and barge operations workflows. This digital transformation has streamlined the process by eliminating unnecessary trips to obtain signatures and physically deliver documents.

Following its successful experience of stowage planning function migrated to the Regional Operations Centre (“ROC”) in the past and taking digitalisation to the next level, in 2025, HIT will introduce a Documentation Digitalisation (“DD”) platform with AI features to further enhance its work efficiency for vessel planning. The aim of this upgrade is to centralise and enhance workflow management, ultimately making the overall process smoother and more efficient.

In the same vein, YANTIAN has established a Sea-Rail Intermodal Logistics Information platform to provide convenient online sea-rail intermodal services, such as route inquiries, order management, and tracking. This platform enhances customer visibility into logistics status and productivity, positioning YANTIAN as a leader in inland port operations. Additionally, sea-rail intermodal transport contributes to environmental sustainability by optimising routes and reducing carbon emissions.





# SUSTAINABILITY REPORT

## COMMUNITY ENGAGEMENT

The Trust is dedicated to actively supporting the development of local communities through charitable contributions and promoting employee volunteerism. Throughout the year, it has partnered with various non-profit organisations and implemented diverse community initiatives focused on three key pillars: Elderly Care, Youth Education, and Awareness for the Environment.

### ELDERLY CARE

Volunteers from HIT and Terminal 8 (“T8”) celebrated Lunar New Year with the elderly at Yan Chai Hospital Fong Yock Yee Neighbourhood Elderly Centre. The celebration included festive games, a karaoke session and a Fai Chun workshop.



The HIT Community Caring Group and the T8 Volunteer Team had a joyful morning with the elderly at the Yan Chai Hospital Fong Yock Yee Neighbourhood Elderly Centre to celebrate Mid-Autumn Festival. Together, they sang classic tunes and enjoyed tasty treats.



In October, volunteers from YANTIAN spent a delightful morning with the elderly from the Hong Kong Jockey Club Shenzhen Society for Rehabilitation Yee Hong Heights in Yantian District, crafting colourful Chinese knots and creating a warm and festive atmosphere. Additionally, caring gifts were distributed to bring companionship to the elderly on the Chung Yeung Festival.



### YOUTH EDUCATION

The 10<sup>th</sup> HIT Scholarship Award Presentation Ceremony, held in April, recognised the achievements of engineering students at the Hong Kong Institute of Vocational Education (“IVE”). The scholarship was awarded to ten students who participated in the placement programme at HIT. During the programme, the students gained hands-on experience in various functions including terminal operations, engineering, contract and procurement, and information services, to help prepare them for their future career.



For the past 21 years, YANTIAN has been donating necessities and hosting communication activities to support Yunnan Dahaicun Hope Primary School. In July, YANTIAN organised a one-week tour in Shenzhen for students and teachers from the school. Additionally, a one-day summer camp was arranged for both the students and joined by 48 children of YANTIAN’s employees.

In August, four children of HIT’s employees were honoured with the 2024 HIT Scholarship Award for Children of Employees in recognition of their outstanding performance in the Hong Kong Diploma of Secondary Education Examination. This programme not only strengthens the bond between employees and the company, but also inspires youth to strike for academic excellence.





# SUSTAINABILITY REPORT

## AWARENESS FOR THE ENVIRONMENT

To promote community environmental awareness, in April, the HIT Environmental Awareness Committee (“EAC”) organised a Tree Planting activity at Pak Tam Au. This annual campaign saw 40 colleagues from the Trust, Hutchison Ports and Hongkong United Dockyards and planting approximately 80 saplings of two different species.



In March, YANTIAN organised a spring planting activity, transforming festive flowers into a vibrant green space. The event focused on environmental sustainability by recycling the company’s festive flowers from the New Year. Employees gathered to replant recycled kumquats and azaleas.



To promote eco-living, in August, volunteers from the HIT Community Caring Group and the T8 Volunteer Team shared upcycling tips with the elderly at the Yan Chai Hospital Fong Yock Yee Neighbourhood Elderly Centre. The elderly learnt to upcycle plastic bottles as flowerpots and toilet paper tubes as mobile phone stands.



Going forward, HPH Trust aims to develop and continue various community engagement programmes to bring a positive impact to the communities. This aim also applies to HPH Trust in the medium term and in the long run.

## CASE STUDY

### HIT Supporting Dock School Programmes

The Dock School Programme 2023-2024 with Vocational Training Council Youth College was successfully completed in mid-2024. During the programme, three HIT-sponsored engineering students in Diploma of Vocational Education programmes participated in insightful activities such as a site visit at the terminal, career fairs, and project-based learning.

HIT plans to continue supporting aspiring students in embarking on careers in the maritime and logistics industry. It is evaluating the sponsorship of programmes including the Higher Diploma in Aviation and Logistics and Higher Diploma in Aviation Services and Transport Studies at IVE Tsing Yi in 2024-2025. These programmes will consist of a general and logistics knowledge contest, a port visit at HIT and a learning project with topics related to shipping industry.



# SUSTAINABILITY REPORT

## SUPPLY CHAIN MANAGEMENT

HPH Trust recognises that being a responsible business operator involves mitigating potential environmental and social risks across its supply chain. Therefore, the Trust has implemented various measures to promote sustainability standards and practices among its business partners and suppliers. The Supplier Code of Conduct<sup>1</sup> sets clear expectations and requirements for sound environmental performance, ethical conduct, and respect for human and labour rights from its suppliers.

The port industry and the Trust rely on external contractor workers, who play a significant role in port operations as front-line workers, including equipment operators, stevedores, truck drivers, maintenance technicians and security personnel. To ensure fair labour practices for all external workers, a comprehensive contractor service system is in place in accordance with the Trust's employment and labour standards. This system is responsible for staff supervision, performance management, engagement and support.

**100%**  
of new suppliers were  
screened for environmental  
and social issues



Any significant social or environmental risks identified during the screening of potential suppliers and contractors can lead to the withholding or termination of contracts. This is done to ensure the Trust's standards and quality requirements are upheld across the supply chain. All suppliers and contractors must adhere to HIT's and YANTIAN's Environmental Management System, which conforms to the ISO 14001 standard, and implement sound environmental practices, including, but not limited to:

- complying with applicable environmental legal requirements
- conserving natural resources and energy as far as possible
- controlling pollutants from being discharged to the environment
- using environmentally friendly technology
- using environmentally friendly, recycled and/or sustainably sourced products in operations
- recycling waste and complying with legislation on the handling or disposal of hazardous materials
- mitigating the risk of climate change as far as possible
- engaging in local communities.

Moreover, the Trust regularly monitors its suppliers to address potential risks and ensure that their business aligns with its policies and management system. In 2024, HPH Trust did not identify any suppliers with significant environmental or social risks.

The Trust maintains a zero-tolerance policy toward the use of child or forced labour in its operations. Its Supplier Code of Conduct, Work Order and Standard Terms and Conditions ("T&Cs") of Agreement for Works/Services contain clauses that prohibit these practices. Rigorous screening of suppliers and contractors is conducted to prevent the use of forced, prison, bonded or child labour. In 2024, HPH Trust did not identify any suppliers or contractors with significant child or forced labour risks.

In 2024, the Trust conducted additional supplier assessments for those with a significant impact on its operations or business, in addition to the regular monitoring of existing suppliers' business practices and screening new suppliers for environmental and social issues.

<sup>1</sup> For details regarding HPH Trust Supplier Code of Conduct, please refer to [https://www.hphtrust.com/sustainability\\_policies.html](https://www.hphtrust.com/sustainability_policies.html).

## CASE STUDY

### Updating Online Vendor Registration Form

In 2024, the Trust enhanced fair and transparent business practices throughout its supply chain by adding the Non-collusive Tendering Certificate to its Online Vendor Registration Form ("the Form"). This addition is intended to foster healthy competition and deter anti-competitive practices among businesses. In addition to the existing policies of anti-fraud, anti-bribery, personal data governance, and code of conduct on the Form, the update further promotes a supply chain characterised by integrity, fairness, and ethical conduct.



# SUSTAINABILITY REPORT

## Additional supplier assessments conducted in 2024



Assessed existing suppliers with an annual purchase of HK\$500,000 or above under the Supplier Evaluation Programme



Conducted reference checks on new suppliers with contract of over HK\$10 million, focusing on areas such as Code of Conduct and financial status during engagement



Distributed a Supplier Sustainability Self-Assessment Questionnaire to its top 25 suppliers

HPH Trust aims to continually enhance the screening process for its suppliers and external contractor workers and maintain its record of 100% new supplier screening for environment and social issues. This target also applies to the Trust in both the medium and long term.

## CORPORATE GOVERNANCE

A strong corporate governance framework promotes and safeguards the interests of unitholders and other stakeholders. The Trust firmly commits to upholding high standards of corporate governance by consistently implementing best practices. It enforces robust controls and practices that prioritise effective risk management, transparency, and accountability. Additionally, the Trust conducts annual reviews of new or emerging regulations to ensure compliance with future changes. In the coming years, the Trust aims to maintain compliance as prescribed by the SGX-ST Listing Manual and the BTA (as amended by the Business Trusts (Amendment) Act 2022) and its regulations. This target also applies to the Trust in both the medium term and the long term.

A full review of HPH Trust's corporate governance is available in the Corporate Governance Report on pages 105 to 133 of this Annual Report.

## CONTINGENCY PLANNING

To ensure operational efficiency and minimise the impact of disruptions and crises, the Trust implements contingency plans and measures to enable swift response and recovery for both the Trust and its employees. HPH Trust aims to further enhance and upgrade contingency plans to manage existing and potential new risks. This also applies to HPH Trust in both the medium and long term.

## GOING FORWARD

The Trust is devoted to upholding ethical business conduct and maintains a zero-tolerance policy for unethical practices. It will continue to prevent corruption and ensure full compliance with relevant laws and regulations. Furthermore, the Trust prioritises enhancing service quality and efficiency for all stakeholders involved.

In pursuit of these goals, the Trust will seek innovative ways to improve operational processes and explore applicability of technological advancements in its business. In the upcoming year, it will further study the potential of RCI system equipped BQCs and integrating AI technology into existing processes.



# SUSTAINABILITY REPORT

## ENVIRONMENT

The Trust is committed to protecting the environment both locally and globally. It strives to minimise its ecological footprint and advocate for a greener future. By incorporating environmental considerations into its strategic planning and decision-making, the Trust responsibly manages potential environmental impacts stemming from its activities. Embracing principles of emission reduction, resource conservation and biodiversity protection, the Trust continues to safeguard the rights of next generations for a sustainable future.

### WHY IT MATTERS

The port industry plays a vital role in connecting global markets and supply chains. However, this critical industry is highly at risk of climate-related damage and disruptions. It is imperative that ports take urgent actions to strengthen their climate resilience and accelerate global transition to net zero.

### HOW HPH TRUST RESPONDS

To ensure environmental sustainability, the Trust has implemented internal policies and strong management systems to guide and promote environmentally responsible practices in all operations. It has also established relevant key data metrics to measure and monitor environmental performance and inform improvement plans. Furthermore, the Trust has set an emissions intensity reduction target to demonstrate its commitment to advancing a greener future.

### RELATED SDGs



HPH Trust has systematically and effectively incorporated internationally recognised standards and best practices for environmental stewardship into its daily operations. Both HIT and YANTIAN have implemented an Environmental Management System (“EMS”) certified with ISO 14001. In addition, YANTIAN has adopted an Energy Management System (“EnMS”) certified with ISO 50001, demonstrating its efficient energy management approach.

The Trust’s Environmental Policy<sup>1</sup> guides its strategy development and management approach to Material Sustainability Topics, including climate change, energy use and emissions, water and waste management. The policy is reviewed at least annually by the Sustainability Working Group and updated as needed to ensure compliance with environmental regulations. HIT’s Environmental Protection Policy<sup>2</sup> and YANTIAN’s Green Port Policy<sup>3</sup> communicate their commitment to minimising adverse environmental impacts through the development of green ports. These policies are available to stakeholders on the internet and intranet.

To drive environmentally responsible development across the Trust, the board-level Sustainability Committee and the Sustainability Working Group track environmental performance against environmental targets and conduct semi-annual reviews. These reviews are essential for identifying improvement plans and adjusting strategies to achieve the targets. Monitoring the progress of targets informs the development of action plans and facilitates the responsible departments’ participation in achieving sustainability goals. To encourage employees’ participation in conservation and promote environmental awareness, the EACs of HIT and YANTIAN frequently host special events, organise activities and engage in social media platforms.

<sup>1</sup> For details regarding the HPH Trust Environmental Policy, please refer to [https://www.hpitrust.com/sustainability\\_policies.html](https://www.hpitrust.com/sustainability_policies.html).  
<sup>2</sup> For details regarding HIT’s Environmental Protection Policy, please refer to <https://www.hit.com.hk/en/Corporate-Social-Responsibility/Sustainability/Hit-Environmental-Policy.html>.  
<sup>3</sup> For details regarding YANTIAN’s Green Port Policy, please refer to [https://www.yict.com.cn/page/green\\_port.html](https://www.yict.com.cn/page/green_port.html).

# SUSTAINABILITY REPORT

For their commendable contributions to environmental stewardship, HIT and YANTIAN were honoured with the following awards and certifications during the year.

## HIT



**Sustainable Vision Award at the CLP Smart Energy Award 2024**



**Hong Kong Green Organisation by Environmental Campaign Committee**



**Recognised Project at the UNSDG Achievement Awards Hong Kong 2024 by Green Council**

## YANTIAN



**2024 Leading Enterprise for ESG Practice in China Logistics Industry by China Shipping Gazette**



**Best Green Container Terminal by Asia Cargo News**



**Model Unit for Dual-Carbon Goal (Carbon Peaking and Carbon Neutrality) by the Guangdong Provincial Development and Reform Commission**

In the reporting year, there were no instances of non-compliance with applicable laws and regulations that may have major environmental impacts on its operations and stakeholders.

# SUSTAINABILITY REPORT

## CLIMATE CHANGE

With the growing visibility of climate change impacts, the Trust remains dedicated to protecting and enhancing the resilience of its assets, which is crucial for maintaining operational continuity and service delivery for partners and customers. The Trust’s approach is aligned with the four pillars recommended by the TCFD, leveraging them to analyse and disclose the risks and opportunities that climate change presents to HPH Trust’s businesses. The Trust is also preparing for the alignment with the IFRS Sustainability Reporting Disclosure Standards for the coming year’s reporting.



Recommended Disclosures	Recommended Disclosures	Recommended Disclosures	Recommended Disclosures
a) Describe the board’s oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	a) Describe the organisation’s processes for identifying and assessing climate-related risks.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Describe management’s role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.	b) Describe the organisation’s processes for managing climate-related risks.	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.
	c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

- Good disclosure – while still aiming to continuously improve
- Limited disclosure – coverage to be increased, quality to be improved
- No disclosure – limited coverage, methodologies in experimental phase



# SUSTAINABILITY REPORT

## Governance

To address climate change as a priority, the Trust has a robust sustainability governance structure in place to ensure appropriate oversight in the management of climate-related risks and opportunities and the integration of climate-related matters into corporate decision-making process.

### The Board

- Oversees climate-related strategy risk management and performance
- Holds accountability for the Trust's climate-related issues, with the support of the Sustainability Committee and the Audit Committee

### Sustainability Committee

- Oversees the management of climate-related initiatives and advises the Board
- Reviews climate-related process and related policies and practices
- Assesses and makes recommendations on climate-related risks and opportunities

### Audit Committee

- Assists the Board in developing and maintaining effective systems of risk management and internal controls
- Reviews the policies and practices of the Trust on corporate governance including compliance with legal and regulatory requirements

### Internal Audit

- Reports directly to the Audit Committee and provides independent assurance as to the effectiveness of the climate-related risk management activities and controls of the Trust, including those related to the climate reporting process

### Sustainability Working Group

- Reports directly to the Board (including the Sustainability Committee and the Audit Committee) on climate-related matters, strategy implementation, and the relevant risks and opportunities
- Ensures proper monitoring and management of climate-related matters, reviews relevant initiatives, formulates the overall climate approach, leads efforts in setting short- and long-term strategies, sets targets and monitors performance, and keeps the Trust informed about the latest developments relating to climate change and its impacts

### Business Units

- Contributes to the Trust's response to climate risks and opportunities
- Manages, implements and monitors the effectiveness of climate-related initiatives








For more information about the Trust's sustainability governance, please refer to pages 41 to 43 of this Annual Report.

# SUSTAINABILITY REPORT

## Strategy

The Trust's infrastructure may face a range of climate-related physical and transitional risk drivers, both acute and chronic, which may lead to operational and financial impacts. The Trust continues to evolve and mature its response to climate change, and to manage the associated impacts across its operations, business strategies, financial planning and major projects.

### HPH Trust's Position on Managing the Direct Impacts of Climate Change



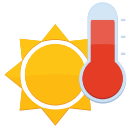
 <p>Address climate change risks as part of the Trust's risk management process</p>	 <p>Establish appropriate procedures to prevent or minimise the damage that climate change may cause and seize the opportunities that may arise</p>	 <p>Increase the use of innovative and energy-efficient technologies in the Trust's operations to reduce energy consumption arising from day-to-day operations</p>
 <p>Set up targets to reduce carbon emissions and monitor the Trust's carbon footprint to lessen its impacts on climate change</p>	 <p>Reduce, where feasible, the production of GHG, ozone depleting emissions and other air pollutants within the Trust's operations</p>	 <p>Track and monitor the use of energy and emissions in the Trust's operations</p>
 <p>Incorporate climate change considerations into its business strategies</p>		

Understanding the company's business portfolio can help to identify the major risks and potential impacts that may emerge. With the help of an external consultant last year, the Trust conducted assessments for climate-related risks and opportunities for the Trust's operations. Material physical and transition risks, as well as opportunities and their potential impacts over short- (0-5 years), medium- (5-15 years), and long-term (15-30 years) horizons, were identified through a three-step process:

<p><b>IDENTIFY</b></p> <p>With reference to the key climate impact drivers in the Sixth Assessment Report of the United Nations Intergovernmental Panel on Climate Change ("IPCC"), peer analysis and international reporting standards, a long list of climate-related risks and opportunities relevant to the port industry was identified.</p>	<p><b>ENGAGE AND PRIORITISE</b></p> <p>Through workshops, internal stakeholders with first-hand experience on port operations were engaged to obtain their feedback on the long list and identify any climate-related topics that were not covered by the long list. By considering the impact and likelihood of the climate-related risks and opportunities identified, a preliminary list of six key climate-related risks and opportunities were selected.</p>	<p><b>VALIDATE</b></p> <p>The preliminary list of key climate-related risks and opportunities was presented to the Sustainability Working Group and the Sustainability Committee for validation and approval.</p>
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# SUSTAINABILITY REPORT




Through the three-step process, the Trust prioritised the six most significant risks based on their relevance and level of impact on the port industry and the Trust's operations.

Risk <sup>1</sup>		Time Horizon	Implications for the Trust	Response
<b>Physical (acute)</b>	Heavy precipitation (pluvial flooding) 	Short term	Heavy precipitation can cause flooding, landslides and other forms of water damage that can disrupt operations. It may also damage critical infrastructures like roads and rails in the port vicinity, hamper port access, or cause accidents or disruptions that could limit the ports' capacity.	<ul style="list-style-type: none"> <li>Well-constructed rainwater drainage systems, with regular inspection and clean-up to readily receive large surface run-off during heavy precipitation, and more frequent check-ups prior to rainy seasons to maintain its proper functioning</li> </ul>
	Typhoon (extreme wind) 	Short term	Typhoons or extreme winds can cause widespread damage to port facilities, such as cranes and warehouses. Heavy winds can also create challenges to berthing, navigating the port, and loading and unloading. Normal operations may be disrupted, leading to delivery delays or cancelled shipments.	<ul style="list-style-type: none"> <li>Typhoon Prevention Guidelines are in place to ensure operation safety during typhoon and swift resumption in operation after typhoon</li> <li>Typhoon Defence Control Centre at YANTIAN Building to monitor and arrange timely responsive actions</li> <li>High wind resistance design for quay cranes to ensure safety at berths</li> <li>The higher quay deck level designs to reduce the risk of coastal flooding during storm surges</li> </ul>
<b>Physical (chronic)</b>	Rising mean temperatures (increased heat) 	Long term	Workers working outdoors are exposed to heat-related illnesses as the temperature rises, resulting in productivity loss. The demand for air conditioning and cooling systems, and its corresponding energy costs increases as a result of an increasing number of hot days.	<ul style="list-style-type: none"> <li>High temperature and heatstroke prevention guidelines are in place</li> <li>Use of remote control function in crane operations to shorten the length of outdoor working time</li> <li>On-site features with solar insulation and passive cooling to address adverse impacts of rising temperature while lowering energy costs</li> <li>Cranes are designed to withstand temperature ranging from 0°C to 50°C</li> </ul>

<sup>1</sup> Rising sea levels was also considered in the risk identification process for its high relevance to ports which operate in coastal areas, but after considering the expected sea level rise till 2050 and the specifications of the existing infrastructure of HIT and YANTIAN, it was considered that rising sea levels would pose a relatively low risk.



# SUSTAINABILITY REPORT

Risk		Time Horizon	Implications for the Trust	Response
Transition	Introduction of carbon pricing 	Medium term	The introduction of a carbon pricing mechanism as a regulatory requirement could lead to higher operational costs for the company if it does not reduce its carbon emissions, especially when ports continue to rely on fossil fuels.	<ul style="list-style-type: none"> <li>• The Trust commits to reducing 30% of its overall emissions intensity by 2030 compared to 2021 baseline level</li> <li>• Emission reduction initiatives include solar panels installation, electrification of vehicles and machinery</li> <li>• Green Purchasing Policy &amp; Green Procurement Guidelines are in place at HIT &amp; YANTIAN, respectively, to encourage the purchase of energy-efficient and low-emission equipment at the ports</li> <li>• Explore new technology for asset replacement strategy by seeking support from Shenzhen government and closely communicating with local electricity company and suppliers</li> <li>• For more details on the decarbonisation efforts of the Trust, please refer to pages 67 to 70 of this Annual Report</li> </ul>
	Transition to lower emission technology 	Medium term	Shipping companies are gradually shifting to low-carbon fuels or electricity and port companies are required to develop and adopt corresponding technology and infrastructure to match any shift in customer demand.	
	Changing customer behaviour / market expectation 	Medium term	Changing customer behaviour can lead to reduced demand for the company's products or services, particularly if customers switch to competitors' products or reduce their purchases due to their changing preference. For instance, a shift towards more climate-friendly ports, and demand for energy-efficient and/or carbon-neutral emissions solutions.	

# SUSTAINABILITY REPORT

To understand exposure to the prioritised climate risks, the Trust tested the resilience of its business operations under two distinct climate scenarios associated with global temperature increases. In the scenario analysis, the Trust focused on material physical and transition risks, and referenced scenarios with climate and transition pathway projection published by reputable external bodies including Intergovernmental Panel on Climate Change (“IPCC”) and the Network for Greening the Financial System (“NGFS”).

<b>Scope of analysis</b>	<ul style="list-style-type: none"> <li>Core port operations of HPH Trust at HIT and YANTIAN</li> </ul>
<b>Scenarios used</b>	<p><b>Physical risks</b></p> <ul style="list-style-type: none"> <li>IPCC AR6 SSP1-2.6</li> <li>IPCC AR6 SSP5-8.5</li> </ul> <p>The choice of <b>SSP1-2.6</b> and <b>SSP5-8.5</b> scenarios enabled a comprehensive analysis of climate-related physical risks. <b>SSP1-2.6</b> presents a future where aggressive climate action successfully curtails global warming, relevant for evaluating risks in a best-case mitigation outcome. Conversely, <b>SSP5-8.5</b> projects a future with unabated emissions, offering insight into potential risks under a worst-case scenario. This contrast ensured a broad understanding of physical vulnerabilities across different climate trajectories.</p> <p><b>Transition risks</b></p> <ul style="list-style-type: none"> <li>NGFS Current Policies</li> <li>NGFS Net Zero 2050</li> </ul> <p>The <b>Current Policies</b> scenario examines risk implications under existing legislation, reflecting the consequences of a gradual policy evolution. The <b>Net Zero 2050</b> scenario evaluates risks and opportunities in a rapid transition to a net-zero economy, aligning with ambitious climate targets. Analysing these two NGFS scenarios provided a nuanced perspective on financial exposure linked to varying policy progression rates, essential for effective risk management and strategic planning.</p>
<b>Base year</b>	<ul style="list-style-type: none"> <li>2023</li> </ul>
<b>Time horizon</b>	<ul style="list-style-type: none"> <li>Medium-term: 2030</li> <li>Long-term: 2050</li> </ul>
<b>Assumptions</b>	<p><b>Physical risks</b></p> <ul style="list-style-type: none"> <li>Business disruption was assumed to affect operations proportionally, e.g., if the heavy rainfall increases 1% due to both intensity and frequency, total business disruption hours increase 1% from base year.</li> <li>The business disruption rate was estimated on a 24-hour basis and assumed to be equivalent to the revenue loss rate of the port operations.</li> <li>The changes in labour productivity were assumed to impact revenue directly.</li> <li>The increase in electricity consumption was based on market practice, assuming a 10% rise in power usage during hot weather conditions.</li> </ul> <p><b>Transition risks</b></p> <ul style="list-style-type: none"> <li>The carbon tax was assumed to be implemented immediately and would only be imposed on Scope 1 and Scope 2 emissions.</li> <li>It was assumed that the electrification of fossil fuel-powered equipment followed existing plan, with a number of equipment being replaced every year.</li> </ul>
<b>Limitation</b>	<ul style="list-style-type: none"> <li>Scenario analysis assesses the potential pathway to a specific outcome, focusing on key elements and drivers of possible future scenarios rather than offering a comprehensive prediction. The scenarios are hypothetical constructs – they do not serve as forecasts or predictions, nor do they constitute sensitivity assessments. Consequently, scenario analysis should not be interpreted as a prediction of the Trust’s future operations or as an expectation of forthcoming operational performance.</li> <li>Changing customer behaviour has been identified as a material climate-related risk, with the potential to affect the Trust’s revenue if not appropriately managed. However, due to the uncertainty and complexity surrounding customer behavioural patterns, there is currently an absence of sufficient reliable data to quantify the impacts related to these changes, and as such, this risk has not been factored into the scenario analysis. Nonetheless, the Trust remains committed to continual review and assessment of this risk factor and will integrate relevant impact evaluations as more substantial information becomes available.</li> </ul>

# SUSTAINABILITY REPORT

For the physical risk analysis, historical data and projected climate variables, such as frequency of heavy rainfall, business disruption from tropical cyclones, and daily maximum temperature, were collated from suitable climate models and local meteorological data to model local climate scenarios. This model evaluates the exposure of port operations at HIT and YANTIAN to heavy precipitation (pluvial flooding), typhoon (extreme wind), and rising mean temperatures.

Physical risk	Potential impact	SSP1-2.6 Scenario		SSP5-8.5 Scenario	
		Changes as compared to 2023		Changes as compared to 2023	
		2030	2050	2030	2050
Heavy precipitation (pluvial flooding)	Revenue loss from business disruption	■	■	■	■
Typhoon (extreme wind)	Revenue loss from business disruption	■	■	■	■
Rising mean temperatures	Revenue loss from decrease in labour productivity	■	■	■	■
	Increased operating expenses (electricity expenses)	■	■	■	■

Risk level<sup>1</sup>: ■ Negligible (<1%) ■ Low (1-5%) ■ Moderate (5-10%) ■ High (>10%)

Under both SSP1-2.6 and SSP5-8.5 scenarios, revenue losses from flooding and typhoons are less substantial. Being acute physical risks, flooding and typhoons typically manifest short-term effects, thus the revenue affected by the associated business disruptions is limited. Additionally, despite any increase in typhoon-related damages, the financial impact is expected to remain relatively minimal compared to the Trust’s overall revenue. The Trust’s effective typhoon response plan plays a significant role in lessening the impact of such events.

Conversely, under the SSP5-8.5 scenario, the prolonged hot and humid conditions resulting from rising mean temperatures have the potential to persist over extended periods, exerting a more pronounced effect on revenue over a longer time horizon. In response to the risk of reduced labour productivity due to extreme heat, high temperature and heatstroke prevention guidelines are in place, delineating protocols for working in high-heat conditions. These include the provision of medication and refreshments, as well as the arrangement of work shifts to minimise continuous exposure to high temperatures. Furthermore, low-emissivity glass has been utilised in office buildings at YANTIAN to decrease thermal loss, contributing to a cooler indoor environment while reducing energy use. Air conditioning equipment has also been installed in the electrical room to regulate the ambient temperature. In addition, both HIT and YANTIAN have been expanding the application of remote operations technology which is an effective measure in combating the increasing heat. While this analysis is based on current technological capabilities, future advancements in heat mitigation solutions may help reduce potential revenue losses from decreased labour productivity. HPH Trust will continue to evaluate its risk exposure and adapt its strategies as new technologies and solutions emerge.

In conducting the transition risk analysis, various risk drivers were assessed, including the introduction of carbon pricing and fluctuating energy pricing. This assessment involved projecting carbon tax implications for port operations and estimating the electricity costs saving from transitioning to lower emission equipment. These projects were used to analyse the potential impact of transition risks on the operating expenses of the port operations.

Transition risk	Potential impact	Current Policies Scenario		Net Zero 2050 Scenario	
		Changes as compared to 2023		Changes as compared to 2023	
		2030	2050	2030	2050
Introduction of carbon pricing	Change in operating costs due to carbon tax	■	■	■	■
Transition to lower emission technology	Change in energy costs	■	■	■	■

Risk level<sup>1</sup>: ■ Negligible (<1%) ■ Low (1-5%) ■ Moderate (5-10%) ■ High (>10%)

Opportunity level<sup>2</sup>: ■ Negligible (<1%) ■ Low (1-5%) ■ Moderate (5-10%) ■ High (>10%)

The Current Policies scenario indicates a negligible impact from introduction of carbon pricing, along with stable electricity pricing facilitating incremental savings from the transition to lower emission technologies. In contrast, under the Net Zero 2050 scenario, the carbon taxes are projected to be elevated, subsequently increasing the operating expenses. The shift toward a net-zero economy is projected to result in higher electricity costs and smaller energy savings initially through 2030; however, post-2030, the Net Zero 2050 scenario indicates more substantial energy cost reductions as decarbonisation technologies mature and become more cost-effective. This reduction, combined with the decarbonisation initiatives undertaken by the Trust, has the potential to result in substantial long-term energy cost savings. To manage these energy costs effectively, the Trust will continue to optimise operational efficiency and reduce energy consumption.

<sup>1</sup> The risk level represents a decrease in the revenue or an increase in cost impact annually, in terms of percentages in 2030 and 2050 as compared to the 2023 base year.

<sup>2</sup> The opportunity level represents a decrease in the cost impact annually, in terms of percentages in 2030 and 2050 as compared to the 2023 base year.



# SUSTAINABILITY REPORT

## Risk Management

The Trust adopts the Enterprise Risk Management framework that aligns with the standards set by the Committee of Sponsoring Organizations of the Treadway Commission. This framework enables a structured method for the identification, evaluation, and management of risks, including those related to climate change, across various domains such as strategy, finance, operations, and compliance.

As part of the ISO 14001 risk management process, climate-related risks at the port level are identified and prioritised based on their occurrence frequency and potential severity. At the corporate level, the impact and likelihood of these climate risks are examined, taking into account existing mitigations, to decide on the appropriate risk treatment for the residual risks.

At present, the Trust considers climate-related risks to be one of the top risks in the risk register, given their potential to impact the Trust's financial standing or operational outcomes. Effective management of these risks involves the implementation of robust mitigation strategies and actions to bolster the Trust's adaptive capacity and resilience to climate change. This includes the Incident Response Playbook, which provides a standardised strategy for recovering terminal operations following an emergency or disruption.

Further details regarding HPH Trust's risk management and internal control systems are presented in the Corporate Governance Report on pages 120 to 123 of this Annual Report.

## Metrics and Targets

As a key node in the global transportation network, the Trust has the potential to lead the way in reducing emissions and promoting environmental stewardship. It remains steadfast in its commitment to achieve a 30% reduction in overall emissions intensity by 2030 against 2021 baseline level. Moreover, the disclosure of Scope 3 emissions underscores its dedication to monitoring and promoting decarbonisation efforts throughout the value chain. Looking ahead, the Trust will continue to invest in renewable energy sources, the electrification of vehicles and equipment, as well as the adoption of energy efficiency measures, all aimed at fostering greener port operations.

For further details on climate-related metrics and progress toward the decarbonisation target, please refer to pages 89 to 90 of this Annual Report.

## ENERGY AND EMISSIONS

The Trust is committed to integrating environmentally friendly practices throughout its business operations. It consistently seeks out innovative green technologies to enhance energy efficiency, minimise GHG emissions, and improve air quality in the ports and nearby areas. In 2023, the Trust established an ambitious Trust-level emission intensity reduction target, aiming to reduce overall emissions intensity by 30% by 2030 compared to 2021 baseline level.

The primary sources of direct emissions at the terminals are the diesel-powered machinery, such as cranes and tractors. To attain the set target, HIT and YANTIAN have proactively implemented energy-efficient measures and are carrying out the electrification of vehicles and equipment at their terminals.

### HPH TRUST'S ENVIRONMENTAL TARGET

**Target**

**30%** reduction of overall emissions intensity by **2030** compared to **2021** baseline level<sup>1</sup>

**2024 status**

**26%** reduction in emissions intensity compared to **2021**

**On track** ✓

<sup>1</sup> Market-based target.

## CASE STUDY

### HIT promotes decarbonisation in joint media briefing

HIT and CLP Power Hong Kong Limited collaborated to host a media briefing showcasing joint efforts in driving local decarbonisation and building a green and smart port. The media briefing held at HIT demonstrated the progress of its decarbonisation journey through the electrification of cranes and vehicles, as well as the integration of renewable energy sources. The installation of solar photovoltaic ("PV") panels on 52-metre-high QC machinery houses was also highlighted to demonstrate joint efforts in addressing technical challenges in the common pursuit of a greener future.



Please scan the QR code or visit [https://www.hphtrust.com/mediacast/Solar\\_panels.mp4](https://www.hphtrust.com/mediacast/Solar_panels.mp4) to watch the video showcasing the PV panels on the QC machinery houses.

# SUSTAINABILITY REPORT

In 2024, YANTIAN's shore power supply reached a record high, with shore power consumption of **24.95 million kWh and vessel connections totaling 1,090 vessels**, surpassing last year's totals by 101% and 83%, respectively.



From 2016 to 2024, YANTIAN avoided **50,658 tonnes of CO<sub>2</sub> emissions** from vessels by utilising shore power systems covering 19 berths.

As part of its five-year plan, YANTIAN is gradually replacing internal diesel tractors with electric vehicles and transitioning from fossil fuel-powered equipment to electric equipment where suitable. Moreover, it plans to install solar panel systems on building rooftops at its premises in the upcoming year. Meanwhile, HIT has expanded its solar PV system to two additional building rooftops and 18 power substations.

### Green Fleets at HPH Trust

Types of equipment	HIT		YANTIAN	
	2024	2023	2024	2023
Electric quay cranes	50	50	84	87
Electric yard cranes	92	92	228	216
Hybrid yard cranes	65	71	52	52
LNG trucks	0	0	139	165
Electric service vehicles	27	21	87	73
Other electric equipment (including electric forklifts)	21	15	121	117
<b>Total</b>	<b>255</b>	<b>249</b>	<b>711</b>	<b>710</b>

### CASE STUDY

#### China's first simultaneous LNG bunkering for two vessels at YANTIAN

Recognising the increasing customer demand for cleaner fuels, in 2022, YANTIAN accomplished the first LNG bunkering of an internationally navigating vessel in Shenzhen, making it the fourth in the world and the first in South China to provide this service. Since then, YANTIAN has continually enhanced the capabilities and operation safety of LNG bunkering at its berths.

In 2024, with strong support and guidance from government departments, customs, maritime authority, and pilotage authority, YANTIAN mobilised a professional team to collaborate with the bunkering company's operational plans. As a result, in June, YANTIAN achieved another significant milestone by conducting the first simultaneous LNG bunkering operations for *ZIM CORAL* and Hapag-Lloyd's *DAMIETTA EXPRESS*, two vessels serving international routes, at a single terminal in China. These synchronised operations showcased YANTIAN's pioneering capabilities and dedication to efficient operations and high-quality fuel supply services. This further solidifies YANTIAN's position as the preferred port of call for mega-vessels in South China and signals the emergence of an LNG bunkering centre in East Asia.

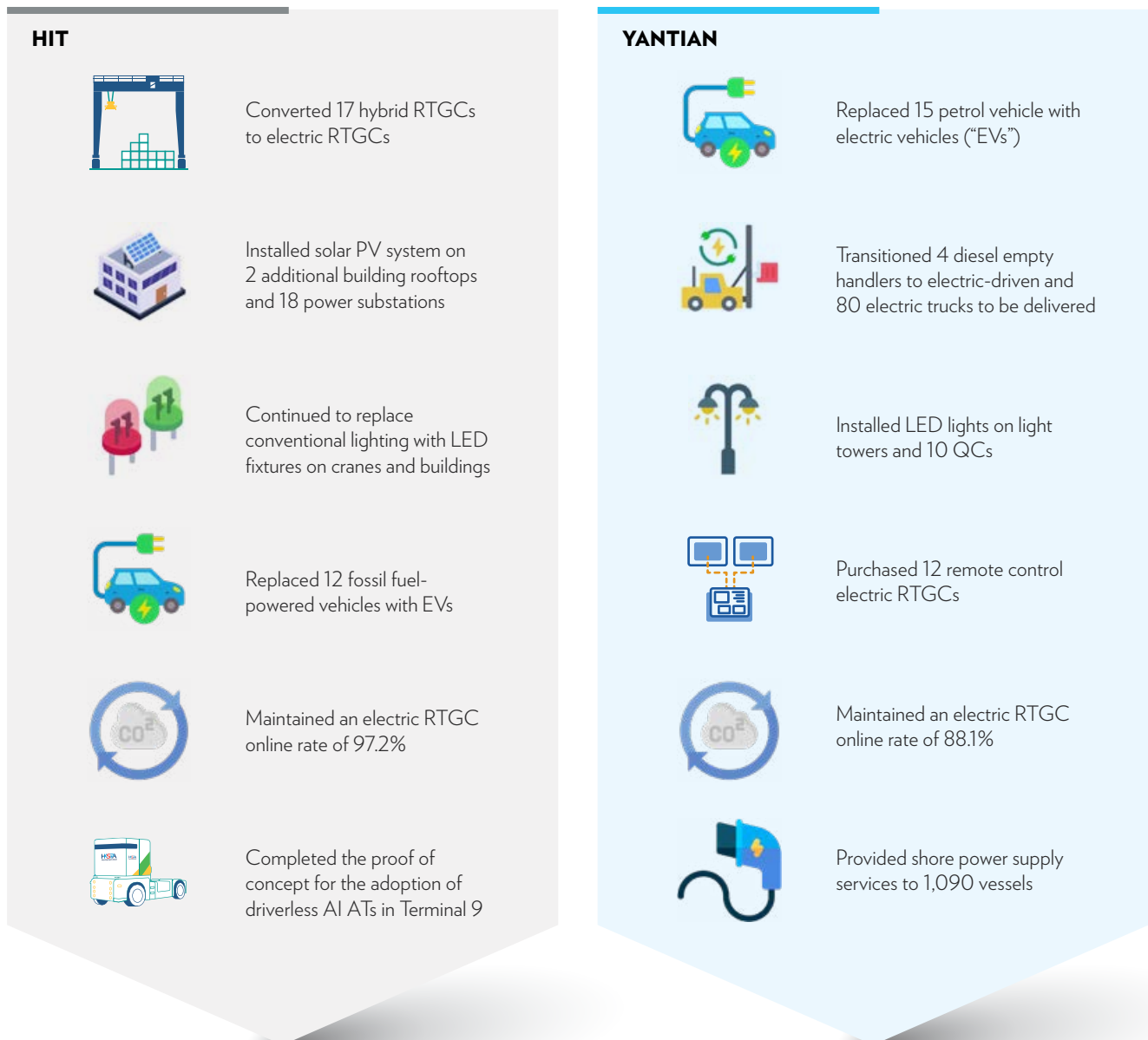


In 2024, YANTIAN's

**LNG bunkering volume far exceeded the 2023 level by 520%**

# SUSTAINABILITY REPORT

## Key Green Initiatives In 2024



Regular progress updates on emissions reductions at all divisions are provided to HPH Trust management. Monthly fuel consumption is systematically recorded by Engineering staff at the ports, and quarterly CO<sub>2</sub> emissions are calculated accordingly. The results are reported semi-annually to the Sustainability Working Group of the Trust and quarterly to the management teams at HIT and YANTIAN, including the Head of Engineering, for their review. This process is important to ensure that the business is on course to meet its emissions intensity reduction goal.

To assess the effectiveness of sustainability initiatives and review performance against targets, the Trust has developed a dataset that includes energy usage and emissions indicators. It is important to note that the HIT throughput used to calculate the per TEU metrics represents the total throughput handled at HIT terminals, as opposed to the allocated throughput from HKSPA that is presented in the rest of this Annual Report.



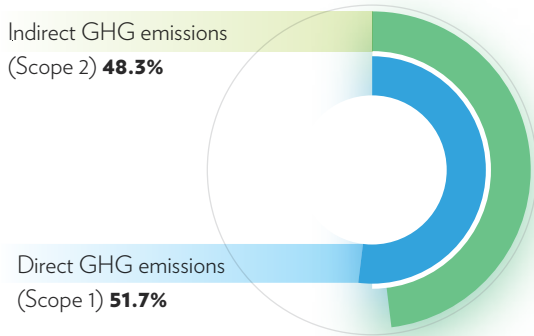
# SUSTAINABILITY REPORT

## 2024 Energy and Emissions Performance Highlight

**Total energy consumption**  
2,191,782 GJ

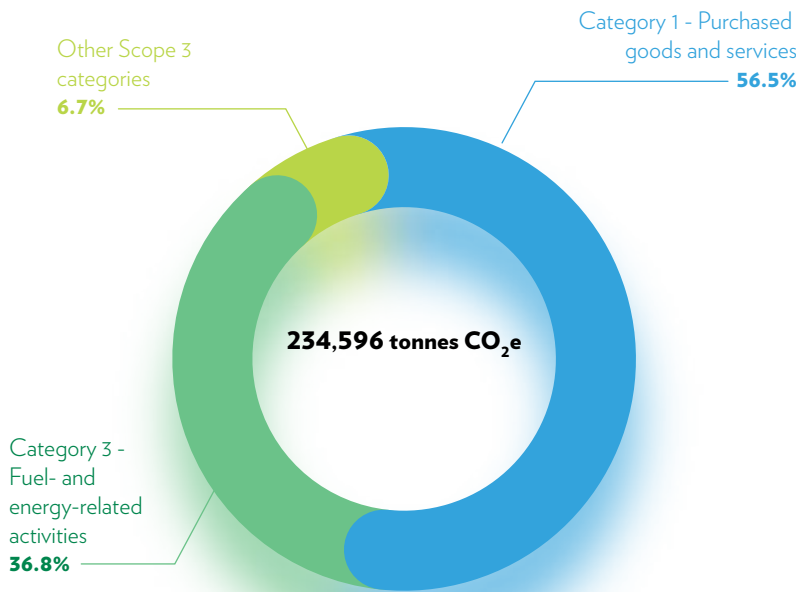
Scope 1 and 2 emissions

**Energy intensity**  
0.113 GJ per TEU



**Emissions intensity**  
10.493 kg CO<sub>2</sub>e per TEU

Scope 3 emissions by category



In 2024, HPH Trust has reduced its overall emissions intensity by 1% compared to the previous year, and 26% compared to the 2021 baseline year level. The reduction was due to the adoption of a more efficient way to deploy container handling equipment, upkeep of high electric RTGC online rate, conversion of hybrid RTGCs to electric RTGCs and application of electric vehicles. Meanwhile, its estimated Scope 3 emissions for the year is 234,596 tonnes CO<sub>2</sub>e, which was a 3% increase from previous year level as a result of a surge in YANTIAN's shore power supply. The two major contributing categories remain as Category 1 – Purchased goods and services and Category 3 – Fuel- and energy-related activities. The Trust will continue to explore decarbonisation opportunities through enhancing operational efficiency, promoting the use of clean fuels in port premises, accelerating the electrification of port vehicles and equipment, and adopting other emissions-reducing initiatives across its value chain. The Trust will also seek to offset its GHG emissions through the purchase of green energy certificates. Further details on the Trust's net zero action plan will be revealed in the future.

In 2024, there were no reported cases of non-compliance with laws and regulations regarding emissions generated by HPH Trust. In the coming years, HPH Trust aims to maintain its record of zero reported cases. This also applies to HPH Trust in the medium term and in the long run.

## CASE STUDY

### HIT – Recognised project award at the UNSDG Achievement Awards Hong Kong 2024

As a responsible corporate entity, the Trust acknowledges the significance of aligning with the framework and blueprint outlined by the UNSDGs to contribute to a more prosperous, inclusive, and peaceful world. It has been integrating sustainable practices into its strategic planning and daily operations, exemplified by the Thirty-30 project in HIT. This sustainability project was honoured with the Recognised Project Award at the UNSDG Achievement Awards Hong Kong by Green Council for demonstrating exceptional performance in contributing to SDGs.



## CASE STUDY

### YANTIAN – Recognition as an excellent case in the Climate Action Agenda

The case of “Yantian International Continuously Promoting the Development of Green and Low Carbon Ports” has been selected as an excellent case in the Climate Action Agenda.



# SUSTAINABILITY REPORT

## WATER AND WASTE MANAGEMENT

Water and other natural resources play a critical role in the value chain activities of HPH Trust. To minimise the adverse environmental impact of water discharge and waste generation, the Trust implements proper water and waste management. It actively monitors a range of water activities, including withdrawal, consumption and discharge, as well as material sourcing and waste generation.

The Trust ensures it has a comprehensive understanding of the potential impacts of its water and waste-related risks and opportunities across its value chain, and then develops mitigation strategies accordingly. Additionally, the Trust is committed to reducing waste generation from its operations and aims to extend the lifecycles of materials as much as possible. Any materials or resources that cannot be repurposed or extended are recycled or properly disposed of through licensed contractors.

In 2024, there were no reported cases of non-compliance with laws and regulations concerning water discharge or waste handling. Moving forward, HPH Trust aims to maintain zero reported cases, as well as in the medium and long term.

	Water	Waste
<b>Strategy</b> 	<ul style="list-style-type: none"> <li>HPH Trust prioritises the effective management of water quality and efficiency, closely monitoring water consumption and discharge.</li> <li>The Trust adheres to all regulatory laws and guidelines established by local authorities for the quality of effluent and water discharge. Its internal standards and procedures are aligned with these local requirements, including the Water Pollution Control Ordinance (CAP. 358) as specified by the HKSAR Environmental Protection Department and Guangdong Province Discharge Limits of Water Pollutants.</li> </ul>	<ul style="list-style-type: none"> <li>HPH Trust is advancing the transition to a circular economy within the business sector. It has enhanced its waste management system by implementing sorting and classification of all waste produced.</li> <li>The Trust complies with all regulatory laws and guidelines established by local authorities for waste management. Its internal standards and procedures align with these local requirements, including the Solid Waste Pollution Prevention and Control Law of the People's Republic of China and the Pollution Control Standards for Hazardous Waste Storage.</li> </ul>
<b>Use and associated impacts</b> 	<ul style="list-style-type: none"> <li>Water is primarily used in building premises, washrooms, and equipment maintenance areas.</li> <li>The Trust obtains water from municipal supplies, which currently face relatively low water risk. However, it anticipates potential long-term cost increases due to escalating water stress on a global scale.</li> <li>Sewage is produced by maintenance facilities and kitchens.</li> <li>Discharging untreated sewage may contaminate the surrounding environment and result in fines for non-compliance cases brought against the Trust.</li> </ul>	<ul style="list-style-type: none"> <li>Recyclable materials, both non-hazardous and hazardous, consist of rubber tyres, waste oil, scrap metal, wire rope, waste wood, and lead acid batteries.</li> <li>Untreated waste can contribute to environmental pollution and place additional strain on landfill facilities.</li> <li>Irresponsible or improper waste handling and management may result in fines for non-compliance cases brought against the Trust.</li> </ul>
<b>Corresponding actions</b> 	<ul style="list-style-type: none"> <li>The Trust implements various measures to optimise and reduce water use, such as conducting maintenance on water supply pipelines to prevent potential leaks.</li> <li>In 2024, the water treatment system at YANTIAN recycled 2,197 tonnes of wastewater for road cleaning.</li> <li>Effluent from maintenance and kitchen areas is collected by underground oil interceptors, which then separate oil from water. The oil is stored separately and periodically collected by a licensed contractor. In HIT, kitchen effluent undergoes treatment through a Dissolved Air Floatation system to meet local discharge standards before being directly released into public piping systems.</li> <li>YANTIAN has engaged a qualified agency to conduct monthly tests on wastewater pollutants to ensure compliance with local discharge standards.</li> <li>As part of the Trust's commitment to excellence, water usage data is regularly collected and reviewed by the Environmental Steering Committee of HIT and YANTIAN to ensure effective implementation of consumption reduction initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>To mitigate environmental pollution, HPH Trust appoints qualified companies to collect its waste, including chemicals or hazardous materials, to ensure proper handling.</li> <li>As part of the Trust's commitment to excellence, waste generation data is periodically collected and reviewed by the Environmental Steering Committee of HIT and YANTIAN to ensure effective implementation of waste reduction initiatives.</li> <li>YANTIAN uses a bundling compressor to reduce the volume of compressible solid hazardous wastes. It has also standardised the waste classification and dedicated storage in the terminal for all contractors to reduce hazardous waste.</li> <li>Recycling is highly encouraged at the Trust. Waste materials, including scrap iron, waste wire rope, rubber tyres, waste plastics, and waste air filters are sorted and handed to licensed contractors for recycling. Moreover, voluntary activities such as recycling of red packets, herbal tea plastic bottles and mooncake boxes are organised to raise environmental awareness of staff.</li> </ul>

# SUSTAINABILITY REPORT

The Trust adopts the 3R principles to maximise the repurposing of materials, before recycling them for further use, aiming to minimise waste generation and promote the transition to a circular economy.

## 3R PRINCIPLES

## RELEVANT INITIATIVES



**Repurpose**  
Finding new purpose for an already existing material



- HIT Community Caring Group demonstrated and accompanied elderly in upcycling plastic bottles and toilet paper tubes to flowerpots and mobile phone stands respectively
- YANTIAN organised a workshop which guided children to repurpose waste into treasures



**Reduce**  
Reducing or eliminating waste generated at its source



- Use of bundling compressors to reduce volume of compressible solid hazardous waste generated at YANTIAN



**Recycle**  
Converting waste materials into new products or raw materials



- Recycled red packets, herbal tea plastic bottles and mooncake boxes at HIT and YANTIAN
- YANTIAN recycled and replanted Kumquats and Azaleas

## CASE STUDY

### HIT participates in Hong Kong Government's Food Waste Collection initiative

HIT has joined the Environmental Protection Department's Pilot Scheme on Food Waste Collection. This initiative enhances waste management, improves sanitation, and converts food waste into energy and compost. This is another example of the Trust's commitment to sustainable practices and environmental stewardship.





# SUSTAINABILITY REPORT

## BIODIVERSITY







Preserving biodiversity and the natural environment has been shown by studies to help mitigate climate change. The Trust, in its efforts to minimise environmental impacts and safeguard biodiversity, actively monitors the environment and introduces environmental protection initiatives.

As a port operator, the Trust strives to conserve the aquatic environment and rigorously manages its impact on the surrounding sea area by regulating air, light, noise, and water pollution. To demonstrate commitments in this aspect, the Trust has issued the Biodiversity Policy in 2024. Additionally, it actively works to reduce waste generation, promote native plant species, and preserve local biodiversity. To accomplish these goals, the Trust is dedicated to minimising disturbances such as noise and continuous lighting, as well as waste and water pollution. Furthermore, it ensures adherence to environmental regulations and standards, implements port measures related to biodiversity, and organises staff activities to enhance environmental awareness and employee engagement.

In 2024, there were zero complaints from residents about local pollution, including nuisances, noise, continuous lighting, or landscape aesthetics. For the coming years, HPH Trust aims to maintain zero complaints. Throughout the year, HIT and YANTIAN organised various employee activities at the terminals to promote environmental awareness. These activities involved participation in the 2024 Earth Hour initiative by the World Wide Fund for Nature ("WWF"), as well as organising events focused on tree planting and shoreline cleaning.

Additionally, sustainability training videos and environmental tips were developed to enhance employees' understanding of environmental issues. Throughout the year, YANTIAN organised an online training series where employees were presented with educational videos on topics related to biodiversity, including "Blue Ocean Stewardship: A Collaborative Effort". To reinforce the newly acquired knowledge, employees are also required to complete an exercise.

In the coming year, HPH Trust will aim to further enhance the environment at the terminals and protect biodiversity with appropriate initiatives. This aim also applies to HPH Trust in the medium and long term.

Category	Highlights in 2024
<b>Air quality</b> 	<ul style="list-style-type: none"> <li>Installed and commissioned eRTGCs, and continuously enhanced the eRTGC online rate<sup>1</sup></li> <li>Deployed electric service vehicles and forklifts</li> <li>Accomplished the first simultaneous LNG bunkering operation in China, facilitating LNG bunkering in East Asia to reduce emissions generated by vessels</li> <li>Reached a record high supply of shore power to reduce emissions generated by vessels</li> </ul>
<b>Light</b> 	<ul style="list-style-type: none"> <li>Replaced conventional lights with LED varieties on cranes and in yards</li> <li>Turned off unnecessary lighting to control the overall brightness of the terminals, especially at night</li> </ul>
<b>Noise</b> 	<ul style="list-style-type: none"> <li>Installed and commissioned eRTGCs to reduce engine noise</li> <li>Turned down the volume of RTGC sirens</li> <li>Replaced diesel-driven mobile equipment and vehicles to reduce engine noise</li> </ul>
<b>Waste</b> 	<ul style="list-style-type: none"> <li>Appointed qualified companies to collect waste for proper recycling and disposal treatment to reduce the chances of harming biodiversity through landfill</li> <li>Integrated repurpose, reduce and recycle principles into waste management procedures</li> <li>Joined the Pilot Scheme on Food Waste Collection of Hong Kong Government</li> </ul>
<b>Water</b> 	<ul style="list-style-type: none"> <li>Installed oil interceptors at maintenance areas to prevent direct discharge of waste oil to the sewer</li> <li>Pre-treated kitchen effluent before discharging it into the public sewer</li> <li>Cleaned up the ocean to protect the sea environment</li> <li>Joined a coral conservation project to support marine biodiversity</li> <li>Participated in internal education programmes on marine conservation issues</li> </ul>
<b>Trees and plants</b> 	<ul style="list-style-type: none"> <li>HIT planted approximately 80 saplings of two different species to help preserve the environment</li> <li>YANTIAN employees gathered to replant recycled Kumquats and Azaleas, enhancing the green space and promoting sustainability</li> </ul>

<sup>1</sup> The percentage of operations powered by electricity rather than traditional fuel for the eRTGC fleet.

# SUSTAINABILITY REPORT

## CASE STUDY

### Supporting marine biodiversity conservation at HPH Trust

During the year, the Trust has participated in an external marine conservation project, internal educational programmes, and an emergency drill to raise employees' awareness about marine conservation issues, upholding its responsibility as a key stakeholder in the maritime industry.

## CORAL CONSERVATION PROJECT WITH WWF-HONG KONG

### Overview of #RevivingOurCorals initiative

The Trust participated in a six-month project organised by WWF-Hong Kong and supported by Hutchison Ports, as part of the #RevivingOurCorals initiative aims at revitalising Hong Kong's coral habitats. The project involved restoring corals, conducting post-coral outplant monitoring, and hosting educational workshops. The goal was to restore corals in Tolo Harbour and Channel through coral fragment collection and outplanting, ultimately contributing to the creation of a brighter and healthier marine ecosystem.

### Coral-observation trips

Members of the EAC, employees, and their families from HIT were taken on guided tours on WWF-Hong Kong's glass-bottomed boat at the Hoi Ha Marine Life Centre. It was an educational talk and an eye-opening visit to observe the diversity of local corals and fish.



### Coral cookie workshop

The employees and families from the Trust also took part in a coral cookie workshop to design their own coral cookies, which play a crucial role in nurturing fragile coral fragments by providing substrate for their growth. These cookies will be used later in coral restoration efforts.



### WWF Coastline Recovery activity

Members of the EAC from HIT participated in the WWF Coastline Recovery activity at Island House, Tai Po. This shoreline clean-up and citizen science project raised awareness about plastic pollution and encouraged positive environmental behaviors among participants.





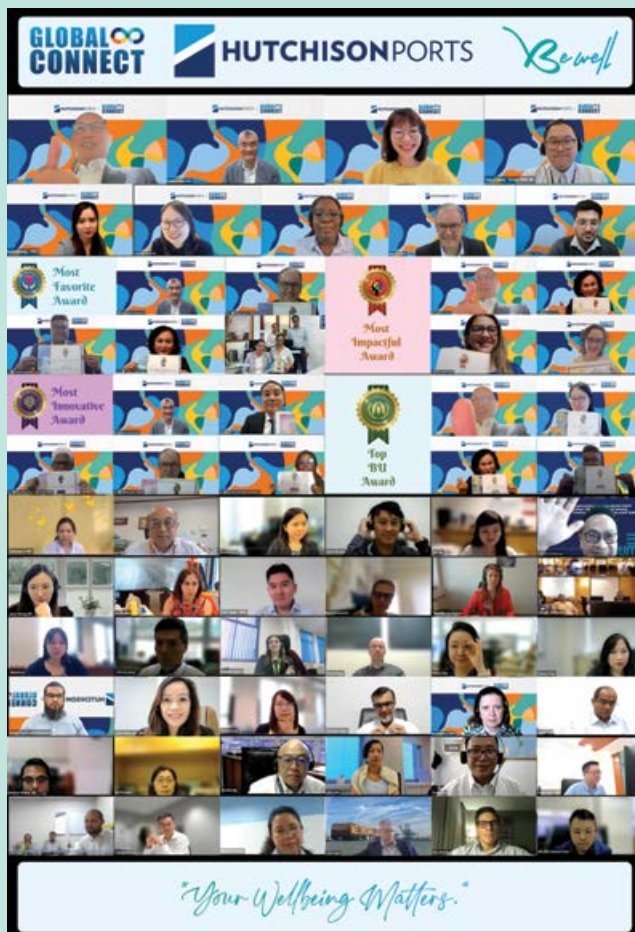
# SUSTAINABILITY REPORT

## INTERNAL AWARENESS BUILDING

### Global Connect 2024 “Sustainability in Community - Go Green, Our Oceans Project”

Global Connect “Sustainability in Community” is a learning series organised by the Hutchison Ports to enable employees across disciplines and geographies to develop sustainability awareness.

The first event in 2024 was joined by more than 250 colleagues across business units, including the Trust. Speakers from WWF and Hutchison Ports’ Corporate Social Responsibility partner in Thailand gave participants a deeper understanding of the environmental impact of oceans to maritime and port industry and shared their experiences in creating successful community investment stories.



### Quiz game on marine conservation

In July, the HIT EAC hosted a quiz game on the treatment of marine debris to engage employees in understanding the importance of marine conservation. The game offered participants a chance to win cash coupons, providing a fun and interactive way to encourage employees to take an active interest in conservation efforts. Additionally, employees were invited to share innovative ideas on activities aimed at enhancing understanding of marine debris.

### Oil spill drill

In June, YANTIAN collaborated with the Yantian Maritime Safety Administration and the Dapeng Customs to conduct an oil spill drill designed to enhance the preparedness of its emergency response team and optimise the effectiveness of response measures to potential oil spill incidents. This exercise is crucial for raising awareness about the potential impact of oil spills from berthing vessels and bunkering services, which pose a significant threat to the marine life of surrounding waters.

To improve the terminal's ability to manage oil spills, HIT partnered with HUD-Towage to stock the terminal with necessary spill prevention materials and conducted briefings for staff on their use. In mid-December, they held their first oil spill drill, involving terminal and HUD-Towage personnel to ensure everyone was familiar with the response materials and could act quickly in an emergency. It was decided that these drills would be conducted annually to ensure continuous improvement in spill response capabilities.





## SUSTAINABILITY REPORT

### East Port biodiversity and community assessments

In June 2021, YANTIAN partnered with Shenzhen Yantian Port Group Company Limited (now known as Shenzhen Port Group Company Limited) to expand its capacity by initiating the development of East Port Phase I – an automated 120-hectare greenfield terminal featuring three container berths. Concurrently, in line with the primary objectives outlined by the Shenzhen government and YANTIAN for this development project, the terminal engaged in a comprehensive assessment during 2022 to evaluate the project's impacts on biodiversity and the surrounding community. This assessment encompassed multiple areas related to both the construction period and port operations, including the effects on ocean and marine ecosystems, terrestrial animal and plant species, and measures to address air, noise, and waste pollution. Additionally, the community assessment examined a variety of social, economic, and environmental considerations, and public consultations were conducted during the assessments.

Following these endeavours, the development project received official environmental impact assessment and project approval from the Shenzhen Municipal Ecology and Environmental Bureau, as well as the Shenzhen Municipal Development and Reform Commission. As the East Port Phase I development progresses, YANTIAN remains committed to minimising any adverse environmental and community impacts caused by the project, with detailed information set to be disclosed in the near future.

## GOING FORWARD

HPH Trust strives to conserving the natural environment and enhancing climate resilience throughout the Trust. In response to the pressing need for decisive action to address the increasingly urgent issue of climate change, the Trust will integrate potential environmental impacts and climate-related risks and opportunities into its business strategies and decision-making.

In pursuit of its goal to reduce overall emissions intensity by 30% by 2030, compared to the 2021 baseline, the Trust will maintain close monitoring of relevant performance metrics and continue to develop greener ports. It will also safeguard the biodiversity of the surrounding waters through periodical oil spill prevention exercises.

# SUSTAINABILITY REPORT

## OUR PEOPLE

HPH Trust prioritises its workforce and is dedicated to cultivating a nurturing work environment that fosters respect for all. The Trust ensures a safe and inclusive setting where every employee has the opportunity to unleash their full potential. Through the adoption of best employment practices and implementation of robust management systems, the Trust aims to be acknowledged as the employer of choice in the port industry.

### WHY IT MATTERS

The daily operation of ports relies on maintaining a skilled and steady workforce. Providing a suitable work and learning environment, which fosters both the personal and professional growth of the Trust's employees, is essential. This enables the delivery of high-quality services continuously.

### HOW HPH TRUST RESPONDS

The Trust consistently enhances its people management approaches to develop a proficient and dedicated team. It promotes well-being and advancement of all employees by offering a range of training and development initiatives. Furthermore, it upholds a high standard of employment practices to manage labour rights risks throughout its value chain.

### RELATED SDGs



The Trust has established an Employment and Workplace Policy, Code of Conduct, and Human Rights Policy. These policies emphasise the responsibility of all employees to uphold the Trust's high ethical standards and contribute to a fair and equal treatment of all workforce members. The HR departments hold the duty of ensuring that all practices align with international labour standards, relevant laws and regulations, and the Trust's own policies, as to protect both its employees and external contractor workers.

## PEOPLE ENGAGEMENT AND WELLBEING

### Promoting mental health and wellbeing

The Trust is committed to protecting the physical and mental well-being of its employees, recognising that their health is crucial for the seamless and effective operations of labour-intensive port. To enhance employee wellness and engagement, it has introduced various initiatives and activities.

The Trust continuously offers high-standard employee welfare programmes and health benefits. These include a comprehensive group medical plan, an annual free health check programme at YANTIAN and onsite influenza vaccination programme at HIT. Additionally, special types of leave including paid marriage leave, paid compassionate leave, and paid examination leave are provided, allowing eligible employees to manage their personal and domestic responsibilities more effectively and achieve a more harmonious work-life balance.



Group photo of HIT's Board Game Club

HIT has various interest clubs which provide a platform for its employees to explore new hobbies and develop athletic skills. In 2024, more than 400 employees participated in interest club activities, contributing to personal and professional growth while strengthening strong bonds among colleagues.



YANTIAN colleagues participated in the fitness game (left) and the health clinic activity (right)



In YANTIAN, around 120 staff members participated in the Fifth National Fitness Games of the Yantian District, showcasing their skills and teamwork in various competitions. This event underscored the significance of regular physical activity for maintaining fitness, while also boosting employee morale and team unity. The event provided an opportunity for employees to socially engage and collaborate beyond their usual work responsibilities. YANTIAN also hosted a Free Health Clinic Activity, featuring a renowned medical expert team from Luohu Hospital of Traditional Chinese Medicine. The company organised two free health clinic sessions, which were well-received by employees, increasing their health awareness and knowledge.

# SUSTAINABILITY REPORT

To further promote work-life balance, both YANTIAN and HIT have demonstrated their commitment to the Hutchison Ports BEWELL campaign, aimed at promoting the sustainability of employee wellness, productivity, and engagement, thus contributing to a healthy and positive work culture. As part of the BEWELL campaign, BEWELL Checkpoint #4 was organised to provide helpful guidance on stress management and maintaining physical and mental wellbeing, thereby fostering a supportive working culture. The BEWELL online activities also enabled employees to collaborate and encourage each other, building synergy across business units. In YANTIAN, 53 colleagues excelled at the BEWELL Checkpoint #4 campaign and received BEWELL Awards. YANTIAN was also recognised with the Most Impactful Award. Meanwhile, HIT was granted the Champion of Top Business Unit Award in the BEWELL Checkpoint #4 Campaign.



HIT and YANTIAN excelling in the Hutchison Ports BEWELL campaign

## Creating an engaging environment



HIT management delivering iced herbal tea to workers

Centred on the core values of UNITY, the Trust proactively organised team-building activities and an annual staff outing to cultivate a sense of belonging and inclusivity at the terminals. The Trust also engaged different staff and contractors with thoughtful care. During the hot summer months, cold beverages and herbal tea were distributed to frontline staff and contractor workers at HIT and YANTIAN as a token of appreciation for their hard work. Members of the management team participated in this caring initiative. Additionally, YANTIAN expressed special care and warm greetings to all employees and contractor partners of the company, distributing a total of 9,000 high-temperature relief packages.

In celebration of the Spring Festival, the YANTIAN management team participated in filming a festive greeting video alongside department representatives. They organised a Spring Festival couplets activity, during which a total of 3,500 couplets were distributed. More than 2,000 red packets were distributed to staff and contractors in Chinese New Year. Meanwhile, HIT hosted a series of festival celebrations, which were attended by a total of 696 employees during the Mid-Autumn Festival and Christmas.



YANTIAN's staff and contractors celebrating Chinese New Year

## KNOWLEDGE EMPOWERMENT

Employee empowerment is crucial for the sustained success of a business. The Trust actively commits to the growth and development of its workforce by offering extensive training programmes across five key areas: orientation, compliance, functional and safety, leadership, and personal effectiveness. This approach has fostered a committed team equipped with the essential skills and knowledge to tackle both current and future challenges. Training in business, functional, management and personal effectiveness enhances business acumen, knowledge, and skills.

## CASE STUDY

### Promoting heatstroke prevention at YANTIAN

With climate change exacerbating, the world is expected to experience more extreme temperatures, including an increasing number of hot days and nights. In response, YANTIAN organised an 82-day online heatstroke prevention learning activity for all employees and contractors in collaboration with Safety & Security Department ("SSD"). Taking place from June to August, the initiative recorded over 70,000 participants. The primary goal of the initiative was to enhance awareness of heatstroke prevention among all employees, underlining the company's commitment to ensuring the wellbeing and safety of its workforce during the hot weather.





# SUSTAINABILITY REPORT

## HPH Trust's position on learning and development

### Orientation

Encourages confidence from the start and aids new employees in quicker adaptation and perform their jobs to a high standard



### Compliance

Protects HPH Trust's values, policies, and commitment to the law. Helps employees to flourish as they understand their responsibilities. See pages 48 to 49 and 80 for business ethics and compliance-related training



### Functional and Safety

Equips employees with the essential knowledge and practical skills for growth, achieving company goals, and more importantly prevent accidents and workplace injuries



### Leadership

Empowers employees to succeed in difficult situations and execute effective business strategies



### Personal effectiveness

Empowers employees on various skills like software, people management, and project management to boost their effectiveness and promote a high-efficiency work environment



The Staff Handbook and associated training policies provide clear guidelines for delivering job-related training and educational opportunities to the employees of the Trust, assigning the Human Resources departments the responsibility of overseeing all training initiatives for employees. A routine analysis of training needs is performed to assess employee performance and pinpoint areas for skill improvement, enabling the provision of tailored courses to support a highly skilled workforce in this rapidly evolving industry.

To support personal career progression of every employee, the Trust conducts performance reviews biannually. These reviews comprise several critical elements, including appraisal criteria, appraisal interviews, performance improvement plans, and career development and training plans. They act as a two-way communication channel, allowing employees to gain a clearer understanding of the Trust's expectations and feedback while their personal needs and concerns are addressed. In 2024, 100% of full-time employees underwent performance and career development reviews. Looking ahead, HPH Trust aims to achieve 100% completion of performance and career development reviews for all full-time employees in the near future, as well as in the medium and long term.

During the year, the Trust continued to support the personal development of all employees by organising wide-ranging training programmes and implementing online learning platforms. For example, YANTIAN carried out outward-bound programmes to instil an understanding of the company's culture, foster a sense of ownership, and promote environmental awareness among 92 new joiners. This team-building activity also earned the 2024 ESG Marketing Theme Shortlisted Case Award, making YANTIAN the sole port enterprise to receive this accolade in the year. Moreover, YANTIAN upgraded the online learning platform on World Book Day 2024 and introduced AI technology to personalise learning content recommendations. Over 9,300 learning accounts were activated, encompassing YANTIAN, Huizhou International Container Terminals ("HICT"), Jiangmen International Container Terminals ("JMCT"), and contractor groups, with an average learning duration of 3.98 hours per person.



YANTIAN's outward-bound programme



HIT's Manager Essentials supervisory training

To enhance leadership capabilities at the terminal, YANTIAN also conducted a series of sand-play courses for specific talent. Through interactive and creative play, participants gained fresh perspectives on challenges, enhancing their ability to troubleshoot issues in their daily work. Similarly, HIT continued to organise the Manager Essentials series for leaders seeking to refine their abilities. This supervisory training, focusing on team and performance management, equipped managers with the skills to effectively communicate expectations, assess performance accurately, and provide regular constructive feedback to team members.

Looking forward, the Trust will continue to provide high-quality talent development programmes, including the forthcoming Young Talent Development Program scheduled for 2025, aimed at nurturing talent across various departments.

## CASE STUDY

### HIT receives the Partner Employer Award 2024

During the year, HIT and COSCO-HIT received the "Partner Employer Award 2024" from the Hong Kong General Chamber of Small and Medium Business. The award commends companies for their efforts in actively assisting young graduates with career development and providing on-the-job training to young people, as well as fostering an inclusive and harmonious society.



## CASE STUDY

### Talent development at YANTIAN

The knowledge and skills of employees greatly influence the success of the business. In 2024, YANTIAN implemented a variety of capacity-building programmes for employees across different functions. For instance, YANTIAN continued to run the Engineering Young Talent Development Programme where 16 young talents acquired professional engineering knowledge through different learning methods, including interactive workshops, action learning and project-based learning.

To support the ongoing employability of its staff, YANTIAN expanded the Learning Assistance Programme. This initiative allows employees to obtain subsidies for training courses that are pertinent to their job roles and responsibilities, provided by accredited educational institutions. It motivates employees to engage in continuous learning and broadening skill sets.



YANTIAN's Engineering Young Talent Development Programme

# SUSTAINABILITY REPORT

## Sustainability training

In commitment to incorporating sustainable practices throughout its entire operational framework, HPH Trust has conducted a wide range of training sessions and programmes focused on sustainability for its Board of Directors, managers, and employees.

At the Board level, except Ms Im Man leng (who was appointed as director with effect from 2 December 2024), the other directors of the Trustee-Manager attended the mandatory sustainability training prescribed by SGX-ST. In addition, training in the forms of seminar, webinar and selected reading material have been provided to Directors to help them to keep abreast of current trends and issues facing the Trust. In the area of corporate governance and sustainability practices, for example, included topics of State of board diversity disclosures of SGX-listed issuers, Navigating social responsibility, Climate in context: Geopolitics, business, and the board, and Unveiling Climate-related Disclosures in Singapore: Getting ready for the ISSB Standards.

HPH Trust also supported its employees in gaining relevant knowledge on sustainability issues. Specifically, YANTIAN established an online sustainability development centre via its Learning Management System and Online Leadership columns, which includes topics such as Sustainable Development of Enterprises from ESG Perspective, Organisation Resilience. This initiative allows all staff members conveniently assessing to sustainability-related learning materials and resources.

## DIVERSITY AND INCLUSION

The Trust is dedicated to fostering a diverse and inclusive workforce through the provision of equal opportunities and respectful treatment to all employees. It is firmly committed to ensure that the working environment is free from any form of discrimination based on race, ethnicity, gender, religion, creed, age, job title, disability, or sexual preference. By embracing diversity of backgrounds and perspectives, a sense of belonging among its talented workforce is promoted, which leads to more engaged and committed employees striving for business success.

HPH Trust’s Human Rights Policy emphasises its commitment to equity, diversity, and inclusion, while the Code of Conduct sets standards and outlines procedures for employees to follow in the workplace. The Trust prohibits employees, customers, or suppliers from participating in any discriminatory or harassing behaviour. Anyone who witnesses such behaviour is urged to report it immediately to their supervisor or HR department for prompt and thorough investigation. The Trust ensures that employees can raise concerns without fear of retaliation, and that offenders are subject to severe disciplinary action up to and including termination of employment. In the coming year, and in the medium and long term, the Trust will aim to maintain compliance with applicable laws and regulations related to workplace discrimination.

The Trust has been working towards incorporating diversity into its business by recruiting individuals from various backgrounds, regardless of age, ethnicity, or gender. For instance, HIT successfully recruited a trainee from an ethnic minority background for a short-term placement in summer 2024. This recruitment initiative highlights HPH Trust’s dedication to fostering an inclusive culture while supporting the development of individuals from varied backgrounds. Gender imbalance is inherent in the port industry, and the operational workforces for both HIT and YANTIAN are mostly male. Nonetheless, HPH Trust is dedicated to promoting equal opportunities and resolving gender imbalance by leveraging technology, digitalisation, and other innovative initiatives. It fosters diversity at all levels, with female directors comprising 44% of the Board and more than one-fifth of the middle and senior management are female.



**Female employees** and contractor workers employed as remote control operators at HIT and YANTIAN respectively.

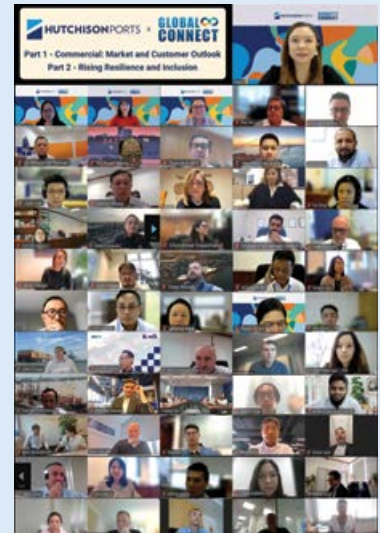
## CASE STUDY

### Global Connect 2024 series

During the year, HPH Trust empowered its employees to engage in the Global Connect series, facilitating the development of business acumen and the expansion of networks among enthusiastic employees across various disciplines and geographical locations. The learning series delved into topics critical to port operations, including:

- Sustainability-focused: Go Green
- Wellbeing-focused: BEWELL Ceremony
- Diversity and Inclusion-focused: Rising Resilience and Inclusion
- Market Trends-focused: Commercial Market and Customer Outlook
- VERONICA In Action – from Product Deliverables to Value Realisation

Through interactive activities and discussions with leaders, participants were able to acquire new insights, ignite innovative ideas, build connections, and enhance collaborative efforts towards crafting a flexible and enduring business.



# SUSTAINABILITY REPORT

The Trust offers different training and engagement activities to promote the concepts of diversity, equity, and inclusion among its employees. For instance, HIT conducted a series of Diversity and Inclusion Workshops themed on topics such as leather goods and latte art, which attracted around 60 participants from HIT and Hutchison Ports. The Trust will continue to promote diversity, equity and inclusion in the workplace for its employees in the future.



Latte art workshop



Leather goods workshop

## EMPLOYMENT PRACTICES AND LABOUR RIGHTS

The Trust remains steadfast in upholding ethical practices by prioritising human and labour rights across all aspects of its business. It is dedicated to providing equal opportunities and fostering a fair workplace for its internal and external workforce. To ensure alignment with its values among business partners and suppliers, the Trust has instituted rigorous standards and policies to uphold labour practices throughout the entire supply chain.

The Employment and Workplace Policy of the Trust sets forth strategic approaches to human resource practices and forms the basis for all human resources policies, procedures, and guidelines. These resources can be found in the Staff Handbook, which is readily accessible to employees through the company's intranet and PORTable, a mobile application for employees.

The Trust's Human Rights Policy is underpinned by international human rights standards established by the Universal Declaration of Human Rights, the International Bill of Human Rights, and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work of 1998. Furthermore, the Trust integrates the principles outlined in the United Nations Guidelines on Business and Human Rights. Demonstrating its commitment to a zero-tolerance approach to modern slavery and human trafficking, the Trust's Modern Slavery and Human Trafficking Statement underscores its dedication to eradicating these practices. In 2024, the Trust recorded zero reported cases of labour rights violations or non-compliance with labour laws or regulations and no reported cases of child or forced labour.

The Trust has a strong commitment to the assessment, management and prevention of employment practices and labour rights risks across its entire value chain. The HR departments are responsible for ensuring effective management of these risks while ensuring alignment with the Trust's procedures, policies, and standards. Regular internal audits are conducted, and an independent third party conducts an annual external audit encompassing the Trust's policies, procedures, AFAB, and other relevant risk controls.

The Trust not only values but also upholds the rights of employees to engage in collective bargaining and association without fear of retaliation, harassment, or intimidation. It guarantees that employees are free to join or establish labour unions and maintains open communication with the union representatives. The Trust is dedicated to negotiating in good faith with the representatives of legally recognised labour unions.

As an annual exercise, YANTIAN engaged in collective negotiation with union representatives in the last quarter of the year, with 100% of local staff currently covered by the collective negotiation. Collective negotiation agreements do not apply to HIT as there is no collective negotiation process with staff or union representatives.

Moreover, the Trust is committed to promoting equity and diversity throughout the recruitment process, utilising various channels to attract potential candidates. This includes leveraging company websites, external job boards, staff referral programs, job fairs organised by local government and academic institutes, and campus recruitment efforts. To attract top talent and improve staff retention, the Trust continuously evaluates and enhances its competitive remuneration and benefits packages based on employee category, local regulatory requirements and market practices. Furthermore, the Trust closely monitors voluntary employee turnover and conducts exit interviews to comprehend the causes behind departures, allowing for identification of areas of improvement and reducing the risk of future employee departures for similar reasons. In 2024, the Trust witnessed an overall turnover rate of 6.3%, indicating a slight decrease as compared to 7.2% in 2023.

## GOING FORWARD

As a commitment to employee wellbeing, the Trust will introduce new health and wellness initiatives and offer interactive learning opportunities to enhance employee skills and knowledge. Furthermore, the Trust will regularly review and enhance its recruitment procedures to uphold competitiveness in its remuneration and compensation package. Additionally, HPH Trust remains committed to maintaining its record of zero reported instances of non-compliance with laws and regulations pertaining to employee welfare, safety, employment practices, labour rights, and workplace discrimination.



# SUSTAINABILITY REPORT

## SAFETY AND SECURITY

Maintaining a high level of productivity and continuous business operations at HPH Trust depends on ensuring a safe and secure working environment. Health and safety risks are prevalent in the port industry, threatening the wellbeing of employees, external contractor workers, and port users due to the presence of heavy machinery, container boxes, and hazardous materials at container terminals. Moreover, the stable and reliable digital infrastructure and technologies, such as the terminal operating system nGen, play a crucial role in supporting port operations.

The Trust’s main goal is to eliminate operational risks through its hierarchy of controls. It conducts regular internal safety inspections and audits to assess potential hazards. The Safety and Health Committees, consisting of senior executives and frontline supervisors from HIT and YANTIAN, regularly identify workplace hazards and implement safety measures as necessary. Furthermore, as the Trust embraces digitalisation and implements advanced technology in operations, it has established stringent standards, policies, and procedures to safeguard critical information and data from malicious attacks.

### WHY IT MATTERS

Reputational damage, operational disruptions, financial losses, and fines can result from cybersecurity threats and confidential data leaks, leading to a loss of trust from stakeholders. On-site accidents caused by underlying health and safety hazards can cause injuries and harm the wellbeing of workers and the communities where HPH Trust operates.

Therefore, safety and security are fundamental aspects of HPH Trust, helping to mitigate potential negative impacts that could affect stakeholders or impede business operations.

### HOW HPH TRUST RESPONDS

The Trust has implemented rigorous policies, appropriate guidelines, and robust health and safety management systems that adhere to international standards to minimise safety and security risks for its people and IT systems. Additionally, the Trust has launched several initiatives to enhance safety performance and awareness within HPH Trust’s businesses.

### RELATED SDGs



## IT SYSTEMS AND DATA SECURITY

Strong cybersecurity is critical to the port industry due to its reliance on digital infrastructure and networked technologies. While actively incorporating smart technologies for operational efficiency, the Trust places a high emphasis on information and data security. It aims to safeguard its core IT systems from potential cyberattacks and unauthorised access to sensitive information.

To enhance digital infrastructure and data protection, multi-layered security strategies are implemented. Both HIT and YANTIAN regularly conduct phishing simulations and relevant training to enhance cybersecurity awareness among their workforces. Additionally, cybersecurity drills are carried out to strengthen employee capabilities in handling cybersecurity incidents promptly and effectively. Information security drills for critical infrastructures are also conducted in collaboration with local law enforcement agencies.

The Trust also works towards aligning its data security strategies with industry best practices. HIT has obtained ISO 27017 certification, demonstrating that its information security controls for cloud services meet international standards. Both HIT and YANTIAN have received ISO 27001 Information Security Management certification and have conducted an annual external audit in 2024. Furthermore, annual data recovery tests and regular internal and external audits are conducted to ensure the effectiveness of cybersecurity management.

To comply with local laws and regulations, including the Hong Kong Personal Data (Privacy) Ordinance and China’s Personal Information Protection Law, the Trust has implemented the Information Security Policy, Operational Technology Policy, and Code of Conduct. These policies and guidelines outline standard procedures for employees, partners and suppliers, ensuring the security of IT infrastructure and customer data. HIT has adopted the International Electrotechnical Commission (“IEC”) 62443 standard<sup>1</sup> for cybersecurity protocols covering remote control cranes.

As a result of these preventive measures, there were no reported cases of unauthorised data leakage or compromised IT infrastructure in 2024. In the coming year, HPH Trust aims to maintain its record of zero reported cases of non-compliance. This target also applies to HPH Trust in the medium and long term.

<sup>1</sup> The IEC 62443 standard sets best practices for maintenance of electronically secure industrial automation and control systems throughout their lifecycle. The standard takes a holistic and risk-based approach to Operational Technology security, not only addressing technology but also work processes, countermeasures and employee practices.

# SUSTAINABILITY REPORT

## OCCUPATIONAL HEALTH AND SAFETY

The Trust is dedicated to protecting the wellbeing of its employees and creating a safe and positive work environment. It outlines its strategy for providing safe and healthy working conditions through its Safety and Health Policy and Safety Management Plan. These guiding principles aim to prevent work-related injuries or illnesses and ensure that business operations do not compromise the wellness and safety of individuals. Furthermore, the Trust has implemented a health and safety framework to provide employees with guidance on effectively managing occupational health and safety matters.

### HPH Trust's health and safety framework



#### 1 Uphold policies and monitor performance

- Conduct regular inspections and audits to ensure compliance
- Continuously review IT and safety policies for necessary updates

*Please refer to health and safety performance data on page 95*



#### 2 Ensure preparedness

- Conduct safety and system drills to enhance preparedness and the effectiveness of emergency responses
- Review emergency plans and ensure they are well executed and communicated



#### 3 Use the right equipment

- Procure protective equipment
- Procure hardware and software for data and systems protection
- Train users on how to use equipment correctly



#### 4 Build a culture of health and safety

- Organise training to raise safety awareness among employees and external contractor workers
- Provide updates on the latest safety regulations and related procedures
- Initiate communication programmes to promote operational and system safety awareness

HPH Trust is committed to fully complying with safety regulations that are relevant to its operations, including the Hong Kong Occupational Safety and Health Ordinance (Cap 509), the Hong Kong Factories and Industrial Undertakings Ordinance (Cap 59), the Production Safety Law of the PRC, the Special Equipment Safety Law of the PRC, the Production Safety Regulations of Guangdong Province, and the Provisions of Shenzhen Municipality on Responsibilities of Production and Operation Entities. It has also established and implemented various systems and measures, such as the YANTIAN Accident Reporting and Investigation Measures, the YANTIAN Security Risk Hierarchical Control System, and the YANTIAN Labour Protection Equipment Management System, to coordinate and monitor safety performance, ensuring alignment with relevant laws and regulations.

The Trust adheres to international occupational health and safety best practices to safeguard the interests of stakeholders. YANTIAN has been awarded Grade 1 Standardisation in Safety Production Certification by China's Ministry of Transport, with a focus on occupational health and safety management as a crucial assessment criterion under this certification. Meanwhile, HIT holds the ISO 45001:2018 certification, indicating the implementation of a robust Occupational Health and Safety Management System ("OHSMS") to improve safety culture and reduce incidents through a standardised framework. HIT's OHSMS complies with stringent standards, including the Factories and Industrial Undertakings (Safety Management) Regulation. A team of Registered Safety Officers and Registered Safety Auditors is employed by HIT to oversee the implementation status of OHSMS, which undergoes audits annually by external Registered Safety Auditors and International

Registered Certified Auditors. HIT continuously enhances the suitability, adequacy, and effectiveness of the OHSMS through regular management reviews and other safety committees, ensuring coverage for external contractor workers, self-employed persons, suppliers, customers and agency workers.

Workers have the option to report work-related hazards and unsafe conditions to a department Safety Supervisor or members of the departmental Safety and Health Committees. They also have the right to refuse to work in environments that compromise their personal safety, as well as to evacuate a workspace after taking necessary emergency measures. HPH Trust strictly prohibits dismissal as a result of workers providing evidence and/or information in proceedings or inquiries related to work accidents and work safety regulations. Moreover, HPH Trust ensures that its employees and external contractor workers are well-informed about the occupational health and safety standards and systems in place.

In order to ensure effective communication and execution of safety protocols for workers, HPH Trust emphasises maintaining open communications between leadership and frontline workers. This approach allows for the development of practical safety initiatives that incorporate the first-hand experience of workers, combined with strategic guidance from managers. HIT has multiple departmental safety committees, where at least half of the members represent workers, and all chairpersons are part of the top management within the Safety and Health Steering Committee. Meanwhile, YANTIAN has established a departmental Safety Production Management Committee, which oversees its safety risk classification management and control issues.

# SUSTAINABILITY REPORT

The Trust ensures that safety control measures are properly implemented by conducting meetings on a regular basis to review the effectiveness and implementation status of the measures.

Meetings	Frequency	Relevant parties
Safety and Security meeting <sup>1</sup>	Quarterly	The Trust
Operations Managers meeting	Weekly	HIT
Safety and Health Committee meeting	Monthly	HIT and YANTIAN
Safety and Health Steering Committee meeting	Quarterly	HIT and YANTIAN

Following a work-related incident, the Safety and Security department (“S&S”) is responsible for conducting a thorough investigation and documenting the incident details in the Incident Investigation Report System. S&S is also tasked with identifying and monitoring all necessary corrective and preventative measures within an agreed upon timeframe.

Additionally, at the end of each year, HIT and YANTIAN assess all relevant departments based on accident indicators and safety and hygiene metrics, and conduct various inspections. If any department fails to meet expectations in any area, senior management of the Trust is promptly notified, and appropriate actions are taken. Going forward, the Trust will aim to achieve zero fatalities in the medium and long term, as well as reducing and minimizing work-related injuries and illnesses for both employees and external contractor workers.

The Trust has developed a Safety Education and Training System to specify mandatory training hours and various forms of port-specific safety education. In 2024, the Trust implemented the following port-specific training and initiatives to enhance awareness of workplace health and safety among employees and external contractor workers:

- Provision of general induction and high-risk work-specific safety training, such as for crane operators, along with examinations prior to any work assignment. YANTIAN employees and external contractor workers also receive learning materials through a mobile application.
- Distribution of copies of the safety handbook and standard operating procedures to employees and external contractor workers, as well as knowledge sharing by the Safety Team in monthly meetings with subcontracting company representatives.
- Conducting safety risk assessments for high-risk activities (such as RTGC operations, QC lift maintenance and crane structure inspection) with corresponding work procedures developed and residual risks measured.
- Ensuring that container handling equipment is operated by licensed workers and maintaining a database of workers’ details, including regular checks on their licence status to ensure validity.
- Providing follow-up guidance after an incident on the premises, with safety refresher training delivered to employees and external contractor workers to reinforce safety requirements.

The Trust’s commitment to innovation and efficiency is evident across its operations. A notable example of this forward-thinking approach is the implementation of the HIT’s reinforcement support wire attached to rail-mounted gantry cranes (“RMGCs”). This innovative safety design effectively prevents containers from falling onto the yards, mitigating a potentially significant safety risk.

Ensuring proper storage and handling of dangerous goods (“DG”) at terminals is paramount for maintaining a safe and healthy workplace for workers. The Trust adheres strictly to the Dangerous Goods Ordinance of Hong Kong and the Safety Requirements for Port Operation – Part 3: Dangerous Cargo Container of the PRC. It has obtained the necessary permits, including the Dangerous Goods License, Annexed Certificate for Hazardous Goods Operations at Ports, and Grade 1 Standardisation in Safety Product Certification (Port Dangerous Goods Operation) from relevant government bodies in Hong Kong and the PRC. Regular communication with relevant government bodies is maintained to stay informed about the latest regulatory requirements on handling hazardous containers. Furthermore, mandatory training is arranged for relevant workers before work assignment, and they receive regular updates and refreshers on safety measures and handling knowledge for DG.

<sup>1</sup> Quarterly Safety and Security meetings are conducted by the Head of Safety and Security of various business units of the Trust.

## CASE STUDY

### Raising safety awareness at HIT

During the year, HIT organised a dedicated safety week aimed at emphasising the importance of workplace safety and increasing safety awareness among terminal traffic users. The week featured a video broadcast, an interactive e-quiz, and an exhibition, designed to educate and engage participants on safety-related topics. The event successfully drew over 400 drivers, providing a platform to share crucial information and best safety practices.



Moreover, an e-book featuring previous accident cases from the industry was created to provide workers with valuable insights and lessons learned. By delving into these incidents, employees can gain a deeper understanding of potential hazards and risks at work, enabling them to effectively recognise and respond to similar situations.

**意外個案 <1>**  
龍門吊機推倒貨櫃並壓到輕型貨車



**意外經過:**  
五個高龍門吊機推入了六層高的堆場，把小車從6行移往第5行，當時貨櫃壓到一輛輕型貨車，導致一死一傷。

**意外原因:**  

- 吊機車行移動期間未升到最高處
- 五個高龍門吊機堆現在六個高堆場內操作

**預防意外建議:**  

- 所有吊機行大車用車車仔都應停在交收線上(除特別安排)
- 所有車貨櫃交收車輪如非必要不應駛進堆場
- 鋪設升起至指定最高上層位置，小車移動時則限制於慢速
- 五個高龍門吊機下可在六個高堆場內操作

In addition, the Operations department established a new channel accessible through a mobile app, encouraging terminal users to report any unsafe conditions or actions within the terminal. This initiative focuses on promoting worker safety awareness and enhancing the overall safety of the work environment.



# SUSTAINABILITY REPORT

## CASE STUDY

### Remote-controlled operations at HPH Trust

The adoption of automated and remote operations technology, particularly in crane operations, brings a wide range of benefits, including increased yard productivity, reduced incident rates, and improved job satisfaction stemming from a more comfortable working environment for crane operators.

In 2024, HIT commenced the conversion of RTGCs in Terminal 4, 6 and 7 into remote control systems to enhance productivity. Additionally, 34 units of remote control RTGCs from Terminal 9 have been relocated to Terminal 8 to maximise cost efficiency. Furthermore, HIT has enhanced the automation features of existing remote control RMGCs and RTGCs, enabling auto gantry and auto landing, to further reduce manpower requirements. Moreover, the Remote Container Inspection ("RCI") system has been successfully expanded from Gate Operations to Barge Operations at BQC. The system, combined with AI technologies, aims to reduce manpower dependence and improve the safety of the working environment.

Meanwhile at YANTIAN, the remote control operation of RTGC has integrated 5G technology to maintain a stable and low-latency network. The integration has effectively addressed the challenges of interference in the simultaneous operation of multiple remote control RTGCs in high-density areas, resulting in significant improvement in security capabilities and operational efficiency.

#### Remote control to enhance industry safety

- All remote crane operators have to receive proper training and obtain a licence for operating remote control cranes.
- The cabin and spreader in each remote control crane are equipped with at least 19 monitoring cameras and more than 30 sensors to improve visibility and handling precision during operations.
- Crane operators use real-time video in Remote Operation Centres to load and unload containers.
- No injuries from accidents have been caused by the remote RTGC since its introduction in 2018.

#### Load positioning system – Magic Eye

- Developed in Japan, the Magic Eye system is specially designed for RTGCs and automated container stacking systems. With the Magic Eye, cranes with remote control function can ground and stack containers accurately and neatly.
- The Magic Eye system consists of two cameras ('mark' and 'laser' cameras), a laser light source, an infrared-ray LED light, an operating system and communication equipment.
- When the spreader lowers a container, the Magic Eye detects reference markers on the ground (when grounding a container) or the corners of grounded containers (when stacking containers). The Magic Eye collects and sends data to the central computer system, which controls the cranes and the movement of spreaders to accurately lower the containers.



## CASE STUDY

### HIT's AI-powered RTGC CCTV system wins Occupational Safety and Health Awards

HIT's RTGC CCTV AI System, which identifies blind spots in crane operation, has been recognised with two prestigious accolades at the 23rd Hong Kong Occupational Safety and Health ("OSH") Awards. This award, often known as the "Oscars of the Occupational Safety and Health field", saw nearly 900 project entries this year. HIT's system secured the Bronze Award in the OSH Enhancement Program Award category and the Silver Award in the OSH Innovative Award sub-category. HIT strives to continuously develop specialised occupational health and safety enhancement programmes to minimise safety and health risks and effectively promote workplace safety, health, and productivity simultaneously.



## CASE STUDY

### Handling of dangerous goods at HPH Trust

In 2024, as part of promoting workers' awareness of dangerous goods ("DG") risks and safe handling practices, HIT arranged a DG Safety Awareness Month. This initiative featured various activities such as interactive game booths, engaging exhibitions, online quizzes and learning modules. Additionally, a joint exercise with Local Fire Services Department simulating DG accident scenarios was held to improve employees' preparedness for emergency response and coordination skills.



Furthermore, a new function was implemented in Cplus, HIT's web-based communication system with its customers, allowing the final DG stowage plan to be automatically sent to shipping lines three hours after the vessel's ATB for timely submission to the marine

department. This system enhancement helps to ensure customers' regulatory compliance related to DG matters.

In addition, HIT implemented restrictions on stacking heights and storage locations of gas/liquid tank containers and conducts rigorous inspections on high-risk DG, such as monitoring gas concentration in flammable gas cabinets. Responsible government departments also conduct regular inspections and annual audits to ensure effective DG safety management at HIT.



Meanwhile, YANTIAN has installed various safety and security equipment to monitor stacked DG containers and has licensed personnel conducting inspections every two hours. There is also a dedicated on-site firefighting squad to respond to DG emergencies

within and beyond the port. Additionally, specific measures are in place for handling containers filled with lithium batteries, including temperature checking and inspections every two hours, as well as water spraying for cooling the containers every two hours under extreme heat to minimise the risk of self-ignition.

# SUSTAINABILITY REPORT

## Key Health and Safety Initiatives in 2024

### HIT

HIT has signed Mental Health Workplace charter and is dedicated to providing a healthy working environment for its employees. The safety and health committee invited an external trainer to teach the employees about Baduanjin, a traditional Chinese exercise that aims to improve body circulation and promote mental wellness.



A safety week was organised for terminal traffic users to enhance their safety awareness. The week included activities such as video broadcasts, e-quizzes, and exhibitions and attracted over 400 drivers' participation.

An e-book containing a compilation of past accident cases in the port industry has been created to prevent similar accidents in the future.

A new AI camera system has been installed on site to remind employees to use the pedestrian walkway when crossing the road and to help identify individuals who do not comply.

### YANTIAN

In July, YANTIAN held a BEWELL Awards ceremony to honour 53 employees who excelled in Checkpoint #4 of the Group-level health campaign. As a token of encouragement for their wellness efforts, the winning employees were awarded a certificate and a special souvenir.



From June to August, YANTIAN conducted the first phase of an 82-day online heatstroke prevention learning activity for employees and contractors in collaboration with SSD, with over 70,000 counts of participations aiming to enhance the heatstroke prevention awareness.

YANTIAN revised its Product Safety Accident Emergency Plan to include a comprehensive plan, eight special contingency plans, and 19 on-site contingency plans.

YANTIAN carried out an annual assessment of occupational hazard factors and provided occupational health checks for its employees.

## Safety Risk Management

The Trust has implemented a robust management system with rigorous executive oversight to prioritise the health and safety of its workforce.

### Mandate of Safety and Health Committees

Represented by senior executives and frontline supervisors	Oversee safety risk management of HPH Trust	Meet on a monthly basis to review on-site safety and health risks, measures and performance across business units
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HPH Trust continually evaluates potential health and safety hazards associated with port operations to minimise their impact on its staff, external contractor workers, and terminal users. Emergency response plan and business continuity plan with clear guidelines are in place to ensure a swift and safe recovery of terminal operations in the event of an emergency or disaster.

In the event of an incident, a Crisis Management Team is formed to manage the situation and recommence operations in a safe and timely manner. This team adheres to the Trust's Business Continuity Management System, established in accordance with ISO 22301, which dictates specific responses and recovery actions for each incident. At the operational level, department and section managers are accountable for developing risk assessment programs for all routine and non-routine activities. Safety and Security departments at HIT and YANTIAN offer advice and guidance as needed. Additionally, expert opinions from local university professors are sought for more comprehensive or high-impact risk assessment programmes.

At HIT, risk assessments are conducted in accordance with the guidebook from the Hong Kong Labour Department, ISO 45001 requirements, and other pertinent standards, followed by the implementation and monitoring of risk control measures.

# SUSTAINABILITY REPORT

Meanwhile, YANTIAN has updated its Product Safety Accident Emergency Plan, which coordinates the company's response procedures in various emergency situations and specifies the emergency duties of personnel at all levels of various departments. The plan comprises a comprehensive plan, eight special contingency plans, and 19 on-site contingency plans. Additionally, the YANTIAN Labour Protection Equipment Management System ensures compliance with local laws and regulations concerning the provision of safety equipment for workers, safeguarding them against physical, chemical, biological, and noise hazards, as well as falling at heights. Furthermore, YANTIAN has established a safety inspection and potential danger investigation and management system that encompasses all employees and processes and operates 24/7 to enable real-time safety control.

Safety equipment at YANTIAN	
 Water and foam fire trucks	<b>x2</b>
 Air breathing apparatus	<b>x12</b>

During the reporting year, there were no reported incidents of non-compliance concerning the health and safety impacts of products and services. In the coming year, HPH Trust aims to maintain its record of zero reported cases of non-compliance. This target also applies to HPH Trust in the medium and long term.

## CASE STUDY

### Emergency drills at HPH Trust

In 2024, HIT conducted **61** drills to prepare employees for potential emergencies and disasters, which included

- **24** firefighting drills in which security teams staged an exercise in using firefighting equipment
- **24** emergency rescue equipment drills in which security teams practiced using first aid equipment
- **8** fire evacuation drills in which workers evacuated from different workplaces, including offices
- **2** liquefied petroleum gas leakage drills, simulating a scenario in which an LPG container leaked, and staff responses were observed and evaluated
- **1** chemical leakage drill supported by the Fire Services Department to stage an exercise for terminal workers in handling chemical leakage in stacking areas
- **1** emergency drill for oil spill
- **1** cybersecurity drill

Meanwhile, YANTIAN conducted **38** drills to test and improve employees' responses for various emergency scenarios, which included

- **11** fire drills for buildings and key locations in the port area
- **8** special equipment emergency drills
- **6** emergency drills for bad weather (e.g., typhoon, rainstorm)
- **4** emergency drills for dangerous goods in the port area
- **2** emergency drills for oil and gas stations
- **5** emergency drills for occupational health
- **1** power outage drill to ensure preparedness against potential risk
- **1** cybersecurity drill to enhance response to emerging cyber threats



## GOING FORWARD

It is essential for the long-term success of the Trust's business operations to ensure comprehensive safety and security risk management in both physical and digital domains. The Trust aims to maintaining zero fatalities and health and safety non-compliance incidents to reduce the overall injury rate among employees and external contractor workers. Additionally, the Trust will continually improve its safety and security strategies to align with industry best practices.



## SUSTAINABILITY REPORT

### MEMBERSHIPS AND ASSOCIATIONS

#### HIT

- British Chamber of Commerce in Hong Kong
- Business Environment Council
- Employers' Federation of Hong Kong
- Green Council
- Hong Kong Container Terminal Operators Association
- Hong Kong General Chamber of Commerce
- Hong Kong Logistics Association
- Hong Kong Maritime and Port Board
- Hong Kong Maritime Museum Trust

#### YANTIAN

- Association of Enterprises in Shenzhen Yantian Integrated Free Trade Zone
- China Ocean Shipping Magazine Council
- China Port Association
- Global Ocean Capital Promotion Council of Shenzhen
- Guangdong Cold Chain Association
- Guangdong Import Food Association
- Guangdong Port Association
- Guangdong Wood Industry Association
- Shenzhen Association of Enterprises with Foreign Investment
- Shenzhen Chamber of Commerce for Food Import and Export
- Shenzhen Customs Declaration Association
- Shenzhen Logistics Association
- Shenzhen Ports Association

## SUSTAINABILITY REPORT

PERFORMANCE METRICS<sup>1</sup>ENVIRONMENT – KEY PERFORMANCE INDICATORS<sup>2</sup>

	Unit	2024	2023	2022
<b>Energy consumption</b>				
<b>By type</b>				
Natural gas	m <sup>3</sup>	96,235	170,869	199,438
Liquefied natural gas	kg	3,345,054	2,668,880	2,548,642
Petrol	litre	222,860	277,877	380,727
Diesel	litre	33,037,447	31,068,872	38,895,444
Liquefied petroleum gas	kg	129,173	138,728	151,459
Purchased electricity <sup>2f</sup>	kWh	200,182,561	190,582,668	222,401,855
<b>By scope</b>				
Direct energy consumption	GJ	1,471,125	1,364,641	1,576,438
Indirect energy consumption	GJ	720,657	686,098	800,647
<b>Total energy consumption</b>	<b>GJ</b>	<b>2,191,782</b>	<b>2,050,739</b>	<b>2,377,085</b>
<b>Energy consumption intensity<sup>2g</sup></b>	<b>GJ/TEU</b>	<b>0.113</b>	<b>0.113</b>	<b>0.123</b>
<b>GHG emissions</b>				
Direct GHG emissions (Scope 1) <sup>2c</sup>	tonnes CO <sub>2</sub> e	105,178	95,553	113,994
Indirect GHG emissions (Scope 2) (market-based) <sup>2d</sup>	tonnes CO <sub>2</sub> e	98,202	97,124	113,774
Indirect GHG emissions (Scope 2) (location-based) <sup>2d</sup>	tonnes CO <sub>2</sub> e	121,328	116,625	New disclosure in 2023
<b>Total Scope 1+2 GHG emissions (market-based)</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>203,380</b>	<b>192,677</b>	<b>227,768</b>
Direct GHG emissions (Scope 1)(%) <sup>2c</sup>	%	51.7	49.6	50.0
Indirect GHG emissions (Scope 2)(%) (market-based) <sup>2d</sup>	%	48.3	50.4	50.0
<b>Total Scope 1 + 2 GHG emissions (location-based)</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>226,507</b>	<b>212,178</b>	<b>New disclosure in 2023</b>
Direct GHG emissions (Scope 1) (%) <sup>2c</sup>	%	46.4	45.0	New disclosure in 2023
Indirect GHG emissions (Scope 2) (location-based) (%) <sup>2d</sup>	%	53.6	55.0	New disclosure in 2023
<b>Total Scope 1 + 2 GHG emissions (market-based) intensity<sup>2g</sup></b>	<b>kg CO<sub>2</sub>e/TEU</b>	<b>10.493</b>	<b>10.605</b>	<b>11.790</b>
<b>Total Scope 1 + 2 GHG emissions (location-based) intensity<sup>2g</sup></b>	<b>kg CO<sub>2</sub>e/TEU</b>	<b>11.686</b>	<b>11.678</b>	<b>New disclosure in 2023</b>
Other Indirect GHG emissions (Scope 3) <sup>2e</sup>	tonnes CO <sub>2</sub> e	234,596	228,541	New disclosure in 2023
<b>Ozone-depleting substances (ODS)</b>				
Production of ODS	kg CFC-11e	0.040	0.036	New disclosure in 2023
<b>Air emissions</b>				
NO <sub>x</sub> emissions	tonnes	266.3	247.7	New disclosure in 2023
SO <sub>x</sub> emissions	tonnes	0.4	0.4	New disclosure in 2023
Particulate matter emissions	tonnes	16.0	15.0	

# SUSTAINABILITY REPORT

	Unit	2024	2023	2022
<b>Water withdrawal</b>				
Total	'000 litre	708,763	679,859	766,514
<b>Waste generation<sup>2h</sup></b>				
<b>Solid chemical waste</b>				
Rags contaminated with waste oil [D]	tonnes	75.9	138.5	210.4
Waste wire rope [R]	tonnes	1,514.3	1,285.2	1,531.8
Scrap metal [R]	tonnes	767.6	827.8	580.1
Waste oil drums, paint buckets [R]	tonnes	3.7	0.0	4.6
<b>Other chemical waste</b>				
Waste lead acid battery*	tonnes	2.2	6.0	4.0
Waste oil [R]	tonnes	128.5	102.8	132.9
Waste oil sludge [D]	tonnes	38.1	24.0	0.0
Light bulbs/fluorescent lights [D]	tonnes	1.2	0.2	0.2
Spent non-halogen solvent*	tonnes	7.8	8.3	9.6
Waste oil filter/oil pipe [D]	tonnes	48.2	34.1	49.5
Laboratory waste chemical [D]	tonnes	0.0	0.2	New disclosure in 2023
<b>Other waste</b>				
Office paper usage*	tonnes	22.4	22.4	27.0
Tyres [R]	tonnes	427.8	473.3	355.4
Waste wood [D]	tonnes	212.2	208.2	New disclosure in 2023
Waste plastics [R]	tonnes	13.1	11.8	
Waste air filter element [R]	tonnes	2.4		New disclosure in 2024
<b>Waste generated</b>	<b>tonnes</b>	<b>3,265.4</b>	<b>3,142.7</b>	<b>2,905.6</b>
<b>Waste diverted (recycled)*</b>	<b>tonnes</b>	<b>2,857.3</b>	<b>2,701.0</b>	<b>2,604.9</b>
<b>Waste directed to disposal*</b>	<b>tonnes</b>	<b>375.6</b>	<b>405.2</b>	<b>260.1</b>

## OUR PEOPLE – KEY PERFORMANCE INDICATORS<sup>3</sup>

	2024		2023		2022	
	No. of employees	% of total employees	No. of employees	% of total employees	No. of employees	% of total employees
<b>Employee profile</b>						
<b>By employment type</b>						
Permanent	3,151	99.0%	3,241	98.5%	3,312	97.9%
Temporary	33	1.0%	50	1.5%	72	2.1%
Non-guaranteed	0	0.0%	0	0.0%	0	0.0%
<b>By employment mode</b>						
Full-time	3,169	99.5%	3,280	99.7%	3,357	99.2%
Part-time	15	0.5%	11	0.3%	27	0.8%
<b>By gender</b>						
Male	2,845	89.4%	2,925	88.9%	3,007	88.9%
Female	339	10.6%	366	11.1%	377	11.1%



## SUSTAINABILITY REPORT

	2024		2023		2022	
	No. of employees	% of total employees	No. of employees	% of total employees	No. of employees	% of total employees
<b>By age</b>						
Below 30	271	8.5%	283	8.6%	296	8.7%
30-50	1,883	59.1%	2,015	61.2%	2,129	62.9%
Above 50	1,030	32.4%	993	30.2%	959	28.4%
<b>By employee category</b>						
Senior management	32	1.0%	32	1.0%	32	0.9%
Middle management	169	5.3%	182	5.5%	188	5.6%
Functional areas <sup>3c</sup>	2,983	93.7%	3,077	93.5%	3,164	93.5%
<b>By region</b>						
HIT	1,028	32.3%	1,136	34.5%	1,234	36.5%
YANTIAN	2,156	67.7%	2,155	65.5%	2,150	63.5%
<b>Total employees</b>	<b>3,184</b>	<b>100%</b>	<b>3,291</b>	<b>100%</b>	<b>3,384</b>	<b>100%</b>
<b>Board diversity<sup>3b</sup></b>						
<b>By gender</b>						
Male	5	55.6%	6	66.7%	6	66.7%
Female	4	44.4%	3	33.3%	3	33.3%
<b>By age</b>						
Below 30	0	0.0%	0	0.0%	0	0.0%
30-50	0	0.0%	0	0.0%	0	0.0%
Above 50	9	100%	9	100%	9	100%
<b>Total</b>	<b>9</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>9</b>	<b>100%</b>
<b>Management diversity</b>						
<b>By gender</b>						
Male	159	79.1%	166	77.6%	171	77.7%
Female	42	20.9%	48	22.4%	49	22.3%
<b>By age</b>						
Below 30	0	0.0%	1	0.5%	3	1.4%
30-50	94	46.8%	106	49.5%	129	58.6%
Above 50	107	53.2%	107	50.0%	88	40.0%
<b>Total</b>	<b>201</b>	<b>100%</b>	<b>214</b>	<b>100%</b>	<b>220</b>	<b>100%</b>
<b>Functional areas diversity<sup>3c</sup></b>						
<b>By gender</b>						
Male	2,686	90.0%	2,759	89.7%	2,836	89.6%
Female	297	10.0%	318	10.3%	328	10.4%
<b>By age</b>						
Below 30	271	9.1%	282	9.2%	293	9.3%
30-50	1,789	60.0%	1,909	62.0%	2,000	63.2%
Above 50	923	30.9%	886	28.8%	871	27.5%
<b>Total</b>	<b>2,983</b>	<b>100%</b>	<b>3,077</b>	<b>100%</b>	<b>3,164</b>	<b>100%</b>

# SUSTAINABILITY REPORT

	2024	2023	2022
	No.	No.	No.
<b>External contractor workers<sup>3e</sup></b>			
Total	7,979	7,653	7,905

	No. of employees	Hiring rate	No. of employees	Hiring rate	No. of employees	Hiring rate
<b>New hires<sup>3d</sup></b>						
<b>By gender</b>						
Male	135	4.7%	102	3.5%	233	7.7%
Female	13	3.8%	24	6.6%	51	13.5%
<b>By age</b>						
Below 30	99	36.6%	83	29.3%	181	61.2%
30-50	37	2.0%	35	1.7%	82	3.9%
Above 50	12	1.2%	8	0.8%	21	2.2%
<b>By region</b>						
HIT	30	2.9%	44	3.9%	141	11.4%
YANTIAN	118	5.5%	82	3.8%	143	6.7%
<b>Total</b>	<b>148</b>	<b>4.6%</b>	<b>126</b>	<b>3.8%</b>	<b>284</b>	<b>8.4%</b>

	No. of employees	Turnover rate	No. of employees	Turnover rate	No. of employees	Turnover rate
<b>Turnover<sup>3d</sup></b>						
<b>By gender</b>						
Male	163	5.7%	205	7.0%	205	6.8%
Female	37	10.9%	31	8.5%	55	14.6%
<b>By age</b>						
Below 30	26	9.6%	53	18.7%	82	27.7%
30-50	57	3.0%	65	3.2%	75	3.5%
Above 50	117	11.4%	118	11.9%	103	10.7%
<b>By region</b>						
HIT	140	13.6%	152	13.4%	175	14.2%
YANTIAN	60	2.8%	84	3.9%	85	4.0%
<b>Total</b>	<b>200</b>	<b>6.3%</b>	<b>236</b>	<b>7.2%</b>	<b>260</b>	<b>7.7%</b>

## SUSTAINABILITY REPORT

		2024	2023	2022
<b>Parental leave</b>				
<b>Employees entitled to parental leave by gender</b>				
Male	No. of employees	2,845	2,925	New disclosure in 2023
Female	No. of employees	339	366	
<b>Employees that took parental leave by gender</b>				
Male	No. of employees	44	30	New disclosure in 2023
Female	No. of employees	5	2	
<b>Employees that returned to work by gender</b>				
Male	No. of employees	42	30	New disclosure in 2023
Female	No. of employees	4	1	
<b>Employees that returned to work and remained in service by gender</b>				
Male	No. of employees	29	39	New disclosure in 2023
Female	No. of employees	3	5	
<b>Return to work rate by gender</b>				
Male	%	100%	100%	New disclosure in 2023
Female	%	100%	100%	
<b>Retention rate by gender</b>				
Male	%	93.5%	86.7%	New disclosure in 2023
Female	%	100.0%	83.3%	
<b>Training</b>				
<b>By gender</b>				
Male	Average training hours	21.1	19.2	16.4
Female	Average training hours	22.1	19.8	10.0
<b>By employee category</b>				
Senior management	Average training hours	23.2	25.0	34.0
Middle management	Average training hours	20.8	28.8	25.3
Functional areas <sup>3c</sup>	Average training hours	21.2	18.6	15.0
<b>Total average training hours</b>		<b>21.2</b>	<b>19.2</b>	<b>15.7</b>
<b>Total training hours</b>				
	No. of hours	<b>67,587</b>	<b>63,276</b>	<b>53,210</b>
<b>Performance reviews</b>				
% of employees received performance review	% of total employees	100%	100%	100%



# SUSTAINABILITY REPORT

## ADDITIONAL GRI-RELATED INFORMATION ON EMPLOYEE PROFILE BY REGION IN 2024

	HIT		YANTIAN		Total	
	No. of employees	% of total employees	No. of employees	% of total employees	No. of employees	% of total employees
<b>By employment type</b>						
Permanent	999	97.2%	2,152	99.8%	3,151	99.0%
Temporary	29	2.8%	4	0.2%	33	1.0%
Non-guaranteed	0	0.0%	0	0.0%	0	0.0%
<b>By employment mode</b>						
Full time	1,013	98.6%	2,156	100%	3,169	99.5%
Part time	15	1.4%	0	0.0%	15	0.5%
<b>By gender</b>						
Male	900	87.6%	1,945	90.2%	2,845	89.4%
Female	128	12.4%	211	9.8%	339	10.6%
<b>By age</b>						
Below 30	67	6.5%	204	9.5%	271	8.5%
30-50	387	37.7%	1,496	69.4%	1,883	59.1%
Above 50	574	55.8%	456	21.1%	1,030	32.4%
<b>By employee category</b>						
Senior management	10	1.0%	22	1.0%	32	1.0%
Middle management	94	9.1%	75	3.5%	169	5.3%
Functional areas <sup>3c</sup>	924	89.9%	2,059	95.5%	2,983	93.7%
<b>Total employees</b>	<b>1,028</b>	<b>32.3%</b>	<b>2,156</b>	<b>67.7%</b>	<b>3,184</b>	<b>100%</b>

## SUSTAINABILITY REPORT

SAFETY AND SECURITY – KEY PERFORMANCE INDICATORS<sup>4</sup>

	2024		2023		2022	
	No. of cases	Fatality/ injury rate (per 1 million working hours)	No. of cases	Fatality/ injury rate (per 1 million working hours)	No. of cases	Fatality/ injury rate (per 1 million working hours)
<b>Work-related injuries<sup>4d</sup></b>						
<b>Fatalities as a result of work-related injury</b>						
Employees	0	0.00	0	0.00	0	0.00
External contractor workers	0	0.00	1	0.06	0	0.00
<b>Total</b>	<b>0</b>	<b>0.00</b>	<b>1</b>	<b>0.04</b>	<b>0</b>	<b>0.00</b>
<b>High-consequence work-related injuries<sup>4a</sup></b>						
Employees	1	0.15	2	0.28	0	0.00
External contractor workers	8	0.49	5	0.32	2	0.12
<b>Total</b>	<b>9</b>	<b>0.39</b>	<b>7</b>	<b>0.31</b>	<b>2</b>	<b>0.08</b>
<b>Recordable work-related injuries<sup>4b</sup></b>						
Employees	6	0.88	15	2.10	14	1.98
External contractor workers	34	2.07	34	2.16	32	1.91
<b>Total</b>	<b>40</b>	<b>1.72</b>	<b>49</b>	<b>2.14</b>	<b>46</b>	<b>1.93</b>
<b>Work-related ill health</b>						
<b>Fatalities as a result of work-related ill health</b>						
Employees	0	0.00	0	0.00		
External contractor workers	0	0.00	0	0.00		New disclosure in 2023
<b>Total</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>		
<b>Recordable work-related ill health<sup>4c</sup></b>						
Employees	0	0.00	0	0.00		
External contractor workers	0	0.00	0	0.00		New disclosure in 2023
<b>Total</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>		
<b>Number of hours worked<sup>4d</sup></b>						
Employees	6,784,598		7,145,057		7,086,056	
External contractor workers	16,413,615		15,749,214		16,719,061	
<b>Total</b>	<b>23,198,213</b>		<b>22,894,271</b>		<b>23,805,117</b>	
<b>Emergency drills conducted</b>						
<b>Total</b>	<b>99</b>		<b>106</b>		<b>103</b>	

# SUSTAINABILITY REPORT

## RESPONSIBLE BUSINESS – KEY PERFORMANCE INDICATORS

	2024		2023		2022	
	No. of employees	% of employee category	No. of employees	% of employee category	No. of employees	% of employee category
<b>AFAB-related communications to employees</b>						
<b>By employee category</b>						
Senior management	32	100.0%	32	100.0%	32	100.0%
Middle management	169	100.0%	182	100.0%	188	100.0%
Functional areas	2,983	100.0%	3,076	100.0%	3,164	100.0%
<b>By region</b>						
HIT	1,028		1,135		1,234	
YANTIAN	2,156		2,155		2,150	
<b>AFAB-related training to employees</b>						
<b>By employee category</b>						
Senior management	32	100.0%	32	100.0%	32	100.0%
Middle management	169	100.0%	182	100.0%	188	100.0%
Functional areas	2,982	100.0%	3,076	100.0%	3,164	100.0%
<b>By region</b>						
HIT	1,027		1,135		1,234	
YANTIAN	2,156		2,155		2,150	
<b>Community contributions</b>						
	<b>Unit</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>		
Monetary donations	HK\$m	0.2	0.4	5.3		
In-kind contributions	HK\$m	0.1	0.1	0.0		
<b>Total contributions</b>	<b>HK\$m</b>	<b>0.3</b>	<b>0.5</b>	<b>5.3</b>		
<b>New supplier screening</b>						
New suppliers screened for environmental and social issues	%	100.0%	100.0%	100.0%		



# SUSTAINABILITY REPORT

## Notes:

1. Figures shown include HIT and YANTIAN as per the reporting scope.
2. For Environment Key Performance Indicators:
  - a. kg = kilogram, kWh = kilowatt hour, GJ = gigajoule, CO<sub>2</sub>e = carbon dioxide equivalent
  - b. The following standards and sources of emissions factors were adopted:
    - i. Scope 1 emissions: UK Government GHG Conversion Factors for Company Reporting and USEPA's Emission Factors for Greenhouse Gas Inventories
    - ii. Scope 2 emissions: (market-based) CLP Sustainability Report, MEE of PRC's Notice on the Announcement of Power Carbon Dioxide Emission Factor for 2022 and HKEPD's Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong (2010 Edition); (location-based) IEA's Energy Statistics Manual
    - iii. Scope 3 emissions: GHG Protocol standards and guidelines
    - iv. NO<sub>x</sub>, SO<sub>x</sub> and particulate matter emissions: National Atmospheric Emissions Inventory's Emission Factors
  - c. Scope 1 emissions are direct GHG emissions from sources controlled by HPH Trust, including natural gas, liquefied natural gas, petrol, diesel and liquified petroleum gas used on-site. HPH Trust's GHG emissions inventory includes CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O and HFCs
  - d. Scope 2 emissions are indirect GHG emissions generated from electricity purchased by HPH Trust. HPH Trust's Scope 2 GHG emissions are majority as a result of electricity use, and as such the Trust refers to its electricity providers for the GHG inventory coverage
  - e. Scope 3 emissions are indirect GHG emissions that occur upstream and downstream from HPH Trust. The estimated Scope 3 emissions covered eight Scope 3 categories relevant to port terminals under operational control of the Trust, including purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting and investments
  - f. Due to guidance from local government authorities, shore power used by berthed vessels is not considered as HPH Trust's Scope 2 emissions
  - g. The HIT throughput used in generating the per TEU metrics represented total handling throughput at HIT terminals instead of the allocated throughput from HKSPA presented in the rest of the Annual Report
  - h. All waste materials are handled by licensed contractors and properly treated offsite: Materials are marked [D] = Disposed; [R] = Recycled. (Note for \*: Certain waste categories are handled by licensed contractors and are required where appropriate, but total diversion from landfill is currently not possible. Due to data collection difficulties, HPH Trust is not able to provide a detailed breakdown of the generated totals by the recycled or disposed categories).
3. For Our People Key Performance Indicators:
  - a. Figures under all tables (except Board diversity) do not include the Board of Directors of the Trustee-Manager of HPH Trust
  - b. Figures under Board diversity relate to the Board of Directors of the Trustee-Manager of HPH Trust
  - c. Functional areas include administration, technical and production
  - d. The percentage presented under New hires and Turnover represent the number of new hires/employee turnover in each category divided by the total employees in the respective categories
  - e. The reporting methodology for total headcount of external contractor workers was updated in 2024 for more accurate reporting. The 2022 and 2023 figures have been restated to align with the updated approach.
4. For Safety and Security Key Performance Indicators:
  - a. High-consequence work-related injury represents work-related injury arising out of or in the course of work that results in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months. This excludes fatalities
  - b. Recordable work-related injury represents work-related injury arising out of or in the course of work that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness
  - c. Recordable work-related ill health represents notified case by either employee or external contractor worker, which is due to exposure to, whilst working for HPH Trust, inherent health risks including dust, chemical substances, radioactive materials, and physical or biological agents. Management carried out risk assessment regularly to identify any inherent health risks, and formulated the necessary preventive measures to protect the health and well-being of the employees and external contractor workers
  - d. The reporting methodology for total working hours of external contractor workers was updated in 2024 for more accurate reporting. The 2022 and 2023 figures, including total working hours, fatality rate and injury rate of external contractor workers, have been restated to align with the updated approach.

# SUSTAINABILITY REPORT

## GRI INDEX

### GENERAL DISCLOSURES

GRI Topic Disclosure	Description	Page, reference or additional comment
<b>GRI 2: General Disclosures 2021</b>		
<b>The organisation and its reporting practices</b>		
2-1	Organisational details	Page 2 to 7
2-2	Entities included in the organisation's sustainability reporting	Page 40 ( <i>Reporting Scope</i> ) HIT and YANTIAN are included in HPH Trust's sustainability reporting.
2-3	Reporting period, frequency and contact point	Page 40 ( <i>About This Report &amp; Contact Us</i> ) HPH Trust published its 2024 annual report in April 2025.
2-4	Restatements of information	Please refer to Page 92 and 95 for the restatement of data figures related to external contractor workers.
2-5	External assurance	No external assurance was sought for this sustainability report.
<b>Activities and workers</b>		
2-6	Activities, value chain and other business relationships	Page 2 to 7, 45, 56 to 57 ( <i>Stakeholder Engagement Channels &amp; Supply Chain Management</i> )
2-7	Employees	Page 90 to 94 ( <i>Our People – Key Performance Indicators</i> ) In 2024, there were no significant fluctuations in the number of employees compared with the previous year. Similarly, the number of employees remains consistent throughout the year.
2-8	Workers who are not employees	Page 56 to 57, 90 to 94 ( <i>Supply Chain Management &amp; Our People – Key Performance Indicators</i> )
<b>Governance</b>		
2-9	Governance structure and composition	Page 30 to 34, 41 to 43, 90 to 94 ( <i>Board of Directors &amp; Sustainability Governance &amp; Our People – Key Performance Indicators</i> )
2-10	Nomination and selection of the highest governance body	Page 115 to 116 ( <i>Corporate Governance Report – Board Membership section</i> )
2-11	Chair of the highest governance body	Page 30 ( <i>Board of Directors</i> )
2-12	Role of the highest governance body in overseeing the management of impacts	Page 41 to 43 ( <i>Sustainability Governance</i> )
2-13	Delegation of responsibility for managing impacts	Page 41 to 43 ( <i>Sustainability Governance</i> )
2-14	Role of the highest governance body in sustainability reporting	Page 41 to 43 ( <i>Sustainability Governance</i> )
2-15	Conflicts of interest	Page 130 to 133 ( <i>Corporate Governance Report</i> )
2-16	Communication of critical concerns	Page 48 to 49, 96 ( <i>Business Ethics and Compliance &amp; Responsible Business – Key Performance Indicators</i> ) In 2024, there were no critical concerns reported through HPH Trust's Whistleblowing mechanism.
2-17	Collective knowledge of the highest governance body	Page 80, 96 ( <i>Sustainability Training at HPH Trust &amp; Responsible Business – Key Performance Indicators</i> )
2-18	Evaluation of the performance of the highest governance body	Page 115 to 117 ( <i>Corporate Governance Report</i> ) Management of HPH Trust's sustainability-related impacts is included as performance criteria in the Board evaluation questionnaires.
2-19	Remuneration policies	Page 117 to 120 ( <i>Corporate Governance Report</i> ) Link to HPH Trust's Remuneration Committee – Terms of Reference: <a href="https://www.hphtrust.com/corporate_governance.html">https://www.hphtrust.com/corporate_governance.html</a>

# SUSTAINABILITY REPORT

GRI Topic Disclosure	Description	Page, reference or additional comment
2-20	Process to determine remuneration	Page 117 to 120 ( <i>Corporate Governance Report</i> ) Link to HPH Trust's Remuneration Committee – Terms of Reference: <a href="https://www.hphtrust.com/corporate_governance.html">https://www.hphtrust.com/corporate_governance.html</a>
2-21	Annual total compensation ratio	Due to confidentiality constraints, HPH Trust is unable to disclose information regarding annual total compensation ratios.
<b>Strategy, policies and practices</b>		
2-22	Statement on sustainable development strategy	Page 41 ( <i>Board Statement</i> )
2-23	Policy commitments	Page 43, 48 to 49, 56 to 57, 58, 77, 80 to 83 ( <i>Sustainability Governance set of policies &amp; Business Ethics and Compliance &amp; Supply Chain Management &amp; Environment &amp; Our People &amp; People Engagement and Wellbeing &amp; Diversity and Inclusion &amp; Employment Practices and Labour Rights &amp; IT System and Data Security &amp; Occupational Health and Safety</i> ) Link to HPH Trust's Sustainability Policies: <a href="https://www.hphtrust.com/sustainability_policies.html">https://www.hphtrust.com/sustainability_policies.html</a> Link to HPH Trust's Corporate Governance Policies: <a href="https://www.hphtrust.com/corporate_governance.html">https://www.hphtrust.com/corporate_governance.html</a>
2-24	Embedding policy commitments	Page 43, 48 to 49, 56 to 57, 58, 77, 80 to 83 ( <i>Sustainability Governance set of policies &amp; Business Ethics and Compliance &amp; Supply Chain Management &amp; Environment &amp; Our People &amp; People Engagement and Wellbeing &amp; IT System and Data Security &amp; Occupational Health and Safety</i> ) While the Board has ultimate accountability for the management and implementation of policy commitments, HPH Trust emphasises that everyone has a duty to contribute to its sustainability performance. Heads of business units and departments are responsible to ensure that all day-to-day actions are consistent with HPH Trust's policies, while function employees are accountable to uphold HPH Trust's commitments.
2-25	Processes to remediate negative impacts	Page 48 to 49
2-26	Mechanisms for seeking advice and raising concerns	Page 48 to 49 ( <i>Business Ethics and Compliance</i> ) For details regarding the HPH Trust Whistleblowing Policy, please refer to <a href="https://www.hphtrust.com/corporate_governance.html">https://www.hphtrust.com/corporate_governance.html</a>
2-27	Compliance with laws and regulations	Page 48 to 49 ( <i>Business Ethics and Compliance</i> ) In 2024, there were no cases of non-compliance with laws or regulations in the environmental, social and economic areas.
2-28	Membership associations	Page 88 ( <i>Memberships and Associations</i> )
<b>Stakeholder engagement</b>		
2-29	Approach to stakeholder engagement	Page 45 ( <i>Stakeholder Engagement</i> )
2-30	Collective bargaining agreements	Page 81 ( <i>Employment Practices and Labour Rights</i> ) Approximately 68% of total employees (100% of local staff at YANTIAN) are covered by collective negotiation. Collective bargaining agreements are not applicable to HIT as there is no collective negotiation process with staff or union representatives.
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	Page 45 to 47 ( <i>Stakeholder Engagement Channels and Materiality Assessment</i> )
3-2	List of material topics	Page 46 to 47 ( <i>Materiality Assessment</i> )

# SUSTAINABILITY REPORT

## SPECIFIC DISCLOSURES

GRI Topic Disclosure	Description	Page, reference or additional comment
<b>GRI 201: Economic Performance 2016</b>		
3-3	Management of material topics	Page 45, 58 to 67 ( <i>Stakeholder Engagement Channels &amp; Environment &amp; Climate Change</i> )
201-2	Financial Implications and other risks and opportunities due to climate change	Page 60 to 67 ( <i>Climate Change</i> )
<b>GRI 205: Anti-corruption 2016</b>		
3-3	Management of material topics	Page 45, 48 to 49 ( <i>Stakeholder Engagement Channels &amp; Responsible Business &amp; Business Ethics and Compliance</i> )
205-1	Operations assessed for risks related to corruption	Page 48 to 49 ( <i>Business Ethics and Compliance</i> )
205-2	Communication and training about anti-corruption policies and procedures	Page 48 to 49, 96 ( <i>Business Ethics and Compliance &amp; Responsible Business - Key Performance Indicators</i> )
205-3	Confirmed incidents of corruption and actions taken	Page 48 to 49 ( <i>Business Ethics and Compliance</i> ) In 2024, there were no reported cases of fraud or bribery.
<b>GRI 302: Energy 2016</b>		
3-3	Management of material topics	Page 45, 58 to 59, 67 to 70 ( <i>Stakeholder Engagement Channels &amp; Environment &amp; Energy and Emissions</i> )
302-1	Energy consumption within the organisation	Direct GHG emissions from sources controlled by HPH Trust, include fuels such as natural gas, liquefied natural gas, petrol, diesel and liquefied petroleum gas used on-site.
302-2	Energy consumption outside of the organisation	
302-3	Energy intensity	Page 67 to 70, 89 to 90 ( <i>Energy and Emissions &amp; Environment - Key Performance Indicators</i> )
302-4	Reduction of energy consumption	Page 67 to 70 ( <i>Energy and Emissions</i> )
302-5	Reductions in energy requirements of products and services	Page 67 to 70 ( <i>Energy and Emissions</i> )
<b>GRI 303: Water and Effluents 2018</b>		
3-3	Management of material topics	Page 45, 58 to 59, 71 to 72 ( <i>Stakeholder Engagement Channels &amp; Environment &amp; Water and Waste Management</i> )
303-1	Interactions with water as a shared resource	Page 71 to 72 ( <i>Water and Waste Management</i> ) HIT and YANTIAN do not operate in areas of high water stress.
303-2	Management of water discharge-related impacts	Page 71 to 72 ( <i>Water and Waste Management</i> )
303-3	Water withdrawal	Page 89 to 90 ( <i>Environment - Key Performance Indicators</i> )
303-4	Water discharge	Total water discharge is not available due to data collection constraints, hence total water consumption is also not available.
303-5	Water consumption	
<b>GRI 304: Biodiversity 2016</b>		
3-3	Management of material topics	Page 45, 58 to 59, 73 to 76 ( <i>Stakeholder Engagement Channels &amp; Environment &amp; Biodiversity</i> )
304-2	Significant impacts of activities, products and services on biodiversity	Page 73 to 76 ( <i>Biodiversity</i> )
<b>GRI 305: Emissions 2016</b>		
3-3	Management of material topics	Page 45, 58 to 59, 67 to 70 ( <i>Stakeholder Engagement Channels &amp; Environment &amp; Energy and Emissions</i> )
305-1	Direct (Scope 1) GHG emissions	Page 67 to 70, 89 to 90 ( <i>Energy and Emissions &amp; Environment - Key Performance Indicators</i> )
305-2	Energy indirect (Scope 2) GHG emissions	Emissions are consolidated based on operational control.



## SUSTAINABILITY REPORT

GRI Topic Disclosure	Description	Page, reference or additional comment
305-3	Other indirect (Scope 3) GHG emissions	Page 67 to 70, 89 to 90 ( <i>Energy and Emissions &amp; Environment – Key Performance Indicators</i> ) Emissions calculation covering eight scope 3 categories (purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting and investments) and consolidated based on operational control.
305-4	GHG emissions intensity	Page 67 to 70, 89 to 90 ( <i>Energy and Emissions &amp; Environment – Key Performance Indicators</i> ) Emissions are consolidated based on operational control.
305-5	Reduction of GHG emissions	Page 67 to 70 ( <i>Energy and Emissions</i> )
305-6	Emissions of ozone-depleting substances (ODS)	Page 89 to 90 ( <i>Environment – Key Performance Indicators</i> )
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ), and other significant air emissions	Page 89 to 90 ( <i>Environment – Key Performance Indicators</i> )
<b>GRI 306: Waste 2020</b>		
3-3	Management of material topics	Page 45, 58 to 59, 71 to 72 ( <i>Stakeholder Engagement Channels &amp; Environment &amp; Water and Waste Management</i> )
306-1	Waste generation and significant waste-related impacts	Page 71 to 72 ( <i>Water and Waste Management</i> )
306-2	Management of significant waste-related impacts	Page 56 to 57, 71 to 72 ( <i>Supply Chain Management &amp; Water and Waste Management</i> )
306-3	Waste generated	Page 56 to 57, 71 to 72, 89 to 90 ( <i>Supply Chain Management &amp; Water and Waste Management &amp; Environment – Key Performance Indicators</i> )
306-4	Waste diverted from disposal	
306-5	Waste directed to disposal	
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
3-3	Management of material topics	Page 45, 56 to 57 ( <i>Stakeholder Engagement Channels &amp; Supply Chain Management</i> )
308-1	New suppliers that were screened using environmental criteria	Page 56 to 57, 96 ( <i>Supply Chain Management &amp; Responsible Business – Key Performance Indicators</i> )
308-2	Negative environmental impacts in the supply chain and actions taken	Page 56 to 57 ( <i>Supply Chain Management</i> ) HPH Trust did not identify any new or existing suppliers with significant environmental risks in 2024.
<b>GRI 401: Employment 2016</b>		
3-3	Management of material topics	Page 45, 77, 81 ( <i>Stakeholder Engagement Channels &amp; Our People &amp; Employment Practices and Labour Rights</i> )
401-1	New employee hires and employee turnover	Page 90 to 94 ( <i>Our People – Key Performance Indicators</i> ) Page 77 to 78, 81 ( <i>People Engagement and Wellbeing &amp; Employment Practices and Labour Rights</i> )
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employment benefits standard to YANTIAN full-time employees but are not provided to temporary or part-time employees include life insurance, medical benefits, disability coverage, parental leave, or retirement provisions. Employment benefits standard to HIT full-time employees but are not provided to temporary or part-time employees include life insurance, medical benefits, or supplemental leave such as paid parental, marriage, or compassionate leave.
401-3	Parental leave	Page 90 to 94 ( <i>Our People – Key Performance Indicators</i> )

# SUSTAINABILITY REPORT

GRI Topic Disclosure	Description	Page, reference or additional comment
<b>GRI 403: Occupational Health and Safety 2018</b>		
3-3	Management of material topics	Page 45, 82 to 87 ( <i>Stakeholder Engagement Channels &amp; Safety and Security &amp; Occupational Health and Safety</i> )
403-1	Occupational health and safety management system	Page 83 to 87 ( <i>Occupational Health and Safety</i> )
403-2	Hazard identification, risk assessment, and incident investigation	Page 82 to 87 ( <i>Safety and Security &amp; Occupational Health and Safety</i> )
403-3	Occupational health services	Page 83 to 87 ( <i>Occupational Health and Safety</i> )
403-4	Worker participation, consultation, and communication on occupational health and safety	Page 82 to 87 ( <i>Safety and Security &amp; Occupational Health and Safety</i> )
403-5	Worker training on occupational health and safety	Page 83 to 87 ( <i>Occupational Health and Safety</i> )
403-6	Promotion of worker health	Page 77 to 78, 83 to 87 ( <i>People Engagement and Wellbeing &amp; Occupational Health and Safety</i> )
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 83 to 87 ( <i>Occupational Health and Safety</i> )
403-8	Workers covered by an occupational health and safety management system	Page 83 to 87 ( <i>Occupational Health and Safety</i> )
403-9	Work-related injuries	Page 82 to 87, 95 ( <i>Safety and Security &amp; Occupational Health and Safety &amp; Safety and Security – Key Performance Indicators</i> )
403-10	Work-related ill health	Page 82 to 87, 95 ( <i>Safety and Security &amp; Occupational Health and Safety &amp; Safety and Security – Key Performance Indicators</i> )
<b>GRI 404: Training and Education 2016</b>		
3-3	Management of material topics	Page 45, 77 to 80 ( <i>Stakeholder Engagement Channels &amp; Our People &amp; Knowledge Empowerment &amp; Sustainability Training at HPH Trust</i> )
404-1	Average hours of training per year per employee	Page 90 to 94 ( <i>Our People – Key Performance Indicators</i> ) Page 78 to 80 ( <i>Knowledge Empowerment</i> )
404-2	Programmes for upgrading employee skills and transition assistance programmes	HPH Trust provides training to develop the skills and knowledge of its employees which are industry specific and improve the carrying out of their duties. At this time, the Trust does not provide any training specific to transition or pre-retirement assistance.
404-3	Percentage of employees receiving regular performance and career development reviews	Page 78 to 80, 90 to 94 ( <i>Knowledge Empowerment &amp; Our People – Key Performance Indicators</i> )
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
3-3	Management of material topics	Page 45, 77, 80 to 81 ( <i>Stakeholder Engagement Channels &amp; Our People &amp; Diversity and Inclusion &amp; Employment Practices and Labour Rights</i> )
405-1	Diversity of governance bodies and employees	Page 90 to 94 ( <i>Our People – Key Performance Indicators</i> )
<b>GRI 406: Non-Discrimination 2016</b>		
3-3	Management of material topics	Page 45, 77, 80 to 81 ( <i>Stakeholder Engagement Channels &amp; Our People &amp; Diversity and Inclusion</i> ) Page 77, 80 to 81 ( <i>Our People &amp; Diversity and Inclusion</i> )
406-1	Incidents of discrimination and corrective actions taken	There were no reported cases of non-compliance with laws and regulations relating to workplace discrimination in 2024.
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>		
3-3	Management of material topics	Page 45, 56 to 57, 77, 81 ( <i>Stakeholder Engagement Channels &amp; Supply Chain Management &amp; Our People &amp; Employment Practices and Labour Rights</i> )
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 56 to 57, 81 ( <i>Supply Chain Management &amp; Employment Practices and Labour Rights</i> ) HPH Trust did not identify any new or existing operations and suppliers with significant social risks in 2024.

# SUSTAINABILITY REPORT

GRI Topic Disclosure	Description	Page, reference or additional comment
<b>GRI 408: Child Labour 2016</b>		
3-3	Management of material topics	Page 45, 56 to 57, 77, 81 ( <i>Stakeholder Engagement Channels &amp; Supply Chain Management &amp; Our People &amp; Employment Practices and Labour Rights</i> )
408-1	Operations and suppliers at significant risk for incidents of child labour	Page 56 to 57, 77, 81 ( <i>Supply Chain Management &amp; Our People &amp; Employment Practices and Labour Rights</i> ) HPH Trust did not identify any new or existing operations and suppliers with significant social risks in 2024.
<b>GRI 409: Forced or Compulsory Labour 2016</b>		
3-3	Management of material topics	Page 45, 56 to 57, 77, 81 ( <i>Stakeholder Engagement Channels &amp; Supply Chain Management &amp; Our People &amp; Employment Practices and Labour Rights</i> )
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Page 56 to 57, 77, 81 ( <i>Supply Chain Management &amp; Our People &amp; Employment Practices and Labour Rights</i> ) HPH Trust did not identify any new or existing operations and suppliers with significant social risks in 2024.
<b>GRI 413: Local Communities 2016</b>		
3-3	Management of material topics	Page 45, 48, 54 to 55 ( <i>Stakeholder Engagement Channels &amp; Responsible Business &amp; Community Engagement</i> )
413-1	Operations with local community engagement, impact assessments, and development programmes	Page 54 to 55, 96 ( <i>Community Engagement &amp; Responsible Business – Key Performance Indicators</i> ) 100% of HPH Trust's reporting scope of HIT and YANTIAN conducts community engagement initiatives.
413-2	Operations with significant actual and potential negative impacts on local communities	Page 54 to 55 ( <i>Community Engagement</i> ) HPH Trust did not identify any new or existing operations with significant social risks in 2024.
<b>GRI 414: Supplier Social Assessment 2016</b>		
3-3	Management of material topics	Page 45, 56 to 57 ( <i>Stakeholder Engagement Channels &amp; Supply Chain Management</i> )
414-1	New suppliers that were screened using social criteria	Page 56 to 57, 96 ( <i>Supply Chain Management &amp; Responsible Business – Key Performance Indicators</i> )
414-2	Negative social impacts in the supply chain and actions taken	Page 56 to 57 ( <i>Supply Chain Management</i> ) HPH Trust did not identify any new or existing suppliers with significant social risks in 2024.
<b>GRI 416: Customer Health and Safety 2016</b>		
3-3	Management of material topics	Page 45, 50 to 51, 82 to 87 ( <i>Stakeholder Engagement Channels &amp; Customer Service &amp; Safety and Security &amp; Occupational Health and Safety</i> )
416-1	Assessment of the health and safety impacts of product and service categories	Page 50 to 51, 83 to 87 ( <i>Customer Service &amp; Occupational Health and Safety</i> ) Due to the nature of HPH Trust's port business, all aspects of health and safety within its port premises are monitored and assessed for improvement as per HPH Trust's relevant policies and procedures.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Page 50 to 51, 83 to 87 ( <i>Customer Service &amp; Occupational Health and Safety</i> ) There were no reported incidents of non-compliance of HIT and YANTIAN concerning the health and safety impacts of products and services in 2024.
<b>GRI 418: Customer Privacy 2016</b>		
3-3	Management of material topics	Page 45, 82 ( <i>Stakeholder Engagement Channels &amp; Safety and Security &amp; IT Systems and Data Security</i> )
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 82 ( <i>IT Systems and Data Security</i> ) There were no reported cases of unauthorised data leakage or compromised IT infrastructure in 2024.

## INVESTOR RELATIONS

### FINANCIAL RESULTS AND CORPORATE LITERATURE

HPH Trust recognises the importance of releasing material information in a timely manner. The Investor Relations team ensures all announcements relating to financial performance and strategic corporate developments are promptly disseminated via multiple channels, including [hphtrust.com](http://hphtrust.com) and the SGX online portal, SGXNet.

HPH Trust published its 2023 annual report in April 2024. Besides posting it on SGXNet and our corporate website, [hphtrust.com](http://hphtrust.com), the Trust also provided printed copies on request.

Investors and stakeholders are encouraged to refer to HPH Trust's corporate website, [hphtrust.com](http://hphtrust.com), as their first point of reference. HPH Trust regularly updates the Investor Centre section of the website. It is an online repository for a wide range of information such as news releases, SGXNet announcements, financial results, presentation materials, annual reports (including sustainability reports), annual general meeting materials (including notices and minutes), historical unit prices and related charts, and other relevant corporate information. Interested parties can register for email alerts, so they receive newly posted announcements. In addition, unitholders can direct their enquiries and concerns to the HPH Trust Investor Relations team via the contact methods listed on [hphtrust.com](http://hphtrust.com), especially the dedicated investor relations email or telephone line.

The Trustee-Manager periodically organises both physical and virtual briefings for analysts, fund managers, equity stakeholder representatives and various other investor groups. Following the release of its full-year results, the management team holds its Annual General Meeting in Singapore. Unitholders are encouraged to attend and receive updates in person from the Board and the Management Team, and to participate in a question-and-answer session.

Besides, the management team proactively communicate with investor through electronic means by addressing all substantial and relevant questions received from unitholders prior to the meeting both directly at the AGM via SGXNet announcement one week before the AGM. Management believes that annual



HPH Trust is committed to engaging with its investors by delivering open, accurate and up-to-date communications. This is the cornerstone of the Trust's investor relations philosophy. HPH Trust strives to provide unitholders, potential investors and investment communities with adequate, accurate and timely disclosures on material corporate developments.

general meetings and other general meetings provide an excellent opportunity to interact with unitholders to share in-depth business developments and prospects. To enhance communication and transparency, HPH Trust also posted the AGM materials on the corporate website, including AGM notices, responses to substantial and relevant questions received from unitholders, CFO presentation, poll results and minutes in a timely fashion.

### CONFERENCES, BRIEFINGS AND ROADSHOWS

Nurturing and sustaining strong, long-term relationships with investors is central to the corporate strategy of HPH Trust. Members of the management team regularly participate in investor conferences, small-group and one-on-one meetings, conference calls and non-deal roadshows to cultivate and maintain an open dialogue with global investor and financial analyst communities.

In 2024 the management team continued to engage with different stakeholders, and there were around 190 engagements from analysts and investors around the world in individual discussions and larger group events such as investor conferences. The management team participated in road shows and key investor conferences, such as the HSBC Global Investment Summit, the Goldman Sachs China+ Conference, the HSBC 17<sup>th</sup> Annual Transport and Logistics Conference and BofA Asian Credit Conference.

### RESEARCH COVERAGE

As part of its ongoing efforts to maintain a high level of investor engagement, the Trustee-Manager proactively engages analysts to extend its research coverage, intensifying its communications with analysts and cementing its relationships with investors. Investors can use regular research and analysts' reports to remain up-to-date on the Trust's operational progress and financial position.

During the financial year, four research houses covered HPH Trust, including DBS, Goldman Sachs, HSBC and UBS.



## CORPORATE GOVERNANCE REPORT

HPH Trust is a business trust constituted under the Business Trusts Act 2004 of Singapore (as amended by the Business Trusts (Amendment) Act 2022) (“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 as a whole 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 2024 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 2024 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 is accountable to unitholders for the long-term sustainable success of HPH Trust. It 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, 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”). During the year, Mr. Fok Kin Ning, Canning retired from the position of the Chairman and Non-executive Director and was succeeded by Mr. Lai Kai Ming, Dominic. 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, the SGX-ST Listing Manual and applicable laws, 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, 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.

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.

## CORPORATE GOVERNANCE REPORT

### 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 permanent 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 2024, the Board held five Board meetings with 100% Director attendance. The Company Secretary and the Deputy Company Secretary attended all Board meetings held in 2024.

NAME OF DIRECTOR	ATTENDED / ELIGIBLE TO ATTEND
<b>Chairman and Non-executive Director</b>	
Mr. Fok Kin Ning, Canning <sup>(1)</sup>	2/2
Mr. Lai Kai Ming, Dominic <sup>(2)</sup>	3/3
<b>Executive Director</b>	
Mr. Ip Sing Chi	5/5
<b>Non-executive Directors</b>	
Ms. Edith Shih	5/5
Ms. Lee Tung Wan, Diana	5/5
<b>Independent Non-executive Directors</b>	
Prof. Chan Fan-cheong, Tony	5/5
Dr. Fong Chi Wai, Alex	5/5
Ms. Im Man leng <sup>(4)</sup>	N.A. /N.A.
Mr. Lee Kah Lup	5/5
Ms. Seah Bee Eng (alias Jennifer Loh)	5/5
Mr. Wong Kwai Lam <sup>(3)</sup>	5/5

(1) Retired with effect from 1 April 2024

(2) Appointed with effect from 1 April 2024

(3) Retired with effect from 2 December 2024

(4) Appointed with effect from 2 December 2024

## CORPORATE GOVERNANCE REPORT

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 throughout their tenure during the year ended 31 December 2024. 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.

The Company Secretary, Ms. Wong Yoen Har and the Deputy Company Secretary, Ms. Chow Yan Hing, Agnes, 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 of 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. The appointment and removal of the Company Secretary is subject to Board approval.

In addition, Directors have separate and independent 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.

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.

## CORPORATE GOVERNANCE REPORT

### Directors' induction and training

Upon appointment to the Board, Directors receive a formal letter of appointment setting out directors' duties and a package of comprehensive orientation materials on the Group comprising information on the Trustee-Manager and the Group, roles and obligations as a director and/or board committee member (as the case may be) including his/her responsibilities as a fiduciary and when faced with issues involving conflict of interest, as well as internal governance and sustainability policies of the Group. These orientation materials are presented to Directors by senior executives in the form of a detailed induction to the Group's businesses, strategic direction and governance practice. Every new director is taken through such orientation materials at an induction session, including attending site visits (as appropriate). An induction session which included site visits to the ports in Hong Kong and Yantian was conducted and presented by the senior executives and a director induction training was delivered by the external legal counsel in January 2025, to the newly appointed Independent Non-executive Director, Ms. Im Man Ieng.

The Trustee-Manager arranges and provides continuous professional development ("CPD") training in the forms of formal training programmes, seminars, expert briefings, 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. From time to time, Director(s) may also participate as speaker(s) at events to share knowledge and insights on different topics. 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 24 hours had been provided to the Directors in 2024.

The Directors are required to provide the Trustee-Manager with details of the CPD training undertaken by them from time to time.

During 2024, CPD training was provided to Directors on the following areas and topics:

<b>Areas</b>	<b>Topics</b>
Legal and Regulatory	<ul style="list-style-type: none"> <li>● Differences between Singapore and (New) PRC Company Law</li> <li>● UK capital markets and regulations</li> <li>● Regulatory update</li> </ul>
Corporate Governance/Sustainability Practices	<ul style="list-style-type: none"> <li>● State of board diversity disclosures of SGX-listed issuers</li> <li>● Governance trends</li> <li>● Guidance notes on climate disclosure and stakeholder expectations</li> <li>● Sustainability trends and disclosures</li> <li>● Environmental, Social and Governance Essentials</li> <li>● Analysis of ESG Practice Disclosure</li> <li>● Sustainability Governance</li> </ul>
Financial Reporting/Risk Management	<ul style="list-style-type: none"> <li>● Key aspects of whistleblowing</li> </ul>
Group's Businesses/Directors' Duties	<ul style="list-style-type: none"> <li>● Developments in sanctions regime and attacks on shipping in Red Sea</li> <li>● Disclosures of interests requirements for the Directors and the CEO of the Trustee-Manager</li> <li>● Enforcement investigations and outcome</li> </ul>
Digital/Information Technology	<ul style="list-style-type: none"> <li>● Generative AI impact on cybersecurity</li> <li>● AI Regulatory Framework</li> </ul>



## CORPORATE GOVERNANCE REPORT

Based on the details so provided, the CPD training undertaken by the Directors during the year is summarised as follows, representing an average of approximately 30 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
<b>Chairman and Non-executive Director</b>					
Mr. Fok Kin Ning, Canning <sup>(1)</sup>	–	–	–	–	–
Mr. Lai Kai Ming, Dominic <sup>(2)</sup>	✓	✓	✓	✓	✓
<b>Executive Director</b>					
Mr. Ip Sing Chi	✓	✓	✓	✓	✓
<b>Non-executive Directors</b>					
Ms. Edith Shih	✓	✓	✓	✓	✓
Ms. Lee Tung Wan, Diana	✓	✓	✓	✓	✓
<b>Independent Non-executive Directors</b>					
Prof. Chan Fan-cheong, Tony	✓	✓	✓	✓	✓
Dr. Fong Chi Wai, Alex	✓	✓	✓	✓	✓
Ms. Im Man leng <sup>(4)</sup>	N.A	N.A	N.A	N.A	N.A
Mr. Lee Kah Lup	✓	✓	✓	✓	✓
Ms. Seah Bee Eng (alias Jennifer Loh)	✓	✓	✓	✓	✓
Mr. Wong Kwai Lam <sup>(3)</sup>	✓	✓	✓	✓	✓

(1) Retired with effect from 1 April 2024

(2) Appointed with effect from 1 April 2024

(3) Retired with effect from 2 December 2024

(4) Appointed with effect from 2 December 2024

Except Ms. Im Man leng who was appointed as director with effect from 2 December 2024, all the other Directors of the Trustee-Manager attended the mandatory sustainability training prescribed by SGX-ST. Ms. Im will attend the mandatory sustainability training in 2025. During the year ended 31 December 2024, Mr. Lai Kai Ming, Dominic was appointed as the Chairman and Non-executive Director to succeed Mr. Fok Kin Ning, Canning and Ms. Im Man leng was appointed as Independent Non-executive Director to succeed Mr. Wong Kwai Lam. Mr. Lai is currently a director (in executive and non-executive role) of other listed issuers on The Stock Exchange of Hong Kong Limited ("HKEx"). The Nominating Committee is of the view that given (i) both Singapore and Hong Kong are common law jurisdictions; and (ii) the standards of corporate governance required by the Singapore Exchange and HKEx are comparable, the mandatory training prescribed by Rule 210(5)(a) of the SGX-ST Listing Manual is not required for Mr. Lai as Mr. Lai has other relevant directorship experience. Since Ms. Im does not have prior experience as a director of a listed issuer listed on the SGX-ST, she will attend the mandatory training prescribed by Rule 210(5)(a) of SGX-ST Listing Manual.

# CORPORATE GOVERNANCE REPORT

## 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) complies with the requirements of the Code, the BTA, the BTR and the SGX-ST Listing Manual. 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.

### 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.

Mr. Lai Kai Ming, Dominic, Ms. Edith Shih, Mr. Ip Sing Chi and Ms. Lee Tung Wan, Diana are not independent as they are not independent from substantial shareholder of the Trustee-Manager.

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 considered 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, Ms. Seah Bee Eng (alias Jennifer Loh) and Prof. Chan Fan-cheong, Tony 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 Ms. Im Man leng 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 Ms. Im, the Board and the NC have in their review taken the following into consideration:

## CORPORATE GOVERNANCE REPORT

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 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 as a whole 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, the Board and the NC are of the view that Dr. Fong is able to contribute as an Independent Director on the Board.

In the case of Ms. Im, notwithstanding that she is currently an independent non-executive director and a member of the audit committee of Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH"), 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 her ability to exercise independent judgment in the interest of the unitholders as a whole of HPH Trust for the following reasons:

- (i) Ms. Im does not have any relationship with the managing director(s), members of the management team, board of directors or substantial shareholder(s) of HTHKH;
- (ii) she is not involved in the day-to-day management and operation of HTHKH;
- (iii) she does not own any shares in HTHKH;
- (iv) she exercises independent judgment as an independent non-executive director of HTHKH, in particular on interested person transactions and on internal audit control and management; and
- (v) HTHKH is in a different business from HPH Trust.

As such, given her extensive experience and qualifications, the Board and the NC are of the view that Ms. Im 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 Ms. Im. Accordingly, the Board has, pursuant to Regulation 12(6) of the BTR, determined that Dr. Fong Chi Wai, Alex and Ms. Im Man Ieng are independent.

Neither of Dr. Fong nor Ms. Im participates nor will they participate in any discussion of the Board in relation to any transaction with a company of whom he/she 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.

## CORPORATE GOVERNANCE REPORT

### Board Composition and Diversity

The Board and the NC considered the structure, size and composition of the Board and board committees 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.

As shown in the Board Skills Matrix on page 113 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. In 2024, gender diversity of the Board has increased from approximately 33% to approximately 44%. In December 2024, Ms. Im Man Ieng was appointed as an Independent Non-executive Director upon the retirement of Mr. Wong. Currently, out of the nine Directors, four 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 (44%, four out of nine Directors) amongst companies listed on the SGX-ST.<sup>1</sup> HPH Trust targets the Board to continue 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 114 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](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.

<sup>1</sup> 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-ST. 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.



## CORPORATE GOVERNANCE REPORT

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 30 to 34 of the Annual Report and on HPH Trust's corporate website.

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

Name	Structure and size				Committees				Qualification		Skills and Expertise				
	Age	Gender	Ethnicity	ED/NED/INED	Audit	Nominating	Remuneration	Sustainability	Professional	Educational	Business Management	Strategic Planning & Risk Management	Financial Reporting/Banking	Legal/Regulatory/Sustainability	Related Industry Knowledge/Experience
Mr. Lai Kai Ming, Dominic	71	M	C	NED						BSc, MBA	✓	✓	✓		✓
Ms. Edith Shih	73	F	C	NED		✓		✓	N1	BSE, MA, MA, EdM	✓	✓		✓	✓
Mr. Ip Sing Chi	71	M	C	ED						BA	✓	✓			✓
Ms. Lee Tung Wan, Diana	56	F	C	NED			✓	✓	N2	BCom	✓	✓	✓	✓	✓
Prof. Chan Fan-cheong, Tony	73	M	C	INED	✓	✓			N3	BS, MS, PhD	✓	✓			
Dr. Fong Chi Wai, Alex	68	M	C	INED		✓		✓	N4	BSS, MTM, MSGF, DBA, PhD	✓	✓		✓	✓
Ms. Im Man Ieng	56	F	C	INED	✓		✓		N5	BCom, MBus (Acc)	✓	✓	✓		
Mr. Lee Kah Lup	58	M	C	INED			✓	✓		B.Sc., MBA	✓	✓		✓	✓
Ms. Seah Bee Eng (alias Jennifer Loh)	72	F	C	INED	✓			✓	N6	B Acc	✓	✓	✓	✓	

F : Female  
M : Male

C : Chinese

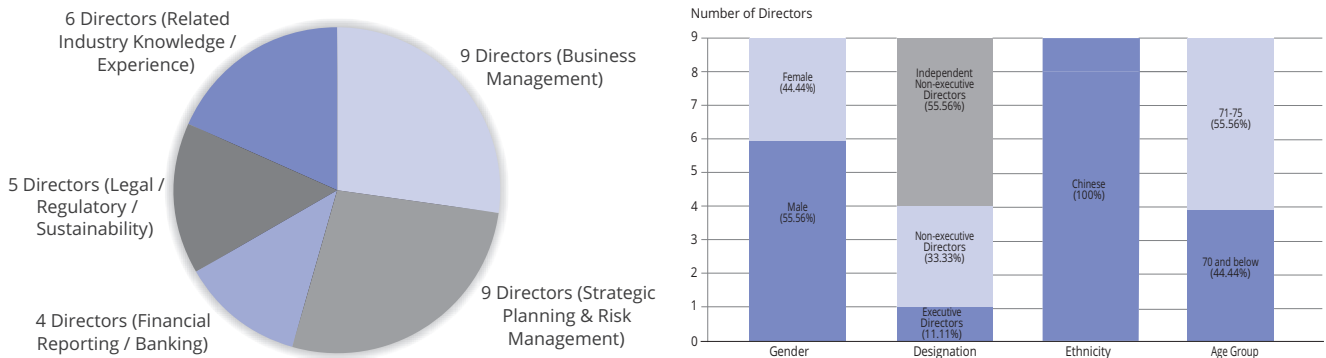
ED : Executive Director  
NED : Non-executive Director  
INED : Independent Non-executive Director

### Notes:

- N1: Solicitor qualified in England and Wales, Hong Kong and Victoria, Australia; Fellow of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute, holding Chartered Secretary and Chartered Governance Professional dual designations
- N2: Associate of Chartered Accountants Australia and New Zealand
- N3: Member of US National Academy of Engineering; Fellow of Institute of Electrical and Electronics Engineers and American Association for Advancement of Science and Society for Industrial & Applied Math
- N4: Fellow of the Chartered Institute of Logistics and Transport in Hong Kong; Fellow of The Hong Kong Institute of Directors
- N5: Member of the Hong Kong Institute of Certified Public Accountants
- N6: Chartered Accountant (Australia); Membership in Professional Bodies: Institute of Singapore Chartered Accountants (ISCA) – FCA (Singapore) and Chartered Accountants Australia and New Zealand (CAANZ) – CA (Australia)

# CORPORATE GOVERNANCE REPORT

The charts below show the diverse skills set of the Directors and the diversity profile of the Board as at 31 December 2024:



Dr. Fong Chi Wai, Alex was appointed as the Lead Independent Director following the retirement of Mr. Wong Kwai Lam during the year. The Lead Independent Director provides feedback to the Chairman as appropriate should there be any issue coming to his attention from the periodic meetings among the independent non-executive Directors without the presence of the other Directors or Management.

## 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 is responsible for providing leadership to the Board overseeing its functioning and ensuring 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.

Dr. Fong, 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](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.

# CORPORATE GOVERNANCE REPORT

## Board Membership

Principle 4

### Nominating Committee

The NC, currently chaired by Dr. Fong Chi Wai, Alex, an Independent Non-executive Director and the Lead Independent Director with Ms. Edith Shih, a Non-executive Director and Prof. Chan Fan-cheong, Tony, an Independent Non-executive Director as members, was established by the Board and meets the requirements of the Code. The majority of the NC, including the chairman of the NC, are independent and the Lead Independent director is a member of the NC.

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.

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 reviewed 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 three meetings in 2024 with 100% attendance:

NAME OF MEMBER	ATTENDED / ELIGIBLE TO ATTEND
Mr. Wong Kwai Lam (Chairman)*	3/3
Dr. Fong Chi Wai, Alex (Chairman)#	3/3
Prof. Chan Fan-cheong, Tony##	N.A./N.A.
Ms. Edith Shih	3/3

\* Retired with effect from 2 December 2024

# Re-designated as chairman of the NC with effect from 2 December 2024

## Appointed with effect from 2 December 2024

### 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 continue to 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.

## CORPORATE GOVERNANCE REPORT

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.

In 2024, the NC considered the succession plan as result of retirement of Mr. Fok Kin Ning, Canning from the positions of Chairman and the Non-executive Director and the replacement of the independent non-executive Director who had served the Board for about nine years. The NC conducted the nomination process in line with the Director Nomination Policy and the Board Diversity Policy.

After evaluating the structure, diversity profile and skills set of the existing Board and the profile of candidates, the NC reviewed the training requirements and noted materials to be provided to the new directors to ensure they are aware of their duties and obligations. The NC recommended to the Board the appointment of Mr. Lai Kai Ming, Dominic as the new Chairman and Non-executive Director; and Ms. Im Man leng as new Independent Non-executive Director in anticipation of retirement of Mr. Fok Kin Ning, Canning and Mr. Wong Kwai Lam whose retirements took effect on 1 April 2024 and 2 December 2024 respectively with no overlapping of tenure. The appointment of Mr. Lai and Ms. Im 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 business management, strategic planning and risk management and/or financial reporting could provide further diversity to the core competencies and skills set of the Board. Ms. Im has also provided her independence confirmation in respect of the provisions of the SGX-ST Listing Manual, the Code, the BTA and the BTR. The Company is not aware of any factor adversely affecting Ms. Im's 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 Ms. Im in acting as Independent Non-executive Director.

### 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 factors, including annual declaration of director's time commitment from each Director which confirms 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 2024, the NC concluded that each Director had 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 2024, 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. The NC 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. The NC particularly noted that the Independent Non-executive Directors continue to provide a balanced and independent view to the Board, play leading roles 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 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.

The evaluation of the overall performance of the Board, each board committee, and the contribution of the Chairman and the Directors to the Board was conducted using evaluation questionnaires. The NC and the Directors then review and discuss the findings of the questionnaires. 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 evaluation parameters 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

##### Remuneration Committee

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, Dr. Fong Chi Wai, Alex and Mr. Wong Kwai Lam ceased/retired as chairman and member of RC respectively. It is currently chaired by Mr. Lee Kah Lup, an Independent Non-executive Director, with Ms. Lee Tung Wan, Diana, a Non-executive Director, and Ms. Im Man Ieng, an Independent Non-executive Director, as members. The composition of the RC meets the requirements of chairmanship and independence under the Code.

The RC held one meeting in 2024 with 100% attendance.

NAME OF MEMBER	ATTENDED / ELIGIBLE TO ATTEND
Dr. Fong Chi Wai, Alex (Chairman)*	1/1
Mr. Lee Kah Lup (Chairman)#	N.A./N.A.
Ms. Im Man Ieng#	N.A./N.A.
Ms. Lee Tung Wan, Diana	1/1
Mr. Wong Kwai Lam*	1/1

\* Ceased / retired with effect from 2 December 2024

# Appointed with effect from 2 December 2024

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

## CORPORATE GOVERNANCE REPORT

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 2025 directors' fees. Prior to the end of the year, the RC reviewed and approved the 2024 year end bonus and 2025 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 factors such as the contribution, effort, time spent, 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 and the fees paid to the Trustee-Manager for the financial year ended 31 December 2024 are set out on page 190 of the Annual Report.

### Disclosure on Remuneration

#### Principle 8

Notwithstanding that the Directors are remunerated directly by the Trustee-Manager, and not the Trust, the table below sets out the remuneration of individual directors of the Trustee-Manager for the financial year ended 31 December 2024:

Name	Directors' fee (USD) <sup>(xiii)</sup>					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 <sup>* (i) &amp; (xi)</sup>	14,918.03 <sup>*</sup>					14,918.03
LAI Kai Ming, Dominic <sup># (i) &amp; (xi)</sup>	45,081.97 <sup>#</sup>					45,081.97
Edith SHIH <sup>(i), (v), (x) &amp; (xi)</sup>	60,000.00		4,000.00		6,000.00	70,000.00
IP Sing Chi <sup>(ii) &amp; (xii)</sup>	60,000.00					60,000.00
LEE Tung Wan, Diana <sup>(i), (vii), (ix) &amp; (xii)</sup>	60,000.00			4,000.00	5,000.00	69,000.00
CHAN Fan-cheong, Tony <sup>(i), (iii) &amp; (v) ##</sup>	60,000.00	20,000.00	327.87 <sup>##</sup>			80,327.87
FONG Chi Wai, Alex <sup>(i), (v) **, (vi) ##, (viii) ** &amp; (ix)</sup>	60,000.00		4,081.97 <sup>**##</sup>	4,590.16 <sup>**</sup>	5,000.00	73,672.13
IM Man Ieng <sup>## (i), (iii) &amp; (vii)</sup>	4,918.03 <sup>##</sup>	1,639.34 <sup>##</sup>		327.87 <sup>##</sup>		6,885.24
SEAH Bee Eng (alias Jennifer LOH) <sup>(i), (iii) **, (iv) ## &amp; (ix)</sup>	60,000.00	20,819.68 <sup>**##</sup>			5,000.00	85,819.68
LEE Kah Lup <sup>(i), (viii) ## &amp; (ix)</sup>	60,000.00			409.84 <sup>##</sup>	5,000.00	65,409.84
WONG Kwai Lam <sup>** (i), (iv), (vi) &amp; (vii)</sup>	55,081.97 <sup>**</sup>	27,540.98 <sup>**</sup>	4,590.16 <sup>**</sup>	3,672.13 <sup>**</sup>		90,885.24
Total	540,000.00	70,000.00	13,000.00	13,000.00	26,000.00	662,000.00

#### Notes:

- (i) Non-executive director
- (ii) Executive director
- (iii) Member of Audit Committee

## CORPORATE GOVERNANCE REPORT

- (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
  - (xiii) 100% of the Directors' remuneration comprised a fixed fee, and there were no variable or performance-related income or bonuses, benefits in kind, unit options granted, unit-based incentives and awards or other long-term incentives paid to the Directors.
- \* Retired with effect from 1 April 2024
- # Appointed with effect from 1 April 2024
- \*\* Retired/ceased with effect from 2 December 2024
- ## Appointed with effect from 2 December 2024

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 2024:

Key management personnel	Salary (%)	Variable (%)	Benefits (%)	Total (%)
<b>S\$1,000,001 to S\$1,250,000</b>				
<b>Mr. Ivor Chow</b>				
CEO Managing Director, HIT	43	53	4	100 <sup>1,2</sup>
<b>S\$750,001 to S\$1,000,000</b>				
<b>Mr. Lawrence Shum</b>				
Managing Director, YANTIAN	50	45	5	100 <sup>4</sup>
<b>S\$500,001 to S\$750,000</b>				
<b>Mr. Jimmy Ng</b>				
CFO and Investor Relations Officer	58	36	6	100 <sup>3</sup>
<b>Ms. Ma Xiaoli</b>				
Managing Director, COSCO-HIT	50	45	5	100 <sup>4</sup>
<b>Mr. Raymond Lam</b>				
Chief Operating Officer of Hong Kong Seaport Alliance Director – Operations, HIT	57	37	6	100 <sup>4</sup>
<b>Mr. Raymond Chan</b>				
Chief Operating Officer, YANTIAN	55	40	5	100 <sup>4</sup>

**Notes:**

- 1 The variable portion of the total remuneration package paid to Mr. Ivor Chow, the CEO, includes long-term incentive, which accounts for 26% of the variable portion, or 14% of the total remuneration.
- 2 The total remuneration paid to Mr. Ivor Chow, the CEO, was S\$1,135,609, of which S\$964,609 (44% as salary, 35% as variable, 16% as long term incentive and 5% as benefits) was paid by HIT in relation to his role as Managing Director of HIT and S\$171,000 (33% as salary and 67% as variable) was paid by the Trustee-Manager (out of its own account).
- 3 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

- 4 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 Chief Operating Officer 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 2024, the total remuneration paid to the above key executives (excluding the CEO) was S\$3,242,994.
- 5 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 2024 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 2024.

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 2024 are set out on page 190 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

Effective risk management and internal control systems are fundamental components of good corporate governance. They are pivotal to the sustainable growth of the Group, fostering resilience, and safeguarding the interests of stakeholders.

HPH Trust recognises the dynamic nature of the risks, including sustainability and cyber risks, that its businesses encounter. To ensure an effective management of these risks, a comprehensive governance structure is in place to systematically identify, assess, manage, and monitor risks that may have a material adverse impact on the achievement of the Group’s strategic and business objectives.

To illustrate the structure and process of the risk management and internal control systems of the Group, the following table depicts detailed roles and responsibilities, in terms of “Governance and Oversight” by the Board through the Audit Committee and the Sustainability Committee, “Risk Review and Communication” by the Executive Director, the CEO and the CFO. “Risk and Control Monitoring” by the Group functions, “Risk and Control Ownership” by the executive management teams of each core business, and “Independent Assurance” by the Internal Audit team.



## CORPORATE GOVERNANCE REPORT

<b>Governance and Oversight</b>	
<b>The Board</b>	
<ul style="list-style-type: none"> <li>Has overall responsibility for the systems of risk management and internal control of the Group.</li> <li>Evaluates and determines the nature and extent of the risks that the Group is willing to accept in pursuit of its strategic and business objectives, with due regard to its risk appetite.</li> <li>Inculcates appropriate risk culture across the business operations of the Group and ensures comprehensive policies and systems (including parameters of delegated authority) are in place.</li> <li>Reviews the effectiveness of the risk management and internal control systems of the Group, through delegation to the Audit Committee, and through review of Group-wide strategies, budgets, business plans and performances.</li> </ul>	
<b>Audit Committee</b>	<b>Sustainability Committee</b>
<ul style="list-style-type: none"> <li>Reviews and discusses the risk management and internal control systems of the Group, with particular regard to their effectiveness, see further the Audit Committee Terms of Reference.</li> </ul>	<ul style="list-style-type: none"> <li>Reviews sustainability risks and opportunities, and assesses emerging sustainability issues and trends that could impact the business operations and performance of the Group, see further the Sustainability Committee Terms of Reference.</li> </ul>
<b>Risk Review and Communication</b>	
<b>Executive Director, the CEO and the CFO</b>	
<ul style="list-style-type: none"> <li>Provides leadership on risk and return balance.</li> <li>Monitors the risk profile of the Group and assesses if significant risks are appropriately mitigated.</li> <li>Ensures that a review of the effectiveness of the risk management and internal control systems of the Group has been conducted, and makes recommendation to the Board, through the Audit Committee, regarding the effectiveness of the systems.</li> </ul>	
<b>Risk and Control Monitoring</b>	
<b>Group Functions</b>	
<ul style="list-style-type: none"> <li>Establishes relevant policies and procedures for Group-wide adoption.</li> <li>Monitors the implementation and effectiveness of the risk management practices in core businesses and provides guidance where appropriate. The Sustainability Working Group, comprising the CEO, the CFO, [Heads] of major business divisions, Heads of Commercial, Operations, Engineering and Human Resources, and selected members of relevant staff of the Trustee-Manager, has been formed to particularly supports the Sustainability Committee in discharging its responsibilities.</li> </ul>	
<b>Risk and Control Ownership</b>	<b>Independent Assurance</b>
<b>Core Businesses</b>	<b>Internal Audit</b>
<ul style="list-style-type: none"> <li>Carries out risk management activities and escalates promptly on material issues.</li> <li>Ensures that a risk-aware culture is maintained at all levels of the operations through ongoing policy reinforcement and training.</li> <li>Conducts a review of the effectiveness of the risk management and internal control systems and provides management declaration on the review results half-yearly.</li> </ul>	<ul style="list-style-type: none"> <li>Provides independent assurance as to the existence and effectiveness of the risk management activities and controls in the business operations of the Group (refer to pages 126 to 127 of this annual report for more details).</li> </ul>

## CORPORATE GOVERNANCE REPORT

Whilst the risk management and internal control systems of the Group 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 of HPH Trust 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 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 to the Management 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, on a half-yearly basis, requires the executive management team and senior management of each core business to review, evaluate and declare the effectiveness of such systems covering all material controls, including financial, operational and compliance controls over the operations of the business 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.

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.

## CORPORATE GOVERNANCE REPORT

### 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, managing and monitoring risks (including sustainability and cyber 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 cyber risks) that are relevant to their business, their plausible impacts and mitigation measures to ensure that the Management has performed its duty to have effective systems. 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 the significant risks (including sustainability and cyber risks) their business faces, and assess the risk severity in terms of potential impact and likelihood, 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 cyber 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 2024.

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 2024. 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 2024. 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 pages 130 to 131 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. Wong Kwai Lam retired as chairman of the AC and Ms. Seah Bee Eng (alias Jennifer Loh) and Ms. Im Man leng was re-designated/appointed as chairperson or member (as the case may be) of AC. All AC members are non-executive and the majority, including the AC chairman, are independent. It is currently chaired by Ms. Seah Bee Eng (alias Jennifer Loh) with Prof. Chan Fan-cheong, Tony and Ms. Im Man leng as members.

The AC held four meetings in 2024 with 100% attendance. All members attended the AC meetings held in 2024.

NAME OF MEMBER	ATTENDED / ELIGIBLE TO ATTEND
Mr. Wong Kwai Lam (Chairman)*	4/4
Ms. Seah Bee Eng (alias Jennifer Loh) (Chairperson)#	4/4
Prof. Chan Fan-cheong, Tony	4/4
Ms. Im Man leng ##	N.A./N.A.

\* Retired with effect from 2 December 2024

# Re-designated as chairperson of AC with effect from 2 December 2024

## Appointed with effect from 2 December 2024

In 2024, the AC performed the duties and responsibilities under its terms of reference and other duties of the Code and the SGX-ST Listing Manual.

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 reviews the adequacy, effectiveness, independence scope and results of the external auditors. 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 assurance from the CEO and the CFO on the financial records and financial statements, 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 the BTR, 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 2024 were addressed as follows:

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.



## CORPORATE GOVERNANCE REPORT

### Significant Matters      How the AC reviewed these matters

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 2024, the AC also reviewed the process by which the Group evaluated its control environment and managed significant risks (including cyber risks). It received, considered and provided feedback on the risk management report, the composite risk register, risk heat map, the presentation of the 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's confirmation that such systems are effective and adequate.

In addition, the AC reviewed, in conjunction with the Group's Internal Audit, the 2024 work plans and resource requirements, and deliberated on the reports regarding the effectiveness of risk management and internal controls systems (including cyber 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 key 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 2024, 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. 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 FY2024	HK\$'000	% of total fees
Total Audit Fees	17,353	94%
Total Non-Audit Fees	1,053	6%
Total Fees Paid	18,406	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 to 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](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 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 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 23 April 2024.

Voting at all general meetings are conducted by way of poll. Electronic polling was adopted for the Annual General Meeting held on 23 April 2024. 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.

## CORPORATE GOVERNANCE REPORT

The Company Secretary prepares minutes of unitholders' meetings. The minutes of the Annual General Meeting held on 23 April 2024 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 constructive dialogue 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 engages with and responds to requests for information and queries from the investment community including unitholders, analysts and the media through regular briefing meetings, webcasts, 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 2023 Annual Report was dispatched in accordance with the exemption granted by the Monetary Authority of Singapore, with details as per the announcement made on 8 March 2024.

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](mailto:ir@hphtrust.com).

### 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 40 to 103 and page 104 of the Annual Report respectively. Information on the Group is also available at its corporate website (<https://www.hphtrust.com>).



# CORPORATE GOVERNANCE REPORT

## 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.

#### Sustainability Committee

The SC is 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 programmes on its stakeholders, including employees, unitholders, 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 2024 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	2/2
Ms. Lee Tung Wan, Diana	2/2
Ms. Seah Bee Eng (alias Jennifer Loh)	2/2

During 2024, the SC endorsed the 2023 Sustainability Report published in April 2024 and reviewed the sustainability KPIs and related activities, framework of the 2024 sustainability report and 2024 sustainability initiatives of HPH Trust.

At its meeting in February 2025, the SC reviewed the 2025 sustainability initiatives of HPH Trust and endorsed the 2024 Sustainability Report, which will be published together with the 2024 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 40 to 103 of the Annual Report, which had been reviewed and approved by the SC at its meeting on 7 February 2025.

## CORPORATE GOVERNANCE REPORT

### 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 2024, 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 2024. 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.

### 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.

## CORPORATE GOVERNANCE REPORT

- (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 2024 are disclosed in note 30(i)(f) to the financial statements, on page 191 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 2024 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)
		2024 HK\$'000	2023 HK\$'000	2024 and 2023 HK\$'000
<b>(a) Sales of Goods and Services</b>				
CKHH and its subsidiaries and its associates				
- AS Watson Group (HK) Limited		693	2,663	
- AS Watson Retail (HK) Limited		72,730	9,184	
- Hong Kong Air Cargo Terminals Limited		2,594	-	
- Hutchison Ports and Logistics Mexico, S.A. de C.V.		1,036	-	
- Hutchison Logistics (UK) Limited		4,215	1,603	NIL
- Hutchison Port Holdings Limited		45,849	43,283	
- Hutchison Telephone Company Limited		-	2,691	
- Jiangmen International Container Terminals Limited		1,218	-	
- PARKnSHOP (HK) Limited		6,885	10,224	
- Watson's Water (HK) Limited		1,081	1,704	
<b>(b) Purchases</b>				
CKHH and its subsidiaries and its associates				
- Anderson Asphalt Limited		2,415	-	
- CKHH	CKHH is the controlling	-	1,000	
- HPH Corporate Services Limited	unitholder of	3,931	2,847	
- HUD General Engineering Services Limited	HPH Trust and	981	3,375	
- Hutchison International Limited	controlling	5,439	5,528	
- Hutchison Logistics (Shanghai) Limited	shareholder of	1,974	1,061	
- Hutchison Logistics Centre Management Limited	the Trustee-	5,392	5,498	
- Hutchison Port Holdings Limited	Manager	162,968	161,322	
- Hutchison Ports nGen Services Limited		17,670	14,864	
- Hutchison Telecommunications (Hong Kong) Limited		-	944	NIL
- Hutchison Telephone Company Limited		3,675	2,841	
- Hutchison Travel Limited		787	1,278	
- River Trade Terminal Company Limited		959	-	
- Shanghai Container Terminals Limited		4,448	-	
- Shanghai Mingdong Container Terminals Limited		2,880	-	
- Shanghai Pudong International Container Terminals Limited		3,338	-	
- South Asia Pakistan Terminals Limited		3,253	3,903	
- Whampoa Property Management Limited		1,238	1,184	
<b>(c) Management Fee Expenses</b>				
CKHH and its subsidiaries and its associates				
- Hutchison Port Holdings Management Pte. Limited		33,683	57,865	NIL
<b>Total</b>		<b>391,332</b>	<b>334,862</b>	



# 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 unitholder<sup>1</sup> of HPH Trust, either still subsisting at the end of the financial year ended 31 December 2024, 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 Prospectus<sup>2</sup>;
- (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

#### The Board’s Conduct of Affairs

##### Principle 1

Provision 1.1	Page 105
Provision 1.2	Pages 105 to 109
Provision 1.3	Page 106
Provision 1.4	Pages 106, 115 to 118, 124 to 127 and 129
Provision 1.5	Pages 106, 107, 115, 117, 124 and 129
Provision 1.6	Page 107
Provision 1.7	Page 107

#### Board Composition and Guidance

##### Principle 2

Provision 2.1	Pages 110 to 111
Provision 2.2	Pages 110, 112 and 113
Provision 2.3	Pages 110, 112 and 113
Provision 2.4	Pages 110, 112, 113 and 114
Provision 2.5	Page 114

#### Chairman and Chief Executive Officer

##### Principle 3

Provision 3.1	Page 114
Provision 3.2	Page 114
Provision 3.3	Page 114

#### Board Membership

##### Principle 4

Provision 4.1	Page 115
Provision 4.2	Page 115
Provision 4.3	Pages 115 and 116
Provision 4.4	Pages 110 to 111
Provision 4.5	Pages 30 to 34, 107 and 116

#### Board Performance

##### Principle 5

Provision 5.1	Page 117
Provision 5.2	Page 117

### Remuneration Matters

#### Procedures for Developing Remuneration Policies

##### Principle 6

Provision 6.1	Page 117
Provision 6.2	Page 117
Provision 6.3	Page 117
Provision 6.4	Page 118

#### Level and Mix of Remuneration

##### Principle 7

Provision 7.1	Page 118
Provision 7.2	Page 118
Provision 7.3	Pages 118 and 120

#### Disclosure on Remuneration

##### Principle 8

Provision 8.1	Pages 117 to 120
Provision 8.2	Page 120
Provision 8.3	Pages 118 to 120

### Accountability and Audit

#### Risk Management and Internal Controls

##### Principle 9

Provision 9.1	Pages 120 to 122
Provision 9.2	Page 123

#### Audit Committee

##### Principle 10

Provision 10.1	Pages 124 to 127
Provision 10.2	Page 124
Provision 10.3	Page 125
Provision 10.4	Pages 126 to 127
Provision 10.5	Page 124

### Unitholder Rights and Engagement

#### Unitholder Rights and Conduct of General Meetings

##### Principle 11

Provision 11.1	Pages 127 and 128
Provision 11.2	Page 127
Provision 11.3	Page 127
Provision 11.4	Page 127
Provision 11.5	Page 128
Provision 11.6	Page 128

#### Engagement with Unitholders

##### Principle 12

Provision 12.1	Page 128
Provision 12.2	Page 128
Provision 12.3	Page 128

### Managing Stakeholders Relationships

#### Engagement with Stakeholders

##### Principle 13

Provision 13.1	Pages 40 to 103, 104 and 128
Provision 13.2	Pages 40 to 103, 104 and 128
Provision 13.3	Pages 40 to 103, 104 and 128

## FINANCIAL CONTENTS

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## REPORT OF THE TRUSTEE-MANAGER

The directors of Hutchison Port Holdings Management Pte. Limited, the trustee-manager of Hutchison Port Holdings Trust (“HPH Trust” or the “Trust” and the trustee-manager of HPH Trust, the “Trustee-Manager”) present their report to the unitholders of the Trust together with the audited financial statements of the Trust and its subsidiaries (collectively the “Group”) for the year ended 31 December 2024.

### Directors

The directors of the Trustee-Manager in office at the date of this report are as follows:

Mr. Lai Kai Ming, Dominic (Chairman) (appointed with effect from 1 April 2024)  
 Ms. Edith Shih  
 Mr. Ip Sing Chi  
 Ms. Lee Tung Wan, Diana  
 Professor Chan Fan-cheong, Tony  
 Dr. Fong Chi Wai, Alex  
 Ms. Im Man leng (appointed with effect from 2 December 2024)  
 Mr. Lee Kah Lup  
 Ms. Seah Bee Eng (alias Jennifer Loh)

Mr. Fok Kin Ning, Canning and Mr. Wong Kwai Lam were directors of the Trustee-Manager during the year up to their retirements which took effect from 1 April 2024 and 2 December 2024 respectively.

### Arrangements to enable directors to acquire units and debentures

Neither at the end of nor at any time during the year was the Trustee-Manager a party to any arrangement whose object was to enable the directors of the Trustee-Manager to acquire benefits by means of the acquisition of units in, or debentures of, the Trust.

### Directors’ interests in units or debentures

According to the register kept by the Trustee-Manager for the purposes of Sections 13 and 76 of the Business Trusts Act 2004 of Singapore, particulars of the interests of directors who held office at the end of the year in units in, or debentures of, the Trust are as follows:

	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	At 31.12.2024	At 1.1.2024	At 31.12.2024	At 1.1.2024
Number of units held by:				
Mr. Lai Kai Ming, Dominic <sup>(1)</sup>	–	–	–	N.A.
Ms. Edith Shih	–	–	626,440	626,440
Mr. Ip Sing Chi	–	–	–	–
Ms. Lee Tung Wan, Diana	–	–	–	–
Professor Chan Fan-cheong, Tony	–	–	–	–
Dr. Fong Chi Wai, Alex	–	–	–	–
Ms. Im Man leng <sup>(2)</sup>	–	–	–	N.A.
Mr. Lee Kah Lup	–	–	–	–
Ms. Seah Bee Eng (alias Jennifer Loh)	–	–	–	–

(1) Denotes unitholding at the date of appointment (1 April 2024) and end of the year

(2) Denotes unitholding at the date of appointment (2 December 2024) and end of the year

There were no changes in any of the above mentioned interests in the Trust between the end of the financial year and 21 January 2025.



## REPORT OF THE TRUSTEE-MANAGER

### Options

There were no options granted during the year by the Trustee-Manager to any person to take up unissued units in the Trust.

No units have been issued during the year by virtue of the exercise of options to take up unissued units of the Trust.

There were no unissued units of the Trust under option at the end of the year.

### Audit Committee

The members of the audit committee of the Trustee-Manager (the "Audit Committee") during the year, at the end of the year and at the date of this report were as follows:

Ms. Seah Bee Eng (alias Jennifer Loh) (Chairperson)	(re-designated from member to chairperson with effect from 2 December 2024)
Professor Chan Fan-cheong, Tony	
Ms. Im Man leng	(appointed with effect from 2 December 2024)
Mr. Wong Kwai Lam (Chairman)	(retired with effect from 2 December 2024)

The existing members of the Audit Committee are independent and are non-executive directors.

The Audit Committee carried out its functions in accordance with its terms of reference and the relevant regulations including Regulation 13(6) of the Business Trusts Regulations. During the year ended 31 December 2024, the Audit Committee has, among others, reviewed:

- the scope and the results of internal audit procedures with the internal auditor of the Trustee-Manager;
- with the independent auditor of the Trust, the audit plan of the Trust and the independent auditor's report in relation to significant accounting, tax and internal control matters of the Trust arising from the statutory audit;
- the assistance given by the officers of the Trustee-Manager to the independent auditor; and
- the statement of financial position and statement of changes in equity of the Trust and the consolidated financial statements of the Group for the year ended 31 December 2024 before their submission to the Board of Directors of the Trustee-Manager (the "Board"), as well as the independent auditor's report on the statement of financial position and statement of changes in equity of the Trust and the consolidated financial statements of the Group.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment as the auditor of the Trust at the forthcoming Annual General Meeting of the unitholders.

### Board Opinion on the Adequacy of Internal Controls

The Board, through the Audit Committee, has conducted a review of the adequacy and effectiveness of the Group's systems of internal controls (including financial, operational, compliance and information technology controls) and risk management systems for the year ended 31 December 2024, and is of the opinion that the Group's internal control and risk management 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 2024. The Board notes that the system of risk management and internal controls established by 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.

## REPORT OF THE TRUSTEE-MANAGER

### Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors of the Trustee-Manager

**Ip Sing Chi**

Director

7 February 2025

**Lee Tung Wan, Diana**

Director

## STATEMENT BY THE TRUSTEE-MANAGER

In the opinion of the directors of the Trustee-Manager,

- (a) the financial records of the Group for the financial year have been properly maintained and the financial statements give a true and fair view of the operations and finances of the Group for the year ended 31 December 2024;
- (b) the consolidated income statement and consolidated statement of comprehensive income set out in the financial statements on pages 146 and 147 are drawn up so as to give a true and fair view of the results of the business of the Group for the year ended 31 December 2024;
- (c) the statements of financial position set out on pages 148 and 149 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Trust at 31 December 2024;
- (d) the statements of changes in equity set out on pages 151 to 153 are drawn up so as to give a true and fair view of the changes in equity of the Group and of the Trust for the year ended 31 December 2024;
- (e) the consolidated statement of cash flows set out on page 150 is drawn up so as to give a true and fair view of the cash flows of the Group for the year ended 31 December 2024; and
- (f) at the date of this statement, there are reasonable grounds to believe that the Trustee-Manager will be able to fulfill, out of the Trust's property, the Trust's debts as and when they fall due.

In accordance with Section 86(2) of the Business Trusts Act 2004 of Singapore, we further certify:

- (a) the fees or charges paid or payable out of the trust property of the Trust to the Trustee-Manager are in accordance with the Deed of Trust dated 25 February 2011 (as amended and supplemented by the first supplemental deed dated 28 April 2014 and the second supplemental deed dated 8 June 2020) constituting the Trust;
- (b) the interested person transactions entered into by the Group during the year are not detrimental to the interests of all the unitholders of the Trust as a whole based on the circumstances at the time of the relevant transactions; and
- (c) the Board of Directors of the Trustee-Manager is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of all the unitholders of the Trust as a whole.

The Board of Directors has, on the date of this statement, authorised the above statements and the financial statements of the Group as at and for the year ended 31 December 2024 for issue.

On behalf of the Board of Directors of the Trustee-Manager

**Ip Sing Chi**  
Director

**Lee Tung Wan, Diana**  
Director

7 February 2025

## STATEMENT BY THE CHIEF EXECUTIVE OFFICER

In accordance with Section 86(3) of the Business Trusts Act 2004 of Singapore, I certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of all the unitholders of the Trust as a whole.

**Ivor Chow**  
Chief Executive Officer

7 February 2025



# INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Hutchison Port Holdings Trust

## Report on the Audit of the Financial Statements

### Our opinion

In our opinion, the accompanying consolidated financial statements of Hutchison Port Holdings Trust ("the Trust") and its subsidiaries ("the Group") and the statement of financial position and statement of changes in equity of the Trust are properly drawn up in accordance with the provisions of the Singapore Business Trusts Act 2004 ("the Act") and Hong Kong Financial Reporting Standards ("HKFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Trust for the financial year ended on that date.

#### *What we have audited*

The financial statements of the Trust and the Group comprise:

- the consolidated income statement of the Group for the year ended 31 December 2024;
- the consolidated statement of comprehensive income of the Group for the year then ended;
- the consolidated statement of financial position of the Group as at 31 December 2024;
- the statement of financial position of the Trust as at 31 December 2024;
- the consolidated statement of cash flows of the Group for the year then ended;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the statement of changes in equity of the Trust for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

### Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

# INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Hutchison Port Holdings Trust

## Our Audit Approach (Continued)

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Goodwill and other operating assets</b></p> <p><i>Refer to notes 3(a), 3(b), 3(c) and 14(b) to the financial statements</i></p> <p>The Group has a significant amount of goodwill and other operating assets arising primarily from the acquisition of deep-water container ports in Shenzhen and Hong Kong in 2011.</p> <p>Goodwill is subject to impairment tests annually and whenever there is an indication of impairment, while other operating assets are subject to impairment tests when there is an indication of impairment.</p> <p>For the purpose of the Group's impairment assessments, impairment was assessed using value-in-use models for deep water container ports in Shenzhen and Hong Kong, which are the cash generating units ("CGUs") of the Group.</p> <p>In carrying out the impairment assessments, significant judgements are required to determine the assumptions. The most significant assumptions relate to discount rates and growth rates in revenue and cost of services rendered.</p> <p>Based on the results of these impairment assessments conducted by the Group, the Group determined that no additional impairment is required on the goodwill and other operating assets, other than the previously provided goodwill impairment amount of HK\$30.4 billion.</p> <p>The significant assumptions are disclosed in note 14(b) to the financial statements.</p>	<p>We have performed the following procedures to evaluate the Group's impairment assessments:</p> <ul style="list-style-type: none"> <li>• Understanding the management's assessment process of impairment of goodwill and other operating assets and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgements involved in determining the assumptions to be applied;</li> <li>• Assessed the appropriateness of the valuation methodology used;</li> <li>• Assessed the reasonableness of key assumptions based on our knowledge of the business and industry and with the involvement of our valuation experts;</li> <li>• Considered the potential impact of reasonably possible changes on the key assumptions; and</li> <li>• Tested source data to supporting evidence on a sample basis, such as approved budgets and available market data and considered the reasonableness of these budgets.</li> </ul> <p>We found the assumptions adopted in relation to these impairment assessments to be supportable and reasonable based on available evidence.</p>

# INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Hutchison Port Holdings Trust

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Revenue recognition</b></p> <p><i>Refer to notes 3(e) and 4 to the financial statements.</i></p> <p>Revenue from rendering of container handling services is recognised and accrued with reference to the throughput handled and the terms of agreements for such service.</p> <p>For the year ended 31 December 2024, revenue from container handling services amounting to HK\$10,918 million is recognised based on the containers handled as well as the tariff applied. The tariff applied is the rate agreed with customers or estimated by management based on the latest terms of the agreement or latest negotiation with customers and other industry considerations as appropriate.</p> <p>Due to the large variety and complexity of contractual terms, as well as ongoing negotiations with customers, significant judgements are required to estimate the tariff rate applied. If the actual rate differs from the estimated rate applied, this will have an impact on the accuracy of revenue recognised in the current year and accrued as at year end.</p>	<p>We have performed the following procedures in relation to the accuracy of net revenue recognised and accrued:</p> <ul style="list-style-type: none"> <li>● Understood, evaluated and tested the key controls over the tariff applied in container handling services.</li> <li>● We selected a sample of transactions and: <ul style="list-style-type: none"> <li>○ Agreed the applied tariff to the respective terms in the contracts or latest correspondence with customers where the tariff has been estimated by management.</li> <li>○ Agreed throughput handled, used in the calculation of tariffs, to the operating system recording throughput.</li> <li>○ Tested revenue calculations and agreed the revenue recognised to the underlying accounting records.</li> </ul> </li> <li>● Checked to bank advices or credit notes on a sample basis for the net settlement and reviewed aged items for any disputed amounts.</li> </ul> <p>We found the judgement made by management in estimating tariff in the revenue recognised and accrued to be supportable and reasonable based on available evidence.</p>

## Other Information

Hutchison Port Holdings Management Pte. Limited (the "Trustee-Manager") is responsible for the other information. The other information comprises all the sections of the annual report (but does not include the financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report except for the information on statistics of unitholdings, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the information on statistics of unitholdings, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Trustee-Manager and take appropriate actions in accordance with ISAs.

## INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Hutchison Port Holdings Trust

### Responsibilities of Trustee-Manager for the Financial Statements

The Trustee-Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and HKFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Trustee-Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee-Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Trustee-Manager's responsibilities include overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee-Manager.
- Conclude on the appropriateness of the Trustee-Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Trustee-Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



# INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Hutchison Port Holdings Trust

## **Auditor's Responsibilities for the Audit of the Financial Statements Continued)**

We also provide the Trustee-Manager with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Trustee-Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Trustee-Manager have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Debra Ann Ker.

PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants  
Singapore, 7 February 2025

**CONSOLIDATED INCOME STATEMENT**

For the year ended 31 December 2024

	<b>Note</b>	<b>2024 HK\$'000</b>	<b>2023 HK\$'000</b>
Revenue and other income	4(a)	11,567,269	10,635,522
Cost of services rendered		(3,600,694)	(3,624,818)
Staff costs		(260,584)	(258,355)
Depreciation and amortisation		(2,824,363)	(2,894,820)
Other operating income		60,482	67,418
Other operating expenses		(564,000)	(604,824)
Total operating expenses		<u>(7,189,159)</u>	<u>(7,315,399)</u>
Operating profit	5	4,378,110	3,320,123
Interest and other finance costs	6	(854,925)	(872,022)
Share of net losses after tax of associated companies		(87,380)	(84,727)
Share of net losses after tax of joint ventures		(43,360)	(35,298)
Profit before tax		<u>3,392,445</u>	<u>2,328,076</u>
Tax	7	(1,219,235)	(846,591)
Profit for the year		2,173,210	1,481,485
Allocated as: Profit attributable to non-controlling interests		<u>(1,523,235)</u>	<u>(1,248,025)</u>
Profit attributable to unitholders of HPH Trust		<u>649,975</u>	<u>233,460</u>
		HK cents	HK cents
Earnings per unit attributable to unitholders of HPH Trust	9	<u>7.46</u>	<u>2.68</u>

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Profit for the year	2,173,210	1,481,485
Other comprehensive income/(loss):		
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plans	158,669	23,365
Investments:		
Valuation losses taken to reserves	(21,973)	(36,914)
Currency translation differences	(37,614)	(42,681)
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges arising from cross currency interest rate swap contracts and interest rate swap contracts		
Fair value losses recognised directly in reserves	(166,312)	(120,719)
Costs of hedging		
Changes in fair value of currency basis spread	-	2,495
Share of other comprehensive loss of associated companies	(4,843)	(4,588)
Share of other comprehensive loss of joint ventures	(41,368)	(42,086)
Currency translation differences	(73,272)	(66,234)
Total other comprehensive loss for the year	<u>(186,713)</u>	<u>(287,362)</u>
Total comprehensive income for the year	1,986,497	1,194,123
Allocated as: Attributable to non-controlling interests	<u>(1,474,773)</u>	<u>(1,195,990)</u>
Attributable to unitholders of HPH Trust	<u>511,724</u>	<u>(1,867)</u>

Note:

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Note	2024 HK\$'000	2023 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	10	18,919,630	19,622,016
Projects under development	11	501,612	664,194
Leasehold land and land use rights	12	30,462,936	31,858,286
Railway usage rights	13	7,944	8,658
Customer relationships	14(a)	3,830,742	4,164,948
Goodwill	14(b)	11,270,044	11,270,044
Associated companies	15	768,699	778,848
Joint ventures	16	3,687,651	3,808,234
Other non-current assets	17	250,923	272,896
Interest rate swaps under cash flow hedges		–	193,963
Pension assets	23	276,475	131,938
Deferred tax assets	18	37,073	14,630
		<u>70,013,729</u>	<u>72,788,655</u>
<b>Current assets</b>			
Cash and bank balances	19	8,138,133	8,194,864
Trade and other receivables	20	3,364,311	3,021,181
Interest rate swaps under cash flow hedges		27,651	–
Inventories		70,830	75,956
		<u>11,600,925</u>	<u>11,292,001</u>
Assets classified as held for sale	24	135,136	–
		<u>11,736,061</u>	<u>11,292,001</u>
<b>Current liabilities</b>			
Trade and other payables	21	6,055,962	6,275,962
Bank and other debts	22	4,842,386	4,774,820
Current tax liabilities		384,014	286,613
		<u>11,282,362</u>	<u>11,337,395</u>
<b>Net current assets/(liabilities)</b>		<u>453,699</u>	<u>(45,394)</u>
<b>Total assets less current liabilities</b>		<u>70,467,428</u>	<u>72,743,261</u>
<b>Non-current liabilities</b>			
Bank and other debts	22	20,287,023	20,870,364
Deferred tax liabilities	18	8,083,600	8,410,618
Other non-current liabilities	25	95,970	107,237
		<u>28,466,593</u>	<u>29,388,219</u>
<b>Net assets</b>		<u>42,000,835</u>	<u>43,355,042</u>
<b>EQUITY</b>			
Units in issue	26	68,553,839	68,553,839
Reserves		(43,519,219)	(42,924,633)
<b>Net assets attributable to unitholders of HPH Trust</b>		<u>25,034,620</u>	<u>25,629,206</u>
Non-controlling interests		<u>16,966,215</u>	<u>17,725,836</u>
<b>Total equity</b>		<u>42,000,835</u>	<u>43,355,042</u>



# STATEMENT OF FINANCIAL POSITION OF HUTCHISON PORT HOLDINGS TRUST

At 31 December 2024

	Note	2024 HK\$'000	2023 HK\$'000
<b>ASSETS</b>			
<b>Non-current asset</b>			
Investment in a subsidiary company	27	19,284,364	20,430,673
<b>Current assets</b>			
Cash and bank balances	19	3,679	2,919
Trade and other receivables	20	2,632	1,427
		6,311	4,346
<b>Current liability</b>			
Trade and other payables	21	39,031	31,646
<b>Net current liabilities</b>			
		(32,720)	(27,300)
<b>Total assets less current liabilities</b>			
		19,251,644	20,403,373
<b>EQUITY</b>			
Units in issue	26	68,553,839	68,553,839
Reserves		(49,302,195)	(48,150,466)
<b>Total equity</b>		19,251,644	20,403,373

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Note	2024 HK\$'000	2023 HK\$'000
<b>Operating activities</b>			
Cash generated from operations	28(a)	6,736,064	6,049,892
Interest and other finance costs paid		(874,804)	(840,678)
Tax paid		(1,468,284)	(1,349,798)
<b>Net cash from operating activities</b>		<u>4,392,976</u>	<u>3,859,416</u>
<b>Investing activities</b>			
Loan to an associated company		(1,057,700)	(1,470,950)
Purchase of fixed assets and projects under development		(370,872)	(489,874)
Proceeds/(payment) on disposal of fixed assets		4,396	(4,116)
Proceeds on disposal of interest in a joint venture		1,096	-
Dividends received from investments		12,787	21,902
Dividends received from an associated company and joint ventures		4,458	77,810
Interest received		341,112	365,438
Repayment of loans by an associated company and a joint venture		481,500	1,011,200
<b>Net cash used in investing activities</b>		<u>(583,223)</u>	<u>(488,590)</u>
<b>Financing activities</b>			
New borrowings		4,341,550	4,415,500
Repayment of borrowings		(4,869,250)	(5,875,000)
Principal elements of lease payments		(17,327)	(11,294)
Distributions to unitholders of HPH Trust		(1,106,310)	(1,175,999)
Dividends to non-controlling interests		(2,215,147)	(2,924,337)
<b>Net cash used in financing activities</b>		<u>(3,866,484)</u>	<u>(5,571,130)</u>
Net changes in cash and cash equivalents		(56,731)	(2,200,304)
Cash and cash equivalents at beginning of the year		8,194,864	10,395,168
Cash and cash equivalents at end of the year	19	<u>8,138,133</u>	<u>8,194,864</u>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Units in issue HK\$'000	Exchange and other reserves HK\$'000	Revaluation reserve HK\$'000	Hedging reserve HK\$'000	Pension reserve HK\$'000	Accumulated losses HK\$'000	Attributable to unitholders HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
<b>Group</b>									
At 1 January 2024	68,553,839	(360,307)	(346,113)	193,963	481,986	(42,894,162)	25,629,206	17,725,836	43,355,042
Profit for the year	-	-	-	-	-	649,975	649,975	1,523,235	2,173,210
Other comprehensive income/(loss):									
Remeasurement of defined benefit plans	-	-	-	-	158,669	-	158,669	-	158,669
Investments:									
Valuation losses taken to reserves	-	-	(21,973)	-	-	-	(21,973)	-	(21,973)
Cash flow hedges arising from interest rate swap contracts:									
Fair value losses recognised directly in reserves	-	-	-	(166,312)	-	-	(166,312)	-	(166,312)
Share of other comprehensive loss of associated companies	-	(2,521)	-	-	-	-	(2,521)	(2,322)	(4,843)
Share of other comprehensive loss of joint ventures	-	(32,877)	35	-	-	-	(32,842)	(8,526)	(41,368)
Currency translation differences	-	(73,272)	-	-	-	-	(73,272)	(37,614)	(110,886)
Total other comprehensive loss	-	(108,670)	(21,938)	(166,312)	158,669	-	(138,251)	(48,462)	(186,713)
Total comprehensive income	-	(108,670)	(21,938)	(166,312)	158,669	649,975	511,724	1,474,773	1,986,497
Transactions with owners:									
Distributions	-	-	-	-	-	(1,106,310)	(1,106,310)	-	(1,106,310)
Dividends	-	-	-	-	-	-	-	(2,234,394)	(2,234,394)
At 31 December 2024	68,553,839	(468,977)	(368,051)	27,651	640,655	(43,350,497)	25,034,620	16,966,215	42,000,835

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Units in issue	Exchange and other reserves	Revaluation reserve	Hedging reserve	Costs of hedging reserve	Pension reserve	Accumulated losses	Attributable to unitholders	Non- controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Group</b>										
At 1 January 2023	68,553,839	(256,905)	(309,407)	314,682	(2,495)	458,621	(41,951,263)	26,807,072	19,469,674	46,276,746
Profit for the year	-	-	-	-	-	-	233,460	233,460	1,248,025	1,481,485
Other comprehensive income/(loss):										
Remeasurement of defined benefit plans	-	-	-	-	-	23,365	-	23,365	-	23,365
Investments:										
Valuation losses taken to reserves	-	-	(36,914)	-	-	-	-	(36,914)	-	(36,914)
Cash flow hedges arising from cross currency interest rate swap contracts and interest rate swap contracts:										
Fair value losses recognised directly in reserves	-	-	-	(120,719)	-	-	-	(120,719)	-	(120,719)
Costs of hedging:										
Changes in fair value of currency basis spread	-	-	-	-	2,495	-	-	2,495	-	2,495
Share of other comprehensive loss of associated companies	-	(3,713)	-	-	-	-	-	(3,713)	(875)	(4,588)
Share of other comprehensive loss of joint ventures	-	(33,815)	208	-	-	-	-	(33,607)	(8,479)	(42,086)
Currency translation differences	-	(66,234)	-	-	-	-	-	(66,234)	(42,681)	(108,915)
Total other comprehensive loss	-	(103,762)	(36,706)	(120,719)	2,495	23,365	-	(235,327)	(52,035)	(287,362)
Total comprehensive income	-	(103,762)	(36,706)	(120,719)	2,495	23,365	233,460	(1,867)	1,195,990	1,194,123
Transferred to/(from) reserve	-	360	-	-	-	-	(360)	-	-	-
Transactions with owners:										
Distributions	-	-	-	-	-	-	(1,175,999)	(1,175,999)	-	(1,175,999)
Dividends	-	-	-	-	-	-	-	-	(2,939,828)	(2,939,828)
At 31 December 2023	68,553,839	(360,307)	(346,113)	193,963	-	481,986	(42,894,162)	25,629,206	17,725,836	43,355,042



# STATEMENT OF CHANGES IN EQUITY OF HUTCHISON PORT HOLDINGS TRUST

For the year ended 31 December 2024

	Units in issue HK\$'000	Accumulated losses HK\$'000	Attributable to unitholders HK\$'000
<b>Trust</b>			
At 1 January 2024	68,553,839	(48,150,466)	20,403,373
Loss and total comprehensive loss for the year	-	(45,419)	(45,419)
Transactions with owners:			
Distributions	-	(1,106,310)	(1,106,310)
At 31 December 2024	68,553,839	(49,302,195)	19,251,644
At 1 January 2023	68,553,839	(46,922,257)	21,631,582
Loss and total comprehensive loss for the year	-	(52,210)	(52,210)
Transactions with owners:			
Distributions	-	(1,175,999)	(1,175,999)
At 31 December 2023	68,553,839	(48,150,466)	20,403,373

# NOTES TO THE FINANCIAL STATEMENTS

## 1 General information

Hutchison Port Holdings Trust (“Trust” or “HPH Trust”) is a business trust constituted by a deed of trust dated 25 February 2011 (as amended) (the “Trust Deed”) and registered with the Monetary Authority of Singapore. HPH Trust is principally regulated by the Business Trusts Act 2004 of Singapore and Securities and Futures Act 2001 of Singapore. Under the Trust Deed, Hutchison Port Holdings Management Pte. Limited (the “Trustee-Manager”), has declared that it will hold all its assets (including businesses) acquired on trust for the unitholders as the Trustee-Manager of HPH Trust. The registered address of the Trustee-Manager is at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632. HPH Trust was listed on the Main Board of Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 18 March 2011.

HPH Trust is established with the principal investment mandate of investing in, developing, operating and managing deep-water container ports in the Guangdong Province of China, Hong Kong and Macau. HPH Trust may also invest in other types of port assets including river ports, which are complementary to the deep-water container ports owned by HPH Trust, as well as undertake certain port ancillary services including, but not limited to, trucking, feeder, freight-forwarding, supply chain management, warehousing and distribution services.

## 2 Basis of preparation and material accounting policy information

The consolidated financial statements of HPH Trust and its subsidiaries (together the “Group”), have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The financial statements have been prepared under the historical cost convention except for defined benefit plan pension assets, investments and derivative financial instruments which are stated at fair value, and assets classified as held for sale are generally measured at the lower of carrying amount and fair value less cost to sell, as explained in the material accounting policies set out in Note 2.

There is no material difference in preparing the financial statements using HKFRS and International Financial Reporting Standards (“IFRS”). No material adjustments are required to restate the financial statements prepared under HKFRS to comply with IFRS.

The preparation of financial statements in conformity with HKFRS requires management to exercise its judgements in the process of applying the accounting policies of the Group. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgements or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

### Adoption of amendments to existing standards and interpretations

The Group has adopted all of the amendments and interpretations issued by the HKICPA that are mandatory for annual period beginning 1 January 2024. The effect of the adoption of these amendments and interpretations was not material to the Group’s results or financial position.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

## NOTES TO THE FINANCIAL STATEMENTS

### 2 Basis of preparation and material accounting policy information (Continued)

#### Standards, amendments and interpretations which are not yet effective

At the date of authorisation of the financial statements, the following new standards, amendments and interpretations were in issue but not yet effective and have not been early adopted by the Group:

Amendments to HKAS 21 and HKFRS 1 <sup>(1)</sup>	Lack of Exchangeability
Amendments to HKFRS 9 and HKFRS 7 <sup>(2)</sup>	Amendments to the Classification and Measurement of Financial Instruments
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>(2)</sup>	Annual Improvements to HKFRSs – Volume 11
HKFRS 18 <sup>(3)</sup>	Presentation and Disclosure in Financial Statements
HKFRS 19 <sup>(3)</sup>	Subsidiaries without Public Accountability: Disclosures
Amendments to Hong Kong Interpretation 5 <sup>(3)</sup>	Amendments to Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKFRS 10 and HKAS 28 <sup>(4)</sup>	Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture

(1) Effective for annual periods beginning 1 January 2025

(2) Effective for annual periods beginning 1 January 2026

(3) Effective for annual periods beginning 1 January 2027

(4) New effective date to be determined

The Group is assessing the full impact of these new standards, amendments and interpretations, certain of them will give rise to change in presentation, disclosure and measurements of certain items in the financial statements. It is not expected to have material impact on the Group.

#### (a) Basis of consolidation

The consolidated financial statements of the Group for the year ended 31 December 2024 include all its direct and indirect subsidiary companies and also incorporate the interest in associated companies, joint operations and joint ventures on the basis set out in Notes 2(c) and 2(d) below. Results of subsidiary companies, associated companies and joint ventures acquired or disposed of during the year are included as from their effective dates of acquisition to 31 December 2024 or up to the dates of disposal as the case may be. The acquisition of subsidiary companies is accounted for using the acquisition method.

#### (b) Subsidiary companies

A subsidiary company is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. In the unconsolidated financial statements of the holding company, investments in subsidiary companies are carried at cost less provision for impairment in value.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of subsidiary companies are the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On the acquisition by acquisition basis, the Group recognises a non-controlling interest in the acquiree either at fair value or at non-controlling interest's proportionate share of the acquiree's net assets.

## NOTES TO THE FINANCIAL STATEMENTS

### 2 Basis of preparation and material accounting policy information (Continued)

#### (b) Subsidiary companies (Continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

#### (c) Associated companies

An associated company is an entity, other than a subsidiary company or a joint venture, in which the Group has a long-term equity interest (including long-term interests which form part of the net investment) and over which the Group is in a position to exercise significant influence over its management, which includes participation in the financial and operating policy decisions.

The results and assets and liabilities of associated companies are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under HKFRS 5 "Non-current assets held for sale and discontinued operations". The total carrying amount of such investments is reduced to recognise any identified impairment loss in the value of individual investments.

#### (d) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control and over which none of the participating parties has unilateral control.

Investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement.

The results and net assets of joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under HKFRS 5 "Non-current assets held for sale and discontinued operations". The total carrying amount of such investments is reduced to recognise any identified impairment loss in the value of individual investments.

#### (e) Fixed assets

Fixed assets are stated at cost less depreciation and any impairment loss. Properties comprise buildings and civil works. Buildings and civil works are depreciated on the basis of an expected life of 50 years, or the remainder thereof, or over the remaining period of the lease of the underlying leasehold land and land use rights, whichever is lesser. The period of the lease includes the period for which a right of renewal is attached. Other assets comprise motor vehicles, computer equipment and other fixed assets.

Depreciation of fixed assets other than properties is provided at rates calculated to write off their costs to their residual values over their estimated useful lives on a straight line basis as follows:

Container handling equipment	10 - 30 years
Barges	15 years
Motor vehicles	5 years
Computer equipment	5 years
Other fixed assets	5 - 25 years

The gain or loss on disposal or retirement of a fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

## NOTES TO THE FINANCIAL STATEMENTS

### 2 Basis of preparation and material accounting policy information (Continued)

#### (f) Projects under development

Projects under development are carried at cost and include project development expenditure and capitalised interest on related loans incurred up to the date of completion. On completion, projects under development are transferred to fixed assets.

#### (g) Leasehold land and land use rights

The acquisition costs and upfront payments made for leasehold land and land use rights are presented on the statement of financial position as leasehold land and land use rights. The prepaid lease payments are right-of-use assets. The balances are expensed in the income statement on a straight-line basis over the period of the lease/ rights.

#### (h) Customer relationships

Customer relationships, which are acquired in a business combination, are recognised at fair value at the acquisition date. Customer relationships are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationships, ranging from approximately 23 to 33 years.

#### (i) Goodwill

Goodwill is initially measured at cost being excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed. Goodwill on acquisition of a foreign operation is treated as an asset of the foreign operation.

Goodwill is subject to impairment test annually and when there are indications that the carrying value may not be recoverable. If the cost of acquisition is less than the fair value of the Group's share of the net identifiable assets of the acquired company, the difference is recognised directly in the income statement.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

The profit or loss on disposal is calculated by reference to the net assets at the date of disposal including the attributable amount of goodwill but does not include any attributable goodwill previously eliminated against reserves.

#### (j) Railway usage rights

Railway usage rights are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line basis over the period of operation of approximately 45 years.



## NOTES TO THE FINANCIAL STATEMENTS

### 2 Basis of preparation and material accounting policy information (Continued)

#### (k) Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the group companies operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liabilities method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### (l) Investments

Investments (other than investments in subsidiary companies, associated companies or joint ventures) are non-derivative equity financial investments which are measured at fair value. Management is eligible to make an irrevocable election, on an instrument-by-instrument basis, on equity investments other than those held for trading, to present changes in fair value through profit or loss or fair value through other comprehensive income ("FVOCI"). The Group has elected to measure as FVOCI, to which any fair value gains or losses accumulated in the revaluation reserve account will no longer be reclassified to profit or loss following the derecognition of such investment. Dividends from investments continued to be recognised as other operating income in the income statement when the right to receive payment is established. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value.

#### (m) Financial assets at amortised cost

Financial assets at amortised cost are debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets at amortised cost and are subsequently measured at amortised cost less impairment. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement based on expected credit loss ("ECL") model. Interest income using the effective interest method is recognised in the income statement.

#### (n) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement.

#### (o) Inventories

Inventories consist mainly of replacement parts and are stated at the lower of cost and net realisable value. Cost is calculated on the weighted average basis.

#### (p) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits with maturity less than three months, and bank overdrafts, if any.

## NOTES TO THE FINANCIAL STATEMENTS

### 2 Basis of preparation and material accounting policy information (Continued)

#### (q) Borrowings and borrowing costs

The borrowings are initially measured at fair value, net of transaction costs, and are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the period of the borrowings using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the income statement in the period in which they are incurred.

#### (r) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

#### (s) Provisions

Provisions are recognised when it is probable that an outflow of economic benefits will be required to settle a present obligation as a result of past events and a reliable estimate can be made of the amount of the obligation.

#### (t) Asset impairment

##### Impairment of financial assets

The Group applies the ECL model to assess impairment of financial assets classified at amortised cost and debt instruments measured at FVOCI. The impairment methodology to be applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires lifetime expected losses for amounts due from customers to be recognised from initial recognition of the trade receivables.

##### Impairment of other assets

Assets that have an indefinite useful life are tested for impairment annually and when there is indication that they may be impaired. Assets that are subject to depreciation and amortisation are reviewed for impairment to determine whether there is any indication that the carrying values of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. Such impairment loss is recognised in income statement except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that asset, in which case it is treated as a revaluation decrease and is recognised in other comprehensive income.

#### (u) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

A gain or loss not previously recognised by the date of the sale of the non-current assets is recognised at the date of derecognition. Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately from the other assets in the consolidated statement of financial position.

## NOTES TO THE FINANCIAL STATEMENTS

### 2 Basis of preparation and material accounting policy information (Continued)

#### (v) Derivative financial instruments and hedging activities

Derivative financial instruments are utilised by the Group in the management of its foreign currency and interest rate exposures. The Group's policy is not to utilise derivative financial instruments for trading or speculative purposes. Derivative financial instruments are initially measured at fair value on the contract date, and are remeasured to fair value at subsequent reporting dates. Changes in fair value are recognised based on whether certain qualifying criteria under HKFRS 9 are satisfied in order to apply hedge accounting, and if so, the nature of the items being hedged.

The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

Derivatives designated as hedging instruments to hedge the fair value of recognised assets or liabilities may qualify as fair value hedges. The Group mainly enters into interest rate swap contracts to swap certain fixed interest rate borrowings into floating interest rate borrowings. Changes in the fair value of these derivative contracts, together with the changes in the fair value of the hedged assets or liabilities attributable to the hedged risk are recognised in the income statement. At the same time, the carrying amount of the hedged asset or liability in the statement of financial position is adjusted for the changes in fair value.

Derivatives designated as hedging instruments to hedge against the cash flows attributable to recognised assets or liabilities may qualify as cash flow hedges. The Group mainly enters into (i) cross currency interest rate swap contracts to swap certain fixed interest rate United States dollar debts to fixed interest rate Hong Kong dollar debts; (ii) cross currency interest rate swap contracts to swap certain floating interest rate United States dollar debts to fixed interest rate Hong Kong dollar debts; and (iii) interest rate swap contracts to swap certain floating interest rate United States dollar debts to fixed interest rate United States dollar debts to hedge against the foreign currency and interest rate risk. The Group excludes foreign currency basis spread of these cross currency swaps in the hedge designation. The change in fair value of the foreign currency basis spread (to the extent it relates to the hedged item) is recognised in other comprehensive income and is accumulated in a separate costs of hedging reserve under equity. The amount would be amortised to profit or loss on a systematic and rational basis. Changes in the fair value relating to the effective portion of derivative contracts designated as hedging instruments qualifying as cash flow hedges are recognised in other comprehensive income and accumulated under the heading of hedging reserve. The gain or loss relating to the ineffective portion is recognised in the income statement. Amounts accumulated are removed from hedging reserve and costs of hedging reserve and recognised in the income statement in the periods when the hedged derivative contract matures.

Derivatives that do not qualify for hedge accounting under HKFRS 9 will be accounted for with the changes in fair value being recognised in the income statement.

#### (w) Pension plans

Pension plans are classified into defined benefit and defined contribution plans.

Pension costs for defined benefit plans are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to income statement so as to spread the regular cost over the future service lives of employees in accordance with the advice of the actuaries who carry out a valuation of the plans. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on high quality corporate bonds with currency and term similar to the estimated term of benefit obligations.

Remeasurements arising from defined benefit plans are recognised in other comprehensive income in the year in which they occur and reflected immediately in pension reserve. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability/asset) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability/asset).

The contributions to the defined contribution plans are charged to the income statement in the year incurred.

## NOTES TO THE FINANCIAL STATEMENTS

### 2 Basis of preparation and material accounting policy information (Continued)

#### (w) Pension plans (Continued)

Pension costs are charged against the income statement within staff costs. The pension plans are generally funded by the relevant Group companies taking into account the recommendations of independent qualified actuaries and by payments from employees for contributory plans.

#### (x) Foreign exchange

The consolidated financial statements are presented in Hong Kong dollars, which is same as the functional currency of HPH Trust.

Transactions in foreign currencies are converted at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities are translated at the rates of exchange ruling at the end of the reporting period.

The financial statements of foreign operations (i.e. subsidiary companies, associated companies, joint ventures or branches whose activities are based or conducted in a country or currency other than those of the Trust) are translated into Hong Kong dollars using the year end rates of exchange for the statement of financial position items and the average rates of exchange for the year for the income statement items. Exchange differences are recognised in other comprehensive income and accumulated under the heading of exchange reserve. Exchange differences arising from foreign currency borrowings and other currency instruments designated as hedges of such overseas investments, are recognised in other comprehensive income and accumulated under the heading of exchange reserve.

Exchange differences arising from translation of inter-company loan balances between Group entities are recognised in other comprehensive income and accumulated under the heading of exchange reserve when such loans form part of the Group's net investment in a foreign entity. On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associated company that includes a foreign operation), all of the exchange gains or losses accumulated in exchange reserve in respect of that operation attributable to the owners of the company are transferred out of the exchange reserve and are recognised in the income statement.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and is not recognised in the income statement. For all other partial disposals (i.e. partial disposals of associated companies or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is transferred out of the exchange reserve and is recognised in the income statement.

All other exchange differences are recognised in the income statement.

#### (y) Distributions to the Trust's unitholders

Distributions to the Trust's unitholders are recorded in equity in the period in which they are approved for payment.

## NOTES TO THE FINANCIAL STATEMENTS

### 2 Basis of preparation and material accounting policy information (Continued)

#### (z) Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Such determination is made on an evaluation of the substance of the arrangement, regardless of whether the arrangements take the legal form of a lease.

##### (i) Assets leased to the Group

Leases are initially recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets leased to the Group and the corresponding liabilities are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate; and
- payments of penalties for terminating the lease, if the lease term reflects the Group, as a lessee, exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the incremental borrowing rate of the respective entities. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date, less any lease incentive received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise equipment and small items of office furniture.

##### (ii) Assets leased out by the Group

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Income received under operating leases net of any incentives provided to the leasing company are credited to the income statement on a straight-line basis over the lease periods.

#### (aa) Revenue and other income recognition

Revenues are recognised when or as the control of the good or service is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the good or service may be transferred over time or at a point in time.

Control of the good or service is transferred over time if the Group's performance provides all of the benefits received and consumed simultaneously by the customer.



## NOTES TO THE FINANCIAL STATEMENTS

### 2 Basis of preparation and material accounting policy information (Continued)

#### (aa) Revenue and other income recognition (Continued)

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on direct measurements of the value transferred by the Group to the customer.

Transaction price of a contract shall be allocated to individual performance obligation (or distinct good or service). The objective when allocating the transaction price is for an entity to allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised goods or services to the customer.

Revenue is recognised over time:

- (i) for ports and related services, transportation and logistics solutions along with the progress when service is rendered; and
- (ii) for management and service fee income, and system development and support fees along with the progress when service is rendered.

Interest income is recognised over time on a time proportion basis using the effective interest method.

#### (ab) Government Grant

Subsidy from the government is recognised at their fair values where there is a reasonable assurance that the subsidy will be received and the Group will comply with all attached conditions. The amounts are recognised within "other operating income" in the income statement.

### 3 Critical accounting estimates and judgements

Note 2 includes a summary of the material accounting policy information used in the preparation of the financial statements. The preparation of financial statements often requires the use of judgements to select specific accounting methods and policies from several acceptable alternatives. Furthermore, significant estimates and assumptions concerning the future may be required in selecting and applying those methods and policies in the financial statements. The Group bases its estimates and judgements on historical experience and various other assumptions that it believes are reasonable under the circumstances. Actual results may differ from these estimates and judgements under different assumptions or conditions.

The following is a review of the more significant assumptions and estimates as well as the accounting policies and methods used in the preparation of the financial statements.

#### (a) Long lived assets

The Group has made substantial investments in tangible long-lived assets in its container terminal operating business. Changes in technology or the intended use of these assets may cause the estimated period of use or value of these assets to change.

The Group considers its assets impairment accounting policy to be a policy that requires one of the most extensive applications of judgements and estimates by management.

## NOTES TO THE FINANCIAL STATEMENTS

### 3 Critical accounting estimates and judgements (Continued)

#### (a) Long lived assets (Continued)

Assets that are subject to depreciation are reviewed to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. Such impairment loss is recognised in the income statement except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that asset, in which case it is treated as a revaluation decrease and is recognised in other comprehensive income.

Management's judgements are required in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may indicate that the related asset values may not be recoverable; (2) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the Group; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level, if any, of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the income statement.

#### (b) Goodwill

For the purposes of impairment tests, the recoverable amount of goodwill is determined based on value-in-use calculations. The value-in-use calculations primarily use cash flow projections based on financial projections approved by management. There are a number of assumptions and estimates involved for the preparation of cash flow projections. The key assumptions adopted in the value-in-use calculations are based on management's best estimates, past experience and new business developments. Changes to key assumptions can affect significantly the results of the impairment tests.

Key assumptions are made with respect to the expected growth in revenues and cost of services rendered, timing of future capital expenditures, terminal growth rates and selection of discount rate, which approximately reflect the risks involved. The growth in revenues will be affected by the growth in both the volume of containers handled, tariff and new business developments. The volume of containers handled will be impacted by economic and global market conditions, structural changes within the shipping line industry and influenced by the performance and growth of regional and international trading economies. If key export markets for local exporters experience an economic downturn or recession, export volumes may decrease. The growth of tariff depends on the Group's overall competitiveness, which is determined by a number of factors, such as geographical reach and connectivity, operating efficiency, berth availability, mega vessel handling capability, technology offerings, transportation and logistics network and ancillary services and facilities.

A significant portion of cost of services rendered is labour cost which will be impacted by labour supply, inflation and cost initiatives adopted. In addition, the introduction of ever larger vessels by shipping lines will require upgrading of equipment and new work practices to increase productivity so as to remain competitive.

## NOTES TO THE FINANCIAL STATEMENTS

### 3 Critical accounting estimates and judgements (Continued)

#### (c) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationships.

The Group considers its impairment accounting policy to be a policy that requires one of the most extensive applications of judgements and estimates by management. Intangible assets with definite useful lives that are subject to amortisation are reviewed to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amounts of the intangible assets are estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. Such impairment loss is recognised in the income statement. Management's judgements are required in the area of intangible asset impairment, particularly in assessing: (1) whether an event has occurred that may indicate that the related asset values may not be recoverable; and (2) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the Group.

#### (d) Depreciation

Depreciation of operating assets constitutes a substantial operating cost for the Group. The cost of fixed assets is charged as depreciation expense over the estimated useful lives of the respective assets using the straight-line method. The Group periodically reviews changes in technology and industry conditions, asset retirement activity and residual values to determine adjustments to estimated remaining useful lives and depreciation rates.

Actual economic lives may differ from estimated useful lives. Periodic reviews could result in a change in depreciable lives and therefore depreciation expense in future periods.

#### (e) Accrual of net revenue

Revenue is accrued at period end with reference to the throughput handled and the terms of agreements for container handling service. Consequently, recognition of revenue is based on the volume of services rendered as well as the latest tariff agreed with customers or best estimated by management. This estimate is based on the latest tariff and other industry considerations as appropriate. If the actual revenue differs from the estimated accrual, this will have an impact on revenue in future periods.

#### (f) Pension

The Group operates several defined benefit plans. Pension costs for defined benefit plans are assessed using the projected unit credit method in accordance with HKAS 19 (2011), Employee Benefits. Under this method, the cost of providing pensions is charged to the income statement so as to spread the regular cost over the future service lives of employees in accordance with the advice of the actuaries who carry out a valuation of the plans. The pension assets/obligations are measured at the present values of the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on high quality corporate bonds with currencies and terms similar to the estimated terms of benefit obligations.

Remeasurements arising from defined benefit plans are recognised in other comprehensive income in the year in which they occur and reflected immediately in pension reserve. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability/asset) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability/asset).

Management appointed actuaries to carry out a full valuation of these pension plans to determine the pension assets/obligations that are required to be disclosed and accounted for in the financial statements in accordance with the HKFRS requirements.

## NOTES TO THE FINANCIAL STATEMENTS

### 3 Critical accounting estimates and judgements (Continued)

#### (f) Pension (Continued)

The actuaries use assumptions and estimates in determining the fair value of the defined benefit plans and evaluate and update these assumptions on an annual basis. Judgements are required to determine the principal actuarial assumptions to determine the present value of defined benefit obligations and service costs. Changes to the principal actuarial assumptions can significantly affect the present value of plan obligations and service costs in future periods.

#### (g) Tax

The Group is subject to income taxes in different jurisdictions. Significant judgements are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were previously recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets are recognised for unused tax losses carried forward to the extent it is probable that future taxable profits will be available against which the unused tax losses can be utilised, based on all available evidence. Recognition primarily involves judgements regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realised, such as the existence of taxable temporary differences, group relief, tax planning strategies and the periods in which estimated tax losses can be utilised. The carrying amount of deferred tax assets and related financial models and budgets are reviewed at the end of the reporting period and to the extent that there is insufficient convincing evidence that sufficient taxable profits will be available within the utilisation periods to allow utilisation of the carry forward tax losses, the asset balance will be reduced and charged to the income statement.

### 4 Revenue and other income and segment information

#### (a) Revenue and other income

	2024 HK\$'000	2023 HK\$'000
Revenue		
Rendering of port and related services	10,917,859	10,053,421
Rendering of transportation and logistics solutions	257,543	180,623
Management and service fee income	38,799	36,649
System development and support fees	7,142	6,996
Others	1,747	1,610
	<u>11,223,090</u>	<u>10,279,299</u>
Other income		
Interest income	344,179	356,223
	<u>11,567,269</u>	<u>10,635,522</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 4 Revenue and other income and segment information (Continued)

#### (b) Segment information

The chief operating decision maker has been determined to be the executive committee of HPH Trust (the "Executive Committee"). The Executive Committee reviews the internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

HPH Trust is principally engaged in investing in, developing, operating and managing deep-water container ports and port ancillary services and therefore management considers that HPH Trust operates in one single business segment at two geographical locations.

Revenue is recognised over time and disclosures by geographical location are shown below:

	Revenue and other income		Non-current assets*	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	2,476,584	2,515,075	17,841,394	18,714,522
Mainland China	9,090,685	8,120,447	51,607,864	53,460,706
	11,567,269	10,635,522	69,449,258	72,175,228

\* Exclude financial instruments, deferred tax assets and pension assets

### 5 Operating profit

Operating profit is stated after crediting and charging the following:

	2024	2023
	HK\$'000	HK\$'000
<b>Crediting</b>		
Dividend income from River Ports Economic Benefits (Note 17)	9,357	18,567
Net gain on disposal of fixed assets	4,124	-
Wage, salary and other subsidies (Note)	-	237
<b>Charging</b>		
Auditor's remuneration		
- audit services	17,353	15,962
- non-audit services	1,053	1,287
Amortisation		
- leasehold land and land use rights	1,289,476	1,290,061
- railway usage rights	486	497
- customer relationships	334,206	334,206
Depreciation of fixed assets	1,188,933	1,258,237
Depreciation of right-of-use assets within fixed assets	11,262	11,819
Net loss on disposal of fixed assets	-	5,059
Short-term lease costs for		
- office premises and port facilities	53,701	58,334
Staff costs (including amount charged within cost of services rendered)		
- Wages, salaries and other benefits	1,281,975	1,321,714
- Pension costs	108,398	102,895
Net exchange loss	7,124	48,765

Note:

Mainly benefits received from government under COVID-19 related employment support scheme recognised in other operating income for the year ended 31 December 2023.



## NOTES TO THE FINANCIAL STATEMENTS

### 6 Interest and other finance costs

	2024 HK\$'000	2023 HK\$'000
Bank loans and overdrafts	565,493	581,564
Guaranteed notes	231,183	248,625
Loans from related companies (Note 22)	19,226	–
Loans from non-controlling interests	1,514	1,547
Lease liabilities	723	847
Other finance costs	36,786	39,439
	<u>854,925</u>	<u>872,022</u>

### 7 Tax

	2024 HK\$'000	2023 HK\$'000
Current tax	1,568,841	1,316,687
Deferred tax (Note 18)	(349,606)	(470,096)
	<u>1,219,235</u>	<u>846,591</u>

The tax charge on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate of the Group as follows:

	2024 HK\$'000	2023 HK\$'000
Profit before tax excluding share of net losses after tax of joint ventures and associated companies	3,523,185	2,448,101
Tax calculated at weighted average tax rate of 27.9% (2023: 29.3%)	982,872	718,214
Tax exemption in China	–	(50,176)
Income not subject to tax	(21,846)	(22,830)
Expenses not deductible for tax purposes	89,847	109,427
Withholding tax on unremitted earnings	141,167	125,857
Utilisation of previously unrecognised tax losses	(133)	(7)
Overprovision in prior year	(6,279)	(37,056)
Tax losses not recognised	33,732	3,836
Others	(125)	(674)
Total tax	<u>1,219,235</u>	<u>846,591</u>

The Group is within the scope of the Organisation for Economic Co-operation and Development Pillar Two model rules. Pillar Two legislation was enacted in Singapore, the jurisdiction in which HPH Trust is established, and will come into effect from 1 January 2025. Since Pillar Two legislation was not effective at the reporting date, the Group has no related tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and deferred tax liabilities related to Pillar Two income taxes.

Under the legislation, the Group is liable to pay a top-up tax for the difference between the effective tax rate under Global Anti-Base Erosion Rules for each jurisdiction and the 15% minimum rate.

Based on management's assessment, the application of Pillar Two legislation is not expected to have material impacts to the Group.

## NOTES TO THE FINANCIAL STATEMENTS

### 8 Distributions

	2024 HK\$'000	2023 HK\$'000
For the period from 1 July 2022 to 31 December 2022		
Distribution of 8.00 HK cents per unit	–	696,888
For the period from 1 January 2023 to 30 June 2023		
Distribution of 5.50 HK cents per unit	–	479,111
For the period from 1 July 2023 to 31 December 2023		
Distribution of 7.70 HK cents per unit	670,754	–
For the period from 1 January 2024 to 30 June 2024		
Distribution of 5.00 HK cents per unit	435,556	–
	<u>1,106,310</u>	<u>1,175,999</u>

On 7 February 2025, the Board of Directors of the Trustee-Manager approved the distribution of 7.20 HK cents per unit for the financial result from 1 July 2024 to 31 December 2024 (2023: 7.70 HK cents per unit) amounting to HK\$627.2 million (2023: HK\$670.8 million) and payable on 28 March 2025. This distribution is not reflected in these financial statements and will be recognised in equity in the financial year ending 31 December 2025.

### 9 Earnings per unit

The calculation of earnings per unit is based on profit attributable to unitholders of HPH Trust of HK\$649,975,000 for the year ended 31 December 2024 (2023: HK\$233,460,000) and on 8,711,101,022 units in issue (2023: 8,711,101,022 units in issue).

Diluted earnings per unit is the same as the basic earnings per unit for the years ended 31 December 2024 and 2023.

### 10 Fixed assets

Group	Properties HK\$'000	Container handling equipment HK\$'000	Barges HK\$'000	Other fixed assets HK\$'000	Total HK\$'000
2024					
Opening net book amount	13,763,585	5,477,747	907	379,777	19,622,016
Additions	56,927	63,965	–	2,068	122,960
Transfer from projects under development (Note 11)	62,730	394,826	–	36,374	493,930
Depreciation	(579,301)	(565,628)	(99)	(55,167)	(1,200,195)
Disposals	(237)	(24)	–	(11)	(272)
Transfer to assets classified as held for sale (Note 24)	(49,763)	(7,035)	–	(1,895)	(58,693)
Currency translation differences	(48,198)	(9,649)	–	(2,269)	(60,116)
Closing net book amount	<u>13,205,743</u>	<u>5,354,202</u>	<u>808</u>	<u>358,877</u>	<u>18,919,630</u>
At 31 December 2024					
Cost	21,092,756	14,362,911	9,484	1,116,223	36,581,374
Accumulated depreciation	(7,887,013)	(9,008,709)	(8,676)	(757,346)	(17,661,744)
Net book amount	<u>13,205,743</u>	<u>5,354,202</u>	<u>808</u>	<u>358,877</u>	<u>18,919,630</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 10 Fixed assets (Continued)

Group	Properties HK\$'000	Container handling equipment HK\$'000	Barges HK\$'000	Other fixed assets HK\$'000	Total HK\$'000
2023					
Opening net book amount	14,326,129	5,652,204	1,003	378,406	20,357,742
Additions	22,834	66,044	–	1,900	90,778
Transfer from projects under development (Note 11)	70,446	380,013	–	58,971	509,430
Depreciation	(605,184)	(607,984)	(96)	(56,792)	(1,270,056)
Disposals	–	(927)	–	(16)	(943)
Currency translation differences	(50,640)	(11,603)	–	(2,692)	(64,935)
Closing net book amount	<u>13,763,585</u>	<u>5,477,747</u>	<u>907</u>	<u>379,777</u>	<u>19,622,016</u>
At 31 December 2023					
Cost	21,179,460	13,911,329	9,484	1,101,705	36,201,978
Accumulated depreciation	(7,415,875)	(8,433,582)	(8,577)	(721,928)	(16,579,962)
Net book amount	<u>13,763,585</u>	<u>5,477,747</u>	<u>907</u>	<u>379,777</u>	<u>19,622,016</u>

Note:

The Group has the right to control the use of certain assets included in properties, container handling equipment and other fixed assets for a period of time through lease arrangements. Lease arrangements with terms of 2 to 5 years are negotiated on an individual basis and contain a wide range of terms and conditions. During the year ended 31 December 2024, additions to the right-of-use assets under properties and other fixed assets were HK\$13,427,000 (2023: nil) and disposals to the right-of-use assets under other fixed assets due to termination of lease terms were HK\$202,000 (2023: nil) for the year end 31 December 2024.

The carrying amounts of right-of-use assets included in fixed assets are as follows:

	2024 HK\$'000	2023 HK\$'000
Properties	16,474	14,855
Other fixed assets	535	355
	<u>17,009</u>	<u>15,210</u>

Depreciation charge for right-of-use assets recognised in the consolidated income statement is as follows:

	2024 HK\$'000	2023 HK\$'000
Properties	10,761	11,497
Other fixed assets	501	322
	<u>11,262</u>	<u>11,819</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 11 Projects under development

Group	2024 HK\$'000	2023 HK\$'000
At beginning of the year	664,194	762,911
Additions	332,390	411,598
Transfer to fixed assets (Note 10)	(493,930)	(509,430)
Currency translation differences	(1,042)	(885)
At end of the year	501,612	664,194

Projects under development mainly represent the cost of construction of port facilities in Hong Kong and Mainland China.

### 12 Leasehold land and land use rights

Group	2024 HK\$'000	2023 HK\$'000
<b>Net book value</b>		
At beginning of the year	31,858,286	33,178,968
Amortisation	(1,289,476)	(1,290,061)
Transfer to assets classified as held for sale (Note 24)	(76,443)	–
Currency translation differences	(29,431)	(30,621)
At end of the year	30,462,936	31,858,286
Cost	47,900,930	48,179,829
Accumulated amortisation	(17,437,994)	(16,321,543)
	30,462,936	31,858,286

The net book value of land use rights, which are accounted for as right-of-use assets, was HK\$6,346,152,000 at 31 December 2024 (2023: HK\$6,627,945,000). The corresponding amortisation charge for the year was HK\$281,793,000 (2023: HK\$282,053,000).

### 13 Railway usage rights

Group	2024 HK\$'000	2023 HK\$'000
<b>Net book value</b>		
At beginning of the year	8,658	9,400
Amortisation	(486)	(497)
Currency translation differences	(228)	(245)
At end of the year	7,944	8,658
Cost	13,723	14,331
Accumulated amortisation	(5,779)	(5,673)
	7,944	8,658

## NOTES TO THE FINANCIAL STATEMENTS

### 14 Intangible assets

#### (a) Customer relationships

Group	2024 HK\$'000	2023 HK\$'000
<b>Net book value</b>		
At beginning of the year	4,164,948	4,499,154
Amortisation	(334,206)	(334,206)
At end of the year	3,830,742	4,164,948
Cost	8,440,000	8,440,000
Accumulated amortisation	(4,609,258)	(4,275,052)
At end of the year	3,830,742	4,164,948

#### (b) Goodwill

The Group has one business segment and two geographical CGU to which goodwill is allocated as follows:

Group	2024 HK\$'000	2023 HK\$'000
Hong Kong	–	–
Mainland China	11,270,044	11,270,044
	11,270,044	11,270,044
	<b>2024 HK\$'000</b>	<b>2023 HK\$'000</b>
At beginning of the year	11,270,044	11,270,044
Impairment of goodwill (accumulated: HK\$30.4 billion)	–	–
At end of the year	11,270,044	11,270,044

As in the prior year, management performed an impairment assessment based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a 5-year period and a further outlook for 5 years, which is considered appropriate in view of the long-term nature of the terminal business. Management determined that no impairment of goodwill or other operating assets are required for the year ended 31 December 2024. The impairment methodology assumed terminal values and discount rates of 2% - 3% (2023: 2% - 3%) and 8% - 9% (2023: 9% - 10%) per annum, respectively. Terminal values are determined by considering both internal and external factors relating to the port operation and discount rates reflect specific risks relating to the relevant business.

The assumptions regarding the growth rates in revenue and cost of services rendered used in the current year's assessments incorporated new business opportunities identified. For illustration purposes, a hypothetical 0.5% decrease in the revenue growth rate, a 0.5% increase in costs of services rendered and a 0.5% increase in the discount rate, with all other variables and assumptions held constant, would decrease the recoverable amount of the Hong Kong CGU, by HK\$2.2 billion, HK\$0.5 billion and HK\$1.9 billion respectively and of the Mainland China CGU, by HK\$2.6 billion, HK\$0.4 billion and HK\$3.2 billion, respectively.

Actual results in the future may differ materially from the sensitivity analysis due to developments in the global markets and changes in economic conditions which may cause fluctuations in growth and market interest rates to vary and therefore it is important to note that the hypothetical amounts so generated do not represent a projection of likely future events and profits or losses.



## NOTES TO THE FINANCIAL STATEMENTS

### 15 Associated companies

Group	2024	2023
	HK\$'000	HK\$'000
Share of net assets	21,399	108,498
Loans to an associated company – non-current	747,300	670,350
	<u>768,699</u>	<u>778,848</u>

As at 31 December 2024, two 5-year loans of RMB600,000,000 (approximate to HK\$636,000,000) and RMB105,000,000 (approximate to HK\$111,300,000) provided to an associated company are unsecured, interest bearing at a fixed rate of 2.75% per annum and 2.50% per annum, respectively, and repayable in April and December 2028. The carrying amount of the loans to an associated company approximates their fair value.

Details of the principal associated companies at 31 December 2024 and 2023 are as follows:

Name	Place of establishment	Principal activities	Effective interest held	
			2024	2023
Shenzhen Huazhou Ocean Development Co., Ltd.	China	Provision of tugboat services in China	23.84%	23.84%
Huizhou International Container Terminals Limited <sup>(1)</sup>	China	Development and operation of a container terminal	41.31%	41.31%
Yantian Port International Information Company Limited ("YPII") <sup>(2)</sup>	China	Provision of electronic port community system	27.64%	N/A

(1) Audited by PricewaterhouseCoopers network firms

(2) Yantian International Container Terminals Limited ("YICT"), a 56.41% indirectly held subsidiary of HPH Trust, originally held 50% equity interest in YPII. In 2023, YPII was a joint venture of the Group with effective interest of 28.21%. On 31 August 2024, YICT disposed of 1% equity interest in YPII with cash consideration of RMB1,006,000 (approximately HK\$1,096,000). YPII became an associated company of the Group with effective interest of 27.64% upon the completion of disposal

There is no associated company as at 31 December 2024, which in the opinion of the directors of the Trustee-Manager, is individually material to the Group.

There are no material contingent liabilities relating to the Group's interests in the associated companies.

Set out below is the Group's share of the year's total comprehensive loss from its associated companies:

	2024	2023
	HK\$'000	HK\$'000
Net losses after tax	(87,380)	(84,727)
Other comprehensive loss	(4,843)	(4,588)
Total comprehensive loss	<u>(92,223)</u>	<u>(89,315)</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 16 Joint ventures

Group	2024 HK\$'000	2023 HK\$'000
Share of net assets	4,617,651	4,738,234
Less: accumulated impairment	(930,000)	(930,000)
	3,687,651	3,808,234

Details of principal joint ventures at 31 December 2024 and 2023 are as follows:

Name	Place of incorporation/ establishment	Principal activities	Effective interest held	
			2024	2023
COSCO-HIT Terminals (Hong Kong) Limited <sup>(1)</sup>	Hong Kong	Development and operation of a container terminal	50.00%	50.00%
Asia Container Terminals Limited <sup>(1)</sup>	Hong Kong	Development and operation of a container terminal	40.00%	40.00%
Beijing Leading Edge Container Services Company Limited	China	Provision of logistics services	50.00%	50.00%
Mercury Sky Group Limited <sup>(2)</sup>	British Virgin Islands	Investment holding	50.00%	50.00%
Shenzhen Leading Edge Port Services Co. Ltd. <sup>(1)</sup>	China	Provision of port agency services	49.00%	49.00%
Yantian East Port International Container Terminals Limited ("YEPICT") <sup>(1)</sup>	China	Development and operation of a container terminal	39.73%	39.73%
YPII <sup>(3)</sup>	China	Provision of electronic port community system	N/A	28.21%

(1) Audited by PricewaterhouseCoopers network firms

(2) Not required to be audited under the laws of the country of incorporation

(3) YICT, a 56.41% indirectly held subsidiary of HPH Trust, originally held 50% equity interest in YPII. In 2023, YPII was a joint venture of the Group with effective interest of 28.21%. On 31 August 2024, YICT disposed of 1% equity interest in YPII with cash consideration of RMB1,006,000 (approximately HK\$1,096,000). YPII became an associated company of the Group with effective interest of 27.64% upon the completion of disposal

There is no joint venture as at 31 December 2024, which in the opinion of the directors of the Trustee-Manager, is individually material to the Group.

There are no material contingent liabilities relating to the Group's interests in the joint ventures.

Set out below is the Group's share of the year's total comprehensive loss from its joint ventures:

	2024 HK\$'000	2023 HK\$'000
Net losses after tax	(43,360)	(35,298)
Other comprehensive loss	(41,368)	(42,086)
Total comprehensive loss	(84,728)	(77,384)

## NOTES TO THE FINANCIAL STATEMENTS

### 17 Other non-current assets

Group	2024 HK\$'000	2023 HK\$'000
Investments		
Listed equity security	31,050	30,039
River Ports Economic Benefits (Note)	219,873	242,857
	250,923	272,896

Note:

The River Ports Economic Benefits represent the economic interest and benefits of the river ports in Nanhai and Jiangmen, China (together the "River Ports"), including all dividends and any other distributions or other monies payable to a related company or any of its subsidiary companies in its capacity as a shareholder of the relevant holding company of the River Ports arising from the profits attributable to the business of the River Ports and all sale or disposal proceeds derived from such businesses, assets, rights and/or liabilities constituting any part of the business of the River Ports as agreed with a related company and any of its subsidiary companies. The movement is due to change in fair value.

### 18 Deferred tax

Group	2024 HK\$'000	2023 HK\$'000
Deferred tax assets	(37,073)	(14,630)
Deferred tax liabilities	8,083,600	8,410,618
Net deferred tax liabilities	8,046,527	8,395,988

## NOTES TO THE FINANCIAL STATEMENTS

### 18 Deferred tax (Continued)

The movements in deferred tax (assets)/liabilities during the year are as follows:

	Unused tax losses HK\$'000	Accelerated depreciation allowances HK\$'000	Fair value adjustments arising from acquisitions HK\$'000	Withholding tax on unremitted earnings HK\$'000	Other temporary differences HK\$'000	Total HK\$'000
2024						
At 1 January 2024	(32,558)	485,518	7,596,320	366,485	(19,777)	8,395,988
Tax charged/(credited) to income statement	32,060	(20,315)	(334,471)	(16,355)	(10,525)	(349,606)
Other temporary differences	6	8	-	-	131	145
At 31 December 2024	(492)	465,211	7,261,849	350,130	(30,171)	8,046,527
2023						
At 1 January 2023	(5,738)	497,977	7,938,598	453,267	(5,630)	8,878,474
Tax credited to income statement	(26,820)	(12,467)	(342,278)	(86,782)	(1,749)	(470,096)
Other temporary differences	-	8	-	-	(12,398)	(12,390)
At 31 December 2023	(32,558)	485,518	7,596,320	366,485	(19,777)	8,395,988

Notes:

- (a) The deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when the deferred taxes relate to the same fiscal authority.
- (b) Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profit is probable. The Group has unrecognised tax losses of HK\$127,079,000 at 31 December 2024 (31 December 2023: HK\$95,616,000) to carry forward against future taxable income. Of these, HK\$96,489,000 can be carried forward indefinitely (31 December 2023: HK\$61,406,000). The remaining HK\$30,590,000 (31 December 2023: HK\$34,210,000) expires in the following years:

	2024 HK\$'000	2023 HK\$'000
In the first year	8,960	6,289
In the second year	447	8,969
In the third year	3,728	11
In the fourth year	15,104	3,833
In the fifth year	2,351	15,108
	30,590	34,210

- (c) Deferred tax liabilities are calculated in full on temporary differences under the liabilities method using the tax rate of the countries in which the Group operated. The temporary differences mainly include accelerated depreciation allowances, fair value adjustments arising from acquisitions, withholding taxes arising from unremitted earnings and other timing differences between accounting and taxation rules on income or expense recognition.
- (d) Deferred tax assets and liabilities are expected to be recovered or settled mostly after more than twelve months.

## NOTES TO THE FINANCIAL STATEMENTS

## 19 Cash and bank balances

<b>Group</b>	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Cash and cash equivalents		
Cash at bank and on hand	1,952,412	1,221,416
Short-term bank deposits	6,185,721	6,973,448
Cash and bank balances	<u>8,138,133</u>	<u>8,194,864</u>

<b>Trust</b>	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Cash and cash equivalents		
Cash at bank and on hand	<u>3,679</u>	<u>2,919</u>

Cash and bank balances are denominated in the following currencies:

<b>Group</b>	<b>2024</b>	<b>2023</b>
	<b>Percentage</b>	<b>Percentage</b>
Hong Kong dollar	34%	45%
Renminbi	20%	14%
United States dollar	46%	41%
	<u>100%</u>	<u>100%</u>

<b>Trust</b>	<b>2024</b>	<b>2023</b>
	<b>Percentage</b>	<b>Percentage</b>
Hong Kong dollar	15%	15%
United States dollar	9%	12%
Singapore dollar	76%	73%
	<u>100%</u>	<u>100%</u>

The carrying amounts of cash and bank balances approximate their fair values. The maximum exposure to credit risk is the carrying amounts of the cash and bank balances.



## NOTES TO THE FINANCIAL STATEMENTS

### 20 Trade and other receivables

<b>Group</b>	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Trade receivables	2,028,726	2,096,751
Less: loss allowance provision (Note c)	(95,073)	(47,659)
	<u>1,933,653</u>	<u>2,049,092</u>
Other receivables and prepayments	355,473	342,451
Amounts due from associated companies (Note a)	2,268	523
Amounts due from joint ventures (Note a)	129,517	138,615
Loan to an associated company (Note b)	943,400	490,500
	<u>3,364,311</u>	<u>3,021,181</u>

<b>Trust</b>	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Other receivables and prepayments	2,180	1,037
Amounts due from subsidiary companies (Note a)	452	390
	<u>2,632</u>	<u>1,427</u>

Trade and other receivables are denominated in the following currencies:

<b>Group</b>	<b>2024</b>	<b>2023</b>
	<b>Percentage</b>	<b>Percentage</b>
Hong Kong dollar	42%	44%
Renminbi	49%	48%
United States dollar	9%	8%
	<u>100%</u>	<u>100%</u>

<b>Trust</b>	<b>2024</b>	<b>2023</b>
	<b>Percentage</b>	<b>Percentage</b>
Singapore dollar	100%	100%

The carrying amounts of these assets approximate their fair values.

Notes:

- (a) The amounts due from associated companies and joint ventures of the Group; and amounts due from subsidiary companies of the Trust are unsecured, interest free and have no fixed terms of repayment.
- (b) As at 31 December 2024, the loan of RMB765,000,000 (approximate to HK\$810,900,000) and RMB125,000,000 (approximate to HK\$132,500,000) to an associated company is unsecured, interest bearing at a fixed rate of 2.0% and 2.3% per annum, respectively and repayable in one year. As at 31 December 2023, the loan of RMB450,000,000 (approximate to HK\$490,500,000) to an associated company is unsecured, interest bearing at a fixed rate of 2.3% per annum and repayable in one year.

## NOTES TO THE FINANCIAL STATEMENTS

### 20 Trade and other receivables (Continued)

Notes: (Continued)

- (c) At 31 December 2024, trade receivables of the Group amounting to HK\$95,073,000 (2023: HK\$47,659,000) were impaired and provided for. The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables.

Movements on the loss allowance provision for trade receivables are as follows:

	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
At beginning of the year	47,659	47,339
Additions	47,357	209
Currency translation differences	57	111
At end of the year	<u>95,073</u>	<u>47,659</u>

The additions to loss allowance provision for trade receivables have been included in the income statement.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

### 21 Trade and other payables

<b>Group</b>	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Trade payables, other payables and accruals	5,850,680	6,018,097
Loans from non-controlling interests (Note a)	104,556	106,656
Lease liabilities	13,029	10,186
Amounts due to related companies (Note b)	34,312	101,159
Amounts due to associated companies (Note b)	5,951	2,898
Amounts due to joint ventures (Note b)	47,434	36,966
	<u>6,055,962</u>	<u>6,275,962</u>
<b>Trust</b>	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Trade payables, other payables and accruals	7,298	7,368
Amounts due to:		
- a related company (Note b)	18,659	17,612
- subsidiary companies (Note b)	13,074	6,666
	<u>39,031</u>	<u>31,646</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 21 Trade and other payables (Continued)

Trade and other payables are denominated in the following currencies:

<b>Group</b>	<b>2024</b> <b>Percentage</b>	<b>2023</b> <b>Percentage</b>
Hong Kong dollar	67%	67%
Renminbi	32%	31%
United States dollar	1%	2%
	100%	100%

<b>Trust</b>	<b>2024</b> <b>Percentage</b>	<b>2023</b> <b>Percentage</b>
Hong Kong dollar	33%	21%
United States dollar	48%	56%
Singapore dollar	19%	23%
	100%	100%

At 31 December 2024, the carrying amounts of trade and other payables of the Group and of the Trust approximate their fair values.

Notes:

- (a) The loans from non-controlling interests of the Group are unsecured, interest free except for the amount of RMB70,000,000, approximate to HK\$74,200,000 (2023: RMB70,000,000, approximate to HK\$76,300,000) which bears interest at fixed rate of 2.0% per annum and repayable in one year.
- (b) Amounts due to related companies, associated companies and joint ventures of the Group; and amounts due to a related company and subsidiary companies of the Trust are unsecured, interest free and have no fixed terms of repayment.

### 22 Bank and other debts

<b>Group</b>	<b>Current portion</b> <b>HK\$'000</b>	<b>Non-current portion</b> <b>HK\$'000</b>	<b>Total</b> <b>HK\$'000</b>
Unsecured bank loans	3,900,000	12,555,000	16,455,000
Loans from related companies	943,400	–	943,400
Guaranteed notes	–	7,800,000	7,800,000
Total principal amount of bank and other debts	4,843,400	20,355,000	25,198,400
Unamortised loan facility fees and discounts related to debts	(1,014)	(67,977)	(68,991)
At 31 December 2024	4,842,386	20,287,023	25,129,409
Unsecured bank loans	390,000	13,155,000	13,545,000
Loans from related companies	490,500	–	490,500
Guaranteed notes	3,900,000	7,800,000	11,700,000
Total principal amount of bank and other debts	4,780,500	20,955,000	25,735,500
Unamortised loan facility fees and discounts related to debts	(5,680)	(84,636)	(90,316)
At 31 December 2023	4,774,820	20,870,364	25,645,184

## NOTES TO THE FINANCIAL STATEMENTS

### 22 Bank and other debts (Continued)

The carrying amounts of bank loans of the Group approximate their fair values as the bank loans bear floating interest rates and are repriced within one month at the prevailing market interest rates. The bank loans will be fully repayable from March 2025 to October 2029 (2023: repayable from March 2024 to February 2028).

At 31 December 2024, loans from related companies of RMB765,000,000, approximate to HK\$810,900,000, and RMB125,000,000, approximate to HK\$132,500,000, bear a fixed interest rate of 2.00% and 2.30% per annum, respectively and repayable from February 2025 to December 2025. At 31 December 2023, loans from related companies of RMB450,000,000, approximate to HK\$490,500,000, bear a fixed interest rate of 2.30% per annum and repayable from November 2024 to December 2024.

In November 2019, the Group issued a 5-year US\$500 million 2.875% guaranteed note due 2024 and the note was fully redeemed during the year ended 31 December 2024.

In March and September 2021, the Group issued a 5-year US\$500 million 2.00% guaranteed note due 2026 and a 5-year US\$500 million 1.50% guaranteed note due 2026, respectively.

The effective interest rate of the Group's bank and other debts at 31 December 2024 is 3.3% per annum (2023: 3.5% per annum).

Bank and other debts are denominated in the following currencies:

<b>Group</b>	<b>2024</b>	<b>2023</b>
	<b>Percentage</b>	<b>Percentage</b>
Hong Kong dollar	50%	36%
Renminbi	4%	2%
United States dollar	46%	62%
	<u>100%</u>	<u>100%</u>

### 23 Pension assets

<b>Group</b>	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Defined benefit plans		
Pension assets	<u>276,475</u>	<u>131,938</u>

The Group operates a number of defined benefit and defined contribution plans, the assets of which are held independently of the Group's assets in trustee administered funds.

#### (a) Defined benefit plans

The Group's defined benefit plans in Hong Kong are a contributory final salary pension plan and a non-contributory guaranteed return defined contribution plan. The Group's plans were valued by Towers Watson Hong Kong Limited, qualified actuaries at 31 December 2024 and 31 December 2023 using the projected unit credit method to account for the pension accounting costs in accordance with HKAS 19 (2011) "Employee Benefits".

The principal actuarial assumptions used for accounting purposes are as follows:

	<b>2024</b>	<b>2023</b>
	<b>Percentage</b>	<b>Percentage</b>
Discount rate	3.10%	3.40-3.50%
Future salary increases	3.50%	3.50%
Interest credited on plan accounts	<u>5.00-6.00%</u>	<u>5.00-6.00%</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 23 Pension assets (Continued)

#### (a) Defined benefit plans (Continued)

The amounts recognised in the consolidated statement of financial position are determined as follows:

	2024 HK\$'000	2023 HK\$'000
Fair value of plan assets	1,377,062	1,261,410
Present value of defined benefit obligations	(1,100,587)	(1,129,472)
Net defined benefit assets	<u>276,475</u>	<u>131,938</u>

The movements in the present value of the defined benefit assets/(liabilities) and its components are as follows:

	Defined benefits obligations HK\$'000	Fair value of plan assets HK\$'000	Net defined benefit assets HK\$'000
2024			
At 1 January	(1,129,472)	1,261,410	131,938
<b>Net (charge)/credit to the income statement</b>			
Current service cost	(35,796)	(618)	(36,414)
Interest (cost)/income	(37,293)	42,312	5,019
	<u>(73,089)</u>	<u>41,694</u>	<u>(31,395)</u>
<b>Net credit/(charge) to other comprehensive income</b>			
Remeasurements gain/(loss):			
Actuarial gain/(loss) arising from:			
Experience adjustment	1,923	–	1,923
Financial assumptions	(15,271)	–	(15,271)
Demographic assumption	(77)	–	(77)
Return on plan assets excluding interest income	–	172,094	172,094
	<u>(13,425)</u>	<u>172,094</u>	<u>158,669</u>
<b>Other</b>			
Contributions paid by the employer	–	17,263	17,263
Contributions paid by the employee	(5,027)	5,027	–
Benefits paid	116,678	(116,678)	–
Net transfer	3,748	(3,748)	–
At 31 December	<u>(1,100,587)</u>	<u>1,377,062</u>	<u>276,475</u>



## NOTES TO THE FINANCIAL STATEMENTS

## 23 Pension assets (Continued)

## (a) Defined benefit plans (Continued)

	Defined benefits obligations HK\$'000	Fair value of plan assets HK\$'000	Net defined benefit assets HK\$'000
2023			
At 1 January	(1,168,614)	1,291,827	123,213
<b>Net (charge)/credit to the income statement</b>			
Current service cost	(37,431)	(390)	(37,821)
Interest (cost)/income	(41,939)	47,061	5,122
	(79,370)	46,671	(32,699)
<b>Net credit/(charge) to other comprehensive income</b>			
Remeasurements gain/(loss):			
Actuarial gain/(loss) arising from:			
Experience adjustment	1,602	–	1,602
Financial assumptions	(14,401)	–	(14,401)
Demographic assumption	6,940	–	6,940
Return on plan assets excluding interest income	–	29,224	29,224
	(5,859)	29,224	23,365
<b>Other</b>			
Contributions paid by the employer	–	18,059	18,059
Contributions paid by the employee	(5,609)	5,609	–
Benefits paid	125,428	(125,428)	–
Net transfer	4,552	(4,552)	–
At 31 December	(1,129,472)	1,261,410	131,938

## NOTES TO THE FINANCIAL STATEMENTS

### 23 Pension assets (Continued)

#### (a) Defined benefit plans (Continued)

Fair value of the plan assets is analysed as follows:

	2024 Percentage	2023 Percentage
Equity Instruments		
Conglomerates and manufacturing	0%	1%
Construction and materials	1%	1%
Consumer markets	2%	2%
Energy and utilities	1%	1%
Financial institutions and units trust	35%	46%
Health and care	4%	4%
Insurance	0%	1%
Information technology	8%	8%
Others	3%	1%
	54%	65%
Debt instruments		
Government (other than US)	8%	6%
Financial institutions	10%	9%
US Treasury	4%	4%
Others	14%	9%
	36%	28%
Cash and others	10%	7%
	100%	100%

## NOTES TO THE FINANCIAL STATEMENTS

### 23 Pension assets (Continued)

#### (a) Defined benefit plans (Continued)

The debt instruments are analysed by issuer's credit rating as follows:

	2024 Percentage	2023 Percentage
Aaa/AAA	14%	19%
Aa1/AA+	7%	13%
Aa2/AA	11%	8%
Aa3/AA-	4%	6%
A1/A+	9%	16%
A2/A	14%	7%
A3/A-	13%	13%
Baa1/BBB+	7%	10%
Baa2/BBB	14%	4%
Other lower grade	2%	1%
No investment grade	5%	3%
	100%	100%

The fair value of the above equity instruments and debt instruments is determined based on quoted market prices.

Contributions to fund the obligations are based upon the recommendations of independent qualified actuaries for each of the pension plans of the Group to fully fund the relevant schemes on an ongoing basis. The realisation of the deficit is contingent upon the realisation of the actuarial assumptions made which is dependent upon a number of factors including the market performance of plan assets. Funding requirements of the major defined benefit plans of the Group are detailed below.

The Group operates two principal pension plans in Hong Kong. One plan, which has been closed to new entrants since 1994, provides pension benefits based on the greater of the aggregate of the employee and employer vested contributions plus a minimum interest thereon of 6% per annum, and pension benefits derived by a formula based on the final salary and years of service. An independent actuarial valuation, undertaken for funding purposes under the provision of Hong Kong's Occupational Retirement Schemes Ordinance ("ORSO"), at 30 June 2024 reported a funding level of 169% of the accrued actuarial liabilities on an ongoing basis. The valuation used the attained age valuation method and the main assumptions in the valuation are an investment return of 5% per annum, salary increases of 3.5% per annum and interest credited to balances of 6% per annum. The valuation was prepared by Tian Keat Aun - Director, Retirement Hong Kong (a Fellow of The Institute and Faculty of Actuaries), and Michael Lee - Consultant, Retirement Hong Kong of Towers Watson Hong Kong Limited. The second plan provides benefits equal to the employer vested contributions plus a minimum interest thereon of 5% per annum. As at 31 December 2024, vested benefits under this plan are fully funded in accordance with the ORSO funding requirements. During the year ended 31 December 2024, forfeited contributions totalling HK\$777,000 (2023: HK\$564,000) were used to reduce the level of contributions of the year ended 31 December 2024 and no forfeited contribution was available at 31 December 2024 (2023: nil) to reduce future year's contributions.

## NOTES TO THE FINANCIAL STATEMENTS

### 23 Pension assets (Continued)

#### (a) Defined benefit plans (Continued)

The sensitivity of the defined benefit obligation to changes in the significant principal assumptions is:

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	0.25%	Decrease by 1.0%	Increase by 1.0%
Salary increase	0.25%	Increase by 0.1%	Decrease by 0.1%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

The Group expects to make contributions of HK\$17,778,000 (2023: HK\$18,907,000) to the defined benefit plans during the next year.

The weighted average duration of the defined benefit obligation is 3.9 years as at 31 December 2024 (2023: 4.2 years).

#### (b) Defined contribution plans

The Group's cost in respect of defined contribution plans for the year amounted to HK\$77,003,000 (2023: HK\$70,198,000).

### 24 Assets classified as held for sale

On 31 July 2024, YICT and Shenzhen Pingyan Multimodal Company Limited ("PML"), the subsidiaries of HPH Trust, entered into expropriation and compensation agreements with the relevant local authority under the Yantian District People's Government of Shenzhen of the PRC, in relation to a compulsory expropriation of 10 plots of land owned by YICT and PML, and certain immovable assets attached to such land. The 10 plots of land and certain immovable assets attached to such land belong to the segment of "Mainland China" in note 4(b). The cash consideration of the expropriation amounts to HK\$399 million, subject to the fulfillment of certain conditions.

The relevant assets were therefore classified as assets held for sale at their carrying amounts.

### 25 Other non-current liabilities

Group	2024 HK\$'000	2023 HK\$'000
Lease liabilities	4,571	6,479
Others	91,399	100,758
	<u>95,970</u>	<u>107,237</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 26 Units in issue

Group and Trust	Number of units	HK\$'000
At 1 January 2023, 31 December 2023 and 31 December 2024	8,711,101,022	68,553,839

All issued units are fully paid and rank pari passu in all respects.

### 27 Investment in a subsidiary company

Trust	2024 HK\$'000	2023 HK\$'000
Investment cost	10,000	10,000
Capital contribution	43,486,415	44,632,724
Less: accumulated impairment	(24,212,051)	(24,212,051)
	<u>19,284,364</u>	<u>20,430,673</u>

Pursuant to an investment agreement between HPH Trust and a wholly-owned subsidiary, HPHT Limited, dated 4 August 2011, HPH Trust made capital contributions of HK\$67,280,000,000 to HPHT Limited ("Capital Contribution") through capitalising the amounts due from the subsidiary. HPH Trust has no right to require HPHT Limited to return any Capital Contribution. HPHT Limited may return to HPH Trust any Capital Contribution at any time in whole or in part. Accordingly, the Capital Contribution is accounted for as investment in a subsidiary company.

Details of subsidiary companies of the Group are disclosed in Note 32.

### 28 Notes to consolidated statement of cash flows

#### (a) Reconciliation of operating profit to cash generated from operations is as follows:

	2024 HK\$'000	2023 HK\$'000
Operating profit	4,378,110	3,320,123
Depreciation and amortisation	2,824,363	2,894,820
Net (gain)/loss on disposal of fixed assets	(4,124)	5,059
Impairment of trade and other receivables	47,357	209
Dividend income	(12,787)	(22,320)
Interest income	(344,179)	(356,223)
Operating profit before working capital changes	<u>6,888,740</u>	<u>5,841,668</u>
Decrease in inventories	5,128	3,653
Decrease/(increase) in trade and other receivables	97,750	(169,012)
Movement in balances with associated companies and joint ventures	20,872	(5,438)
(Decrease)/increase in trade and other payables	(290,558)	364,381
Decrease in pension assets	14,132	14,640
Cash generated from operations	<u>6,736,064</u>	<u>6,049,892</u>



## NOTES TO THE FINANCIAL STATEMENTS

### 28 Notes to consolidated statement of cash flows (Continued)

#### (b) Reconciliation of liabilities arising from financing activities is as follows:

	Dividend payable to non-controlling interests HK\$'000	Bank and other loans repayable not exceeding 1 year HK\$'000	Bank and other loans repayable more than 1 year HK\$'000	Guaranteed notes HK\$'000	Interest rate swap contracts held to hedge against fair value risks of bank loans HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 January 2024	–	880,376	13,103,703	11,661,105	(193,963)	16,665	25,467,886
Cash flows (Note)	(2,215,147)	89,300	3,283,000	(3,900,000)	–	(17,327)	(2,760,174)
Foreign exchange adjustments	(19,247)	(26,400)	–	–	–	–	(45,647)
Transfer between categories	–	3,898,986	(3,898,986)	–	–	–	–
Dividends to non-controlling interests	2,234,394	–	–	–	–	–	2,234,394
Increase in lease liabilities	–	–	–	–	–	17,539	17,539
Other non-cash movements	–	124	18,323	19,878	166,312	723	205,360
At 31 December 2024	–	4,842,386	12,506,040	7,780,983	(27,651)	17,600	25,119,358

Note: The total cash outflow for the leases in 2024 was HK\$43,635,000.

	Dividend payable to non-controlling interests HK\$'000	Bank and other loans repayable not exceeding 1 year HK\$'000	Bank and other loans repayable more than 1 year HK\$'000	Guaranteed notes HK\$'000	Interest rate swap contracts held to hedge against fair value risks of bank loans HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 January 2023	–	5,067,659	10,330,369	11,641,543	(312,187)	29,065	26,756,449
Cash flows (Note)	(2,924,337)	(4,579,500)	3,145,000	–	–	(11,294)	(4,370,131)
Foreign exchange adjustments	(15,491)	–	–	–	–	–	(15,491)
Transfer between categories	–	389,876	(389,876)	–	–	–	–
Dividends to non-controlling interests	2,939,828	–	–	–	–	–	2,939,828
Decrease in lease liabilities	–	–	–	–	–	(1,953)	(1,953)
Other non-cash movements	–	2,341	18,210	19,562	118,224	847	159,184
At 31 December 2023	–	880,376	13,103,703	11,661,105	(193,963)	16,665	25,467,886

Note: The total cash outflow for the leases in 2023 was HK\$49,195,000.

## NOTES TO THE FINANCIAL STATEMENTS

### 29 Commitments

(a) The Group's capital commitments are as follows:

	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Fixed assets and projects under development		
Contracted but not provided for	12,604	4,967

(b) The Group's share of capital commitments of the joint ventures is as follows:

	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Contracted but not provided for	2,892,099	2,096,399

(c) The Group leases various offices premises and port facilities under non-cancellable leases expiring within five months to ten months (2023: six months to fourteen months). The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

The future minimum lease payments for leases not recognised in the financial statements are as follows:

	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Within one year	176	1,974
Between one and two years	–	39
	176	2,013

(d) At 31 December 2024, the Group leased certain office premises and port facilities to third parties under non-cancellable operating leases. Aggregate minimum lease receivables are as follows:

	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Within one year	16,028	29,758
Between one and two years	1,302	15,416
Between two and three years	–	165
	17,330	45,339

## NOTES TO THE FINANCIAL STATEMENTS

### 30 Related parties transactions

Significant transactions between the Group and related parties during the year that are carried out in the normal course of business are disclosed below. Outstanding balances with associated companies, joint ventures and group companies are disclosed in Notes 15, 16, 20 and 21.

- (i) Income from and expenses to related parties

	2024 HK\$'000	2023 HK\$'000
Income:		
Container handling fees from joint ventures and related companies (Note a)	8,487	11,949
Management, service and support fee from related companies (Note b)	47,132	44,535
Transportation management services fee from related companies (Note c)	82,609	15,729
Interest income from a joint venture and an associated company (Note d)	37,184	20,769
Expenses:		
Container handling charges to joint ventures, an associated company and a related company (Note e)	10,372	9,980
Transportation management service charges to an associated company and related companies (Note e)	19,462	17,127
Lease rentals on premises and port facilities to a joint venture, an associated company and related companies (Note e)	16,032	16,552
Trustee-Manager management fees (Note f)		
- Base fee	26,646	26,431
- Development fee	6,477	13,445
Global support services fees to a related company (Note g)	159,878	158,587
Information technology ("IT") support and maintenance service fees to		
- a joint venture (Note h)	-	28,166
- an associated company (Note h)	31,960	-
- related companies (Note h)	24,129	24,656
Interest expenses to related companies (Note i)	19,226	815

Notes:

- (a) Container handling fees from joint ventures and related companies were charged at terms pursuant to the relevant agreements.
- (b) Management, service and support fee from related companies were charged at terms mutually agreed.
- (c) Revenue from related companies for the provision of transportation management services was charged at prices and terms mutually agreed.
- (d) Interest income from the loans provided to a joint venture and an associated company was charged in accordance with the terms disclosed in Note 15 and Note 20(b).
- (e) Container handling charges, transportation management service charges and lease rentals to joint ventures, associated companies and related companies were charged at terms pursuant to relevant agreements.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 Related parties transactions (Continued)

- (i) Income from and expenses to related parties (Continued)

Notes: (Continued)

- (f) The Trustee-Manager's management fees were charged in accordance with the Trust Deed.

The base fee was charged at a fixed fee of US\$2,500,000 (equivalent to HK\$19,500,000) per annum which is subject to increase each year from 2012 by such percentage representing the percentage increase in the Hong Kong Composite Consumer Price Index. The base fee for the year ended 31 December 2024 is payable in cash. As the December 2024 figure for the Hong Kong Composite Consumer Price Index is yet to be published as at the date of preparation of these financial statements, the adjustment to the base fee, if required, will be accounted for in the subsequent financial year.

Development fee relates to the development project by YEPIC, a joint venture of HPH Trust, was charged in accordance with the Trust Deed which states that the development fee is payable in arrears for every six months after the commencement of the development project in respect of project costs incurred over the previous six-month period. Pursuant to the Trust Deed,

- (1) where the total project costs incurred in the development project is less than US\$500 million, the Trustee-Manager is entitled to receive a fee of 2.5% of the total project costs incurred (pro-rated to HPH Trust's 39.73% effective interest in the subject development project); and
- (2) where the total project costs incurred in the development project is US\$500 million or more, the Trustee-Manager is entitled to receive a fee of US\$12.5 million plus 1.5% of the total project costs incurred which exceeds US\$500 million (pro-rated to HPH Trust's 39.73% effective interest in the subject development project).

Total project costs incurred since commencement of the project up to 31 December 2024 were over US\$500 million. Development fees were calculated based on the 2.5% for the project costs incurred reached and within the US\$500 million threshold and 1.5% for the project costs incurred over US\$500 million threshold for the years ended 31 December 2024 and 2023 (pro-rated to HPH Trust's 39.73% effective interest in the subject development project).

- (g) Global support services fees in respect of administration services, and licence for certain intellectual property rights were charged at prices and terms mutually agreed.
- (h) IT support and maintenance services fees in respect of the support and maintenance of IT systems to a joint venture, an associated company and related companies were charged at prices and terms mutually agreed.
- (i) Interest expenses for the loans due to the related companies were charged in accordance with the term disclosed in Note 22.
- (ii) Joint Operating Alliance of the Kwai Tsing container terminals

Pursuant to the Hong Kong Seaport Joint Operating Alliance Agreement entered into by Hongkong International Terminals Limited, COSCO-HIT Terminals (Hong Kong) Limited, Asia Container Terminals Limited and Modern Terminals Limited, with effect from 1 April 2019, the parties collaborate with each other for the efficient management and operation of the 23 berths across Terminals 1, 2, 4, 5, 6, 7, 8 and 9 (together the "Combined Terminal Facilities") in Kwai Tsing. The revenue and costs from the management and operation of the facilities of the Combined Terminal Facilities are shared among the parties at a pre-agreed ratio.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 Related parties transactions (Continued)

(iii) Key management compensation

Key management of the Group includes managing directors and key management of the deep-water container ports of the Group. The compensation paid or payable to key management for employee services is shown below:

	2024 HK\$'000	2023 HK\$'000
Salaries and employee benefits	23,852	22,320

### 31 Financial risk and capital management

#### (a) Cash management and funding

The major financial instruments of the Group include liquid funds, investments, trade and other receivables, trade and other payables and borrowings. Details of these financial instruments are disclosed in the respective notes to the financial statements. The risk management programme of the Group is designed to minimise the financial risks of the Group. These risks include credit risk, interest rate risk, foreign currency risk and liquidity risk.

The Group generally obtains long-term financing to meet funding requirements. Management of the Group regularly and closely monitors its overall net debt position and reviews its funding costs and maturity profile to facilitate refinancing.

#### (b) Capital management

The Group's strategy involves adopting and maintaining an appropriate mix of debt and equity to ensure optimal returns to unitholders, while maintaining sufficient flexibility to implement growth strategies.

The Group may consider diversifying its sources of debt financing by accessing the debt capital markets through the issuance of bonds to optimise the debt maturity profile and to make adjustments to the capital structure in light of changes in economic conditions.

The Group has complied with all externally imposed capital requirements which include a leverage ratio.

At 31 December 2024, total equity amounted to HK\$42,000,835,000 (2023: HK\$43,355,042,000), and consolidated net debt, which represents cash less bank and other debts, of the Group was HK\$17,060,267,000 (2023: HK\$17,540,636,000).

#### (c) Credit exposure

The Group's holdings of cash and cash equivalents, interest rate swaps contracts with financial institutions expose the Group to counterparty credit risk. The Group controls its credit risk to non-performance by its counterparties through regular review and monitoring of their credit ratings.

The receivables from customers and other counterparties also expose the Group to credit risk. The Group controls its credit risk by assessing the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The utilisation of credit limits is regularly monitored.

The Group applies the HKFRS 9 simplified approach to measuring the ECL which uses a lifetime ECL for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The ECL on trade receivables is either calculated using a provision matrix where a provision rate applies based on its historical observed default rates or expected default probability and the loss rate, as adjusted by forward-looking information. On that basis, ECL of HK\$95,073,000 (2023: HK\$47,659,000) was recognised as at 31 December 2024.



## NOTES TO THE FINANCIAL STATEMENTS

### 31 Financial risk and capital management (Continued)

#### (d) Interest rate exposure

The Group's main interest risk exposures relate to cash and cash equivalents, loans from non-controlling interests, bank and other debts. The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates.

The impact of a hypothetical 5 basis points increase in market interest rate at the end of the reporting period would decrease the Group's profit and unitholders' equity by HK\$2,208,000 (2023: HK\$1,476,000).

The Group entered into cross currency interest rate swap contracts and interest rate swap contracts to achieve an appropriate mix of fixed and floating rate exposure consistent with the Group's policy, where appropriate.

The effects of the interest rate swap contracts on the Group's financial position and performance are as follows:

	2024 HK\$'000	2023 HK\$'000
Carrying amount assets	27,651	193,963
Notional amount (Note)	3,900,000	3,900,000
Maturity date	March 2025	March 2025
Hedge ratio	1:1	1:1
Change in fair value of outstanding hedging instruments since 1 January	(166,312)	(131,071)
Change in value of hedged item used to determine hedge effectiveness	166,312	131,071
Pay average interest rate	1.18%	1.18%
Receive average interest rate	6.08%	5.99%

Note:

The contractual notional amount of interest rate swaps held for hedging which is based on Secured Overnight Financing Rate ("SOFR") is HK\$3,900,000,000 (2023: HK\$3,900,000,000, based on Secured Overnight Financing Rate ("SOFR")).

#### (e) Foreign currency exposure

For overseas subsidiaries, associated companies and joint ventures, which consist of non-Hong Kong dollar assets, the Group generally monitors the development of the Group's cash flows and debt market and, when appropriate, would expect to refinance these businesses with local currency borrowings.

Currency risk as defined by HKFRS 7 arises on financial instruments denominated in a currency that is not the functional currency and being of a monetary nature except for the currency risk between United States dollar and Hong Kong dollar given the two currencies are under the linked exchange rate system. Differences resulting from the translation of financial statements of overseas subsidiaries into the Group's presentation currency are therefore not taken into consideration for the purpose of the sensitivity analysis for currency risk.

The impact of a hypothetical 5% weakening of the HK dollar against all exchange rates at the end of the reporting period, with all other variables held constant, on the Group's profit for the year is set out as below.

	Hypothetical (decrease)/ increase in profit	
	2024 HK\$'000	2023 HK\$'000
Renminbi	245,343	(12,740)
Singapore dollar	(116)	(210)
	245,227	(12,950)

## NOTES TO THE FINANCIAL STATEMENTS

### 31 Financial risk and capital management (Continued)

#### (f) Liquidity exposure

The following tables detail the remaining contractual maturities at the end of the reporting period of the Group's and the Trust's financial liabilities, which are based on contractual undiscounted principal cash flows and the earliest date on which the Group and the Trust can be required to pay:

Group	Contractual maturities				
	Carrying amounts	Total undiscounted cash flows	Within 1 year	Between 1 to 5 years	After 5 years
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
2024					
Trade and other payables	6,055,962	6,056,027	6,056,027	-	-
Bank and other debts	25,129,409	25,198,400	4,843,400	20,355,000	-
Other non-current liabilities	4,571	4,706	-	4,706	-
	<b>31,189,942</b>	<b>31,259,133</b>	<b>10,899,427</b>	<b>20,359,706</b>	<b>-</b>
2023					
Trade and other payables	6,275,962	6,276,002	6,276,002	-	-
Bank and other debts	25,645,184	25,735,500	4,780,500	20,955,000	-
Other non-current liabilities	6,479	6,508	-	6,508	-
	<b>31,927,625</b>	<b>32,018,010</b>	<b>11,056,502</b>	<b>20,961,508</b>	<b>-</b>

Assuming the effect of interest rates with respect to variable rate financial liabilities remaining constant and no change in aggregate principal amount of financial liabilities other than repayment at scheduled maturity as reflected in the table, the Group has interest accruing and payable on certain of these liabilities which is estimated to be HK\$831,783,000 (2023: HK\$851,529,000) in "within 1 year" maturity band and HK\$1,663,131,000 (2023: HK\$1,792,180,000) in "between 1 to 5 years" maturity band. The table above excludes such information.

Trust	Contractual maturities			
	Carrying amounts	Total undiscounted cash flows	Within 1 year	Between 1 to 5 years
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
2024				
Trade and other payables	39,031	39,031	39,031	-
2023				
Trade and other payables	31,646	31,646	31,646	-

## NOTES TO THE FINANCIAL STATEMENTS

### 31 Financial risk and capital management (Continued)

#### (g) Financial instruments by category

The following table shows the classification category and carrying amount as at 31 December 2024 and 31 December 2023 under HKFRS 9 for the Group's financial assets and financial liabilities:

	Note	Classification	2024 HK\$'000	2023 HK\$'000
<b>Financial assets</b>				
Listed equity security	17	FVOCI	31,050	30,039
River Ports Economic Benefits	17	FVOCI	219,873	242,857
Interest rate swaps		Fair value-hedges	27,651	193,963
Cash and cash equivalents	19	Amortised cost	8,138,133	8,194,864
Trade and other receivables	20	Amortised cost	3,175,088	2,830,013
			<u>11,591,795</u>	<u>11,491,736</u>
<b>Financial liabilities</b>				
Bank and other debts	22	Amortised cost	25,129,409	25,645,184
Trade and other payables	21	Amortised cost	6,042,933	6,265,776
Lease liabilities	21,25	Amortised cost	17,600	16,665
			<u>31,189,942</u>	<u>31,927,625</u>
Representing :				
<b>Financial assets measured at</b>				
FVOCI			250,923	272,896
Amortised cost			11,313,221	11,024,877
Fair value-hedges			27,651	193,963
<b>Financial liabilities measured at</b>				
Amortised cost			<u>31,189,942</u>	<u>31,927,625</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 31 Financial risk and capital management (Continued)

#### (h) Fair value estimation

The table below analyses recurring fair value measurements for financial assets/(liabilities). These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

	Note	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
At 31 December 2024					
Listed equity security	17	31,050	–	–	31,050
River Ports Economic Benefits	17	–	–	219,873	219,873
Cash flow hedges		–			
Interest rate swaps		–	27,651	–	27,651
		31,050	27,651	219,873	278,574
At 31 December 2023					
Listed equity security	17	30,039	–	–	30,039
River Ports Economic Benefits	17	–	–	242,857	242,857
Cash flow hedges					
Interest rate swaps		–	193,963	–	193,963
		30,039	193,963	242,857	466,859

The fair value of the cross currency interest rate swaps and interest rate swaps included in level 2 category above are estimated using the present value of the estimated future cash flows based on observable yield curves. The fair value of financial instruments that are not traded in active market (level 3) is determined by discounted cash flow analysis with reference to inputs such as dividend stream. The significant unobservable inputs for the Level 3 valuation are average dividend growth rate of 11% (2023: 5%) and discount rate of 11% (2023: 11%). The higher the average dividend growth rate or the lower the discount rate, the higher the fair value of Level 3 valuation.

During the years ended 31 December 2024 and 2023, there were no transfers between the Level 1, Level 2 and Level 3 fair value measurements.

At 31 December 2024, the fair value of bank and other debts (Note 22) was HK\$24,798.6 million (31 December 2023: HK\$25,003.0 million). The carrying amounts of the remaining financial assets and financial liabilities approximate their fair values.

## NOTES TO THE FINANCIAL STATEMENTS

### 32 List of subsidiary companies of the Group

(a) Details of principal subsidiary companies of the Group at 31 December 2024 and 2023 are as follows:

Name	Place of incorporation/ establishment	Principal activities	Particulars of issued share capital/registered capital	Effective interest held	
				2024	2023
HPHT Limited <sup>(1)</sup>	Hong Kong	Investment holding	HK\$10,000,000	100%	100%
Giantfield Resources Limited <sup>(2)</sup>	British Virgin Islands	Investment holding	2 ordinary shares of US\$1 each	100%	100%
HIT Investments Limited <sup>(2)</sup>	British Virgin Islands	Investment holding	201 ordinary "A" shares of US\$1 each <sup>(3)</sup>  800 non-voting preferred "B" shares of US\$1 each	100%	100%
Pearl Spirit Limited <sup>(2)</sup>	British Virgin Islands	Investment holding	2 ordinary shares of US\$1 each <sup>(4)</sup>	100%	100%
Hongkong International Terminals Limited <sup>(1)</sup>	Hong Kong	Development and operation of container terminals	HK\$8,500,000,020 <sup>(5)</sup>	100%	100%
Yantian International Container Terminals Limited <sup>(1)</sup>	China	Development and operation of container terminals	HK\$2,400,000,000	56.41%	56.41%
Yantian International Container Terminals (Phase III) Limited <sup>(1)</sup>	China	Development and operation of container terminals	HK\$6,056,960,000	51.64%	51.64%
Shenzhen Pingyan Multimodal Company Limited <sup>(1)</sup>	China	Provision of various transportation services	RMB150,000,000	51.64%	51.64%
Shenzhen Yantian West Port Terminals Limited <sup>(1)</sup>	China	Development and operation of container terminals	RMB2,343,300,000	51.64%	51.64%
Hutchison Ports Yantian Limited <sup>(1)</sup>	Hong Kong	Investment holding	HK\$10,000,000	79.45%	79.45%
Watruss Limited <sup>(1)</sup>	British Virgin Islands	Investment holding	32 "A" shares of US\$1 each  593 "B" shares of US\$1 each	94.88%	94.88%
Success Enterprises Limited <sup>(1)</sup>	British Virgin Islands	Investment holding	2,005 "A" shares of US\$1 each  8,424 "B" shares of US\$1 each	79.45%	79.45%



## NOTES TO THE FINANCIAL STATEMENTS

### 32 List of subsidiary companies of the Group (Continued)

#### (a) Details of principal subsidiary companies of the Group at 31 December 2024 and 2023 are as follows: (Continued)

Name	Place of incorporation/ establishment	Principal activities	Particulars of issued share capital/registered capital	Effective interest held	
				2024	2023
Hutchison Ports Yantian Investments Limited <sup>(2)</sup>	British Virgin Islands	Investment holding	200 ordinary shares of US\$1 each	100%	100%
Birrong Limited <sup>(2)</sup>	British Virgin Islands	Investment holding	10,000 ordinary shares of US\$1 each	100%	100%
Hutchison Shenzhen East Investments Limited <sup>(2)</sup>	British Virgin Islands	Investment holding	1 ordinary share of US\$1	100%	100%

(1) Audited by PricewaterhouseCoopers network firms

(2) Not required to be audited under the laws of the country of incorporation

(3) 1 ordinary "A" share was issued in 2023

(4) 1 ordinary share was issued in 2023

(5) 1 ordinary share was issued for HK\$8,500,000,000 in 2023

#### Appointment of auditors

The Trust has complied with Rules 712 and 715 of the Listing Manual of the SGX-ST in relation to its auditors.

#### (b) Material non-controlling interests

Yantian International Container Terminals Limited, Yantian International Container Terminals (Phase III) Limited, Shenzhen Yantian West Port Terminals Limited, Wattrus Limited and Success Enterprises Limited are the subsidiary companies with non-controlling interests that are material to the Group.

Set out below is the summarised financial information for these subsidiary companies:

Summarised statement of financial position

	2024 HK\$'000	2023 HK\$'000
Non-current assets	55,365,172	56,927,721
Current assets	7,558,355	7,189,490
Total assets	<u>62,923,527</u>	<u>64,117,211</u>
Non-current liabilities	5,664,752	5,938,411
Current liabilities	5,133,718	4,601,461
Total liabilities	<u>10,798,470</u>	<u>10,539,872</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 32 List of subsidiary companies of the Group (Continued)

#### (b) Material non-controlling interests (Continued)

Summarised income statement

	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue and other income	8,855,032	7,875,808
Net profit for the year	3,399,592	2,801,985

Summarised statement of cash flows

	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Net change in cash and cash equivalents	46	(2,316,724)
Dividends paid to non-controlling interests	2,215,147	2,924,337

The information above is the amount before inter-company eliminations.

### 33 Approval of the financial statements

The financial statements set out on pages 146 to 199 were approved by the Board of Directors of the Trustee-Manager for issue on 7 February 2025.

## FIVE-YEAR FINANCIAL SUMMARY

### Consolidated Income Statement

(HK\$'million)	2020	2021	2022	2023	2024
Revenue and other income	10,705.8	13,244.1	12,166.2	10,635.5	11,567.3
Profit after tax	2,012.5	3,527.2	2,519.7	1,481.5	2,173.2
Profit after tax attributable to unitholders of HPH Trust	831.4	1,747.2	1,099.0	233.5	650.0

### Consolidated Statement of Financial Position

(HK\$'million)	2020	2021	2022	2023	2024
<b>Assets and liabilities</b>					
Non-current assets	79,768.4	77,796.1	75,053.1	72,788.6	70,013.7
Current assets	10,899.5	15,167.6	13,593.0	11,292.0	11,736.1
Non-current liabilities	(35,277.3)	(31,239.2)	(30,978.9)	(29,388.2)	(28,466.6)
Current liabilities	(9,786.7)	(14,325.4)	(11,390.5)	(11,337.4)	(11,282.4)
Net assets	45,603.9	47,399.1	46,276.7	43,355.0	42,000.8
<b>Equity</b>					
Units in issue	68,553.8	68,553.8	68,553.8	68,553.8	68,553.8
Reserves	(42,551.8)	(41,447.0)	(41,746.8)	(42,924.6)	(43,519.2)
Net assets attributable to unitholders of HPH Trust	26,002.0	27,106.8	26,807.0	25,629.2	25,034.6
Non-controlling interests	19,601.9	20,292.3	19,469.7	17,725.8	16,966.2
Total equity	45,603.9	47,399.1	46,276.7	43,355.0	42,000.8

### Performance Data

	2020	2021	2022	2023	2024
Distribution per unit (HK cents)	12.0	14.5	14.5	13.2	12.2
- <i>Interim distribution</i>	4.3	6.5	6.5	5.5	5.0
- <i>Final distribution</i>	7.7	8.0	8.0	7.7	7.2
Earnings per unit attributable to unitholders of HPH Trust (HK cents)	9.5	20.1	12.6	2.7	7.5
Net attributable debt <sup>1</sup> (HK\$'billion)	23.6	21.4	20.1	19.8	19.1
Total consolidated debt <sup>2</sup> (HK\$'billion)	29.4	29.0	27.1	25.7	25.2

Notes:

- 1 Being bank and other debts less cash, both attributable to unitholders of HPH Trust
- 2 Being bank and other debts excluding unamortised loan facility fees and discounts related to debts

## STATISTICS OF UNITHOLDINGS

As at 3 March 2025

There were 8,711,101,022 units (voting rights: 1 vote per unit) in issue as at 3 March 2025. There is only one class of units in HPH Trust. There were no treasury units held by HPH Trust.

### DISTRIBUTION OF UNITHOLDINGS

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 - 99	14	0.05	342	0.00
100 - 1,000	2,797	9.38	2,656,488	0.03
1,001 - 10,000	15,342	51.46	76,677,086	0.88
10,001 - 1,000,000	11,507	38.59	789,255,881	9.06
1,000,001 AND ABOVE	155	0.52	7,842,511,225	90.03
<b>TOTAL</b>	<b>29,815</b>	<b>100.00</b>	<b>8,711,101,022</b>	<b>100.00</b>

### SUBSTANTIAL UNITHOLDERS

Based on Register of Substantial Unitholders as at 3 March 2025

Unitholders	Direct interest		Deemed interest	
	No. of Units	%	No. of Units	%
1. CK Hutchison Holdings Limited <sup>(1)</sup>	–	–	2,619,246,222	30.07
2. Hutchison Port Group Holdings Limited	2,406,227,022	27.62	–	–
3. CK Hutchison Global Investments Limited <sup>(2)</sup>	–	–	2,406,227,022	27.62
4. PSA International Pte Ltd	1,236,178,600	14.19	–	–
5. Temasek Holdings (Private) Limited <sup>(3)</sup>	–	–	1,306,658,815	14.99

#### Notes:

- (1) CK Hutchison Holdings Limited (“CKHH”), through its wholly-owned subsidiary, CK Hutchison Global Investments Limited (“CKHGI”), is deemed to have the interest held by Hutchison Port Group Holdings Limited (“HPGH”) in HPH Trust. CKHH, through its wholly-owned subsidiary, Cheung Kong (Holdings) Limited (“Cheung Kong”), has a deemed interest in 2.45% of the units in HPH Trust held by Cheung Kong’s subsidiaries.
- (2) CKHGI, being the immediate holding company of HPGH, is deemed to have the same interest in HPH Trust as HPGH.
- (3) PSA International Pte Ltd (“PSA”) is a wholly-owned subsidiary of Temasek Holdings (Private) Limited (“Temasek”). Temasek is deemed interested in the HPH Trust units held by PSA and Temasek’s various other subsidiaries and associated companies.

## STATISTICS OF UNITHOLDINGS

As at 3 March 2025

### TWENTY LARGEST UNITHOLDERS

NO.	NAME	NO. OF UNITS	%
1	HUTCHISON PORT GROUP HOLDINGS LIMITED	2,406,227,022	27.62
2	CITIBANK NOMINEES SINGAPORE PTE LTD	1,890,458,932	21.70
3	PSA INTERNATIONAL PTE LTD	1,236,178,600	14.19
4	DBS NOMINEES (PRIVATE) LIMITED	630,719,251	7.24
5	RAFFLES NOMINEES (PTE.) LIMITED	292,201,598	3.35
6	DBSN SERVICES PTE. LTD.	271,916,341	3.12
7	HSBC (SINGAPORE) NOMINEES PTE LTD	243,516,847	2.80
8	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	118,877,475	1.36
9	OCBC SECURITIES PRIVATE LIMITED	68,339,451	0.78
10	UOB KAY HIAN PRIVATE LIMITED	66,846,535	0.77
11	PHILLIP SECURITIES PTE LTD	44,658,442	0.51
12	BPSS NOMINEES SINGAPORE (PTE.) LTD.	44,406,403	0.51
13	DB NOMINEES (SINGAPORE) PTE LTD	42,675,203	0.49
14	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	37,778,615	0.43
15	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	37,098,800	0.43
16	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	23,526,850	0.27
17	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	16,331,343	0.19
18	ESTATE OF NG AH PEE @ NG TENG FONG, DECEASED	15,185,000	0.17
19	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	14,223,600	0.16
20	TEO YEW HWA	12,524,200	0.14
	<b>TOTAL</b>	<b>7,513,690,508</b>	<b>86.23</b>

### FREE FLOAT

Based on the information made available to the Trustee-Manager, as at 3 March 2025, approximately 54.92% were held in the hands of the public. Accordingly, HPH Trust complied with Rule 723 of the Listing Manual of the SGX-ST.

### ADDITIONAL INFORMATION

	Total volume ( <b>'000</b> )	Highest Price ( <b>US\$</b> )      ( <b>S\$</b> )		Lowest Price ( <b>US\$</b> )      ( <b>S\$</b> )	
Unit performance in 2024	1,579,846	0.169	0.230	0.118	0.157



# NOTICE OF ANNUAL GENERAL MEETING

HUTCHISON PORT HOLDINGS TRUST

(A business trust constituted on 25 February 2011 under the laws of the Republic of Singapore)

(Registration No.: 2011001)

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the unitholders of Hutchison Port Holdings Trust (“**HPH Trust**” and unitholders of HPH Trust, “**Unitholders**”) will be held at Jasmine Ballroom, Level 3, Sands Expo & Convention Centre, 10 Bayfront Avenue, Singapore 018956 on Wednesday, 23 April 2025 at 11:00 a.m. for the following purposes:

## ORDINARY BUSINESS:

1. To receive and adopt the Report of the Trustee-Manager, Statement by the Trustee-Manager and the audited financial statements of HPH Trust for the year ended 31 December 2024 together with the Independent Auditor’s Report thereon. **(Ordinary Resolution 1)**
2. To re-appoint PricewaterhouseCoopers LLP as the Auditor of HPH Trust and to authorise the Directors of the Trustee-Manager to fix its remuneration. **(Ordinary Resolution 2)**

## SPECIAL BUSINESS:

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:

3. General mandate to issue units in HPH Trust (“**Units**”)

That pursuant to Clause 6.1.1 of the deed of trust dated 25 February 2011, the first supplemental deed dated 28 April 2014 and the second supplemental deed dated 8 June 2020 (collectively, “**Trust Deed**”), Section 36 of the Business Trusts Act 2004 of Singapore (“**BTA**”), and Rule 806 of the Listing Manual of Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Trustee-Manager, on behalf of HPH Trust, be authorised and empowered to:

- (a) (i) issue Units, whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions whether for cash or otherwise and for such purposes and to such persons as the Trustee-Manager may in its absolute discretion deem fit; and

- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Units pursuant to any Instrument made or granted by the Trustee-Manager while this Resolution was in force,

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued pursuant to the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per centum (50.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro-rata basis to existing Unitholders shall not exceed twenty per centum (20.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the percentage of issued Units shall be based on the number of issued Units (excluding treasury Units, if any) at the time of the passing of this Resolution, after adjusting for:
  - (a) new Units arising from the conversion or exercise of the Instruments which are issued and outstanding or subsisting at the time of the passing of this Resolution; and
  - (b) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the Trustee-Manager shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST), the Trust Deed and the BTA; and

## NOTICE OF ANNUAL GENERAL MEETING

HUTCHISON PORT HOLDINGS TRUST

(A business trust constituted on 25 February 2011 under the laws of the Republic of Singapore)  
(Registration No.: 2011001)

- (4) unless revoked or varied by HPH Trust in a general meeting, such authority shall continue in force until (i) the conclusion of the next Annual General Meeting of the Unitholders or the date by which the next Annual General Meeting of the Unitholders is required by law to be held, whichever is the earlier; or (ii) in the case of Units to be issued pursuant to the Instruments, made or granted pursuant to this Resolution, until the issuance of such Units in accordance with the terms of the Instruments. **(Ordinary Resolution 3)**

By Order of the Board  
Hutchison Port Holdings Management Pte. Limited  
(Incorporated in the Republic of Singapore with limited liability)  
(as Trustee-Manager of Hutchison Port Holdings Trust)  
(Company Registration No.: 201100749W)

### WONG YOEN HAR

Company Secretary  
Singapore, 1 April 2025

### **Explanatory Notes:**

#### **Ordinary Resolution 3**

The Ordinary Resolution 3 in item 3 above, if passed, will empower the Trustee-Manager from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held, or the date on which such authority is varied or revoked by HPH Trust in a general meeting of the Unitholders, whichever is the earliest, to issue Units, make or grant Instruments convertible into Units and to issue Units pursuant to such Instruments, up to a number not exceeding, in total, 50.0% of the issued Units, of which up to 20.0% may be issued other than on a pro-rata basis to existing Unitholders.

For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the issued Units at the time the Ordinary Resolution 3 in item 3 above is passed, after adjusting for any new Units arising from the conversion or exercise of the Instruments which are issued and outstanding or subsisting at the time the Ordinary Resolution 3 is passed, and any subsequent bonus issue, consolidation or subdivision of Units.

#### **Notes:**

**The Annual General Meeting will be held, in a wholly physical format, at Jasmine Ballroom, Level 3, Sands Expo & Convention Centre, 10 Bayfront Avenue, Singapore 018956 on Wednesday, 23 April 2025 at 11:00 a.m.. Unitholders, including SRS investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the Annual General Meeting by attending the Annual General Meeting in person. There will be no option for Unitholders to participate virtually.**

**Printed copies of this Notice of Annual General Meeting, Proxy Form and the Request Form will be sent to Unitholders by post.**

**Unitholders who wish to receive a printed copy of the Annual Report will have to send in the Request Form which can also be downloaded from the HPH Trust's website at <https://www.hphtrust.com/agm.html> or from the SGX website at <https://www.sgx.com/securities/company-announcements>.**

# NOTICE OF ANNUAL GENERAL MEETING

HUTCHISON PORT HOLDINGS TRUST

(A business trust constituted on 25 February 2011 under the laws of the Republic of Singapore)

(Registration No.: 2011001)

**Unitholders are able to participate at the Meeting in person in the following manners set out in the paragraphs below:**

## **Submission of Instrument Appointing a Proxy to Vote**

1. A Unitholder (who is not a relevant intermediary) entitled to attend and vote at the Annual General Meeting of HPH Trust ("**Meeting**"), is entitled to appoint one or two proxies to attend and vote at the Meeting.
2. A Unitholder (who is a relevant intermediary) entitled to attend and vote at the Meeting may appoint more than two proxies to exercise all or any of its rights to attend and vote at the Meeting, provided that each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder.
3. The proxy form for the Meeting may be accessed at HPH Trust's website at <https://www.hphtrust.com/agm.html> or on the SGX website at <https://www.sgx.com/securities/company-announcements> and is also made available with this Notice of Meeting.
4. Investors who hold their Units through relevant intermediaries (other than SRS investors) and who wish to exercise their votes by appointing a proxy should approach their respective relevant intermediaries as soon as possible in order for the necessary arrangements to be made for their votes to be submitted.

SRS investors who wish to appoint proxy should approach their respective SRS Approved Banks to submit their voting instructions by 5:00 p.m. on 10 April 2025 in order to allow sufficient time for their SRS Approved Banks to in turn submit a proxy form to appoint the proxy to vote on their behalf by 11:00 a.m. on 21 April 2025. For the avoidance of doubt, for persons who hold Units through relevant intermediaries (including SRS investors), the proxy form is not valid for use and shall be ineffective for all intents and purposes.

5. Where a Unitholder (who is not a relevant intermediary) appoints two proxies, he/she/it must specify the proportion of his/her/its unitholding (expressed as a percentage of the whole) to be represented by each proxy. Where a unitholder appoints two proxies and does not specify the proportion of his/her/its unitholding to be represented by each proxy, then the Units held by the unitholder are deemed to be equally divided between the proxies. A proxy need not be a Unitholder.
6. The instrument appointing a proxy or proxies must be submitted and deposited at the registered office of Hutchison Port Holdings Management Pte. Limited, the Trustee-Manager of HPH Trust, at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632 **by 11:00 a.m. on 21 April 2025** (being at least 48 hours before the time for holding the Meeting).

**A unitholder who wishes to submit an instrument of proxy must complete and sign the proxy form, before submitting it to the address provided above.**

7. Completion and return of an instrument appointing a proxy shall not preclude a unitholder from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a unitholder attends the Meeting in person, and in such event, the Trustee-Manager reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
8. A depositor shall not be regarded as a Unitholder entitled to attend and vote at the Meeting unless his/her name appears on the Depository Register not less than forty-eight (48) hours before the time of the Meeting.
9. The instrument appointing a proxy or proxies must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
10. The Trustee-Manager shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

"**relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore and apply with such modifications and qualifications as may be necessary to the Units.

## NOTICE OF ANNUAL GENERAL MEETING

HUTCHISON PORT HOLDINGS TRUST

(A business trust constituted on 25 February 2011 under the laws of the Republic of Singapore)  
(Registration No.: 2011001)

### **Submission of questions prior to the Meeting**

11. Unitholders may submit questions related to the resolutions to be tabled for approval at the Meeting and questions which are substantial and relevant will be addressed prior to or during the Meeting. All questions must be submitted via any of the following channels:
  - a. by email to [agm\\_enquiry@hphtrust.com](mailto:agm_enquiry@hphtrust.com); or
  - b. by post to Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632.

Unitholders are reminded to provide their full names, CDP securities account number (if any), email address and contact number when submitting their questions. Unitholders shall submit their questions related to the resolutions to be tabled at the Meeting by 11:00 a.m. on 9 April 2025.

12. HPH Trust will publish the responses to substantial and relevant questions received on or before 11:00 a.m. on 9 April 2025 via SGXNet and HPH Trust's website at <https://www.hphtrust.com/agm.html> by 17 April 2025. Substantial and relevant questions, or any subsequent clarifications sought or follow-up questions received after 11:00 a.m. on 9 April 2025 may be addressed at the Meeting.
13. Only substantial and relevant questions relating to the resolutions to be tabled for approval at the Meeting received prior to the Meeting (as may be determined by HPH Trust in its sole discretion) will be addressed. Where substantially similar questions are received, the Trustee-Manager will consolidate such questions and consequently, not all questions may be individually addressed.

### **Access to all documents relating to the business of the Meeting**

14. All documents and information relating to the business of the Meeting (including the Annual Report, this Notice of Meeting, the instrument appointing a proxy and the Request Form) have been published on SGXNet and HPH Trust's website at <https://www.hphtrust.com/agm.html>.

### **Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by HPH Trust (or its agents) for the purpose of the processing and administration by HPH Trust, the Trustee-Manager (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for HPH Trust (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to HPH Trust (or its agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by HPH Trust, the Trustee-Manager (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify HPH Trust in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

**HUTCHISON PORT HOLDINGS TRUST**

(A business trust constituted on 25 February 2011 under the laws of the Republic of Singapore)  
(Registration No.: 2011001)

**HUTCHISON PORT HOLDINGS MANAGEMENT PTE. LIMITED**

(Incorporated in the Republic of Singapore with limited liability)  
Co. Reg. No.: 201100749W  
(as trustee-manager of Hutchison Port Holdings Trust)

**PROXY FORM**

(Please see notes overleaf before completing this Form)

I/We, \_\_\_\_\_

holder of NRIC / Passport Number or Company Registration Number or UEN Number \_\_\_\_\_

of \_\_\_\_\_

being a unitholder/unitholders of Hutchison Port Holdings Trust ("**HPH Trust**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Unitholdings	
		No. of Units	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Unitholdings	
		No. of Units	%
Address			

or failing the person, or either or both of whom failing, referred to the above, the Chairman of the Annual General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting of the unitholders of HPH Trust ("**Meeting**") to be held at Jasmine Ballroom, Level 3, Sands Expo & Convention Centre, 10 Bayfront Avenue, Singapore 018956 on Wednesday, 23 April 2025 at 11:00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from voting on the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

No.	Ordinary Resolutions relating to:	No. of Votes For**	No. of Votes Against**	No. of Votes Abstain**
1	Adoption of the Report of the Trustee-Manager, Statement by the Trustee-Manager and the audited financial statements of HPH Trust for the year ended 31 December 2024 together with the Independent Auditor's Report thereon*			
2	Re-appointment of PricewaterhouseCoopers LLP as the Auditor of HPH Trust*			
3	Grant of a general mandate to Directors to issue additional new units in HPH Trust*			

\* Please refer to the Notice of Annual General Meeting of HPH Trust dated 1 April 2025 for the full text of the resolution.

\*\* If you wish to exercise all your votes "For" or "Against" or "Abstain", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the "Abstain" box for a particular resolution, you are directing your proxy/proxies not to vote on that resolution.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

Total number of Units in:	No. of Units
(a) CDP Register	
(b) Register of Unitholders	

\_\_\_\_\_  
Signature(s) of unitholder(s)/Common Seal of corporate unitholder





**IMPORTANT: PLEASE READ THE NOTES TO THE PROXY FORM BELOW****Notes to Proxy Form:**

1. Please insert the total number of units in Hutchison Port Holdings Trust ("**HPH Trust**", and units in HPH Trust, "**Units**") held by you. If you have Units entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Units. If you have Units registered in your name in the Register of Unitholders of HPH Trust, you should insert that number of Units. If you have Units entered against your name in the said Depository Register and Units registered in your name in the Register of Unitholders, you should insert the aggregate number of Units entered against your name in the Depository Register and registered in your name in the Register of Unitholders. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Units held by you.
2. The Meeting is being convened and will be held physically. Please refer to the Notice of Meeting dated 1 April 2025 for details on submission of questions in advance of the Meeting, addressing of substantial and relevant questions prior to and/or at the Meeting. The Notice of the Meeting has been sent to unitholders by post and can also be accessed at HPH Trust's website at <https://www.hphtrust.com/agm.html>, and on the SGX website at <https://www.sgx.com/securities/company-announcements>.
3. A unitholder of HPH Trust (who is not a relevant intermediary as defined in Section 181 of the Companies Act 1967 of Singapore) entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a unitholder of HPH Trust.
4. Where a unitholder of HPH Trust (who is not a relevant intermediary as defined in Section 181 of the Companies Act 1967 of Singapore) appoints two proxies, he/she/it must specify the proportion of his/her/its unitholding (expressed as a percentage of the whole) to be represented by each proxy. Where a unitholder appoints two proxies and does not specify the proportion of his/her/its unitholding to be represented by each proxy, then the Units held by the unitholder are deemed to be equally divided between the proxies.
5. Completion and return of this instrument appointing a proxy shall not preclude a unitholder from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a unitholder attends the Meeting in person, and in such event, Hutchison Port Holdings Management Pte. Limited, the trustee-manager of HPH Trust ("**Trustee-Manager**"), reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
6. The instrument appointing a proxy or proxies must be submitted and deposited at the registered office of the Trustee-Manager at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632 not less than forty-eight (48) hours before the time appointed for holding the Meeting.
7. Investors who hold their Units through relevant intermediaries as defined in Section 181 of the Companies Act 1967 of Singapore (other than SRS investors) and who wish to exercise their votes by appointing proxy should approach their respective relevant intermediaries as soon as possible in order for the necessary arrangements to be made for their votes to be submitted. SRS investors who wish to appoint proxy should approach their respective SRS Approved Banks to submit their voting instructions by 5:00 p.m. on 10 April 2025 in order to allow sufficient time for their respective SRS Approved Banks to in turn submit a proxy form to appoint the proxy to vote on their behalf by 11:00 a.m. on 21 April 2025. For the avoidance of doubt, for persons who hold Units through relevant intermediaries (including SRS investors), the proxy form is not valid for use and shall be ineffective for all intents and purposes.
8. A Unitholder who wishes to submit an instrument of proxy must **complete and sign the proxy form**, before submitting it to the address provided above.
9. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
10. A corporation which is a unitholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore. The resolution should be sent to the Trustee-Manager to the address provided above.

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 1 April 2025.

**General:**

The Trustee-Manager shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Units entered in the Depository Register, the Trustee-Manager may reject any instrument appointing a proxy or proxies lodged if the unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Trustee-Manager.

## GLOSSARY

<b>A</b>	
AC or Audit Committee	Audit Committee of the Trustee-Manager
ACRA Code	Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities
ACT	Asia Container Terminals
AT(s)	Autonomous Truck(s)
AFAB	Anti-fraud and anti-bribery
AGM	Annual General Meeting
AI	Artificial intelligence
APS	Asia Port Services Limited
<b>B</b>	
Board	Board of Directors
BTA	Business Trusts Act 2004 of Singapore (as amended by the Business Trusts (Amendment) Act 2022)
BTR	Business Trusts Regulations
<b>C</b>	
Capital Contribution	Pursuant to an investment agreement entered between HPH Trust and a wholly-owned subsidiary, HPHT Limited, dated 4 August 2011, HPH Trust made capital contributions of HK\$67,280,000,000 to HPHT Limited
CCTV	Closed-circuit television
CEO	Chief Executive Officer of the Trustee-Manager
CFO	Chief Financial Officer of the Trustee-Manager
CGI	The Chartered Governance Institute
CGU	Cash-generating units
CKHH	CK Hutchison Holdings Limited
Code	The Code of Corporate Governance 2018
COSCO-HIT	COSCO-HIT Terminals
COSCO SHIPPING Ports	COSCO SHIPPING Ports Limited
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CPD	Continuous professional development
<b>D</b>	
DCR	Damaged container report
<b>E</b>	
eBCN	Electronic Booking Confirmation Notice
ECL	Expected credit loss
ERM	Enterprise Risk Management
eRO	Electronic Release Order
eRTGC	Electric Rubber-Tyred Gantry Crane
ESG	Environmental, Social and Governance
ehRTGC(s)	Electric Hybrid Rubber-Tyred Gantry Crane(s)

## GLOSSARY

<b>F</b>	
FVOCI	Fair value through other comprehensive income
<b>G</b>	
GBA	Greater Bay Area (comprises the two Special Administrative Regions of Hong Kong and Macau, and the nine municipalities of Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing in Guangdong Province)
GHG	Greenhouse gas
GPS	Global Positioning System
Group	HPH Trust group of companies / HPH Trust and its subsidiaries
GRI	Global Reporting Initiative
<b>H</b>	
HIBOR	Hong Kong Interbank Offered Rate
HICT	Huizhou International Container Terminals
HIT	Hongkong International Terminals
HKAS	Hong Kong Accounting Standards
HKCGI	The Hong Kong Chartered Governance Institute
HKEx	The Stock Exchange of Hong Kong Limited
HKFRS	Hong Kong Financial Reporting Standards
HKICPA	The Hong Kong Institute of Certified Public Accountants
HKSAR	Hong Kong Special Administrative Region
HKSPA	Hong Kong Seaport Alliance
HPH	Hutchison Port Holdings Limited
HPH Trust	Hutchison Port Holdings Trust
hRTGC(s)	Hybrid Rubber-Tyred Gantry Crane(s)
Hutchison Logistics	HPH E.Commerce Limited
<b>I</b>	
ICAC	Independent Commission Against Corruption of HKSAR
IEC	International Electrotechnical Commission
IFRS	International Financial Reporting Standards
ISAs	International Standards on Auditing
ISO	International Organization for Standardization
IT	Information technology
<b>J</b>	
Jiangmen Terminal	Jiangmen International Container Terminals
<b>K</b>	
Kwai Tsing Terminals	HIT, COSCO-HIT and ACT

## GLOSSARY

<b>L</b>	
LNG	Liquefied natural gas
LPG	Liquefied petroleum gas
<b>M</b>	
Management	The management of HPH Trust
MoC	Memorandum of Cooperation
MPFSA	Mandatory Provident Fund Schemes Authority
<b>N</b>	
Nanghai Terminal	Nanghai International Container Terminals
NC	Nominating Committee of the Trustee-Manager
NPAT	Net profit after tax
<b>O</b>	
OHSMS	Occupational Health and Safety Management System
ORSO	Occupational Retirement Schemes Ordinance
<b>P</b>	
PoC	Proof-of-Concept
PV	Photovoltaic
PwC	PricewaterhouseCoopers LLP
<b>Q</b>	
QC(s)	Quay crane(s)
<b>R</b>	
RC	Remuneration Committee of the Trustee-Manager
RCI	Remote Container Inspection
River Ports	Jiangmen Terminal and Nanghai Terminal
RMGC(s)	Rail-mounted gantry crane(s)
ROFR Agreement	Right of first refusal agreement
RTGC(s)	Rubber-tyred gantry crane(s)
<b>S</b>	
SC	Sustainability Committee of the Trustee-Manager
SDGs	Sustainable Development Goals
SGX	Singapore Exchange
SGX-ST	Singapore Exchange Securities Trading Limited
SGX-ST Listing Manual	The Listing Manual of Singapore Exchange Securities Trading Limited
SHICD	Shenzhen Hutchison Inland Container Depots Co., Limited
S&S	Safety and Security department
SZ-HK Connect	Shenzhen-Hong Kong Connect

## GLOSSARY

<b>T</b>	
TCFD	Task Force on Climate-related Financial Disclosures
TEU(s)	Twenty-foot equivalent unit(s)
TOM	TOM Group Limited
Trust	Hutchison Port Holdings Trust
Trust Deed	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
Trustee-Manager	Hutchison Port Holdings Management Pte. Limited
<b>Y</b>	
Yantian	Yantian district in Shenzhen
YANTIAN	Yantian International Container Terminals





**HUTCHISON PORT HOLDINGS TRUST**

150 Beach Road  
#17-03 Gateway West  
Singapore 189720  
Tel: (65) 6294 8028  
Email: [ir@hphtrust.com](mailto:ir@hphtrust.com)  
Website: [www.hphtrust.com](http://www.hphtrust.com)