RESTRICTED DISTRIBUTION TO QUALIFYING HWL SHAREHOLDERS ONLY. THIS HONG KONG PREFERENTIAL OFFERING DOCUMENT MAY NOT BE CIRCULATED TO ANY OTHER PERSON, REPRODUCED OR OTHERWISE DISTRIBUTED.

IMPORTANT

Hutchison Port Holdings Trust ("HPH Trust") is a trust registered as a business trust with the Monetary Authority of Singapore (the "MAS") under the Business Trusts Act, Chapter 31A of Singapore. HPH Trust is constituted and regulated by Singapore laws and regulations.

The Securities and Futures Commission of Hong Kong (the "SFC") has not authorised HPH Trust under Section 104(1) of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). The SFC has only authorised the issue of this Hong Kong Preferential Offering Document under Section 105(1) of the SFO solely for distribution to Qualifying HWL Shareholders (as defined herein) in Hong Kong in connection with the preferential offer (the "Preferential Offer") of units in HPH Trust (the "Units") to Qualifying HWL Shareholders. Notwithstanding that this Hong Kong Preferential Offering Document includes the Singapore Prospectus (as defined herein), the SFC's authorisation of this Hong Kong Preferential Offering Document shall not be taken as an authorisation of or endorsement by the SFC of the Singapore Prospectus (or any of the contents therein), which is a standalone document prepared in accordance with Singapore laws and regulatory requirements and registered with the MAS.

The Preferential Offer is a restricted offer of Units to Qualifying HWL Shareholders only and may only be accepted by Qualifying HWL Shareholders. No offer of the Units may be made to, and the Units may not be marketed to, the public in Hong Kong other than to Qualifying HWL Shareholders on a restricted basis or to those investors falling within an exemption under the SFO. Qualifying HWL Shareholders should read carefully the risks associated with investing in a trust whose structure and management are not regulated by Hong Kong laws and regulations on pages W-9 to W-13 of this Hong Kong Preferential Offering Document before making any investment decision. If you are in any doubt as to any aspect of this Hong Kong Preferential Offering Document or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, professional tax adviser or other professional adviser.

The SFC takes no responsibility for the contents of this Hong Kong Preferential Offering Document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Hong Kong Preferential Offering Document. The SFC's authorisation of this Hong Kong Preferential Offering Document does not imply its endorsement or recommendation of the Units or HPH Trust.

* HPH TRUST

HUTCHISON PORT HOLDINGS TRUST

(a business trust constituted on 25 February 2011 under the laws of the Republic of Singapore)

PREFERENTIAL OFFER OF UNITS

NUMBER OF UNITS UNDER THE OFFERING	:	3,619,290,000 Units to 3,899,510,000 Units (subject to the Over-allotment Option)
INITIAL NUMBER OF RESERVED UNITS	:	425,810,400
NUMBER OF ADDITIONAL RESERVED UNITS TO SATISFY EXCESS APPLICATIONS	:	up to 425,810,400
OFFERING PRICE RANGE	:	US$0.91 per Reserved Unit to US$1.08 per Reserved Unit
MAXIMUM OFFERING PRICE	:	US$1.08 per Reserved Unit (payable in full on application in US dollars and subject to refund)

This Hong Kong Preferential Offering Document is published in Hong Kong in connection with the preferential offer of initially 425,810,400 Units (and up to a maximum of 851,620,800 Units) to Qualifying HWL Shareholders (the "**Preferential Offer**") and the separate listing of the Units on the Main Board of Singapore Exchange Securities Trading Limited. The Preferential Offer is made in compliance with Practice Note 15 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

This Hong Kong Preferential Offering Document contains particulars given for the purpose of giving information with regard to HPH Trust and the Units.

This Hong Kong Preferential Offering Document comprises this page, the important notice on pages iv to vi, the Hong Kong wrap and the prospectus of HPH Trust dated 7 March 2011 issued in connection with the public offer of the Units in Singapore (the "**Singapore Prospectus**"), which is incorporated into this Hong Kong Preferential Offering Document. The Singapore Prospectus included in this Hong Kong Preferential Offering Document excludes certain items regarding unaudited pro forma financial information in Appendix A and prospective financial information in Appendix B.

The Units have not been and will not be registered under the US Securities Act, or under any securities laws of any state or other jurisdiction of the United States or under the securities laws of Australia, Canada, Japan, Malaysia, New Zealand, the PRC or the United Kingdom and the Units may not be offered or sold within the United States except pursuant to an exemption from or in a transaction not subject to the registration requirements of the US Securities Act. Accordingly, the Units are being offered and sold outside the United States (including to institutional and other investors in Singapore) in reliance on Regulation S under the US Securities Act and within the United States to qualified institutional buyers in reliance on Rule 144A under the US Securities Act. The Units are not transferable except in accordance with the restrictions described in "Transfer Restrictions" and "Notice to Investors" in the attached Singapore Prospectus. Each purchaser is hereby notified that sellers of Units may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A under the US Securities Act. There will be no public offer of the Units in the United States.

The Units referred to in this Preferential Offer must be subscribed for in the manner described in this Hong Kong Preferential Offering Document. This document is not a confirmation of sale.

* *under licence from Hutchison International Ports Enterprises Limited*

7 March 2011

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IMPORTANT NOTICE

You should rely only on the information contained in this Hong Kong Preferential Offering Document. No person is authorised to give any information or to make any representation not contained in this Hong Kong Preferential Offering Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of any of HPH Trust, the Trustee-Manager, the Sponsor, HWL or DBS Bank Ltd., Deutsche Bank AG, Singapore Branch and Goldman Sachs (Singapore) Pte., the joint bookrunners and joint issue managers of the Offering (the "**Joint Bookrunners**") or the co-lead managers and joint underwriters, namely, Barclays Bank PLC, Barclays Bank PLC, Singapore Branch, Daiwa Capital Markets Singapore Limited, J.P. Morgan (S.E.A.) Limited, Mizuho Securities Asia Limited, Morgan Stanley Asia (Singapore) Pte. and UBS AG, Singapore Branch (together with the Joint Bookrunners, the "**Underwriters**").

If anyone provides you with different or inconsistent information, you should not rely upon it. Neither the delivery of this Hong Kong Preferential Offering Document nor any offer, subscription, sale or transfer made hereunder shall under any circumstances imply that the information herein is correct as at any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in the affairs, conditions and prospects of HPH Trust, the Trustee-Manager or the Units since the date of this Hong Kong Preferential Offering Document. Where such changes occur and are material or required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, the Trustee-Manager will make an announcement of the same to the SGX-ST and in Hong Kong and, if required, lodge and issue a supplementary document or replacement document pursuant to Section 282D of the SFA and take immediate steps to comply with the said Section 282D in Singapore and obtain the SFC's authorisation pursuant to Section 105(1) of the SFO to issue such supplementary document or replacement document to Qualifying HWL Shareholders in Hong Kong. Investors should take notice of such announcements and documents and upon release of such announcements and documents shall be deemed to have notice of such changes.

The Units have not been approved or disapproved by the United States Securities and Exchange Commission (the "**SEC**") or any state or foreign securities commission or regulatory authority. The foregoing authorities have not confirmed the accuracy or determined the adequacy of this Hong Kong Preferential Offering Document. Any representation to the contrary is a criminal offence in the United States.

The Units have not been, and will not be, registered under the US Securities Act, or under any securities laws of any state or other jurisdiction of the United States or under the securities laws of Australia, Canada, Japan, Malaysia, New Zealand, the PRC or the United Kingdom. Unless so registered, the Units may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable United States state securities laws. The Units are being offered or sold outside the United States in reliance on Regulation S and within the United States only to QIBs in transactions exempt from registration under the US Securities Act provided by Rule 144A under the US Securities Act. Each purchaser of the Units hereby in making its purchase will be required to make or will be deemed to have made certain acknowledgements, representations and agreements. Prospective purchasers are hereby notified that sellers of the Units may be relying on the exemption from provisions of Section 5 of the US Securities Act. For a description of these and certain further restrictions on offers, sales and transfers of the Units and distribution of the attached Singapore Prospectus, see "Transfer Restrictions" in the attached Singapore Prospectus. In the United States, the attached Singapore Prospectus may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents be disclosed to anyone other than the prospective purchasers to whom it is submitted. There will be no public offering of the Units in the United States.

Neither this Hong Kong Preferential Offering Document nor any other documents have been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of Section 85 of the Financial Services and Markets Act 2000 ("**FSMA**")) has been published or is intended to be published in respect of the Units. Accordingly, the Units may not be offered or sold in the United Kingdom by means of this Hong Kong Preferential Offering Document or any other document, except to persons which are qualified investors within the meaning of Section 86(7) of FSMA.

This Hong Kong Preferential Offering Document is being distributed only to, and is directed only at, persons in the United Kingdom that are qualified investors, within the meaning of Article 2(1)(e) of European Union Directive 2003/71/EC (the "**Prospectus Directive**"), that (a) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), or (b) are high net worth entities falling within Article 49(2)(a) to (d) of the Order; and to any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"). This Hong Kong Preferential Offering Document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Hong Kong Preferential Offering Document relates is available only to relevant persons and will be engaged in only with such persons. This Hong Kong Preferential Offering Document and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this Hong Kong Preferential Offering Document or any of its contents.

None of HPH Trust, the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners, the Underwriters or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers is making any representation or undertaking to any subscriber of the Units regarding the legality of an investment by such subscriber under any securities, investment or similar laws. In addition, investors in the Units should not construe the contents of this Hong Kong Preferential Offering Document as legal, business, financial or tax advice. Investors should be aware that they may be required to bear the financial risks of an investment in the Units for an indefinite period of time. Investors should consult their own professional advisers as to the legal, business, financial or tax and related aspects of an investment in the Units.

The distribution of this Hong Kong Preferential Offering Document and the offering, subscription, sale or transfer of the Units in certain jurisdictions may be restricted by law and the Offering is being made subject to the selling restrictions contained in this Hong Kong Preferential Offering Document. These selling restrictions also apply to the Preferential Offer as part of the Offering. HPH Trust, the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners and the Underwriters require persons into whose possession this Hong Kong Preferential Offering Document comes to inform themselves about and to observe any such selling restrictions at their own expense and without liability to HPH Trust, the Trustee-Manager, the Sponsor, HWL and any of the Joint Bookrunners or the Underwriters. Any failure to comply with these selling restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. In particular, subject to certain exceptions, this Hong Kong Preferential Offering Document is not for distribution, directly or indirectly, in or into the United States, Australia, Canada, Japan, Malaysia, New Zealand, the PRC or the United Kingdom, nor is this Hong Kong Preferential Offering Document an offer of Units for sale in the United States, Australia, Canada, Japan, Malaysia, New Zealand, the PRC or the United Kingdom.

This Hong Kong Preferential Offering Document does not constitute, and the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners and the Underwriters are not making, an offer of, or an invitation to subscribe for or purchase, any of the Units in any jurisdiction in which such offer or invitation would be unlawful.

This Hong Kong Preferential Offering Document may not be used for any purpose other than in connection with the Preferential Offer. Persons to whom a copy of this Hong Kong Preferential Offering Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Hong Kong Preferential Offering Document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

HONG KONG WRAP

This Hong Kong wrap sets out certain information relating to the Preferential Offer and the Proposed Separate Listing. It forms part of this Hong Kong Preferential Offering Document and, on its own, does not contain all the information that may be important. It should be read in conjunction with the attached Singapore Prospectus and is qualified in its entirety by the more detailed information and financial information contained in the attached Singapore Prospectus. The entire Hong Kong Preferential Offering Document should be read before any investment in the Units is made.

DEFINITIONS

In this Hong Kong wrap, unless the context otherwise requires, the following expressions have the meanings set out below. Terms used but not defined herein shall have the meanings given to them in the attached Singapore Prospectus.

Assured Entitlement Application Form	:	the **BLUE** assured entitlement application form sent to Qualifying HWL Shareholder(s)
Beneficial HWL Shareholder	:	any beneficial owner of HWL Shares whose HWL Shares are registered, as shown in the register of members of HWL, in the name of a registered HWL Shareholder on the Record Date
BLUE Application Forms	:	the Assured Entitlement Application Form and the Excess Application Form
BTA or **Business Trusts Act**	:	the Business Trusts Act, Chapter 31A of Singapore
CCASS	:	the Central Clearing and Settlement System established and operated by HKSCC
CCASS Participant	:	a person admitted by HKSCC as a participant of CCASS
CDP	:	The Central Depository (Pte) Limited, a wholly-owned subsidiary of Singapore Exchange Limited, a depository company which operates a central depository system for the holding and transfer of book-entry securities
Companies Ordinance	:	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
Confirmation Note	:	a confirmation note issued by or on behalf of the Trustee-Manager to the registered holder of a Unit which is not deposited with CDP confirming the date of issue and the number of Units held by such registered holder

Depository Agent	:	a CDP depository agent, which may be a member company of the SGX-ST, bank, merchant bank or trust company and which (a) performs services as a depository agent for holders of Sub-Accounts in accordance with the terms of a depository agent agreement entered into between CDP and the depository agent, (b) deposits book-entry securities with CDP on behalf of holders of Sub-Accounts and (c) establishes an account in its name with CDP
Designated Brokers/Bank	:	HSBC Broking Securities (Asia) Limited, DBS Vickers (Hong Kong) Limited and Bank of China (Hong Kong) Limited
Direct Securities Account	:	a direct securities account maintained with CDP
Excess Application Form	:	the **BLUE** excess application form sent to Qualifying HWL Shareholder(s)
HKSCC	:	Hong Kong Securities Clearing Company Limited
Hong Kong Listing Rules	:	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Hong Kong Stock Exchange	:	The Stock Exchange of Hong Kong Limited
HPH or **Sponsor**	:	Hutchison Port Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect subsidiary of HWL
HWL	:	Hutchison Whampoa Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 13)
HWL Directors	:	directors of HWL
HWL Share(s)	:	ordinary share(s) of par value HK$0.25 each in the share capital of HWL
HWL Shareholder(s)	:	holders of HWL Share(s)
Intermediary	:	(in relation to a Beneficial HWL Shareholder whose HWL Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited) the Beneficial HWL Shareholder's broker, custodian, nominee or other person who either is a CCASS Participant or has deposited the Beneficial HWL Shareholder's HWL Shares with a CCASS Participant

Non-Qualifying HWL Shareholder(s)	:	HWL Shareholder(s) whose name(s) appeared in the register of members of HWL on the Record Date and whose address(es) as shown in such register is/are in any of the Specified Territories, except for those HWL Shareholder(s) who satisfy the conditions to participate in the Preferential Offer set out in this Hong Kong Preferential Offering Document, and any HWL Shareholder(s) or Beneficial HWL Shareholder(s) at that time who is/are otherwise known by HWL to be resident in any of the Specified Territories, except for those HWL Shareholder(s) or Beneficial HWL Shareholder(s) who satisfy the conditions to participate in the Preferential Offer set out in this Hong Kong Preferential Offering Document
Preferential Offer	:	the preferential offer of the Reserved Units to Qualifying HWL Shareholders
Proposed Separate Listing	:	the proposed separate listing of the Units on the Main Board of the SGX-ST
QIB(s)	:	qualified institutional buyer(s) as defined in Rule 144A under the US Securities Act
Qualifying HWL Shareholder(s)	:	HWL Shareholder(s), other than Non-Qualifying HWL Shareholder(s), whose name(s) appeared on the register of members of HWL on the Record Date
Record Date	:	Thursday, 3 March 2011, being the record date for determining the assured entitlement of HWL Shareholders to the Reserved Units
Relevant Securities Account	:	an account with a broker or financial institution which has a Depository Agent account in Singapore
Reserved Units	:	the Units being offered to Qualifying HWL Shareholders for subscription pursuant to the Preferential Offer, being initially 425,810,400 Units and up to a maximum of 851,620,800 Units
SFA or **Securities and Futures Act**	:	the Securities and Futures Act, Chapter 289 of Singapore
SGX-ST	:	Singapore Exchange Securities Trading Limited
Specified Territories	:	Australia, Canada, Japan, Malaysia, New Zealand, the PRC, the United Kingdom and the United States
Sub-Account	:	an account maintained with a Depository Agent
Trustee-Manager	:	Hutchison Port Holdings Management Pte. Limited, a company incorporated in Singapore with limited liability and an indirect wholly-owned subsidiary of HWL, the trustee-manager of HPH Trust

Unit	:	an undivided interest in HPH Trust
Unit Registrar	:	Boardroom Corporate & Advisory Services Pte. Ltd.
US$	:	United States dollars, the lawful currency of the United States of America
US or **United States**	:	the United States of America
US Securities Act	:	the US Securities Act of 1933, as amended

1. INTRODUCTION

On 18 January 2011, HWL announced the proposed separate listing of the units of HPH Trust, a business trust to be established in Singapore, on the Main Board of the SGX-ST.

The Proposed Separate Listing constitutes a spin-off for HWL under Practice Note 15 of the Hong Kong Listing Rules which is subject to the approval of the Hong Kong Stock Exchange, approval of which was granted on 31 January 2011.

In connection with the Proposed Separate Listing, there will be an offering of Units by the Trustee-Manager, comprising:

(a) the Placement of 3,434,105,000 to 3,714,325,000 Units (subject to re-allocation and the Over-allotment Option) offered by way of an international placement to investors, including institutional and other investors in Singapore, the Preferential Offer and a public offering without listing in Japan; and

(b) the Public Offer of 185,185,000 Units (subject to re-allocation) for subscription by the public in Singapore.

The Preferential Offer is an offer of initially 425,810,400 Units (and up to a maximum of 851,620,800 Units) (subject to re-allocation) in Hong Kong for subscription by Qualifying HWL Shareholders (as further described in this Hong Kong Preferential Offering Document).

The Units may be re-allocated between the Placement and the Public Offer at the discretion of the Joint Bookrunners (in consultation with the Trustee-Manager), subject to any applicable laws. Please refer to "The Preferential Offer – Basis of Entitlement" for further details on the allocation of the Reserved Units in the Preferential Offer.

This Hong Kong Preferential Offering Document is published in Hong Kong in connection with the Preferential Offer, which is made in compliance with Practice Note 15 of the Hong Kong Listing Rules.

2. INFORMATION ON SINGAPORE BUSINESS TRUSTS

A business trust is a business enterprise which is structured as a trust and is an alternative to a company as a business structure. Business trusts were introduced in Singapore as a new form of business structure in October 2004 when the Business Trusts Act came into operation. Business trusts in Singapore are principally regulated by the Business Trusts Act and the Securities and Futures Act.

While a business trust is similar to a company as both may run and operate a business enterprise, the main differences are that a business trust, unlike a company, (a) is not a separate legal entity as it is constituted by a trust deed under which the trustee-manager has legal ownership of the assets of the business trust and manages the business for the benefit of the beneficiaries of the business trust and (b) may declare and pay distributions to its beneficiaries (i) out of its operating cash flows (subject to the trustee-manager being satisfied on reasonable grounds that immediately after making such distributions, the trustee-manager will be able to fulfil, out of the assets of the business trust, the liabilities of the business trust as they fall due) and not only out of accounting profits and (ii) out of the capital of the business trust and which the trustee-manager reasonably determines to be in excess of the financial needs of the business trust.

The regime under the Business Trusts Act stipulates the requirements and obligations in respect of corporate governance for a business trust and the trust deed constituting the business trust sets out, among others, the rights and interests of the unitholders.

In general, the major areas of corporate governance and the investor protection and rights afforded to unitholders of a business trust listed on the SGX-ST and to shareholders of a company listed on the Hong Kong Stock Exchange are similar, such as:

- the requirements relating to the variation of constitutional documents;
- the notice requirements and procedures for holding general meetings, including annual general meetings;
- the right to requisition general meetings;
- the right to appoint proxies to attend general meetings and to demand a poll at general meetings;
- the right to vote at general meetings;
- the approval thresholds for ordinary and special resolutions;
- the limitation of liability of holders of shares or units (as the case may be);
- the right to receive dividends or distributions upon declaration (as the case may be);
- the requirement to establish an audit committee;
- the requirement to appoint independent directors to the board of a company or the trustee-manager (as the case may be);
- the procedures governing transactions with connected persons or interested persons (as the case may be);
- the requirement for substantial shareholders or unitholders (that is, holders of not less than 5% of the voting rights) to make a notification of his/her/its interests or changes in his/her/its interests in the company or the business trust (as the case may be);
- the requirement under the Takeovers Code in Hong Kong or Singapore (as the case may be) for a shareholder or unitholder who, together with persons acting in concert with it, acquires 30% or more of the voting rights of the company or the business trust to make a general offer for the remaining shares in the company or the units in the business trust (as the case may be); and
- the offences under the SFO in Hong Kong or the SFA in Singapore (as the case may be) relating to, among others, insider dealing. Under the SFO or the SFA (as the case may be), a person who is connected to a company or either a business trust or its trustee-manager (as the case may be) (a "**Connected Person**") and who possesses information concerning the company or the business trust (as the case may be) that is not generally available but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of the shares or units (as the case may be), and the Connected

Person knows or ought reasonably to know that (i) the information is not generally available and (ii) if the information were generally available, it might have a material effect on the price or value of the shares or units (as the case may be), must not (whether as principal or agent) deal in the shares or units (as the case may be). In addition, the Connected Person must not, directly or indirectly, communicate the information, or cause the information to be communicated, to another person if he knows, or ought reasonably to know, that the other person would or would be likely to deal in the shares or units (as the case may be).

Salient differences between corporate governance and investor protection and rights afforded to unitholders of a business trust listed on the SGX-ST and shareholders of a company listed on the Hong Kong Stock Exchange

There are salient differences which arise due to the nature of a business trust, the differences between the Companies Ordinance and the Business Trusts Act and the different requirements of the regulators and stock exchanges of Hong Kong and Singapore, such as:

- there is no reduction of share capital as this concept is not applicable to a business trust and there are no specific rules concerning the preservation of capital. However, the trustee-manager of a registered business trust can declare a distribution of profits, income or other payments or returns to the unitholders of the registered business trust out of the trust property of the registered business trust only if the board of directors of the trustee-manager makes a written statement that it is satisfied on reasonable grounds that, immediately after making the distribution, the trustee-manager will be able to fulfil, from the trust property of the registered business trust, the liabilities of the registered business trust as these liabilities fall due;

- unitholders of a business trust are not able to elect or remove the directors of the trustee-manager, although they have the power to elect to remove the trustee-manager by a special resolution;

- the board of directors of the trustee-manager is required to provide an annual certification annexed to the profit and loss accounts on certain matters (relating to fees and charges payable by the business trust to the trustee-manager, interested person transactions and violation of the duties of the trustee-manager);

- the chief executive officer of the trustee-manager is required to make a written statement in his personal capacity that he is not aware of any violation of duties of the trustee-manager which would have a material adverse effect on the business of the business trust or on the interests of all unitholders of the business trust;

- there are no rules relating to the concept of treasury units in the Business Trusts Act;

- the trustee-manager is able to declare distributions in excess of profits provided that the business trust is able to meet its liabilities after the distribution;

- a listed business trust is required to announce its financial statements for each of the first three quarters of its financial year; and

- neither the Business Trusts Act nor the Listing Manual expressly deals with the repurchase of units by a business trust.

A summary of certain salient provisions of the Business Trusts Act is set out in Appendix I to this Hong Kong wrap. A comparison of certain regulatory standards and controls, the regime governing offers of shares/units, statutory disclosure, market misconduct and the rights of and protections afforded to shareholders/unitholders for Hong Kong listed companies and Singapore listed business trusts is set out in Appendix II to this Hong Kong wrap.

3. INFORMATION ON HPH TRUST

HPH Trust is a trust constituted by a trust deed dated 25 February 2011 (the "**Trust Deed**") and registered as a business trust with the MAS under the Business Trusts Act on 25 February 2011. HPH Trust is regulated by Singapore laws and regulations.

The Trust Deed is governed by Singapore laws. The Trust Deed provides that the Trustee-Manager and each Unitholder agrees to submit to the non-exclusive jurisdiction of the courts of Singapore and each Unitholder is deemed to have submitted to the non-exclusive jurisdiction of the courts of Singapore.

The Trustee-Manager is incorporated in Singapore and will be registered as a non-Hong Kong company under Part XI of the Companies Ordinance. The Trustee-Manager's branch address in Hong Kong will be Terminal 4, Container Port Road South, Kwai Chung, Hong Kong. Any legal process served on the Trustee-Manager's Hong Kong branch address will be effective service on the Trustee-Manager. As a substantial portion of HPH Trust's assets are located in Hong Kong, Unitholders in Hong Kong may pursue claims against HPH Trust through the Trustee-Manager in Hong Kong.

Under the Trust Deed, the Trustee-Manager, an indirect wholly-owned subsidiary of HWL, has declared that it will hold all its assets (including businesses) acquired on trust for Unitholders as the trustee-manager of HPH Trust. The Trustee-Manager has the dual responsibility of safeguarding the interests of Unitholders and managing HPH Trust's businesses.

HPH Trust is the first publicly traded container port business trust and provides Unitholders with an attractive opportunity to invest in the market leader of the world's largest trading hub by throughput, the Pearl River Delta, which hub consists of two of the world's busiest container port cities by throughput – Hong Kong and Shenzhen, the PRC. HPH Trust's sponsor is Hutchison Port Holdings Limited, the global leader in the container port sector by throughout and a subsidiary of HWL. The Trustee-Manager will manage HPH Trust's business with the key objective of providing Unitholders with stable and regular distributions as well as long-term distribution per Unit growth.

HPH Trust's investment mandate is principally to invest in, develop, operate and manage deep-water container ports in the Pearl River Delta. 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, feedering, freight-forwarding, supply chain management, warehousing and distribution services. The initial portfolio of business of HPH Trust comprises its interests in the operator of the Portfolio Container Terminals in Hong Kong and Shenzhen, the PRC, the economic benefits attributable to the businesses of certain river ports in the PRC and its interests in certain port ancillary interests in Hong Kong and Shenzhen, the PRC.

Please refer to the attached Singapore Prospectus for a more detailed description of the business and financial performance of HPH Trust. Please also refer to "Corporate Governance" in the attached Singapore Prospectus for a description of the corporate governance relating to HPH Trust and "The Constitution of Hutchison Port Holdings Trust" in the attached Singapore Prospectus for a description of the Trust Deed and the rights and interests of Unitholders.

4. RISK FACTORS AND IMPLICATIONS OF LISTING HPH TRUST ON THE SGX-ST ONLY

An investment in the Units involves risks. You should consider the risk factors set out in "Risk Factors" in the attached Singapore Prospectus carefully, together with all other information contained in this Hong Kong Preferential Offering Document, before deciding to subscribe for the Reserved Units under the Preferential Offer, as these may, among other things, adversely affect the trading price of the Units and the ability of HPH Trust to make distributions to Unitholders.

In addition to the risk factors referred to above, your attention is drawn to the following risk factors and implications of listing HPH Trust on the SGX-ST in Singapore only.

- **The structure and management of HPH Trust are not regulated by Hong Kong laws and regulations**

  HPH Trust is a trust registered as a business trust with the MAS under the Business Trusts Act and is constituted and regulated by Singapore laws and regulations. The structure and management of HPH Trust are not regulated by Hong Kong laws and regulations, including the Companies Ordinance and the SFO. The SFC has only authorised the issue of this Hong Kong Preferential Offering Document under Section 105(1) of the SFO solely for distribution to Qualifying HWL Shareholders in Hong Kong on a restricted basis in connection with the Preferential Offer and has not authorised HPH Trust.

- **The Units will be listed on the SGX-ST only**

- **The liquidity of the Singapore securities market may not be comparable to that of other securities markets in certain other countries, such as the United States and Hong Kong, and this may adversely affect the market price or liquidity of the Units**

  The trading liquidity of securities on the SGX-ST may not be as comparable to that of other stock exchanges in certain other countries, such as the United States and Hong Kong. As at 31 January 2011, there were 652 entities listed on the Main Board of the SGX-ST with an aggregate market capitalisation of approximately S$657.4 billion (HK$4,001.2 billion) and an average daily trading value of S$1,697.7 million (HK$10,332.4 million) in January 2011 compared to 1,420 entities listed on the Main Board and Growth Enterprise Market of the Hong Kong Stock Exchange with an aggregate market capitalisation of HK$21.2 trillion and an average daily trading value of HK$75,016 million in January 2011. As the liquidity of securities listed on the SGX-ST may not be comparable to that of other securities markets in certain other countries, such as the United States and Hong Kong, this may cause the market price of the Units on the SGX-ST to fluctuate more than that of securities listed on larger global stock exchanges. In light of the foregoing, there can be no assurance that a holder of the Units will be able to dispose of his/her/its Units at prices, in amounts or at times at which such holder would be able to in more liquid markets or at all.

- **Dealings in the Units are settled in CDP only on a scripless basis and Unitholders must have the relevant securities accounts in order to buy or dispose of the Units on-market on the SGX-ST. Unitholders may not be able to trade in the Units on the SGX-ST immediately upon listing of the Units on the SGX-ST**

Upon listing and quotation on the SGX-ST, the Units will be traded under the electronic book-entry clearance and settlement system of CDP. Dealings in the Units on the SGX-ST will therefore be effected for settlement in CDP only on a scripless basis.

Accordingly, in order for a Unitholder to buy or dispose of the Units on-market on the SGX-ST, he/she/it must have either (a) a Relevant Securities Account or (b) a Sub-Account or a Direct Securities Account and a trading account with a stockbroking member of the SGX-ST. Units which are not deposited in a Relevant Securities Account or a Sub-Account or a Direct Securities Account cannot be disposed of on-market on the SGX-ST until they are so deposited and such Unitholders will receive Confirmation Notes which evidence title to their Units and can only dispose of their Units off-market. Unitholders who hold Confirmation Notes should be aware that it may take some time for their Units to be deposited into such securities accounts and that they would need to incur certain fees in connection with the deposit of their Units into such securities accounts. Please refer to "Procedures for Applying For and Trading in the Reserved Units – Deposit of Reserved Units and Despatch of Confirmation Notes" for further details.

- **The Assured Entitlements of Qualifying HWL Shareholders may be in respect of Units which are not in a multiple of a whole board lot of 1,000 Units**

The Units will be traded on the Main Board of the SGX-ST in board lots of 1,000 Units each. The Assured Entitlements of Qualifying HWL Shareholders may be in respect of Units which are not in a multiple of a whole board lot of 1,000 Units. Odd lots of Units will be traded on the Unit Share Market of the SGX-ST only. The trading volume of odd lots of Units on the Unit Share Market may be low and may be at a price below the prevailing market price for whole board lots of 1,000 Units. The commissions payable per Unit for trading in odd lots of Units may be higher than for trading in a whole board lot of Units as minimum commission rates apply.

- **There are salient differences in the rights and protections afforded to Unitholders as compared to the rights and protections afforded to shareholders of a company listed on the Hong Kong Stock Exchange**

HPH Trust is a registered business trust constituted by the Trust Deed and is principally regulated by the laws and regulations of Singapore. The terms and conditions of the Trust Deed are binding on each Unitholder as if such Unitholder had been a party to the Trust Deed and set out the rights and interests of Unitholders. There are salient differences in the rights and protections afforded to Unitholders as compared to the rights and protections afforded to shareholders of a company listed on the Hong Kong Stock Exchange which arise due to the nature of a business trust, the differences between the Companies Ordinance and the Business Trusts Act and the different requirements of the regulators and stock exchanges of Hong Kong and Singapore. Please refer to "Information on Singapore Business Trusts" on pages W-7 and W-8 and "Salient Differences Between Hong Kong Listed Companies and Singapore Listed Business Trusts" set out in Appendix II to this Hong Kong wrap for further details.

- **The Trustee-Manager may only be removed by a special resolution of Unitholders**

Under the Trust Deed and the Business Trusts Act, the Trustee-Manager may only be removed by Unitholders by way of a special resolution (that is, by the approval of not less than 75% of the voting rights of all Unitholders who vote on such resolution). Accordingly, a Unitholder who owns or controls more than 50% but less than 75% of the Units and has statutory control of HPH Trust may not be able to remove the Trustee-Manager. Correspondingly, a Unitholder who owns or controls not less than 25% of the Units will have the ability to block any resolution to remove the Trustee-Manager. All Unitholders will be able to vote on the resolution to remove the Trustee-Manager.

- **HPH Trust does not have a minimum distribution requirement and may not be able to make distributions to Unitholders at all or the level of distributions may fall**

Although HPH Trust's distribution policy is to distribute 100% of HPH Trust's Distributable Income, there is no minimum level of distributions which HPH Trust is required to make to Unitholders. As HPH Trust's initial investment in the Portfolio Container Terminals is through the entities held in HPH Trust, in order to make distributions to Unitholders, HPH Trust will rely on the receipt of dividends from the entities held in HPH Trust. The ability of the entities held in HPH Trust to pay dividends, make interest payments and repay shareholder loans may be affected by a number of factors. Accordingly, HPH Trust may not be able to make distributions to Unitholders at all or the level of distributions may fall over time. Please refer to "Risk Factors – Risks Relating to the Investment in the Units – HPH Trust may not be able to make distributions to Unitholders at all or the level of distributions may fall" in the attached Singapore Prospectus for further details.

- **Unitholders with registered addresses in Hong Kong may not be permitted to participate in future rights issues and preferential offerings by HPH Trust**

The Trust Deed provides that the Trustee-Manager may, in its absolute discretion, elect not to extend an offer of Units under a rights issue or preferential offering to those Unitholders whose addresses are outside Singapore, after having regard to relevant considerations, including whether the Trustee-Manager considers the election necessary or expedient on account either of the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction. The rights or entitlements to the Units to which such Unitholders would have been entitled will be offered for sale and sold in such manner, at such price and on such other terms and conditions as the Trustee-Manager may determine and the holding of the relevant Unitholder may be diluted as a result of such sale. Please refer to "Risk Factors – Risks Relating to the Investment in the Units – Foreign Unitholders may not be permitted to participate in future rights issues and preferential offerings by HPH Trust" in the attached Singapore Prospectus for further details.

- **Compliance with insider dealing and disclosure of interest requirements in Singapore**

Unitholders who hold not less than 5% of the voting rights in HPH Trust are required to make a notification to the SGX-ST and the Trustee-Manager of their interests or changes in their interests in HPH Trust within two business days after becoming a substantial unitholder or after they become aware of such changes. The insider dealing provisions of the SFO do not apply to dealings in the Units. However, Unitholders should be aware that they would need to comply with the insider dealing provisions of the SFA in Singapore. Please refer to "Information on Singapore Business Trusts" and "Salient Differences Between Hong Kong Listed Companies and Singapore Listed Business Trusts" set out in Appendix II to this Hong Kong wrap for further details.

- **Fluctuations in exchange rate and distributions**

The Units will be traded in US dollars. Fluctuations between the US dollar and the Hong Kong dollar will affect the Hong Kong dollar equivalent of the US dollar price of the Units traded on the SGX-ST.

Distributions by HPH Trust will be declared in Hong Kong dollars. Each Unitholder will receive his distribution in the Singapore dollar equivalent of the Hong Kong dollar distribution declared, unless he elects to receive the relevant distribution in Hong Kong dollars or US dollars by submitting a "Distribution Election Notice" by the books closure date. For the portion of the distributions to be paid in Singapore dollars or US dollars, the Trustee-Manager will make the necessary arrangements to convert the distributions in Hong Kong dollars into Singapore dollars or US dollars, as the case may be, at such exchange rate as the Trustee-Manager may determine, taking into consideration any premium or discount that may be relevant to the cost of exchange. CDP, the Trustee-Manager or HPH Trust shall not be liable for any loss arising from the conversion of distributions payable to Unitholders from Hong Kong dollars into Singapore dollars or US dollars. Save for approved depository agents (acting as nominees of their customers), each Unitholder may elect to receive his entire distribution in Singapore dollars, Hong Kong dollars or US dollars and shall not be able to elect to receive distributions in a combination of Hong Kong dollars, Singapore dollars and/or US dollars.

- **Language of future communications**

All future communications by HPH Trust with Unitholders will be made in English only.

- **Qualifying HWL Shareholders who apply for excess Reserved Units will not be allocated Units on the same basis as their Assured Entitlements to the Reserved Units**

While a Qualifying HWL Shareholder who held at least 1,000 HWL Shares on the Record Date is entitled to apply, on an assured basis, for 100 Units for every one board lot of 1,000 HWL Shares held by him/her/it on the Record Date, a Qualifying HWL Shareholder who applies for excess Reserved Units will not be allocated excess Reserved Units with reference to his/her/its Assured Entitlement but instead on the basis of allocation as described in "The Preferential Offer – Basis of Allocation for Applications for Excess Reserved Units".

- **Unitholders will be not entitled to make any claim against the Hong Kong Investor Compensation Fund for certain losses arising from their investment in the Units**

Qualifying HWL Shareholders or Beneficial HWL Shareholders who intend to subscribe for Reserved Units should note that their investment in the Units would not be covered by the Hong Kong Investor Compensation Fund as the Units would not be exchange-traded products in Hong Kong. However, Unitholders may be able to claim from the Fidelity Fund of the SGX-ST under which investors (other than accredited investors) who suffer monetary loss arising from their broker's defalcation or their broker's insolvency may claim compensation from the SGX-ST. Each claim by an aggrieved person against the Fidelity Fund is limited to S$50,000 in relation to each securities member of the SGX-ST whereas compensation by the Hong Kong Investor Compensation Fund is applied on a per-investor basis with a compensation limit of HK$150,000 for trading securities and futures contracts, respectively. Qualifying HWL Shareholders or Beneficial HWL Shareholders who intend to subscribe for Reserved Units should note that the conditions for an investor to claim against the Fidelity Fund may differ from those applicable to the Hong Kong Investor Compensation Fund.

5. THE PREFERENTIAL OFFER

(a) Reasons for the Preferential Offer

As the Proposed Separate Listing constitutes a spin-off for HWL under Practice Note 15 of the Hong Kong Listing Rules, HWL is required to comply with the requirements of Practice Note 15 of the Hong Kong Listing Rules and give due regard to the interests of the existing HWL Shareholders by providing them with an assured entitlement to the Units, either by way of a distribution in specie of the Units or by way of a preferred application in the Offering. HWL and the Trustee-Manager have agreed that in giving due regard to the interests of the existing HWL Shareholders, Qualifying HWL Shareholders will be entitled to participate in the Offering on a preferential basis as to allocation only by way of the Preferential Offer.

(b) Basis of Entitlement

Qualifying HWL Shareholders are being invited to apply for an initial aggregate of 425,810,400 Units (the "**Assured Tranche**") in the Preferential Offer (representing between approximately 10.92% and approximately 11.77% of the Units initially available under the Offering) on the following assured entitlement basis (the "**Assured Entitlement**"):

100 Reserved Units for
every one board lot of 1,000 HWL Shares held on the Record Date

The table below illustrates the Assured Entitlement of Qualifying HWL Shareholders to the Reserved Units:

Number of HWL Shares Held on the Record Date	Assured Entitlement of HWL Qualifying Shareholders to the Reserved Units
1,000 to 1,999 HWL Shares	100 Reserved Units
2,000 to 2,999 HWL Shares	200 Reserved Units
3,000 to 3,999 HWL Shares	300 Reserved Units
4,000 to 4,999 HWL Shares	400 Reserved Units
5,000 to 5,999 HWL Shares	500 Reserved Units
Thereafter	100 additional Reserved Units for every one additional board lot of 1,000 HWL Shares held

Qualifying HWL Shareholders should note that Assured Entitlements to the Reserved Units shall only represent multiples of 100 Reserved Units. Qualifying HWL Shareholders who held less than 1,000 HWL Shares on the Record Date will not receive any Assured Entitlement to the Reserved Units and are not entitled to apply for any excess Reserved Units.

The Units will be traded on the Main Board of the SGX-ST in board lots of 1,000 Units each. Qualifying HWL Shareholders should note that their Assured Entitlements may be in respect of Units which are not in a multiple of a whole board lot of 1,000 Units. Odd lots of Units will be traded on the Unit Share Market of the SGX-ST only. The trading volume of odd lots of Units on the Unit Share Market may be low and may be at a price below the

prevailing market price for whole board lots of 1,000 Units. The commissions payable per Unit for trading in odd lots of Units may be higher than for trading in a whole board lot of Units as minimum commission rates apply.

Cheung Kong (Holdings) Limited, which together with its subsidiaries, holds approximately 49.97% of the HWL Shares in issue, has informed HWL of its intention to take up its Assured Entitlement to the Units in full and not to apply for any excess Units in the Preferential Offer.

(c) Basis of Allocation for Applications for Excess Reserved Units

A Qualifying HWL Shareholder may apply for a number of Reserved Units which is less than or equal to his/her/its Assured Entitlement to the Reserved Units in the Preferential Offer. A valid application for a number of Reserved Units which is less than or equal to a Qualifying HWL Shareholder's Assured Entitlement will be accepted in full, subject to the terms and conditions set out in the Assured Entitlement Application Form, assuming the conditions of the Preferential Offer are satisfied. Any Units in the Assured Tranche which are not taken up by Qualifying HWL Shareholders (the "**Available Reserved Units**") will be allocated by the Trustee-Manager on the basis described below.

A Qualifying HWL Shareholder who held at least 1,000 HWL Shares on the Record Date may also apply for excess Reserved Units. Qualifying HWL Shareholders who wish to apply for excess Reserved Units should apply for the number of Reserved Units that is equal to his/her/its Assured Entitlement using the Assured Entitlement Application Form and make an excess application for such number of excess Reserved Units that he/she/it wishes to apply for using the Excess Application Form.

To the extent that applications for excess Reserved Units are:

(i) less than the Available Reserved Units, the Available Reserved Units will first be allocated to satisfy such applications for excess Reserved Units in full and thereafter will be allocated in such manner as to be agreed between the Trustee-Manager and the Joint Bookrunners to professional, institutional and other investors in the Placement;

(ii) equal to the Available Reserved Units, the Available Reserved Units will be allocated to satisfy the applications for excess Reserved Units in full; or

(iii) greater than the Available Reserved Units, the Trustee-Manager will make available up to an additional 425,810,400 Units (the "**Additional Reserved Units**") to satisfy the applications for excess Reserved Units. The Available Reserved Units and the Additional Reserved Units (together, the "**Excess Tranche**") will be allocated to those Qualifying HWL Shareholders who made applications for excess Reserved Units on a fair and reasonable basis and as far as practicable, (1) preference will be given to those applications which will top up odd lots to whole board lots provided that the Trustee-Manager is satisfied that such applications are not made with the intention to abuse this mechanism and (2) subject to availability of excess Reserved Units after allocation under (1) above, the excess Reserved Units will be allocated to Qualifying HWL Shareholders who have applied for excess Reserved Units on a pro rata basis with reference to their number of excess Reserved Units applied for, and with board lot allocations to be made on a best efforts basis. Beneficial HWL Shareholders whose HWL Shares are held by a nominee company should note that the Trustee-Manager will regard the nominee company as a single HWL Shareholder according to the register of members of HWL. Accordingly, HWL Shareholders should note that the top-up arrangement under (1) above in relation to the allocation of excess Reserved Units will not be applicable to Beneficial HWL Shareholders individually.

Assured Entitlements of Qualifying HWL Shareholders to Reserved Units are not transferable and there will be no trading in nil-paid entitlements on the SGX-ST.

(d) Qualifying HWL Shareholders and Non-Qualifying HWL Shareholders

Only HWL Shareholders whose names appeared on the register of members of HWL and who held at least 1,000 HWL Shares on the Record Date, and who are not Non-Qualifying HWL Shareholders are entitled to subscribe for the Reserved Units under the Preferential Offer.

Non-Qualifying HWL Shareholders are those HWL Shareholders with registered addresses in, or who are otherwise known by HWL to be residents of, jurisdictions outside Hong Kong on the Record Date and in respect of whom the HWL Directors and the Trustee-Manager, based on enquiries made by the HWL Directors and the Trustee-Manager, consider it necessary or expedient to exclude them from the Preferential Offer on account either of the legal restrictions under the laws of the relevant jurisdiction in which the relevant HWL Shareholder is located or the requirements of the relevant regulatory body or stock exchange in that jurisdiction.

The HWL Directors and the Trustee-Manager have made enquiries regarding the legal restrictions under the applicable securities legislation of the Specified Territories and the requirements of the relevant regulatory bodies or stock exchanges with respect to the offer of the Reserved Units to the HWL Shareholders in the Specified Territories. Having considered the circumstances, the HWL Directors and the Trustee-Manager have formed the view that it is necessary or expedient to restrict the ability of HWL Shareholders in the Specified Territories to take up their Assured Entitlements to the Reserved Units under the Preferential Offer due to the time and costs involved in the registration or filing of this Hong Kong Preferential Offering Document and/or approval required by the relevant authorities in those territories and/or additional steps which the Trustee-Manager and the HWL Shareholders would need to take to comply with the local legal and/or other requirements which would need to be satisfied in order to comply with the relevant local or regulatory requirements in those territories.

Accordingly, for the purposes of the Preferential Offer, the Non-Qualifying HWL Shareholders are:

(i) HWL Shareholders whose names appeared in the register of members of HWL on the Record Date and whose addresses as shown in such register are in any of the Specified Territories, except for those HWL Shareholders who satisfy the conditions to participate in the Preferential Offer set out below; and

(ii) HWL Shareholders or Beneficial HWL Shareholders on the Record Date who are otherwise known by HWL to be resident in any of the Specified Territories, except for those HWL Shareholders or Beneficial HWL Shareholders who satisfy the conditions to participate in the Preferential Offer set out below.

Notwithstanding any other provision in this Hong Kong Preferential Offering Document or the **BLUE** Application Forms, the Trustee-Manager reserves the right to permit any HWL Shareholder to take up his/her/its Assured Entitlement to the Reserved Units if the Trustee-Manager, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions described above.

(e) Limited Categories of Persons in the Specified Territories Who May Be Able to Apply for the Reserved Units Under the Preferential Offer

Notwithstanding what is stated in paragraph 5(d) above, the following limited categories of persons in the Specified Territories may be able to apply for the Reserved Units under the Preferential Offer:

(i) HWL Shareholders or Beneficial HWL Shareholders in the US are generally Non-Qualifying HWL Shareholders; however, a limited number of HWL Shareholders in the US whom HWL reasonably believes are QIBs may be able to apply for the Reserved Units under the Preferential Offer in transactions exempt from registration requirements under the US Securities Act, provided that they fulfil relevant requirements to the satisfaction of HWL and the Trustee-Manager, including representing to HWL and the Trustee-Manager that their financial status satisfies the relevant exemption requirements in the US; and

(ii) HWL Shareholders or Beneficial HWL Shareholders in the United Kingdom are generally Non-Qualifying HWL Shareholders; however, a limited number of HWL Shareholders and Beneficial HWL Shareholders in the United Kingdom whom HWL reasonably believes are relevant persons may be able to apply for the Reserved Units under the Preferential Offer in transactions exempt from applicable securities laws, provided that they meet the requirements set out in the "Important Notice".

In each case, the Trustee-Manager reserves the absolute discretion in determining whether to allow such participation as well as the identity of the persons who may be allowed to do so.

(f) Distribution of this Hong Kong Preferential Offering Document and the BLUE Application Forms

This Hong Kong Preferential Offering Document accompanied by the **BLUE** Application Forms have only been sent to the Qualifying HWL Shareholders who have an Assured Entitlement to the Reserved Units. Qualifying HWL Shareholders without Assured Entitlements to the Reserved Units have also been sent a copy of this Hong Kong Preferential Offering Document for their information only.

However, to the extent reasonably practicable and legally permitted, this Hong Kong Preferential Offering Document has been sent, for information purposes only, to the Non-Qualifying HWL Shareholders. **BLUE** Application Forms have not been sent to the Non-Qualifying HWL Shareholders.

Distribution of this Hong Kong Preferential Offering Document and/or the **BLUE** Application Forms into any jurisdiction other than Hong Kong may be restricted by law. Persons into whose possession this Hong Kong Preferential Offering Document and/or the **BLUE** Application Forms come (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of, and observe, any such restriction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. Any HWL Shareholder or Beneficial HWL Shareholder who is in any doubt as to his/her/its position should consult an appropriate professional adviser without delay. In particular, this Hong Kong Preferential Offering Document should not be distributed, forwarded to or transmitted in, into or from any of the Specified Territories with or without the **BLUE** Application Forms, except to Qualifying HWL Shareholders as specified in this Hong Kong Preferential Offering Document.

This Hong Kong Preferential Offering Document will not be registered under the applicable legislation of any jurisdiction, other than Hong Kong where it has been authorised under Section 105(1) of the SFO solely for distribution to Qualifying HWL Shareholders in Hong Kong in connection with the Preferential Offer.

Receipt of this Hong Kong Preferential Offering Document and/or the **BLUE** Application Forms does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Hong Kong Preferential Offering Document and/or the **BLUE** Application Forms must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this Hong Kong Preferential Offering Document and/or the **BLUE** Application Forms should not, in connection with the Preferential Offer, distribute or send the same in, into or from, any of the Specified Territories. If the **BLUE** Application Forms are received by any person in any such territory, or by his/her/its agent or nominee, he/she/it should not apply for any Reserved Units unless the HWL Directors and the Trustee-Manager determine that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, agents, custodians, nominees and trustees) who forwards this Hong Kong Preferential Offering Document and/or the **BLUE** Application Forms in, into or from any Specified Territory (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

(g) Conditions of the Proposed Separate Listing and the Offering

The Proposed Separate Listing and the Offering (including the Preferential Offer) will be conditional upon, among others, the following:

(i) all relevant notifications, consents and regulatory approvals (including the approval of the SGX-ST, the MAS and the Hong Kong Stock Exchange) required for the implementation of the Proposed Separate Listing and the Offering having been made, obtained and/or waived;

(ii) no Stop Order (as defined below) which directs that no Units to which this Hong Kong Preferential Offering Document relates to be allotted or issued having been served by the MAS; and

(iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by or on behalf of the Underwriters) and the Underwriting Agreements not being terminated in accordance with its terms or otherwise, on or before the date and time specified therein.

If such conditions are not satisfied by 2:00 p.m. on Friday, 18 March 2011 or the Offering does not proceed for any reason or if HPH Trust is terminated or liquidated by the Trustee-Manager under the circumstances specified in the Trust Deed prior to the Offering, the

Proposed Separate Listing and the Offering (including the Preferential Offer) will not be implemented and will not proceed. An announcement will be made by the Trustee-Manager and HWL as soon as practicable if a decision is made not to proceed with the Proposed Separate Listing and the Offering.

6. INDICATIVE TIMETABLE FOR THE PREFERENTIAL OFFER

Date and Time	Event
12:00 noon on Monday, 7 March 2011	Opening time and date of the Preferential Offer
4:30 p.m. on Friday, 11 March 2011	Closing time and date of the Preferential Offer and latest time to lodge the **BLUE** Application Forms
Monday, 14 March 2011	Price Determination Date
	Announcement of the Final Offering Price (as defined below) on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the corporate website of HWL at www.hutchison-whampoa.com
Tuesday, 15 March 2011	Balloting of applications, if necessary
	Announcement of the results of allocations of the Reserved Units in the Preferential Offer on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the corporate website of HWL at www.hutchison-whampoa.com
Thursday, 17 March 2011	Commence returning or refunding of application monies to unsuccessful or partially successful applicants and commence returning or refunding of application monies to successful applicants for the amount paid in excess of the Final Offering Price, if necessary
Friday, 18 March 2011	Despatch of Confirmation Notes to relevant applicants
2:00 p.m. on Friday, 18 March 2011	Commence trading of the Units on the Listing Date
	Units credited into the Direct Securities Accounts or Sub-Accounts or Relevant Securities Accounts of relevant applicants
Wednesday, 23 March 2011	Settlement date for all trades done on a "ready" basis on the Listing Date

The above timetable is indicative only and is subject to change. The above timetable and procedure may also be subject to such modifications as the SGX-ST may in its discretion decide, including the commencement of trading of the Units on the SGX-ST. It assumes that (i) the closing of the application list for the Preferential Offer is on Friday, 11 March 2011, (ii) the Listing Date is Friday, 18 March 2011, (iii) there has been compliance with the unitholding spread requirement of the SGX-ST, (iv) there has been compliance with the SGX-ST's listing requirements and (v) the Units will be issued and fully paid up prior to 2:00 p.m. on Friday, 18 March 2011. All dates and times referred to above are Singapore dates and times. For further details, please see "Indicative Timetable" in the attached Singapore Prospectus.

7. OFFERING PRICE

The Offering Price range is between US$0.91 per Unit (the "**Minimum Offering Price**") and US$1.08 per Unit (the "**Maximum Offering Price**").

The Offering Price will be determined following a book-building process by agreement between the Joint Bookrunners and the Trustee-Manager on the Price Determination Date, which is expected to be Monday, 14 March 2011 and is subject to change. If for any reason the Offering Price is not agreed between the Joint Bookrunners and the Trustee-Manager on or before Monday, 14 March 2011 (or such later date as the Joint Bookrunners and the Trustee-Manager may agree), the Offering will not proceed and all application monies in respect of the Preferential Offer will be refunded (without interest or any other share of revenue or other benefit arising therefrom, and without any right or claim against HPH Trust, the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners or the Underwriters) to all applicants at their own risk. Among the factors that will be taken into account in determining the Offering Price are the demand for the Units under the Offering and the prevailing conditions in the securities markets. An announcement of the final Offering Price (the "**Final Offering Price**") is expected to be published on Monday, 14 March 2011 on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and on the corporate website of HWL at www.hutchison-whampoa.com. The Final Offering Price may be different from the Minimum Offering Price or the Maximum Offering Price.

8. USE OF PROCEEDS

The proceeds from the Offering and the issue of the Cornerstone Units will be applied towards the partial settlement of the consideration for the acquisition of the HPH Trust Business Portfolio and the assignment of certain related party and shareholders' loans (the "**Acquisition**") on the Listing Date. The balance of the consideration for the Acquisition will be settled by way of the issue of the Consideration Units on the Listing Date and by using the proceeds from the New Debt Facility.

Pending the deployment of the proceeds as described above, the Trustee-Manager may place the remaining funds in fixed deposits with banks or financial institutions or use the funds for investment in short term money market instruments, as the directors of the Trustee-Manager may deem appropriate in their absolute discretion. In the reasonable opinion of the directors of the Trustee-Manager, there is no minimum amount that must be raised in the Offering.

Please refer to "Use of Proceeds" in the attached Singapore Prospectus for further details.

9. PROCEDURES FOR APPLYING FOR AND TRADING IN THE RESERVED UNITS

9.1 General

Application(s) for the Reserved Units may only be made by a Qualifying HWL Shareholder using one Assured Entitlement Application Form for his/her/its Assured Entitlement to the Reserved Units and (where applicable) one Excess Application Form for excess Reserved Units. A Beneficial HWL Shareholder whose HWL Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited should contact his/her/its Intermediary and provide his/her/its Intermediary with instructions or make arrangements with his/her/its Intermediary in relation to his/her/its application(s) for the Reserved Units. Please refer to the paragraphs 9.2 and 9.4 below for further details.

Qualifying HWL Shareholders should note that upon listing and quotation on the SGX-ST, the Units will be traded under the electronic book-entry clearance and settlement system of CDP. Dealings in the Units will therefore be effected for settlement in CDP on a scripless basis. Please refer to "Clearance and Settlement" in the attached Singapore Prospectus for further details.

Accordingly, in order for a Qualifying HWL Shareholder to trade in the Reserved Units subscribed pursuant to the Preferential Offer, he/she/it must have either:

- an account with a broker or financial institution which has a Depository Agent account in Singapore (a "**Relevant Securities Account**");
- a sub-account with a Depository Agent in Singapore (a "**Sub-Account**") and a trading account with a stockbroking member of the SGX-ST; or
- a direct securities account with CDP in Singapore (a "**Direct Securities Account**") and a trading account with a stockbroking member of the SGX-ST.

Units which are not deposited in a Relevant Securities Account or a Sub-Account or a Direct Securities Account cannot be traded on the SGX-ST until they are so deposited and such Unitholders will receive Confirmation Notes which evidence title to their Units.

A Qualifying HWL Shareholder who does not have a Relevant Securities Account or a Sub-Account or a Direct Securities Account and wishes to forthwith trade in the Units subscribed pursuant to the Preferential Offer should either:

- open a Relevant Securities Account – please see below for further details; or
- open a Sub-Account directly with a Depository Agent in Singapore and a trading account with a stockbroking member of the SGX-ST – please refer to the website of CDP at www.cdp.com.sg for details of the Depository Agents in Singapore; or
- open a Direct Securities Account with CDP in Singapore and a trading account with a stockbroking member of the SGX-ST – please refer to the website of CDP at www.cdp.com.sg for details on how to open a Direct Securities Account.

Details of the Designated Brokers/Bank which have Depository Agent accounts in Singapore are set out in Appendix III to this Hong Kong wrap. Qualifying HWL Shareholders should contact a Designated Broker/Bank if they wish to open a Relevant Securities Account with one of them. Qualifying HWL Shareholders should note that the account opening requirements and procedures as well as the charges applicable to the opening and/or operation of a Relevant Securities Account vary amongst the Designated Brokers/Bank.

If a Qualifying HWL Shareholder does not have either a Relevant Securities Account or a Sub-Account or a Direct Securities Account at the time of application or does not provide details of such securities accounts in his/her/its application(s) for the Reserved Units or wishes to hold the Reserved Units allocated to him/her/it in scrip form, he/she/it will receive a Confirmation Note in respect of the Reserved Units subscribed for by him/her/it pursuant to the Preferential Offer. Such Qualifying HWL Shareholder would need to deposit such Reserved Units into either a Relevant Securities Account or a Sub-Account or a Direct Securities Account following receipt of the Confirmation Notes if he/she/it wishes to trade in the Units.

Whether a Qualifying HWL Shareholder will be successful in opening the necessary securities account with the Designated Broker/Bank, the relevant Depositary Agent in Singapore, the relevant stockbroking member of the SGX-ST or CDP (as the case may be) will depend on the satisfaction of their respective account opening requirements, which are determined by such persons in their absolute discretion. There can be no assurance that the necessary securities accounts will be opened or opened in time to allow the Reserved Units applied for by Qualifying HWL Shareholders pursuant to the Preferential Offer to be deposited into their securities account by or shortly after the commencement of dealings in the Units on the SGX-ST.

As the opening of the necessary securities accounts may take some time, Qualifying HWL Shareholders who wish to participate in the Preferential Offer are reminded to make the necessary arrangements to open such securities accounts as soon as practicable.

9.2 Action to be Taken by Qualifying HWL Shareholders

(a) Method for Applying for Reserved Units

An application for Reserved Units under the Preferential Offer may only be made by a Qualifying HWL Shareholder using one Assured Entitlement Application Form for his/her/its Assured Entitlement to Reserved Units and (where applicable) one Excess Application Form for excess Reserved Units. A Qualifying HWL Shareholder may apply on an assured basis for a number of Reserved Units which is less than or equal to his/her/its Assured Entitlement to the Reserved Units, as specified on his/her/its individual Assured Entitlement Application Form, by using such Assured Entitlement Application Form. A Qualifying HWL Shareholder may also apply for excess Reserved Units using his/her/its Excess Application Form, but such application for Excess Reserved Units will only be met to the extent that there are sufficient Available Reserved Units and Additional Reserved Units.

(b) Despatch of the BLUE Application Forms and this Hong Kong Preferential Offering Document

The **BLUE** Application Forms together with a copy of this Hong Kong Preferential Offering Document have been despatched to each Qualifying HWL Shareholder with an Assured Entitlement to the Reserved Units. Qualifying HWL Shareholders without Assured Entitlements to the Reserved Units have also each been sent a copy of this Hong Kong Preferential Offering Document for their information only.

No replacement printed copies of the Hong Kong Preferential Offering Document and no replacement **BLUE** Application Form(s) will be provided. An electronic copy of the Hong Kong Preferential Offering Document will be made available on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and on the corporate website of HWL at www.hutchison-whampoa.com.

(c) How to Apply Using the BLUE Application Forms

(i) A Qualifying HWL Shareholder should complete the relevant **BLUE** Application Form(s) in English using ink and sign it/them. There are detailed instructions on each **BLUE** Application Form. Qualifying HWL Shareholders should read these instructions carefully. If a Qualifying HWL Shareholder does not follow these instructions, his/her/its application(s) may be rejected and returned by ordinary post together with the accompanying banker's cashier order(s) to him/her/it (or, in the case of joint applicants, to the first-named applicant) at his/her/its own risk at the address stated in the **BLUE** Application Forms.

(ii) If a Qualifying HWL Shareholder's application is made by a duly authorised attorney, the Trustee-Manager and its agents or nominees, as its agent(s), may accept it at its discretion, subject to any conditions as any of them may think fit, including production of evidence of the authority of the attorney.

(iii) Qualifying HWL Shareholders may apply for a number of Reserved Units which is less than or equal to their Assured Entitlements to the Reserved Units in the Preferential Offer using the Assured Entitlement Application Form and may apply for excess Reserved Units using the Excess Application Form.

(iv) Save as provided in paragraph (v) below, Qualifying HWL Shareholders who have either a Relevant Securities Account or a Sub-Account or a Direct Securities Account and who wish to trade in the Units should provide details of the relevant securities account in their **BLUE** Application Form(s). If the relevant account details are not specified in the **BLUE** Application Form(s) or are provided incorrectly in their Assured Entitlement Application Forms, such Qualifying HWL Shareholders will receive Confirmation Notes in respect of the Reserved Units allocated to them and will not be able to trade in such Units until they have been deposited into the relevant securities account. Where Qualifying HWL Shareholders have provided details of their Relevant Securities Accounts or Sub-Accounts or Direct Securities Accounts in their Assured Entitlement Application Forms but these are different to the details of the relevant securities accounts provided in their Excess Application Forms (if applicable) or they have provided details of their Relevant Securities Accounts or Sub-Accounts or Direct Securities Accounts in their Assured Entitlement Application Forms but no details of the relevant securities accounts in their Excess Application Forms, they will be deemed to have provided the details of the relevant securities accounts provided on their Assured Entitlement Forms as the details of the relevant securities accounts for the purposes of their Excess Application Forms (if applicable). Where Qualifying HWL Shareholders have provided no details of their Relevant Securities Accounts or Sub-Accounts or Direct Securities Accounts in their Assured Entitlement Application Forms but have provided details of the relevant securities accounts in their Excess Application Forms (if applicable), they will be deemed to have provided no details of the relevant securities accounts for the purposes of their Excess Application Forms (if applicable) and will receive Confirmation Notes in respect of the Reserved Units allotted to them and will not be able to trade in such Units until they have been deposited into the relevant securities account.

(v) A Qualifying HWL Shareholder who has opened a Relevant Securities Account with any of the branches of Bank of China (Hong Kong) Limited (other than those branches listed in paragraph 9.2(f) below) but has not deposited his/her/its HWL Shares or has only deposited his/her/its HWL Shares into such account following the Record Date (or such other date as may be specified by Bank of China (Hong Kong) Limited) should note that the Reserved Units subscribed for by him/her/it pursuant to the Preferential Offer will not be deposited into his/her/its Relevant Securities Account with Bank of China (Hong Kong) Limited even if such account details are specified in their **BLUE** Application Form(s). Such Qualifying HWL Shareholder will receive a Confirmation Note in respect of the Reserved Units subscribed for by him/her/it and he/she/it would need to deposit such Units into his/her/its Relevant Securities Account following receipt of the Confirmation Notes if he/she/it wishes to trade in such Units.

(vi) A Qualifying HWL Shareholder who does not have either a Relevant Securities Account or a Sub-Account or a Direct Securities Account or does not provide details of such securities accounts in his/her/its application(s) for the Reserved Units or provides an incorrect Relevant Securities Account number or Sub-Account number or Direct Securities Account number or who wishes to hold the Reserved Units allotted to him/her/it in scrip form will receive a Confirmation Note in respect of the Reserved Units allotted him/her/it and he/she/it would need to deposit such Units into either a Relevant Securities Account or a Sub-Account or a Direct Securities Account following receipt of the Confirmation Note if he/she/it wishes to trade in the Units.

(vii) Each Assured Entitlement Application Form must be accompanied by payment in the form of a banker's cashier order in US dollars made payable to "BOC (HK) Nominees Ltd – HPH Trust Preferential Offer". Each Excess Application Form for excess Reserved Units must be accompanied by payment in the form of a banker's cashier order in US dollars made payable to "BOC (HK) Nominees Ltd – HPH Trust Preferential Offer Excess Application". Accordingly, a Qualifying HWL Shareholder who wishes to make an application for his/her/its Assured Entitlement to the Reserved Units and an application for excess Reserved Units must make payment in the form of **TWO** banker's cashier orders in US dollars. Please read the detailed instructions set out on each **BLUE** Application Form carefully as an application is liable to be rejected if the banker's cashier order does not satisfy the requirements set out on such **BLUE** Application Form. Each **BLUE** Application Form contains a table showing the exact amount payable for certain numbers of Reserved Units or excess Reserved Units (as the case may be). Qualifying HWL Shareholders who do not follow these tables must calculate the correct amount of remittance(s) payable on application for the Reserved Units applied for by using the formula set out in the relevant **BLUE** Application Forms.

(viii) Qualifying HWL Shareholders should lodge their completed **BLUE** Application Form(s) at any of the locations and by the time stated in "– When to Apply for Reserved Units" below.

(ix) Qualifying HWL Shareholders should note that save as set out in this Preferential Offering Document and the terms and conditions of the **BLUE** Application Forms, applications cannot be withdrawn once made and that any application may be rejected in whole or in part (in the case of applications for excess Reserved Units).

(x) Each Qualifying HWL Shareholder should note that by completing and submitting the **BLUE** Application Form(s), amongst other things, he/she/it:

- **irrevocably undertakes** and **agrees** to accept the Reserved Units to which he/she/it has an Assured Entitlement or the excess Reserved Units applied for, or any lesser number allotted to him/her/it (as the case may be), on the terms and conditions of this Hong Kong Preferential Offering Document and the **BLUE** Application Forms, and subject to the Trust Deed of HPH Trust;

- **declares** that such **BLUE** Application Form is the only application made by him/her/it for Reserved Units to which he/her/it has an Assured Entitlement or excess Reserved Units (as the case may be) and the only application intended by him/her/it for Reserved Units to which he/her/it has an Assured Entitlement or excess Reserved Units to benefit him/her/it and no other person;

- **understands, acknowledges** and **agrees** that the declarations and representations made by him/her/it in the **BLUE** Application Form(s) will be relied upon by the Trustee-Manager in deciding whether or not to make any allotment of Reserved Units to which he/she/it has an Assured Entitlement or excess Reserved Units (as the case may be) to him/her/it in response to such application(s) and that he/she/it may be prosecuted for making a false declaration;

- **authorises** the Trustee-Manager to place his/her/its name or the name of the relevant Depository Agent, as the case may be, on the register of unitholders of HPH Trust as the holder of any Reserved Units allotted/allocated to him/her/it, arrange for the crediting of any Reserved Units allotted to him/her/it to his/her/its Relevant Securities Account or Sub-Account or Direct Securities Account or despatch any Confirmation Note in respect of the Reserved Units allotted to him/her/it (as the case may be), and/or despatch any refund cheque(s) to him/her/it by ordinary post at his/her/its own risk to the address stated in the **BLUE** Application Form(s);

- **has read** the terms and conditions and application procedures set out in the relevant **BLUE** Application Form and in this Hong Kong Preferential Offering Document and **agrees** to be bound by them, and is aware of the restrictions on the Preferential Offer described in this Hong Kong Preferential Offering Document, including the restrictions and deemed representations described in "Transfer Restrictions" in this Hong Kong Preferential Offering Document;

- **represents, warrants** and **undertakes** that the allotment of Reserved Units to him/her/it or his/her/its application for the Reserved Units would not require the Trustee-Manager to comply with any requirements under any law or regulation (whether or not having the force of law) of any territory outside Hong Kong or Singapore;

- **represents, warrants** and **undertakes** that (i) he/she/it or the person(s) for whose benefit he/she/it is applying for understand(s) that the Units have not and will not be registered under the US Securities Act and will acquire the Reserved Units in an "offshore transaction" (within the meaning of Regulation S) or (ii) (with the exception of HKSCC Nominees Limited) he/she/it is or the person(s) for whose benefit he/she/it is applying for is/are a QIB;

- **represents, warrants** and **undertakes** he/she/it is not applying for the account of any person who is located in the United States, unless: (a) the instruction to apply for Reserved Units was received from a person outside the United States and (b) the person giving such instruction has confirmed that (x) it has the authority to give such instruction, and (y) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the Reserved Units in an "offshore transaction" (within the meaning of Regulation S);

- further **warrants** (if applicable and except for HKSCC Nominees Limited), that if he/she/it or the person(s) for whose benefit he/she/it is applying for is/are acting as a fiduciary or agent for one or more investor accounts, (i) each such account is a QIB, (ii) he/she/it has investment discretion with respect to each account and (iii) he/she/it has full power and authority to make the representations, warranties, agreements and acknowledgements herein on behalf of each such account;

- **agrees** that his/her/its application(s), any acceptance of it/them and the resulting contract(s) will be governed by and construed in accordance with the laws of Hong Kong;

- **instructs** and **authorises** the Trustee-Manager (or its agents or nominees) to do all things necessary to give effect to the arrangements described in this Hong Kong Preferential Offering Document and the **BLUE** Application Form(s);

- **instructs** and **authorises** Bank of China (Hong Kong) Limited as the receiving bank for the Preferential Offer to make payment of the application monies upon instruction from the Joint Bookrunners to such account as directed by the Trustee-Manager and **instructs** and **authorises** Bank of China (Hong Kong) Limited as the receiving bank for the Preferential Offer to effect settlement with the Trustee-Manager;

- **undertakes** to sign all documents and to do all things necessary to enable him/her/it to be entitled to the Reserved Units to be allocated to him/her/it and as required by the Trust Deed;

- **confirms** that he/she/it has received a copy of this Hong Kong Preferential Document and only relied on the information and representations in this Hong Kong Preferential Offering Document and the **BLUE** Application Form(s) in making his/her/its application and will not rely on any other information and representations except as set out in any supplement to this Hong Kong Preferential Offering Document;

- **agrees** (without prejudice to any other rights which he/she/it may have) that once his/her/its application(s) has been accepted, he/she/it may not rescind it because of an innocent misrepresentation;

- **agrees** that once his/her/its application(s) is/are accepted, his/her/its application(s) will be evidenced by the results of the Preferential Offer made available by the Trustee-Manager;

- **warrants** the truth and accuracy of the information contained in the **BLUE** Application Form(s);

- **agrees** to disclose to the Unit Registrar, Computershare Hong Kong Investor Services Limited, CDP, Securities Clearing Computer Services (Pte) Ltd ("**SCCS**"), the SGX-ST, the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners and their respective advisers and agents personal data and any information which they require about him/her/it or the person(s) for whose benefit he/she/it has made any application(s);

- **irrevocably authorises** Computershare Hong Kong Investor Services Limited to disclose the outcome of his/her/its application(s), including the number of Reserved Units and/or excess Reserved Units allotted/allocated to him/her/it pursuant to his/her/its application(s) to the Unit Registrar, the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners, the Depository Agent specified in their **BLUE** Application Forms and any other persons so authorised by the foregoing parties;

- (if he/she/it is a Direct Securities Account holder and has provided details of his/her/its Direct Securities Account in his/her/its application for the Assured Entitlement Reserved Units) **irrevocably authorises** CDP to complete and sign on his/her/its behalf as transferee or renouncee any instrument of transfer and/or other documents required for the issue or transfer of the Units allocated to him/her/it;

- (if the application(s) is/are made by an agent on his/her/its behalf) **warrants** that he/she/it has validly and irrevocably conferred on his/her/its agent all necessary power and authority to make his/her/its application(s);

- **warrants** that, in making his/her/its application(s), he/she/it or any person(s) for whose behalf he/she/it may be acting is/are Qualifying HWL Shareholder(s);

- **agrees** that the processing of his/her/its application(s) may be done by the receiving bank for the Preferential Offer and/or Computershare Hong Kong Investor Services Limited and is not restricted to the bank or Computershare Hong Kong Investor Services Limited at which his/her/its **BLUE** Application Form(s) is lodged;

- **agrees** with the Trustee-Manager, for HPH Trust and for the benefit of each Unitholder of HPH Trust (and so that the Trustee-Manager will be deemed by its acceptance in whole or in part of the application to have agreed, for HPH Trust and on behalf of each Unitholder of HPH Trust, with each applicant), to observe and comply with the Business Trusts Act and the Trust Deed;

- **authorises** the Trustee-Manager to enter into a contract on his/her/its behalf with each director and officer of the Trustee-Manager whereby such directors and officers undertake to observe and comply with their obligations to Unitholders as stipulated in the Trust Deed; and

- if the laws of any place outside Hong Kong are applicable to his/her/its application, **agrees** and **warrants** that he/she/it has complied with all such laws and neither the Trustee-Manager nor any of the Joint Bookrunners nor any of their respective officers or advisers will infringe any laws outside Hong Kong as a result of the acceptance of his/her/its offer to purchase or any actions arising from his/her/its rights and obligations under the terms and conditions contained in this Hong Kong Preferential Offering Document and the **BLUE** Application Form(s).

(d) How Many Applications May Be Made

Each Qualifying HWL Shareholder may only submit one Assured Entitlement Application Form for his/her/its Assured Entitlement to the Reserved Units and/or if applying for excess Reserved Units, may only submit one Excess Application Form.

(e) How to Pay for the Reserved Units

Qualifying HWL Shareholders applying for their Assured Entitlements to the Reserved Units or excess Reserved Units must pay the Maximum Offering Price on application. In the event the Final Offering Price is less than the Maximum Offering Price, the surplus application monies (representing the difference between the Maximum Offering Price and the Final Offering Price) will be refunded to the Qualifying HWL Shareholders. Please see "– Return or Refund of Application Monies" for further details.

(f) When to Apply for Reserved Units

Completed **BLUE** Application Forms, together with payment in the form of a banker's cashier order in US dollars for each **BLUE** Application Form, should be lodged with Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or any of the following branches of Bank of China (Hong Kong) Limited by no later than 4:30 p.m. on Friday, 11 March 2011:

	Branch Name	Address
Hong Kong Island	Central District (Wing On House) Branch	71 Des Voeux Road Central
	Wan Chai (Wu Chung House) Branch	213 Queen's Road East, Wan Chai
Kowloon	Kwun Tong Branch	20-24 Yue Man Square, Kwun Tong
	Yau Ma Tei Branch	471 Nathan Road, Yau Ma Tei
New Territories	Castle Peak Road (Tsuen Wan) Branch	201-207 Castle Peak Road, Tsuen Wan

Completed **BLUE** Application Forms can be lodged at the following dates and times:

Monday, 7 March 2011	**–**	**12:00 noon to 5:00 p.m.**
Tuesday, 8 March 2011	**–**	**9:00 a.m. to 5:00 p.m.**
Wednesday, 9 March 2011	**–**	**9:00 a.m. to 5:00 p.m.**
Thursday, 10 March 2011	**–**	**9:00 a.m. to 5:00 p.m.**
Friday, 11 March 2011	**–**	**9:00 a.m. to 4:30 p.m.**

Qualifying HWL Shareholders should note that the latest time for lodging their BLUE Application Forms will not be extended in the event of inclement weather in Hong Kong (including tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal) at any time before 4:30 p.m. on Friday, 11 March 2011.

(g) Further Terms and Conditions of the Preferential Offer

If any supplement to this Hong Kong Preferential Offering Document or replacement Hong Kong Preferential Offering Document (the "**Relevant Document**") is issued prior to the close of the Offering, the Trustee-Manager shall, at its sole and absolute discretion, either (i) within seven days from the issue of the Relevant Document, provide applicants with a copy of the Relevant Document, and provide applicants with an option to withdraw or (ii) deem the applications as withdrawn and cancelled and return all application monies paid (without interest or any share of revenue or other benefit arising therefrom) at the applicant's own risk, within seven days from the issue of the Relevant Document. Subject to the above, an application once made is irrevocable and applicants shall be deemed to have applied on the basis of the Hong Kong Preferential Offering Document as supplemented.

Any applicant who wishes to exercise his/her/its option under (i) above to withdraw his/her/its application shall, within 14 days from the date of issue of the Relevant Document, notify the Trustee-Manager whereupon the Trustee-Manager shall, within seven days from the receipt of such notification, return all application monies in respect of such application (without interest or any share of revenue or other benefit arising therefrom) at the applicant's own risk.

Any Qualifying HWL Shareholder who applies for Reserved Units in the Preferential Offer will be agreeing to the terms and conditions of the Preferential Offer with HPH Trust, the Trustee-Manager, the Joint Bookrunners and the Underwriters as set out in this Hong Kong Preferential Offering Document and the relevant **BLUE** Application Form.

Qualifying HWL Shareholders should read this Hong Kong Preferential Offering Document carefully, including the terms and conditions of the Preferential Offer, and the terms and conditions set out in the relevant **BLUE** Application Form, prior to making an application.

In the event that the Reserved Units have already been issued at the time of the issue of the Relevant Document but trading has not commenced, the Trustee-Manager will either (1) within seven days from the issue of the Relevant Document, give applicants a copy of the Relevant Document and provide applicants with an option to return the Reserved Units which they do not wish to retain title in or (2) deem the issue as void and refund the applicants' payment for the Reserved Units (without interest or any share of revenue or other benefit arising therefrom) at their own risk, within seven days from the issue of the Relevant Document.

Any applicant who wishes to exercise his/her/its option under (1) above to return the Reserved Units issued to him/her/it shall, within 14 days from the date of issue of the Relevant Document, notify the Trustee-Manager of this and return all documents, if any, purporting to be evidence of title of those Reserved Units, whereupon the Trustee-Manager shall, within seven days from the receipt of such notification and documents, pay to him/her/it all monies paid by him/her/it for the Reserved Units (without interest or any share of revenue or other benefit arising therefrom) at the applicant's own risk, and the Reserved Units issued to the applicant shall be deemed to be void.

No Reserved Units shall be allotted or allocated on the basis of this Hong Kong Preferential Offering Document later than six months after the issue of this Hong Kong Preferential Offering Document.

9.3 Action to be Taken by Beneficial HWL Shareholders whose HWL Shares are Held by a Registered HWL Shareholder (other than CCASS)

Beneficial HWL Shareholders whose HWL Shares are registered in the name of a registered HWL Shareholder and who wish to subscribe for a number of Reserved Units which is less than or equal to their Assured Entitlements to the Reserved Units or for excess Reserved Units in the Preferential Offer should contact the registered HWL Shareholder and provide the registered HWL Shareholder with instructions or make arrangements with the registered HWL Shareholder in relation to the application for the Reserved Units.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in "Indicative Timetable for the Preferential Offer" and otherwise in accordance with the requirements of the registered HWL Shareholder in order to allow the registered HWL Shareholder sufficient time to ensure that such instructions and/or arrangements are given effect.

9.4 Action to be Taken by Beneficial HWL Shareholders Holding Interests in HWL Shares Through CCASS

Beneficial HWL Shareholders whose HWL Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited and who wish to subscribe for a number of Reserved Units which is less than or equal to their Assured Entitlements to the Reserved Units or for excess Reserved Units in the Preferential Offer should (unless he/she/it is a CCASS Participant) contact their Intermediaries and provide their Intermediaries with instructions or make arrangements with their Intermediaries in relation to the application for the Reserved Units. Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in "Indicative Timetable for the Preferential Offer" and otherwise in accordance with the requirements of the Intermediary in order to allow the Intermediary sufficient time to ensure that such instructions and/or arrangements are given effect. The procedure for application for the Reserved Units by CCASS Participants and by Beneficial HWL Shareholders who are CCASS Participants shall be in accordance with the requirements specified by CCASS. Beneficial HWL Shareholders who are CCASS Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the application for the Reserved Units.

Beneficial HWL Shareholders who are not CCASS Participants and who have either a Relevant Securities Account or a Sub-Account or a Direct Securities Account and who wish to trade in the Units should contact their Intermediaries to determine whether the necessary arrangements can be made to deposit the Reserved Units allocated to them in the relevant securities accounts. If arrangements cannot be made in time for such Units allocated to them to be deposited into their relevant securities accounts, such Beneficial HWL Shareholders will have to make separate arrangements with their Intermediaries regarding the delivery of the Reserved Units allocated to them. If such Beneficial HWL Shareholders wish to trade in such Units, they would need to deposit such Units into the relevant securities accounts.

9.5 Circumstances in which Qualifying HWL Shareholders and Beneficial HWL Shareholders Will Not Be Allocated Reserved Units

Qualifying HWL Shareholders and Beneficial HWL Shareholders should note in particular the following situations in which Reserved Units will not be allocated to them.

(i) Qualifying HWL Shareholders and Beneficial HWL Shareholders will not be allotted Reserved Units if:

- they make multiple or suspected multiple applications for their Assured Entitlements to the Reserved Units or make multiple or suspected multiple applications for excess Reserved Units;
- the **BLUE** Application Forms are not completed correctly by Qualifying HWL Shareholders in accordance with the instructions as stated in the relevant **BLUE** Application Form;

- payment is not made by Qualifying HWL Shareholders correctly by banker's cashier order in US dollars or such banker's cashier order is dishonoured upon its first presentation;

- if the amount of the remittance received is less than that required for the number of Reserved Units he/she/it has applied for;

- the Trustee-Manager (on behalf of HPH Trust) believes in its absolute discretion that the acceptance of his/her/its application would violate the applicable securities or other laws, rules or regulations of the jurisdiction in which his/her/its application is completed and/or signed or the jurisdiction in which his/her/its address as appears in the relevant **BLUE** Application Form is located;

- the Proposed Separate Listing and the Offering do not become unconditional;

- the HWL Board decides not to proceed with the Proposed Separate Listing and the Offering;

- the Offering does not proceed for any reason;

- the Underwriting Agreements do not become unconditional and/or are terminated in accordance with their terms;

- the SGX-ST does not grant permission to deal in and for the quotation of the Units on the Main Board of the SGX-ST;

- the MAS serves a stop order directing that no or no further Units to which the Hong Kong Preferential Offering Document relates be allotted or issued ("**Stop Order**"); or

- HPH Trust is terminated by the Trustee-Manager under the circumstances specified in the Trust Deed prior to the Offering.

(ii) (Only in the case of applications for excess Reserved Units) at the discretion of the Trustee-Manager, his/her/its application is rejected

The Trustee-Manager or its agents have full discretion to reject or accept any application for excess Reserved Units or to accept only part of any application for excess Reserved Units. No reasons have to be given for any rejection or acceptance.

(iii) If the allotment of Reserved Units to Qualifying HWL Shareholders is void

In the event that a Stop Order in respect of the Units is served by the MAS and:

(a) the Units have not been issued, all applications shall be deemed to be withdrawn and cancelled and the Trustee-Manager shall refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to the applicant within 14 days from the date of the Stop Order; or

(b) if the Units have already been issued but trading has not commenced, the issue will be deemed void and the Trustee-Manager shall refund the applicant's payment for the Units (without interest or any share of revenue or other benefit arising therefrom) to the applicant within 14 days from the date of the Stop Order.

This shall not apply where only an interim Stop Order has been served. In the event that an interim Stop Order in respect of the Units is served by the MAS, no Units shall be issued to the applicants until the MAS revokes the interim Stop Order. An interim Stop Order may be served by the MAS where the MAS is of the opinion that any delay in serving a Stop Order pending the holding of a hearing required is not in the interests of the public. In such event, the MAS may serve an interim Stop Order on the Trustee-Manager directing that no or no further Units be allotted or issued. Such interim Stop Order shall, unless revoked by the MAS, be in force (a) until the MAS makes an order for a Stop Order where (i) the interim Stop Order was served during a hearing or (ii) a hearing was commenced while the interim Stop Order was in force, and (b) in any other case, for a period of 14 days from the day on which the interim Stop Order is served. The MAS will not be able to serve a Stop Order in respect of the Units if the Units have been issued and listed on SGX-ST and trading in them has commenced.

9.6 Deposit of Reserved Units and Despatch of Confirmation Notes

Qualifying HWL Shareholders

Where Qualifying HWL Shareholders have provided details of their Relevant Securities Accounts or Sub-Accounts or Direct Securities Accounts in their **BLUE** Application Forms and their applications are wholly or partially successful, the Reserved Units allotted/allocated to them are expected to be credited to their relevant securities accounts on or around Friday, 18 March 2011. In such case, it is expected that CDP will send to the holder of the relevant securities account, at his/her/its own risk, within 15 market days after the close of the Offering, and subject to the submission of valid applications and payment for the Reserved Units, a statement of account stating that the relevant securities account has been credited with the number of Reserved Units allocated to him/her/it. This will be the only acknowledgement of application monies received and is not an acknowledgement by the Trustee-Manager. If a Qualifying HWL Shareholder is a Direct Securities Account holder and has provided details of his/her/its Direct Securities Account in his/her/its application for the Assured Entitlement Reserved Units, he/she/it irrevocably authorises CDP to complete and sign on his/her/its behalf as transferee or renouncee any instrument of transfer and/or other documents required for the issue or transfer of the Reserved Units allocated to him/her/it.

Where Qualifying HWL Shareholders do not have Relevant Securities Accounts or Sub-Accounts or Direct Securities Accounts or have not provided details of their Relevant Securities Accounts or Sub-Accounts or Direct Securities Accounts in their **BLUE** Application Forms or have provided incorrect Relevant Securities Account numbers or Sub-Account numbers or Direct Securities Account numbers and their applications are wholly or partially successful, Confirmation Notes issued in their own name in respect of the Reserved Units allotted to them are expected to be despatched to them (or, in the case of joint applicants, the first-named applicants) on or around Friday, 18 March 2011 and at their own risk. If such Qualifying HWL Shareholders wish to deposit their Units in their Direct Securities Accounts, they should deliver to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in Singapore at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 or c/o Boardroom Corporate Services (HK) Limited in Hong Kong at 12th

Floor, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong, their Confirmation Notes together with a transfer deed and deposition fee in the form of a Singapore dollar banker's cashier order for the amount of S$10.70 payable to "The Central Depository (Pte) Limited" and instruct the Unit Registrar to deposit such Units on their behalf into their Direct Securities Accounts. Such Qualifying HWL Shareholders should note that it may take up to three business days from the date of receipt by the Unit Registrar of the above documents for such Units to be credited to their Direct Securities Accounts. If such Qualifying HWL Shareholders wish to deposit their Units in their Sub-Accounts or Relevant Securities Accounts, they should deliver their Confirmation Notes to the relevant Depository Agent or broker or financial institution and instruct them to deposit such Units into their Sub-Accounts or Relevant Securities Accounts. Qualifying HWL Shareholders should check with the relevant Depository Agent or broker or financial institution for the timing and charges payable for such deposit of their Units.

CCASS Participants

Where CCASS Participants (including Intermediaries and Beneficial HWL Shareholders whose HWL Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited and who are CCASS Participants) have provided details of their Relevant Securities Accounts or Sub-Accounts or Direct Securities Accounts to CCASS and their applications are wholly or partially successful, the Reserved Units allocated to them are expected to be credited to their relevant securities accounts on or before Friday, 18 March 2011.

Where CCASS Participants do not have Relevant Securities Accounts or Sub-Accounts or Direct Securities Accounts or have not provided details of their Relevant Securities Accounts or Sub-Accounts or Direct Securities Accounts to CCASS or have provided incorrect Relevant Securities Account numbers or Sub-Account numbers or Direct Securities Account numbers and their applications are wholly or partially successful, Confirmation Notes issued in the name of HKSCC Nominees Limited in respect of the Reserved Units allocated to them are expected to be available for their withdrawal from CCASS on or around Friday, 18 March 2011.

If such CCASS Participants wish to deposit their Units in their Direct Securities Accounts, they should withdraw their Confirmation Notes from CCASS and deliver to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in Singapore at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 or c/o Boardroom Corporate Services (HK) Limited in Hong Kong at 12th Floor, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong (i) the Confirmation Notes together with the transfer deed signed by HKSCC Nominees Limited and such CCASS Participants, (ii) a re-registration fee in the form of a Singapore dollar banker's cashier order for the amount of S$10.70 payable to "Boardroom Corporate & Advisory Services Pte. Ltd." and (iii) a deposition fee in the form of a Singapore dollar banker's cashier order for the amount of S$10.70 payable to "The Central Depository (Pte) Limited", and instruct the Unit Registrar to re-register the Units in the name of such CCASS Participants and to deposit such Units on their behalf into their Direct Securities Accounts. Such CCASS Participants should note that it will take not more than 10 business days from the date of receipt by the Unit Registrar of the above documents for the re-registration to be completed and up to another three business days following the re-registration for such Units to be credited to their Direct Securities Accounts. If such CCASS Participants wish to deposit their Units in their Sub-Accounts or Relevant Securities Accounts, they should deliver their Confirmation Notes to the relevant Depository Agent or broker or financial institution and instruct them to deposit such Units into their Sub-Accounts or Relevant Securities Accounts. Such CCASS Participants should check with the relevant Depository Agent or broker or financial institution for the timing and charges payable for such deposit of their Units.

Beneficial HWL Shareholders Who Are Not CCASS Participants

Beneficial HWL Shareholders who are not CCASS Participants should contact their Intermediaries regarding the arrangements to be made and the timing for the delivery of the Units allocated to them. If such Intermediaries are not able to make the arrangements for the Units to be deposited into the Relevant Securities Accounts or Sub-Accounts or Direct Securities Accounts of such Beneficial HWL Shareholders, such Beneficial HWL Shareholders will have to make separate arrangements with their Intermediaries regarding the delivery of the Reserved Units allocated to them. If such Beneficial HWL Shareholders then wish to deposit their Units in their Direct Securities Accounts, they should deliver to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in Singapore at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 or c/o Boardroom Corporate Services (HK) Limited in Hong Kong at 12th Floor, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong (i) the Confirmation Notes together with the transfer deed signed by HKSCC Nominees Limited or the Intermediary (as the case may be) and such Beneficial HWL Shareholders, (ii) a re-registration fee in the form of a Singapore dollar banker's cashier order for the amount of S$10.70 payable to "Boardroom Corporate & Advisory Services Pte. Ltd." and (iii) a deposition fee in the form of a Singapore dollar banker's cashier order for the amount of S$10.70 payable to "The Central Depository (Pte) Limited", and instruct the Unit Registrar to re-register the Units in the name of such Beneficial HWL Shareholders and to deposit such Units on their behalf into their Direct Securities Accounts. Such Beneficial HWL Shareholders should note that it will take not more than 10 business days from the date of receipt by the Unit Registrar of the above documents for the re-registration to be completed and up to another three business days following the re-registration for such Units to be credited to their Direct Securities Accounts. If such Beneficial HWL Shareholders wish to deposit their Units in their Sub-Accounts or Relevant Securities Accounts, they should deliver their Confirmation Notes to the relevant Depository Agent or broker or financial institution and instruct them to deposit such Units into their Sub-Accounts or Relevant Securities Accounts. Such Beneficial HWL Shareholders should check with the relevant Depository Agent or broker or financial institution for the timing and charges payable for such deposit of their Units.

Personal Collection

If a Qualifying HWL Shareholder has applied for 1,000,000 or more Reserved Units and has indicated on his/her/its **BLUE** Application Form(s) that he/she/it wishes to collect his/her/its Confirmation Note in person, and his/her/its application(s) is/are wholly or partially successful, he/she/it may collect his/her/its Confirmation Note in person from:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor Hopewell Centre
183 Queen's Road West
Wanchai
Hong Kong

between 9:00 a.m. and 1:00 p.m. on Friday, 18 March 2011 or such other date to be notified by the Trustee-Manager on the corporate website of HWL at www.hutchison-whampoa.com and the website of the Hong Kong Stock Exchange at www.hkexnews.hk as the date of despatch/collection of Confirmation Notes.

An applicant being an individual who opts for collection in person must not authorise any other person to make collection on his/her/its behalf. An applicant must produce evidence of his/her identification acceptable to Computershare Hong Kong Investor Services Limited to collect his/her Confirmation Note which must correspond to the information contained in his/her **BLUE** Application Form(s).

An applicant being a corporation which opts for collection in person must attend by its authorised representative(s) bearing letter(s) of authorisation from the corporation stamped with the corporation's chop. Its authorised representative(s) must produce, at the time of collection, evidence of identity and authorisation documents acceptable to Computershare Hong Kong Investor Services Limited.

If the applicant does not collect his/her/its Confirmation Note in person, the Confirmation Note will be sent to the address on his/her/its **BLUE** Application Form(s) promptly thereafter by ordinary post at his/her/its own risk.

Unless Computershare Hong Kong Investor Services Limited agrees with a Qualifying HWL Shareholder prior to the collection date referred to above that he/she/it may collect his/her/its Confirmation Note in person or he/she/it has applied for 1,000,000 or more Reserved Units and has indicated on his/her/its **BLUE** Application Form(s) that he/she/it wishes to collect his/her/its Confirmation Note in person, his/her/its Confirmation Note will be sent to the address on his/her/its **BLUE** Application Form(s) (or, in the case of joint applicants, the address of the first-named applicant in their application), by ordinary post and at his/her/its own risk.

9.7 Return or Refund of Application Monies

If an application is rejected, not accepted or accepted in part only, or if the Final Offering Price is less than the Maximum Offering Price paid on application, or if the conditions of the Proposed Separate Listing and the Offering are not satisfied or if the Offering does not proceed for any reason, the application monies (or the appropriate portion thereof) will be returned or refunded, without interest or any share of revenue or other benefit arising therefrom and at each applicant's own risk and without any right or claim against HPH Trust, the Trustee-Manager, the Sponsor, HWL or the Joint Bookrunners. All such interest accrued prior to the date of despatch of refund cheques will be retained for the benefit of HPH Trust. All returns or refunds of application monies will be made in US dollars.

If the remittance received from a Qualifying HWL Shareholder is more than that required for the number of Reserved Units he/she/it has applied for in the relevant **BLUE** Application Form, the Trustee-Manager will refund such overpayment monies to him/her/it, provided that such overpayment monies amount to US$15 or more. Any overpayment monies amounting to less than US$15 will be retained for the benefit of HPH Trust. Any refund of overpayment monies will be without interest or any share of revenue or other benefit arising therefrom. All such interest accrued prior to the date of despatch of refund cheques will be retained for the benefit of HPH Trust.

Refund cheques crossed "Account Payee Only" in favour of the applicant (or, in the case of joint applicants, the first-named applicant on the relevant **BLUE** Application Form) will be sent for (a) the surplus application monies for the Reserved Units unsuccessfully applied for if the application is partially successful for excess Reserved Units, (b) all the application monies if the application is wholly unsuccessful or the Offering does not proceed for any reason, (c) the surplus application monies in the event that the Final Offering Price is less than the Maximum Offering Price per Unit initially paid on application (being the difference between the Final Offering Price and the Maximum Offering Price per Unit paid on application) and/or (d) the overpayment monies (subject to such amount being US$15 or more) in the event that the remittance received is more than that required for the number of Reserved Units applied for in the relevant **BLUE** Application Form, in each case without interest or any share of revenue or other benefit arising therefrom and at each applicant's own risk and without any right or claim against HPH Trust, the Trustee-Manager, the Sponsor, HWL or the Joint Bookrunners.

Refund cheques for surplus application monies (if any) in respect of wholly and partially unsuccessful applications and the difference between the Final Offering Price and the Maximum Offering Price per Unit initially paid on application (if any) and/or for overpayment monies (if any) under the **BLUE** Application Forms are expected to be despatched on or around Thursday, 17 March 2011. The right is reserved to retain any surplus application monies and any overpayment monies pending clearance of cheque(s).

If a Qualifying HWL Shareholder has applied for 1,000,000 or more Reserved Units and has indicated on his/her/its **BLUE** Application Form(s) that he/she/it wishes to collect his/her/its refund cheque (if any) in person, he/she/it may collect it in person from:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor Hopewell Centre
183 Queen's Road West
Wanchai
Hong Kong

between 9:00 a.m. and 1:00 p.m. on Thursday, 17 March 2011 or such other date to be notified by the Trustee-Manager on the corporate website of HWL at www.hutchison-whampoa.com and the website of the Hong Kong Stock Exchange at www.hkexnews.hk as the date of despatch/ collection of refund cheques.

An applicant being an individual who opts for collection in person must not authorise any other person to make collection on his/her behalf. An applicant must produce evidence of his/her identification acceptable to Computershare Hong Kong Investor Services Limited to collect his/her refund cheque (if any) which must correspond to the information contained in his/her **BLUE** Application Form(s).

An applicant being a corporation which opts for collection in person must attend by its authorised representative(s) bearing letter(s) of authorisation from the corporation stamped with the corporation's chop. Its authorised representative(s) must produce, at the time of collection, evidence of identity and authorisation document(s) acceptable to Computershare Hong Kong Investor Services Limited.

If the applicant does not collect his/her/its refund cheque (if any) in person, the refund cheque (if any) will be sent to the address on his/her/its **BLUE** Application Form(s) promptly thereafter by ordinary post at his/her/its own risk.

Unless Computershare Hong Kong Investor Services Limited agrees with a Qualifying HWL Shareholder prior to the collection date referred to above that he/she/it may collect his/her/its refund cheque (if any) in person or he/she/it has applied for 1,000,000 or more Reserved Units and has indicated on his/her/its **BLUE** Application Form(s) that he/she/it wishes to collect his/her/its refund cheque (if any) in person, his/her/its refund cheque (if any) will be sent to the address on his/her/its **BLUE** Application Form(s) (or, in the case of joint applicants, the address of the first-named applicant in their application), by ordinary post and at his/her/its own risk.

Part of the applicant's Singapore National Registration Identity Card ("**NRIC**"), passport or company registration number or, if there are joint applicants, part of the NRIC, passport or company registration number of the first-named applicant provided may be printed on the refund cheque (if any). Such data would also be transferred to a third party for refund purposes. The applicant's banker may require verification of the applicant's NRIC, passport or company registration number before encashment of the refund cheque. Inaccurate completion of the applicant's NRIC, passport or company registration number may lead to delay in encashment of or may invalidate the refund cheque.

9.8 Publication of Final Offering Price and Results of Allocations

The Trustee-Manager and HWL expect to announce the Final Offering Price on Monday, 14 March 2011 and the results of allocations of the Reserved Units in the Preferential Offer on Tuesday, 15 March 2011 on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the corporate website of HWL at www.hutchison-whampoa.com.

9.9 Commencement of Dealings in the Units on the SGX-ST

Dealings in the Units on the SGX-ST are expected to commence at 2:00 p.m. on Friday, 18 March 2011. The Units will be traded on the SGX-ST in board lots of 1,000 Units.

10. TAXATION

Please refer to "Taxation" in the attached Singapore Prospectus for information on taxation in Hong Kong and Singapore.

Investors are advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Units under the laws of Hong Kong.

11. GENERAL

(a) Enquiries in Relation to the Preferential Offer

HWL Shareholders who have any enquiries in relation to the Preferential Offer, including the application procedures for the Reserved Units, should contact Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or on its hotline at (852) 2862 8555.

(b) Enquiries by Unitholders

Following the listing of HPH Trust on the SGX-ST, HPH Trust's website will contain, among others, (a) a click-in facility which would allow Unitholders (wherever located, including in Hong Kong) to pose any enquiries they may have for HPH Trust and (b) details of a telephone hotline for responding to any such enquiries.

12. DIRECTORS' RESPONSIBILITY

This Hong Kong Preferential Offering Document has been seen and approved by the directors of the Trustee-Manager and they individually and collectively accept full responsibility for the accuracy of the information given herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed herein are fair and accurate in all material respects as at the date hereof and there are no material facts the omission of which would make any statement in this Hong Kong Preferential Offering Document misleading, and that this Hong Kong Preferential Offering Document constitutes full and true disclosure of all material facts about the Offering and HPH Trust. The forecast and projection contained in "Profit and Cash Flow Forecast and Profit and Cash Flow Projection" in the attached Singapore Prospectus have been stated by the directors of the Trustee-Manager after due and careful enquiry and consideration.

The following summarises certain salient provisions of the Business Trusts Act as at the date of this Hong Kong Preferential Offering Document. The summary below is for general guidance only and does not constitute legal advice nor must it be used as a substitute for, or specific legal advice, on the laws of Singapore relating to business trusts. The summary below is not meant to be a comprehensive or exhaustive description of the provisions of the Business Trusts Act. In addition, you should note that the laws applicable to business trusts in Singapore may change, whether as a result of proposed legislative reforms to the Business Trusts Act or otherwise. You can access the full text of the Business Trusts Act at www.statutes.agc.gov.sg.

1. POWER OF THE MONETARY AUTHORITY OF SINGAPORE TO ISSUE DIRECTIONS

1.1 The Monetary Authority of Singapore (the "**MAS**") regulates the activities of registered business trusts ("**registered BTs**") in Singapore. The MAS may for the purpose of ensuring compliance with the Business Trusts Act, Chapter 31A of Singapore (the "**BTA**") or if it thinks it necessary in the public interest for the proper administration of the BTA, issue written directions, either of a general or specific nature, to trustee-manager of a registered BT ("**Trustee-Manager**") or temporary Trustee-Manager (Section 26(1) of the BTA). In particular, the MAS may issue written directions:

1.1.1 where the Trustee-Manager or temporary Trustee-Manager is contravening, is likely to contravene, or has contravened any provision of the BTA, to require that person to comply with that provision or to cease contravention of that provision, or to resign as Trustee-Manager; or

1.1.2 with respect to any other matter which the MAS considers necessary for the proper administration of the BTA,

and the Trustee-Manager or temporary Trustee-Manager shall comply with any such directions (Section 26(2) of the BTA).

2. REQUIREMENTS RELATING TO THE TRUSTEE-MANAGER

2.1 No person other than a company registered under the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") (not being an exempt private company[1]) shall act as the Trustee-Manager (Section 6(1) of the BTA). The business of a registered BT shall be managed and operated only by the Trustee-Manager (Section 6(2) of the BTA). The Trustee-Manager shall not carry on any business other than the management and operation of the registered BT as its trustee-manager (Section 6(3) of the BTA).

[1] "Exempt private company" means (i) a private company in the shares of which no beneficial interest is held directly or indirectly by any corporation and which has not more than 20 members or (ii) any private company, being a private company that is wholly owned by the Singapore Government, which the Minister, in the national interest, declares by notification in the Singapore Gazette to be an exempt private company (Section 2 of the BTA read with Section 4(1) of the Companies Act).

2.2 Regulation 9(1) of the Business Trusts Regulations (the "**BTR**") states that the Trustee-Manager shall, if required by the MAS:

2.2.1 obtain professional indemnity insurance for such amount and on such terms as may be specified by the MAS by written notice; or

2.2.2 provide the MAS with a performance bond, guarantee or any similar instrument (by whatever name called) for such amount and on such terms as may be specified by the MAS by notice in writing from its holding company (where applicable), a bank or a financial institution, as may be approved in any particular case by the MAS.

DUTIES AND RESPONSIBILITIES OF THE TRUSTEE-MANAGER

2.3 Section 10 of the BTA imposes the following duties on the Trustee-Manager:

2.3.1 The Trustee-Manager shall at all times act honestly and exercise reasonable diligence in the discharge of its duties as a trustee-manager in accordance with the BTA and the trust deed of the registered BT ("**Trust Deed**") (Section 10(1) of the BTA).

2.3.2 The Trustee-Manager shall:

(i) act in the best interests of all the unitholders of the registered BT ("**Unitholders**") as a whole; and

(ii) give priority to the interests of all the Unitholders as a whole over its own interests in the event of a conflict between the interests of all the Unitholders as a whole and its own interests (Section 10(2) of the BTA).

2.3.3 The Trustee-Manager shall not make improper use of any information acquired by virtue of its position as trustee-manager to gain, directly or indirectly, an advantage for itself or for any other person to the detriment of the Unitholders.

2.3.4 The Trustee-Manager shall hold the trust property of the registered BT (the "**Trust Property**") on trust for all the Unitholders as a whole in accordance with the terms of the Trust Deed.

2.4 In exercising its powers and carrying out its duties as the Trustee-Manager, Regulation 11 of the BTR requires the Trustee-Manager to:

2.4.1 treat Unitholders who hold Units in the same class fairly and equally and Unitholders who hold Units in different classes fairly;

2.4.2 ensure that all payments out of the Trust Property are made in accordance with the BTA and the Trust Deed;

2.4.3 report to the MAS any contravention of the BTA or the BTR by any other person that:

(i) relates to the registered BT; and

(ii) has had, has or is likely to have, a materially adverse effect on the interests of all the Unitholders, or any class of Unitholders, as a whole,

as soon as practicable after the Trustee-Manager becomes aware of the contravention;

2.4.4 ensure that the Trust Property is properly accounted for; and

2.4.5 ensure that the Trust Property is kept distinct from the property of the Trustee-Manager held in its own capacity.

ACQUISITION OF INTEREST IN THE REGISTERED BT BY THE TRUSTEE-MANAGER

2.5 Section 16(1) of the BTA states that the Trustee-Manager shall not acquire or hold any unit in the registered BT ("**Unit**") or derivative of any Unit ("**Unit Derivative**") unless it acquires or holds the Unit or Unit Derivative:

2.5.1 for not less than the consideration that would be payable if the Unit or Unit Derivative were acquired by another person; and

2.5.2 subject to terms and conditions that would not disadvantage other Unitholders.

3. REQUIREMENTS RELATING TO THE BOARD AND AUDIT COMMITTEE OF THE TRUSTEE-MANAGER

INDEPENDENCE OF THE BOARD

3.1 The board of directors of the Trustee-Manager (the "**Directors**", and the board of Directors, the "**Board**") must include some independent members. The requirements relating to the composition of independent directors of the Board are set out in detail in the BTR.

3.2 Regulation 12(1) of the BTR sets out the requirements relating to the composition of the Board:

3.2.1 at least a majority of Directors shall be independent from management and business relationships with the Trustee-Manager;[2]

[2] A Director is generally considered to be independent from management and business relationships with the Trustee-Manager (whether or not the Trustee-Manager is acting for or on behalf of the registered BT) if (i) the Director has no management relationships with the Trustee-Manager or with any of its subsidiaries and (ii) the Director has no business relationships with the Trustee-Manager or with any of its related corporations, or with any officer of the Trustee-Manager or any of its related corporations, that could interfere with the exercise of the Director's independent judgment with regard to the interests of all the Unitholders as a whole (Regulation 3(1) of the BTR). The regime governing independence of Directors is set out in detail in the BTR.

3.2.2 at least one-third of Directors shall be independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager;[3] and

3.2.3 at least a majority of the Directors shall be independent from any single substantial shareholder of the Trustee-Manager.

3.3 However, Regulation 12(5) of the BTR provides that where a single substantial shareholder has an interest in 50 per cent. or more of the voting shares in the Trustee-Manager, the requirement in paragraph 3.2.3 above shall not apply to the Trustee-Manager in respect of the independence of its Directors from that substantial shareholder.

3.4 Regulation 12(7) of the BTR requires the Board to, prior to every annual general meeting (the "**AGM**") of the registered BT, review and determine the following according to the BTA:

3.4.1 whether a Director is independent from management and business relationships with the Trustee-Manager; and

3.4.2 whether a Director is independent from each substantial shareholder of the Trustee-Manager.

3.5 Upon the Board's review and determination under paragraph 3.4 above, the Board shall disclose in a written statement annexed to the profit and loss account of the registered BT (the "**Profit and Loss Account**") required under the BTA for each Director in respect of the following:

3.5.1 whether he is independent from management and business relationships with the Trustee-Manager;

3.5.2 whether he is independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager; and

3.5.3 whether he is independent from every substantial shareholder of the Trustee-Manager,

and if he is not independent under any or all of the circumstances specified in paragraphs 3.5.1 to 3.5.3 above, to describe and explain the relationship of such non-independence (Regulation 12(8) of the BTR).[4]

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3 A Director is considered to be independent from a substantial shareholder of the Trustee-Manager if he is not that substantial shareholder of the Trustee-Manager or is not connected to that substantial shareholder of the Trustee-Manager (Regulation 4(1) of the BTR).

4 Where the Board determines that the Director is nonetheless independent, the Board shall disclose in a written statement annexed to the Profit and Loss Account (i) the nature of that Director's relationship and (ii) an explanation of the grounds for the determination of that Director's independence by the Board (Regulations 12(6) and 12(9) of the BTR).

DUTIES AND RESPONSIBILITIES OF THE DIRECTORS

3.6 Section 11(1) of the BTA requires a Director to:

3.6.1 act honestly and exercise reasonable diligence in the discharge of the duties of his office and, in particular, take all reasonable steps to ensure that the Trustee-Manager discharges its duties described in paragraphs 2.3.1 and 2.3.2 above; and

3.6.2 give priority to the interests of all the Unitholders as a whole over the interests of the Trustee-Manager in the event of a conflict between the interests of all the Unitholders as a whole and the interests of the Trustee-Manager.

Section 11(3) of the BTA states that the duty of a Director as described above, shall override any conflicting duty of a Director under Section 157[5] of the Companies Act, Chapter 50 of Singapore.

3.7 An officer or agent of the Trustee-Manager shall not make improper use of any information acquired by virtue of his position as an officer or agent of the Trustee-Manager to gain, directly or indirectly, an advantage for himself or any other person to the detriment of the Unitholders (Section 11(2) of the BTA).

DISCLOSURE OF DIRECTORS' INTERESTS IN TRANSACTIONS

3.8 Section 12(1) of the BTA requires every Director who is in any way, whether directly or indirectly, interested in a transaction or proposed transaction entered or to be entered into by the Trustee-Manager for or on behalf of the registered BT to, as soon as practicable after the relevant facts have come to his knowledge, declare the nature of his interest at a meeting of the Directors.[6]

3.9 Section 12(5) of the BTA requires every Director who holds any office or possesses any property whereby, whether directly or indirectly, duties or interests might be created in conflict with the duties of the Trustee-Manager in relation to the registered BT, to declare the fact and the nature, character and extent of the conflict at a meeting of the Directors.

AUDIT COMMITTEE OF THE TRUSTEE-MANAGER

3.10 Section 15 of the BTA requires the Trustee-Manager to establish an audit committee (the "**Audit Committee**") in accordance with the requirements prescribed by the MAS which are described in the paragraphs below. The Audit Committee and every member thereof shall

[5] Section 157(1) of the Companies Act states that a Director shall at all times act honestly and use reasonable diligence in the discharge of the duties of his office. Section 157(2) states that an officer or agent of a company shall not make improper use of any information acquired by virtue of his position as an officer or agent of the company to gain, directly or indirectly, an advantage for himself or for any other person or to cause detriment to the company.

[6] An interest of a Director includes an interest of the Director's spouse, children, adopted children and step-children (Section 12(8) of the BTA).

comply with the requirements, including requirements in respect of the duties and functions of an Audit Committee (Section 15(2) of the BTA). Every Director must take all reasonable steps to secure such compliance by the Audit Committee (Section 15(3) of the BTA).

3.11 Regulation 13(1) of the BTR requires the Audit Committee to be:

3.11.1 appointed by the Trustee-Manager from among the Directors (pursuant to a resolution of the Board); and

3.11.2 subject to the BTR, composed of three or more members:

(i) all of whom are independent of management and business relationships with the Trustee-Manager; and

(ii) at least a majority of whom, including the chairman of the Audit Committee, are independent of management and business relationships with the Trustee-Manager and independent from every substantial shareholder of the Trustee-Manager.[7]

3.12 Regulation 13(6) of the BTR sets out the functions of an Audit Committee as follows:

3.12.1 to review with the auditor of the registered BT (the "**Auditor**"):

(i) the audit plan of the registered BT;

(ii) the Auditor's evaluation of the system of internal accounting controls of the Trustee-Manager; and

(iii) the Auditor's audit report for the registered BT;

3.12.2 to review:

(i) the assistance given by the officers of the Trustee-Manager to the Auditor;

(ii) the scope and results of the internal audit procedures of the Trustee-Manager;

(iii) the policies and practices put in place by the Trustee-Manager to ensure compliance with the BTA and the Trust Deed;

[7] Where a member of the Audit Committee subsequently ceases to be considered independent under the BTA, Regulation 13(3) of the BTR requires the Trustee-Manager to, within 14 days of becoming aware of the change in status of the member, notify the MAS of the change.

(iv) the procedures put in place by the Trustee-Manager for managing any conflict that may arise between the interests of the Unitholders and the interests of the Trustee-Manager, including interested person transactions, the indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees or charges payable out of the Trust Property; and

(v) the balance sheet and profit and loss account of the Trustee-Manager and the Profit and Loss Account, balance sheet and cash flow statement of the registered BT (respectively, the "**Balance Sheet**" and "**Cash Flow Statement**") submitted to it by the Trustee-Manager, and thereafter to submit them to the Board;

3.12.3 to report to the Board:

(i) any inadequacies, deficiencies or matters of concern of which the Audit Committee becomes aware or that it suspects arising from its review of the items referred to in paragraphs 3.12.1 and 3.12.2 above; and

(ii) any breach of the BTA or any breach of the provisions of the Trust Deed, of which the Audit Committee becomes aware or that it suspects;.

3.12.4 to report to the MAS if the Audit Committee is of the view that the Board has not taken, or does not propose to take, appropriate action to deal with a matter reported under paragraph 3.12.3 above; and

3.12.5 to nominate a person or persons as Auditor, notwithstanding anything contained in the Trust Deed.

3.13 The Auditor has the right to appear and be heard at any meeting of the Audit Committee and shall appear before the Audit Committee when required to do so by the Audit Committee (Regulation 13(8) of the BTR).

3.14 Upon the request of the Auditor, the chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter which the Auditor believes should be brought to the attention of the Directors or the Unitholders (Regulation 13(9) of the BTR).

4. INTERESTED PERSON TRANSACTIONS

4.1 An interested person transaction is a transaction between the Trustee-Manager on behalf of the registered BT and an interested person of the registered BT (Section 86(10) of the BTA). The definition of an interested person of the registered BT is set out in paragraph 4.4 below. For registered BTs listed on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), Chapter 9 of the Listing Manual issued by the SGX-ST (the "**Listing Manual**") would also be relevant. (For further details, see "Interested Person Transactions and Potential Conflicts of Interest" in the attached Singapore Prospectus.)

4.2 The Board is required to make a written statement certifying, among other things, that interested person transactions are not detrimental to the interests of all the Unitholders as a whole based on the circumstances at the time of the transaction (Section 86(2)(b) of the BTA). This statement must be annexed to the Profit and Loss Account. If the Board is unable to provide such a written statement for the reason that:

4.2.1 the Board is of the opinion that the assertions are not true; or

4.2.2 there is a divergence of views among the Directors as to the accuracy of the assertions,

the Board shall provide an explanation, including the important factors for the inability to provide such a written statement, and such explanation shall be annexed by the Trustee-Manager to the Profit and Loss Account (Section 86(4) of the BTA).

4.3 The Trustee-Manager is also required to provide a statement of its policies and practices in relation to its management and governance of the registered BT containing a description of, among other things, measures to review interested person transactions in relation to the registered BT (Section 87(1) of the BTA and Regulation 20(a)(iv) of the BTR). This statement must be attached to the Profit and Loss Account.

DEFINITION OF AN INTERESTED PERSON

4.4 Section 86(10) of the BTA defines an interested person of a registered BT as:

4.4.1 the Trustee-Manager;

4.4.2 a related corporation[8] or associated company[9] of the Trustee-Manager;

4.4.3 a Director, chief executive officer[10] or controlling shareholder[11] of the Trustee-Manager;

8 Where a corporation (i) is the holding company of another corporation, (ii) is a subsidiary of another corporation, or (iii) is a subsidiary of the holding company of another corporation, that first-mentioned corporation and that other corporation shall be deemed to be related to each other (Section 2 of the BTA read with Sections 4(1) and 6 of the Companies Act).

9 An "associated company", in relation to a corporation means (i) any corporation in which the corporation or its subsidiary has, or the corporation and its subsidiary together have, an interest in shares entitling the beneficial owners thereof the right to cast, whether by proxy or in person, not less than 20 per cent. but not more than 50 per cent. of the total votes able to be cast at a general meeting of the corporation, or (ii) any corporation, other than a subsidiary of the corporation or a corporation which is an associated company by virtue of (i), the policies of which the corporation or its subsidiary, or the corporation together with its subsidiary, is able to control or influence materially (Section 86(10) of the BTA).

10 A "chief executive officer", in relation to the Trustee-Manager, means any person, by whatever name described, who is (i) in the direct employment of, acting for or by arrangement with, the Trustee-Manager and (ii) principally responsible for the management and conduct of the Trustee-Manager (Section 86(10) of the BTA).

11 A "controlling shareholder" in relation to a corporation means (i) a person who has an interest in the voting shares of a corporation and who exercises control over the corporation or (ii) a person who has an interest in shares entitling the beneficial owners thereof the right to cast, whether by proxy or in person, 30 per cent. or more of the total votes able to be cast at a general meeting of the corporation, unless he does not exercise control over the corporation (Section 86(10) of the BTA).

4.4.4 an associate[12] of a Director, chief executive officer or controlling shareholder of the Trustee-Manager; or

4.4.5 a controlling Unitholder[13] or an associate of a controlling Unitholder.

5. REQUIREMENTS RELATING TO UNITHOLDERS

DUTIES OF SUBSTANTIAL UNITHOLDERS TO NOTIFY SGX-ST AND THE TRUSTEE-MANAGER

5.1 Where all of or any of the Units are listed for quotation on the official list of the SGX-ST, the BTA requires substantial unitholders of the Trustee-Manager ("**Substantial Unitholders**") to make disclosures to the SGX-ST and the Trustee-Manager with such modifications and qualifications as may be necessary, on the same basis as a substantial shareholder of a listed company on the SGX-ST (Sections 37 and 38 of the BTA).[14]

LIMITATION OF LIABILITY OF UNITHOLDERS

5.2 A Unitholder shall not be liable to contribute to the registered BT or in respect of any debts, liabilities or obligations incurred by the Trustee-Manager in its capacity as Trustee-Manager, other than such outstanding amounts of money, if any, which the Unitholder has expressly agreed to contribute to the registered BT (Section 32(1) of the BTA).

5.3 The limitation of the liability of a Unitholder described in the paragraph above shall apply notwithstanding any provision to the contrary in the Trust Deed or the winding up of the registered BT.

6. REQUIREMENTS RELATING TO THE AUDITOR OF THE REGISTERED BT

6.1 The Trustee-Manager shall, within three months after registration of the registered BT by the MAS under the BTA, appoint a person or persons nominated by the Audit Committee to be the Auditor, and the Auditor so appointed shall, subject to the BTA, hold office until the conclusion of the first AGM of the Unitholders (Section 82(1) of the BTA).

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[12] An "associate" (a) in relation to an individual who is a Director, chief executive officer or controlling shareholder of the Trustee-Manager or a controlling Unitholder means (i) his immediate family, (ii) a trustee, when acting in his capacity as such trustee, of any trust of which the individual or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, or (iii) any corporation in which he and his immediate family together (whether directly or indirectly) have an interest in shares entitling the beneficial owners thereof the right to cast, whether by proxy or in person, not less than 30 per cent. of the total votes able to be cast at a general meeting of the corporation, (b) in relation to a corporation which is a controlling shareholder of the Trustee-Manager or a controlling Unitholder, means any corporation which is its related corporation or associated company (Section 86(10) of the BTA).

[13] A "controlling unitholder" in relation to a registered BT, means a person who has interest or interests in Units representing 30 per cent. or more of the total voting rights of all the Unitholders (Section 86(10) of the BTA).

[14] Substantial shareholders of the Trustee-Manager also have similar disclosure requirements and they are prescribed in Section 39 of the BTA.

6.2 Section 84(1) of the BTA requires the Auditor to report to the Unitholders on the accounts required to be laid before the Unitholders in general meeting and on the accounting and other records of the registered BT relating to those accounts (the "**Auditor's Report**"). Paragraphs 8.3 and 8.4 below set out in greater detail the requirements relating to the Auditor's Report.

6.3 It shall be the duty of the Auditor to form an opinion as to:

6.3.1 whether he has obtained all the information and explanations that he required; and

6.3.2 whether proper accounting and other records have been kept by the Trustee-Manager as required by the BTA,

and the Auditor shall state in his report particulars of any deficiency, failure or short-coming in respect of any matter referred to in this paragraph (Section 84(4) of the BTA).

6.4 The Auditor or his agent authorised by him in writing for the purpose shall be entitled:

6.4.1 to attend any general meeting of the Unitholders;

6.4.2 to receive all notices of, and other communications relating to, any general meeting which a Unitholder is entitled to receive; and

6.4.3 to be heard at any general meeting which he attends on any part of the business of the meeting which concerns the Auditor in his capacity as Auditor (Section 84(7) of the BTA).

6.5 If the Auditor, in the course of the performance of his duties as Auditor, is satisfied that:

6.5.1 there has been a breach or non-observance of any of the provisions of the BTA; and

6.5.2 the circumstances are such that in his opinion the matter has not been or will not be adequately dealt with by comment in his report on the accounts or by bringing the matter to the notice of the Board,

he shall immediately report the matter in writing to the MAS (Section 84(8) of the BTA).

6.6 Notwithstanding paragraph 6.5 above, if the Auditor, in the course of the performance of his duties as Auditor, has reason to believe that a serious offence involving fraud or dishonesty[15] is being or has been committed in relation to the registered BT by officers or employees of the Trustee-Manager, he shall immediately report the matter to the Minister (Section 84(9) of the BTA).

[15] Section 84(11) of the BTA defines "a serious offence involving fraud or dishonesty" as an offence that is punishable by imprisonment for a term that is not less than two years, and in respect of which the value of the property obtained or likely to be obtained from the commission thereof is not less than S$20,000.

6.7 An Auditor shall have right of access at all times to the accounting and other records, including registers, of the registered BT and shall be entitled to require from any officer of the Trustee-Manager and any auditor of a related corporation of the Trustee-Manager such information and explanations as the Auditor may desire for the purposes of audit (Section 84(5) of the BTA).

7. ACCOUNTS OF THE REGISTERED BUSINESS TRUST

TRANSACTION RECORDS

7.1 The Trustee-Manager shall cause to be kept such accounting records[16] and other records as will sufficiently explain the transactions by the Trustee-Manager entered into on behalf of the registered BT and financial position of the registered BT and enable true and fair accounts and any documents required to be attached thereto to be prepared from time to time (the "**Transaction Records**"), and cause those records to be kept in such a manner as to enable them to be conveniently and properly audited (Section 75(1) of the BTA).

7.2 The Transaction Records shall be kept at the registered office of the Trustee-Manager or at such other place as it thinks fit and shall at all times be open to inspection by the Directors (Section 75(4) of the BTA).

7.3 If the Transaction Records are kept by the Trustee-Manager at a place outside Singapore, the Trustee-Manager shall send to and keep at a place in Singapore, and make available at all times for inspection by the Directors, such statements and returns with respect to the business dealt with in the records so kept as will enable to be prepared true and fair accounts and any documents required to be attached thereto (Section 75(5) of the BTA).

7.4 The Trustee-Manager shall retain the Transaction Records for a period of not less than five years from the end of the financial year in which the transactions or operations to which those records relate are completed (Section 75(2) of the BTA).

INTERNAL ACCOUNTING CONTROLS

7.5 Section 75(3) of the BTA requires the Trustee-Manager to devise and maintain a system of internal accounting controls sufficient to provide a reasonable assurance that:

7.5.1 assets that are part of the Trust Property are safeguarded against loss from unauthorised use or disposition; and

7.5.2 transactions by the Trustee-Manager entered into on behalf of or purported to be entered into on behalf of the registered BT are properly authorised and that they are recorded as necessary to permit the preparation of true and fair accounts and to maintain accountability of assets.

[16] "Accounting records", in relation to a registered BT, includes such working papers and other documents as are necessary to explain the methods and calculations by which accounts of the registered BT are made up (Section 2(1) of the BTA).

PROFIT AND LOSS ACCOUNT, BALANCE SHEET AND CASH FLOW STATEMENT

7.6 The Trustee-Manager shall, at a date not later than 18 months after the registration of the registered BT and subsequently at least once in any every calendar year at intervals of not more than 15 months, lay before the Unitholders at their AGM a Profit and Loss Account and Cash Flow Statement, each for the period since the preceding account made up to a date (Sections 76(1) and 76(5) of the BTA):

7.6.1 in the case of a registered BT listed or quoted on a securities exchange in Singapore, not more than four months before the date of the meeting; and

7.6.2 in the case of any other registered BT, not more than six months before the date of the meeting,

and the Balance Sheet as at the date to which the Profit and Loss Account is made up (the Balance Sheet together with the Profit and Loss Account and Cash Flow Statement, collectively referred to as the "**Accounts**").

7.7 The Trustee-Manager shall ensure that the Profit and Loss Account and Cash Flow Statement give a true and fair view of the profit and loss and cash flow of the registered BT for the relevant period of accounting and that the Balance Sheet gives a true and fair view of the state of affairs of the registered BT as at the end of the period to which it relates (Sections 76(2) and 76(5) of the BTA).

7.8 The Trustee-Manager shall, before the Accounts are made out, take reasonable steps to:

7.8.1 ascertain what action has been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts;

7.8.2 cause all known bad debts to be written off and adequate provision to be made for doubtful debts (Section 76(6)(a) of the BTA);

7.8.3 ascertain whether any current assets (other than current assets to which paragraphs 7.8.1 and 7.8.2 above apply) are unlikely to realise in the ordinary course of business their value as shown in the accounting records of the registered BT, and if so, to cause:

(i) those assets to be written down to an amount which they might be expected so to realise; or

(ii) adequate provision to be made for the difference between the amount of the value as so shown and the amount that they might be expected so to realise (Section 76(6)(b) of the BTA);

7.8.4 ascertain whether any non-current asset is shown in the books of the registered BT at an amount which, having regard to its value to the registered BT as a going concern, exceeds the amount which would be recoverable over its useful life or on its disposal and (unless adequate provision for writing down that asset is made) to cause to be included in the accounts such information and explanations as will prevent the Accounts from being misleading by reason of the overstatement of the amount of that asset (Section 76(6)(c) of the BTA); and

7.8.5 to ensure that the Accounts are audited as required by the BTA not less than 14 days before the AGM of the Unitholders (Section 76(8)(a) of the BTA).

8. DISCLOSURE REPORTS AND STATEMENTS

8.1 The BTA requires the Trustee-Manager to attach to the Accounts, reports and statements made by the Directors, the Board, the chief executive officer of the Trustee-Manager (the "**CEO**"), the Auditor and the Trustee-Manager. These reports are described in the following paragraphs.

DIRECTORS' REPORT

8.2 Section 76(10) of the BTA requires the Trustee-Manager to attach to every Balance Sheet a report made in accordance with a resolution of the Directors and signed by not fewer than two Directors with respect to the profit or loss and state of affairs of the registered BT as at the end of the financial year, containing the following information (the "**Directors' Report**"):

8.2.1 the names of all the Directors in office at the date of the report (Section 76(11)(a) of the BTA);

8.2.2 whether at the end of or at any time in the relevant financial year, there subsists or subsisted any arrangement to which the Trustee-Manager is a party, being an arrangement whose object is to enable any Director or all Directors to acquire benefits by means of the acquisition of Units or debentures[17] of the registered BT (the "**Debentures**"), and if so, the details required by Section 76(11) of the BTA;

8.2.3 as respects each person who, at the end of the relevant financial year, was a Director:

(i) whether or not he was, at the end of that financial year, interested in Units and/or Debentures, and if he was, the number and amount of Units and/or Debentures in which he was interested; and

(ii) whether or not he was, at the beginning of that financial year (or, if he was not then a director, when he became a director) interested in Units and/or Debentures, and if he was, the number and amount of Units and/or Debentures in which he was interested at the beginning of the year or when he became a director, as the case may be (Section 76(11)(c) of the BTA); and

[17] "Debenture" has the same meaning as in section 239(1) of the Securities and Futures Act, Chapter 289 of Singapore, which in summary, includes, among others, debenture stock, bonds, notes and other debt securities, and, in relation to a registered BT, means a debenture issued by the Trustee-Manager in its capacity as trustee-manager of the registered BT.

8.2.4 such additional information as the MAS may prescribe, being information which the MAS considers necessary to facilitate an understanding by the Unitholders of the business of the registered BT (Section 76(12) of the BTA);

8.2.5 where the Trustee-Manager has granted an option to any person to acquire unissued Units, the Directors' Report shall state:

(i) the number and class of the Units in respect of which the option has been granted;

(ii) the date of expiration of the option; and

(iii) the basis upon which the option may be exercised (Section 76(15) of the BTA);

8.2.6 particulars of Units issued during the period to which the report relates by virtue of the exercise of options to acquire unissued Units, whether granted before or during that period;

8.2.7 the number and class of unissued Units under option as at the end of that period, the price, or method of fixing the price, of issue of those Units, and the date of expiration of the option (Section 76(17) of the BTA); and

8.2.8 the report shall contain a description of the nature and extent of the functions performed by the Audit Committee pursuant to the BTR (Regulation 13(11) of the BTR read with Section 76(10) of the BTA).

AUDITOR'S REPORT

8.3 Section 84(6) of the BTA requires the Auditor's Report to:

8.3.1 be attached to or endorsed on the Accounts;

8.3.2 if any Unitholder so requires, be read out before the Unitholders in general meeting; and

8.3.3 be open to inspection by any Unitholder at any reasonable time.

8.4 The Auditor shall in the Auditor's Report state:

8.4.1 whether the Accounts, in his opinion:

(i) give a true and fair view of the matters required by the BTA to be dealt with in the accounts; and

(ii) are in accordance with the BTA so as to give a true and fair view of the state of affairs, profit and loss and cash flow of the business of the registered BT;

8.4.2 whether the accounting and other records required by the BTA to be kept by the Trustee-Manager have been, in his opinion, properly kept in accordance with the BTA;

8.4.3 any defect or irregularity in the accounts and any matter not set out in the accounts without regard to which a true and fair view of the matters dealt with by the Accounts would not be obtained; and

8.4.4 if he is not satisfied as to any matter referred to in paragraphs 8.4.1 and 8.4.2 above, his reasons for not being so satisfied (Section 84(3) of the BTA).

DIRECTORS' STATEMENT RELATING TO THE ACCOUNTS

8.5 The Trustee-Manager shall include with the Accounts laid before the Unitholders in general meeting, before the Auditor's Report on the accounts under the BTA, a statement made in accordance with a resolution of the Directors and signed by not fewer than two Directors stating whether in their opinion:

8.5.1 the Profit and Loss Account is drawn up so as to give a true and fair view of the results of the business of the registered BT for the period covered by the account;

8.5.2 the Balance Sheet is drawn up so as to exhibit a true and fair view of the state of affairs of the registered BT as at the end of that period;

8.5.3 the Cash Flow Statement is drawn up so as to exhibit a true and fair view of the cash flow of the business of the registered BT for the period covered by the statement; and

8.5.4 at the date of the statement there are reasonable grounds to believe that the Trustee-Manager will be able to fulfil, out of the Trust Property, the liabilities of the registered BT as and when they fall due (the "**Directors' Statement**") (Section 76(18) of the BTA).

CERTIFICATION BY THE BOARD

8.6 The Trustee-Manager shall cause the following written statements to be made by the Board, in accordance with a resolution of the Board and signed by not less than two Directors, and ensure that such written statements are annexed to the Profit and Loss Account (Sections 86(1) and 86(2) of the BTA):

8.6.1 fees or charges paid or payable out of the Trust Property to the Trustee-Manager are in accordance with the Trust Deed;

8.6.2 interested persons transactions are not detrimental to the interests of all the Unitholders as a whole based on the circumstances at the time of that transaction; and

8.6.3 the Board is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the registered BT or on the interests of all the Unitholders as a whole.

CERTIFICATION BY THE CEO OF THE TRUSTEE-MANAGER

8.7 The CEO shall, in his personal capacity, make a written statement certifying that he is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the registered BT or on the interests of all the Unitholders as a whole (Section 86(3) of the BTA). The Trustee-Manager shall cause this statement to be annexed to the Profit and Loss Account (Section 86(1) of the BTA).

DISCLOSURE OF THE TRUSTEE-MANAGER'S POLICIES AND PRACTICES

8.8 The Trustee-Manager shall attach to the Profit and Loss Account a statement of its policies and practices in relation to its management and governance of the registered BT containing such information and description as may be prescribed by the MAS (the "**Policies and Practices Statement**") (Section 87(1) of the BTA).

8.9 Regulation 20 of the BTR requires that the Policies and Practices Statement describes the measures put in place by the Trustee-Manager to ensure that the registered BT is managed in the interests of the Unitholders and include a description of the measures:

8.9.1 to ensure that the Trust Property is properly accounted for and that such property is kept distinct from the property of the Trustee-Manager held in its own capacity;

8.9.2 to ensure adherence with the business scope of the registered BT as set out in the Trust Deed;

8.9.3 to ensure that potential conflicts between the interests of the Trustee-Manager and the interests of all the Unitholders as a whole are appropriately managed;

8.9.4 to review interested person transactions in relation to the registered BT;

8.9.5 to review expense and cost allocations payable to the Trustee-Manager in its capacity as trustee-manager of the registered BT out of the Trust Property and ensure that fees and expenses charged to the registered BT are appropriate and in accordance with the Trust Deed;

8.9.6 to ensure compliance with the BTA and, in the case of a registered BT all or any of which Units are listed for quotation on the official list of the SGX-ST, with the listing rules of the SGX-ST; and

8.9.7 disclose the fees and expenses paid to the Trustee-Manager from the Trust Property in the preceding year, with breakdowns of the fee and expenses items.

9. THE ANNUAL RETURN AND INFORMATION TO BE LODGED WITH THE MAS

9.1 Section 74(1) of the BTA read with Regulation 18 of the BTR requires the Trustee-Manager to lodge with the MAS, within one month after the AGM of Unitholders, a return containing the following documents:

9.1.1 the audited Accounts referred to in paragraph 7.6 above;

9.1.2 the Directors' Report and the Directors' Statement referred to in paragraphs 8.2 and 8.5 above;

9.1.3 the Auditor's Report referred to in paragraph 6.2 above;

9.1.4 the notes to the accounts of the registered BT to be laid before the Unitholders at its AGM in accordance with the BTA;

9.1.5 the certifications by the Board and the CEO referred to in paragraphs 8.6 and 8.7 above;

9.1.6 the Policies and Practices Statement of the Trustee-Manager referred to in paragraph 8.8 above; and

such other documents as may be specified by MAS by notice in writing.

10. MODIFICATION OF THE TRUST DEED

10.1 Modifications to or replacements of the Trust Deed must be made in accordance with the BTA.

10.2 Section 31(1) of the BTA states that no person shall modify or replace the Trust Deed unless such modification or replacement is approved:

10.2.1 by special resolution of the Unitholders; or

10.2.2 where the modification is necessary to comply with any written law or rule of law applicable in Singapore, by the Trustee-Manager.

10.3 The Trustee-Manager shall make a copy of the Trust Deed and copies of updated Trust Deeds available to the public without charge (Section 30(3) read with Section 31(9) of the BTA).

10.4 The Trustee-Manager shall lodge with the MAS a copy of the provisions in the Trust Deed that have been modified or replaced in accordance with the BTA, or a copy of the new Trust Deed (incorporating such modification or replacement) within two business days after such modification or replacement takes effect (Section 31(7) of the BTA).

10.5 Section 31(6) of the BTA requires the Trustee-Manager to give notice of the modification or replacement of the Trust Deed referred to in paragraph 10.2.2 above to all Unitholders within seven days from the modification or replacement of the Trust Deed.

11. REGULATION OF MEETINGS AND PROCEEDINGS

11.1 The BTA sets out in detail the requirements relating to the calling and convening of meetings and the proceedings at such meetings. The paragraphs below describe these requirements in general.

ANNUAL GENERAL MEETING

11.2 The Trustee-Manager shall call an AGM once in every calendar year and not more than 15 months after the last preceding AGM (Section 53(1) of the BTA). Subject to notice being given to all the Unitholders entitled to receive notice of the meeting, a general meeting may be held at any time and the Unitholders may resolve that any meeting held or summoned to be held shall be the AGM of the Unitholders (Section 53(3) of the BTA).

11.3 The Directors shall, notwithstanding any provision in the Trust Deed, on the requisition of Unitholders holding in the aggregate at the date of the deposit of the requisition not less than 10 per cent. of the total voting rights of all the Unitholders having at that date a right to vote at general meetings, immediately proceed duly to convene an extraordinary general meeting of the Unitholders to be held as soon as practicable but in any case not later than two months after the receipt by the Trustee-Manager of the requisition (Section 54(1) of the BTA).

11.4 If the Directors do not, within 21 days after the date of the deposit of the requisition, proceed to convene a meeting, the requisitionists or any of them representing more than 50 per cent. of the total voting rights of all of the requisitionists, may themselves convene a meeting, in the same manner as nearly as possible as that in which meetings are to be convened by the Trustee-Manager, but any meeting so convened shall not be held after the expiration of three months from that date (Section 54(3) of the BTA).

11.5 The Trustee-Manager shall pay to the requisitionists any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors to convene a meeting and:

11.5.1 the Trustee-Manager shall be liable to make such payment to the requisitionists without any recourse to the Trust Property for reimbursement of any expenses incurred as a result of that liability; and

11.5.2 any sum so paid by the Trustee-Manager to the requisitionists shall be retained by the Trustee-Manager out of any sums due or to become due from the Trustee-Manager to the Directors by way of fees or other remuneration in respect of the services of those Directors (Section 54(4) of the BTA).

CALLING OF MEETINGS

11.6 In addition to the right to requisition a meeting as described in paragraph 11.3 above, two or more Unitholders may call a meeting of Unitholders if they:

11.6.1 hold in the aggregate not less than 10 per cent. of the total voting rights of all the Unitholders having at the date of calling of the meeting a right to vote at general meetings of the Unitholders; or

11.6.2 constitute not less than five per cent. in number of the Unitholders or such lesser number as is provided by the Trust Deed (Section 55(1) of the BTA).

11.7 Section 55(2) of the BTA requires the Trustee-Manager to call a meeting of Unitholders, or of a class of Unitholders, other than a meeting for the passing of a special resolution, by notice in writing of not less than 14 days or such longer period as is provided in the Trust Deed. The Trustee-Manager shall serve notice of every meeting on every Unitholder having a right to attend and vote thereat in the manner in which such notice is required to be served under the Trust Deed (Section 55(4) of the BTA).

CONDUCT OF MEETINGS

11.8 Section 57(1) of the BTA provides that so far as the Trust Deed does not make any other provision in that behalf and subject to the BTA:

11.8.1 two Unitholders personally present shall form a quorum;

11.8.2 any Unitholder elected by the Unitholders present at a meeting may be chairman thereof;

11.8.3 on a show of hands, each Unitholder who is personally present and entitled to vote shall have one vote; and

11.8.4 on a poll, each Unitholder shall have one vote in respect of each Unit held by him.

RIGHTS OF UNITHOLDERS AT MEETINGS

11.9 Notwithstanding any provision in the BTA or in the Trust Deed, but subject to the BTA, each Unit shall confer the right to poll at any general meeting of the Unitholders to one vote, and to one vote only (Section 58 of the BTA).

11.10 Every Unitholder shall have a right to attend any general meeting of the Unitholders and to speak and vote on any resolution before the meeting, except that the Trust Deed may provide that a Unitholder shall not be entitled to vote unless all calls or other sums personally payable by him in respect of Units have been paid (Section 59 of the BTA).

11.11 A Unitholder entitled to attend and vote at a meeting of the Unitholders, or at a meeting of any class of Unitholders, shall be entitled to appoint another person or persons, whether a Unitholder or not, as his proxy to attend and vote instead of the Unitholder at the meeting (Section 60(1) of the BTA). The Trustee-Manager shall, in every notice calling a meeting of the Unitholders or a meeting of any class of Unitholders, provide with reasonable prominence a statement as to the rights of a Unitholder to appoint proxies to attend and vote instead of the Unitholder, and that a proxy need not also be a Unitholder (Section 60(3) of the BTA).

11.12 Subject to the BTA, the Trustee-Manager shall, on the requisition of such number of Unitholders specified in paragraph 11.13 below, and unless the Unitholders otherwise resolve at a general meeting, at the expense of the requisitionists:

11.12.1 give to the Unitholders entitled to receive notice of the next AGM, notice of any resolution which may properly be moved and is intended to be moved at that meeting; and

11.12.2 circulate to the Unitholders entitled to have notice of any general meeting sent to them, any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting (Section 62(1) of the BTA).

11.13 The number of Unitholders necessary for a requisition under paragraph 11.12 above shall be:

11.13.1 any number of Unitholders representing not less than five per cent. of the total voting rights of all the Unitholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or

11.13.2 not less than 100 Unitholders holding Units on which there has been paid up an average sum, per Unitholder, of not less than S$500 (Section 62(2) of the BTA).

SPECIAL RESOLUTIONS

11.14 A resolution shall be considered a special resolution when it has been passed by the Unitholders holding in the aggregate not less than three-fourths of the voting rights of all the Unitholders who, being entitled to do so, vote in person or, where proxies are allowed, by proxy present at a general meeting of which not less than 21 days' written notice specifying the intention to propose the resolution as a special resolution has been duly given (Section 63(1) of the BTA).

11.15 The Trustee-Manager shall lodge with the MAS a copy of every special resolution and every resolution passed by any class of Unitholders whether agreed to by all the Unitholders of that class or not, within one month of the passing or making thereof (Section 65(1) of the BTA). The Trustee-Manager shall, at the request of any Unitholder and without charge, forward to that Unitholder a copy of every resolution to which this paragraph applies (Section 65(2) of the BTA).

MATTERS REQUIRING UNITHOLDERS' APPROVAL

11.16 The Schedule to this Appendix I sets out the matters which require the approval of Unitholders under the BTA, and also certain matters which require the approval of Unitholders under Chapter 9 of the Listing Manual in relation to Interested Person Transactions.

MINUTES OF PROCEEDINGS

11.17 Section 67(1) of the BTA states that the Trustee-Manager shall cause:

11.17.1 minutes of all proceedings of general meetings of the Unitholders to be entered in books kept for that purpose within one month of the date upon which the relevant meeting was held; and

11.17.2 those minutes to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting.

11.18 Sections 68(1) and 68(2) of the BTA require the Trustee-Manager to:

11.18.1 keep the books referred to in paragraph 11.17.1 above at the registered office or principal place of business in Singapore of the Trustee-Manager;

11.18.2 make the books available for inspection by any Unitholder without charge; and

11.18.3 within 14 days after any Unitholder has made a request in writing for a copy of any minutes specified in paragraph 11.17.1 above, furnish that Unitholder with a copy of the minutes without charge.

12. REGISTERS TO BE KEPT BY THE TRUSTEE-MANAGER

12.1 The BTA requires the Trustee-Manager to maintain certain registers and records in relation to the registered BT.

REGISTER OF DIRECTORS' INTERESTS

12.2 Section 13(1) of the BTA requires the Trustee-Manager to keep a register showing with respect to each Director particulars of Units or Unit Derivatives and Debentures in which the Director has an interest and the nature and extent of that interest ("**Directors' Register**"). For the purposes of Section 13 of the BTA, an interest of a family member of a Director shall be treated as an interest of that Director (Section 13(15) of the BTA).

12.3 A Director is required to give notice in writing to the Trustee-Manager of particulars relating to his Units, Unit Derivatives or Debentures and particulars of any change thereof ("**Director's Notice**") in accordance with the BTA, and the Trustee-Manager shall enter in the Directors' Register such particulars (Sections 13(2) and 13(8) of the BTA).

12.4 The Trustee-Manager shall make the Directors' Register available for public inspection at its registered office without charge (Section 13(3) of the BTA). The Trustee-Manager shall produce the Directors' Register at the commencement of each AGM of the Unitholders and keep it open and accessible during the meeting to all persons attending the meeting (Section 13(6) of the BTA).

REGISTER OF UNITHOLDERS

12.5 The Trustee-Manager shall keep and maintain, or cause to be kept and maintained, a register of the Unitholders ("**Unitholders' Register**") and make the Unitholders' Register available for inspection without charge by any person during its business hours (Section 69(1) of the BTA). The Unitholders' Register shall contain:

12.5.1 the name and address of each Unitholder;

12.5.2 the extent of holding by each Unitholder;

12.5.3 the date on which the name of each person was entered in the Unitholders' Register as a Unitholder; and

12.5.4 the date on which any person ceased to be a Unitholder.

13. RESIGNATION AND REMOVAL OF THE TRUSTEE-MANAGER

13.1 The BTA imposes requirements relating to the resignation and removal of the Trustee-Manager (Section 19(1) of the BTA).

RESIGNATION OF THE TRUSTEE-MANAGER

13.2 Regulation 14(1) of the BTR requires a Trustee-Manager who proposes to resign from its position to give notice of its intention to all Unitholders and to:

13.2.1 state in the notice its reason for resigning;

13.2.2 nominate another company, which has consented in writing to serve as the replacement Trustee-Manager and which satisfies the requirements of the BTA, for approval to be appointed, by resolution as the replacement Trustee-Manager to act as the Trustee-Manager in place of the resigning Trustee-Manager; and

13.2.3 in the notice, inform Unitholders of their right to nominate a company in accordance with paragraph 13.3 below.

13.3 Notwithstanding paragraph 13.2.2 above, Unitholders may nominate a company (not being a company nominated under that paragraph) which has consented in writing to serve as the replacement Trustee-Manager, and which satisfies the requirements of the BTA, for approval to be appointed, by resolution, as the replacement Trustee-Manager in place of the resigning Trustee-Manager if, and only if:

13.3.1 these Unitholders represent Unitholders holding at the date of nomination not less than 10 per cent. of the total voting rights of all Unitholders having at that date a right to vote; and

13.3.2 the nomination by these Unitholders is served on the resigning trustee-manager not more than 21 days after the date of the notice given by the resigning trustee-manager under paragraph 13.2 above (Regulation 14(2) of the BTR).

13.4 A replacement Trustee-Manager shall not be appointed without the approval of Unitholders holding in the aggregate not less than a majority of the voting rights of all Unitholders who, being entitled to do so, vote in person, or where proxies are allowed, by proxy present at the meeting (Regulation 14(4) of the BTR).

REMOVAL OF THE TRUSTEE-MANAGER

13.5 A Trustee-Manager may be removed as the trustee-manager of a registered Business Trust by the Unitholders only:

13.5.1 if a resolution to remove the Trustee-Manager is approved by Unitholders holding in the aggregate not less than three-fourths of the voting rights of all the Unitholders who, being entitled to do so, vote in person or where proxies are allowed, by proxy present at a meeting of the Unitholders; and

13.5.2 in accordance with such procedures as the MAS may prescribe (Section 20 of the BTA).

13.6 On an application by the MAS, the Trustee-Manager or a Unitholder, the court may, by order, appoint a company that has consented in writing to serve as a temporary trustee-manager to be the temporary Trustee-Manager for a period of three months if the court is satisfied that the appointment is in the interest of the Unitholders (Section 21 of the BTA). Such temporary Trustee-Manager must comply with the duties, obligations and other requirements imposed by the BTA and prescribed by the MAS with respect to the Trustee-Manager (Section 21(2) of the BTA).

14. CIVIL LIABILITY AND REMEDIES

CIVIL LIABILITY OF THE TRUSTEE-MANAGER TO UNITHOLDERS

14.1 Any Unitholder who suffers loss or damage because of any conduct of the Trustee-Manager which contravenes the BTA may recover the amount of the loss or damage by action against the Trustee-Manager, whether or not the Trustee-Manager has been convicted of an offence in respect of such contravention (Section 40(1) of the BTA).

REMEDIES IN CASES OF OPPRESSION OR INJUSTICE

14.2 Any Unitholder or any holder of a Debenture may apply to the court for an order on the ground:

14.2.1 that the affairs of the registered BT are being conducted by the Trustee-Manager, or the powers of the Directors are being exercised, in a manner oppressive to one or more of the Unitholders or holders of Debentures including himself or in disregard of his or their interests as Unitholders or holders of Debentures; or

14.2.2 that some act of the Trustee-Manager, carried out in its capacity as Trustee-Manager, has been done or is threatened or that some resolution of the Unitholders or holders of Debentures or any class of them has been passed or is proposed which unfairly discriminates against or is otherwise prejudicial to one or more Unitholders or holders of Debentures (including himself) (Section 41(1) of the BTA).

14.3 If on such application the court is of the opinion that either of the grounds referred to in paragraph 14.2 is established, the court may, with a view to bringing to an end to or remedying the matters complained of, make such order as it thinks fit and, without prejudice to the generality of the foregoing, the order may:

14.3.1 direct or prohibit any act or cancel or vary any transaction or resolution;

14.3.2 regulate the conduct of the affairs of the Trustee-Manager in relation to the registered BT in future;

14.3.3 authorise civil proceedings against the Directors to be brought in the name of or on behalf of all the Unitholders as a whole by such person or persons and on such terms as the court may direct;

14.3.4 provide for the purchase of the Units or Debentures by other Unitholders or holders of Debentures;

14.3.5 provide that the registered BT be wound up; or

14.3.6 provide that the costs and expenses of and incidental to the application for the order are to be raised and paid out of the Trust Property or to be borne and paid in such manner and by such persons as the court deems fit (Section 41(2) of the BTA).

DERIVATIVE OR REPRESENTATIVE ACTIONS

14.4 Subject to the BTA, a complainant[18] may apply to the court for leave to bring an action in the name and on behalf of all the Unitholders as a whole or intervene in an action to which the Trustee-Manager, on behalf of the registered BT, is a party for the purpose of prosecuting, defending or discontinuing the action on behalf of the Trustee-Manager (Section 42(1) of the BTA).

15. GENERAL LIABILITIES

The BTA sets out the liabilities that could arise in the event that a provision of the BTA has been breached. The general penalty under the BTA is found in Section 110 which states that any person guilty of an offence under the BTA for which no penalty is expressly provided shall be liable on conviction to a fine not exceeding S$50,000.

18 "Complainant" means any Unitholder or any other person who, in the discretion of the court, is a proper person to make such application.

SCHEDULE
MATTERS REQUIRING APPROVAL BY UNITHOLDERS UNDER THE BTA AND THE LISTING MANUAL

1. List of matters which are required to be passed by special resolution

1.1 Exemption of the Trustee-Manager from, or indemnity of the Trustee-Manager against, liability for breach of trust where the Trustee-Manager fails to exercise the required degree of care and diligence (Section 29 of the BTA).

1.2 Modification or replacement of the Trust Deed (Sections 31(1) and 31(2) of the BTA).

1.3 Revision to fees or charges payable out of the Trust Property to the Trustee-Manager (Section 31(5) of the BTA).

1.4 Winding up of a registered BT by the Trustee-Manager at the direction of Unitholders (Section 45(1) of the BTA).

2. List of matters which require the approval of Unitholders holding in the aggregate not less than three-fourths of the voting rights of the Unitholders who vote in person or by proxy present at a Unitholders' meeting

2.1 Removal of the Trustee-Manager by Unitholders (Section 20 of the BTA).

2.2 Voluntary deregistration of a registered BT provided that not less than 21 days' written notice specifying the intention to propose the resolution to deregister the registered BT is duly given (Section 51(1) of the BTA).

2.3 Immediate appointment of a replacement Auditor nominated by the Audit Committee after the Auditor has been removed at a general meeting (Section 82(7)(a) of the BTA).

3. List of matters which require the approval of Unitholders holding in the aggregate not less than a majority of the voting rights of the Unitholders who vote in person or by proxy present at a meeting

3.1 Appointment of a replacement Trustee-Manager of a registered BT pursuant to:

3.1.1 the resignation of a Trustee-Manager (Regulation 14(4) of the BTR);

3.1.2 the removal of the Trustee-Manager by Unitholders (Regulation 15(6) of the BTR); or

3.1.3 the calling of a meeting by the temporary Trustee-Manager for the Unitholders to appoint a company which has consented in writing to serve as the replacement Trustee-Manager (Regulation 17(2) of the BTR).

3.2 The exercise by the Trustee-Manager of any power to issue Units or to make or grant an offer, agreement or option which would or might require Units to be issued (Section 36 of the BTA).

3.3 Winding up of a registered BT by the Trustee-Manager under the Trust Deed:

3.3.1 if the Trust Deed provides that the registered BT may or is to be wound up at a specified time, in specified circumstances or on the happening of a specified event (Section 44(3)(a) of the BTA); and

3.3.2 the specified time, circumstance or event has arisen (Section 44(3)(b) of the BTA).

3.4 Appointment of a person or persons nominated by the Audit Committee to be the Auditor at an AGM of Unitholders (Section 82(2) of the BTA).

3.5 Removal of the Auditor at a general meeting (Section 82(4) of the BTA). Special notice of such resolution will have to be given.

3.6 Appointment of another person as Auditor, where the former Auditor is removed from office under the BTA at a general meeting and where the meeting has been adjourned (Section 82(7)(b) of the BTA).

4. The major circumstances which require approval from the unitholders and the approval thresholds (Chapter 9 of the Listing Manual)

No.	Matter Requiring Approval	Approval Threshold
4.1	*Issue of new units:* Any issue of new units by HPH Trust, but not including the issue of fee units to the Trustee-Manager as described in the prospectus, which would be deemed to have been approved by unitholders by subscribing for units at the IPO.	Ordinary Resolution[19]
4.2	*Interested person transaction:* An interested person transaction of a value equal to, or more than, 5.0% of the latest audited net tangible assets of the HPH Trust group (when aggregated with other transactions entered into with the same interested person during the same financial year).	Ordinary Resolution[20]

[19] "Ordinary Resolution" means approval by a majority of the number of votes of the unitholders of HPH Trust who, being entitled to do so, vote in person or, where proxies are allowed, by proxy present at a general meeting.

[20] Under Rule 919 of the Listing Manual, the interested person and its associates would be required to abstain from voting on an interested person transaction.

No.	Matter Requiring Approval	Approval Threshold
4.3	*Major acquisition:* An acquisition of assets which is not in the ordinary course of business of HPH Trust where one or more of the ratios below exceed 20%: (i) The net profits attributable to the assets acquired compared with the net profits of the HPH Trust group. (ii) The aggregate value of the consideration given compared with HPH Trust's market capitalisation based on the total number of issued Units. (iii) (If applicable) The number of units issued by HPH Trust as consideration for an acquisition, compared with the number of units previously in issue.	Ordinary Resolution
4.4	*Very substantial acquisition or reverse take-over:* Acquisition of assets where one or more of the ratios described under "major acquisition" above exceeds 100% or where there results in a change of control of HPH Trust.	Ordinary Resolution
4.5	*Major disposal:* A disposal of assets which is not in the ordinary course of business of HPH Trust where one or more of the ratios below exceeds 20%: (i) The net asset value of the assets to be disposed of, compared with the HPH Trust group's net asset value. (ii) The net profits attributable to the assets disposed of compared with the net profits of the HPH Trust group. (iii) The aggregate value of the consideration received, compared with HPH Trust's market capitalisation based on the total number of issued Units.	Ordinary Resolution
4.6	Amendment of trust deed[21]	Special Resolution[22]

[21] Unless the amendment is necessary in order to comply with any written law or rule of law applicable in Singapore.

[22] "Special Resolution" means approval by not less than three-fourths of the voting rights of all the unitholders of HPH Trust who, being entitled to do so, vote in person or, where proxies are allowed, by proxy present at a general meeting.

No.	Matter Requiring Approval	Approval Threshold
4.7	Removal of the Trustee-Manager	Special Resolution
4.8	Winding up of the business trust by unitholders	Special Resolution
4.9	Removal of an auditor of HPH Trust	Ordinary Resolution

		Hong Kong Listed Companies	Singapore Listed Business Trusts
		Hong Kong Listing Rules/Companies Ordinance/SFO Provisions	**Singapore Listing Manual/BTA/SFA Provisions**
I.	**REGULATORY STANDARDS AND CONTROLS**		
1.	**Financial reporting obligations**		
(A)	Annual reports	**Rule 13.46 of the Hong Kong Listing Rules** A listed company must send its annual report to holders of its listed securities not less than 21 days before the date of the listed company's annual general meeting and in any event not more than four months after the end of the financial year to which it relates.	**Rule 707 of the Listing Manual** A listed business trust must issue its annual report to unitholders and the SGX-ST at least 14 days before the date of its annual general meeting. The time between the end of an issuer's financial year and the date of its annual general meeting (if any) must not exceed four months.
(B)	Preliminary results announcements for full financial year	**Rule 13.49(1) of the Hong Kong Listing Rules** A listed company shall publish its preliminary results in respect of each financial year as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day after approval by or on behalf of the board. The listed company must publish such results: (a) for annual accounting periods ending before 31 December 2010, not later than four months after the end of the financial year; and (b) for annual accounting periods ending on or after 31 December 2010, not later than three months after the end of the financial year.	**Rule 705(1) of the Listing Manual** An issuer must announce the financial statements for the full financial year immediately after the figures are available, but in any event not later than 60 days after the relevant financial period.
(C)	Interim reports	**Rule 13.48(1) of the Hong Kong Listing Rules** In respect of the first six months of each financial year of a listed company unless that financial year is of six months or less, the listed company shall send to (i) every member of the listed company; and (ii) every other holder of its listed securities (not being bearer securities), either (a) an interim report, or (b) a summary interim report not later than three months after the end of that period of six months.	No such requirement to send an interim report to the unitholders of a business trust listed on the Main Board of the SGX-ST. See however the requirements under Rule 705(2) of the Listing Manual as set out below.

		Hong Kong Listed Companies Hong Kong Listing Rules/Companies Ordinance/SFO Provisions	Singapore Listed Business Trusts Singapore Listing Manual/BTA/SFA Provisions
(D)	Preliminary results announcements for first half of financial year	**Rule 13.49(6) of the Hong Kong Listing Rules** A listed company shall publish in respect of its results for the first six months of each financial year, unless that financial year is of six months or less, as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any preopening session on the next business day after approval by or on behalf of the board. The listed company must publish such results: (a) for half-year accounting periods ending before 30 June 2010, not later than three months after the end of that period of six months; and (b) for half-year accounting periods ending on or after 30 June 2010, not later than two months after the end of that period of six months.	**Rule 705(2) of the Listing Manual** An issuer must announce the financial statements for each of the first three quarters of its financial year immediately after the figures are available, but in any event not later than 45 days after the quarter end if: (a) its market capitalisation exceeded S$75 million as at 31 March 2003; or (b) it was listed after 31 March 2003 and its market capitalisation exceeded S$75 million at the time of listing (based on the IPO issue price); or (c) its market capitalisation is S$75 million or higher on the last trading day of each calendar year commencing from 31 December 2006. An issuer whose obligation falls within sub-section (c) will have a grace period of a year to prepare for quarterly reporting. There is no requirement for an issuer to make interim results announcements, a Singapore listed issuer is only required to make quarterly results announcements.
(E)	Quarterly financial results	No such requirement for companies listed on the Main Board of the Hong Kong Stock Exchange.	Same as the requirements under Rule 705(2) of the Listing Manual as set out above.
2.	**Disclosure obligations**		
(A)	Disclosure of price sensitive information	Rule 13.09 of the Hong Kong Listing Rules Generally an issuer shall keep the Hong Kong Stock Exchange, members of the issuer and other holders of the issuers' listed securities informed as soon as reasonably practicable of any information relating to the group (including information on any major new developments in the group's sphere of activity which is not public knowledge) which: (i) is necessary to enable the parties mentioned above and the public to appraise the position of the group; (ii) is necessary to avoid the establishment of a false market in its securities; or (iii) might be reasonably expected materially to affect market activity in and the price of its securities.	Rule 703 (1) to (3) of the Listing Manual (i) An issuer must announce any information known to the issuer concerning it or any of its subsidiaries or associated companies which: (a) is necessary to avoid the establishment of a false market in the issuer's securities; or (b) would be likely to materially affect the price or value of its securities. (ii) Rule 703(1) does not apply to information which it would be a breach of law to disclose.

	Hong Kong Listed Companies Hong Kong Listing Rules/Companies Ordinance/SFO Provisions	Singapore Listed Business Trusts Singapore Listing Manual/BTA/SFA Provisions
		(iii) Rule 703(1) does not apply to particular information while each of the following conditions applies. Condition 1: a reasonable person would not expect the information to be disclosed; Condition 2: the information is confidential; and Condition 3: one or more of the following applies: (a) the information concerns an incomplete proposal or negotiation; (b) the information comprises matters of supposition or is insufficiently definite to warrant disclosure; (c) the information is generated for the internal management purposes of the entity; or (d) the information is a trade secret.
(B) Notifiable transactions	**Chapter 14 of the Hong Kong Listing Rules** The transactions of a listed company are classified as: (i) share transaction: an acquisition of assets (excluding cash) by a listed company where the consideration includes securities for which listing will be sought and where all percentage ratios are less than 5%; (ii) discloseable transaction: a transaction or a series of transactions by a listed company where any percentage ratio is 5% or more, but less than 25%; (iii) major transaction: a transaction or a series of transactions by a listed company where any percentage ratio is 25% or more, but less than 100% for an acquisition or 75% for a disposal; (iv) very substantial disposal: a disposal or a series of disposals of assets by a listed company where any percentage ratio is 75% or more;	**Chapter 10 of the Listing Manual** The transactions of an issuer are classified as: (i) non-discloseable transactions: where any of the relative figures is 5% or less; (ii) discloseable transactions: where any of the relative figures exceeds 5% but does not exceed 20%; (iii) major transaction: where any of the relative figures exceeds 20%; and (iv) very substantial acquisition or reverse takeover: where any of the relative figures is 100% or more, or where there is a change in control of the issuer. The basis of computation is set out below: (i) The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.

Hong Kong Listed Companies	Singapore Listed Business Trusts
Hong Kong Listing Rules/Companies Ordinance/SFO Provisions	**Singapore Listing Manual/BTA/SFA Provisions**
(v) very substantial acquisition: an acquisition or a series of acquisitions of assets by a listed company where any percentage ratio is 100% or more; (vi) reverse takeover: an acquisition or a series of acquisitions of assets by a listed company which, in the opinion of the Hong Kong Stock Exchange, constitutes, or is part of a transaction or arrangement or series of transactions or arrangements which constitute, an attempt to achieve a listing of the assets to be acquired and a means to circumvent the requirements for new applicants set out in Chapter 8 of the Hong Kong Listing Rules. The percentage ratios are the figures, expressed as percentages resulting from each of the following calculations: (i) Asset ratio – the total assets which are the subject of the transaction divided by the total assets of the listed issuer; (ii) Profits ratio – the profits attributable to the assets which are the subject of the transaction divided by the profits of the listed issuer; (iii) Revenue ratio – the revenue attributable to the assets which are the subject of the transaction divided by the revenue of the listed issuer; (iv) Consideration ratio – the consideration divided by the total market capitalisation of the listed issuer. The total market capitalisation is the average closing price of the listed issuer's securities as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the transaction; and (v) Equity capital ratio – the nominal value of the listed issuer's equity capital issued as consideration divided by the nominal value of the listed issuer's issued equity capital immediately before the transaction. Listed issuers must consider all the percentage ratios to the extent applicable for classifying a transaction.	(ii) The net profits attributable to the assets acquired or disposed of, compared with the group's net profits. (iii) The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued units excluding treasury units. (iv) The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.

		Hong Kong Listed Companies	Singapore Listed Business Trusts
		Hong Kong Listing Rules/Companies Ordinance/SFO Provisions	**Singapore Listing Manual/BTA/SFA Provisions**
(C)	Connected transactions/ Interested person transactions	**Chapter 14A of the Hong Kong Listing Rules** The term "connected person" is widely defined under the Hong Kong Listing Rules and include directors, chief executive, substantial shareholders (i.e. shareholders interested in 10% or more of the equity interest in the listed company or any of its subsidiaries), associates (as defined under the Hong Kong Listing Rules) of directors, chief executive or substantial shareholders, non-wholly-owned subsidiaries of the listed company and its subsidiaries. A listed company must publicly disclose a transaction entered into between the listed company or one of its subsidiaries and a connected person. Generally, a public announcement, a circular and/or independent shareholder approval are required unless one of the de-minimis or other exemptions set out in the Hong Kong Listing Rules apply.	**Chapter 9 of the Listing Manual** The term "interested person" in the case of a business trust means (i) a director, chief executive officer, or controlling shareholder of the trustee-manager of the business trust; (ii) the trustee-manager or controlling unitholder of the business trust; or (iii) an associate of any of the persons or entities in (i) or (ii) above. The term "interested person transaction" means a transaction between an entity at risk and an interested person. The term "entity at risk" means (a) the issuer; (b) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or (c) an associated company of the listed issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company. *Transaction with interested persons subject to unitholders' approval requirements:* Unless one of the exemptions set out in the Listing Manual applies, an issuer must obtain unitholder approval for any interested person transaction of a value equal to, or more than (a) 5% of the group's latest audited net tangible assets; or (b) 5% of the group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by unitholders, or is the subject of aggregation with another transaction that has been approved by unitholders, need not be included in any subsequent aggregation. The unitholders' approval requirement does not apply to any transaction below S$100,000.

Hong Kong Listed Companies	Singapore Listed Business Trusts
Hong Kong Listing Rules/Companies Ordinance/SFO Provisions	**Singapore Listing Manual/BTA/SFA Provisions**
	Section 86(2) and 86(4) BTA The Board is required to make a written statement certifying, among other things, that interested person transactions are not detrimental to the interests of all the unitholders as a whole based on the circumstances at the time of the transaction (Section 86(2)(b) BTA). This statement must be annexed to the profit and loss account. If the Board is unable to provide such a written statement for the reason that: (i) the Board is of the opinion that the assertions are not true; or (ii) there is a divergence of views among the directors of the trustee-manager (the "**Directors**") as to the accuracy of the assertions, the Board shall provide an explanation, including the important factors for the inability to provide such a written statement, and such explanation shall be annexed by the trustee-manager to the profit and loss account.
Connected transactions subject to reporting and announcement requirements but exempt from shareholders' approval requirements: A connected transaction or continuing connected transaction on normal commercial terms where (a) each of the percentage ratios (other than the profits ratio) is less than 5%; or (b) each of the percentage ratios (other than the profits ratio) is less than 25% and the total consideration is less than HK$10,000,000, then such transaction is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirements.	*Transactions with interested persons subject to announcement requirements:* An issuer must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3% of the group's latest audited net tangible assets; or if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group's latest audited net tangible assets, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year. The announcement requirement does not apply to any transaction below S$100,000.

		Hong Kong Listed Companies	Singapore Listed Business Trusts
		Hong Kong Listing Rules/Companies Ordinance/SFO Provisions	**Singapore Listing Manual/BTA/SFA Provisions**
3.	**Issuance of shares/units and shares/units repurchase requirements**		
(A)	General mandate	**Rule 13.36(2)(b) of the Hong Kong Listing Rules** The existing shareholders of the listed company may by an ordinary resolution in general meeting give a general mandate to the directors of the listed company. The general mandate must be subject to a restriction that the aggregate number of securities allotted or agreed to be allotted under the general mandate must not exceed the aggregate of 20% of the existing issued share capital of the listed company plus the number of such securities repurchased by the listed company itself since the granting of the general mandate (up to a maximum number equivalent to 10% of the existing issued share capital of the listed company), provided that the existing shareholders of the listed company have by a separate ordinary resolution in general meeting given a general mandate to the directors of the listed company to add such repurchased securities to the 20% general mandate.	**Rule 806 of the Listing Manual** The existing unitholders may by an ordinary resolution in a general meeting give a general mandate for the issue of units and convertible securities. The general mandate must limit the aggregate number of units and convertible securities that may be issued. The limit must be not more than 50% of the total number of issued units excluding treasury units, of which the aggregate number of units and convertible securities issued other than on a pro rata basis to existing unitholders must be not more than 20% of the total number of issued units excluding treasury units.
		Rule 13.36(3) of the Hong Kong Listing Rules A general mandate given under rule 13.36(2) of the Hong Kong Listing Rules shall only continue in force until (a) the conclusion of the first annual general meeting of the listed company following the passing of the resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or (b) revoked or varied by an ordinary resolution of the shareholders in general meeting.	**Rule 806(6) of the Listing Manual** A general mandate may remain in force until the earlier of (a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution. By an ordinary resolution passed at that meeting, the mandate may be renewed, either unconditionally or subject to conditions; or (b) it is revoked or varied by ordinary resolution of the unitholders in general meeting. The BTA does not expressly deal with the issue of treasury units by a business trust and to date, no business trust in Singapore has issued any treasury units.

		Hong Kong Listed Companies	Singapore Listed Business Trusts
		Hong Kong Listing Rules/Companies Ordinance/SFO Provisions	**Singapore Listing Manual/BTA/SFA Provisions**
(B)	Repurchase mandate	**Rule 13.36(2)(b) of the Hong Kong Listing Rules** The existing shareholders of the listed company may by an ordinary resolution in general meeting give a general mandate to the directors of the listed company which shall be subject to a restriction that the aggregate number of securities allotted or agreed to be allotted under the general mandate must not exceed the aggregate of 20% of the existing issued share capital of the listed company plus the number of such securities repurchased by the listed company itself since the granting of the general mandate (up to a maximum number equivalent to 10% of the existing issued share capital of the listed company), provided that the existing shareholders of the listed company have by a separate ordinary resolution in general meeting given a general mandate to the directors of the listed company to add such repurchased securities to the 20% general mandate.	**Rule 881 of the Listing Manual** An issuer may purchase its own units if it has obtained the prior specific approval of unitholders in general meeting. The BTA does not contain specific rules relating to the buy-back of units in a business trust unlike the Companies Act. Under the Companies Act, the total number of ordinary shares and stocks in any class that may be purchased or acquired by a company during the relevant period shall not exceed 10% of the total number of ordinary shares and stocks of the company in that class.
		Rule 10.05 of the Hong Kong Listing Rules Subject to the provisions of the Code on Share Repurchases, a listed company may purchase its shares on the Hong Kong Stock Exchange or on another stock exchange recognised for this purpose by the SFC and the Hong Kong Stock Exchange.	**Rule 882 of the Listing Manual** Rule 882 of the Listing Manual makes reference to the Companies Act and provides that in the case of a company listed on the SGX-ST, a share buy-back may only be made on the SGX-ST or on another stock exchange on which the issuer's securities are listed ("**Market Purchases**") or by way of an off-market acquisition. It is noted, however, that the BTA does not contain express provisions regarding the buy-back of units in a business trust.
		Rule 10.06(2) of the Hong Kong Listing Rules A listed company shall not purchase its shares on the Hong Kong Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the 5 preceding trading days on which its shares were traded on the Hong Kong Stock Exchange; and a listed company shall not purchase its shares on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange from time to time.	**Rule 884 of the Listing Manual** In the case of a Market Purchase of shares of a company listed on the SGX-ST, the purchase price must not exceed 105% of the average of the closing market prices of a share over the last five market days preceding the day of the Market Purchase on which transactions in the shares were recorded and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period. It is noted, however, that the BTA does not contain express provisions regarding the purchase of units in a business trust by way of a market acquisition.

		Hong Kong Listed Companies Hong Kong Listing Rules/Companies Ordinance/SFO Provisions	Singapore Listed Business Trusts Singapore Listing Manual/BTA/SFA Provisions
4.	**Other obligations**		
(A)	Disclosure of interests	**Paragraph 13 of Appendix 16 of the Hong Kong Listing Rules** The Hong Kong Listing Rules require that the interests held by directors and chief executives and substantial shareholders (i.e. shareholders interested in 10% or more of the voting power) be disclosed in annual reports, interim reports and circulars of the listed company. See also disclosure of interests requirements under "Regime Governing Offer of Shares/Units, Statutory Disclosure and Market Misconduct in Hong Kong and Singapore – Statutory Disclosure and Market Misconduct – Statutory Disclosure of Interest" below.	**Rule 704 of the Listing Manual** An issuer must immediately announce any notice of substantial unitholders and interests of Directors in the issuer's securities or changes thereof received by the issuer. See also disclosure of interests requirements under "Regime Governing Offer of Shares/Units, Statutory Disclosure and Market Misconduct in Hong Kong and Singapore – Statutory Disclosure and Market Misconduct – Statutory Disclosure of Interest" below.
		Section 336 of the SFO Every listed company shall keep a register of interests in shares and short positions and is under a duty to record in the register any information received from a person giving such information in performance of a duty imposed on him under the relevant disclosure of interests provisions of the SFO.	**Section 13(1) of the BTA** The trustee-manager shall keep a register showing with respect to each director of the trustee-manager particulars of units or unit derivatives and debentures in which the Director has an interest and the nature and extent of that interest ("**Directors' Register**"). For the purposes of Section 13 of the BTA, an interest of a family member of a Director shall be treated as an interest of that Director. A Director is required to give notice in writing to the trustee-manager of particulars relating to his units, unit derivatives or debentures and particulars of any change thereof ("**Director's Notice**") in accordance with the BTA, and the trustee-manager shall enter in the Directors' Register such particulars. The trustee-manager shall make the Directors' Register available for public inspection at its registered office without charge. The trustee-manager shall produce the Directors' Register at the commencement of each annual general meeting of the unitholders and keep it open and accessible during the meeting to all persons attending the meeting.

		Hong Kong Listed Companies	Singapore Listed Business Trusts
		Hong Kong Listing Rules/Companies Ordinance/SFO Provisions	Singapore Listing Manual/BTA/SFA Provisions
(B)	Corporate governance	**Rules 3.10 and 8.12 of the Hong Kong Listing Rules** Every board of directors of a listed company must include at least three independent non-executive directors. A new applicant applying for a primary listing on the Hong Kong Stock Exchange must have sufficient management presence in Hong Kong, which normally means to have at least two of its executive directors be ordinarily resident of Hong Kong.	**Regulation 12(1) of the Business Trust Regulations 2005** The Board must include some independent members such that: (i) at least a majority of Directors shall be independent from management and business relationships with the trustee-manager; (ii) at least one-third of Directors shall be independent from management and business relationships with the trustee-manager and from every substantial shareholder of the trustee-manager; and (iii) at least a majority of the Directors shall be independent from any single substantial shareholder of the trustee-manager. Where a single substantial shareholder has an interest in 50% or more of the voting shares in the trustee-manager of a registered business trust, sub-paragraph (iii) shall not apply to the trustee-manager in respect of the independence of its directors from that substantial shareholder.
		Rules 3.21, 3.22 and paragraph C.3 of Appendix 14 of the Hong Kong Listing Rules Every listed company must establish an audit committee comprising non-executive directors only. The audit committee must comprise a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise. The board of directors of the listed company must approve and provide written terms of reference for the audit committee.	**Section 15 of the BTA** The trustee-manager shall establish an audit committee (the "**Audit Committee**") in accordance with the requirements prescribed by the MAS. **Regulation 13(1) of the Business Trust Regulations 2005** The Audit Committee shall be: (i) appointed by the trustee-manager from among the Directors (pursuant to a resolution of the Board); and (ii) subject to the Business Trust Regulations 2005, composed of three or more members, all of whom are independent of management and business relationships with the trustee-manager and at least a majority of whom, including the chairman of the Audit Committee, are independent of management and business relationships with the trustee-manager and independent from every substantial shareholder of the trustee-manager.

	Hong Kong Listed Companies Hong Kong Listing Rules/Companies Ordinance/SFO Provisions	Singapore Listed Business Trusts Singapore Listing Manual/BTA/SFA Provisions
	Rule 3.25 and paragraph B.1 of Appendix 14 of the Hong Kong Listing Rules It is a recommended best practice that listed companies should establish a remuneration committee with specific written terms of reference. A majority of the members of the remuneration committee should be independent non-executive directors.	Not relevant to a listed business trust.
	Rule 3.25 and paragraph A.4 of Appendix 14 of the Hong Kong Listing Rules It is a recommended best practice that a listed company should establish a nomination committee. A majority of the members should be independent non-executive directors.	Not relevant to a listed business trust.
(C) Dealings in securities by directors	Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Hong Kong Listing Rule ("**Model Code**") (i) A director must not deal in any of the securities of the listed company at any time when he is in possession of unpublished price sensitive information in relation to those securities or where clearance to deal is not otherwise conferred upon him under the Model Code. (ii) A director must not deal in any securities of a listed company on any day on which its financial results are published and: (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results, unless the circumstances are exceptional.	Listing Manual (i) An officer of a listed business trust should not deal in the units of the business trust on short-term considerations. (ii) A listed business trust and its officers should not deal in the units of the business trust during the period commencing two weeks before the announcement of the business trust's financial statements for each of the first three quarters of its financial year and one month before the announcement of the business trust's full year financial statements (if required to announce quarterly financial statements), or one month before the announcement of the business trust's half year and full year financial statements (if not required to announce quarterly financial statements).

		Hong Kong Listed Companies	Singapore Listed Business Trusts
		Hong Kong Listing Rules/Companies Ordinance/SFO Provisions	**Singapore Listing Manual/BTA/SFA Provisions**

II. REGIME GOVERNING OFFER OF SHARES/UNITS, STATUTORY DISCLOSURE AND MARKET MISCONDUCT IN HONG KONG AND SINGAPORE

1. Offer of shares/units

		Hong Kong Listed Companies	Singapore Listed Business Trusts
(A)	Requirements for offers for subscription or purchase of shares/units	The issue of any advertisement, invitation or document which contains an invitation to the public to subscribe for securities must be authorised by the SFC unless exempt from such requirement under Part IV of the SFO.	Offers for subscription or purchase of units in business trusts must comply with the requirements that are primarily set out in the capital raising provisions in Part XIII of the SFA.
(B)	Prospectus liability	Sections 38 and 342 of the Companies Ordinance set out minimum level of information which should be contained in a prospectus. If a prospectus does not comply with or contravenes such requirements, the Company and any person who is knowingly a party to the issue, circulation or distribution of the prospectus is liable to a fine. Section 40(1) of the Companies Ordinance provides that where a prospectus invites persons to subscribe for shares in a company, the directors, promoters and every person who has authorised the issue of the prospectus will be liable to pay compensation to all persons who subscribe for any shares on the faith of the prospectus for the loss or damage they may have sustained by reason of any untrue statement included in such prospectus (which includes the omission of material information). Section 40A of the Companies Ordinance imposes criminal liability on any person who has authorised the issue of a prospectus containing any untrue statement (or omits any material information). Certain provisions in relation to false or misleading information, fraudulent or reckless misrepresentation and negligent misrepresentation under the SFO may also be applicable to impose liability in relation to a prospectus.	The SFA imposes liability for three categories of statement and omission: (i) false or misleading statements contained in a prospectus or profile statement in connection with an offer of units or any application form for such offer; (ii) omissions to state information that is statutorily required to be included in a prospectus or profile statement; or (iii) omissions to state a new circumstance that has arisen after lodgment of the prospectus or profile statement with the MAS and such circumstance would have been required to be included in the prospectus or profile statement had it arisen before the prospectus or profile statement was lodged. Liability for false or misleading statements in the prospectus or profile statement, and/or for omissions of required information or circumstance from the prospectus or profile statement, includes both statutory criminal and civil liabilities under the SFA, and may also attract contractual as well as tortious liabilities under common law. A person who is found liable may be subject to a fine or imprisonment or both.

	Hong Kong Listed Companies	Singapore Listed Business Trusts
	Hong Kong Listing Rules/Companies Ordinance/SFO Provisions	**Singapore Listing Manual/BTA/SFA Provisions**

2. Statutory disclosure and market misconduct

	Hong Kong Listed Companies	Singapore Listed Business Trusts
(A) Statutory disclosure of interests	The SFO provides that a substantial shareholder (i.e. shareholder interested in 5% or more of the shares in the listed company) is required to disclose his interest, and short positions, in the shares of the listed company, within ten business days after first becoming a substantial shareholder, or to disclose his changes in percentage figures of his shareholdings in the listed company or ceasing to be a substantial shareholder within three business days after becoming aware of the relevant events. When there is an increase or decrease in the percentage level of the holding of a substantial shareholder in the listed company that results in his crossing over a whole percentage number which is above 5%. A director or a chief executive of a listed company is required to disclose his interest and short position in any shares in a listed company (or any of its associated companies) and his interest in any debentures of the listed company (or any of its associated companies) within ten business days after becoming a director or chief executives of the listed company or within three business days after becoming aware of the relevant events. If a person, who is both a substantial shareholder and a director of the listed company concerned under the SFO, such person may have separate duties to file notices (one in each capacity) as a result of a single event.	The BTA requires each Director of the trustee-manager to give notice in writing to the trustee-manager of his acquisition of Units or of changes in the number of Units which he holds or in which he has an interest, within two Business Days after the date on which he became a director of the trustee-manager or the date of such acquisition or the occurrence of the event giving rise to changes in the number of Units which he holds or in which he has an interest. Upon the coming into force of the Securities and Futures (Amendment) Act 2009, Section 137N of the SFA will require each Director and the Chief Executive Officer of the trustee-manager to give notice in writing to the trustee-manager of, among other things, particulars of his interest in Units or of changes in the number of Units which he has an interest, within two Business Days after the date on which he became a director or chief executive officer of the trustee-manager or the date on which he acquires an interest in the Units or he becomes aware of the occurrence of the event giving rise to changes in the number of Units in which he has an interest. Section 137R of the SFA will require the trustee-manager to announce to the SGX-ST the particulars of its holdings in the Units and any changes thereto as soon as practicable and in any case no later than the end of the Business Day following the day on which it acquires or, as the case may be, disposes of any Units. A substantial unitholder (i.e. unitholders interested in 5% or more of the total voting rights of all the unitholders of the business trust) is required to notify the trustee-manager of his "interests" in the voting units in the business trust within two business days after becoming a substantial unitholder. A substantial unitholder is required to notify the trustee-manager of changes in the percentage level of his unitholding or his ceasing to be a substantial unitholder within two business days after he is aware of such changes.

		Hong Kong Listed Companies	Singapore Listed Business Trusts
		Hong Kong Listing Rules/Companies Ordinance/SFO Provisions	**Singapore Listing Manual/BTA/SFA Provisions**
(B)	Market misconduct and insider dealing/ trading	Under the SFO, the following are offences: (i) insider dealing; (ii) price rigging; (iii) disclosure of information about prohibited transactions; (iv) disclosure of false or misleading information inducing transactions; (v) stock market manipulation; (vi) employment of fraudulent or deceptive devices etc. in transactions in securities, futures contracts or leveraged foreign exchange trading; and (vii) disclosure of false or misleading information others to enter into leveraged foreign exchange contracts.	The SFA prohibits insider trading as well as the following conduct in relations to securities: (i) false trading and market rigging transactions; (ii) securities market manipulation; (iii) dissemination of false or misleading information inducing transaction or to affect the price of securities; (iv) fraudulently inducing persons to deal in securities; (v) employment of manipulative and deceptive devices; and (vi) dissemination of information about illegal transactions. The SFA prohibits the following conducts in relation to futures contracts and leveraged foreign exchange trading: (i) false trading; (ii) bucketing; (iii) manipulation of price of futures contract and cornering; (iv) fraudulently inducing persons to trade in futures contracts; (vi) employment of fraudulent or deceptive devices etc.; (vii) dissemination of information about illegal transactions.
		A person who commits any of the above offences is liable to a fine of up to HK$10 million or imprisonment up to ten years or both. Such person may also incur civil liability.	A person who commits any of the above offences is liable to a fine of up to S$250,000 or imprisonment of up to seven years or both. Such person may also incur civil liability.
		There is no equivalent provision in the SFO.	Section 339 of the SFA provides that the SFA shall have extra-territorial jurisdiction over certain foreign acts committed outside Singapore which would affect the integrity of Singapore's market.

		Hong Kong Listed Companies	Singapore Listed Business Trusts
		Hong Kong Listing Rules/Companies Ordinance/SFO Provisions	**Singapore Listing Manual/BTA/SFA Provisions**

III. RIGHTS OF AND PROTECTION AFFORDED TO AND OTHER MATTERS RELEVANT TO SHAREHOLDERS OF A HONG KONG-INCORPORATED AND LISTED COMPANY AND TO UNITHOLDERS OF A SINGAPORE-REGISTERED AND LISTED BUSINESS TRUST

1. Structure for protection of principal shareholder/unitholder rights

		Hong Kong Listed Companies	Singapore Listed Business Trusts
(A)	Changes to constitutional document	A company may only alter its memorandum if it is expressly permitted in the Companies Ordinance and even if permitted, a special resolution is required. (s7 Companies Ordinance) Notice must be duly given to all members (including members not entitled to such notice under the articles). (s8 Companies Ordinance) A Hong Kong incorporated public company may change its articles by special resolution. (s13 Companies Ordinance)	A business trust may alter the provisions of its trust deed by special resolution of which 21 days' written notice has been given to all members. (s31 BTA)
(B)	Variation of rights attached to any class of shares/units	If special rights are attached to a class of shares other than by the memorandum and the articles do not provide for the variation of such rights, such rights may not be varied unless with the written consent of the holders of three-fourths in nominal value of the issued shares in the class in question or by special resolution passed by the holders of that class. (s63A(1) Companies Ordinance) If special rights are attached to shares by the memorandum and both the articles and memorandum of a company do not provide for the variation of such rights, such rights may be varied if all the members of the company agree. (s63A(3) Companies Ordinance) If special rights are attached to shares by the articles of a company, the rights cannot be varied unless than in accordance with such provision. (s63A(4)) Companies Ordinance)	Rights attaching to any class of units of a business trust would be set out in the provisions of its trust deed, and amendments to the provisions of its trust deed would require a special resolution to be passed in general meeting. (s31 BTA)
(C)	Alteration in the constitutional document to increase an existing member's liability to the company is not binding	Notwithstanding anything in the constitutional document of a company, any alteration to increase an existing member's liability to the company is not binding unless agreed to in writing by such member. (s25 Companies Ordinance)	Unitholders holding fully paid units cannot be called upon to contribute more to the business trust (s32 BTA), hence unitholder's liability cannot be increased.

		Hong Kong Listed Companies Hong Kong Listing Rules/Companies Ordinance/SFO Provisions	Singapore Listed Business Trusts Singapore Listing Manual/BTA/SFA Provisions
(D)	Approval for voluntary winding up	Generally, a company requires a special resolution in order to wind up voluntarily or it may resolve by special resolution that it cannot by reason of its liabilities continue its business and that it is advisable to wind up.	Generally, a business trust may resolve by special resolution that it be wound up voluntarily. (s45(1) BTA)
		However, only an ordinary resolution at a general meeting is required if a company winds up voluntarily when any period fixed for the duration of the company expires, or if any event providing for the dissolution of a company in its memorandum or the articles occurs. (s228 Companies Ordinance)	A business trust may also be wound up voluntarily when any period fixed for the duration of the company expires, or if any event providing for the dissolution of a business trust in its trust deed occurs, by the business trust passing a resolution in general meeting requiring the business trust to be wound up voluntarily. (s44 BTA)
(E)	Appointment/ removal of directors of a Hong Kong-listed company	**Paragraph 4(2) of Appendix 3 of the Hong Kong Listing Rules** Any person appointed by the directors to fill a casual vacancy on or as an addition to the board shall hold office only until the next following annual general meeting of the issuer, and then be eligible for re-election.	Not applicable to a business trust which does not have directors. The directors of a trustee-manager are not appointed by the unitholders of the business trust.
		The issuer in general meeting shall have power by ordinary resolution to remove any director before the expiration of his period of office. (s157B Companies Ordinance)	Not applicable to a business trust which does not have directors. The directors of a trustee-manager are not appointed by the unitholders of the business trust.
(F)	Appointment/ removal of a trustee-manager of a Singapore-listed business trust	Not applicable to a company which does not have a trustee-manager.	A replacement trustee-manager shall not be appointed without the approval of unitholders holding in the aggregate not less than a majority of the voting rights of all unitholders who, being entitled to do so, vote in person, or where proxies are allowed, by proxy present at the meeting. (Reg 14(4) Business Trust Regulations 2005)
		Not applicable to a company which does not have a trustee-manager.	A trustee-manager may be removed as the trustee-manager of a registered business trust by the unitholders only: (i) if a resolution to remove the trustee-manager is approved by unitholders holding in the aggregate not less than three-fourths of the voting rights of all the unitholders who, being entitled to do so, vote in person or where proxies are allowed, by proxy present at a meeting of the unitholders; and (ii) in accordance with such procedures as the MAS may prescribe. (s20 BTA)

		Hong Kong Listed Companies	Singapore Listed Business Trusts
		Hong Kong Listing Rules/Companies Ordinance/SFO Provisions	**Singapore Listing Manual/BTA/SFA Provisions**
			On an application by the MAS, the trustee-manager or a unitholder, the court may, by order, appoint a company that has consented in writing to serve as a temporary trustee-manager to be the temporary trustee-manager for a period of three months if the court is satisfied that the appointment is in the interest of the unitholders. Such temporary trustee-manager must comply with the duties, obligations and other requirements imposed by the BTA and prescribed by the MAS with respect to the trustee-manager. (s21(2) BTA)
(G)	Main responsibilities of the board of directors of a Hong Kong-listed company/the trustee-manager and the directors of the trustee-manager of a Singapore-listed business trust	**Rule 3.08 of the Hong Kong Listing Rules** The board of directors of a listed issuer is collectively responsible for the management and operations of the listed issuer. The Hong Kong Stock Exchange expects the directors, both collectively and individually, to fulfil fiduciary duties and duties of skill, care and diligence to a standard at least commensurate with the standard established by Hong Kong law. This means that every director must, in the performance of his duties as a director: (a) act honestly and in good faith in the interests of the company as a whole; (b) act for proper purpose; (c) be answerable to the listed issuer for the application or misapplication of its assets; (d) avoid actual and potential conflicts of interest and duty; (e) disclose fully and fairly his interests in contracts with the listed issuer; and (f) apply such degree of skill, care and diligence as may reasonably be expected of a person of his knowledge and experience and holding his office within the listed issuer.	**Section 10 of the BTA** (a) The trustee-manager shall at all times act honestly and exercise reasonable diligence in the discharge of its duties as a trustee-manager in accordance with the BTA and the trust deed of the registered business trust (the "**Trust Deed**"). (b) The trustee-manager shall: (i) act in the best interests of all the unitholders of the registered business trust as a whole; and (ii) give priority to the interests of all the unitholders as a whole over its own interests in the event of a conflict between the interests of all the unitholders as a whole and its own interests. (c) The trustee-manager shall not make improper use of any information acquired by virtue of its position as trustee-manager to gain, directly or indirectly, an advantage for itself or for any other person to the detriment of the unitholders. (d) The trustee-manager shall hold the trust property of the registered business trust on trust for all the unitholders as a whole in accordance with the terms of the Trust Deed.

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	Rule 3.16 of the Hong Kong Listing Rules A listed issuer must ensure that its directors accept full responsibility, collectively and individually, for the listed issuer's compliance with the Hong Kong Listing Rules. **Paragraph A.1 of Appendix 14 of the Hong Kong Listing Rules** An issuer should be headed by an effective board which should assume responsibility for leadership and control of the issuer and be collectively responsible for promoting the success of the issuer by directing and supervising the issuer's affairs. Directors should take decisions objectively in the interests of the issuer.	**Section 11 of the BTA** A director of the trustee-manager must: (i) act honestly and exercise reasonable diligence in the discharge of the duties of his office and, in particular, take all reasonable steps to ensure that the trustee-manager discharges its duties described in paragraphs (a) and (b) above; and (ii) give priority to the interests of all the unitholders as a whole over the interests of the trustee-manager in the event of a conflict between the interests of all the unitholders as a whole and the interests of the trustee-manager. An officer or agent of the trustee-manager shall not make improper use of any information acquired by virtue of his position as an officer or agent of the trustee-manager to gain, directly or indirectly, an advantage for himself or any other person to the detriment of the unitholders.
(H) Appointment, removal and remuneration of auditors	If the directors fail to appoint first auditors before the first annual general meeting, the company may exercise those powers in a general meeting. (s131(4) Companies Ordinance) The company may fill any casual vacancy in the office of an auditor in a general meeting. (s131(5) Companies Ordinance) A company may remove an auditor before the expiration of his term of office by ordinary resolution. (s131(6) Companies Ordinance) The remuneration of an auditor (unless appointed by the directors or the court) shall be fixed by the company in general meeting. (s131(8)(b) Companies Ordinance)	A business trust shall at each annual general meeting appoint a person(s) to be the auditor(s) of the business trust, and any auditor(s) so appointed shall hold office until conclusion of the next annual general meeting of the business trust. (s82(2) BTA) In the interim period between annual general meetings, the trustee-manager of a business trust may appoint a public accountant to fill in any casual vacancy in the office of an auditor of the company. (s82(3) BTA) An auditor of a business trust may be removed from office by resolution of the business trust at a general meeting of which special notice has been given. (s82(4) BTA) Unitholder(s) proposing to remove the auditors shall give special notice to the trustee-manager at least 28 days before the meeting at which the resolution to remove the auditors is moved. The trustee-manager is then required to give notice of the resolution to the unitholders at the same time and in the same manner as it gives notice of the general meeting or, if this is not possible, in a separate notice at least 14 days before the general meeting. (s64 BTA)

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			The fees and expenses of an auditor of a business trust, in the case of an auditor appointed by the unitholders of the business trust at a general meeting, shall be fixed by the unitholders in general meeting or, if so authorised by the unitholders at the last preceding annual general meeting, by the trustee-manager of the business trust. (s82(14)(a) BTA)
(I)	Availability of register of members/ unitholders for inspection	The register and index of names of the members of a company shall be open for inspection for a period of not less than two hours during business hours except when the register and index are closed in accordance with s99 Companies Ordinance. (s98 Companies Ordinance)	The register of unitholders shall be open to the inspection, without charge, of any person during the business hours of the trustee-manager. (s69(1)(b) BTA)
(J)	Circumstances under which the minority shareholders/ unitholders may be bought out or may require an offeror to buyout their interests after a successful takeover or share repurchase	If the offer does not relate to shares of different classes, the transferee company has, during the period of 4 months beginning on the date of the offer, acquired not less than nine-tenths in value of the shares for which the offer is made, the transferee company may give notice to the holder of any shares to which the offer relates which the transferee company has not acquired that it desires to acquire those shares; and If the offer relates to shares of different classes, the transferee company has, during the period of four months beginning on the date of the offer, acquired not less than nine-tenths in value of the shares of any class for which the offer is made, the transferee company may give notice to the holder of any shares of that class which the transferee company has not acquired that it desires to acquire those shares. (s168 and Ninth Schedule of the Companies Ordinance)	If an arrangement or contract involving the transfer of all of the units, or all of the units in any particular class in a business trust (the "**subject trust**") has been approved by the holders of not less than 90% of the total number of disinterested units or of the units of that class (other than units already held at the date of the offer by the transferee), the transferee may at any time within two months, after the offer has been so approved, give notice to any dissenting unitholder that it desires to acquire his units. The dissenting unitholder may make an application to the Court for an order to the contrary. (s40A(1) BTA)

		Hong Kong Listed Companies	Singapore Listed Business Trusts
		Hong Kong Listing Rules/Companies Ordinance/SFO Provisions	**Singapore Listing Manual/BTA/SFA Provisions**
		Section 168B and Thirteenth Schedule of the Companies Ordinance If a shareholder, or a number of shareholders gives notice to all other shareholders in the repurchasing company not later than the date that notice of the meeting called for the purpose of authorizing the proposed offer is given, the relevant shareholder(s) shall not tender any of the shares held by it for purchase by the repurchasing company, if, during the period of four months beginning on the date of the offer, the repurchasing company buys nine-tenths of the shares (other than the shares held by the relevant shareholder) for which the repurchasing company has made the offer. The repurchasing company may give notice to the holder of any shares to which the offer relates, and which the repurchasing company has not acquired, that it desires to purchase those shares.	
2.	**Proceedings at General Meetings**		
(A)	Requirement to hold an annual general meeting	Not more than 15 months shall elapse between the date of one annual general meeting of the company ("**AGM**") and the next. (s111(1) Companies Ordinance)	A general meeting of every business trust ("**AGM**") shall be held once in every calendar year and not more than 15 months after the holding of the last preceding AGM. (s53(1) BTA)
		The first AGM need not be held within the company's year of incorporation nor the following calendar year but must be held within the first 18 months of its incorporation. (s111(1) Companies Ordinance)	The first AGM need not be held within the business trust's year of incorporation nor the following calendar year but must be held within the first 18 months of its incorporation. (s53(1) BTA)
(B)	Requirement to convene an extraordinary general meeting	An extraordinary general meeting must be convened by the directors on requisition of members holding not less than 5% of the paid up capital of the company and who have the right to vote on the date of the deposit of the requisition. (s113(1) Companies Ordinance)	An extraordinary general meeting must be convened by the directors of the trustee-manager of a business trust on requisition of unitholders holding not less than 10% of the total voting rights of all the unitholders of the business trust having at that date a right to vote at general meetings. (s54(1) BTA)
		If the directors fail to duly convene a meeting within 21 days from the date of deposit of the requisition for a day not more than 28 days after the date on which the notice convening the meeting is given, the requisitionists, or any of them representing half the voting rights of all of them, may themselves convene a meeting and the expense incurred is to be deducted from the directors' fees or remuneration. (s113(3) and (5) Companies Ordinance)	If the directors of the trustee-manager of the business trust fail to duly convene a meeting 21 days after the date of the deposit of the requisition proceed to convene a meeting, the requisitionists, or any of them representing more than 50% of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from that date. (s54(3) BTA)

		Hong Kong Listed Companies	**Singapore Listed Business Trusts**
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		On requisition in writing by members representing not less than 2.5% of the total voting rights of all members who at the date of the requisition have a right to vote at the meeting to which the requisition relates or not less than 50 members holding shares in the company on which there has been paid up an average sum, per member, of not less than HK$2,000, the company shall, at the expense of the requisitionists: (i) give to members entitled to receive notice of the next annual general meeting notice of any resolution which may be properly moved and is intended to be moved at that meeting; (ii) circulate to members entitled to have notice of any general meeting sent to them a statement of not more than 1,000 words with respect to the matter referred to in the proposed resolution or the business to be dealt with in the meeting. (s115A(1) and (2) Companies Ordinance)	On requisition by unitholders representing not less than 5% of the total voting rights of all unitholders who at the date of requisition have a right to vote at the meeting to which the requisition relates or not less than 100 unitholders holding units in the business trust on which there has been paid up an average sum, per unitholder, of not less than $500, the trustee-manager of the business trust shall, at the expense of the requisitionists: (i) give to unitholders entitled to receive notice of the next annual general meeting notice of any resolution which may be properly moved and is intended to be moved at that meeting or for which agreement is sought; and (ii) circulate to unitholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in the proposed resolution or the business to be dealt with in the meeting. (s62(1) and s62(2) BTA)
(C)	Notice period for annual general meeting and extraordinary general meeting	Notwithstanding any provisions of a company's articles providing for shorter notice, any AGM or extraordinary general meeting for the passing of a special resolution shall be convened on at least 21 days written notice. Any other general meeting shall be convened on at least 14 days' notice. (s114(1) Companies Ordinance)	A meeting of the unitholders of the business trust or of a class of unitholders, other than a meeting for the passing of a special resolution, shall be called by notice in writing of not less than 14 days or such longer period as is provided in the trust deed of the business trust. (s55(2) BTA) Any extraordinary meeting for the passing of a special resolution shall be convened on at least 21 days written notice.
(D)	General provisions as to meetings and votes	An AGM and meeting calling for the passing of a special resolution shall be called by at least 21 days notice in writing. Any other general meeting shall be called by at least 14 days notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given. The notice shall specify the place, day and hour of the meeting and for special business the general nature of that business and shall be given to those persons entitled to receive such notices under the regulations of the company.	A meeting of unitholders of the business trust or of a class of unitholders, other than a meeting for the passing of a special resolution, shall be called by notice in writing of not less than 14 days or such longer period as is provided in the trust deed of the business trust. (s55(2) BTA) Any general meeting for the passing of a special resolution shall be convened on at least 21 days written notice. There is no equivalent BTA provision with regards to the contents of notices. However, under common law, sufficient information about the meeting must be contained in the notice.

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	Shorter notice is effective if: (i) in the case of an AGM, all of the members who are entitled to attend and vote at the meeting; or (ii) in the case of any other meeting, if a majority of member holding not less than 95% in nominal value of the shares giving a right to attend and vote at the meeting consent. Two or more members holding not less than one-tenth in nominal value of the issued share capital may call a meeting.	A meeting shall, notwithstanding that it is called by notice shorter than is required by s55(2) BTA, be deemed to be duly called if it so agreed: (i) in the case of an AGM, by all the unitholders entitled to attend and vote thereat; or (ii) in the case of any other meeting, if a majority of unitholders holding not less than 95% of the total voting rights of all the unitholders having a right to attend and vote at that meeting. (s55(3) BTA) Two or more unitholders holding not less than 10% of the total voting rights of all the unitholders may call a meeting of the unitholders of the business trust. (s55(1) BTA)
	Two members personally present shall be a quorum.	Two unitholders personally present shall be a quorum. (s57(1)(a) BTA)
	Every member shall have one vote in respect of each share or each HK$100 of stock held by him.	
	Rule 13.39 of the Hong Kong Listing Rules Any vote of shareholders at a general meeting must be taken by poll.	On a show of hands, each unitholder who is personally present and entitled to vote shall have one vote. (s57(1)(c) BTA) On a poll, each unitholder shall have one vote in respect of each unit held by him. (s57(1)(d) BTA) There is no requirement for votes to be taken by poll at a general meeting save for certain matters such as a whitewash resolution pursuant to the Singapore Code on Take-overs and Mergers.
(E) Appointment of proxies/corporate representatives	Any member of a company entitled to attend and vote at a meeting of the company may appoint another person (whether a member or not) as his proxy to attend and vote instead of him. The proxy shall have the same right as the member to speak at the meeting. (s114C(1) Companies Ordinance) The Companies Ordinance provides that a recognised clearing house may also send a proxy or corporate representative to a shareholders' or creditors' meeting of a company of which it or its nominee is a shareholder.	A unitholder of a business trust entitled to attend and vote at a meeting of the unitholders of the business trust may appoint another person, whether a unitholder or not, as his proxy to attend and vote instead of the member at the meeting. The proxy shall have the same right as the member to speak at the meeting. (s60 BTA) Unless the stock exchange/clearing house is listed as a unitholder of the business trust, then under s60 BTA, it is entitled to appoint a proxy.

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	Unless otherwise provided by the articles, a proxy shall not be entitled to vote except on a poll. (s114C(1A) Companies Ordinance) The right of a member to appoint a proxy shall include the right to appoint separate proxies to represent respectively such number of shares held by him as may be specified in their instruments of appointment. However, unless the articles provide otherwise, no more than two proxies appointed by any person shall attend on the same occasion. (s114C(2) Companies Ordinance)	Unless otherwise provided by the trust deed: (i) a proxy shall not be entitled to vote except on a poll; (ii) a unitholder shall not be entitled to appoint more than two proxies to attend and vote at the same meeting; and (iii) where a unitholder appoints two proxies the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. (s60(2) BTA)
	Provisions in a company's articles requiring the instrument appointing a proxy or any other document necessary to show the validity or otherwise relating to a proxy to be received by the company or any other person more than 48 hours before a meeting or adjourned meeting shall be void. (s114C(4) Companies Ordinance)	Provisions in a business trust's trust deed requiring the instrument appointing a proxy or any other document necessary to show the validity or otherwise relating to a proxy to be received by the company or any other person more than 48 hours before a meeting or adjourned meeting shall be void. (s56(1)(c) BTA)
(F) Right to demand a poll	The effect of s114D of the Companies Ordinance is that members have the right to demand a poll and this cannot be excluded by the articles. It may be exercised on any question except the election of the chairman or adjournment of the meeting and is effectively demanded if made by: (i) not less than five members who have the right to vote at the meeting; (ii) a member or members representing no less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or (iii) a member or members holding no less than one-tenth of the paid up share capital of the company who have the right to vote at the meeting. A proxy has the same right as the members for who he is proxy to join in demanding a poll.	Any provision in a business trust's trust deed shall be void in so far as it would have the effect: (i) of excluding the right to demand a poll at a general meeting on any question or matter other than the election of the chairman of the meeting or the adjournment of the meeting; (ii) of making ineffective a demand for a poll on any question or matter other than the election of the chairman of the meeting or the adjournment of the meeting that is made: (a) by not less than five unitholders having the right to vote at the meeting; or (b) by a unitholder or unitholders representing not less than 10% of the total voting rights of all the unitholders having the right to vote at the meeting; or

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			(iii) of requiring the instrument appointing a proxy or any other document necessary to show the validity of or otherwise relating to the appointment of a proxy to be received by the company or any other person more than 48 hours before a meeting or adjourned meeting in order that the appointment may be effective thereat. (s56(1) BTA) The instrument appointing a proxy to vote at a meeting of the unitholders of a business trust shall be deemed to confer authority to demand or join in demanding a poll, and a demand by a person as proxy for a unitholder of the business trust shall be deemed to be the same as a demand by the unitholder. (s56(2) BTA)
3.	**Capital Maintenance**		
(A)	Alteration of share capital/ issue of new units	If authorised by its articles, a company may alter the conditions of its memorandum to: (i) increase its share capital by new shares of such amount as it thinks expedient; (ii) consolidate and divide all of any of its share capital into shares of larger amount than its existing shares; (iii) convert all or any of its paid-up shares into stock and re-convert that stock into paid-up shares of any denomination; (iv) subdivide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; (v) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of shares so cancelled. (s53(1) Companies Ordinance) The powers conferred by this section must be exercised by the company in general meeting. (s53(2) Companies Ordinance)	Notwithstanding anything in the trust deed of a business trust, the trustee-manager of the business trust shall not, without the prior approval of a majority of the number of votes of the unitholders of the business trust who, being entitled to do so, vote in person or, where proxies are allowed, by proxy present at a general meeting, exercise any power to issue units in the business trust or to make or grant an offer, agreement or option which would or might require units in the business trust to be issued. (S36(1) BTA)
(B)	Reduction of share/unit capital	Subject to confirmation by the court, a company may reduce its share capital, by special resolution if so authorised by its articles. (s58(1) Companies Ordinance)	No equivalent provision in the BTA regarding the reduction of capital. The BTA does not contain any specific provisions regarding the repurchase of Units.

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(C)	Redemption of shares/units	As a general rule, redeemable shares may only be redeemed out of distributable profits of the company or out of the proceeds of a fresh issue of shares made for the purposes of the redemption; and any premium payable on the redemption shall be paid out of the distributable profits of the company. (s49A Companies Ordinance) However, according under s49A(2) of the Companies Ordinance, if the redeemable shares were issued at a premium, any premium payable on their redemption may be paid out of the proceeds of a new issue of shares made for the purpose of the redemption, up to an amount equal to: the aggregate of the premiums received by the company on the issue of shares redeemed; or the current amount of the company's share premium account (including any sum transferred to that account in respect of premiums on the new shares), whichever is the less and in that case the amount of the company's share premium account shall be reduced by a sum corresponding (or by sums in the aggregate corresponding) to the amount of any payment made under s49A(2) out of the proceeds of the issue of new shares.	The unitholders of a business trust shall not have a right to redeem their units in return for distributions of profits, income or other payments or returns from the trust property of the business trust, unless the trust deed of the business trust: (i) confers such right; and (ii) sets out procedures relating to the making and handling of redemption orders which are fair to all the unitholders of the business trust. (s28(5) BTA)
(D)	Distribution of assets to members/ unitholders	A company shall not make a distribution except out of profits available for the purpose. (s79B(1) Companies Ordinance) A company's profits available for distribution are its accumulated, realised profits, so far as not previously utilised by distribution or capitalisation, less its accumulated, realised losses, so far as not previously written off in a reduction or reorganisation of capital duly made. (s79B(2) Companies Ordinance) A company shall not apply an unrealised profit in paying up debentures, or any amounts unpaid on its issued shares. (s79B(3) Companies Ordinance) A listed company may only make a distribution at any time: (i) if, at that time the amount of its net assets is not less than the aggregate of its called up share capital and distributable reserves; and (ii) if, to the extent that, the distribution does not reduce the amount of those assets to less than that aggregate. (s79C(1) Companies Ordinance)	The trustee-manager of a business trust shall have the right to declare a distribution of profits, income or other payments or returns to the unitholders of the business trust out of the trust property of the business trust; but such distribution shall only be made if the board of directors of the trustee-manager makes a written statement, in accordance with a resolution of the board of directors of the trustee-manager and signed by not less than two of the directors, that the board of directors is satisfied on reasonable grounds that, immediately after making the distribution, the trustee-manager will be able to fulfil, from the trust property of the business trust, the liabilities of the business trust as these liabilities fall due. (s33(1) BTA) Upon the declaration by the trustee-manager of a business trust of a distribution of profits, income or other payments or returns out of the trust property of the business trust to the unitholders of the business trust, each unitholder shall, after the date on which the distribution is payable, become entitled to receive the distribution, and upon such declaration, the unitholder shall be deemed to be, and is entitled to all legal and equitable remedies available to, a creditor of the business trust, with recourse to the trust property out of which the distribution is to be made. (s35(1) BTA)

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4.	**Investor compensation rights**		
		The Investor Compensation Fund covers defaults of exchange participants and non-exchange participants including licensed intermediaries and authorised financial institutions. The compensation is applied on a per-investor basis with a compensation limit of HK$150,000 for trading securities and futures contracts respectively.	Investors (other than an accredited investor) who suffer monetary loss arising from broker's defalcation or broker's insolvency may claim compensation from the SGX-ST. The SGX-ST maintains a fund called the Fidelity Fund to meet such claims for compensation. Each claim by an aggrieved person against the Fidelity Fund is limited to S$50,000 in relation to each member of the SGX-ST. Any person (other than an accredited investor) who has suffered a monetary loss under the conditions set out in paragraph 3 below may make a claim. Claims against the Fidelity Fund may only be made if the monetary loss was: (a) in connection with a dealing or trading in the SGX-ST; (b) by a securities member of the SGX-ST; and (c) in relation to any money received by that member, its agent or as a trustee.
4.	**Taxation**		
(A)	Dividends	Hong Kong does not impose withholding tax on dividends. Dividend payments made by Hong Kong companies to non-Hong Kong holding companies are not subject to withholding tax in Hong Kong. Dividend income should not be taxable for Hong Kong profits tax purposes.	Distributions by a business trust will not be subject to tax in Singapore and are also not subject to Singapore withholding tax. This tax exemption is given to all unitholders regardless of their nationality, identity (whether corporate or individual) or tax residence status. unitholders are not entitled to tax credits for any taxes paid by the trustee-manager on any taxable income of a business trust against their Singapore tax liability.
(B)	Capital gains tax	Gains from the sale of capital assets are not subject to Hong Kong profits tax.	Singapore does not impose tax on capital gains.

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(C)	Value-added tax/Goods and services tax ("**GST**")	There is no value-added tax or goods and services tax in Hong Kong.	The sale of the units by a GST-registered investor who belongs in Singapore through the SGX-ST or to another person belonging in Singapore is an exempt supply that is not subject to GST. Any GST directly or indirectly incurred by the investor in respect of this exempt supply is not recoverable and will become an additional cost to the investor. Where the Units are sold by a GST-registered investor to a person belonging outside Singapore, the sale is a taxable supply subject to GST at a zero rate. Any GST incurred by a GST-registered investor in the making of this supply in the course or furtherance of a business is claimable as an input tax credit from the Comptroller of GST. Services such as brokerage, handling and clearing services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase, sale or holding of the Units will be subject to GST, currently at the rate of 7%. Similar services rendered to an investor belonging outside Singapore are generally subject to GST at the zero rate.
(D)	Stamp duty	Both the purchase and sale of shares in Hong Kong listed companies will be subject to Hong Kong stamp duty at 0.1% on the higher of the consideration paid and the fair market value.	There should not be any stamp duty payable in relation to the transfer of units. In the event of a change of trustee-manager of the business trust, stamp duty on any document effecting the appointment of a new trustee-manager will be charged at a nominal rate of S$10.00 as specified under Article 3(g)(ii) of the First Schedule to the Stamp Duties Act, Chapter 312 of Singapore.
5.	**Trading and Settlement**		
(A)	Clearance and settlement process	Securities are traded under the computerised electronic book-entry and settlement system, CCASS, where physical securities are deposited.	Securities are traded under the electronic book-entry clearance and settlement system of The Central Depository (Pte) Limited, where physical securities are deposited.
(B)	Settlement cycle	T + two business days	T + three business days
(C)	Clearing/trading fees	Transaction levy to the SFC is payable of 0.003% and trading fee to the Hong Kong Stock Exchange is payable at 0.005% by each of the vendor and purchaser. A trading tariff of HK$0.50 is also payable to the Hong Kong Stock Exchange but whether or not to pass the trading tariff to investors is at the discretion of brokers.	A clearing fee for the trading of Units on the SGX-ST is payable at the rate of 0.04% of the transaction value, subject to a maximum of S$600.00 per transaction. The clearing fee, deposit fee and unit withdrawal fee may be subject to the prevailing GST.

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6.	**Other matters**		
(A)	Claims against a company/ business trust	Claims against a listed company are made direct against the listed company which has separate legal personality.	As a business trust is not a separate legal entity, claims against the business trust will have to be made against the trustee-manager. For the claimant to have recourse over the assets of the business trust, (unless the claimant is a secured creditor), this is achieved indirectly via a derivative claim through the trustee-manager's own right of indemnity.
(B)	Enforcement of Hong Kong judgments	Not applicable	In Singapore, foreign judgments from superior courts of law of certain gazetted countries may be registered in Singapore to be enforced. Hong Kong has specifically been gazetted under the Reciprocal Enforcement of Foreign Judgments Act, Chapter 265 of Singapore.
IV.	**REGULATORY REGIME GOVERNING TAKEOVERS, MERGERS AND ACQUISITIONS IN HONG KONG AND SINGAPORE**		
Mandatory general offer requirements		Under the Hong Kong Takeovers Code, unless a waiver is granted by the Executive of the SFC, any person (together with persons acting in concert with him/her/it) acquiring 30% or more of the voting rights of a listed company shall make a general offer for the remaining shares in such listed company. A takeover offer is also required where a person (together with persons acting in concert with him/her/it holds between 30% and 50% of the voting rights of a listed company and acquires additional voting rights of more than 2% in a 12-month period. The board of directors of an offeree must make an announcement if it is approached with an offer for the listed company. A mandatory offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or any person acting in concert with it for shares of that class of the offeree company during the offer period and within six months prior to its commencement. An offeror must treat all shareholders even-handedly and all shareholders of the same class similarly. Shareholders must be given sufficient information, advice and time to reach an informed decision on an offer.	Under the Singapore Code on Take-overs and Mergers, any person acquiring an interest, either individually or with parties acting in concert, in 30% or more of the Units may be required to extend a take-over offer for the remaining Units in accordance with the Singapore Code on Take-overs and Mergers. A take-over offer is also required to be made, except with the consent of the Securities Industry Council, if a person holding between 30% and 50% inclusive of the Units, either individually or in concert, acquires an additional 1% of the Units in any six-month period under the Singapore Code on Take-overs and Mergers. The trustee-manager is required to make an announcement to unitholders upon receipt of notice of the mandatory take-over offer from the offeror. A mandatory offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or any person acting in concert with it for voting rights of the offeree company during the offer period and within six months prior to its commencement. An offeror must treat all unitholders equally. A fundamental requirement is that unitholders subject to the takeover offer must be given sufficient information, advice and time to consider and decide on the offer.

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Schemes of arrangement	Under the Companies Ordinance, a merger or privatisation of a company may be effected by way of a scheme of arrangement.	Under the Singapore Code of Take-overs and Mergers, a merger or privatisation of a business trust may be effected via a trust scheme which involves an amendment to the trust deed to include provisions that will allow a specific merger or privatisation to take place.

(1) HSBC Broking Securities (Asia) Limited

Address: 3/F, Hutchison House, 10 Harcourt Road, Hong Kong
Inquiry Hotline: (852) 2867 6120

(2) DBS Vickers (Hong Kong) Limited

Address: 18/F, Man Yee Building, 68 Des Voeux Road Central, Hong Kong
Inquiry Hotline: (852) 2820 4837
Hotline service hours: 9:00 a.m. to 6:00 p.m., Monday to Friday (except public holidays)
Contact person: Mr. Daniel Ngai

(3) Bank of China (Hong Kong) Limited

Address: all branches with securities trading services on Hong Kong Island, Kowloon, New Territories and Outlying Islands (please see www.bochk.com for branch locations)
Inquiry Hotline: (852) 3988 2388

PROSPECTUS DATED 7 MARCH 2011

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.

* HPH TRUST

HUTCHISON PORT HOLDINGS TRUST

(a business trust constituted on 25 February 2011 under the laws of the Republic of Singapore)

managed by

Hutchison Port Holdings Management Pte. Limited

(an indirect wholly-owned subsidiary of Hutchison Whampoa Limited ("**HWL**"))

Hutchison Port Holdings Trust ("HPH Trust") is a business trust (Registration Number: 2011001) registered under the Business Trusts Act, Chapter 31A of Singapore (the "Business Trusts Act" or "BTA").

OFFER FOR SUBSCRIPTION BY
Hutchison Port Holdings Management Pte. Limited
3,619,290,000 Units to 3,899,510,000 Units (subject to the Over-Allotment Option)
Indicative Offering Price Range: US$0.91 to US$1.08 per Unit

Hutchison Port Holdings Management Pte. Limited (Registration Number: 201100749W), as trustee-manager of HPH Trust (the "**Trustee-Manager**"), is making an offering (the "**Offering**") of 3,619,290,000 units to 3,899,510,000 units representing undivided interests in HPH Trust ("**Units**") for subscription at the offering price (the "**Offering Price**") which will be between US$0.91 per Unit (the "**Minimum Offering Price**") and US$1.08 per Unit (the "**Maximum Offering Price**", and the range between the Minimum Offering Price and the Maximum Offering Price, the "**Offering Price Range**"). The Offering consists of (i) an international placement to investors (the "**Placement**"), including institutional and other investors in Singapore, a preferential offer to the qualifying shareholders of HWL (the "**Preferential Offer**") and a public offering without listing in Japan and (ii) an offering to the public in Singapore (the "**Public Offer**"). The minimum size of the Public Offer will be of 185,185,000 Units. Investors subscribing for Units under the Public Offer will pay the Maximum Offering Price (subject to refund) in Singapore dollars (such amount being S$1.383 based on the exchange rate of US$1.00 to S$1.2806, as determined by the Trustee-Manager in consultation with DBS Bank Ltd). There is one Unit in issue as at the date of this Prospectus. The total number of outstanding Units immediately after the completion of the Offering and the issue of the Cornerstone Units and the Consideration Units (each as defined herein) will be 8,708,888,000 Units.

DBS Bank Ltd., Deutsche Bank AG, Singapore Branch, and Goldman Sachs (Singapore) Pte. are the joint bookrunners, lead managers, issue managers and underwriters for the Offering (collectively, the "**Joint Bookrunners, Lead Managers, Issue Managers and Underwriters**" or "**Joint Bookrunners**").

In addition, separate from the Offering, Hutchison Port Holdings Limited (the "**Sponsor**" or "**HPH**") will receive, as part settlement of the consideration for the acquisition of the HPH Trust Business Portfolio (as defined herein) and the assignment of certain related party and shareholders' loans, an aggregate of 3,309,377,999 Units (the "**Consideration Units**"). In addition, conditional upon, but separate from the Offering, each of Ally Holding Limited, Aranda Investments Pte. Ltd., Capital Research and Management Company, Cathay Life Insurance Co., Ltd., Lone Pine Capital LLC (on behalf of investment funds), Metropolitan Financial Services Ltd, Paulson & Co. Inc. and Seacrest FIR Incorporated (the "**Cornerstone Investors**") has entered into a cornerstone subscription agreement with the Trustee-Manager (the "**Cornerstone Subscription Agreement**") to subscribe for such number of Units at the Offering Price for an aggregate subscription amount equal to US$1.62 billion (the "**Cornerstone Units**"), conditional upon the Underwriting Agreements (as defined herein) having been entered into, and not having been terminated, pursuant to their terms on or prior to the Listing Date. Based on the Maximum Offering Price and the Minimum Offering Price, the number of Units subscribed by the Cornerstone Investors will in aggregate represent between approximately 17.2% and 20.4%, respectively, of the total Units outstanding after the completion of the Offering and the issue of the Cornerstone Units and the Consideration Units (as defined herein).

No Units shall be allotted or allocated on the basis of this Prospectus later than six months after the registration of this Prospectus by the Monetary Authority of Singapore (the "**Authority**" or "**MAS**"). Prior to the Offering, there has been no market for the Units. The offer of Units under this Prospectus will be by way of an initial public offering in Singapore. Application has been made to Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to list on the Main Board of the SGX-ST (i) all the Units in issue, (ii) all the Units comprised in the Offering, (iii) the Consideration Units, (iv) the Cornerstone Units and (v) all the Units which will be issued to the Trustee-Manager from time to time in full or part payment of the Trustee-Manager's fees. Such permission will be granted when HPH Trust has been admitted to the Official List of the SGX-ST on the Listing Date. Acceptance of applications for Units will be conditional upon issue of the Units and upon permission being granted by the SGX-ST to list and deal in and for quotation of the Units. In the event that such permission is not granted or if the Offering is not completed for any other reason, application monies will be returned in full, at each investor's own risk, without interest or any share of revenue or other benefit arising therefrom, and without any right or claim against any of HPH Trust, the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners or the Underwriters.

HPH Trust has received a letter of eligibility from the SGX-ST for the listing and quotation of the Units on the Main Board of the SGX-ST. HPH Trust's eligibility to list on the Main Board of the SGX-ST does not indicate the merits of the Offering, HPH Trust, the Trustee-Manager, the Sponsor, the Joint Bookrunners, the Underwriters or the Units. The SGX-ST assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Offering, HPH Trust, the Trustee-Manager, the Sponsor, the Joint Bookrunners, the Underwriters or the Units.

A copy of this Prospectus has been lodged on 28 February 2011 with and registered on 7 March 2011 by the MAS. The MAS assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the MAS does not imply that the Securities and Futures Act, Chapter 289 of Singapore (the "Securities and Futures Act" or "SFA"), or any other legal or regulatory requirements, have been complied with. The MAS has not, in any way, considered the merits of the units in HPH Trust being offered for investment.

See "Risk Factors" for a discussion of certain factors to be considered in connection with an investment in the Units. None of HPH Trust, the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners or the Underwriters guarantees the performance of HPH Trust, the repayment of capital or the payment of a particular return on the Units.

In connection with the Offering, it is expected that Deutsche Bank AG, Singapore Branch (the "**Stabilising Manager**") will be granted an over-allotment option (the "**Over-Allotment Option**") by the Sponsor, exercisable by the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in consultation with the Joint Bookrunners, in full or in part, on one or more occasions, to acquire from the Sponsor up to an aggregate of 539,951,000 Units at the Offering Price, representing not more than approximately 15.0% of the total number of Units in the Offering solely to cover the over-allotment of Units (if any), subject to any applicable laws and regulations, including the SFA and any regulations thereunder, from the date of commencement of trading in the Units on the SGX-ST until the earliest of (i) the date falling 30 days thereafter, or (ii) the date when the Stabilising Manager has bought on the SGX-ST, an aggregate of 539,951,000 Units, representing not more than approximately 15.0% of the total number of Units in the Offering, to undertake stabilising actions or (iii) the date falling 30 days after the date of adequate public disclosure of the Offering Price. The exercise of the Over-Allotment Option will not increase the total number of Units in issue.

Prospective investors applying for Units under the Public Offer by way of Application Forms or Electronic Applications (both as referred to in the instructions booklet entitled "**Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore**"), will be required to pay the Maximum Offering Price on application, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case without interest or any share of revenue or other benefit arising therefrom, and without any right or claim against HPH Trust, the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners or the Underwriters), (i) where an application is rejected or accepted in part only, or (ii) if the Offering does not proceed for any reason, or (iii) if the Offering Price is less than the Maximum Offering Price. The Offering Price will be determined following a book-building process by agreement between the Trustee-Manager and the Underwriters on a date currently expected to be 14 March 2011 (the "**Price Determination Date**"), which date is subject to change. Notice of the Offering Price will be published in one or more major Singapore newspapers such as The Straits Times, The Business Times and Lianhe Zaobao not later than two calendar days after the Price Determination Date.

The Units have not been and will not be registered under the US Securities Act of 1933, as amended (the "**US Securities Act**"), and may not be offered or sold within the United States of America (the "**United States**") except pursuant to an exemption from or in a transaction not subject to the registration requirements of the US Securities Act. Accordingly, the Units are being offered and sold outside the United States (including to institutional and other investors in Singapore) in reliance on Regulation S under the US Securities Act ("**Regulation S**") and within the United States to qualified institutional buyers ("**QIBs**") in reliance on Rule 144A ("**Rule 144A**") under the US Securities Act. The Units are not transferable except in accordance with the restrictions described under "**Transfer Restrictions**". Each purchaser is hereby notified that sellers of Units may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A.

Joint Bookrunners, Lead Managers, Issue Managers and Underwriters *(in alphabetical order)*

DBS | Deutsche Bank | Goldman Sachs

Co-Lead Managers and Underwriters *(in alphabetical order)*

Barclays Bank PLC; Barclays Bank PLC, Singapore Branch
Daiwa Capital Markets Singapore Limited
J.P. Morgan (S.E.A.) Limited
Morgan Stanley Asia (Singapore) Pte.
UBS AG, Singapore Branch

* *Under licence from Hutchison International Ports Enterprises Limited*

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NOTICE TO INVESTORS

No person is authorised to give any information or to make any representation not contained in this document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of any of HPH Trust, the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners or the Underwriters. If anyone provides you with different or inconsistent information, you should not rely upon it. Neither the delivery of this document nor any offer, subscription, sale or transfer made hereunder shall under any circumstances imply that the information herein is correct as at any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in the affairs, conditions and prospects of HPH Trust, the Trustee-Manager or the Units since the date of this document. Where such changes occur and are material or required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, the Trustee-Manager will make an announcement of the same to the SGX-ST and, if required, lodge and issue a supplementary document or replacement document pursuant to Section 282D of the SFA and take immediate steps to comply with the said Section 282D. Investors should take notice of such announcements and documents and upon release of such announcements and documents shall be deemed to have notice of such changes. Unless required by applicable laws (including the SFA) and save as provided in the Directors' responsibility statement set out in "General and Statutory Information – Responsibility Statement by the Directors", no representation, warranty or covenant, express or implied, is made by any of HPH Trust, the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners, the Underwriters or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers as to the accuracy or completeness of the information contained herein, and nothing contained in this document is, or shall be relied upon as, a promise, representation or covenant by any of HPH Trust, the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners, the Underwriters or their respective affiliates, directors, officers, employees, agents, representatives or advisers.

None of HPH Trust, the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners, the Underwriters or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers is making any representation or undertaking to any subscriber of Units regarding the legality of an investment by such subscriber under any legal, investment or similar laws. In addition, investors in the Units should not construe the contents of this document as legal, business, financial or tax advice. Investors should be aware that they may be required to bear the financial risks of an investment in the Units for an indefinite period of time. Investors should consult their own professional advisers as to the legal, business, financial or tax and related aspects of an investment in the Units.

By applying for the Units on the terms and subject to the conditions in this document, each investor in the Units represents and warrants that, except as otherwise disclosed to the Trustee-Manager, the Joint Bookrunners and the Underwriters in writing, he is not (i) a Director or substantial shareholder/Unitholder of HPH Trust, the Trustee-Manager or the Sponsor, (ii) an associate of any of the persons mentioned in (i), or (iii) a connected client of any Joint Bookrunner or Manager or lead broker or distributor of the Units.

Copies of this document and the Application Forms may be obtained on request, subject to availability, during office hours, from:

DBS Bank Ltd.

6 Shenton Way
DBS Building Tower One
Singapore 068809

A copy of this document is also available on the SGX-ST website: <http://www.sgx.com>.

This document includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information. While the Trustee-Manager has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, none of the Trustee-Manager, the Joint Bookrunners or the Underwriters have independently verified any of the data from third-party sources or ascertained the underlying economic assumptions relied upon therein.

The distribution of this document and the offering, subscription, sale or transfer of the Units in certain jurisdictions may be restricted by law. HPH Trust, the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners and the Underwriters require persons into whose possession this document comes, to inform themselves about and to observe any such restrictions at their own expense and without liability to any of HPH Trust, the Trustee-Manager, the Sponsor, HWL, any of the Joint Bookrunners or any of the Underwriters. This document does not constitute, and the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners and the Underwriters are not making, an offer of, or an invitation to subscribe for or purchase, any of the Units in any jurisdiction in which such offer or invitation would be unlawful. Persons to whom a copy of this document has been issued must not circulate to any other person, reproduce or otherwise distribute this document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

The Units have not been, and will not be, registered under the US Securities Act or any United States state securities laws. Unless so registered, the Units may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable United States state securities laws. The Units are being offered or sold outside the United States in reliance on Regulation S and within the United States only to QIBs in transactions exempt from registration under the US Securities Act. Each purchaser of the Units hereby in making its purchase will be required to make or will be deemed to have made certain acknowledgements, representations and agreements. Prospective purchasers are hereby notified that sellers of the Units may be relying on the exemption from provisions of Section 5 of the US Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of the Units and distribution of this document, see "Transfer Restrictions". This document is being furnished in the United States on a confidential basis solely for the purpose of enabling prospective purchasers to consider the purchase of the Units. Its use for any other purpose in the United States is not authorised. In the United States, it may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents be disclosed to anyone other than the prospective purchasers to whom it is submitted. There will be no public offering of the Units in the United States.

The Units have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC") or any state or foreign securities commission or regulatory authority. The foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense in the United States.

In addition, until the date 40 days after the commencement of the Offering, an offer or sale of the Units within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the US Securities Act, if such offer or sale is made otherwise than in accordance with Rule 144A.

The Units are subject to restrictions on transferability and resale and may not be offered, transferred or resold in the United States, except as permitted under the US Securities Act and applicable state securities laws pursuant to registration or an exemption from, or a transaction not subject to, registration under the US Securities Act and in accordance with the restrictions under "Transfer Restrictions". Investors should be aware that they may be required to bear the risks of an investment in the Units for an indefinite period of time. Because of these restrictions, purchasers of the Units are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Units. See "Transfer Restrictions" for more information on these restrictions.

In connection with the Offering, the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) may, in consultation with the Joint Bookrunners, over-allot or otherwise effect transactions which stabilise or maintain the market price of the Units at levels that might not otherwise prevail in the open market. These transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations, including the SFA and any regulations thereunder. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilising action. These transactions may commence on or after the date of commencement of trading in the Units on the SGX-ST and, if commenced, may be discontinued at any time and must not be effected after the earliest of (i) the date falling 30 days thereafter or (ii) the date when the Stabilising Manager has bought on the SGX-ST, an aggregate of 539,951,000 Units, representing not more than approximately 15.0% of the total number of Units in the Offering, to undertake stabilising actions, or (iii) the date falling 30 days after the date of adequate public disclosure of the Offering Price.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

AVAILABLE INFORMATION

So long as any of the Units are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act and HPH Trust and the Trustee-Manager are not subject to and in compliance with Section 13 or 15(d) of the Exchange Act or exempt from such reporting pursuant to Rule 12g3-2(b) thereunder, the Trustee-Manager will furnish to each holder or beneficial owner of Units and to any prospective purchaser of such Units, upon the request of such holder, beneficial owner or prospective purchaser, any information required to be provided by Rule 144A(d)(4) under the US Securities Act.

ENFORCEABILITY OF CIVIL LIABILITIES

HPH Trust is a Registered Business Trust constituted under the laws of the Republic of Singapore. All of HPH Trust's current operations are conducted outside of the United States, and all of HPH Trust's assets are located outside of the United States. Most of the directors and management of the Trustee-Manager and the auditor of HPH Trust reside outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon HPH Trust or the Trustee-Manager or such persons or to enforce in the United States any judgment obtained in the United States courts against HPH Trust or the Trustee-Manager or any of such persons, including judgments based upon the civil liability provisions of the securities laws of the United States or any state or territory of the United States.

There is uncertainty as to whether judgments of courts in the United States based upon the civil liability provisions of the federal securities laws of the United States are recognised or enforceable in Singapore, Hong Kong and/or the People's Republic of China ("**PRC**") courts, and there is doubt as to whether Singapore, Hong Kong and/or PRC courts will enter judgments in original actions brought in Singapore, Hong Kong and/or PRC courts based solely upon the civil liability provisions of the federal securities laws of the United States. A final and conclusive judgment in the federal or state courts of the United States under which a fixed sum of money is payable, other than a sum payable in respect of taxes, fines, penalties or similar charges, may be subject to enforcement proceedings as a debt in the courts of Singapore, Hong Kong and/or PRC under the common law doctrine of obligation. Civil liability provisions of the US federal and state securities law permit punitive damages against HPH Trust or the Trustee-Manager, the directors and executive officers of the Trustee-Manager. Singapore courts would not recognise or enforce judgments against HPH Trust or the Trustee-Manager to the extent that the judgment is punitive or penal. It is uncertain as to whether a judgment obtained from the US courts under civil liability provisions of the federal securities law of the United States would be determined by the Singapore, Hong Kong and/or PRC courts to be or not be punitive or penal in nature.

Such a determination has yet to be made by any Singapore, Hong Kong and/or PRC court. The Singapore, Hong Kong and/or PRC courts will also not be quick to recognise or enforce a foreign judgment if the foreign judgment is inconsistent with a prior local judgment, contravenes public policy, or amounts to the direct or indirect enforcement of a foreign penal, revenue or other public law.

PRESENTATION OF FINANCIAL INFORMATION

The combined financial statements of the Portfolio Container Terminals and Portfolio Ancillary Services (each as defined herein), representing the businesses that were held by the Sponsor that operate the deep-water container ports in Hong Kong[1] and the Guangdong Province[2] and the port ancillary services (collectively, the "**Historical Portfolio Business**") included in this document have been prepared by the Trustee-Manager to present the combined financial position, results and cash flows of the companies engaging in the Historical Portfolio Business, under the management of the Sponsor, as at and for each of the years ended 31 December 2008, 2009 and 2010.

The combined financial statements of the Historical Portfolio Business included herein have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**"), which differ in certain material respects from generally accepted accounting principles in other countries, including those accounting principles generally accepted in the United States ("**US GAAP**"). The Trustee-Manager

1 "**Hong Kong**" means the Hong Kong Special Administrative Region of the PRC.
2 "**Guangdong Province**" means the Guangdong province of the PRC.

has made no attempt to quantify the impact of those differences. This document contains a discussion regarding the differences between HKFRS and US GAAP. See "Summary of Certain Differences between HKFRS and US GAAP". In making an investment decision, prospective investors must rely upon their own examination of HPH Trust and the terms of the Offering. Prospective investors who are not familiar with HKFRS are urged to consult with their own professional advisers.

The SGX-ST has granted a waiver from Rule 220(1) of the Listing Manual of the SGX-ST (the "**Listing Manual**") on the basis that:

(a) in respect of the audited combined financial statements of the Historical Portfolio Business included in this document, the notes to the combined financial statements will include a statement that there are no material differences between HKFRS and International Financial Reporting Standards ("**IFRS**") and that no material adjustments are required to restate these combined financial statements in accordance with IFRS (collectively, the "**No Material Differences Statement**");

(b) after the Listing Date and going forward, assuming that there are no material differences between HKFRS and IFRS, the No Material Differences Statement will be set out as a note to the annual audited full-year financial statements issued by HPH Trust; and

(c) after the Listing Date and going forward after the announcement of HPH Trust's unaudited full-year results, if it comes to HPH Trust's attention that there are material differences between HKFRS and IFRS and material adjustments are required to restate its full-year financial statements in accordance with IFRS, HPH Trust will make an immediate announcement of the material differences on SGXNET.

NON-GAAP FINANCIAL MEASURE

In this document, "**EBITDA**" is defined as operating profit after deducting (i) interest income and adding (ii) depreciation and amortisation, (iii) the share of EBITDA of associated companies, (iv) the share of EBITDA of jointly controlled entities (including, among others, the EBITDA contribution from COSCO-HIT) and (v) the River Ports Economic Benefits (as defined herein). "**Consolidated EBITDA**" is defined as EBITDA after excluding (i) the share of EBITDA of associated companies, (ii) the share of EBITDA of jointly controlled entities and (iii) the River Ports Economic Benefits. "**Attributable EBITDA**" is defined as the EBITDA attributable to the Holding Companies' interest in the Historical Portfolio Business and the River Ports Economic Benefits based on the percentage interests held in the Historical Portfolio Business and the River Ports Economic Benefits during the financial years ended 31 December 2008, 2009 and 2010. For the ownership of interests in the Historical Portfolio Business, see Note 1 to the combined financial statements of the Historical Portfolio Business as included in "Appendix C – Independent Auditor's Report on the Combined Financial Statements of the Business Comprising the Deep-water Container Ports in Hong Kong and Guangdong Province and Port Ancillary Services for the Financial Years ended 31 December 2008, 2009 and 2010". EBITDA and the related ratios in this document are supplemental measures of performance and liquidity of HPH Trust and are not required by, or presented in accordance with HKFRS, IFRS or US GAAP. Furthermore, EBITDA is not a measure of financial performance or liquidity under HKFRS, IFRS or US GAAP and should not be considered an alternative to net income, operating income or any other performance measures derived in accordance with HKFRS, IFRS or US GAAP or an alternative to cash flow from operations or a measure of liquidity of HPH Trust. Other companies or entities may calculate EBITDA differently from HPH Trust, limiting its usefulness as a comparative measure.

The Trustee-Manager measures HPH Trust's financial performance using EBITDA in addition to accounting profits or losses. The basis for this approach is that infrastructure/ports assets tend to have lower accounting profit amounts compared to operating cash flow in a financial year or period, or even losses, due to the relatively high amount of non-cash depreciation and amortisation expenses associated with infrastructure/ports assets. Under Singapore law, business trusts are allowed to pay distributions to investors out of operating cash flow (provided that immediately after making the distribution, the trustee-manager will be able to fulfil, from the trust property, the liabilities of the business trust as these liabilities fall due) unlike Singapore-incorporated companies which are only able to pay dividends out of distributable profit.

The Trustee-Manager believes that EBITDA facilitates comparisons of operating performance from period to period by eliminating potential differences caused by variations in capital structures (affecting interest and finance charges), tax positions (such as the impact on periods or companies or entities from changes in effective tax rates or net operating losses), and the age and booked depreciation and amortisation of assets (affecting relative depreciation and amortisation of expense). EBITDA has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for, analysis of the financial condition or results of operations of the HPH Trust Business Portfolio (as defined herein), as reported under HKFRS. Because of these limitations, EBITDA should not be considered to be a measure of discretionary cash available to the Trustee-Manager to invest in the growth of the HPH Trust Business Portfolio.

See "Selected Financial Information and Operational Data" for further information regarding the presentation of the definition of EBITDA as set out above.

FORWARD-LOOKING STATEMENTS

Certain statements in this document constitute “forward-looking statements”. This document also contains forward-looking financial information in “Profit and Cash Flow Forecast and Profit and Cash Flow Projection”. All statements other than statements of historical facts included in this document, including those regarding future financial position and results, business strategy, plans and objectives of management for future operations (including development plans and dividends) and statements on future industry growth are forward-looking statements. These forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of HPH Trust, the Trustee-Manager or the Sponsor, or industry results, to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements and financial information. These forward-looking statements and financial information are based on numerous assumptions regarding the Trustee-Manager’s present and future business strategies and the environment in which HPH Trust, the Trustee-Manager and the Sponsor will operate in the future. Because these statements and financial information reflect the Trustee-Manager’s current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information. You should not place any undue reliance on these forward-looking statements.

The important factors that could cause HPH Trust’s actual results, performance or achievements to differ materially from those in the forward-looking statements and financial information include, but are not limited to:

- general global, regional and local economic conditions;
- regulatory developments and changes in the port business;
- changes in the global trade level;
- fluctuations in volume and value of the export market of the PRC and demand for goods made in the PRC;
- changes in government regulations, including tax or licensing laws, in the jurisdictions where HPH Trust operates;
- the ability of the Trustee-Manager to successfully execute the business strategies of HPH Trust;
- covenants in the credit agreements of HPH Trust which restrict the business and operations of HPH Trust and the Trustee-Manager, including the manner in which HPH Trust is able to borrow or fund its operations;
- changes in the need for capital and the availability of financing and capital to fund these needs;
- changes in interest or rates of inflation;
- increasing competition in the port industry in Asia;

- material defects or other deficiencies in the port facilities or breaches of laws in the operation and management of the HPH Trust Business Portfolio and other future business and assets;

- the Trustee-Manager's ability to make future acquisitions on terms acceptable to HPH Trust;

- the development of greenfield projects on terms acceptable to HPH Trust;

- the ability to anticipate and respond to changes in the port industry and in customer demand, trends and preferences;

- man-made or natural disasters, including war, acts of international or domestic terrorism, civil disturbances, occurrences of catastrophic events and acts of God such as floods, earthquakes, typhoons and other adverse weather and natural conditions that affect the business or assets of HPH Trust;

- the loss of key personnel of the Trustee-Manager or in the operating subsidiaries of HPH Trust and the inability to replace such personnel on a timely basis or on terms acceptable to the Trustee-Manager or HPH Trust;

- dependence on the Sponsor and its continued provision of services to HPH Trust;

- environmental risks, such as pollution caused by the operations and business of HPH Trust;

- foreign currency exchange rate fluctuations, including fluctuations in the exchange rates of currencies that are used in the business of HPH Trust such as the Singapore dollar, the Hong Kong dollar and the Renminbi;

- legal, regulatory and other proceedings arising out of the operations of HPH Trust;

- general global, regional and local political and social conditions and the implementation of or changes to existing government policies in the jurisdictions where HPH Trust operates now or in the future;

- other factors beyond the control of HPH Trust; and

- other matters not yet known to HPH Trust.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors", "Profit and Cash Flow Forecast and Profit and Cash Flow Projection", "Distributions", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "The Business of Hutchison Port Holdings Trust". These forward-looking statements and financial information speak only as at the date of this document. The Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners or the Underwriters expressly disclaim any obligation or undertaking to release publicly any updates of or revisions to any forward-looking statement or financial information contained herein to reflect any change in the Trustee-Manager's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other relevant regulatory or supervisory body or agency.

CERTAIN DEFINED TERMS AND CONVENTIONS

HPH Trust will publish its financial statements in Hong Kong dollars. In this document, references to "S$" or "Singapore dollars" and "Singapore cents" are to the lawful currency of Singapore, references to "HK$" or "Hong Kong dollars" and "Hong Kong cents" are to the lawful currency of Hong Kong, references to "RMB" or "Renminbi" are to the lawful currency of the PRC and references to "US$" or "US dollars" are to the lawful currency of the United States of America. For the reader's convenience, except where the exchange rate between the Hong Kong dollar and the US dollar is expressly stated otherwise, certain Hong Kong dollar amounts in this document have been translated into US dollars based on a fixed exchange rate of HK$7.7810 = US$1.00. However, such translations should not be construed as representations that Hong Kong dollar amounts, have been, could have been or could be converted into US dollars at that or any other rate (see "Exchange Rate Information and Exchange Rate Controls").

Capitalised terms used in this document have the meanings set out in the Glossary.

The forecast yields are calculated based on the Minimum Offering Price and the Maximum Offering Price. Such yields and yield growth will vary accordingly for investors who purchase Units in the secondary market at a market price different from the Minimum Offering Price and the Maximum Offering Price.

Any discrepancies in the tables, graphs and charts included in this document between the listed amounts and totals thereof are due to rounding. Save in the case of figures in sq ft, HK$, RMB, S$ and US$ which are rounded to the nearest thousand and percentages which are rounded to one decimal place, where applicable, figures are rounded to the nearest whole number. Measurements in square metres are converted to sq ft and vice versa based on the conversion rate of 1.0 square metre = 10.7639 sq ft. Measurements in hectares are converted to square metres and vice versa based on the conversion rate of 1.0 hectare = 10,000 square metres. References to "Appendix" or "Appendices" are to the appendices set out in this document. All references in this document to dates and times shall mean Singapore dates and times unless otherwise specified.

Certain volume figures in this document are expressed in "**TEU**". A TEU is a twenty-foot equivalent unit that is based on the dimensions of a cargo container that is 20 feet long, 8 feet wide and 8 feet 6 inches high with a maximum load capacity of 24 tonnes.

The word "**capacity**", in relation to container terminals, refers to the theoretical amount of throughput that a container terminal can handle in a year and is generally based on the size of the terminal's container stacking area and the capacity of its quay, which in turn is based on the length of the quay and the capacity of the ship-to-shore cranes that are available.

The term "**Pearl River Delta**" for the purposes of this document means the Guangdong Province, Hong Kong and Macau.

The word "**throughput**" is a measure of container handling activity. The two main categories of throughput are origin and destination ("**O&D**"), which are also often referred to as import and export, and transhipment. Every container shipped by sea is by definition an export container at the origination terminal and an import container at the destination terminal. A container that is transferred from one ship to another at some point during the journey is said to be transhipped, which gives rise to transhipment throughput at an intermediate terminal somewhere between the load terminal and the discharge terminal. Throughput includes the handling of imports, exports, empty containers and transhipments.

CORPORATE INFORMATION

Trustee-Manager of Hutchison Port Holdings Trust	**Hutchison Port Holdings Management Pte. Limited** 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Joint Bookrunners, Lead Managers, Issue Managers and Underwriters	**DBS Bank Ltd.** 6 Shenton Way DBS Building Tower One Singapore 068809
	Deutsche Bank AG, Singapore Branch One Raffles Quay #17-00 South Tower Singapore 048583
	Goldman Sachs (Singapore) Pte. One Raffles Link #07-01 South Lobby Singapore 039393
Co-Lead Managers and Underwriters	**Barclays Bank PLC** 5 The North Colonnade Canary Wharf London E14 4BB United Kingdom
	Barclays Bank PLC, Singapore Branch Level 28 One Raffles Quay South Tower Singapore 048583
	Daiwa Capital Markets Singapore Limited 6 Shenton Way #26-08 DBS Building Tower Two Singapore 068809
	J.P. Morgan (S.E.A.) Limited 17/F, Capital Tower 168 Robinson Road Singapore 068912
	Mizuho Securities Asia Limited[1] 12th Floor, Chater House 8 Connaught Road Central Hong Kong

1 Mizuho Securities Asia Limited is not an underwriter in connection with the Public Offer.

	Morgan Stanley Asia (Singapore) Pte. 16th Floor #16-01 Capital Square 23 Church Street Singapore 049481
	UBS AG, Singapore Branch One Raffles Quay #50-01 North Tower Singapore 048583
Coordinators of the Public Offer without Listing in Japan	**Daiwa Securities Capital Markets Co. Ltd.** 9-1 Marunouchi 1-chome Chiyoda-ku Tokyo Japan
	Mizuho Securities Co., Ltd. 1-5-1, Otemachi Chiyoda-ku Tokyo Japan
Co-Managers and Sub-Underwriters	**CIMB Securities (Singapore) Pte Ltd** 50 Raffles Place #19-00 Singapore Land Tower Singapore 048623
	Oversea-Chinese Banking Corporation Limited 65 Chulia Street #09-00 OCBC Centre Singapore 049513
	The Bank of Nova Scotia Asia Limited One Raffles Quay North Tower Level 20 Singapore 048583
	United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624
Legal Adviser to the Offering, and to the Trustee-Manager and the Sponsor as to Singapore Law	**Allen & Gledhill LLP** One Marina Boulevard, #28-00 Singapore 018989
Legal Adviser to the Trustee-Manager and the Sponsor as to Hong Kong Law and US Federal Securities Law	**Freshfields Bruckhaus Deringer** 11th Floor Two Exchange Square Hong Kong

Legal Adviser to the Trustee-Manager and the Sponsor as to PRC Law	**King & Wood** 28th Floor Landmark 4028 Jintian Road Futian District Shenzhen 518026 China
Legal Adviser to the Joint Bookrunners and Underwriters as to Singapore Law, Hong Kong Law and US Federal Securities Law	**Allen & Overy LLP** 24 Raffles Place #22-00 Clifford Centre Singapore 048621
Legal Adviser to the Joint Bookrunners and Underwriters as to PRC Law	**Jun He Law Offices** Shanghai Kerry Centre 32nd Floor 1515 West Nanjing Road Shanghai 200040 China
Receiving Bank	**DBS Bank Ltd.** 6 Shenton Way DBS Building Tower One Singapore 068809
Unit Registrar and Unit Transfer Office	**Boardroom Corporate & Advisory Services Pte. Ltd.** 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Reporting Auditor	**PricewaterhouseCoopers LLP** 8 Cross Street #17-00 PWC Building Singapore 048424
Independent Auditor	**PricewaterhouseCoopers** 22/F, Prince's Building Central, Hong Kong (Partner-in-charge: Ho Chiu Ping, Dennis)
Independent Tax Adviser	**PricewaterhouseCoopers Services LLP** 8 Cross Street #17-00 PWC Building Singapore 048424
Independent Financial Adviser	**Ernst & Young Corporate Finance Pte Ltd** One Raffles Quay North Tower Level 18 Singapore 048583

Independent Valuer	**Ernst & Young Solutions LLP** One Raffles Quay North Tower Level 18 Singapore 048583
Independent Market Research Consultant	**Drewry Shipping Consultants Limited** Drewry House Mendian Gate 213 Marsh Wall London, E149FJ England

OVERVIEW

*The following overview is qualified in its entirety by, and is subject to, the more detailed information contained in or referred to elsewhere in this document. The meanings of terms not defined in this overview can be found in the Glossary or in the trust deed of HPH Trust (the "**Trust Deed**"). A copy of the Trust Deed can be inspected at the registered office of the Trustee-Manager, which is located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.*

Statements contained in this overview that are not historical facts may be forward-looking statements. Such statements are based on certain assumptions and are subject to certain risks, uncertainties and assumptions that could cause actual results of HPH Trust to differ materially from those forecast or projected in this document (see "Forward-Looking Statements"). Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction of the accuracy of the underlying assumptions by HPH Trust, the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners, the Underwriters or any other person or that these results will be achieved or are likely to be achieved. Investing in the Units involves risks. Prospective investors are advised not to rely solely on this overview, but should read this document in its entirety and, in particular, the sections from which the information in this overview is extracted and "Risk Factors" to better understand the Offering and HPH Trust's businesses and risks.

INTRODUCTION TO HUTCHISON PORT HOLDINGS TRUST

HPH Trust is the first publicly traded container port business trust and provides Unitholders with an attractive opportunity to invest in the market leader of the world's largest trading hub by throughput, the Pearl River Delta, which hub consists of two of the world's busiest container port cities by throughput – Hong Kong and Shenzhen, PRC. HPH Trust's sponsor is Hutchison Port Holdings Limited, the global leader in the container port sector by throughput and a subsidiary of HWL.

The Trustee-Manager, an indirect wholly-owned subsidiary of HWL, will manage HPH Trust's business with the key objective of providing Unitholders with stable and regular distributions as well as long-term distribution per Unit ("**DPU**") growth.

The Trustee-Manager believes that the key highlights for investing in HPH Trust include, among others, its market-leading position in the world's largest trading hub by throughput, its world class facilities as represented by their strategic locations with natural deep-water port and unimpeded channel access, its long-term relationships with liners and their customers, its strong profitability and cash generation, its attractive growth prospects, as well as the continuing support and proven track record of the Sponsor.

HPH Trust's investment mandate is principally to invest in, develop, operate and manage deep-water container ports[1] in the Pearl River Delta. HPH Trust may also invest in other types of port assets, including river ports, which are complementary to the deep-water container ports operated by HPH Trust, as well as undertake certain port ancillary services including, but not limited to, trucking, feedering, freight-forwarding, supply chain management, warehousing and distribution services.

On a combined basis, Hong Kong and Shenzhen, PRC was the world's busiest container port market in 2009 with a total throughput of approximately 39.2 million TEU[2]. In connection with the Offering and prior to the Listing Date, HPH Trust will acquire from the Sponsor its two principal

1 For the purposes of the investment mandate of HPH Trust, a "**deep-water container port**" means any port that has the ability to accommodate a fully laden vessel with a capacity in excess of 8,000 TEU.

2 See "Overview of the Container Port Industry" prepared by Drewry Shipping Consultants Limited (the "**Independent Market Research Consultant**" or "**Drewry**").

deep-water container port assets in Hong Kong and Shenzhen, PRC. These two deep-water container port assets are:

- *Hong Kong:* (a) a 100.0% interest in Hongkong International Terminals Limited ("**HITL**") which operates Terminals 4, 6, 7 and two berths in Terminal 9 at Kwai Tsing ("**HIT**") and (b) a 50.0% interest in COSCO-HIT Terminals (Hong Kong) Limited ("**CHT**") which operates Terminal 8 East at Kwai Tsing ("**COSCO-HIT**"). Together, HIT and COSCO-HIT had approximately 60.0% of the market share of Kwai Tsing Port, Hong Kong by throughput in 2009 and operate 14 of the 24 deep-water berths in Kwai Tsing Port, Hong Kong; and

- *Shenzhen, PRC:* (a) an effective interest of 56.4% in Yantian International Container Terminals Limited ("**YICT**"), which operates Phases I and II ("**Yantian Phases I & II**") of Yantian International Container Terminals ("**Yantian**") located at Yantian, Shenzhen, PRC, (b) an effective interest of 51.6% in Yantian International Container Terminals (Phase III) Limited ("**YICTP3**"), which operates Phase III of Yantian ("**Yantian Phase III**") and the Phase III expansion project of Yantian ("**Yantian Phase III Expansion**") and (c) an effective interest of 51.6% in Shenzhen Yantian West Port Terminals Limited ("**SYWPT**"), which operates West Port Phase I of Yantian ("**West Port Phase I**") and West Port Phase II of Yantian ("**West Port Phase II**"). Yantian (which comprises Yantian Phases I & II, Yantian Phase III, Yantian Phase III Expansion, West Port Phase I and West Port Phase II) is the leading privately owned and operated deep-water container port in East Shenzhen, PRC and the overall market leader in Shenzhen, PRC with a market share of approximately 47.0% by throughput in 2009,

(HIT, COSCO-HIT and Yantian are collectively known as the "**Portfolio Container Terminals**").

In addition, in connection with the Offering and prior to the Listing Date, HPH Trust will acquire from the Sponsor, and the Sponsor will account to HPH Trust for, all of the River Ports Economic Benefits[1] attributable to the business of three river ports located in Jiangmen, Nanhai and Jiuzhou, PRC whose operations complement the operations of the Portfolio Container Terminals. Prior to the Listing Date, HPH Trust will also acquire from the Sponsor the Portfolio Ancillary Services (as defined herein).

INVESTMENT HIGHLIGHTS

The Trustee-Manager believes that the key investment highlights of HPH Trust are as follows:

Market Leader in the World's Largest Trading Hub

HPH Trust will provide Unitholders with an attractive opportunity to invest in a portfolio of world class, market-leading deep-water container ports that are strategically located in the Pearl River Delta – the world's largest trading hub by throughput. In 2009, Hong Kong and Shenzhen, PRC, together, was the world's largest trading hub by throughput, with total throughput of approximately 39.2 million TEU[2].

1 "**River Ports Economic Benefits**" means all of the economic interest and benefits of the Sponsor Group (as defined herein) attributable to the business of the River Ports, including all dividends and any other distributions or other monies payable to any member of the Sponsor Group (excluding the HPH Trust Group) 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 the businesses, assets, rights and/or liabilities that constitute any part of the business of the River Ports as agreed with the Sponsor Group (excluding the HPH Trust Group).

2 See "Overview of the Container Port Industry" prepared by Drewry.

The Portfolio Container Terminals are the market leaders in Kwai Tsing Port, Hong Kong and Shenzhen, PRC, with market shares in the two locations, measured by throughput in 2009, of approximately 60.0% and 47.0%, respectively. The combined market share of the Portfolio Container Terminals in Hong Kong and Shenzhen, PRC was approximately 53.0% in 2009[1].

HPH Trust, through the Portfolio Container Terminals, will be the leading port operator by throughput in both Hong Kong and Shenzhen, PRC. This leading position is attributed to its long and established track record, high quality customer service, operational excellence, superior global connectivity and advanced container handling facilities of the Portfolio Container Terminals.

Due to its leading position in both Hong Kong and Shenzhen, PRC, HPH Trust is well-positioned to leverage its scale and exposure to trade flows in the Pearl River Delta and the PRC's economic growth to capture future throughput growth at the Portfolio Container Terminals.

World Class Facilities with Natural Competitive Advantages and Superior Operational Efficiency

The Portfolio Container Terminals are strategically situated in harbours having a natural and direct deep water channel approach, which enables them to serve vessels of all sizes, including mega vessels with a capacity in excess of 8,000 TEU. As the principal natural deep-water container ports in the Pearl River Delta, the Portfolio Container Terminals have a competitive advantage as the preferred port-of-call.

HIT and COSCO-HIT benefit from being the preferred transhipment hub in the region, with free port status at the nexus of major trade routes, enabling them to capture a significant share of the East-West, North-South and intra-regional transhipment cargo. Their unique strategic location and global connectivity also allow HIT and COSCO-HIT to position themselves as a major O&D and transhipment port for the large and fast-growing intra-Asia trade. Similarly, Yantian's geographic proximity to the major industrial and population centres in the Pearl River Delta enables it to be the prime beneficiary of the region's manufactured export flows and increasing volume of import cargoes.

The Trustee-Manager believes that the Portfolio Container Terminals' world class facilities are difficult to replicate. The Portfolio Container Terminals are equipped with advanced cargo handling equipment such as Super Post Panamax Quay Cranes and Tandem-Lift Quay Cranes (each as defined herein) that are capable of serving mega vessels, distinguishing the Portfolio Container Terminals from their regional and global peers.

The Trustee Manager believes that the Portfolio Container Terminals are among the most productive and efficient container terminals in the world. The Portfolio Container Terminals' commitment to operational excellence is reflected in their quay crane productivity rate which consistently achieves an average rate of 30 moves per hour or more. With superior operational efficiency, the Portfolio Container Terminals have the potential to generate additional value from their existing facilities by increasing throughput and profitability.

Long-Term Relationships with Liners and their Customers

The Portfolio Container Terminals have established a strong and well-recognised reputation and brand name due to their track record in serving the container port industry in the Pearl River Delta, the world's largest trading hub. With one of the longest operating histories in the container port industry as well as their excellent track record of operational performance and customer service, the Portfolio

1 See "Overview of the Container Port Industry" prepared by Drewry.

Container Terminals enjoy close and established working relationships with a large and diverse range of customers, which include all of the major shipping lines, as well as shippers of O&D cargo such as multinational retailers and manufacturers.

In addition, the Portfolio Container Terminals have superior global connectivity. As at 31 December 2010, the Portfolio Container Terminals served all the major shipping lines, with more than 300 weekly container services to a wide range of destinations around the world. Further, the large number of contiguous berths at the Portfolio Container Terminals provide them with the ability to service several mega vessels simultaneously, which is important in meeting the transhipment needs of customers.

The operators of the Portfolio Container Terminals work closely with the shipping lines and shippers to better understand and anticipate their needs. This enables the Portfolio Container Terminals to deliver customised services according to the customers' individual requirements. In addition, the integration of the systems of major customers with the technologically advanced computer systems of the Portfolio Container Terminals, including nGen (the Sponsor's proprietary and award winning terminal management system), enables the Portfolio Container Terminals to enhance their services to their customers.

The Trustee-Manager believes that the Portfolio Container Terminals are able to achieve higher average tariffs compared to their competitors due to their proven standards of customer service, which allow them to attract an optimal cargo mix.

Resilient and Strong Profitability with Strong Cash Flow Generation

The resilience of the Portfolio Container Terminals' performance was demonstrated during the global financial crisis in 2009 when the Pearl River Delta market's average container throughput fell by 13.7%[1] while the gross throughput of the Portfolio Container Terminals fell by only 3.7%. In addition, the Portfolio Container Terminals generate relatively stable consolidated EBITDA margins, as demonstrated by the Historical Portfolio Business[1] consolidated EBITDA margins in 2008, 2009 and 2010 of 60.6%, 60.3% and 58.6%, respectively, which have translated into strong cash flow generation. The Portfolio Container Terminals achieved strong profitability through a combination of well-equipped modern facilities, higher tariffs and focus on productivity and cost management.

Furthermore, the Sponsor has pre-funded a substantial portion of the capital expenditure required to complete the Yantian Phase III Expansion (which is expected to be completed by mid-2011) and West Port Phase II (which is expected to be completed by 2015). HPH Trust's distribution policy is to distribute 100% of its Distributable Income. Distributions will be calculated on a semi-annual basis for the six-month periods ending 30 June and 31 December of each year.

Therefore, HPH Trust is expected to pay a DPU of HK37.40 cents (or US4.81 cents) for the Forecast Period 2011, translating into a seasonally annualised DPU[2] of HK45.88 cents (or US5.90 cents) for the full year 2011. This is expected to grow at a rate of 11.7% (on a seasonally annualised basis) in DPU to HK51.24 cents (US6.59 cents) in the Projection Year 2012.

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1 See "Overview of the Container Port Industry" prepared by Drewry.

2 Seasonally annualised DPU = Forecast Period 2011 DPU ÷ Seasonally Annualising Factor.
Seasonally Annualising Factor = 0.8151 (Combined throughput of HIT and Yantian assumed for Forecast Period 2011 ÷ Combined throughput of HIT and Yantian assumed for the Forecast Year 2011) (See "The Business of Hutchison Port Holdings Trust – Seasonality".)

Attractive Growth Prospects

The Trustee-Manager believes that HPH Trust has attractive long-term growth prospects given the intra-Asia growth potential of HIT and the significant development potential at Yantian, which may consequently increase throughput volume and revenue and in turn result in greater returns to Unitholders.

Two expansion projects are currently in progress at Yantian:

- **Yantian Phase III Expansion** – construction of the remaining yard area is expected to be completed by mid-2011.

- **West Port Phase II** – construction of three deep-water container berths and the extension of one of the container berths of West Port Phase I is expected to be completed by 2015.

Hutchison Ports Yantian Limited ("**HPY**") has also signed a non-binding heads of agreement with Shenzhen Yantian Port Group Company Limited ("**YPG**") in December 2008 for the joint construction and development of Yantian East Port Phase I. If and when completed, Yantian East Port Phase I will consist of four deep-water container berths.

Although HIT does not currently have any expansion projects underway, the Trustee-Manager believes that there are attractive growth prospects from a balanced combination of transhipment throughput growth and intra-Asia O&D throughput growth.

Sponsored by HPH, the World's Top Port Operator

HPH Trust will be able to leverage on the support of the Sponsor, which was the world's top port operator by throughput in 2009. As at 31 December 2010, the Sponsor held interests in a total of 308 berths in 51 ports, spanning 25 countries throughout Asia, the Middle East, Africa, Europe, the Americas and Australasia. The Sponsor operates in six of the 10 busiest container ports in the world by throughput. In 2009, the Sponsor Group handled a combined throughput of approximately 65.3 million TEU worldwide.

The Trustee-Manager believes that HPH Trust will benefit from the Sponsor's experience and know-how in the port industry including:

- leveraging on the Sponsor's integrated global ports network, operational and commercial know-how, global sales and marketing reach, procurement industry relationships and brand recognition;

- having access to nGen, the Sponsor's proprietary terminal management system, which has been licensed to HPH Trust; and

- having access to the Sponsor's technical and administrative expertise through the Global Support Services Agreement (as defined herein).

To demonstrate its support for the growth of HPH Trust, the Sponsor has granted certain rights of first refusal to HPH Trust, which provides HPH Trust with access to potential future development and acquisition opportunities in the Pearl River Delta.

HPH TRUST BUSINESS PORTFOLIO

The portfolio of businesses of HPH Trust (the "**HPH Trust Business Portfolio**") comprises:

(i) HPH Trust's interest in the operators of the Portfolio Container Terminals which consists of:

  (a) HIT and COSCO-HIT; and

  (b) Yantian;

(ii) all of the River Ports Economic Benefits attributable to the businesses of:

  (a) Jiangmen International Container Terminals ("**Jiangmen Terminal**");

  (b) Nanhai International Container Terminals ("**Nanhai Terminal**"); and

  (c) Zhuhai International Container Terminals (Jiuzhou) ("**Zhuhai Jiuzhou Terminal**"),

  (collectively, the "**River Ports**"); and

(iii) the following providers of ancillary services:

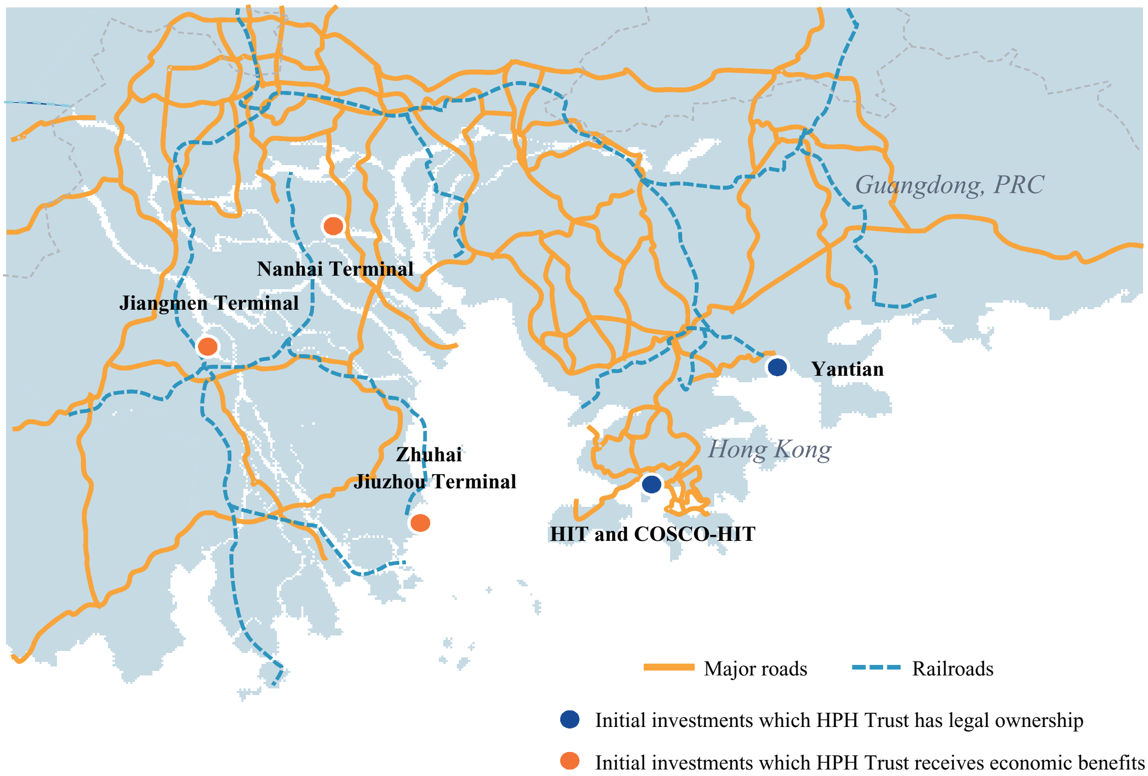
  (a) Asia Port Services Limited ("**APS**"), which is mainly engaged in providing port ancillary services, including mid-stream services (which are vessel-handling services in the harbour involving the lifting and discharging of containers from barges alongside the vessel);

  (b) HPH E.Commerce Limited ("**Hutchison Logistics**"), which provides logistics services; and

  (c) Shenzhen Hutchison Inland Container Depots Co., Limited ("**SHICD**"), which operates the inland container depot and warehouse in Shenzhen, PRC,

  (collectively, the "**Portfolio Ancillary Services**").

The map below shows the locations of HIT, COSCO-HIT, Yantian and the River Ports.



COMPETITIVE STRENGTHS

Portfolio Container Terminals

The Trustee-Manager believes that the Portfolio Container Terminals have the following competitive strengths:

- natural deep-water geographic advantages underpinned by long-term rights;
- strong and established global connectivity;
- established reputation and brand name with strong customer relationships;
- customised and quality service ensuring customer satisfaction;
- optimised design and layout, with advanced port infrastructure and facilities; and
- complementary services offerings to customers at the Portfolio Container Terminals.

HIT AND COSCO-HIT

In addition, the Trustee-Manager believes that HIT and COSCO-HIT have the following competitive strengths:

- strategically located transhipment hub;
- freeport status of Hong Kong complemented by conducive business environment and infrastructure; and
- scale of operations and contiguous yards, resulting in operational synergies.

Yantian

Further, the Trustee-Manager believes that Yantian has the following competitive strengths:

- the largest and scalable deep-water port in Shenzhen, PRC, with first mover advantage;
- gateway to the Guangdong Province trade catchment area, one of the densest manufacturing regions in the world; and
- well-developed intermodal network to the PRC hinterland, presenting significant growth potential.

CERTAIN INFORMATION REGARDING THE PORTFOLIO CONTAINER TERMINALS

The table below summarises certain key information in relation to the Portfolio Container Terminals.

Terminals	No. of Container Berths(1)	No. of Barge Berths(1)	Throughput (TEU in thousands)			HPH Trust Ownership of Operator(2)
			2008	2009	2010	
Hong Kong	**14 (14)**	**9 (2)**	**9,092**	**9,505**	**11,040**	
HIT	12 (12)	4 (1)	7,428	8,127	9,466	100.0%(2)
COSCO-HIT	2 (2)	5 (1)	1,664	1,378	1,574	50.0%(2)
Shenzhen, PRC(3)	**16 (18)**	**3 (4)**	**9,684**	**8,579**	**10,134**	
Yantian Phase I & II	5 (5)	1 (2)	3,620	2,984	3,188	56.4%(2)
Yantian Phase III and Yantian Phase III Expansion	10 (12)	– (–)	5,566	5,187	6,509	51.6%(2)
West Port Phase I	1 (1)	2 (2)	498	408	437	51.6%(2)
West Port Phase II(4)	3 (4)	– (–)	–	–	–	51.6%(2)
Total(3)	**30 (32)**	**12 (6)**	**18,776**	**18,084**	**21,174**	

Notes:

(1) The figures in brackets are based on HPH's global definition of a berth at 300 metres per berth. These figures are computed by dividing the total berth length by 300 metres. (See "The Business of Hutchison Port Holdings Trust – Portfolio Container Terminals – Overview of Facilities" for details of the total berth length.)

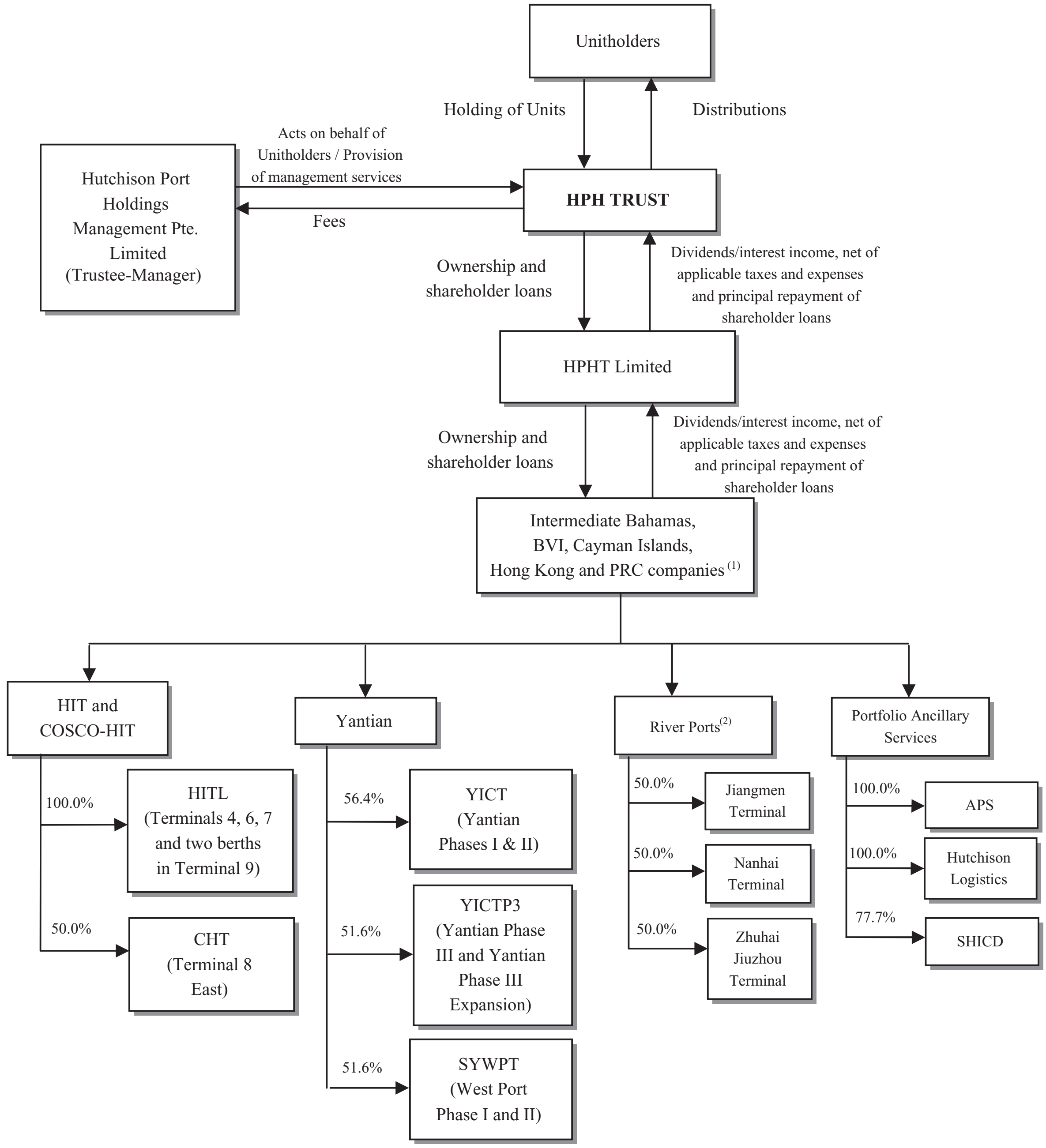
(2) The percentage represents the effective interest of HPH Trust.

(3) The aggregate figures do not include West Port Phase II as it has not been completed. Construction works on West Port Phase II are expected to be completed by 2015.

(4) Construction works on West Port Phase II are expected to be completed by 2015. The information relating to West Port Phase II is indicative and based on current plans and may be subject to change.

STRUCTURE OF HPH TRUST

The following diagram illustrates the relationship between HPH Trust, the Trustee-Manager and the Unitholders as at the Listing Date. The percentages in the following diagram represent HPH Trust's effective interests in these assets/businesses:



Notes:

(1) There are multiple layers of intermediate Bahamas, BVI, Cayman Islands, Hong Kong and PRC companies.

(2) HPH Trust holds the River Ports Economic Benefits but not the shares of the River Ports' holding companies.

HPH Trust

HPH Trust is a trust constituted by a trust deed dated 25 February 2011 and registered as a business trust with the Authority on 25 February 2011. It is principally regulated by the BTA and the SFA. Under the Trust Deed, the Trustee-Manager has declared that it will hold all its assets (including businesses) acquired on trust for Unitholders as the trustee-manager of HPH Trust.

The Trustee-Manager: Hutchison Port Holdings Management Pte. Limited

Hutchison Port Holdings Management Pte. Limited is the Trustee-Manager of HPH Trust. The Trustee-Manager has the dual responsibility of safeguarding the interests of the Unitholders and managing HPH Trust's businesses.

The Trustee-Manager was incorporated in Singapore under the Companies Act, Chapter 50 of Singapore, on 7 January 2011. It has an issued and paid up capital of HK$1 and its registered office is located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

The Trustee-Manager is an indirect wholly-owned subsidiary of HWL.

The board of directors of the Trustee-Manager (the "**Directors**", and the board of Directors, the "**Board**") consists of individuals with a broad range of commercial experience, including expertise in the port industry. The Board consists of Mr. Canning Fok Kin-ning, Dr. John Edward Wenham Meredith, Mr. Robert Chan Tze Leung, Mr. Ip Sing Chi, Mr. Graeme Allan Jack, Prof. Frederick Ma Si-Hang, Mr. Frank John Sixt, Mrs. Sng Sow-Mei (alias Poon Sow Mei), Mr. Kevin Anthony Westley, and Mrs. Susan Chow Woo Mo Fong (alternate Director to Mr. Canning Fok Kin-ning).

The Sponsor

The Sponsor is Hutchison Port Holdings Limited, which is incorporated in the British Virgin Islands. It is a subsidiary of HWL, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Sponsor is the world's largest privately-owned container port operator in terms of throughput handled. As at 31 December 2010, the Sponsor held interests in a total of 308 berths in 51 ports, spanning 25 countries throughout Asia, the Middle East, Africa, Europe, the Americas and Australasia. The Sponsor operates in six of the ten busiest container ports in the world by throughput. In 2009, the Sponsor Group handled a combined throughput of approximately 65.3 million TEU worldwide.

OBJECTIVE AND KEY STRATEGIES

The Trustee-Manager aims to provide Unitholders with stable and regular distributions as well as long-term DPU growth. The Trustee-Manager believes that the strong fundamentals and positive outlook of the deep-water container port market in the Pearl River Delta provide HPH Trust with the opportunity to increase the returns from the Portfolio Container Terminals through a combination of the following strategies:

- **Active Business and Asset Management Strategy**
  - Increase throughput of the Portfolio Container Terminals
  - Implement strategies to enhance throughput mix
  - Improve operational efficiency and reduce operating costs
- **Risk and Capital Management Strategy**
  - Optimise overall capital structure of HPH Trust and its assets
  - Proactively manage overall financing costs
- **Development and Acquisition Growth Strategy**
  - Pursue selective value-enhancing development projects
  - A right of first refusal over the Sponsor's pipeline in the Pearl River Delta
  - Selectively pursue third party acquisition opportunities

CERTAIN FEES AND CHARGES

The table below summarises certain fees and charges payable by HPH Trust in connection with the establishment and on-going management and operation of HPH Trust.

	Payable by HPH Trust	Amount payable
(a)	Base Fee (payable to the Trustee-Manager)	The Base Fee is a fixed fee of US$2.5 million per annum, which is subject to increase each year by such percentage representing the percentage increase (if any) in the Hong Kong Composite Consumer Price Index[1].

1 As shown in the Hong Kong Monetary Authority official website (http://www.info.gov.hk/hkma/eng/statistics/index_efdhk.htm) as at 31 December of the fiscal year to which the Base Fee relates as compared to 31 December of the previous fiscal year.

	Payable by HPH Trust	Amount payable
		The amount of the Base Fee is subject to an upward adjustment whenever HPH Trust makes an acquisition that can be classified as a major transaction based on the tests set out in Chapter 10 of the Listing Manual. This upward adjustment shall be based on a cost recovery basis, subject to a maximum increase equivalent to the percentage increase in the total assets of HPH Trust as a result of the acquisition. The actual adjustment shall be subject to the approval of the Independent Directors (as defined herein) and the maximum increase as described above. The Base Fee is payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect). The Trustee-Manager has elected to receive 100.0% of the Base Fee in cash for the Forecast Period 2011 and the Projection Year 2012. (See "The Trustee-Manager – Fees payable to the Trustee-Manager – Management Fees".)
(b)	Performance Fee (payable to the Trustee-Manager)	The Trustee-Manager is entitled to receive a Performance Fee in relation to the Forecast Period 2011 and the Projection Year 2012 as follows when the DPU of HPH Trust exceeds the seasonally annualised 2011[1] forecast DPU of HK45.88 cents (the "**Base DPU**"): ● a fee of 3.0% of the first 25.0% of excess DPU as compared to the Base DPU; ● an additional fee of 6.0% of the next 25.0% of excess DPU as compared to the Base DPU (i.e. excess DPU above 25.0% and up to 50.0% of the Base DPU); ● a further fee of 12.0% of the next 25.0% of excess DPU as compared to the Base DPU (i.e. excess DPU above 50.0% and up to 75.0% of the Base DPU); and ● an additional further fee of 18.0% of any excess DPU above 75.0% of the Base DPU.

1 DPU for Forecast Period 2011 is seasonally annualised as follows:
Seasonally annualised DPU = Forecast Period 2011 DPU ÷ Seasonally Annualising Factor.
Seasonally Annualising Factor = 0.8151 (Combined throughput of HIT and Yantian assumed for Forecast Period 2011 ÷ Combined throughput of HIT and Yantian assumed for the Forecast Year 2011) (See "The Business of Hutchison Port Holdings Trust – Seasonality".)

	Payable by HPH Trust	Amount payable
		In the event that the actual DPU is less than the Base DPU, such deficit shall be brought forward to the subsequent period(s) and shall be set-off from any excess DPU before any Performance Fee can be paid. The Performance Fee is payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect). The Trustee-Manager has elected to receive the Performance Fee in Units for the Forecast Period 2011 and the Projection Year 2012. The Trustee-Manager is entitled to receive a Performance Fee in relation to any year following the Projection Year 2012 as follows when the DPU of HPH Trust exceeds the Base DPU of HK45.88 cents after adjusting upwards for the cumulative percentage increase in the Hong Kong Composite Consumer Price Index[1] in each successive year from 2011 until the year in respect of which the Performance Fee is to be paid (the "**CPI Adjusted Base DPU**"): ● a fee of 3.0% of the first 25.0% of excess DPU as compared to the CPI Adjusted Base DPU; ● an additional fee of 6.0% of the next 25.0% of excess DPU as compared to the CPI Adjusted Base DPU (i.e. excess DPU above 25.0% and up to 50.0% of the CPI Adjusted Base DPU); ● a further fee of 12.0% of the next 25.0% of excess DPU as compared to the CPI Adjusted Base DPU (i.e. excess DPU above 50.0% and up to 75.0% of the CPI Adjusted Base DPU); and ● an additional further fee of 18.0% of any excess DPU above 75.0% of the CPI Adjusted Base DPU. In the event that the actual DPU is less than the CPI Adjusted Base DPU, such deficit shall be brought forward to the subsequent period(s) and shall be set-off from any excess DPU before any Performance Fee can be paid. The Performance Fee for any year following the Projection Year 2012 is payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect). For avoidance of doubt, the Performance Fee shall not be payable on any distribution derived from the disposal and/or sale of assets from the HPH Trust Business Portfolio. (See "The Trustee-Manager – Fees payable to the Trustee-Manager – Management Fees".)

1 As shown in the Hong Kong Monetary Authority official website (http://www.info.gov.hk/hkma/eng/statistics/index_efdhk.htm) as at 31 December of the fiscal year to which the Base Fee relates as compared to 31 December of the previous fiscal year.

	Payable by HPH Trust	Amount payable
(c)	Acquisition Fee (payable to the Trustee-Manager)	The Acquisition Fee will be: ● where the Sponsor has direct or indirect interests of more than 50.0% in any investments acquired directly or indirectly by HPH Trust, 0.5% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of the Enterprise Value (as defined herein) of the investments (pro-rated if applicable to the proportion of HPH Trust's interest in the investments acquired); and ● in all other cases, 1.0% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of the Enterprise Value of any investments acquired directly or indirectly by HPH Trust (pro-rated if applicable to the proportion of HPH Trust's interest in the investments acquired). Where: "**Enterprise Value**" = Equity + Net Debt "**Equity**" is the consideration paid or offered for a company's share capital of all classes, including the consideration paid or offered under any proposals relating to any options over the company's share capital. "**Net Debt**" is the value of any debt including finance lease obligations, unfunded superannuation and minority interests, and net of cash held on the balance sheet as at the time of the acquisition or divestment. In the case of an acquisition or divestment of an equity share or interest of less than 100.0%, the above definition of Enterprise Value will be applied proportionately to both Equity and Net Debt as defined above. The acquisition fee is payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect). The Acquisition Fee is calculated based on the Enterprise Value of any investments acquired directly or indirectly by HPH Trust and excludes any fees or expenses incurred in connection with the acquisition. No acquisition fee is payable in connection with the HPH Trust Business Portfolio.

	Payable by HPH Trust	Amount payable
		Any payment to third-party agents in connection with the acquisition of any asset of HPH Trust shall be paid by the Trustee-Manager to such persons out of the Trust Property (as defined herein) or the assets of the relevant special purpose vehicle ("**SPV**"), and not out of the acquisition fee received or to be received by the Trustee-Manager. (See "The Trustee-Manager – Fees payable to the Trustee-Manager – Acquisition Fee, Divestment Fee and Development Fee".)
(e)	Divestment Fee (payable to the Trustee-Manager)	The Divestment Fee is calculated at the rate of 0.5% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of the Enterprise Value of any investments sold or divested directly or indirectly by HPH Trust (pro-rated if applicable to the proportion of HPH Trust's interest in the investments sold or divested). (See above for the definition of Enterprise Value.) The divestment fee is payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect). The Divestment Fee is calculated based on the Enterprise Value of any investments divested directly or indirectly by HPH Trust and excludes any fees or expenses incurred in connection with the divestment. Any payment to third-party agents in connection with the divestment of any asset of HPH Trust shall be paid by the Trustee-Manager to such persons out of the Trust Property or the assets of the relevant SPV, and not out of the divestment fee received or to be received by the Trustee-Manager. (See "The Trustee-Manager – Fees payable to the Trustee-Manager – Acquisition Fee, Divestment Fee and Development Fee".)

	Payable by HPH Trust	Amount payable
(f)	Development Fee (payable to the Trustee-Manager)	The Trustee-Manager is entitled to receive a Development Fee equivalent to: ● where the total project costs incurred in the Development Project (as defined herein) is less than US$500 million, a fee of 2.5% of the total project costs incurred (pro-rated if applicable to the interest of HPH Trust in the development); and ● where the total project costs incurred in the Development Project is US$500 million or more, a fee of US$12.5 million plus 1.5% of the amount by which the total project costs incurred exceeds US$500 million (pro-rated if applicable to the interest of HPH Trust in the development), for undertaking any Development Project (as defined herein) on the behalf of HPH Trust. "**Development Project**" means a project involving the development of land, terminal facilities, buildings, or part(s) thereof on land which is acquired, held or leased by HPH Trust. For the avoidance of doubt: (i) no Acquisition Fee shall be paid when the Trustee-Manager receives the Development Fee for a Development Project, but the cost of the land shall be included as an item in the total project costs for the purpose of calculating the Development Fee; and (ii) no Development Fee shall be paid in relation to Yantian Phase III Expansion and West Port Phase II. The Development Fee is payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect). The Development Fee is calculated based on the project costs of the Development Project, excluding any fees or expenses incurred. (See "The Trustee-Manager – Fees payable to the Trustee-Manager – Acquisition Fee, Divestment Fee and Development Fee".)

THE OFFERING

HPH Trust	Hutchison Port Holdings Trust
The Trustee-Manager	Hutchison Port Holdings Management Pte. Limited
The Sponsor	Hutchison Port Holdings Limited
The Unit Lender	Hutchison Port Holdings Limited
The Business	The HPH Trust Business Portfolio comprises (i) the Portfolio Container Terminals, (ii) the Portfolio Ancillary Services and (iii) the River Ports Economic Benefits.
The Offering	Between 3,619,290,000 Units and 3,899,510,000 Units offered under the Public Offer and the Placement (which includes the Preferential Offer and the public offering without listing in Japan), subject to the Over-Allotment Option. The Units have not been and will not be registered under the US Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Units are being offered and sold outside of the United States in reliance on Regulation S and other applicable laws and within the United States in reliance on Rule 144A only to persons who are QIBs. See "Plan of Distribution".
The Public Offer	185,185,000 Units offered by way of a public offer in Singapore.
The Placement	Between 3,434,105,000 Units and 3,714,325,000 Units offered by way of an international placement to investors, including institutional and other investors in Singapore, and the Preferential Offer and the public offering without listing in Japan.
Public Offer Without Listing in Japan	The Placement will include a public offering without listing in Japan.
Preferential Offer to Qualifying Shareholders of HWL	Initially 425,810,400 Units (and up to 851,620,800 Units) (including Units to satisfy excess applications for Units in the Preferential Offer) offered by way of a preferential offer in Hong Kong to qualifying shareholders of HWL. The Preferential Offer is part of the Placement.
Clawback and Re-allocation	The Units may be re-allocated between the Placement and the Public Offer at the discretion of the Joint Bookrunners (in consultation with the Trustee-Manager), subject to any applicable laws.

Cornerstone Units	Conditional upon but separate from the Offering, each of the Cornerstone Investors has entered into a cornerstone subscription agreement with the Trustee-Manager to subscribe for such number of Units at the Offering Price for an aggregate subscription amount equal to US$1.62 billion, conditional upon the Underwriting Agreements having been entered into, and not having been terminated, pursuant to their terms on or prior to the Listing Date. Based on the Maximum Offering Price and the Minimum Offering Price, the Cornerstone Units will in aggregate represent approximately 17.2% to 20.4%, respectively, of the total issued Units as at the Listing Date. In the event that any one or more of the Cornerstone Investors fail to subscribe for or pay for the Cornerstone Units that they have committed to subscribe for, the Offering may still proceed and subscribers and purchasers of the Units will still be required to pay for and complete their subscriptions and purchases pursuant to the Offering. For further details, see "Information on the Cornerstone Investors".
Consideration Units	On the Listing Date, separate from the Offering, the Sponsor will receive, as part settlement of the consideration for the sale of the HPH Trust Business Portfolio and the assignment of certain related party and shareholders' loans to HPH Trust, an aggregate of 3,309,377,999 Units.
Offering Price Range	Between US$0.91 (the Minimum Offering Price) and US$1.08 (the Maximum Offering Price).
Price Determination	The Offering Price will be determined following a book-building process by agreement between the Joint Bookrunners and the Trustee-Manager on the Price Determination Date, which is expected to be 14 March 2011 and is subject to change. If for any reason the Offering Price is not agreed between the Joint Bookrunners and the Trustee-Manager on or before 14 March 2011 (or such other date as the Joint Bookrunners and the Trustee-Manager may agree), the Offering will not proceed and all application monies in respect of the Public Offer received in accordance with the instructions booklet entitled "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore" and the Preferential Offer will be refunded (without interest or any other share of revenue or other benefit arising therefrom, and without any right or claim against HPH Trust, the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners or the Underwriters) to all applicants at their own risk. Among the factors that will be taken into account in determining the Offering Price are the demand for the Units under the Offering and the prevailing conditions in the securities markets. Notice of the actual Offering Price will be published in one or more major Singapore newspapers, such as The Straits Times, The Business Times and Lianhe Zaobao, not later than two calendar days after the Price Determination Date.

Subscription for Units in the Public Offer	Investors applying for Units under the Public Offer by way of Application Forms or Electronic Applications (both as referred to in the instructions booklet entitled "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore") will pay the Maximum Offering Price per Unit (such amount being S$1.383 based on the exchange rate of US$1.00 to S$1.2806, as determined by the Trustee-Manager in consultation with DBS Bank Ltd.) on application, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case, without interest or any share of revenue or other benefit arising therefrom, and without any right or claim against HPH Trust, the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners or the Underwriters) where (i) an application is rejected or accepted in part only, or (ii) the Offering Price is less than the Maximum Offering Price for each Unit, or (iii) the Offering does not proceed for any reason. For the purpose of illustration, an investor who applies for 1,000 Units by way of an Application Form or an Electronic Application under the Public Offer will be required to pay US$1,080 (such amount being S$1,383 based on the exchange rate of US$1.00 to S$1.2806 as determined by the Trustee-Manager in consultation with DBS Bank Ltd.), which is subject to a refund of the full amount or the balance thereof (without interest or any share of revenue or other benefit arising therefrom), as the case may be, upon the occurrence of any of the foregoing events. If the Offering Price is less than the Maximum Offering Price, the Offering Price in US dollars will be converted into Singapore dollars at the exchange rate of US$1.00 to S$1.2806 for the purpose of determining the amount of the refunds to be made. The minimum initial subscription is for 1,000 Units. An applicant may subscribe for a larger number of Units in integral multiples of 1,000. Investors in Singapore must follow the application procedures set out in the instructions booklet entitled "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore". Subscriptions under the Public Offer must be paid for in US dollars. No fee is payable by applicants for the Units under the Public Offer, save for an administration fee of S$2.00 for each application made through the automated teller machines and the internet banking websites of the Participating Banks.
Over-Allotment Option	In connection with the Offering, it is expected that the Stabilising Manager will be granted the Over-Allotment Option by the Sponsor. The Over-Allotment Option is exercisable by the Stabilising Manager (or persons acting on behalf of the Stabilising Manager), in consultation with the other Joint Bookrunners, in full or in part, on one or more occasions, to

acquire from the Sponsor up to an aggregate of 539,951,000 Units at the Offering Price for each Unit, solely to cover the over-allotment of Units (if any), subject to any applicable laws and regulations, including the SFA and any regulations thereunder, from the date of commencement of trading in the Units on the SGX-ST until the earliest of (i) the date falling 30 days thereafter, or (ii) the date when the Stabilising Manager has bought on the SGX-ST, an aggregate of 539,951,000 Units, representing not more than approximately 15.0% of the total number of Units in the Offering, to undertake stabilising actions or (iii) the date falling 30 days after the date of adequate public disclosure of the Offering Price. The total number of outstanding Units immediately after completion of the Offering and the issue of the Cornerstone Units and the Consideration Units will be 8,708,888,000 Units. The exercise of the Over-Allotment Option will not increase the total number of Units in issue.

Stabilisation

In connection with the Offering, the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) may, in consultation with the other Joint Bookrunners, over-allot or otherwise effect transactions which stabilise or maintain the market price of the Units at levels that might not otherwise prevail in the open market. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations, including the SFA and any regulations thereunder. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action.

Such transactions may commence on or after the date of commencement of trading in the Units on the SGX-ST and, if commenced, may be discontinued at any time and must not be effected after the earliest of (i) the date falling 30 days thereafter, or (ii) the date when the Stablising Manager has bought on the SGX-ST, an aggregate of 539,951,000 Units, representing not more than approximately 15.0% of the total number of Units in the Offering, to undertake stabilising actions or (iii) the date falling 30 days after the date of adequate public disclosure of the Offering Price. (See "Plan of Distribution – Over-Allotment and Stabilisation".)

Lock-ups

The Sponsor has agreed to a lock-up arrangement during the period commencing from the Listing Date until the date falling six months after the Listing Date (both dates inclusive) (the "**Lock-up Period**") in respect of the Units in which it legally and/or beneficially, directly or indirectly, owns or has an interest in on the Listing Date (collectively, the "**Lock-up Units**"), subject to certain exceptions.

Hutchison Port Group Holdings Limited has agreed to a lock-up arrangement during the Lock-Up Period in respect of the Lock-up Units of the Sponsor that are distributed to it in the Upstream Distribution, subject to certain exceptions. Hutchison Port Group Holdings Limited is an indirect wholly-owned subsidiary of HWL which has been nominated to receive the Lock-up Units of the Sponsor in the Upstream Distribution (as defined herein).

The Trustee-Manager has also undertaken to the International Purchasers and the Singapore Underwriters not to offer, issue or contract to issue any Units, or make any announcements in connection with any of the foregoing transactions, during the Lock-up Period, subject to certain exceptions.

(See "Plan of Distribution – Lock-up Arrangements".)

Capitalisation

The market capitalisation of HPH Trust will be between US$7,925,088,080 (based on the Minimum Offering Price) and US$9,405,599,040 (based on the Maximum Offering Price) immediately following the close of the Offering (see "Capitalisation and Indebtedness").

Use of Proceeds

The proceeds from the Offering and the issue of the Cornerstone Units will be applied towards the partial settlement of the consideration for the acquisition of the HPH Trust Business Portfolio and the assignment of certain related party and shareholders' loans (the "**Acquisition**") on the Listing Date.

The balance of the consideration for the Acquisition, which will be paid on or before the fifth Business Day[1] following the Listing Date, will be settled by way of the issue of the Consideration Units on the Listing Date and by using the proceeds from the New Debt Facility (as defined herein).

The Sponsor has agreed to pay all of the Equity Issue Expenses (as defined herein) and the Debt Issue Expenses (as defined herein) (but not including the Upfront Debt Transaction Costs (as defined herein)).

See "Use of Proceeds" and "The Restructuring Exercise".

Listing and Trading

Prior to the Offering, there has been no market for the Units. Application has been made to the SGX-ST for permission to list on the Main Board of the SGX-ST (i) all the Units in issue, (ii) all the Units to be issued pursuant to the Offering, (iii) the Consideration Units, (iv) the Cornerstone Units and (v) all the Units which may be issued to the Trustee-Manager from time to time in full or part payment of the Trustee-Manager's fees (see "The Trustee-Manager – Fees payable to the Trustee-Manager"). Such permission will be granted when HPH Trust is admitted to the Official List of the SGX-ST.

1 "**Business Day**" refers to any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading.

	The Units will, upon their issue, listing and quotation on the SGX-ST, be traded in US dollars under the book-entry (scripless) settlement system of The Central Depository (Pte) Limited ("**CDP**"). The Units will be traded in board lot sizes of 1,000 Units. Persons holding Units in a Securities Account with the CDP may withdraw the number of Units they own from the book-entry settlement system in the form of confirmation notes. Such confirmation notes will not, however, be valid for delivery pursuant to trades transacted on the SGX-ST, although they will be prima facie evidence of title and may be transferred in accordance with the Trust Deed. (See "Clearance and Settlement" for further details.)
Transfer Restrictions	The Units offered in this Offering have not been, and will not be, registered under the US Securities Act. Therefore, resales by subscribers and/or purchasers of the Units and by subsequent transferees will be subject to certain restrictions described in "Transfer Restrictions".
No Redemption by Unitholders	Unitholders have no right to request the Trustee-Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their listed Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.
Distribution Policy and Distribution Currency	Any proposed distributions by HPH Trust will be paid from its residual cash flows ("**Distributable Income**"). Residual cash flows consist of cash flows from dividends and principal and interest payments (net of applicable taxes and expenses) received by HPH Trust from the entities held by HPH Trust, and any other cash received by HPH Trust from the entities held by HPH Trust, after such cash flows have been applied to: ● pay the operating expenses of HPH Trust, including the Trustee-Manager's fees; ● repay principal amounts (including any premium or fee) under any debt or financing arrangement of HPH Trust; ● pay interest or any other financing expense on any debt or financing arrangement of HPH Trust; and ● provide for the cash flow needs of HPH Trust or to ensure that HPH Trust has sufficient funds and/or financing resources to meet the short-term liquidity needs of HPH Trust.

HPH Trust will distribute 100% of its Distributable Income. Distributions will be made 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. However, the first distribution will be for the period from the Listing Date to 30 June 2011 and will be paid on or before 30 September 2011. The Trustee-Manager will pay the distributions no later than 90 days after the end of each distribution period.

Distributions will be declared in Hong Kong dollars. All Units will be held either through the CDP, or by Unitholders in the form of confirmation notes issued by the Trustee-Manager (in its sole discretion) in respect of the Units. Each Unitholder will receive his distribution in the Singapore dollar equivalent of the Hong Kong dollar distribution declared, unless he elects to receive the relevant distribution in Hong Kong dollars or US dollars by submitting a "Distribution Election Notice" by the books closure date. For the portion of the distributions to be paid in Singapore dollars or US dollars, the Trustee-Manager will make the necessary arrangements to convert the distributions in Hong Kong dollars into Singapore dollars or US dollars, as the case may be, at such exchange rate as the Trustee-Manager may determine, taking into consideration any premium or discount that may be relevant to the cost of exchange. The CDP, the Trustee-Manager or HPH Trust shall not be liable for any loss arising from the conversion of distributions payable to Unitholders from Hong Kong dollars into Singapore dollars or US dollars. Save for approved depository agents (acting as nominees of their customers), each Unitholder may elect to receive his entire distribution in Singapore dollars, Hong Kong dollars or US dollars and shall not be able to elect to receive distributions in a combination of Hong Kong dollars, Singapore dollars and/or US dollars.

The foregoing are statements of the present intentions of the Trustee-Manager and may be subject to modification (including the reduction or cancellation of any proposed distribution) in the sole and absolute discretion of the Trustee-Manager. The form, frequency and amount of future distributions (if any) on Units will depend on the earnings, financial position and results of operations of HPH Trust, as well as contractual restrictions, provisions of applicable law and other factors that the Trustee-Manager may deem relevant.

See "Risk Factors" and "Distributions" for a discussion of factors that may adversely affect the ability of HPH Trust to make distributions to Unitholders.

Tax Considerations

See "Taxation" and "Appendix D – Independent Taxation Report".

Governing Law	The Trust Deed, pursuant to which HPH Trust was constituted, is governed by Singapore law.
Underwriting, Selling and Management Commission Payable to the Joint Bookrunners and the Underwriters	See Plan of Distribution for the underwriting, selling and management commission (the "**Underwriting, Selling and Management Commission**") payable.
Risk Factors	**Prospective investors should carefully consider certain risks connected with an investment in the Units, as discussed under "Risk Factors".**

INDICATIVE TIMETABLE

An indicative timetable for the Offering is set out below for the reference of applicants for the Units:

Date and time		Event
12:00 noon on Monday, 7 March 2011	:	Opening date and time for the Public Offer.
10:00 a.m. on Monday, 14 March 2011	:	Closing date and time for the Public Offer.
Monday, 14 March 2011	:	Price Determination Date, subject to change.
Tuesday, 15 March 2011	:	Balloting of applications for the Public Offer, if necessary.
		Completion of the acquisition of the Portfolio Container Terminals, the Portfolio Ancillary Services and the River Ports Economic Benefits.
Thursday, 17 March 2011	:	Commence returning or refunding of application monies to unsuccessful or partially successful applicants and commence returning or refunding of application monies to successful applicants for the amounts paid in excess of the Offering Price, if necessary.
2:00 p.m. on Friday, 18 March 2011	:	Commence trading of the Units on the Listing Date.
Wednesday, 23 March 2011	:	Settlement date for all trades done on a "ready" basis on the Listing Date.

The above timetable is indicative only and is subject to change. The above timetable and procedure may also be subject to such modifications as the SGX-ST may in its discretion decide, including the commencement of trading of the Units on the SGX-ST. It assumes that (i) the closing of the application list for the Public Offer (the "**Application List**") is 14 March 2011, (ii) the Listing Date is 18 March 2011, (iii) there has been compliance with the unitholding spread requirement of the SGX-ST, (iv) compliance with the SGX-ST's listing requirements and (v) the Units will be issued and fully paid up prior to 2:00 p.m. on 18 March 2011. All dates and times referred to above are Singapore dates and times.

Trading in the Units through the SGX-ST is expected to commence at 2:00 p.m. on 18 March 2011 (subject to the SGX-ST being satisfied that all conditions necessary for the commencement of trading in the Units through the SGX-ST on a "ready" basis have been fulfilled). If HPH Trust is terminated or liquidated by the Trustee-Manager under the circumstances specified in the Trust Deed prior to the Offering, or if the Units are not admitted to the Official List of the Main Board of the SGX-ST by 2:00 p.m. on 18 March 2011, the Offering will not proceed and the application monies will be returned in full (without interest or any share of revenue or other benefit arising therefrom and at each applicant's own risk and without any right or claim against HPH Trust, the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners or the Underwriters).

In the event of any early or extended closure of the Application List or the shortening or extension of the time period during which the Offering is open, the Trustee-Manager will publicly announce the same:

- via the SGXNET, with the announcement to be posted on the Internet at the SGX-ST website: <http://www.sgx.com>; and

- in one or more major Singapore newspapers, such as The Straits Times, The Business Times and Lianhe Zaobao.

Investors should monitor the SGXNET, the newspapers, or check with their brokers for the date on which trading on a "ready" basis will commence.

The Trustee-Manager will provide details and results of the Public Offer through the SGXNET and in one or more major Singapore newspapers, such as The Straits Times, The Business Times and Lianhe Zaobao.

The Trustee-Manager reserves the right to reject or accept, in whole or in part, or to scale down or ballot any application for Units, without assigning any reason for it, and no enquiry and/or correspondence on the decision of the Trustee-Manager will be entertained. In deciding the basis of allotment, due consideration will be given to the desirability of allotting the Units to a reasonable number of applicants with a view to establishing an adequate market for the Units.

Where an application under the Public Offer is unsuccessful, the return of the full amount of the application monies (without interest or any share of revenue or other benefit arising therefrom) to the applicant is expected to be completed at his own risk within 24 hours after balloting (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in the instructions booklet entitled "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore").

Where an application under the Public Offer is accepted in full or in part only, any balance of the application monies (including the excess monies arising from the difference between the Offering Price and the Maximum Offering Price should the Offering Price be lower than the Maximum Offering Price) will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk, within 14 Market Days (as defined herein) after the completion of the Offering (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in the instructions booklet entitled "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore").

If, following the receipt by the Trustee-Manager of the proceeds from the Offering under the Underwriting Agreements, the Authority issues a stop order preventing the listing of the Units on the SGX-ST, or the listing of the Units on the SGX-ST does not otherwise occur by 2:00 p.m. on 18 March 2011, all of the Units issued or sold in the Offering will either be returned to the Trustee-Manager for cancellation, repurchase or redemption or be deemed to be void under Singapore law. Upon the occurrence of such an event, the Trustee-Manager will refund the applicants' payments for the Units (without interest or any share of revenue or other benefit arising from any ownership of the Units) in accordance with all applicable laws, rules and directives of any governmental or regulatory agency, or otherwise within 14 days of such occurrence.

In the case of the Public Offer, if the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will, within three Market Days after the Offering is discontinued, be returned to the applicants at their own risk (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in the instructions booklet entitled "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore").

The manner and method for applications and acceptances under the Placement will be determined by the Joint Bookrunners at their sole discretion.

SELECTED FINANCIAL INFORMATION AND OPERATIONAL DATA

You should read the following selected historical combined financial information for the periods and as at the dates indicated in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the combined financial statements, the accompanying notes and the related auditor's report included elsewhere in this document. The combined financial statements are reported in Hong Kong dollars and are prepared and presented in accordance with HKFRS.

*For the purpose of divesting the Portfolio Container Terminals and Portfolio Ancillary Services (collectively, the "**Historical Portfolio Business**") and the River Ports Economic Benefits and the listing of HPH Trust on the SGX-ST, the combined financial statements of the Historical Portfolio Business have been prepared by the Trustee-Manager to present the combined financial position, results and cash flows of the companies engaging in the Historical Portfolio Business, which are under the management of the Sponsor, as at and for each of the years ended 31 December 2008, 2009 and 2010. Unless noted otherwise, the selected historical combined financial information does not include the financial information of the River Ports.*

The selected historical combined financial information for the years ended 31 December 2008, 2009 and 2010 of the Historical Portfolio Business have been derived from the combined financial statements of the Historical Portfolio Business included elsewhere in this document and are qualified in their entirety by reference to those combined financial statements and the notes thereto. The historical results for any prior or interim periods are not necessarily indicative of results to be expected for a full financial year or for any future period.

The Trustee-Manager intends to prepare and report the consolidated financial statements of HPH Trust in accordance with HKFRS in subsequent periods. HKFRS reporting practices and accounting principles differ in certain respects from US GAAP. For a discussion of differences between HKFRS and US GAAP that are relevant to the Historical Portfolio Business, see "Summary of Certain Differences between HKFRS and US GAAP".

Selected Financial Information

	Year ended 31 December			
	2008	2009	2010	
	(HK$ in millions)		(HK$ in millions)	(US$ in millions)
Combined Income Statements of Historical Portfolio Business(1)				
Revenue and other income	12,246.9	10,262.9	11,562.0	1,485.9
Rendering of port and related services	11,717.4	9,860.6	10,997.8	1,413.4
Other revenue	294.0	248.1	340.9	43.8
Other income	235.5	154.2	223.3	28.7
Cost of services rendered	(3,754.9)	(3,023.5)	(3,691.5)	(474.4)
Staff costs	(312.8)	(250.5)	(280.0)	(36.0)
Depreciation and amortisation	(1,050.1)	(978.7)	(1,015.5)	(130.5)
Other operating income	306.5	84.2	61.9	7.9
Other operating expenses	(976.7)	(822.0)	(789.9)	(101.5)
Total operating expenses	(5,788.0)	(4,990.5)	(5,715.0)	(734.5)
Operating profit	6,458.9	5,272.4	5,847.0	751.4
Interest and other finance costs	(948.0)	(406.8)	(345.5)	(44.4)
Share of profits less losses after tax of associated companies	13.6	14.1	17.8	2.3
Share of profits less losses after tax of jointly controlled entities	224.2	144.3	197.4	25.4
Profit before tax	5,748.7	5,024.0	5,716.7	734.7
Tax	(521.8)	(541.9)	(619.4)	(79.6)
Profit for the year of the Historical Portfolio Business	5,226.9	4,482.1	5,097.3	655.1
Attributable Profit of the HPH Trust Business Portfolio(2)				
Profit attributable to the Holding Companies of the Historical Portfolio Business	2,964.3	2,590.0	2,988.5	384.1
River Ports Economic Benefits	87.9	93.5	70.9	9.1
Total attributable profit of the HPH Trust Business Portfolio	3,052.2	2,683.5	3,059.4	393.2

	Year ended 31 December			
	2008	2009	2010	
	(HK$ in millions)		(HK$ in millions)	(US$ in millions)
Combined Statements of Financial Position of Historical Portfolio Business[(1)]				
Non-current assets				
Fixed assets	16,198.1	16,383.1	16,591.9	2,132.4
Projects under development	1,496.0	1,034.9	944.8	121.4
Leasehold land and land use rights	11,966.4	11,737.6	11,529.3	1,481.7
Railway usage rights	16.6	16.3	16.2	2.1
Associated companies	94.9	102.9	116.3	14.9
Jointly controlled entities	263.8	242.8	237.7	30.5
Available-for-sale investments	21.3	2,939.3	2,949.6	379.1
Total non-current assets	30,057.1	32,456.9	32,385.8	4,162.1
Current assets				
Cash and cash equivalents	7,357.9	6,782.5	10,439.0	1,341.6
Other current assets	6,480.6	3,784.1	3,671.7	471.9
Total current assets	13,838.5	10,566.6	14,110.7	1,813.5
Total assets	43,895.6	43,023.5	46,496.5	5,975.6
Capital and Reserves				
Combined capital and reserves	(2,465.8)	(166.5)	3,670.0	471.7
Non-controlling interests	5,476.4	5,948.4	6,998.9	899.5
Total equity	3,010.6	5,781.9	10,668.9	1,371.2
Non-current liabilities	24,491.4	27,060.4	21,465.2	2,758.7
Current liabilities	16,393.6	10,181.2	14,362.4	1,845.7
Total liabilities	40,885.0	37,241.6	35,827.6	4,604.4
Total equity and liabilities	43,895.6	43,023.5	46,496.5	5,975.6
Net current (liabilities)/ assets	(2,555.1)	385.4	(251.7)	(32.2)
Net assets	3,010.6	5,781.9	10,668.9	1,371.2
Combined Statements of Cash Flows of Historical Portfolio Business[(1)]				
Net cash from operating activities	5,751.0	6,905.4	5,884.3	756.2
Net cash (used in)/ from investing activities	(2,952.1)	(2,731.8)	484.7	62.3
Net cash used in financing activities	(2,638.9)	(4,749.0)	(2,712.5)	(348.6)
Net change in cash and cash equivalents	160.0	(575.4)	3,656.5	469.9
Cash and cash equivalents at beginning of year	7,197.9	7,357.9	6,782.5	871.7
Cash and cash equivalents at end of year	7,357.9	6,782.5	10,439.0	1,341.6

Notes:

(1) Accounting treatment of the River Ports Economic Benefits: Unless otherwise indicated, the selected financial information of the Historical Portfolio Business for the historical periods of 2008, 2009 and 2010 does not include the financial information of the River Ports. As at 31 December 2008, 2009 and 2010, the share of unaudited combined net assets of the River Ports business was HK$568.6 million, HK$552.2 million and HK$575.4 million, respectively. The River Ports Economic Benefits in 2008, 2009 and 2010 were HK$87.9 million, HK$93.5 million and HK$70.9 million, respectively. Going forward, the River Ports Economic Benefits will be recorded on HPH Trust's income statement as Other Operating Income. For comparison purposes, Consolidated EBITDA and Consolidated EBITDA margin exclude the River Ports Economic Benefits for all historical, pro forma, forecast and projected periods.

(2) Attributable profit of the HPH Trust Business Portfolio for the historical periods of 2008, 2009 and 2010 reflects the profit attributable to the Holding Companies' interest in the Historical Portfolio Business and the River Ports Economic Benefits based on the ownership of interests held in the Historical Portfolio Business and the River Ports Economic Benefits during the financial years ended 31 December 2008, 2009 and 2010. For the ownership of interests in the Historical Portfolio Business, see Note 1 to the combined financial statements of the Historical Portfolio Business as included in "Appendix C – Independent Auditor's Report on the Combined Financial Statements of the Business Comprising the Deep-water Container Ports in Hong Kong and Guangdong Province and Port Ancillary Services for the Financial Years ended 31 December 2008, 2009 and 2010".

Other Financial and Operational Information

Other non-GAAP financial information in relation to the Historical Portfolio Business is set out below. See "Unaudited Pro Forma Historical Financial Information – Other Financial and Operational Information" for analysis of 2010 pro forma EBITDA.

	Year ended 31 December			
	2008	2009	2010	
	(HK$ in millions, except %)		(HK$ in millions, except %)	(US$ in millions, except %)
	(unaudited)			
Non-GAAP items				
EBITDA[(1)]	7,713.7	6,447.8	7,026.5	903.0
Consolidated EBITDA[(1)]	7,278.8	6,099.8	6,639.2	853.3
Consolidated EBITDA margin[(2)]	60.6%	60.3%	58.6%	58.6%
Attributable EBITDA[(3)]	4,787.6	4,001.9	4,311.0	554.0

Notes:

(1) "**EBITDA**" is defined as operating profit after deducting (i) interest income and adding (ii) depreciation and amortisation, (iii) the share of EBITDA of associated companies, (iv) the share of EBITDA of jointly controlled entities (including, among others, the EBITDA contribution from COSCO-HIT) and (v) the River Ports Economic Benefits (as defined herein). "**Consolidated EBITDA**" is defined as EBITDA after excluding (i) the share of EBITDA of associated companies, (ii) the share of EBITDA of jointly controlled entities and (iii) the River Ports Economic Benefits. EBITDA, Consolidated EBITDA and the related ratios in this document are supplemental measures of performance and liquidity and are not required by, or presented in accordance with HKFRS, IFRS or US GAAP. Furthermore, EBITDA is not a measure of financial performance or liquidity under HKFRS, IFRS or US GAAP and should not be considered an alternative to net income, operating income or any other performance measures derived in accordance with HKFRS, IFRS or US GAAP or an alternative to cash flows from operations or a measure of liquidity. Other companies may calculate EBITDA differently from HPH Trust, limiting its usefulness as a comparative measure.

The Trustee-Manager measures HPH Trust's financial performance using EBITDA in addition to accounting profits or losses. The basis for this approach is that infrastructure/ports assets tend to have lower accounting profit amounts compared to operating cash flows in a financial year or period, or even losses, due to the relatively high amount of non-cash depreciation and amortisation expenses associated with infrastructure/ports assets. Under Singapore law, business trusts are allowed to pay distributions to investors out of operating cash flows (provided that immediately after making the distribution, the trustee-manager will be able to fulfil, from the trust property, the liabilities of the business trust as these liabilities fall due) unlike Singapore-incorporated companies, which are only able to pay dividends out of distributable profit.

For the reasons for presenting EBITDA and related ratios, see "Notice to Investors – Presentation of Financial Information – Non-GAAP Financial Measure".

The table below sets out the primary components of EBITDA for the periods indicated.

	Year ended 31 December			
	2008	2009	2010	
	(HK$ in millions)		(HK$ in millions)	(US$ in millions)
			(unaudited)	
Consolidated EBITDA	7,278.8	6,099.8	6,639.2	853.3
River Ports Economic Benefits	87.9	93.5	70.9	9.1
Share of EBITDA of associated companies	29.6	28.7	33.3	4.2
Share of EBITDA of jointly controlled entities	317.4	225.8	283.1	36.4
EBITDA	7,713.7	6,447.8	7,026.5	903.0

(2) Consolidated EBITDA margin is defined as Consolidated EBITDA as defined in Note 1 above divided by revenue and other income (including sundry income but excluding interest income) of the Historical Portfolio Business. Interest income amounted to HK$230.2 million, HK$151.2 million and HK$223.3 million in 2008, 2009 and 2010, respectively.

(3) Attributable EBITDA is defined as the EBITDA attributable to the Holding Companies' interest in the Historical Portfolio Business and the River Ports Economic Benefits based on the percentage interests held in the Historical Portfolio Business and the River Ports Economic Benefits during the financial years ended 31 December 2008, 2009 and 2010. For the ownership of interests in the Historical Portfolio Business, see Note 1 to the combined financial statements of the Historical Portfolio Business as included in "Appendix C – Independent Auditor's Report on the Combined Financial Statements of the Business Comprising the Deep-water Container Ports in Hong Kong and Guangdong Province and Port Ancillary Services for the Financial Years ended 31 December 2008, 2009 and 2010".

Other operational information in relation to the Historical Portfolio Business is set out below.

	Year ended 31 December		
	2008	2009	2010
	(TEU in thousands)		
Throughput(1)			
HIT(2)	7,427.5	8,126.5	9,465.5
COSCO-HIT	1,664.1	1,378.4	1,574.2
Yantian	9,683.5	8,579.0	10,134.0

Notes:

(1) The published statistics from the Hong Kong Marine Department for the total of local and transhipment throughput incorporate liftings to or from oceangoing vessels and containers received from or delivered to ports located within the river trade zone (as defined by the Hong Kong Marine Department) by water-borne traffic, i.e. traffic to and from the Pearl River Delta via barges. The published statistics are not directly comparable to throughput figures of HIT and COSCO-HIT shown in the above table. HIT and COSCO-HIT figures in 2008 in the table above exclude volumes in relation to lighterwork and water-borne traffic which, based on the estimates of the Trustee-Manager, totalled approximately 1.8 million TEU and 0.1 million TEU, respectively. For 2009 and 2010, the HIT and COSCO-HIT figures in the table above include volumes in relation to lighterwork and the water-borne traffic so as to make the figures more comparable to statistics used by the industry.

(2) The throughput data for HIT does not include throughput from overflow operations at HIT during the peak season.

Other financial information in relation to the Historical Portfolio Business's operations in Hong Kong and the PRC is set out below.

Non-GAAP items		Year ended 31 December 2008	2009	2010	
		(HK$ in millions)		(HK$ in millions)	(US$ in millions)
				(unaudited)	
Revenue and other income generated from(1)	Hong Kong........	5,979.5	5,032.1	5,433.7	698.3
	PRC..................	6,037.2	5,079.5	5,905.0	758.9
EBITDA by region(2)	Hong Kong........	3,033.4	2,558.8	2,677.9	344.1
	PRC(4)	4,680.3	3,889.0	4,348.6	558.9
Attributable EBITDA by region(3)	Hong Kong........	2,631.9	2,197.9	2,325.1	298.8
	PRC(4)	2,155.7	1,804.0	1,985.9	255.2

Notes:

(1) Includes other income such as sundry income but excludes interest income.

(2) EBITDA is defined as operating profit after deducting (i) interest income and adding (ii) depreciation and amortisation, (iii) the share of EBITDA of associated companies, (iv) the share of EBITDA of jointly controlled entities (including, among others, the EBITDA contribution from COSCO-HIT) and (v) the River Ports Economic Benefits. EBITDA and the related ratios in this document are supplemental measures of performance and liquidity and are not required by, or presented in accordance with HKFRS, IFRS or US GAAP. Furthermore, EBITDA is not a measure of the financial performance or liquidity under HKFRS, IFRS or US GAAP and should not be considered an alternative to net income, operating income or any other performance measures derived in accordance with HKFRS, IFRS or US GAAP or an alternative to cash flow from operations or a measure of liquidity. Other companies may calculate EBITDA differently from HPH Trust, limiting its usefulness as a comparative measure.

The Trustee-Manager measures HPH Trust's financial performance using EBITDA in addition to accounting profits or losses. The basis for this approach is that infrastructure/ports assets tend to have lower accounting profit amounts compared to operating cash flows in a financial year or period, or even losses, due to the relatively high amount of non-cash depreciation and amortisation expenses associated with infrastructure/ports assets. Under Singapore law, business trusts are allowed to pay distributions to investors out of operating cash flows (provided that immediately after making the distribution, the trustee-manager will be able to fulfil, from the trust property, the liabilities of the business trust as these liabilities fall due) unlike Singapore-incorporated companies, which are only able to pay dividends out of distributable profit.

For the reasons for presenting EBITDA and related ratios, see "Notice to Investors – Presentation of Financial Information – Non-GAAP Financial Measure."

(3) Attributable EBITDA is defined as the EBITDA attributable to the Holding Companies' interest in the Historical Portfolio Business and the River Ports Economic Benefits based on the ownerships of interests held in the Historical Portfolio Business and the River Ports Economic Benefits during the financial years ended 31 December 2008, 2009 and 2010. For the ownership of interests in the Historical Portfolio Business, see Note 1 to the combined financial statements of the Historical Portfolio Business as included in "Appendix C – Independent Auditor's Report on the Combined Financial Statements of the Business Comprising the Deep-water Container Ports in Hong Kong and Guangdong Province and Port Ancillary Services for the Financial Years ended 31 December 2008, 2009 and 2010".

(4) Includes the River Ports Economic Benefits.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following tables present HPH Trust Group's unaudited pro forma financial information as at and for the financial year ended 31 December 2010. Such unaudited pro forma financial information should be read in conjunction with the unaudited pro forma financial information included in the report in "Appendix A – Reporting Auditor's Report on Examination of the Unaudited Pro Forma Financial Statements of Hutchison Port Holdings Trust and its Subsidiaries for the Financial Year Ended 31 December 2010" to this document.

HPH Trust Group's unaudited pro forma financial information have been prepared for illustrative purposes only and are based on certain assumptions after making certain adjustments to show what:

(i) the financial results of the HPH Trust Group for the year ended 31 December 2010 would have been if certain restructuring steps (comprising a restructuring exercise implemented to establish HPH Trust and the ownership structure of the HPH Trust Business Portfolio, the New Debt Facility obtained by HPH Trust, certain acquisitions and disposals of equity interests, and certain dividend payments to shareholders and non-controlling interests) (collectively, the "**Significant Events**") had occurred at 1 January 2010;

(ii) the financial position of the HPH Trust Group as at 31 December 2010 would have been if the Significant Events had occurred at 31 December 2010; and

(iii) the cash flows of the HPH Trust Group for the year ended 31 December 2010 would have been if the Significant Events had occurred at 1 January 2010.

See "The Restructuring Exercise" and "Overview – Structure of HPH Trust" in this document.

See Note 3(d) of the unaudited pro forma financial statements of HPH Trust Group included in "Appendix A – Reporting Auditor's Report on Examination of the Unaudited Pro Forma Financial Statements of Hutchison Port Holdings Trust and its subsidiaries for the Financial Year ended 31 December 2010" for the key adjustments and assumptions made for the preparation of the unaudited pro forma financial information.

The objective of the unaudited pro forma financial information is to illustrate what the financial position of HPH Trust might be at the Listing Date, on the basis as described above. However, the unaudited pro forma financial information is not necessarily indicative of the actual financial position that would have been attained by HPH Trust on the Listing Date. The unaudited pro forma financial information, because of its nature, may not give a true picture of HPH Trust's actual financial results, financial position and cash flows.

HPH Trust is a business trust. Under Singapore law, business trusts are allowed to pay distributions to investors out of operating cash flows (provided that immediately after making the distribution, the trustee-manager will be able to fulfil, from the trust property, the liabilities of the business trust as these liabilities fall due) unlike Singapore-incorporated companies, which can only pay dividends out of distributable profits. As a result, there are some differences in the financials of HPH Trust when compared to those of a Singapore-incorporated company.

A business trust is able to make distributions to its unitholders in excess of its net profit after tax or when it records a loss after tax, so long as the distributions are supported by the operating cash flows. As such, HPH Trust may report quarterly or annual net profit amounts that are less than operating cash flow amounts, which is not uncommon for a business trust holding infrastructure assets, due to:

(i) structuring to optimise tax efficiency;

(ii) non-cash depreciation and amortisation expenses associated with infrastructure assets (which are typically capital intensive); and

(iii) other non-cash items accounted for as expenses in accordance with relevant accounting standards.

These non-cash items may affect HPH Trust's ability to make distributions.

The Trustee-Manager measures HPH Trust's financial performance using EBITDA in addition to accounting profits or losses. The basis for this approach is that infrastructure/ports assets tend to have lower accounting profit amounts compared to operating cash flow in a financial year or period, or even losses, due to the relatively high amount of non-cash depreciation and amortisation expenses associated with infrastructure/ports assets.

	Year Ended 31 December 2010	
	(HK$ in millions)	**(US$ in millions)**
	(unaudited)	
Pro Forma Income Statement		
Revenue and other income	11,408.0	1,466.1
Rendering of port and related services	10,997.8	1,413.4
Other revenue	340.9	43.8
Other income	69.3	8.9
Cost of services rendered	(3,691.5)	(474.4)
Staff costs	(280.0)	(36.0)
Depreciation and amortisation	(2,772.3)	(356.3)
Other operating income	132.8	17.1
Other operating expenses	(722.9)	(92.9)
Total operating expenses	(7,333.9)	(942.5)
Operating profit	4,074.1	523.6
Interest and other finance costs	(648.5)	(83.3)
Share of profits less losses after tax of associated companies	17.8	2.3
Share of profits less losses after tax of jointly controlled entities	148.8	19.1
Profit before tax	3,592.2	461.7
Tax	(253.1)	(32.5)
Profit for the year	3,339.1	429.2
Allocated as: Profit attributable to non-controlling interests	(1,208.2)	(155.3)
Profit attributable to Unitholders	2,130.9	273.9
Earnings per Unit attributable to Unitholders	HK$0.245	US$0.0315

	As at 31 December 2010	
	(HK$ in millions)	(US$ in millions)
	(unaudited)	
Pro Forma Statement of Financial Position		
Assets		
Non-current assets		
Fixed assets	27,062.6	3,478.0
Projects under development	944.2	121.3
Leasehold land and land use rights	50,348.9	6,470.8
Railway usage rights	16.2	2.1
Intangible assets	8,563.4	1,100.6
Associated companies	116.3	14.9
Jointly controlled entities	2,833.9	364.2
Available-for-sale investments	806.5	103.7
Goodwill	45,869.3	5,895.0
Total non-current assets	136,561.3	17,550.6
Current assets		
Cash and cash equivalents	4,571.3	587.5
Trade and other receivables	2,576.1	331.1
Tax recoverable	2.9	0.4
Inventories	140.9	18.1
Total current assets	7,291.2	937.1
Current liabilities		
Trade and other payables	8,221.9	1,056.7
Bank loans	2,774.7	356.6
Current tax liabilities	265.7	34.1
Total current liabilities	11,262.3	1,447.4
Net current liabilities	(3,971.1)	(510.3)
Total assets less current liabilities	132,590.2	17,040.3
Non-current liabilities		
Bank loans	26,125.8	3,357.7
Pension obligations	112.8	14.5
Deferred tax liabilities	13,546.0	1,740.9
Total non-current liabilities	39,784.6	5,113.1
Net assets	92,805.6	11,927.2
UNITHOLDERS' FUNDS		
Units in issue	73,185.0	9,405.6
Non-controlling interests	19,620.6	2,521.6
Total Unitholders' funds	92,805.6	11,927.2

	Year Ended 31 December 2010	
	(HK$ in millions)	(US$ in millions)
	(unaudited)	
Pro Forma Statement of Cash Flows		
Net cash from operating activities	5,997.2	770.7
Net cash used in investing activities	(64,051.1)	(8,231.7)
Net cash from financing activities	62,655.0	8,052.3
Net change in cash and cash equivalents	4,601.1	591.3
Effects on pro forma adjustments arising from the different basis of preparation of the pro forma statement of financial position and income statement	(29.8)	(3.8)
Cash and cash equivalents at 31 December	4,571.3	587.5

Other Financial and Operational Information

Other non-GAAP financial information in relation to HPH Trust Group is set out below.

	Year ended 31 December 2010	
	(HK$ in millions, except %)	(US$ in millions, except %)
	(unaudited)	
Non-GAAP items		
EBITDA(1)	7,093.4	911.6
Consolidated EBITDA(1)	6,706.1	861.8
Consolidated EBITDA margin(2)	59.1%	59.1%
Attributable EBITDA(3)	5,100.9	655.6

Notes:

(1) "**EBITDA**" is defined as operating profit after deducting (i) interest income and adding (ii) depreciation and amortisation, (iii) the share of EBITDA of associated companies, (iv) the share of EBITDA of jointly controlled entities (including, among others, the EBITDA contribution from COSCO-HIT) and (v) the River Ports Economic Benefits (as defined herein). "**Consolidated EBITDA**" is defined as EBITDA after excluding (i) the share of EBITDA of associated companies, (ii) the share of EBITDA of jointly controlled entities and (iii) the River Ports Economic Benefits. EBITDA, Consolidated EBITDA and the related ratios in this document are supplemental measures of performance and liquidity and are not required by, or presented in accordance with HKFRS, IFRS or US GAAP. Furthermore, EBITDA is not a measure of the financial performance or liquidity under HKFRS, IFRS or US GAAP and should not be considered an alternative to net income, operating income or any other performance measures derived in accordance with HKFRS, IFRS or US GAAP or an alternative to cash flow from operations or a measure of liquidity. Other companies may calculate EBITDA differently from HPH Trust, limiting its usefulness as a comparative measure.

The Trustee-Manager measures HPH Trust's financial performance using EBITDA in addition to accounting profits or losses. The basis for this approach is that infrastructure/ports assets tend to have lower accounting profit amounts compared to operating cash flows in a financial year or period, or even losses, due to the relatively high amount of non-cash depreciation and amortisation expenses associated with infrastructure/ports assets. Under Singapore law, business trusts are allowed to pay distributions to investors out of operating cash flows (provided that immediately after making the distribution, the trustee-manager will be able to fulfil, from the trust property, the liabilities of the business trust as these liabilities fall due) unlike Singapore-incorporated companies which are only able to pay dividends out of distributable profit.

For the reasons for presenting EBITDA and related ratios, see "Notice to Investors – Presentation of Financial Information – Non-GAAP Financial Measure."

The table below sets out the primary components of EBITDA for the periods indicated.

	Year ended 31 December 2010	
	(HK$ in millions)	(US$ in millions)
	(unaudited)	
Consolidated EBITDA	6,706.1	861.8
River Ports Economic Benefits	70.9	9.1
Share of EBITDA of associated companies	33.3	4.3
Share of EBITDA of jointly controlled entities	283.1	36.4
EBITDA	**7,093.4**	**911.6**

(2) Consolidated EBITDA margin is defined as Consolidated EBITDA as defined in Note 1 above divided by revenue and other income (including sundry income but excluding interest income) of HPH Trust Group. Pro forma interest income for HPH Trust Group amounted to HK$69.3 million in 2010.

(3) Attributable EBITDA is defined as HPH Trust's proportionate ownership share of EBITDA (see "Overview – Structure of HPH Trust").

		Year ended 31 December 2010	
		(HK$ in millions)	(US$ in millions)
		(unaudited)	
Pro Forma Non-GAAP items			
Revenue and other income generated from[1]	Hong Kong	5,433.7	698.3
	PRC	5,905.0	758.9
EBITDA by region[2]	Hong Kong	2,739.9	352.1
	PRC[4]	4,353.5	559.5
Attributable EBITDA by region[3]	Hong Kong	2,737.4	351.8
	PRC[4]	2,363.5	303.8

Notes:

(1) Includes other income such as sundry income but excludes interest income. Pro forma interest income for HPH Trust Group amounted to HK$69.3 million in 2010.

(2) EBITDA is defined as operating profit after deducting (i) interest income and adding (ii) depreciation and amortisation, (iii) the share of EBITDA of associated companies, (iv) the share of EBITDA of jointly controlled entities (including, among others, the EBITDA contribution from COSCO-HIT) and (v) the River Ports Economic Benefits. EBITDA and the related ratios in this document are supplemental measures of performance and liquidity and are not required by, or presented in accordance with HKFRS, IFRS or US GAAP. Furthermore, EBITDA is not a measure of the financial performance or liquidity under HKFRS, IFRS or US GAAP and should not be considered an alternative to net income, operating income or any other performance measures derived in accordance with HKFRS, IFRS or US GAAP or an alternative to cash flow from operations or a measure of liquidity. Other companies may calculate EBITDA differently from HPH Trust, limiting its usefulness as a comparative measure.

The Trustee-Manager measures HPH Trust's financial performance using EBITDA in addition to accounting profits or losses. The basis for this approach is that infrastructure/ports assets tend to have lower accounting profit amounts compared to operating cash flow in a financial year or period, or even losses, due to the relatively high amount of non-cash depreciation and amortisation expenses associated with infrastructure/ports assets. Under Singapore law, business trusts are allowed to pay distributions to investors out of operating cash flows (provided that immediately after making the distribution, the trustee-manager will be able to fulfil, from the trust property, the liabilities of the business trust as these liabilities fall due) unlike Singapore-incorporated companies which are only able to pay dividends out of distributable profit.

For the reasons for presenting EBITDA and related ratios, see "Notice to Investors – Presentation of Financial Information – Non-GAAP Financial Measure".

(3) Attributable EBITDA is defined as HPH Trust's proportionate ownership share of EBITDA (see "Overview – Structure of HPH Trust").

(4) Includes the River Ports Economic Benefits.

PROFIT AND CASH FLOW FORECAST AND PROFIT AND CASH FLOW PROJECTION

The following is an extract from "Profit and Cash Flow Forecast and Profit and Cash Flow Projection". Statements in this extract that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set out on pages 150 to 164 of this document and are subject to certain risks and uncertainties, which could cause actual results to differ materially from those that are forecast. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy or reasonableness of the underlying assumptions by HPH Trust, the Trustee-Manager, the Sponsor, the Joint Bookrunners, the Underwriters or any other person save as expressly provided in this document, or that these results will be achieved or are likely to be achieved. See "Forward-looking Statements" and "Risk Factors". Investors in the Units are cautioned not to place undue reliance on these forward-looking statements, which are made only as at the date of this document.

None of HPH Trust, the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners or the Underwriters guarantees the performance of HPH Trust, the repayment of capital or the payment of any distributions, or any particular return on the Units. The forecast yields stated in the following table(s) are calculated based on the Minimum Offering Price and the Maximum Offering Price. Such yields will vary accordingly and in relation to investors who purchase Units in the secondary market at a market price that differs from the Minimum Offering Price and the Maximum Offering Price.

*The following tables set forth HPH Trust's forecast and projected income statements and statements of cash flows for the nine and one-half month period from 16 March 2011 to 31 December 2011 (the "**Forecast Period 2011**") and the twelve month period from 1 January 2012 to 31 December 2012 (the "**Projection Year 2012**"). The financial year-end of HPH Trust is 31 December. HPH Trust's first accounting period is for the period from 25 February 2011, being the date of its constitution, to 31 December 2011.*

The DPU for the Forecast Period 2011 is calculated on the assumption that the Units are issued on 16 March 2011 and are eligible for distributions arising from operations from 16 March 2011 to 31 December 2011.

Investors in the Units should read the whole of this "Profit and Cash Flow Forecast and Profit and Cash Flow Projection" section together with the report set out in "Appendix B – Reporting Auditor's Report on the Profit and Cash Flow Forecast and Profit and Cash Flow Projection of Hutchison Port Holdings Trust and its Subsidiaries for the period from 16 March 2011 to 31 December 2011 and the financial year ending 31 December 2012", as well as the assumptions and the sensitivity analysis set out in this section of this document.

FORECAST AND PROJECTED INCOME STATEMENTS

	Forecast Period 2011[1]	Projection Year 2012
	(HK$ in millions)	
Revenue and other income	10,230.6	13,710.3
Cost of services rendered	(3,417.5)	(4,511.7)
Staff costs	(230.2)	(285.3)
Depreciation and amortisation[2]	(2,297.4)	(2,944.7)
Other operating income	71.5	80.2
Other operating expenses	(472.1)	(648.1)
Management fees	(15.4)	(33.8)
Trust expenses	(114.0)	(146.8)
Total operating expenses	(6,475.1)	(8,490.2)
Operating profit	3,755.5	5,220.1
Interest and other finance costs	(534.6)	(731.5)
Share of profits less losses after tax of associated companies	10.6	14.8
Share of profits less losses after tax of jointly controlled entities[3]	91.4	130.1
Profit before tax	3,322.9	4,633.5
Tax[4]	(309.5)	(588.0)
Profit for the year	3,013.4	4,045.5
Attributable to:		
Unitholders of HPH Trust	1,879.9	2,589.3
Non-controlling interests	1,133.5	1,456.2
	3,013.4	4,045.5

Notes:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

(2) Including additional depreciation and amortisation arising from the acquisition of the HPH Trust Business Portfolio at fair value from the Sponsor amounting to HK$1,390.7 million and HK$1,756.7 million for the Forecast Period 2011 and the Projection Year 2012, respectively.

(3) Including additional depreciation and amortisation (net of tax) arising from the acquisition of the HPH Trust Business Portfolio at fair value from the Sponsor amounting to HK$38.5 million and HK$48.6 million for the Forecast Period 2011 and the Projection Year 2012, respectively.

(4) Including accounting tax credits on the additional depreciation and amortisation arising from the acquisition of the HPH Trust Business Portfolio at fair value from the Sponsor amounting to HK$301.8 million and HK$381.2 million for the Forecast Period 2011 and the Projection Year 2012, respectively.

FORECAST AND PROJECTED STATEMENTS OF CASH FLOWS

	Forecast Period 2011[1]	Projection Year 2012
	(HK$ in millions)	
Operating activities		
Cash generated from operations (before management fees paid in cash and trust expenses)	6,160.2	8,335.8
Management fees paid in cash	(15.4)	(19.8)
Trust expenses	(114.0)	(146.8)
Interest and other finance costs paid	(442.3)	(614.8)
Tax paid	(733.3)	(957.6)
Net cash from operating activities	4,855.2	6,596.8
Investing activities		
Acquisition of HPH Trust Business Portfolio, net of cash acquired[2]	(60,178.8)	–
Maintenance capital expenditure	(143.4)	(163.7)
Development capital expenditure[3]	(1,843.5)	(1,008.4)
Dividends received from associated companies and jointly controlled entities	139.6	178.6
Net cash used in investing activities	(62,026.1)	(993.5)
Financing activities		
Proceeds raised from issue of Units	45,374.6	–
Drawdown of bank loans	22,992.9	–
Repayment of bank loans	(3,004.6)	(4.6)
Capital contribution from non-controlling interests in a subsidiary for development capital expenditure	140.3	248.1
Distribution to Unitholders	(1,130.4)	(4,221.2)
Distribution to non-controlling interests	(566.6)	(2,217.4)
Net cash from / (used in) financing activities	63,806.2	(6,195.1)
Net change in cash and cash equivalents	6,635.3	(591.8)
Cash and cash equivalents at beginning of the period/year[2]	–	6,635.3
Cash and cash equivalents at end of the period/year	6,635.3	6,043.5

Notes:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

(2) Cash and cash equivalents retained by the HPH Trust Business Portfolio amounting to HK$5,188.7 million will be acquired by HPH Trust and will be available immediately after the acquisition to meet the working capital requirements and development capital expenditures of HPH Trust as mentioned in Note 3 below. The details of the acquisition of the HPH Trust Business Portfolio, net of cash acquired are as follows:

	HK$ in millions
Consideration for the acquisition of the HPH Trust Business Portfolio	(78,753.3)
Loan assignments	(24,125.4)
Less: IPO Adjustment (as defined herein)	9,700.9
	(93,177.8)
Less: settlement by issuance of Consideration Units	27,810.3
	(65,367.5)
Less: cash acquired from the HPH Trust Business Portfolio	5,188.7
Acquisition of the HPH Trust Business Portfolio, net of cash acquired	(60,178.8)

(3) Includes development capital expenditure in relation to Yantian Phase III Expansion and West Port Phase II.

RECONCILIATION OF DISTRIBUTION

The following is the reconciliation of distribution to Unitholders:

	Forecast Period 2011(1)	Projection Year 2012
	(HK$ in millions)	
Distribution to Unitholders paid in current period/year	1,130.4	4,221.2
Less: Distribution paid in current period/year in relation to prior period's/year's July to December distribution period	–	(2,126.8)
Add: Distribution to be paid next year in relation to current period's/year's July to December distribution period	2,126.8	2,368.1
Distribution to Unitholders attributable for the period/year	3,257.2	4,462.5

Note:
(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

The following is the reconciliation of distribution to non-controlling interests:

	Forecast Period 2011(1)	Projection Year 2012
	(HK$ in millions)	
Distribution to non-controlling interests paid in current period/year	566.6	2,217.4
Less: Distribution paid in current period/year in relation to prior period's/year's July to December distribution period	–	(1,151.0)
Add: Distribution to be paid next year in relation to current period's/year's July to December distribution period	1,151.0	1,308.7
Distribution to non-controlling interests attributable for the period/year	1,717.6	2,375.1

Note:
(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

RECONCILIATION OF EBITDA TO DISTRIBUTION

The following is the reconciliation of EBITDA to distribution:

	Forecast Period 2011[1]	Projection Year 2012
	(HK$ in millions)	
EBITDA[2]	6,254.9	8,469.3
Less:		
Share of EBITDA of associated companies and jointly controlled entities	(224.7)	(315.3)
Changes in working capital	(39.1)	(31.8)
Maintenance capital expenditure	(143.4)	(163.7)
Development capital expenditure	(1,843.5)	(1,008.4)
Interest and other finance costs paid	(442.3)	(614.8)
Tax paid	(733.3)	(957.6)
Add:		
Dividend income from associated companies and jointly controlled entities	139.6	178.6
Interest income	22.8	10.8
Management fees paid in Units	0.0	14.0
Development capital expenditure[3]	1,843.5	1,008.4
Capital contribution from non-controlling interests in a subsidiary for development capital expenditure	140.3	248.1
Total distribution for the period/year	4,974.8	6,837.6
Distribution to Unitholders	3,257.2	4,462.5
Distribution to non-controlling interests	1,717.6	2,375.1

Notes:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

(2) EBITDA is defined as operating profit after deducting (i) interest income and adding (ii) depreciation and amortisation, (iii) the share of EBITDA of associated companies, (iv) the share of EBITDA of jointly controlled entities (including, among others, the EBITDA contribution from COSCO-HIT) and (v) the River Ports Economic Benefits. EBITDA and the related ratios in this document are supplemental measures of performance and liquidity and are not required by, or presented in accordance with HKFRS, IFRS or US GAAP. Furthermore, EBITDA is not a measure of the financial performance or liquidity under HKFRS, IFRS or US GAAP and should not be considered an alternative to net income, operating income or any other performance measures derived in accordance with HKFRS, IFRS or US GAAP or an alternative to cash flow from operations or a measure of liquidity. Other companies may calculate EBITDA differently from HPH Trust, limiting its usefulness as a comparative measure.

The Trustee-Manager measures HPH Trust's financial performance using EBITDA in addition to accounting profits or losses. The basis for this approach is that infrastructure/ports assets tend to have lower accounting profit amounts compared to operating cash flow in a financial year or period, or even losses, due to the relatively high amount of non-cash depreciation and amortisation expenses associated with infrastructure/ports assets. Under Singapore law, business trusts are allowed to pay distributions to investors out of operating cash flow (provided that immediately after making the distribution, the trustee-manager will be able to fulfil, from the trust property, the liabilities of the business trust as these liabilities fall due) unlike Singapore-incorporated companies which are only able to pay dividends out of distributable profit.

For the reasons for presenting EBITDA and related ratios, see "Notice to Investors – Presentation of Financial Information – Non-GAAP Financial Measure".

(3) Development capital expenditure will be funded from cash and cash equivalents retained by the HPH Trust Business Portfolio amounting to HK$5,188.7 million as of 16 March 2011 and capital contribution from non-controlling interests in a subsidiary.

The projected yields stated in the following table are calculated based on the Minimum Offering Price and the Maximum Offering Price. Such yields will vary accordingly in relation to investors who purchase Units in the secondary market at a market price that differs from the Minimum Offering Price and the Maximum Offering Price or to investors who do not hold the Units for the whole of the Forecast Period 2011 or Projection Year 2012.

	Based on the Minimum Offering Price		**Based on the Maximum Offering Price**	
	Forecast Period 2011(1)	**Projection Year 2012**	**Forecast Period 2011(1)**	**Projection Year 2012**
Issue Price (US$ per Unit)	0.91	0.91	1.08	1.08
Distribution to Unitholders (HK$ in millions)(2)	3,257.2	4,462.5	3,257.2	4,462.5
Weighted average number of Units (million)	8,709	8,709(5)	8,709	8,709(5)
DPU (HK cents)	37.40	51.24	37.40	51.24
DPU (US cents(3))	4.81	6.59	4.81	6.59
Seasonally annualised DPU(4) (HK cents)	45.88	51.24	45.88	51.24
Seasonally annualised DPU(4) (US cents(3))	5.90	6.59	5.90	6.59
Seasonally annualised DPU(4) yield (%)	6.5%	7.2%	5.5%	6.1%

Notes:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

(2) Based on distribution to Unitholders attributable for the period/year. (See "Profit and Cash Flow Forecast and Profit and Cash Flow Projection – Reconciliation of Distribution".)

(3) Based on an exchange rate of US$1.00: HK$7.7810.

(4) DPU for Forecast Period 2011 is seasonally annualised as follows:
Seasonally annualised DPU = Forecast Period 2011 DPU ÷ Seasonally Annualising Factor
Seasonally Annualising Factor = 0.8151 (Combined throughput of HIT and Yantian assumed for Forecast Period 2011 ÷ Combined throughput of HIT and Yantian assumed for the Forecast Year 2011) (See "The Business of Hutchison Port Holdings Trust – Seasonality")

(5) Excludes performance fee paid in Units that are assumed to be issued in the following financial year.

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An investment in the Units involves risks. Prospective investors should consider the following risk factors carefully, together with all other information contained in this document, before deciding to invest in the Units, as these may, among other things, adversely affect the trading price of the Units and the ability of HPH Trust to make distributions to Unitholders.

This document also contains forward-looking statements (including a Profit and Cash Flow Forecast and Profit and Cash Flow Projection) that involve risks, uncertainties and assumptions. The actual results of HPH Trust could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by HPH Trust as described below.

Investors should not expect short-term gains from their investment in HPH Trust. Investors should be aware that the price of Units, and the income from them, may fall or rise. Investors should note that they could lose all or part of their original investment.

Before deciding to invest in the Units, prospective investors should seek professional advice from their legal, tax, financial and other advisers about the appropriateness of an investment in the Units.

RISKS RELATING TO THE BUSINESS

HPH Trust's business is highly dependent on global trading volumes and regional and global economic, financial and political conditions.

HPH Trust may be unfavourably impacted by adverse economic conditions, including uncertainties and instability in global market conditions.

The volume of containers handled by HPH Trust and the use of other port-related services by customers are influenced by the performance and growth of regional and international trading economies. HPH Trust's core business consists of the management, operations and development of container terminals and the provision of cargo handling and other port-related services. Such services are required by shipping line customers for the transportation of containerised cargo by sea between overseas and regional economies. If key export markets for local exporters experience an economic downturn or recession, export volumes may decrease. The global economic crisis had an adverse effect on the operation of ports and related services in 2009. The ports and related services sector saw a significant decline in global throughput and increased pricing pressure in the fourth quarter of 2008 compared to the third quarter of 2008, and this trend continued in 2009. The market recovered strongly in 2010, with preliminary estimates pointing to a 13.4% increase in global container throughput over 2009 and 3.2% growth over the previous peak in 2008[1]. In addition to a general decrease in global export and import activity, the global credit crunch has also adversely affected the global shipping industry, as liquidity problems in the international banking sector have reduced the availability of credit, making the financing of shipments more difficult.

The global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near-failure of a number of institutions in the banking and insurance industries. There remains a concern that the debt crisis in Europe will impinge upon the health of the global financial system. These and other related events have had a significant impact not only on the global capital markets associated with asset-backed securities

1 See "Overview of the Container Port Industry" prepared by Drewry.

but also on the global credit and financial markets as a whole. In addition, current instability in the Middle East may affect the global credit and other markets. Decreases in imports and exports or reduced trading patterns caused by these or other circumstances may reduce the number of vessels calling at the ports that HPH Trust operates and may adversely affect the business, financial condition, results of operations and prospects of HPH Trust. These events could adversely affect HPH Trust insofar as they result in:

- decreased throughput and use of ancillary services;
- a negative impact on the ability of the customers of HPH Trust to pay HPH Trust, thus reducing HPH Trust's cash flows;
- increased rates of trade credit default by customers; and
- an increased likelihood that one or more of HPH Trust's banking syndicates or insurers may not honour their commitments to HPH Trust.

Other factors impacting the performance and growth of regional and international trading economies may also affect the business of HPH Trust, including but not limited to, unfavourable political conditions, trade restrictions, sanctions, embargoes, boycotts, trade measures, exchange controls, currency fluctuations, labour strikes, trade disputes, weather patterns, crop yields, epidemics, terrorism, changes in seaborne and other transportation patterns and natural disasters.

HPH Trust's results of operations may fluctuate significantly as a result of the seasonality of the shipping industry.

The container port industry has historically experienced seasonal variations. This seasonality may result in quarter-to-quarter volatility in the operating results of HPH Trust. Trade volumes in the jurisdictions in which HPH Trust operates tend to be higher in the third and fourth quarters and lower in the first quarter. As a result, the results of operations of HPH Trust may fluctuate significantly and comparisons of operating results between different periods within a single financial year, or between different periods in different financial years, may not necessarily be meaningful and may not be relied upon as indications of its overall performance.

HPH Trust is dependent on a small number of customers for a significant portion of its business.

Consistent with their high degree of dominance in the shipping industry, major shipping lines will be contributing significantly to the business and revenue of HPH Trust. For the year ended 31 December 2010, the Portfolio Container Terminals' five and ten largest customers accounted for approximately 41% and 68%, respectively, of the throughput for the Portfolio Container Terminals, although none of these customers individually accounted for more than 15% of the gross throughput for the Portfolio Container Terminals.

The major customers of the Portfolio Container Terminals are global and regional shipping companies with whom the operators of the Portfolio Container Terminals enter into contracts of a duration typically ranging from one to three years that usually contain provisions granting the shipping company an early termination right in certain circumstances. Early termination rights are a common feature in contracts of this nature and afford customers of the Portfolio Container Terminals a degree of leverage with which to negotiate on prices and bulk discounts with HPH Trust. The container shipping industry has undergone significant consolidation over the past 15 years, both internally and with the container terminal industry. In addition, shipping lines, which are major customers of the Portfolio

Container Terminals, are increasingly investing in seaports and in their own dedicated terminal facilities and to the extent that these customers make such investments in the Pearl River Delta, they may prefer to use these facilities over the Portfolio Container Terminals. There can be no assurance that, if HPH Trust were to lose all or a significant portion of the business from one or more of these major customers, it would be able to obtain business from other customers in an amount sufficient to replace any such lost revenue or, if HPH Trust were able to obtain business from other customers, that it would be on commercially reasonable terms.

HPH Trust may face risks associated with debt financing and the debt facilities and the debt covenants could limit or affect HPH Trust's operations.

HPH Trust has put in place a New Debt Facility of US$3.0 billion (HK$23.3 billion). HPH Trust is subject to risks associated with debt financing, including the risk that its cash flows will be insufficient to meet the required payments of principal and interest under such financing. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Indebtedness".

Distributions from HPH Trust to Unitholders will be computed based on 100% of HPH Trust's Distributable Income. As a result of this distribution policy, HPH Trust may not be able to meet all of its obligations to repay any future borrowings through its cash flow from operations. HPH Trust may be required to repay maturing debt with funds from additional debt or equity financing or both. There is no assurance that such financing will be available on acceptable terms or at all.

If HPH Trust defaults under such debt facilities, the lenders may be able to declare a default and initiate enforcement proceedings in respect of any security provided, and/or call upon any guarantees provided.

If principal amounts due for repayment at maturity cannot be refinanced, extended or paid with proceeds from other capital sources, such as the issuance of new Units, HPH Trust will not be able to pay distributions at expected levels to Unitholders or to repay all maturing debt.

HPH Trust may be subject to the risk that the terms of any refinancing undertaken will be less favourable than the terms of the original borrowings. HPH Trust may also be subject to certain covenants that may limit or otherwise adversely affect its operations and its ability to make distributions to Unitholders. Such covenants may also restrict HPH Trust's ability to operate its ports or undertake capital expenditures and may require it to set aside funds for maintenance or repayment of security deposits or require HPH Trust to maintain certain financial ratios (e.g. loan to value ratios). The triggering of any of such covenants may have an adverse impact on the business, financial condition, results of operations and prospects of HPH Trust.

If prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make loans to port operators) result in higher interest rates, the interest expense relating to such refinanced indebtedness would increase, thereby adversely affecting HPH Trust's cash flows and the amount of funds available for distribution to Unitholders.

HPH Trust may engage in hedging transactions which could limit gains and not offer full protection against interest rate and exchange rate fluctuations.

HPH Trust may enter into hedging transactions to protect itself from the adverse effects of interest rates on floating rate debt and exchange rate fluctuations. However, hedging activities may not have the desired beneficial impact on the operations or financial condition of HPH Trust.

Hedging could fail to protect HPH Trust or may even adversely affect HPH Trust because, among other things:

- the available hedging may not correspond directly with the risk for which protection is sought;
- the duration or nominal amount of the hedge may not match the duration of the related liability;
- the party owing money in the hedging transaction may default on its obligation to pay;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs HPH Trust's ability to sell or assign its side of the hedging transaction; and
- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Downward adjustments of the value of the derivatives used for hedging would reduce the value of HPH Trust.

Hedging involves risks and costs, including transaction costs, which may reduce overall returns. These costs increase as the period covered by the hedging increases and during periods of rising and volatile interest rates. These costs will also limit the amount of cash available for distributions to Unitholders.

HPH Trust is exposed to credit risk with respect to its customers, and its business could be adversely affected if its customers default on their obligations.

While HPH Trust seeks to limit its credit risk by setting credit limits for individual customers, taking financial guarantees from certain customers and monitoring outstanding receivables, its customers may in the future default on their obligations to it due to bankruptcy, lack of liquidity, operational failure or other reasons. HPH Trust's credit risk is increased by the fact that its largest customers operate in the same industry and therefore may be similarly affected by changes in economic and other conditions. In addition, HPH Trust is often unable to obtain reliable information regarding the financial condition of many of its customers because they are privately-held companies and have no obligation to make such information publicly available. Delayed payment, non-payment or non-performance on the part of one or more of its major customers, or a number of its smaller customers, could have a material adverse effect on the business, financial condition (including cash flow), results of operations and prospects of HPH Trust.

The Portfolio Container Terminals may require significant periodic capital expenditure beyond the Trustee-Manager's current estimates and HPH Trust may not be able to secure funding.

HPH Trust operates in a capital intensive industry that requires substantial amounts of capital and other long-term expenditures. The Portfolio Container Terminals and ports to be acquired by HPH Trust may require periodic capital expenditures beyond the Trustee-Manager's current estimates for refurbishment, renovation and improvements. In the past, the Sponsor financed these capital expenditures primarily through internally generated cash and debt financing. In the future, however, HPH Trust may not be able to fund capital expenditure (including such capital expenditure that has not been pre-funded by the Sponsor) solely from cash provided from its operating activities and HPH Trust may not be able to obtain additional equity or debt financing, on favourable terms or at all. If HPH Trust is not able to obtain such financing, the appeal of the relevant Portfolio Container Terminals may be affected which could, in turn, have a material adverse effect on the business, financial condition (including cash flow), results of operations and prospects of HPH Trust and the ability of HPH Trust to make distributions.

The Trustee-Manager may not be able to successfully implement its investment strategies for HPH Trust.

There is no assurance that the Trustee-Manager will be able to implement its investment strategies successfully or that it will be able to expand HPH Trust's portfolio at any specified rate or to any specified size. The Trustee-Manager may not be able to make acquisitions or investments on favourable terms or within a desired time frame.

Even if HPH Trust were able to successfully acquire ports or make investments as desired, there is no assurance that HPH Trust will achieve its intended return on such acquisitions or investments. In addition, HPH Trust may require additional debt and/or equity financing in order to make such acquisitions and investments. If obtained, any such additional debt financing may decrease distributable income whereas equity financing may dilute the entitlement of the distributions of existing Unitholders.

Further, HPH Trust's investment mandate involves a higher level of risks as compared to a portfolio which has a more diverse range of investments.

The ROFR Agreement will be terminated if the conditions to the ROFR Agreement remaining in full force and effect are not satisfied.

The rights under the ROFR Agreement are granted to HPH Trust with effect from Listing and will cease immediately upon the occurrence of any of the following events, whichever first occurs: (i) Hutchison Port Holdings Management Pte. Limited or any of HWL's subsidiaries ceases to be the trustee-manager of HPH Trust, (ii) HWL and/or any of its subsidiaries, alone or in aggregate, ceases to be a controlling shareholder (i.e. holding 15% or more of the voting shares) of the trustee-manager of HPH Trust or (iii) HPH Trust ceases to be listed on the Main Board of the SGX-ST.

There is no guarantee that the level of shareholding of HWL in the Trustee-Manager required for the continued validity of the ROFR Agreement will be maintained. HPH Trust will not be able to benefit from the ROFR Agreement if the conditions to the ROFR Agreement remaining in full force and effect are not satisfied. The termination of the ROFR Agreement will adversely affect HPH Trust's ability to implement its acquisition growth strategy. (See "Certain Agreements Relating to Hutchison Port Holdings Trust – ROFR Agreement" for further details on the ROFR.)

If HPH Trust is unable to reach agreement with the Sponsor to purchase ports that are the subject of the ROFR Agreement, such ports could compete with HPH Trust in the future.

Pursuant to the ROFR Agreement, HPH Trust will have the right to acquire from the Sponsor certain greenfield projects that the Sponsor may decide to develop into deep-water container ports or to acquire deep-water container ports that are offered by third parties to the Sponsor. In the event that the Trustee-Manager decides not to take up the development opportunity or the option to acquire such port, the Sponsor would have the right to develop the port itself or acquire the asset from the third party. Under either of these circumstances, the container port(s) at issue would compete with HPH Trust, which may result in increased revenue for the Sponsor at the expense of HPH Trust and which, in turn, could have a material adverse effect on the business, financial condition, results of operations and prospects of HPH Trust and the ability of HPH Trust to make distributions to its Unitholders. (See

"Certain Agreements Relating to Hutchison Port Holdings Trust – ROFR Agreement" for further details on the ROFR and "Certain Agreements Relating to Hutchison Port Holdings Trust – Non-Compete Agreement".)

Certain land use right certificates and construction permits have not been received for Yantian.

YICTP3 has not been issued the land use right certificate for a land plot (which represents about 24.5% of the entire land size of the Yantian port) at which Yantian Phase III Expansion is located. YPG, the current land use right owner and the Chinese joint venture partner of YICTP3, has the obligation to transfer the land use right and use its best efforts to support YICTP3 in obtaining the land use right certificate under the joint venture agreement for YICTP3 and the relevant land transfer contract. YICTP3 is in the process of obtaining the transfer of the Yantian Phase III Expansion site from YPG to the joint venture and the land use right certificate is expected to be obtained before the end of 2011. YICTP3 understands from YPG that it is not aware of any impediments to its proposed transfer of the land use right to YICTP3 and the issue of the land use right certificate to YICTP3 by the relevant land authorities. In addition, King & Wood, the PRC counsel to the Trustee Manager as to PRC law, has advised that based on its due diligence review, it is of the view that YICTP3 will (upon YPG complying with its contractual obligations to YICTP3 and making the relevant payments to the relevant PRC authorities, and upon YICTP3 and YPG complying with such requirements as may be imposed by the government authorities) be able to apply for, and obtain the land use right certificate for the land plot on which Yantian Phase III Expansion is located. Pursuant to the underlying land transfer agreement, in the event YPG fails to transfer the land to YICTP3, YICTP3 shall be entitled to terminate the land transfer agreement and claim against YPG for any of its losses incurred. However, there is no assurance that the land will be transferred or that the relevant land authorities will issue the land use right certificate. Consequently, YICTP3 may be requested in the future to cease occupying and using the land, which may materially adversely affect the business, financial condition, results of operations and prospects of HPH Trust.

In addition, YICT and YICTP3 have not applied for the construction work planning permit, the construction works commencement permit and the inspection acceptance certificate of certain of the facilities in Yantian International Container Terminals Phase I and Yantian Phase III Expansion, respectively. Due to the lack of the above permits and certificates and the related title defects for the relevant facilities, there is a legal basis under the relevant PRC laws and regulations for the relevant PRC government authorities to require YICT or YICTP3 (as applicable) (i) to apply for all the relevant permits, and to pay up to 10% of the consideration payable under the relevant construction agreement of the relevant facilities for lack of a construction work planning permit and to vacate the relevant facilities for lack of an inspection acceptance certificate; and (ii) to pay up to RMB30,000 for each facility for lack of a construction work commencement permit and up to RMB50,000 for each facility for lack of an inspection acceptance certificate.

Further, SYWPT has commenced construction of West Port Phase II without applying for the relevant permits. Pursuant to the relevant PRC laws and regulations, there is a legal basis for the relevant PRC government authorities to require SYWPT (i) to cease the construction work; (ii) to apply for all the relevant permits, and to pay up to 10% of the consideration payable under the relevant construction agreement of the relevant facilities for lack of a construction work planning permit; and (iii) to pay up to RMB30,000 for each facility for lack of a construction work commencement permit.

If any of the above events occur, the business, financial condition, results of operations and prospects of HPH Trust may be adversely affected.

Acquisitions may not yield the returns expected, resulting in disruptions to HPH Trust's business and straining management resources.

HPH Trust's external growth strategy and its asset selection process may not be successful and may not provide positive returns to Unitholders.

Acquisitions may cause disruptions to HPH Trust's operations and divert the Trustee-Manager's attention away from day-to-day operations. New Units issued in connection with the financing of any new acquisition could also be substantially dilutive to the interest of the Unitholders. See "Risk Factors – The Trustee-Manager may not be able to successfully implement its investment strategies for HPH Trust".

The Trustee-Manager may change HPH Trust's investment mandate after three years.

HPH Trust's policies with respect to certain activities, including investments and acquisitions, will be determined by the Trustee-Manager.

The Trustee-Manager's strategy may not be changed for a period of three years commencing from the Listing Date (as the Listing Manual prohibits a departure from the Trustee-Manager's stated investment mandate for HPH Trust for the said period unless otherwise approved by an Extraordinary Resolution (as defined herein) passed by Unitholders). After this initial period of three years, subject to the terms of the Non-Compete Agreement (as defined herein), the Trustee-Manager may change HPH Trust's investment mandate without Unitholders' approval as the Trust Deed grants the Trustee-Manager wide powers to invest in other types of assets. If however the Trust Deed is required to be amended as a result of a change in the investment mandate, Unitholders' approval will be required. There are risks and uncertainties with respect to the selection of investments and with respect to the investments made.

The methods of implementing HPH Trust's investment strategies and policies may also vary as new investment and financing techniques are developed or otherwise used. Any such changes may adversely affect Unitholders' investment in HPH Trust.

HPH Trust may be adversely affected by the illiquidity of its investments.

The Trustee-Manager's investment strategies involve a higher risk level as compared to an investment portfolio that is more diversified. Ports are relatively illiquid investments and their illiquidity may affect HPH Trust's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic or other conditions. HPH Trust may be unable to sell its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. HPH Trust may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by the ports due to the illiquid nature of the assets. These factors could have an adverse effect on the business, financial condition, results of operations and prospects of HPH Trust.

HPH Trust is exposed to certain operational risks in respect of the expansion, development and construction of ports.

HPH Trust is subject to a number of construction, financing, operating and other risks beyond the control of HPH Trust, including, but not limited to:

- shortages of materials, equipment and relevant qualified labour;

- breakdown of equipment;
- damage or loss of cargo;
- adverse weather conditions and natural disasters;
- accidents;
- labour disputes and disputes with sub-contractors;
- an inability to secure any necessary financing arrangements on terms favourable to HPH Trust, if at all;
- changes in demand for the services of HPH Trust;
- inadequate infrastructure, including as a result of failure by third parties to fulfil their obligations relating to the provision of utilities and transportation links that are necessary or desirable for the successful operation of a project;
- failure to complete projects according to specification;
- changes in governmental regulations, or an inability to obtain and maintain project development permission or requisite governmental licences, permits or approvals; and
- downturns in the overall performance of the container and shipping industry.

The occurrence of one or more of these events may negatively affect the ability of HPH Trust to complete its current or future projects on schedule, if at all, or within the estimated budget and may prevent them from achieving the projected revenues, internal rates of return or capacity. HPH Trust cannot give any assurance that the revenues generated from the projects will be sufficient to cover the associated capital expenditure.

In addition, HPH Trust's ability to dispose of inadequate or poorly performing completed projects may be subject to governmental approval, which may result in its bearing the costs of these projects for a prolonged period of time, negatively affecting the business, financial condition, results of operations and prospects of HPH Trust.

Even though HPH Trust will seek to allocate certain project risks to sub-contractors and suppliers to the extent possible, failure to obtain full indemnity from third parties (who may not even have the financial means to meet such an indemnity should it be called upon) may adversely affect the business, financial condition, results of operations and prospects of HPH Trust.

Rising costs of power and fuel may affect HPH Trust.

Power and fuel costs account for a significant portion of the operating expenses of the HPH Trust Business Portfolio. Any increase in the costs of power and fuel may adversely affect the business, financial condition, results of operations and prospects of HPH Trust.

HPH Trust is exposed to certain operational risks in respect of the use of contract workers.

A significant portion of the workforce of HPH Trust are contract workers that are provided by agencies. If such agencies are unable to provide HPH Trust with a sufficient number of workers in a timely manner or such workers for any reason are not able to carry out the tasks assigned to them, the operations of HPH Trust may be adversely affected.

Upgrading or redevelopment works or physical damage to the Portfolio Container Terminals may disrupt the operations of the Portfolio Container Terminals and collection of income.

The Portfolio Container Terminals may need to undergo upgrading or redevelopment works from time to time to retain their competitiveness and may also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. The business and operations of the Portfolio Container Terminals may suffer some disruptions and it may not be possible to continue operations on areas affected by such upgrading or redevelopment works.

In addition, physical damage to the Portfolio Container Terminals resulting from fire, severe weather or other causes may lead to a significant disruption to the business and operations of the Portfolio Container Terminals and, together with the foregoing, may impose unforeseen costs on HPH Trust and result in an adverse impact on the business, financial condition, results of operations and prospects of HPH Trust.

Delay may occur in the development and construction of berths and port facilities at Yantian.

West Port is adjacent to the existing Yantian Phases I & II. West Port Phase II is expected to be completed by 2015. West Port Phase II comprises three container berths and the extension of one of the container berths of West Port Phase I with a total quay length of 1,142 metres. There is also an expansion plan for Yantian East Port Phase I which consists of four deep-water container berths with an estimated land area of approximately 1.4 million square metres and quay length of approximately 1.4 kilometres. The construction of Yantian East Port Phase I is expected to commence by 2015.

Although HPH Trust plans to develop Yantian East Port Phase I and West Port Phase II, there is no assurance that such development will occur. With respect to Yantian East Port Phase I, only a non-binding heads of agreement has been executed and there is no assurance that the project will proceed. In relation to West Port Phase II, although the approval of the National Development Reform Commission has been obtained for the development of the project, approvals from certain other relevant government authorities including the State-owned Assets Supervision and Administration Commission of the State Council are in the process of being obtained or applied for, and no agreement for the transfer of the ownership or lease of the land has been signed. Accordingly, there is no guarantee that the land will be owned or leased by HPH Trust. In addition, the date of actual completion, capacity of the berths and the cash flow generated from the operations of the berths may be affected by various factors that are beyond the control of HPH Trust, such as the general economic conditions of the PRC and changes in the international business environment. The development of port facilities also faces other risks commonly associated with infrastructure projects, including shortages or delays in the supply of labour, materials and equipment, cost overruns, natural disasters, accidents and other unforeseen circumstances. In light of these risks, the construction of the berths may not proceed or be completed as scheduled and cash flow projections of the berths may be subject to unforeseeable changes.

If the transfer of the ownership or lease of the land to HPH Trust does not occur or if HPH Trust is not able to develop and use the land as planned, the business, financial condition, results of operations and prospects of HPH Trust may be adversely affected.

Existing or planned supporting infrastructure near Yantian may be closed or relocated, terminated, delayed or not completed.

There is no assurance that existing or planned supporting road, highway and railway infrastructure near Yantian will be completed or will not be closed, relocated, terminated or delayed. For example, if the railway infrastructure that connects Yantian to other regions of the PRC is closed, Yantian may not be able to serve as a gateway for the export of goods manufactured in such other parts of the PRC. Such an occurrence would adversely impact the accessibility of Yantian and its appeal and marketability to customers. This, in turn, could have an adverse impact on the business, financial condition, results of operations and prospects of HPH Trust.

Failure in equipment, information and technological systems could result in delays to HPH Trust's operations.

The operations of HPH Trust are dependent on certain key equipment and machinery, including but not limited to nGen, quay cranes and rubber tyre gantry cranes. Any significant damage to, failure of or operational difficulties with the key components of the container handling operations of HPH Trust could have a material adverse effect on the business, financial condition, results of operations and prospects of HPH Trust.

HPH Trust's information and technological systems are designed to enable HPH Trust to use its infrastructure resources as efficiently as possible and to monitor and control all aspects of its operations. Any failure or breakdown in these systems could interrupt normal business operations and result in a significant slowdown in operational and management efficiency for the duration of such failure or breakdown. Any prolonged failure or breakdown could dramatically impact HPH Trust's ability to offer services to its customers, which could have a material adverse effect on the business, financial condition, results of operations and prospects of HPH Trust. Similarly, any significant delays or interruptions in the loading or unloading of a customer's cargo could negatively impact HPH Trust's reputation as an efficient and reliable terminal operator.

In addition, HPH Trust is reliant on certain third party vendors to supply and maintain much of its equipment and information and technological systems. In the event that one or more of such third party vendors cease operations or become unable or unwilling to meet the needs of HPH Trust, there is no assurance that HPH Trust would be able to replace any such vendors promptly or on commercially reasonable terms. Delay or failure in finding suitable replacements could adversely affect the business, financial condition, results of operations and prospects of HPH Trust.

HPH Trust may suffer material losses in excess of insurance proceeds or HPH Trust may not be able to put in place or maintain adequate insurance in relation to the Portfolio Container Terminals and its potential liabilities to third parties.

HPH Trust maintains insurance policies covering both assets and employees on terms common to the industry and in line with what HPH Trust believes are general business practices in countries in which it operates. The Portfolio Container Terminals face the risk of suffering physical damage caused by fire, acts of God (such as natural disasters) or other causes, as well as potential public liability claims, including claims arising from the operations of the Portfolio Container Terminals.

In addition, certain types of risks, such as war risk, terrorist acts and losses caused by the outbreak of contagious diseases, contamination or other environmental breaches, may be uninsurable or economically not feasible to insure. Currently, HPH Trust's insurance policies for the Portfolio Container Terminals cover natural hazards and other common hazards arising out of the operations of the Portfolio Container Terminals in accordance with customary industry practice in countries in which it operates. HPH Trust cannot fully insure against all potential hazards incidental to its operations, including losses resulting from war risks and terrorist acts. In addition, accidents and other mishaps may occur from time to time at the Portfolio Container Terminals, which may expose HPH Trust to liability or other claims by its customers and other third parties. Premiums and deductibles for certain insurance policies can increase substantially due to market conditions and, in some circumstances, insurance coverage for certain types of risk may become unavailable or available only for reduced amounts of coverage. If HPH Trust were to incur a significant liability for not being fully insured, it could have an adverse effect on the business, financial condition, results of operations and prospects of HPH Trust.

Should an uninsured loss or a loss in excess of insured limits occur, HPH Trust could be required to pay compensation and/or lose capital invested in the affected port as well as anticipated future revenue from that port, which may not be operational. HPH Trust would also be liable for any debt or other financial obligations related to that port. No assurance can be given that material losses in excess of insurance proceeds will not occur.

Losses or liabilities arising from the Portfolio Container Terminals and the Portfolio Ancillary Services (including its operators and intermediate holding companies) or any other liabilities may adversely affect HPH Trust's earnings and cash flows.

Design, construction or other latent defects in the Portfolio Container Terminals may require additional capital expenditure, special repair or maintenance expenses or the payment of damages or performance of other obligations to third parties, other than those disclosed in this document. In addition, any liabilities in the operators and intermediate holding companies of the Portfolio Container Terminals and the Portfolio Ancillary Services not known to the Trustee-Manager and the Sponsor, may result in additional expenditure or reduction in the amount of profits available for distribution. Furthermore, the warranties provided by the Sponsor under the Sale and Purchase Agreement may not cover all liabilities, defects or other eventualities relating to the Portfolio Container Terminals and the Portfolio Ancillary Services, and as a result, the Trustee-Manager may not be able to make a claim against the Sponsor for any loss or damage to HPH Trust in respect of a matter relating to the Portfolio Container Terminals or the Portfolio Ancillary Services that is not covered by the warranties under the Sale and Purchase Agreement. In the event that a claim is made against the Sponsor for breach of warranty under the Sale and Purchase Agreement, the amount recovered may be limited as the Sale and Purchase Agreement contains limitations on the amount that may be claimed and the time period during which any such claim may be made. If any of the foregoing events occurs, the business, financial condition, results of operations and prospects of HPH Trust may be adversely affected.

The operations of HPH Trust are susceptible to unforeseen catastrophic events and natural disasters.

The Portfolio Container Terminals are located in areas at risk from the effects of natural disasters and other potentially catastrophic events, such as typhoons, floods, wars and riots and the occurrence of any of these events could disrupt the operations of HPH Trust and materially and adversely affect the business, financial condition, results of operations and prospects of HPH Trust.

Severe weather conditions or climatic changes, resulting in conditions such as typhoons, dense fog, low visibility, heavy rains, wind and waves, may force HPH Trust to temporarily suspend operations based on warnings from national meteorological departments.

There can be no assurance that natural disasters will not occur and result in major damage to the ports or the supporting infrastructure facilities in the vicinity, which could adversely affect the business, financial condition, results of operations and prospects of HPH Trust.

Prolonged disruption of port operations as a result of natural disasters may also entitle HPH Trust's customers to terminate their contracts. The occurrence of any of the above events could have an adverse effect on the business, financial condition, results of operations and prospects of HPH Trust.

HPH Trust could be adversely affected by strikes or work stoppages.

HPH Trust may experience disruptions to its operations due to strikes, labour disputes or other labour unrest, which may adversely affect its business, financial condition, results of operations and prospects. Any disruptions of transportation services due to strikes (such as strikes by truckers), or other events could also impair customers' ability to use any of the Portfolio Container Terminals. In addition, any labour interruptions in any of the ports that serve as starting points or final destinations for trade lanes calling at the Portfolio Container Terminals could lower the shipping volume passing through the Portfolio Container Terminals. Such disruptions could adversely affect the business, financial condition, results of operations and prospects of HPH Trust.

HPH Trust depends on certain key personnel and the loss of any key personnel may adversely affect its operations.

HPH Trust's performance depends, in part, upon the continued service and performance of the executive officers of the Trustee-Manager ("**Executive Officers**"). These key personnel may leave the employment of the Trustee-Manager. The loss of any of these individuals, or the inability to replace such individuals, could have a material adverse effect on the business, financial condition, results of operations and prospects of HPH Trust.

HPH Trust depends on the Sponsor to provide support services for its operations.

The Trustee-Manager and HPHT Limited ("**HPH Trust HoldCo**") have entered into (i) a global support services agreement with the Sponsor whereby the Sponsor will provide HPH Trust with certain services including company secretarial, legal, specialised engineering services, business development, marketing, risk management and treasury services (the "**Global Support Services Agreement**") and (ii) a master agreement for provision of information technology, computer and other related services with HPH Information Services Limited ("**HPHIS(BVI)**") and HPH Information Services (Hong Kong) Limited ("**HPHIS**"), both subsidiaries of the Sponsor, for the provision of certain IT support services by them to HPH Trust (the "**Master IT Services Agreement**"). If the Global Support Services Agreement and/or the Master IT Services Agreement is/are terminated and the Trustee-Manager is unable to engage a suitable replacement for any of the services that are the subject of the Global Support Services Agreement and/or the Master IT Services Agreement, the business, financial condition, results of operations and prospects of HPH Trust could be adversely affected.

HPH Trust may face risks related to its joint ventures.

HPH Trust conducts some of its businesses through non-wholly-owned subsidiaries, associated companies and jointly controlled entities in which it shares control (in whole or in part) with strategic or business partners. There can be no assurance that any of these strategic or business partners will wish to continue their relationships with HPH Trust in the future or that HPH Trust will be able to pursue its stated strategies with respect to its non-wholly-owned subsidiaries, associated companies and jointly controlled entities. Furthermore, other investors in HPH Trust's non-wholly-owned subsidiaries, associated companies and jointly controlled entities may undergo a change of control or financial difficulties which may affect the relevant non-wholly-owned subsidiaries, associated companies and jointly controlled entities, and which may in turn affect the business, financial condition, results of operations and prospects of HPH Trust.

The Independent Valuer's report is not an opinion on the commercial merits of the Portfolio Container Terminals nor is it an opinion, expressed or implied, as to the future trading price of Units or the financial condition of HPH Trust upon Listing, and the valuation of the Portfolio Container Terminals contained therein may not be indicative of the true value of the Portfolio Container Terminals.

The Board has appointed Ernst & Young Solutions LLP as the independent valuer (the "**Independent Valuer**") to undertake an independent valuation of the future operating cash flows of the entirety of the Portfolio Container Terminals. The Independent Valuer has issued a valuation report ("**Valuation Report**") setting out its opinion as to the valuation range of the Portfolio Container Terminals. The Valuation Report is not included in this document. However, see "Appendix F – Independent Valuation Summary Report" for a copy of the Independent Valuation Summary Report.

The valuation is based on various assumptions with respect to the Portfolio Container Terminals including their respective present and future financial condition, business strategies and the environment in which they will operate in the future. These assumptions are based on the information provided by and discussions with or on behalf of the management of the Trustee-Manager and the Sponsor, and reflect current expectations and views regarding future events and therefore, necessarily involve known and unknown risks and uncertainties.

Neither the Valuation Report nor the Independent Valuation Summary Report set out in Appendix F is an opinion on the commercial merits and structure of the Portfolio Container Terminals, nor is it an opinion, express or implied, as to the future trading price of Units in or the financial condition of HPH Trust upon Listing.

The Valuation Report is also not intended to be and is not included in this document, and does not purport to contain all the information that may be necessary or desirable to fully evaluate the Portfolio Container Terminals or an investment in HPH Trust or the Units. The Independent Valuer did not conduct a comprehensive review of the business, operational or financial condition of HPH Trust and accordingly makes no representation or warranty, expressed or implied, in this regard.

Further, there can be no assurance that the valuation prepared by the Independent Valuer reflects the true value of the Portfolio Container Terminals or that other independent valuers would arrive at the same valuation. (For details, see "Appendix F – Independent Valuation Summary Report".)

HPH Trust's ability to pursue or promptly pursue redevelopment opportunities for re-zoned properties with parties other than the Sponsor is restricted and Unitholders may consequently suffer a reduction of distributions.

In the event and to the extent that the properties on which HPH Trust carries on its port operations have been re-zoned for non-port use, the Sponsor has agreed with HPH Trust pursuant to the Redevelopment Potential Agreement (as defined and discussed in "Certain Agreements relating to Hutchison Port Holdings Trust – Redevelopment Potential Agreement") to assist HPH Trust to re-develop such properties, given the Sponsor's experience, track record and capabilities in non-port real estate development (which is not a core competency of HPH Trust). In particular, the Sponsor has an exclusive right of redevelopment under the Redevelopment Potential Agreement under the circumstances discussed therein, which may only be exercised with the Sponsor assuming solely all financial risks and burdens relating to the redevelopment. In exchange for such assistance from the Sponsor, HPH Trust is restricted from pursuing opportunities with parties other than the Sponsor to redevelop or dispose of the re-zoned properties, which may result in Unitholders being deprived of potentially better alternatives or offers from third parties. In addition, where compliance with the procedure set out in the Redevelopment Potential Agreement does not result in acceptance of any redevelopment proposal of the Sponsor by HPH Trust, not only will HPH Trust be required to cease its port operations on the re-zoned property, but such property will also be left undeveloped. In the event that HPH Trust's port operations on the re-zoned properties cease and the opportunities to redevelop such properties are not taken up as a result of the operations of the Redevelopment Potential Agreement, Unitholders may receive no distributions arising from the re-zoned property or suffer a reduction of distributions arising from HPH Trust's inability or delay in pursuing such opportunities.

While the Sponsor is under an obligation to put up a redevelopment proposal, there is no assurance that after negotiations, the Sponsor and the Trustee-Manager will agree on the proposal. If disagreement is referred to arbitration pursuant to the terms of the Redevelopment Potential Agreement, there is no assurance that the arbitration process (given the nature of dispute resolution proceedings) will not be delayed, notwithstanding the parties' respective obligations to use their best endeavours to conduct such arbitration process expeditiously. During the time of such arbitration, Unitholders may receive no distributions arising from the re-zoned property or suffer a reduction of distributions arising from HPH Trust's inability or delay in pursuing such opportunities.

For a detailed discussion of the Redevelopment Potential Agreement, please read "Certain Agreements relating to Hutchison Port Holdings Trust – Redevelopment Potential Agreement" as well as the risk factor below.

The Sponsor's exclusive right of redevelopment under the Redevelopment Potential Agreement may discourage or prevent third parties from acquiring control of or privatising HPH Trust

Pursuant to the Redevelopment Potential Agreement, the Sponsor has an exclusive right of redevelopment for so long as HWL and/or its Subsidiaries hold 15% or more of the total number of Units in issue or hold 15% or more of the total number of shares in issue in the company that is the trustee-manager of HPH Trust at the time the exclusive right of redevelopment is sought to be exercised. Immediately following the Offering, the Sponsor's exclusive right of redevelopment subsists by virtue of HWL and/or its subsidiaries holding in aggregate over 15% of the number of Units in issue as well as over 15% of the total number of shares in issue in the Trustee-Manager. This arrangement may have the effect of discouraging or preventing third parties from seeking to purchase Units with a view to acquiring control or privatising HPH Trust.

RISKS RELATING TO THE PORT INDUSTRY

HPH Trust's inability to maintain and renew concession agreements or government approvals may adversely affect HPH Trust.

Substantially all terminal operations in the container terminal industry are conducted pursuant to long-term operating concessions or leases entered into between a terminal operator and the owner of the land on which the port is situated, typically a government entity. Concession agreements often contain clauses that allow the owner of the land on which the port is situated to cancel the agreement or impose penalties if specified obligations are not fulfilled. Similarly, because many of the counterparts to concession agreements are government entities, HPH Trust is subject to the risk that concession agreements may be cancelled because of political, social or economic instability or conditions. Ports are often viewed by governments as critical national assets and sentiment changes may affect port concessions. There can be no assurance that one or more of the existing concession agreements will not be prematurely cancelled or that HPH Trust will not be penalised, with or without cause, by the applicable counterparty.

In advance of the expiration of a concession agreement, the owner of the land on which the port is situated will typically agree to renew the concession with the existing concessionaire, but often only after significant renegotiation that usually involves, among other things, a commitment on the part of the concessionaire to make a capital expenditure with respect to the relevant operation. There can be no assurance that the concession agreements will be renewed upon their expiration on commercially reasonable terms, if at all, or that HPH Trust would be the winning bidder in any re-tender of one or more of the existing concessions should the relevant port owner elect not to renew the relevant concession with HPH Trust.

In the PRC, terminal operations in the container terminal industry are conducted pursuant to approval from the PRC Government (as defined herein). YICT, YICTP3 and SYWPT operate Yantian based upon the port operation permits issued by the port authority and approvals from the National Development and Reform Commission and the Ministry of Commerce. The Port Law of the PRC and other relevant regulations authorise the port authority to impose penalties or even revoke the port operation permits if an enterprise engaging in port operation violates certain specified obligations. HPH Trust is subject to the risk that the port operation approvals may be cancelled or changed by the PRC Government due to political, social, military, economic instability or conditions.

The operation terms of YICT, YICTP3 and SYWPT have been specified in their current business licences. Any extension of such operation terms will be subject to the approval of the PRC Government. There can be no assurance that the operation terms of YICT, YICTP3 and SYWPT will be automatically renewed upon their expiry.

HPH Trust relies on security procedures carried out at other port facilities and by its shipping line customers, which are outside its control.

HPH Trust inspects the physical condition and the seals of containers that enter its ports in accordance with its own practice and the inspection procedures prescribed by, and under the authority of, the governmental body charged with oversight of the relevant port. HPH Trust also relies on the security procedures carried out by shipping line customers and the port facilities that containers have previously passed through to supplement its own inspection to varying degrees.

However, there can be no assurance that the cargo that passes through the ports of HPH Trust will not be affected by breaches in security or acts of terrorism, either directly or indirectly, in other areas of the supply chain, which would have an impact on HPH Trust. A security breach or act of terrorism that occurs at one or more of the facilities, or at a shipping line or other port facility that has handled cargo prior to the cargo arriving at the port facilities of HPH Trust, could subject HPH Trust to significant liability, including the risk of litigation and loss of goodwill.

In addition, a major security breach or act of terrorism that occurs at one of the facilities or one of HPH Trust's competitors' facilities may result in a temporary shutdown of the container terminal industry and/or the introduction of additional or more stringent security measures and other regulations affecting the container terminal industry, including HPH Trust. The costs associated with any such outcome could have a material adverse effect on the business, financial condition, results of operations and prospects of HPH Trust.

Growth in Yantian's throughput is heavily reliant on continuing growth in international trade between the PRC and the rest of the world.

The PRC economy has grown significantly in the past decade. The container port business in the PRC is heavily dependent on the levels of international trade between the PRC and the rest of the world, which ultimately depends on global economic prosperity and the continued flow of trade between the PRC and the rest of the world. Economic downturns, recession, trade protectionist measures or fears of any of these could significantly reduce international trading volumes, which, in turn, is likely to reduce port throughput and may have an adverse effect on the business, financial condition, results of operations and prospects of HPH Trust. Furthermore, although the PRC Government has implemented various measures to encourage economic growth and international trade, there is no assurance that the government will not change its current market-based macroeconomic policies, which could adversely affect the business, financial condition, results of operations and prospects of HPH Trust.

Additional security requirements may increase the operating costs and restrict HPH Trust's ability to conduct its ports business.

In recent years, various international bodies and governmental agencies and authorities have implemented numerous security measures that affect container terminal operations and the costs associated with such operations. Examples of new security measures include the International Ship and Port Facility Security Code, which was implemented in 2004, and, to the extent that HPH Trust's ports handle cargo destined for the United States, the global security initiatives emanating from the US Safe Ports Act of 2006, specifically the Container Security Initiative and the Secure Freight Initiative. Failure to comply with the security requirements applicable to HPH Trust or to obtain relevant security-related certifications may, among other things, prevent certain shipping line customers from using the facilities of HPH Trust and result in higher insurance premiums, which could have a material adverse effect on the business, financial condition, results of operations and prospects of HPH Trust.

The costs associated with existing and any additional or updated security measures will negatively affect the operating income of HPH Trust to the extent that HPH Trust is unable to recover the full amount of such costs from its customers, who generally also have faced increased security-related costs. Similarly, additional security measures that require HPH Trust to increase the scope of its screening procedures may effectively reduce the capacity of, and increase congestion at, the ports in its portfolio, which may negatively affect the business, financial condition, results of operations and prospects of HPH Trust.

HPH Trust and its customers are subject to regulations that govern operational, environmental and safety standards.

HPH Trust's terminal services are conducted under licences, concessions, permits or certificates granted by the applicable regulatory body in the PRC and Hong Kong. Failure to comply with relevant laws and regulations may result in financial penalties or administrative or legal proceedings against HPH Trust, including the revocation or suspension of its concessions or licences. If any of HPH Trust's concessions, licences, permits or certificates are revoked, suspended or amended, the business, financial condition, results of operations and prospects of HPH Trust may be adversely affected.

HPH Trust also must comply with various environmental and safety standards applicable under the respective relevant laws and regulations in the PRC and Hong Kong. In addition, organisations and government entities may enact certain rules and regulations. These standards may become increasingly more burdensome and may require HPH Trust to incur significant capital expenditure or other obligations. If HPH Trust fails to comply with any of these standards, it may be subject to penalties and other sanctions and its operations in the relevant jurisdiction or jurisdictions may be adversely affected.

HPH Trust may handle goods that are hazardous, which could result in spills and/or environmental damage.

Certain of HPH Trust's customers are involved in the transportation of hazardous materials. The transportation of these, which would be handled by HPH Trust, such as petroleum or chemicals, is subject to the risk of leaks and spills, causing environmental damage. Furthermore, customers may ship undeclared hazardous cargo to avoid the additional surcharge. Regulations also generally restrict the handling or storage of certain amounts of specified hazardous chemicals, some of which are handled and stored by Portfolio Container Terminals. Although the Trustee-Manager believes that the Portfolio Container Terminals do not handle or store these hazardous chemicals in quantities above the specified limits, there can be no assurance that they have not in the past or will not in the future violate applicable environmental regulations. Violations of environmental regulations may subject HPH Trust to fines and penalties or result in the closure or temporary suspension of its operations. If HPH Trust is found to have violated environmental regulations because of the cargo handled and stored or is required to discontinue handling such cargo, it could have a material adverse effect on the business, financial condition, results of operations and prospects of HPH Trust.

The imposition or increase in the level of trade barriers, restrictions on exports or imports or trade disputes with principal trading partners of the PRC may adversely affect HPH Trust.

Developed countries may impose tariffs or non-tariff barriers to restrict the flow of imported products into their local markets. Such trade barriers or any trade dispute with the principal trading partners of the PRC may hinder international trade and the volume of shipment, which may in turn adversely affect the business, financial condition, results of operations and prospects of HPH Trust.

The Portfolio Container Terminals may face increased competition from other ports.

The income from, and market value of, the Portfolio Container Terminals may be dependent on their ability to compete against other ports in the region in attracting and retaining customers. The attractiveness of a port is dependent on factors such as location, facilities, supporting infrastructure, service and price. An increase in (i) the number of ports or (ii) port capacity in the Pearl River Delta, such as Shenzhen's Da Chan Bay, may reduce the competitiveness of the Portfolio Container Terminals, which could have a material adverse effect on the revenue generated by the Portfolio Container Terminals. If, subsequent to the Offering, competing ports are built in the Pearl River Delta or substantially upgraded with superior facilities and supporting infrastructure and services, the revenue from the Portfolio Container Terminals could be reduced, thereby adversely affecting HPH Trust's cash flows and the amount of funds available for distribution to Unitholders. In addition, competitors may offer lower tariffs than those offered by the Portfolio Container Terminals, which may lead to a reduction in market share, a decrease in the volume of containers handled, or increased price competition, in each case, adversely affecting HPH Trust's cash flows, operating margins and profitability.

The ports industry in the PRC is a highly regulated industry.

The PRC port industry is highly regulated. Operators are required to obtain a port operation licence, which has to be renewed every three years (which requires certain requirements to be fulfilled), as well as to comply with strict regulations in respect of, among other things, operational management, supervision, inspection and the loading, unloading and storage of hazardous goods.

Although the Trustee-Manager does not expect to have any difficulties in obtaining or renewing the port operation licences, there is no assurance that future applications to obtain or to renew the licence will always be approved. Any failure by HPH Trust to obtain or renew its port operation licence would have a material adverse effect on its financial condition, cash flows and results of operations.

In addition, as a result of terrorist activities and increased security concerns, there is a global move towards increased inspection procedures and tighter import/export controls and safety regulations. If the compliance costs of any new regulations or procedures cannot be recovered through higher ports fees and charges, the operating margins of HPH Trust may be adversely affected.

RISKS RELATING TO HONG KONG, THE PRC AND SINGAPORE

The PRC legal system is in the process of continuous development and has inherent uncertainties that could limit the legal protections available to HPH Trust in respect of its PRC operations.

As Yantian is located in the PRC, its operations are governed by laws and regulations in the PRC. The PRC legal system is based on written statutes and prior court decisions are non-binding. However, the Supreme People's Court can issue "Judicial Explanations" which can be cited and used by lower courts in its decisions or judgments. Since 1979, the PRC Government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade, with a view to developing a comprehensive system of commercial law. However, as these laws and regulations are continually evolving in response to changing economic and other conditions, and because of the limited volume of published cases and their non-binding nature, any particular interpretation of PRC laws and regulations may not be definitive.

In addition, the local people's congresses and local governmental authorities in many provinces and cities also promulgate various local regulations or local rules. There may be uncertainties in the interpretation and application of these laws, administrative regulations, departmental rules, local regulations and local rules.

The Portfolio Container Terminals and the HPH Trust Business Portfolio are located in, or operate in, the PRC and Hong Kong and therefore will be subject to PRC and Hong Kong laws and policies, and political and economic conditions in the PRC and Hong Kong.

The Portfolio Container Terminals are situated in Hong Kong and the PRC. Therefore, HPH Trust's financial position and the results of HPH Trust's operations will be affected by the general state of the Hong Kong and the PRC economies and changes in the Hong Kong and the PRC regulatory environments. HPH Trust has limited control over any of these factors. The Hong Kong economy experienced considerable volatility during the late 1990s and from 2000 to 2003, and there can be no assurance that it will not do so again in the future, which could have a material adverse affect on the business, financial condition, results of operations and prospects of HPH Trust. The value of the Portfolio Container Terminals may be adversely affected by future policies of these governments, an economic downturn in Hong Kong or the PRC, including a slowdown of gross domestic product ("**GDP**") growth, reduced level of employment, inflation, changes in interest rates, political upheavals, natural disasters, insurgency movements, riots, local laws and external tensions with neighbouring countries.

The laws, regulations and accounting standards in Singapore, Hong Kong and the PRC may change.

HPH Trust may be affected by the introduction of new or revised legislation, regulations or accounting standards. Accounting standards in Singapore, Hong Kong and the PRC are subject to change as accounting standards are further aligned with international accounting standards. The financial statements of HPH Trust may be affected by the introduction of such revised accounting standards. The extent and timing of these changes in accounting standards are unknown and subject to confirmation by the relevant authorities.

There is no assurance that these changes will not:

- have a significant impact on the presentation of HPH Trust's financial statements;
- have a significant impact on HPH Trust's results of operations;
- have an adverse effect on the ability of HPH Trust to make distributions to Unitholders;
- have an adverse effect on the ability of the Trustee-Manager to carry out HPH Trust's investment mandate; and/or
- have an adverse effect on the business, financial condition, results of operations and prospects of HPH Trust.

The Hong Kong Institute of Certified Public Accountants ("**HKICPA**") is continuing its policy of issuing HKFRS and interpretations which fully converge with IFRS issued by the International Accounting Standards Board ("**IASB**"). The Commission of the European Communities has issued a report confirming that Hong Kong is identified as a region that has fully adopted or implemented IFRS. HKICPA has issued and may in the future issue more new and revised standards and interpretations, including those required to conform with standards and interpretations issued from time to time by the IASB. Such factors may require adoption of new accounting policies. There can be no assurance that the adoption of new accounting policies or new HKFRS will not have a significant impact on the financial statements of HPH Trust.

HPH Trust may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting Registered Business Trusts.

HPH Trust may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting business trusts registered with the MAS ("**Registered Business Trusts**"). There is no assurance that new or revised legislation, regulations, guidelines or directives will not adversely affect Registered Business Trusts in general or HPH Trust specifically.

There may be political risks associated with doing business in Hong Kong.

A significant part of HPH Trust's facilities and operations are currently located in Hong Kong. Hong Kong is a Special Administrative Region of the People's Republic of China, with its own executive, judicial and legislative branches. Hong Kong enjoys a high degree of autonomy from the PRC under the principle of "one country, two systems". However, there can be no assurance that Hong Kong will continue to enjoy the same level of autonomy from the PRC. Any intervention by the PRC government in the affairs of Hong Kong, in breach of the "one country, two systems" principle, may adversely affect HPH Trust's revenues and HPH Trust's unit prices.

Fluctuation of the Hong Kong dollar or Renminbi could adversely affect the value of distributions paid in respect of the Units.

Since the income and profit of HPH Trust are denominated in Hong Kong dollars and Renminbi, any fluctuation in the value of the Hong Kong dollar or Renminbi may adversely affect the value of distributions paid in respect of the Units in Singapore dollars. In addition, as the HPH Trust Business Portfolio is purchased and recorded in Hong Kong dollars and Renminbi, any fluctuations in the value of Hong Kong dollars or Renminbi may adversely affect the value of HPH Trust when the relevant books are translated into Hong Kong dollars for reporting purposes.

The exchange rates between the Renminbi and each of the other currencies included in the basket may fluctuate to a significant extent and the Renminbi may also be revalued in the future. In addition, if the PRC converts to a fully floating currency system, the Renminbi may experience wide fluctuations as a result of market forces. Any decrease in the value of Renminbi may adversely affect accounting profit and will adversely affect the value of distributions paid in respect of the Units.

HPH Trust's results of operations could be affected by changes in foreign exchange regulations in the PRC.

The lawful currency of the PRC is Renminbi, which is subject to foreign exchange controls and is not at the current time freely convertible into foreign currency. The State Administration of Foreign Exchange ("**SAFE**") of the PRC, under the authority of People's Bank of China, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

Transactions involving conversion between foreign exchange and Renminbi under the capital account of HPH Trust's PRC subsidiaries, including principal payments in respect of foreign currency denominated obligations, are subject to significant foreign exchange controls and the approval of SAFE. There is no assurance that the current government policies regarding conversion of Renminbi into foreign currencies will continue in the future.

The ability of companies of HPH Trust that are incorporated in the PRC to declare dividends may be limited by trapped cash.

Under PRC law, a PRC enterprise is only permitted to declare and repatriate dividends on after tax earnings after deducting amounts for mandated reserves, which include: (i) an enterprise reserve; (ii) an enterprise development reserve; and (iii) reserves for employee welfare for Sino-foreign joint ventures, with the amounts deducted to be determined by the board of directors of each such Sino-foreign joint venture, and (iv) a 10% capital reserve (totalling up to 50% of the registered capital of each such company) for all limited liability companies other than Sino-foreign joint ventures. These reserve funds, if put aside discretionally by the board of directors of a Sino-foreign joint venture or mandatorily by law, cannot be repatriated even if an enterprise has no losses or likely prospect of losses or these reserve funds are not needed for their prescribed purpose. Additionally, dividends may only be paid from after tax earnings after taking into account depreciation expenses, which is a non-cash charge. These reserves and depreciation charges potentially create a significant pool of trapped cash that cannot be used to pay dividends. If there are not enough retained earnings for these reserves, the amount of dividends the PRC companies can declare will be limited.

It may be difficult to effect service of process upon the Directors or executive officers of HPH Trust who live in Hong Kong or to enforce against them in Hong Kong any judgments obtained from non-Hong Kong courts.

It may be difficult to effect service of process upon the Directors or executive officers of HPH Trust who live in Hong Kong or to enforce against them in Hong Kong any judgments obtained from non-Hong Kong courts. As a result, investors would be required to pursue claims against such Directors and key executives in Hong Kong courts.

HPH Trust may be exposed to various types of taxes in Singapore, PRC, the Cayman Islands, Bahamas, the British Virgin Islands ("BVI") and Hong Kong.

The income and gains derived by HPH Trust, directly or indirectly, from its ports and ancillary services in Hong Kong and PRC may be exposed to various types of taxes in Singapore, PRC, Cayman Islands, Bahamas, BVI and Hong Kong. These include income tax, withholding tax, capital gains tax and other taxes specifically imposed for the ownership of such assets (see "Taxation" and "Appendix D – Independent Taxation Report"). While the Trustee-Manager intends to manage the taxation in each of these countries efficiently, there can be no assurance that the desired tax outcome will necessarily be achieved. In addition, the level of taxation in each of these countries is subject to changes in laws and regulations and such changes, if any, may lead to an increase in tax rates or the introduction of new taxes. All these factors may adversely affect the level of distributions paid to the Unitholders.

There is uncertainty regarding PRC taxation.

The PRC Corporate Income Tax Law ("**CIT Law**") provides that withholding tax at the rate of 10.0% is applicable to dividends and other distributions payable to shareholders who are "non-resident enterprises". The CIT Law defines a "non-resident enterprise" as an enterprise established in accordance with the laws of foreign countries (regions) and with its place of effective management located outside the PRC, but which has an establishment or a place of business in the PRC; or an enterprise which, though having no establishment or place of business in the PRC, derives income that is sourced from the PRC. Relevant international agreements provide that withholding tax at the reduced rate of 5.0% is applicable to dividends payable to beneficial owners of the dividends from the PRC entities if certain requirements are met. If the Double Taxation Arrangement ("**DTA**") with Hong Kong does not apply to dividends paid by PRC entities to the Hong Kong holding companies held by HPH Trust, the withholding tax rate will be 10.0% instead of 5.0%.

The PRC taxation system may undergo changes which may affect the return on investment.

The PRC income tax system was reformed in 2008, which reform introduced new tax rates and rules. There is an increased focus on international tax, resulting in the issuance of various tax circulars, many of which may be interpreted differently by different local tax offices and may result in unforeseen additional tax liabilities. Differences of opinion may not be resolved in a timely manner. There have been discussions about reforming the turnover tax system so that the Business Tax (a tax on turnover mainly on service income without input credit) may be replaced by the Value-Added Tax in the future. Since there is no published proposal as to this change, it is not possible to assess the likely impact on the level of distributions payable to the Unitholders.

HPH Trust may be unable to comply with the conditions for various tax exemptions and/or tax rulings obtained, or the tax exemptions and/or tax rulings may no longer apply.

HPH Trust may, from time to time, obtain various tax exemptions and/or tax rulings from the Inland Revenue Authority of Singapore ("**IRAS**") or the Ministry of Finance, Singapore. The approvals for these tax exemptions and/or tax rulings may be subject to HPH Trust satisfying the stipulated conditions. Where these conditions are not satisfied, or are no longer satisfied by HPH Trust, the tax exemptions and/or tax rulings may not apply. The approvals may also be granted based on the facts presented to the IRAS and/or the Ministry of Finance, Singapore. Where the facts turn out to be different from those represented to the IRAS and/or the Ministry of Finance, Singapore, or where there is a subsequent change in the tax laws, the tax exemptions and/or tax rulings may not apply. In particular, HPH Trust has obtained an exemption from Singapore income tax under Section 13(12) of the Income Tax Act on dividends it receives from HPH Trust HoldCo throughout the life of HPH Trust subject to stipulated conditions being met.

RISKS RELATING TO THE INVESTMENT IN THE UNITS

The sale of a substantial number of Units by (i) the Sponsor and/or any of its transferees of the Units (following the lapse of the lock-up arrangements) or (ii) the Cornerstone Investors in the public market could adversely affect the price of the Units.

Following the Offering, HPH Trust will have 8,708,888,000 issued Units, of which 3,309,378,000 Units will be held by the Sponsor (assuming the Over-allotment Option is not exercised before the Upstream Distribution (as defined herein), and up to 1,780,220,000 Units will be held by the Cornerstone Investors (who are not subject to any lock-up arrangements). If any of (i) the Sponsor and/ or any of its transferees of the Units (following the lapse of the relevant respective lock-up arrangement, or pursuant to any applicable waivers) or (ii) any of the Cornerstone Investors sells or is perceived as intending to sell a substantial amount of its Units, or if a secondary offering of the Units is undertaken in connection with an additional listing on another securities exchange, the market price for the Units could be adversely affected. (See "Plan of Distribution – Lock-up Arrangements" and "Information concerning the Units" for further details.)

The Sponsor, whose interest in HPH Trust's business may be different from the other Unitholders, will be able to exercise significant influence over certain activities of HPH Trust.

The Sponsor, its respective subsidiaries, related corporations (as defined in the Companies Act, Chapter 50 of Singapore) and/or associates are engaged in, among other things, the development of, and investment in, ports and related activities. Immediately following the Offering, it is intended that the Sponsor will hold 3,309,378,000 Units (assuming that the Over-allotment Option is not exercised and before the Upstream Distribution (as defined herein)). This is equivalent to 38.0% of the total number of Units expected to be in issue at the Listing Date. (See "Information Concerning the Units – Principal Unitholders of HPH Trust and their Unitholdings" for further details.)

The Sponsor will therefore be in a position to exercise significant influence in matters which require the approval of Unitholders. (See "Risk Factors – The Trustee Manager may only be removed by an extraordinary resolution of the Unitholders".) As a controlling Unitholder of HPH Trust, the interests of the Sponsor may not necessarily be in line with the best interests of HPH Trust or of the other Unitholders. The actions of the Sponsor could favour such other interests over the interests of HPH Trust and the interests of other Unitholders, which could materially and adversely affect the business, financial condition, results of operations and prospects of HPH Trust.

The proceeds from a winding up of HPH Trust may be less than the amount invested by investors under the Offering.

Should HPH Trust be wound up, depending on the circumstances under which HPH Trust is wound up and the terms upon which assets of HPH Trust are disposed of, there is no assurance that an investor under the Offering will recover all or any part of his investment.

HPH Trust may not be able to make distributions to Unitholders at all or the level of distributions may fall.

If the HPH Trust Business Portfolio held by HPH Trust does not generate sufficient income, HPH Trust's cash flows and ability to make distributions will be adversely affected.

In addition, as HPH Trust's initial investment in the Portfolio Container Terminals is through the entities held in HPH Trust, in order to make distributions to Unitholders, HPH Trust will rely on the receipt of dividends from the entities held in HPH Trust. There can be no assurance that the initial distribution will be as forecast and there can be no assurance that HPH Trust will have sufficient distributable or realised profits or surplus in any future period to make distributions, pay interest, or make advances. The ability of the entities held in HPH Trust to pay dividends, make interest payments and repay shareholder loans may be affected by a number of factors including, among other things:

- their respective businesses and financial positions;
- insufficient cash flows received from the assets;
- applicable laws and regulations, which may restrict the payment of dividends by the entities held by HPH Trust;
- operating losses incurred by the entities held by HPH Trust in any financial year;

- changes in accounting standards, taxation laws and regulations, laws and regulations in respect of foreign exchange repatriation of funds, corporation laws and regulations relating thereto in Hong Kong, the PRC and/or Singapore;

- trapped cash in the entities held by HPH Trust (as a result of depreciation being a mandatory accounting expense under the applicable accounting standards), which cannot be effectively utilised when the existing shareholder's loans at the Hong Kong companies and the retained earnings at the PRC companies have been fully repaid; and

- the terms of agreements to which they are, or may become, a party.

Further, any change in the applicable laws in Singapore, Hong Kong or the PRC may limit HPH Trust's ability to pay or maintain distributions to Unitholders.

No assurance can be given as to HPH Trust's ability to pay or maintain distributions, that the level of distributions will increase over time, that rates for port and related services will increase or that the receipt of income in connection with the expansion of the ports and related services or future acquisitions of ports and related services will increase HPH Trust's Distributable Income to Unitholders.

Market and economic conditions may affect the market price and demand for the Units.

Movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price of, and demand for, the Units.

An increase in market interest rates may have an adverse impact on the market price of the Units if the annual yield on the price paid for the Units gives investors a lower return as compared to other investments.

Foreign Unitholders may not be permitted to participate in future rights issues and preferential offerings by HPH Trust.

The Trust Deed provides that the Trustee-Manager may, in its absolute discretion, elect not to extend an offer of Units under a rights issue or preferential offering to those Unitholders whose addresses are outside Singapore, after taking relevant factors into consideration, including whether the Trustee-Manager considers the election necessary or expedient on account either of the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction. The rights or entitlements to the Units to which such Unitholders would have been entitled will be offered for sale and sold in such manner, at such price and on such other terms and conditions as the Trustee-Manager may determine, subject to such other terms and conditions as the Trustee-Manager may impose. The proceeds of any such sale, if successful, will be paid to the Unitholders whose rights or entitlements have been so sold, provided that where such proceeds payable to the relevant Unitholders are less than S$10.00, the Trustee-Manager is entitled to retain such proceeds as part of the Trust Property. The holding of the relevant holder of the Units may be diluted as a result of such sale.

The actual performance of HPH Trust and the HPH Trust Business Portfolio could differ materially from the forward-looking statements in this document.

This document contains forward-looking statements regarding, among other things, forecast distribution levels for the Forecast Period and the Projection Year. These forward-looking statements are based on a number of assumptions that are subject to significant uncertainties and contingencies, many of which are beyond the Trustee-Manager's control (see "Profit and Cash Flow Forecast and Profit and Cash Flow Projection – Assumptions").

HPH Trust's revenue is dependent on a number of factors, including the receipt of payments from its customers, which may decrease for a number of reasons including the lowering of rates, insolvency of customers and delay in payment by customers. These may adversely affect HPH Trust's ability to achieve the forecast distributions as some or all events and circumstances assumed may not occur as expected, or events and circumstances may arise that are not currently anticipated.

No assurance is given that the assumptions will be realised and the actual distributions will be as forecast. In addition, the Selected Financial Information and Operational Data contained in this document are not necessarily indicative of the future performance of HPH Trust.

Yield on investments to be held by HPH Trust is not equivalent to yield on the Units.

Generally speaking, yield depends on the amount of net income and is calculated as the amount of revenue generated by the investments concerned, less the expenses incurred in connection with such investments compared against the current value of the investments.

However, distribution yield on the Units depends on the distributions payable on the Units as compared with the purchase price of the Units. While there may be some correlation between these two yields, they are not the same and will vary accordingly for investors who purchase Units in the secondary market at a market price that differs from the Offering Price.

The Trustee-Manager is not obliged to redeem Units.

Unitholders have no right to request the Trustee-Manager to redeem their Units while the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their listed Units through trading on the SGX-ST.

The Trustee-Manager may only be removed by an extraordinary resolution of the Unitholders.

Under the Trust Deed and the Business Trusts Act, the Trustee-Manager may only be removed by Unitholders by way of an extraordinary resolution (that is, by the approval of not less than 75% of the voting rights of all Unitholders who vote on such resolution). Accordingly, a Unitholder who owns or controls more than 50% but less than 75% of the Units and has statutory control of HPH Trust may not be able to remove the Trustee-Manager. Correspondingly, a Unitholder who owns or controls not less than 25% of the Units will have the ability to block any resolution to remove the Trustee-Manager. All Unitholders will be able to vote on the resolution to remove the Trustee-Manager.

It may be difficult for HPH Trust to dispose of the Initial Port Land or substantially the whole of the Initial Port Land (including any disposal of the Port Operation Business thereon).

The business objective of HPH Trust is articulated in the Trust Deed as carrying on the Port Operation Business at all times, at the minimum, at the Initial Port Land or substantially the whole of the Initial Port Land. This business objective preserves the integration of the Portfolio Container Terminals and their continuing value to HPH Trust arising from their strategic locations in the Pearl River Delta, the world's largest trading hub by throughput. A critical driver for the success of a port is its location.

Any proposal that would result in HPH Trust ceasing to carry on the Port Operation Business at all times, at the Initial Port Land or substantially the whole of the Initial Port Land (including any disposal of the Port Operation Business thereon) would require an amendment to the Trust Deed, which would, in turn, require Unitholders' approval by way of an Extraordinary Resolution. Accordingly, any Unitholder or Unitholders that hold more than 25% of the total number of Units from time to time in issue will be able to block any Unitholders' resolution to approve such a proposal.

(See "Constitution of Hutchison Port Holdings Trust – Trust Deed – Operational Structure" and "– Trust Deed – Amendments to the Trust Deed" for details of the scope of business and business objectives of HPH Trust and the definitions of "Port Operation Business" and "Initial Port Land".)

The Units have never been publicly traded and the listing of the Units on the Main Board of the SGX-ST may not result in an active or liquid market for the Units.

There is no public market for the Units prior to the Offering and an active public market for the Units may not develop or be sustained after the Offering. The Trustee-Manager has received a letter of eligibility from the SGX-ST to have the Units listed and quoted on the Main Board of the SGX-ST. However, listing and quotation does not guarantee that a trading market for the Units will develop or, if a market does develop, the liquidity of that market for the Units. Prospective Unitholders should view the Units as illiquid and must be prepared to hold their Units for an indefinite length of time.

There is no assurance that the Units will remain listed on the SGX-ST.

Although it is currently intended that the Units will remain listed on the SGX-ST, there is no guarantee of the continued listing of the Units. Among other factors, HPH Trust may not continue to satisfy the listing requirements of the SGX-ST. Accordingly, Unitholders will not be able to sell their Units through trading on the SGX-ST if the Units are no longer listed on the SGX-ST.

Certain provisions of the Singapore Code on Take-over and Mergers could have the effect of discouraging, delaying or preventing a merger or acquisition, which could adversely affect the market price of the Units.

Under the Singapore Code on Take-overs and Mergers, an entity is required to make a mandatory offer for all the Units not already held by it and/or parties acting in concert with it (as defined by the Singapore Code on Take-overs and Mergers) in the event that an increase in the aggregate unitholdings of it and/or parties acting in concert with it results in the aggregate unitholdings crossing certain specified thresholds.

While the Singapore Code on Take-overs and Mergers seeks to ensure an equality of treatment among Unitholders, its provisions could substantially impede the ability of Unitholders to benefit from a change in control and, as a result, may adversely affect the market price of the Units and the ability to realise any potential change of control premium.

The price of the Units may decline after the Offering.

The Offering Price of the Units is determined by agreement between the Trustee-Manager and the Joint Bookrunners. The Offering Price may not be indicative of the market price for the Units upon completion of the Offering. The trading price of the Units will depend on many factors, including, but not limited to:

- the perceived prospects of HPH Trust's business and investments and the market for port and related services;
- differences between HPH Trust's actual financial and operating results and those expected by investors and analysts;
- changes in research analysts' recommendations or projections;
- changes in general economic or market conditions;
- the market value of HPH Trust's assets;
- the perceived attractiveness of the Units against those of other business trusts, equity or debt securities;
- the balance between buyers and sellers of the Units;
- the size and liquidity of the Singapore Registered Business Trust market;
- any changes to the regulatory system, including the tax system, both generally and specifically in relation to Registered Business Trusts;
- the ability on the Trustee-Manager's part to implement successfully its investment and growth strategies;
- foreign exchange rates; and
- broad market fluctuations, including increases in interest rates and weakness of the equity and debt markets.

To the extent that HPH Trust retains operating cash flows for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of its underlying assets, may not correspondingly increase the market price of the Units. Any failure on HPH Trust's part to meet market expectations with regard to future earnings and cash distributions may adversely affect the market price for the Units.

Where new Units are issued at less than the market price of Units, the value of an investment in Units may be affected. In addition, Unitholders who do not, or are not able to, participate in the new issuance of Units may experience a dilution of their interest in HPH Trust.

In addition, the Units are not capital-safe products and there is no guarantee that Unitholders can regain the amount invested. If HPH Trust is terminated or liquidated, it is possible that investors may lose a part or all of their investment in the Units.

The rights of HPH Trust and the Unitholders to recover claims against the Trustee-Manager are limited.

The Trust Deed limits the liability of the Trustee-Manager to any matter or thing done or suffered or omitted to be done by them in good faith in the absence of fraud, wilful default, breach of trust or where the Trustee-Manager fails to exercise Due Care (as defined herein). In addition, the Trust Deed provides that the Trustee-Manager is entitled to be indemnified against any actions, costs, claims, damages, expenses or demands to which they may be subject as the trustee-manager of HPH Trust so long as such action, cost, claim, damage, expense or demand is not occasioned by fraud, wilful default, breach of trust or where the Trustee-Manager fails to exercise Due Care. As a result, the rights of HPH Trust and the Unitholders to recover claims against the Trustee-Manager are limited.

Third parties may be unable to recover for claims brought against the Trustee-Manager as the Trustee-Manager is not an entity with significant assets.

Third parties, in particular, Unitholders, may in the future have claims against the Trustee-Manager in connection with the carrying on of its duties as trustee-manager of HPH Trust (including in relation to the Offering and this document).

Under the terms of the Trust Deed, the Trustee-Manager is indemnified from the Trust Property against any actions, costs, claims, damages, expenses or demands to which it may be put as the trustee-manager of HPH Trust unless occasioned by the fraud, wilful default, breach of trust or where the Trustee-Manager fails to exercise Due Care. In the event of any such fraud, wilful default, breach of trust or failure to exercise Due Care, only the assets of the Trustee-Manager itself and not the Trust Property would be available to satisfy a claim.

The Trustee-Manager is incorporated in Singapore, and a substantial portion of HPH Trust's assets are located in Hong Kong and the PRC, and it may not be possible for investors to effect service of process, including in connection with certain judgments, on HPH Trust outside of Singapore, or as the case may be, Hong Kong and the PRC.

The Trustee-Manager is incorporated in Singapore. A substantial portion of HPH Trust's assets are located in Hong Kong and the PRC, and all of the Directors reside outside the United States. As a result, it may not be possible for investors to effect service of process on the Trustee-Manager or the Directors in the United States, including in connection with civil liability claims under the US federal securities laws or the securities laws of any state within the United States, or upon other bases.

In particular, judgments of US courts based upon the civil liability provisions of the United States are not enforceable in Singapore courts and there is doubt as to whether Singapore courts will enter judgments in original actions brought in the United States.

Moreover, as a substantial portion of HPH Trust's assets are located in Hong Kong and the PRC, investors outside of Hong Kong and the PRC may be required to pursue claims in Hong Kong and the PRC if they are unable to pursue their claims through the Trustee-Manager.

ISSUE PROCEEDS

The Trustee-Manager expects the proceeds from the Offering and the issue of the Cornerstone Units will be between approximately US$4,913.6 million (based on the Minimum Offering Price) and approximately US$5,831.5 million (based on the Maximum Offering Price).

HPH Trust will not receive any of the net proceeds from the exercise of the Over-Allotment Option granted by the Sponsor.

USE OF PROCEEDS

The Trustee-Manager intends to apply the proceeds from the Offering and the issue of the Cornerstone Units towards the partial settlement of the consideration for the Acquisition on the Listing Date (the "**Partial Acquisition Amount**"). The Partial Acquisition Amount, which amounts to between US$4,868.6 million to US$5,786.5 million, represents 100.0% of the net proceeds from the Offering and the issue of the Cornerstone Units.

The balance of the consideration for the Acquisition, which will be paid on or before the fifth Business Day following the Listing Date, will be settled by way of the issue of the Consideration Units on the Listing Date and by using the proceeds from the New Debt Facility.

The Sponsor has agreed to pay all of the Equity Issue Expenses and the Debt Issue Expenses but not including certain Upfront Debt Transaction Costs.

Pending the deployment of the proceeds, as described above, the Trustee-Manager may place the remaining funds in fixed deposits with banks or financial institutions or use the funds for investment in short term money market instruments, as the Directors may deem appropriate in their absolute discretion. In the reasonable opinion of the Directors, there is no minimum amount that must be raised in the Offering.

The following tables, included for the purpose of illustration, set out the intended source and application of the total proceeds from the Offering and the issue of the Cornerstone Units.

Based on the Minimum Offering Price, the intended source and application of the total proceeds from the Offering are as follows:

Source	(US$ million)	Application	(US$ million)	As a dollar amount for each US$ of the total issue proceeds of the Offering and the issue of the Cornerstone Units
Offering	3,293.6	Payment of the Partial Acquisition Amount	4,868.6	0.99
Cornerstone Units	1,620.0	Payment of the Upfront Debt Transaction Costs	45.0	0.01
Total	**4,913.6**	**Total**	**4,913.6**	**1.00**

Based on the Maximum Offering Price, the intended source and application of the total proceeds from the Offering and the issue of the Cornerstone Units are as follows:

Source	(US$ million)	Application	(US$ million)	As a dollar amount for each US$ of the total issue proceeds of the Offering and the issue of the Cornerstone Units
Offering	4,211.5	Payment of the Partial Acquisition Amount	5,786.5	0.99
Cornerstone Units	1,620.0	Payment of the Upfront Debt Transaction Costs	45.0	0.01
Total	**5,831.5**	**Total**	**5,831.5**	**1.00**

The Trustee-Manager will make periodic announcements on the utilisation of the net proceeds from the Offering via SGXNET as and when such funds are materially utilised, and will provide the status on the use of the net proceeds in the annual report of HPH Trust.

EQUITY ISSUE EXPENSES

The Sponsor has agreed to pay all of the Equity Issue Expenses.

The Trustee-Manager estimates that the expenses payable in connection with the Offering and the issue of the Cornerstone Units and the application for listing, including the Underwriting, Selling and Management Commission, professional fees and all other incidental expenses relating to the Offering (but not including the Underwriting, Selling and Management Commission and other expenses payable by the Sponsor in connection with the exercise of the Over-Allotment Option) will be approximately US$166.3 million based on the Maximum Offering Price. A breakdown of these estimated expenses is as follows[1]:

	US$ million (based on Minimum Offering Price)	As a dollar amount for each US$ of the total issue proceeds of the Offering and the issue of the Cornerstone Units (based on Minimum Offering Price)	US$ million (based on Maximum Offering Price)	As a dollar amount for each US$ of the total issue proceeds of the Offering and the issue of the Cornerstone Units (based on Maximum Offering Price)
Underwriting, Selling and Management Commission[2]	125.7	0.03	149.9	0.03
Professional fees and other Offering-related expenses[3]	16.4	0.003	16.4	0.003
Total	**142.1**	**0.033**	**166.3**	**0.033**

Notes:

(1) Amounts exclude GST, where applicable.

(2) The Underwriting, Selling and Management Commission payable in connection with the Offering is 2.75% of the gross proceeds of the sale of the Units under the Placement (excluding Units allotted to Cheung Kong (Holdings) Limited or its subsidiaries under the Preferential Offer), the Units under the Public Offer, and certain Cornerstone Units (assuming the Over-Allotment Option is not exercised). It does not include the discretionary incentive fee that the Sponsor may pay to the International Purchasers and the Singapore Underwriters.

(3) Includes, solicitors' fees and fees for the Reporting Auditor, the Independent Auditor, the Independent Tax Advisers, the Independent Financial Adviser, the Independent Market Research Consultant and the Independent Valuer and other professionals' fees as well as the cost of the production of this document, roadshow expenses and certain other expenses incurred or to be incurred in connection with the Offering.

OTHER MATTERS

Taking into account the expected cash to be generated from the operations of the HPH Trust Business Portfolio and amounts available from debt financing including the New Debt Facility, together with cash and cash equivalents, the Directors are of the opinion that the working capital available to HPH Trust is sufficient for its present requirements and anticipated requirements for capital expenditures and other cash requirements for 12 months following the date of this document.

INFORMATION CONCERNING THE UNITS

On 25 February 2011, upon the constitution of HPH Trust one Unit was issued to the Sponsor. The issue price of this Unit was US$1.00. No other Units have been issued.

CONSIDERATION UNITS

On the Listing Date, separate from the Offering, the Sponsor will receive, as partial settlement of the consideration for the Acquisition, an aggregate of 3,309,377,999 fully paid Consideration Units.

SUBSCRIPTION BY THE DIRECTORS AND EXECUTIVE OFFICERS

The Directors and the Executive Officers may, subject to applicable laws, subscribe for Units under the Public Offer and/or the Placement and in such cases, the Trustee-Manager will make announcements via SGXNET as soon as practicable. Save for the Trustee-Manager's internal policy, which prohibits the Directors and the Executive Officers from dealing in the Units at certain times as well as applicable insider trading laws, there is no restriction on the Directors and the Executive Officers disposing of or transferring all or any part of their unitholdings. (See "The Trustee-Manager" and "Corporate Governance – Corporate Governance of the Trustee-Manager").

SUBSCRIPTION FOR MORE THAN 5.0% OF THE UNITS

To the Trustee-Manager's knowledge, as at 14 February 2011, being the latest practicable date prior to the lodgement of this document with the MAS (the "**Latest Practicable Date**"), no person intends to subscribe for more than 5.0% of the Units in the Offering. If any person were to make an application for Units amounting to more than 5.0% of the Units in the Offering and were subsequently allotted or allocated such number of Units, the Trustee-Manager will make the necessary announcements at an appropriate time. The final allocation of Units will be in accordance with the unitholding spread and distribution guidelines as set out in Rule 210 of the Listing Manual.

OPTIONS ON UNITS

No option to subscribe for Units has been granted to any of the Directors or to the Chief Executive Officer or any other key executive officers of the Trustee-Manager.

LOCK-UPS

The Sponsor, Hutchison Port Group Holdings Limited and the Trustee-Manager have agreed to certain lock-up arrangements (See "Plan of Distribution – Lock-up Arrangements").

PRINCIPAL UNITHOLDERS OF HPH TRUST AND THEIR UNITHOLDINGS

The following table sets out the principal Unitholders of HPH Trust and their unitholdings after the Offering (based on the Minimum Offering Price):

	Units owned after the Offering (Assuming that the Over-Allotment Option is not exercised)								Units owned after the Offering (Assuming that the Over-Allotment Option is exercised in full)							
	(Before Upstream Distribution[1])				(After Upstream Distribution)				(Before Upstream Distribution)				(After Upstream Distribution)			
	Direct Interest		Deemed Interest[2]		Direct Interest		Deemed Interest[2]		Direct Interest		Deemed Interest[2]		Direct Interest		Deemed Interest[2]	
	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)
Sponsor[4]	3,309,378	38.0%	–	–	–[3]	–[3]	–[3]	–[3]	2,769,427	31.8%	–	–	–[3]	–[3]	–[3]	–[3]
Cornerstone Investors[5]	1,780,220	20.4%	–	–	1,780,220	20.4%	–	–	1,780,220	20.4%	–	–	1,780,220	20.4%	–	–
Public and Institutional Investors	3,619,290	41.6%	–	–	3,619,290	41.6%	–	–	4,159,241	47.8%	–	–	4,159,241	47.8%	–	–
Total[6]	**8,708,888**	**100.0%**	**–**	**–**	**–**	**–**	**–**	**–**	**8,708,888**	**100.0%**	**–**	**–**	**–**	**–**	**–**	**–**

Notes:

(1) Refers to the distribution by HPH of Units upstream to its ultimate shareholders, as described in "– Upstream Distribution of Units by HPH" below.

(2) See note (4) below for details of certain deemed interest holders.

(3) See "– Upstream Distribution of Units by HPH" below.

(4) These include the one Unit which was issued to the Sponsor upon the constitution of HPH Trust. It should be noted that HWL owns an 80.0% effective interest in the Sponsor and PSA International Pte. Ltd. ("**PSA**") owns an effective interest of 20.0% in the Sponsor. Cheung Kong (Holdings) Limited, through its subsidiaries, holds approximately 49.97% of HWL.

PSA is a wholly-owned subsidiary of Temasek Holdings (Private) Limited ("**Temasek**"). It is one of the leading global port groups, participating in 28 port projects in 16 countries across Asia, Europe and the Americas and also operates in Singapore, one of the world's busiest transhipment hubs and one of the world's largest refrigerated container (reefer) ports. PSA World Port Pte. Ltd., which is a wholly-owned subsidiary of PSA, owns a 20% effective interest in the Sponsor. It should also be noted that the ultimate controlling shareholder of Aranda Investments Pte. Ltd. (one of the Cornerstone Investors), is Temasek.

Further, the following entities are deemed to be interested in the Units owned by the Sponsor:

(a) Hutchison International Limited, which is a wholly-owned subsidiary of HWL and owns an 80.0% effective interest in the Sponsor;

(b) Whampoa Dock Holdings Limited, which is an indirect wholly-owned subsidiary of HWL and owns an 80.0% effective interest in the Sponsor;

(c) HWDC Holdings Limited, which is an indirect wholly-owned subsidiary of HWL and owns an 80.0% effective interest in the Sponsor;

(d) Hongkong and Whampoa Dock Company, Limited, which is an indirect wholly-owned subsidiary of HWL and owns an 80.0% effective interest in the Sponsor;

(e) Hutchison Port Group Holdings Limited, which is an indirect wholly-owned subsidiary of HWL and owns an 80.0% effective interest in the Sponsor;

(f) HPH Group Holdings (BVI) Ltd, which is an indirect wholly-owned subsidiary of HWL and owns a 60.0% direct interest in the Sponsor; and

(g) Hutchison Port Holdings (BVI) Limited, which is 50.0% owned by each of HPH Investments (BVI) Ltd and PSA World Port Pte. Ltd., owns a 40.0% direct interest in the Sponsor.

See also "– Upstream Distribution of Units by HPH" below.

(5) On the Listing Date, one of the Cornerstone Investors, Capital Research and Management Company, will be a Substantial Unitholder as it has agreed, under a subscription agreement entered into with the Trustee-Manager, to subscribe for 587,037,336 Units (or 6.7% of the total number of Units in issue) based on the Maximum Offering Price and 696,703,576 Units (or 8.0% of the total number of Units in issue) based on the Minimum Offering Price.

(6) In the event that any of the Cornerstone Investors fail to subscribe or pay for the Cornerstone Units which they have committed to subscribe, the Offering may still proceed. In the event that any of the Cornerstone Investors fail to subscribe or pay for the Cornerstone Units which they have committed to subscribe, the total number of Units issued on the Listing Date may be reduced by such number of unsubscribed Cornerstone Units.

The following table sets out the principal Unitholders of HPH Trust and their unitholdings after the Offering (based on the Maximum Offering Price):

	Units owned after the Offering (Assuming that the Over-Allotment Option is not exercised)								Units owned after the Offering (Assuming that the Over-Allotment Option is exercised in full)							
	(Before Upstream Distribution[1])				(After Upstream Distribution)				(Before Upstream Distribution)				(After Upstream Distribution)			
	Direct Interest		Deemed Interest[2]		Direct Interest		Deemed Interest[2]		Direct Interest		Deemed Interest[2]		Direct Interest		Deemed Interest[2]	
	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)
Sponsor[4]	3,309,378	38.0%	–	–	–[3]	–[3]	–[3]	–[3]	2,769,427	31.8%	–	–	–[3]	–[3]	–[3]	–[3]
Cornerstone Investors[5]	1,500,000	17.2%	–	–	1,500,000	17.2%	–	–	1,500,000	17.2%	–	–	1,500,000	17.2%	–	–
Public and Institutional Investors	3,899,510	44.8%	–	–	3,899,510	44.8%	–	–	4,439,461	51.0%	–	–	4,439,461	51.0%	–	–
Total[6]	**8,708,888**	**100.0%**	**–**	**–**	**–**	**–**	**–**	**–**	**8,708,888**	**100.0%**	**–**	**–**	**–**	**–**	**–**	**–**

Notes:

(1) Refers to the distribution by HPH of Units upstream to its ultimate shareholders, as described in "– Upstream Distribution of Units by HPH" below.

(2) See note (4) below for details of certain deemed interest holders.

(3) See "– Upstream Distribution of Units by HPH" below.

(4) These include the one Unit which was issued to the Sponsor upon the constitution of HPH Trust. It should be noted that HWL owns an 80.0% effective interest in the Sponsor and PSA International Pte. Ltd. ("**PSA**") owns an effective interest of 20.0% in the Sponsor. Cheung Kong (Holdings) Limited, through its subsidiaries, holds approximately 49.97% of HWL.

PSA is a wholly-owned subsidiary of Temasek. It is one of the leading global port groups, participating in 28 port projects in 16 countries across Asia, Europe and the Americas and also operates in Singapore, one of the world's busiest transhipment hubs and one of the world's largest refrigerated container (reefer) ports. PSA World Port Pte. Ltd., which is a wholly-owned subsidiary of PSA, owns a 20% effective interest in the Sponsor. It should also be noted that the ultimate controlling shareholder of Aranda Investments Pte. Ltd. (one of the Cornerstone Investors), is Temasek.

Further, the following entities are deemed to be interested in the Units owned by the Sponsor:

(a) Hutchison International Limited, which is a wholly-owned subsidiary of HWL and owns an 80.0% effective interest in the Sponsor;

(b) Whampoa Dock Holdings Limited, which is an indirect wholly-owned subsidiary of HWL and owns an 80.0% effective interest in the Sponsor;

(c) HWDC Holdings Limited, which is an indirect wholly-owned subsidiary of HWL and owns an 80.0% effective interest in the Sponsor;

(d) Hongkong and Whampoa Dock Company, Limited, which is an indirect wholly-owned subsidiary of HWL and owns an 80.0% effective interest in the Sponsor;

(e) Hutchison Port Group Holdings Limited, which is an indirect wholly-owned subsidiary of HWL and owns an 80.0% effective interest in the Sponsor;

(f) HPH Group Holdings (BVI) Ltd, which is an indirect wholly-owned subsidiary of HWL and owns a 60.0% direct interest in the Sponsor; and

(g) Hutchison Port Holdings (BVI) Limited, which is 50.0% owned by each of HPH Investments (BVI) Ltd and PSA World Port Pte. Ltd., owns a 40.0% direct interest in the Sponsor.

See also "– Upstream Distribution of Units by HPH" below.

(5) On the Listing Date, one of the Cornerstone Investors, Capital Research and Management Company, will be a Substantial Unitholder as it has agreed, under a subscription agreement entered into with the Trustee-Manager, to subscribe for 587,037,336 Units (or 6.7% of the total number of Units in issue) based on the Maximum Offering Price and 696,703,576 Units (or 8.0% of the total number of Units in issue) based on the Minimum Offering Price.

(6) In the event that any of the Cornerstone Investors fail to subscribe or pay for the Cornerstone Units which they have committed to subscribe, the Offering may still proceed. In the event that any of the Cornerstone Investors fail to subscribe or pay for the Cornerstone Units which they have committed to subscribe, the total number of Units issued on the Listing Date may be reduced by such number of unsubscribed Cornerstone Units.

UPSTREAM DISTRIBUTION OF UNITS BY HPH

The Sponsor has agreed to distribute or transfer its Units upstream to its ultimate shareholders (being HWL and PSA) in the following proportion:

(a) such number of Units representing between approximately 23.1% (assuming the Over-allotment Option is fully exercised) and 27.6% (assuming the Over-allotment Option is not exercised) of the total number of Units in issue to HWL (or any subsidiary of HWL as HWL may determine) (the "**HWL Entity**"); and

(b) such number of Units representing between approximately 8.7% (assuming the Over-allotment Option is fully exercised) and 10.4% (assuming the Over-allotment Option is not exercised) of the total number of Units in issue to PSA (or any subsidiary of PSA as PSA may determine) (the "**PSA Entity**").

After the upstream distribution described above, the HWL Entity and the PSA Entity will hold their respective Units independently of each other. In connection with the upstream distribution, the HWL Entity and the PSA Entity will each grant certain reciprocal pre-emptive rights to the other party over the Units. Each of the HWL Entity and the PSA Entity will have the first opportunity to purchase the other party's Units in the event the other party wishes to sell, transfer or dispose of any of its Units, provided that certain conditions are met.

The Securities Industry Council has confirmed that, under the arrangement described above, HWL and its subsidiaries will not be deemed to be acting in concert with PSA and its subsidiaries to obtain or consolidate effective control of HPH Trust.

INFORMATION ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has entered into a subscription agreement with the Trustee-Manager to subscribe for such number of Units at the Offering Price for an aggregate subscription amount equal to US$1.62 billion, conditional upon the Trustee-Manager, the Sponsor, the Joint Bookrunners and the Underwriters entering into the Underwriting Agreements and the Underwriting Agreements not having been, terminated pursuant to their terms on or prior to the Listing Date. The Cornerstone Investors are Ally Holding Limited, Aranda Investments Pte. Ltd., Capital Research and Management Company, Cathay Life Insurance Co., Ltd., Lone Pine Capital LLC (on behalf of investment funds), Metropolitan Financial Services Ltd, Paulson & Co. Inc. and Seacrest FIR Incorporated.

The Joint Bookrunners and Underwriters will subscribe, and pay for, or procure the subscription and payment for, the Cornerstone Units, at the Offering Price in the event that any of the Cornerstone Investors fail to subscribe for or pay for the Cornerstone Units. Pursuant to and subject to the terms of the International Purchase Agreement, in the event that any one or more of the Cornerstone Investors fail to subscribe for or pay for the Cornerstone Units that they have committed to subscribe, the Offering may still proceed and subscribers and purchasers of the Units will still be required to pay for and complete their subscriptions and purchases pursuant to the Offering.

Ally Holding Limited

The aggregate subscription amount committed by Ally Holding Limited is US$50.0 million.

Ally Holding Limited is an investment holding company incorporated in the British Virgin Islands and controlled by a major customer.

Aranda Investments Pte. Ltd.

The aggregate subscription amount committed by Aranda Investments Pte. Ltd. ("**Aranda**") is US$100.0 million.

Aranda is a company incorporated in Singapore. Its principal business activity is investment holding. The ultimate controlling shareholder of Aranda is Temasek. Incorporated in 1974, Temasek is an Asia investment company headquartered in Singapore. Supported by 12 affiliates and offices in Asia and Latin America, Temasek owns a diversified S$186 billion (approximately US$130 billion) portfolio as at 31 March 2010, concentrated principally in Singapore, Asia and the emerging economies. Total shareholder return for Temasek since its inception has been a healthy 17% compounded annually. It has a corporate credit rating of AAA/Aaa by rating agencies Standard & Poor's and Moody's respectively.

Capital Research and Management Company

The aggregate subscription amount committed by Capital Research and Management Company is US$634.0 million. Pursuant to the subscription agreement, Capital Research and Management Company's subscription obligation terminates if the Offering Price exceeds US$1.08 per Unit.

Capital Research and Management Company is a United States based investment adviser that manages The American Funds Group. Capital Research and Management Company's parent company is The Capital Group Companies, Inc.

Cathay Life Insurance Co., Ltd.

The aggregate subscription amount committed by Cathay Life Insurance Co., Ltd. is US$100.0 million.

Cathay Life Insurance Co., Ltd. was founded in August 1962. It became the first publicly-listed insurance company in Taiwan following its listing in November 1964. Over the last 48 years, Cathay Life Insurance has maintained steady growth in revenues, assets, and in-force policies and has become the leading brand in the life insurance market in Taiwan.

Lone Pine Capital LLC (on behalf of investment funds)

The aggregate subscription amount committed by Lone Pine Capital LLC ("**Lone Pine**") is US$186.0 million.

Lone Pine is an investment firm that advises private investment funds. Lone Pine is headquartered in Greenwich, Connecticut, USA and was founded in 1997 by Stephen F. Mandel, Jr. Lone Pine has a 67 member team of investment and operating professionals.

Metropolitan Financial Services Ltd

The aggregate subscription amount committed by Metropolitan Financial Services Ltd is US$100.0 million.

Metropolitan Financial Services Ltd is an investment company owned by various reputable individuals from the South-East Asia region. They own substantial stakes in both private and public companies in the natural resources sector.

Paulson & Co. Inc.

The aggregate subscription amount committed by Paulson & Co. Inc. ("**Paulson**"), in its capacity as investment adviser to certain collective pooled investment vehicles, is US$350.0 million.

Paulson was founded in 1994 by its President, John Paulson. Paulson is registered as an investment adviser with the United States Securities and Exchange Commission. Paulson is a multi-strategy event arbitrage investment adviser with offices located in New York, London and Hong Kong. As of December 31, 2010 Paulson had approximately US$35.8 billion in assets under management.

Seacrest FIR Incorporated

The aggregate subscription amount committed by Seacrest FIR Incorporated is US$100.0 million.

Seacrest FIR Incorporated is an investment holding company incorporated in the British Virgin Islands that is beneficially owned by Jenkin Hui and several members of his immediate family.

DISTRIBUTIONS

Statements contained in this "Distributions" section that are not historical facts are forward-looking statements. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those that may be projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Trustee-Manager, the Joint Bookrunners, the Underwriters, the Sponsor or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as at the date of this document. See "Forward-Looking Statements".

DISTRIBUTION POLICY

Since the establishment of HPH Trust, there have not been any distributions made on the Units.

Any proposed distributions by HPH Trust will be paid from its Distributable Income, which consists of cash flows from dividends and principal and interest payments (net of applicable taxes and expenses) received by HPH Trust from the entities held by HPH Trust, and any other cash received by HPH Trust from the entities held by HPH Trust, after such cash flows have been applied to:

- pay the operating expenses of HPH Trust, including the Trustee-Manager's fees;
- repay principal amounts (including any premium or fee) under any debt or financing arrangement of HPH Trust;
- pay interest or any other financing expense on any debt or financing arrangement of HPH Trust; and
- provide for the cash flow needs of HPH Trust or to ensure that HPH Trust has sufficient funds and/or financing resources to meet the short-term liquidity needs of HPH Trust.

HPH Trust's distribution policy is to distribute 100% of HPH Trust's Distributable Income.

After HPH Trust has been admitted to the Main Board of the SGX-ST, HPH Trust will make distributions to Unitholders 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. However, HPH Trust's first distribution after the Listing Date will be for the period from the Listing Date to 30 June 2011 and will be paid by the Trustee-Manager on or before 30 September 2011. Subsequent distributions will take place on a semi-annual basis. The Trustee-Manager will pay the distributions no later than 90 days after the end of each distribution period.

Distributions will be declared in Hong Kong dollars. All Units will be held through the CDP, or directly by Unitholders in the form of confirmation notes issued by the Trustee-Manager (in its sole discretion) to them in respect of the Units. Each Unitholder will receive his distribution in the Singapore dollars equivalent of the Hong Kong dollar distribution declared, unless he elects to receive the relevant distribution in Hong Kong dollars or US dollars by submitting a "Distribution Election Notice" by the books closure date. For the portion of the distributions to be paid in Singapore dollars or US dollars, the Trustee-Manager will make the necessary arrangements to convert the distributions in Hong Kong dollars into Singapore dollars or US dollars, as the case may be, at such exchange rate as the Trustee-Manager may determine, taking into consideration any premium or discount that may be relevant to the cost of exchange. The CDP, the Trustee-Manager or HPH Trust shall not be liable for any loss arising from the conversion of distributions payable to Unitholders from Hong Kong dollars into Singapore dollars or US dollars. Save for approved depository agents (acting as nominees of their customers), each Unitholder may elect to receive his entire distribution in Singapore dollars, Hong Kong dollars or US dollars and shall not be able to elect to receive distributions in a combination of Hong Kong dollars, Singapore dollars and/or US dollars.

HONG KONG DISTRIBUTION MODEL

The distributions from the Hong Kong companies will be derived primarily from dividends and interest income from shareholders' loans or intra group loans from entities within the HPH Trust Group (net of applicable taxes and expenses) and principal repayment of such loans. It is the intention of the Trustee-Manager that the Hong Kong companies will distribute the maximum distribution, to the extent permissible under applicable Hong Kong laws and regulations, after taking into account the requirements of the Hong Kong companies.

PRC DISTRIBUTION MODEL

The distributions from the PRC companies will be derived primarily from profits and/or (if applicable) prior years retained earnings. It is the intention of the Trustee-Manager that the PRC companies will pay the maximum dividend for any one year to the extent permissible under applicable PRC laws and regulations after taking into account the short-term operational and liquidity requirements of the PRC companies.

PAYMENT OF DIVIDENDS

Subsequent to the date of this document, certain companies within HPH Trust will declare and pay dividends of an aggregate of approximately HK$885.0 million, less the applicable withholding tax to the Sponsor Group and non-controlling interests, in relation to the profits of these companies for the period up to the Listing Date. The Trustee-Manager expects these dividends to be declared and paid in March 2011. The payment of these dividends has been taken into account in Note 2(d) of the unaudited pro forma financial statements included in "Appendix A – Reporting Auditor's Report on Examination of the Unaudited Pro Forma Financial Statements of Hutchison Port Holdings Trust and its subsidiaries for the Financial Year ended 31 December 2010".

The foregoing are statements of the present intentions of the Trustee-Manager in relation to HPH Trust and may be subject to modification (including the reduction or cancellation of any proposed distribution) in the sole and absolute discretion of the Trustee-Manager. The form, frequency and amount of future distributions (if any) on HPH Trust's Units will depend on the earnings, financial position and results of operations of HPH Trust, as well as contractual restrictions, provisions of applicable law and other factors that the Trustee-Manager may deem relevant.

EXCHANGE RATE INFORMATION AND EXCHANGE CONTROLS

The table below sets forth, for the period from 2007 to the Latest Practicable Date, information concerning the exchange rates between Singapore dollars and Hong Kong dollars (in Hong Kong dollars per Singapore dollar) and between Singapore dollars and US dollars (in US dollar per Singapore dollar). The exchange rates were based on the average between the bid and offer rates of the currency as obtained from Bloomberg. No representation is made that the Hong Kong dollar amounts or the US dollar amounts actually represent such Singapore dollar amounts or could have been or could be converted into Singapore dollars at the rates indicated, at any other rate, or at all.

	Hong Kong dollar/Singapore dollar[1]		
Period ended	**Average**	**High**	**Low**
2007	5.1803	5.4168	5.0477
2008	5.5109	5.7846	5.0650
2009	5.3375	5.6183	4.9888
2010	5.7065	6.0519	5.4571
August 2010	5.7328	5.7649	5.6870
September 2010	5.8210	5.8943	5.7550
October 2010	5.9549	6.0002	5.9019
November 2010	5.9713	6.0448	5.8821
December 2010	5.9558	6.0519	5.9010
January 2011	6.0491	6.0938	5.9930
1 February 2011 to the Latest Practicable Date[2]	6.1063	6.1308	6.0769

Notes:

(1) Source: Bloomberg. Bloomberg has not provided its consent, for purposes of Section 282L of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 282N and 282O of the SFA. While the Trustee-Manager, the Joint Bookrunners and the Underwriters have taken reasonable actions to ensure that the information from the relevant report published by Bloomberg is reproduced in its proper form and context, and that the information is extracted accurately and fairly from that report, none of the Trustee-Manager, the Joint Bookrunners, the Underwriters or any other party has conducted an independent review of the information contained in that report or verified the accuracy of the contents of the relevant information.

(2) As at the Latest Practicable Date, the exchange rate between Singapore dollars and Hong Kong dollars (in Singapore dollars per Hong Kong dollar) is S$1.00 : HK$6.0861.

	US dollar/Singapore dollar[1]		
Period ended	**Average**	**High**	**Low**
2007	0.6640	0.6947	0.6472
2008	0.7077	0.7417	0.6535
2009	0.6886	0.7249	0.6431
2010	0.7346	0.7798	0.7022
August 2010	0.7378	0.7426	0.7323
September 2010	0.7497	0.7598	0.7409
October 2010	0.7676	0.7735	0.7609
November 2010	0.7700	0.7798	0.7575
December 2010	0.7662	0.7792	0.7591
January 2011	0.7775	0.7820	0.7706
1 February 2011 to the Latest Practicable Date[2]	0.7840	0.7869	0.7795

Notes:

(1) Source: Bloomberg. Bloomberg has not provided its consent, for purposes of Section 282L of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 282N and 282O of the SFA. While the Trustee-Manager, the Joint Bookrunners and the Underwriters have taken reasonable actions to ensure that the information from the relevant report published by Bloomberg is reproduced in its proper form and context, and that the information is extracted accurately and fairly from that report, none of the Trustee-Manager, the Joint Bookrunners, the Underwriters or any other party has conducted an independent review of the information contained in that report or verified the accuracy of the contents of the relevant information.

(2) As at the Latest Practicable Date, the exchange rate between Singapore dollars and US dollars (in Singapore dollars per US dollar) is S$1.00 : US$0.7806.

Hong Kong

The following table sets forth the noon buying rate for US dollars in New York City for cable transfers in Hong Kong dollars as certified for customs purposes by the Federal Reserve Bank of New York ("**Federal Reserve Board**") for the periods prior to 1 January 2009 and, for the periods after 1 January 2009, exchange rates as set forth in the H.10 statistical release of the Federal Reserve Board ("**Noon Buying Rate**"). Such rates are provided solely for the convenience of the reader and are not necessarily the exchange rates (if any) included elsewhere in this document.

Period	Noon Buying Rate[1]			
	Period End	Average[2]	High	Low
	(HK$ per US$1.00)			
2007	7.7497	7.8020	7.8289	7.7497
2008	7.7499	7.7862	7.8159	7.7497
2009	7.7536	7.7514	7.7618	7.7495
2010	7.7810	7.7687	7.8040	7.7501
August 2010	7.7781	7.7702	7.7788	7.7605
September 2010	7.7599	7.7643	7.7738	7.7561
October 2010	7.7513	7.7580	7.7642	7.7513
November 2010	7.7649	7.7546	7.7656	7.7501
December 2010	7.7810	7.7736	7.7833	7.7612
January 2011	7.7926	7.7803	7.7978	7.7683
1 February 2011 to the Latest Practicable Date	7.7953	7.7881	7.7953	7.7823

Notes:

(1) Source: New York Federal Reserve Board. The New York Federal Reserve Board has not provided its consent, for purposes of Section 282L of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 282N and 282O of the SFA. While the Trustee-Manager, the Joint Bookrunners and the Underwriters have taken reasonable actions to ensure that the information from the relevant report published by the New York Federal Reserve Board is reproduced in its proper form and context, and that the information is extracted accurately and fairly from that report, none of the Trustee-Manager, the Joint Bookrunners, the Underwriters or any other party has conducted an independent review of the information contained in that report or verified the accuracy of the contents of the relevant information.

(2) Determined by averaging the rates on the last Business Day of each month during the relevant year, except for the average rates for figures in 2010, which were determined by averaging the daily rates for such month or part thereof.

EXCHANGE CONTROLS

There are no exchange controls in Singapore and Hong Kong. Currently, exchange control restrictions exist in the PRC. Under the current foreign exchange regulations of the PRC, payments of current account items, including dividends, trade- and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, approvals from SAFE as well as other appropriate governmental authorities are required for payments in RMB to be converted into foreign currencies and remitted from the PRC to pay for capital account items, such as the repayment of loans denominated in foreign currencies. Receivables of capital account items in foreign currencies, including capital contribution and foreign shareholder's loans, can be remitted into the PRC and converted into RMB, by complying with certain regulatory requirements and completing certain registration procedures with SAFE. Yantian has obtained the Certificates of Foreign Exchange Registration as required by SAFE. Remittance of cash from the PRC will still be subject to prior approval by SAFE or filing with SAFE via a remittance bank, on a case by case basis.

CAPITALISATION AND INDEBTEDNESS

The information in the table below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Use of Proceeds".

The following table sets forth the pro forma capitalisation and indebtedness of HPH Trust as at 31 December 2010 and after application of the total proceeds from the Offering and the Cornerstone Units, based on the Minimum Offering Price and the Maximum Offering Price.

The following table is adjusted to give effect to:

- the issue of Units and receipt of proceeds in the Offering at the Minimum Offering Price of US$0.91 per Unit; and

- the issue of Units and receipt of proceeds in the Offering at the Maximum Offering Price of US$1.08 per Unit.

The pro forma information below is illustrative only and does not take into account any changes in our short-term borrowings and capitalisation after 31 December 2010, other than to give effect to the Offering, the expected drawdown of the New Debt Facility and the transactions contemplated by the Restructuring, including distributions to shareholders and the transfer of available-for-sale assets.

	As at 31 December 2010			
	Minimum Offering Price		Maximum Offering Price	
	HK$	US$(1)	HK$	US$(1)
	(in millions)			
Indebtedness				
Current				
Bank loans – due within one year (secured and unguaranteed)	4.7	0.6	4.7	0.6
Bank loans – due within one year (unsecured and unguaranteed)	2,770.0	356.0	2,770.0	356.0
Total current debt	2,774.7	356.6	2,774.7	356.6
Non-current				
Bank loans – due after one year (secured and guaranteed)	22,992.9	2,955.0	22,992.9	2,955.0
Bank loans – due after one year (secured and unguaranteed)	133.0	17.1	133.0	17.1
Bank loans – due after one year (unsecured and unguaranteed)	3,000.0	385.6	3,000.0	385.6
Total non-current debt	26,125.9	3,357.7	26,125.9	3,357.7
Total indebtedness	28,900.6	3,714.3	28,900.6	3,714.3

	As at 31 December 2010			
	Minimum Offering Price		Maximum Offering Price	
	HK$	**US$(1)**	**HK$**	**US$(1)**
	(in millions)			
Unitholders' funds				
Units in issue	61,665.1	7,925.1	73,185.0	9,405.6
Non-controlling interests	19,620.6	2,521.6	19,620.6	2,521.6
Total Unitholders' funds	81,285.7	10,446.7	92,805.6	11,927.2
Total capitalisation and indebtedness(2)	110,186.3	14,161.0	121,706.2	15,641.5

Notes:

(1) Based on an exchange rate of US$1.00 : HK$7.7810

(2) Total capitalisation equals non-current indebtedness plus total unitholders' funds.

In connection with the Restructuring and to refinance certain existing indebtedness of the Historical Portfolio Business, HITL, as borrower, entered into a three-year US dollar term loan facility (the "**New Debt Facility**") for the amount of US$3,000.0 million on 18 February 2011 with a syndicate of lenders and DBS Bank Ltd., Deutsche Bank AG, Hong Kong Branch and Goldman Sachs (Asia) L.L.C. as mandated lead arrangers. HITL is an indirect wholly-owned subsidiary of HPH Trust. It is expected that part of the New Debt Facility will be used to refinance HITL's existing HK$3,000.0 million bank loan (which is guaranteed by the Sponsor) within five Business Days after Listing. The borrower's obligations under the New Debt Facility are secured by a first priority charge over all of the shares in HITL, a first priority fixed and floating charge over certain assets of HITL and guaranteed by HPH Trust HoldCo and the Trustee-Manager.

The remaining existing indebtedness, which will not be refinanced by the New Debt Facility before listing comprises (a) SHICD's existing RMB118.0 million bank loan, which is secured by the land it owns, and (b) YICT's existing HK$500.0 million bank loan and YICTP3's existing HK$2,500.0 million and HK$2,770.0 million bank loans, which are all unsecured. None of these existing bank loans are guaranteed by HPH and it is HPH Trust's intention to refinance these loans upon their maturity.

It is a term of the New Debt Facility that should HWL cease to own (directly and/or indirectly through its subsidiaries) at least 15% of the total number of Units in issue from time to time, a prepayment event will have occurred and as such it would entitle the lenders of the New Debt Facility to require prepayment and the cancellation of the New Debt Facility subject to and in accordance with the terms thereof. In this respect, HWL has undertaken to the Trustee-Manager that, subject to Listing occurring, it will not, and will procure that its subsidiaries will not, during the three-year term of the New Debt Facility (or such shorter term as may arise pursuant to the provisions in the event of repayment or prepayment of the New Debt Facility), dispose of Units as will result in the aggregated unitholdings of HWL and its subsidiaries falling below 15% of the total number of Units in issue from time to time.

For further details see "The Restructuring Exercise" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Indebtedness – Description of Material Indebtedness".

You should read the following selected historical combined financial information for the periods and as at the dates indicated in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the combined financial statements, the accompanying notes and the related auditor's report included elsewhere in this document. The combined financial statements are reported in Hong Kong dollars and are prepared and presented in accordance with HKFRS.

For the purpose of divesting the Historical Portfolio Business and the River Ports Economic Benefits and the listing of HPH Trust on the SGX-ST, the combined financial statements of the Historical Portfolio Business have been prepared by the Trustee-Manager to present the combined financial position, results and cash flows of the companies engaging in the Historical Portfolio Business, which are under the management of the Sponsor, as at and for each of the years ended 31 December 2008, 2009 and 2010. Unless noted otherwise, the selected historical combined financial information does not include the financial information of the River Ports.

The selected historical combined financial information for the years ended 31 December 2008, 2009 and 2010 of the Historical Portfolio Business have been derived from the combined financial statements of the Historical Portfolio Business included elsewhere in this document and are qualified in their entirety by reference to those combined financial statements and the notes thereto. The historical results for any prior or interim periods are not necessarily indicative of results to be expected for a full financial year or for any future period.

The Trustee-Manager intends to prepare and report the consolidated financial statements of HPH Trust in accordance with HKFRS in subsequent periods. HKFRS reporting practices and accounting principles differ in certain respects from US GAAP. For a discussion of differences between HKFRS and US GAAP that are relevant to the Historical Portfolio Business, see "Summary of Certain Differences between HKFRS and US GAAP".

Selected Financial Information

	Year ended 31 December			
	2008	2009	2010	
	(HK$ in millions)		(HK$ in millions)	(US$ in millions)
Combined Income Statements of Historical Portfolio Business[(1)]				
Revenue and other income	12,246.9	10,262.9	11,562.0	1,485.9
Rendering of port and related services	11,717.4	9,860.6	10,997.8	1,413.4
Other revenue	294.0	248.1	340.9	43.8
Other income	235.5	154.2	223.3	28.7
Cost of services rendered	(3,754.9)	(3,023.5)	(3,691.5)	(474.4)
Staff costs	(312.8)	(250.5)	(280.0)	(36.0)
Depreciation and amortisation	(1,050.1)	(978.7)	(1,015.5)	(130.5)
Other operating income	306.5	84.2	61.9	7.9
Other operating expenses	(976.7)	(822.0)	(789.9)	(101.5)
Total operating expenses	(5,788.0)	(4,990.5)	(5,715.0)	(734.5)
Operating profit	6,458.9	5,272.4	5,847.0	751.4
Interest and other finance costs	(948.0)	(406.8)	(345.5)	(44.4)
Share of profits less losses after tax of associated companies	13.6	14.1	17.8	2.3
Share of profits less losses after tax of jointly controlled entities	224.2	144.3	197.4	25.4
Profit before tax	5,748.7	5,024.0	5,716.7	734.7
Tax	(521.8)	(541.9)	(619.4)	(79.6)
Profit for the year of the Historical Portfolio Business	5,226.9	4,482.1	5,097.3	655.1
Attributable Profit of the HPH Trust Business Portfolio[(2)]				
Profit attributable to the Holding Companies of the Historical Portfolio Business	2,964.3	2,590.0	2,988.5	384.1
River Ports Economic Benefits	87.9	93.5	70.9	9.1
Total attributable profit of the HPH Trust Business Portfolio	3,052.2	2,683.5	3,059.4	393.2

	As at 31 December			
	2008	2009	2010	
	(HK$ in millions)		(HK$ in millions)	(US$ in millions)
Combined Statements of Financial Position of Historical Portfolio Business[(1)]				
Non-current assets				
Fixed assets	16,198.1	16,383.1	16,591.9	2,132.4
Projects under development	1,496.0	1,034.9	944.8	121.4
Leasehold land and land use rights	11,966.4	11,737.6	11,529.3	1,481.7
Railway usage rights	16.6	16.3	16.2	2.1
Associated companies	94.9	102.9	116.3	14.9
Jointly controlled entities	263.8	242.8	237.7	30.5
Available-for-sale investments	21.3	2,939.3	2,949.6	379.1
Total non-current assets	30,057.1	32,456.9	32,385.8	4,162.1
Current assets				
Cash and cash equivalents	7,357.9	6,782.5	10,439.0	1,341.6
Other current assets	6,480.6	3,784.1	3,671.7	471.9
Total current assets	13,838.5	10,566.6	14,110.7	1,813.5
Total assets	43,895.6	43,023.5	46,496.5	5,975.6
Capital and Reserves				
Combined capital and reserves	(2,465.8)	(166.5)	3,670.0	471.7
Non-controlling interests	5,476.4	5,948.4	6,998.9	899.5
Total equity	3,010.6	5,781.9	10,668.9	1,371.2
Non-current liabilities				
Loans from a fellow subsidiary	8,664.2	8,664.2	8,664.2	1,113.4
Loans from non-controlling interests	1,547.2	1,547.2	665.0	85.5
Loans from related companies	5,260.4	5,260.4	5,260.4	676.1
Bank loans	7,984.8	10,756.2	6,119.7	786.5
Pension obligations	405.8	184.8	112.8	14.5
Deferred tax liabilities	629.0	647.6	643.1	82.7
Total non-current liabilities	24,491.4	27,060.4	21,465.2	2,758.7
Current liabilities				
Trade payables, other payables and accruals	6,224.8	5,749.6	6,224.1	799.9
Loans from non-controlling interests	–	–	882.2	113.4
Bank loans	5,049.6	136.8	2,774.7	356.6
Other current liabilities	5,119.2	4,294.8	4,481.4	575.8
Total current liabilities	16,393.6	10,181.2	14,362.4	1,845.7
Total liabilities	40,885.0	37,241.6	35,827.6	4,604.4
Total equity and liabilities	43,895.6	43,023.5	46,496.5	5,975.6
Net current (liabilities)/assets	(2,555.1)	385.4	(251.7)	(32.2)
Net assets	3,010.6	5,781.9	10,668.9	1,371.2

	Year ended 31 December			
	2008	2009	2010	
	(HK$ in millions)		(HK$ in millions)	(US$ in millions)
Combined Statements of Cash Flows of Historical Portfolio Business[(1)]				
Net cash from operating activities	5,751.0	6,905.4	5,884.3	756.2
Net cash (used in)/from investing activities	(2,952.1)	(2,731.8)	484.7	62.3
Net cash used in financing activities	(2,638.9)	(4,749.0)	(2,712.5)	(348.6)
Net change in cash and cash equivalents ...	160.0	(575.4)	3,656.5	469.9
Cash and cash equivalents at 1 January	7,197.9	7,357.9	6,782.5	871.7
Cash and cash equivalents at 31 December	7,357.9	6,782.5	10,439.0	1,341.6

Notes:

(1) Accounting treatment of the River Ports Economic Benefits: Unless otherwise indicated, the selected financial information of the Historical Portfolio Business for the historical periods of 2008, 2009 and 2010 does not include the financial information of the River Ports. As at 31 December 2008, 2009 and 2010, the share of unaudited combined net assets of the River Ports business was HK$568.6 million, HK$552.2 million and HK$575.4 million, respectively. The River Ports Economic Benefits in 2008, 2009 and 2010 were HK$87.9 million, HK$93.5 million and HK$70.9 million, respectively. Going forward, the River Ports Economic Benefits will be recorded on HPH Trust's income statement as Other Operating Income. For comparison purposes, Consolidated EBITDA and Consolidated EBITDA margin exclude the River Ports Economic Benefits for all historical, pro forma, forecast and projected periods.

(2) Attributable profit of the HPH Trust Business Portfolio for the historical periods of 2008, 2009 and 2010 reflects the profit attributable to the Holding Companies' interest in the Historical Portfolio Business and the River Ports Economic Benefits based on the ownerships of interests held in the Historical Portfolio Business and the River Ports Economic Benefits during the financial years ended 31 December 2008, 2009 and 2010. For the ownership of interests in the Historical Portfolio Business, see Note 1 to the combined financial statements of the Historical Portfolio Business as included in "Appendix C-Independent Auditor's Report on the Combined Financial Statements of the Business Comprising the Deep-water Container Ports in Hong Kong and Guangdong Province and Port Ancillary Services for the Financial Years ended 31 December 2008, 2009 and 2010".

Other Financial and Operational Information

Other non-GAAP financial information in relation to the Historical Portfolio Business is set out below. See "Unaudited Pro Forma Historical Financial Information – Other Financial and Operational Information" for analysis of 2010 pro forma EBITDA.

	Year ended 31 December			
	2008	2009	2010	
	(HK$ in millions, except %)		(HK$ in millions, except %)	(US$ in millions, except %)
			(unaudited)	
Non-GAAP items				
EBITDA[(1)]	7,713.7	6,447.8	7,026.5	903.0
Consolidated EBITDA[(1)]	7,278.8	6,099.8	6,639.2	853.3
Consolidated EBITDA margin[(2)]	60.6%	60.3%	58.6%	58.6%
Attributable EBITDA[(3)]	4,787.6	4,001.9	4,311.0	554.0

Notes:

(1) "**EBITDA**" is defined as operating profit after deducting (i) interest income and adding (ii) depreciation and amortisation, (iii) the share of EBITDA of associated companies, (iv) the share of EBITDA of jointly controlled entities (including, among others, the EBITDA contribution from COSCO-HIT) and (v) the River Ports Economic Benefits (as defined herein). "**Consolidated EBITDA**" is defined as EBITDA after excluding (i) the share of EBITDA of associated companies, (ii) the share of EBITDA of jointly controlled entities and (iii) the River Ports Economic Benefits. EBITDA, Consolidated EBITDA and the related ratios in this document are supplemental measures of performance and liquidity and are not required by, or presented in accordance with HKFRS, IFRS or US GAAP. Furthermore, EBITDA is not a measure of the financial performance or liquidity under HKFRS, IFRS or US GAAP and should not be considered an alternative to net income, operating income or any other performance measures derived in accordance with HKFRS, IFRS or US GAAP or an alternative to cash flow from operations or a measure of liquidity. Other companies may calculate EBITDA differently from HPH Trust, limiting its usefulness as a comparative measure.

The Trustee-Manager measures HPH Trust's financial performance using EBITDA in addition to accounting profits or losses. The basis for this approach is that infrastructure/ports assets tend to have lower accounting profit amounts compared to operating cash flows in a financial year or period, or even losses, due to the relatively high amount of non-cash depreciation and amortisation expenses associated with infrastructure/ports assets. Under Singapore law, business trusts are allowed to pay distributions to investors out of operating cash flows (provided that immediately after making the distribution, the trustee-manager will be able to fulfil, from the trust property, the liabilities of the business trust as these liabilities fall due) unlike Singapore-incorporated companies, which are only able to pay dividends out of distributable profit.

For the reasons for presenting EBITDA and related ratios, see "Notice to Investors – Presentation of Financial Information – Non-GAAP Financial Measure".

The table below sets out the primary components of EBITDA for the periods indicated.

	Year ended 31 December			
	2008	2009	2010	
	(HK$ in millions)		(HK$ in millions)	(US$ in millions)
			(unaudited)	
Consolidated EBITDA	7,278.8	6,099.8	6,639.2	853.3
River Ports Economic Benefits	87.9	93.5	70.9	9.1
Share of EBITDA of associated companies	29.6	28.7	33.3	4.2
Share of EBITDA of jointly controlled entities	317.4	225.8	283.1	36.4
EBITDA	7,713.7	6,447.8	7,026.5	903.0

(2) Consolidated EBITDA margin is defined as Consolidated EBITDA as defined in Note 1 above divided by revenue and other income (including sundry income but excluding interest income) of the Historical Portfolio Business. Interest income amounted to HK$230.2 million, HK$151.2 million and HK$223.3 million in 2008, 2009 and 2010, respectively.

(3) Attributable EBITDA is defined as the EBITDA attributable to the Holding Companies' interest in the Historical Portfolio Business and the River Ports Economic Benefits based on the ownerships of interests held in the Historical Portfolio Business and the River Ports Economic Benefits during the financial years ended 31 December 2008, 2009 and 2010. For the ownership of interests in the Historical Portfolio Business, see Note 1 to the combined financial statements of the Historical Portfolio Business as included in "Appendix C – Independent Auditor's Report on the Combined Financial Statements of the Business Comprising the Deep-water Container Ports in Hong Kong and Guangdong Province and Port Ancillary Services for the Financial Years ended 31 December 2008, 2009 and 2010".

Other operational information in relation to the Historical Portfolio Business is set out below.

	Year ended 31 December		
Throughput[1]	**2008**	**2009**	**2010**
	(TEU in thousands)		
HIT[2]	7,427.5	8,126.5	9,465.5
COSCO-HIT	1,664.1	1,378.4	1,574.2
Yantian	9,683.5	8,579.0	10,134.0

Notes:

(1) The published statistics from the Hong Kong Marine Department for the total of local and transhipment throughput incorporate liftings to or from oceangoing vessels and containers received from or delivered to ports located within the river trade zone (as defined by the Hong Kong Marine Department) by water-borne traffic, i.e. traffic to and from the Pearl River Delta via barges. The published statistics are not directly comparable to throughput figures of HIT and COSCO-HIT shown in the above table. HIT and COSCO-HIT figures in 2008 in the table above exclude volumes in relation to lighterwork and water-borne traffic which, based on the estimates of the Trustee-Manager, totalled approximately 1.8 million TEU and 0.1 million TEU, respectively. For 2009 and 2010, the HIT and COSCO-HIT figures in the table above include volumes in relation to lighterwork and the water-borne traffic so as to make the figures more comparable to statistics used by the industry.

(2) The throughput data for HIT does not include throughput from overflow operations at HIT during the peak season.

Other financial information in relation to the Historical Portfolio Business's operations in Hong Kong and the PRC is set out below.

		Year ended 31 December			
Non-GAAP items		**2008**	**2009**	**2010**	
		(HK$ in millions)		**(HK$ in millions)**	**(US$ in millions)**
		(unaudited)			
Revenue and other income generated from[1]	Hong Kong	5,979.5	5,032.1	5,433.7	698.3
	PRC	6,037.2	5,079.5	5,905.0	758.9
EBITDA by region[2]	Hong Kong	3,033.4	2,558.8	2,677.9	344.1
	PRC[4]	4,680.3	3,889.0	4,348.6	558.9
Attributable EBITDA by region[3]	Hong Kong	2,631.9	2,197.9	2,325.1	298.8
	PRC[4]	2,155.7	1,804.0	1,985.9	255.2

Notes:

(1) Includes other income such as sundry income but excludes interest income.

(2) EBITDA is defined as operating profit after deducting (i) interest income and adding (ii) depreciation and amortisation, (iii) the share of EBITDA of associated companies, (iv) the share of EBITDA of jointly controlled entities (including, among others, the EBITDA contribution from COSCO-HIT) and (v) the River Ports Economic Benefits. EBITDA and the related ratios in this document are supplemental measures of performance and liquidity and are not required by, or presented in accordance with HKFRS, IFRS or US GAAP. Furthermore, EBITDA is not a measure of the financial performance or liquidity under HKFRS, IFRS or US GAAP and should not be considered an alternative to net income, operating income or any other performance measures derived in accordance with HKFRS, IFRS or US GAAP or an alternative to cash flow from operations or a measure of liquidity. Other companies may calculate EBITDA differently from HPH Trust, limiting its usefulness as a comparative measure.

The Trustee-Manager measures HPH Trust's financial performance using EBITDA in addition to accounting profits or losses. The basis for this approach is that infrastructure/ports assets tend to have lower accounting profit amounts compared to operating cash flow in a financial year or period, or even losses, due to the relatively high amount of non-cash depreciation and amortisation expenses associated with infrastructure/ports assets. Under Singapore law, business trusts are allowed to pay distributions to investors out of operating cash flow (provided that immediately after making the distribution, the trustee-manager will be able to fulfil, from the trust property, the liabilities of the business trust as these liabilities fall due) unlike Singapore-incorporated companies, which are only able to pay dividends out of distributable profit.

For the reasons for presenting EBITDA and related ratios, see "Notice to Investors – Presentation of Financial Information – Non-GAAP Financial Measure."

(3) Attributable EBITDA is defined as the EBITDA attributable to the Holding Companies' interest in the Historical Portfolio Business and the River Ports Economic Benefits based on the ownerships of interests held in the Historical Portfolio Business and the River Ports Economic Benefits during the financial years ended 31 December 2008, 2009 and 2010. For the ownership of interests in the Historical Portfolio Business, see Note 1 to the combined financial statements of the Historical Portfolio Business as included in "Appendix C – Independent Auditor's Report on the Combined Financial Statements of the Business Comprising the Deep-water Container Ports in Hong Kong and Guangdong Province and Port Ancillary Services for the Financial Years ended 31 December 2008, 2009 and 2010".

(4) Includes the River Ports Economic Benefits.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read together with the information in "Selected Financial Information and Operational Data", "Unaudited Pro Forma Historical Financial Information" and the combined financial statements of the Historical Portfolio Business as at and for the years ended 31 December 2008, 2009 and 2010, with related notes thereto, included elsewhere in this document.

Statements contained in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" that are not historical facts may be forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions that could cause actual results to differ materially from those forecasts. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Trustee-Manager or any other person, or that these results will be achieved or are likely to be achieved (see "Forward-looking Statements" and "Risk Factors" for further details). Recipients of this document and all prospective investors in the Units are cautioned not to place undue reliance on these forward-looking statements.

Unless noted otherwise, the financial information and discussion and analysis in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" do not include the financial information of the River Ports.

The combined financial statements have been prepared in accordance with HKFRS, which may differ in certain significant respects from generally accepted accounting principles in other countries. For a discussion of certain differences between HKFRS and US GAAP, as applicable to the combined financial statements, see "Summary of Certain Differences between HKFRS and US GAAP".

OVERVIEW

HPH Trust is the first publicly traded container port business trust and provides Unitholders with an attractive opportunity to invest in the market leader of the world's largest trading hub by throughput, the Pearl River Delta, which consists of two of the world's busiest container port cities by throughput – Hong Kong and Shenzhen, PRC. HPH Trust's sponsor is Hutchison Port Holdings Limited, the global leader in the container port sector by throughput and a subsidiary of HWL.

HPH Trust's investment mandate is principally to invest in, develop, operate and manage deep-water container ports in the Pearl River Delta. HPH Trust may also invest in other types of port assets, including river ports, which are complementary to the deep-water container ports operated by HPH Trust, as well as undertake certain port ancillary services including, but not limited to, trucking, feedering, freight-forwarding, supply chain management, warehousing and distribution services.

On a combined basis, Hong Kong and Shenzhen, PRC was the world's busiest container port market in 2009 with a total throughput of approximately 39.2 million TEU[1]. In connection with the Offering and prior to the Listing Date, HPH Trust will acquire from the Sponsor its two principal deep-water container port assets in Hong Kong and Shenzhen, PRC. These two deep-water container port assets are HPH Trust's interest in the operators of:

- HIT and COSCO-HIT located in Hong Kong; and
- Yantian located in Shenzhen, PRC.

In addition, in connection with the Offering and prior to the Listing Date, HPH Trust will acquire from the Sponsor, and the Sponsor will account to HPH Trust for, all of the River Ports Economic Benefits.

RECENT DEVELOPMENTS

Restructuring

In preparation for the Offering, a restructuring exercise is being implemented by the Sponsor to establish HPH Trust and the ownership structure of the HPH Trust Business Portfolio. The Restructuring is being implemented in the manner described in "The Restructuring Exercise".

On 28 February 2011, the Sponsor and HPHT Limited ("**HPH Trust HoldCo**"), a wholly-owned subsidiary of HPH Trust, entered into the Sale and Purchase Agreement pursuant to which:

(a) the Sponsor agreed to sell, or procure the sale of, and HPH Trust HoldCo agreed to acquire, the entire issued share capital of each of the Holding Companies and the River Ports Economic Benefits. The Holding Companies together indirectly own the interests in the operators of the Portfolio Container Terminals and the Portfolio Ancillary Services; and

(b) the Sponsor agreed to assign, or procure the assignment of, and HPH Trust HoldCo agreed to accept, or procure the acceptance of the assignment of, certain related party and shareholders' loans in the aggregate principal amount of approximately HK$24,125.4 million together with the accrued interest thereon. These loans were made by certain related parties and shareholders to certain companies in the HPH Trust Group and on completion of the Restructuring, such loans will become intra-group loans between companies within the HPH Trust Group.

Completion of the Acquisition will take place prior to the Listing Date on 15 March 2011.

Further details of the Sale and Purchase Agreement are set out in "Certain Agreements Relating to Hutchison Port Holdings Trust – Sale and Purchase Agreement".

The consideration for the Acquisition is approximately HK$102,878.7 million and is subject to an adjustment calculated in the manner described in "The Restructuring Exercise". The Initial Consideration was determined based on the estimated fair value of the HPH Trust Business Portfolio as at 25 February 2011. The loans from related parties and shareholders of the companies in the HPH Trust Group referred

1 See "Overview of the Container Port Industry" prepared by Drewry Shipping Consultants Limited (the "**Independent Market Research Consultant**" or "**Drewry**").

to in subparagraph (b) above will be transferred and assigned by the relevant related parties and shareholders to HPH Trust HoldCo and one of its subsidiaries as part of the Restructuring so that on completion of the Restructuring, such loans will become intra-group loans between companies within the HPH Trust Group.

The Initial Consideration will be satisfied on completion of the acquisition and the loan assignments by the issue of promissory notes by HPH Trust HoldCo and one of its subsidiaries to the Sponsor (or as it may direct) with an aggregate principal amount equal to the Initial Consideration.

The Promissory Notes will be settled as follows:

(a) by the issue of an aggregate of 3,309,377,999 Consideration Units to the Sponsor (or as it may direct) on the Listing Date; and

(b) by the payment of cash to the Sponsor (or as it may direct), a portion of which will be paid on the Listing Date using the net proceeds from the Offering and the issue of the Cornerstone Units and the balance being paid on or before the fifth Business Day following the Listing Date using the proceeds from the New Debt Facility.

The Promissory Notes do not bear any interest, provided that in the event the proceeds from the New Debt Facility are not available on or before the Final Payment Date, the outstanding principal amount of the Promissory Notes will bear interest from the Final Payment Date until the date of payment of such outstanding principal amount at the rate of interest up to that charged to HITL for the New Debt Facility and HPH Trust shall provide such security as the Sponsor may require up to that required under the New Debt Facility. Such security, if required by the Sponsor to be provided by HPH Trust, may consist of the same security provided by HITL under the terms of the New Debt Facility, that is, the borrower's obligations under the New Debt Facility are secured by a first priority charge over all of the shares in HITL, a first priority fixed and floating charge over certain assets of HITL and guaranteed by HPH Trust HoldCo and the Trustee-Manager.

HPH Trust HoldCo has undertaken to the Sponsor to use its best endeavours to procure the drawdown of the New Debt Facility or to obtain alternative sources of financing and to pay the outstanding principal amount and accrued interest of the Promissory Notes.

As part of the Restructuring, HPH Trust will retain HK$5,188.7 million in cash and cash equivalents for capital expenditure and general working capital requirements. The remaining cash and cash equivalents and available-for-sale investments, consisting of listed debt securities issued by certain subsidiaries of HWL, will be distributed to the holding companies of the Historical Portfolio Business prior to the Listing. Such available-for-sale investments are intended to be retained by the Sponsor (or as the Sponsor may direct).

For further details regarding the Restructuring, see "The Restructuring Exercise", "Certain Agreements Relating to Hutchison Port Holdings Trust" and "Unaudited Pro Forma Historical Financial Information".

Post-IPO Trust Structure

HPH Trust is a business trust. Under Singapore law, business trusts are allowed to pay distributions to investors out of operating cash flow (provided that immediately after making the distribution, the trustee-manager will be able to fulfil, from the trust property, the liabilities of the business trust as these liabilities fall due) unlike Singapore-incorporated companies, which can only pay dividends out of distributable profits. As a result, there are some differences in the financials of HPH Trust when compared to those of a Singapore-incorporated company.

A business trust is able to make distributions to its unitholders in excess of its net profit after tax or when it records a loss after tax, so long as the distributions are supported by the operating cash flow. As such, HPH Trust may report quarterly or annual net profit amounts that are less than operating cash flow amounts, which is not uncommon for a business trust holding infrastructure assets, due to:

(i) structuring to optimise tax efficiency;

(ii) non-cash depreciation and amortisation expenses associated with infrastructure assets (which are typically capital intensive); and

(iii) other non-cash items accounted for as expenses in accordance with relevant accounting standards.

These non-cash items may affect HPH Trust's ability to pay distributions.

New Debt Facility

In connection with the Restructuring and in order to refinance certain existing indebtedness of the Historical Portfolio Business, HITL, as borrower, entered into a three-year US dollar term loan facility for the amount of US$3,000 million on 18 February 2011 with a syndicate of lenders and DBS Bank Ltd., Deutsche Bank AG, Singapore Branch and Goldman Sachs (Asia) L.L.C. as mandated lead arrangers. HITL is an indirect wholly-owned subsidiary of HPH Trust. It is expected that part of the New Debt Facility will be used to refinance HITL's existing HK$3,000 million bank loan (which is guaranteed by the Sponsor) within five Business Days of the Listing Date. The borrower's obligations under the New Debt Facility are secured by a first priority charge over all of the shares in HITL, a first priority fixed and floating charge over certain assets of HITL and guaranteed by HPH Trust HoldCo and the Trustee-Manager.

Interest Expenses

The interest margin of the New Debt Facility is 1.2% per annum and the interest rate is the interest margin plus the London Interbank Offered Rate ("**LIBOR**").

Conditions to Funding Under the New Debt Facility

The New Debt Facility is available to the borrower for drawdown, subject to the satisfaction of customary conditions from the Listing Date to the earlier of the date falling one month after the Listing Date and 18 April 2011 (both days inclusive).

All amounts available under the New Debt Facility are expected be fully drawn by HITL within five Business Days of the Listing Date. As of the Latest Practicable Date, no funds had been drawn down on the New Debt Facility. HITL is expected to issue a drawdown notice on the Listing Date. Repayments will be made in accordance with standard repayment terms set forth in the New Debt Facility.

Final Maturity and Repayment

All principal outstanding under the New Debt Facility is required to be repaid on the final maturity date, being three years from the date of the New Debt Facility. The facility may also be voluntarily prepaid.

Covenants

The New Debt Facility contains a number of customary covenants and undertakings for a corporate facility of similar nature, including without limitation a number of financial covenants and negative pledges relating to the HPH Trust Group. The financial covenants consist of a gearing test with consolidated borrowed money not to exceed 0.75 times adjusted consolidated net worth[1], an interest cover requirement of at least 6.00:1.00 and a leverage ratio not to exceed 5.75:1.00. In addition, there is a limit of US$3.15 billion on the maximum indebtedness of HITL.

Change of Control Mandatory Prepayment and Cancellation Events

The New Debt Facility also includes a number of prepayment and cancellation events, which apply in certain circumstances on disposals, receipts of insurance and sale proceeds and on change of control relating to HPH Trust. A change of control occurs if HWL ceases to be the beneficial owner of 15% or more of the issued Units.

Events of Default

The New Debt Facility also contains a number of customary events of default, including in respect of non-payment, breaches of warranties and undertakings, cross-default, insolvency and nationalisation.

Upon the occurrence of an event of default, the lenders will be entitled to declare the amount outstanding under the New Debt Facility to be immediately due and payable and to cancel the facility.

River Ports Economic Benefits

As part of the Restructuring, HPH Trust will acquire from the Sponsor, and the Sponsor will account to HPH Trust for, all of the River Ports Economic Benefits attributable to the business of three PRC river ports located in Jiangmen, Nanhai and Jiuzhou, whose operations are complementary to HIT, COSCO-HIT and Yantian. The River Ports Economic Benefits were HK$87.9 million, HK$93.5 million and HK$70.9 million in 2008, 2009 and 2010, respectively. Prior to the Restructuring, the River Ports Economic Benefits represented dividends paid to related parties outside of the Historical Portfolio

1 "**Adjusted consolidated net worth**" means the aggregate of:

(i) the amount paid up or credited as paid up on the Units; and

(ii) the amounts standing to the credit of HPH Trust's consolidated reserves (including but not limited to any such balance on the revaluation reserve and retained profits or losses) after adding back any amount attributable to write downs, impairment and amortisation of goodwill and purchase price allocation attributable to the period commencing from and including the Listing Date,

all as shown by the historical combined financial information for the year ended 31 December 2010, but where the auditors' report thereon is in any way qualified, an amount shall be deducted from the aggregate, such amount to present a true and fair view of the relevant entry.

Business. Going forward, the River Ports Economic Benefits will be recorded as other operating income to HPH Trust. Unless noted otherwise, the financial information in this section does not include the financial information of the River Ports.

Acquisition of Interests in Certain Companies Comprising the Historical Portfolio Business

In January and February 2011, the Historical Portfolio Business acquired equity interests in certain subsidiaries from non-controlling interests included in the Historical Portfolio Business. The effect of these acquisitions will be to increase the profit attributable to holders of the Historical Portfolio Business.

BASIS OF PRESENTATION OF THE COMBINED FINANCIAL STATEMENTS

The Sponsor has divested certain of the operators of its deep-water container ports in Guangdong Province, Hong Kong and Macau and certain port ancillary services, including trucking, container freight station, feedering, freight-forwarding, supply chain management, warehousing and distribution services (collectively the "**Portfolio Container Terminals and Portfolio Ancillary Services**" or "**Historical Portfolio Business**") and the River Ports Economic Benefits to HPH Trust, a Singapore-based business trust registered with the Monetary Authority of Singapore.

For the purpose of divesting the operators of the Portfolio Container Terminals and Portfolio Ancillary Services and the River Ports Economic Benefits and the listing of HPH Trust on the SGX-ST, the combined financial statements have been prepared by the Trustee-Manager to present the combined financial position, results and cash flows of the companies engaging in the Historical Portfolio Business (excluding the River Ports Economic Benefits), under the management of the Sponsor, for each of the years ended 31 December 2008, 2009 and 2010, on the basis set out in note 1 to the combined financial statements.

The Historical Portfolio Business includes:

- an 86.50% interest in Hongkong International Terminals Limited, the owner and operator of Terminals 4, 6, 7 and two berths in Terminal 9 at Kwai Tsing, Hong Kong;

- a 43.25% interest in COSCO-HIT Terminals (Hong Kong) Limited, the owner and operator of Terminal 8 East at Kwai Tsing, Hong Kong;

- a 48.00% interest in Yantian International Container Terminals Limited, the operator of Yantian International Container Terminals Phases I and II at Yantian district, Shenzhen, PRC, in the Guangdong Province of the PRC;

- a 42.74% interest in Yantian International Container Terminals (Phase III) Limited, the operator of Yantian International Container Terminals Phase III and its expansion project, which is being developed;

- a 42.74% interest in Shenzhen Yantian West Port Terminals Limited, the operator of Shenzhen Yantian West Port Terminals Phase I and Shenzhen Yantian West Port Terminals Phase II, which is being developed;

- a 100.00% interest in Asia Port Services Limited, which is mainly engaged in providing port ancillary services, including mid-stream services (which are vessel-handling services in the harbour involving the lifting and discharging of containers from barges alongside the vessel);

- a 70.80% interest in Shenzhen Hutchison Inland Container Depots Co., Limited, which operates an inland container depot and‘ warehouse in Shenzhen, PRC; and

- a 100.00% interest in HPH E. Commerce Limited which provides supply logistic services.

As described above, in January and February 2011 the Historical Portfolio Business acquired equity interests in certain subsidiaries from non-controlling interests which had the effect of increasing the effective interest in these subsidiaries. For further details, see note 1 to the combined financial statements of the Historical Portfolio Business included in "Appendix C – Independent Auditor's Report on the Combined Financial Statements of the Business Comprising the Deep-Water Container Ports in Hong Kong and Guangdong Province and Port Ancillary Services for the Financial Years Ended 31 December 2008, 2009 and 2010".

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The preparation of the combined financial statements often requires the use of judgments 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 combined financial statements. The Historical Portfolio Business bases its estimates and judgments on historical experience and various other assumptions that it believes are reasonable under the circumstances. Actual results may differ from these estimates and judgments under different assumptions or conditions.

The Trustee-Manager believes that the application of the accounting policies, which are important to the financial position and results of operations of the Historical Portfolio Business, requires significant judgments and estimates on the part of management. For a summary of all of the accounting policies of the Historical Portfolio Business, including the accounting policies discussed below, see notes 2 and 3 to the combined financial statements included in "Appendix C – Independent Auditor's Report on the Combined Financial Statements of the Business Comprising the Deep-Water Container Ports in Hong Kong and Guangdong Province and Port Ancillary Services for the Financial Years Ended 31 December 2008, 2009 and 2010".

Long Lived Assets

The Historical Portfolio Business has made substantial investments in tangible and intangible long-lived assets in its container terminal operating business. Changes in technology or changes in the intended use of these assets may cause the estimated period of use or value of these assets to change.

The Historical Portfolio Business considers its assets impairment accounting policy to be a policy that requires one of the most extensive applications of judgments and estimates by management.

Assets that are subject to depreciation and 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 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 judgment is 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 Historical Portfolio Business; 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 Historical Portfolio Business's financial condition and results of operations.

Depreciation

Depreciation of operating assets constitutes a substantial operating cost for the Historical Portfolio Business. 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 Historical Portfolio Business 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.

During the year ended 31 December 2009, management re-assessed the useful lives of fixed assets. Management concluded that the useful lives of fixed assets other than properties should be extended by one to 10 years as it reflects more fairly the estimated useful lives of these assets. This represents a change in accounting estimates and has been accounted for prospectively.

Accrual of Net Revenue

Accrual of revenue was made with reference to the throughput handling and the terms of agreements of container handling service. Consequently, recognition of revenues is based on the volume of services rendered as well as the latest tariff agreed with customers or best estimated by the management. This estimate is based on the latest tariff and other industry consideration as appropriate. If the actual revenue differs from the estimated accrual, this will have an impact on revenues in future periods.

Pension Costs

The Historical Portfolio Business operates several defined benefit plans. Pension costs for defined benefit plans are assessed using the projected unit credit method in accordance with HKAS 19, 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 obligation is measured at 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. All actuarial gains and losses are recognised in full, in the year in which they occur, in the statement of other comprehensive income.

Management appointed actuaries to carry out a full valuation of these pension plans to determine the pension obligations that are required to be disclosed and accounted for in the combined accounts in accordance with the HKFRS requirements.

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. Judgment is 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.

Tax

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 accounts. 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 judgment 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.

FACTORS AFFECTING RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The Historical Portfolio Business's results of operations and financial condition are affected in particular by the following factors:

Throughput Volume

The container throughput volume of HIT and Yantian, as measured in TEU, is an important factor in determining the financial performance of HIT and Yantian. The container throughput volume of HIT and Yantian is in turn affected by global and PRC economic conditions.

The global financial crisis, which commenced in late 2008, significantly weakened the global economy and consumer confidence and eroded demand for goods, which in turn impacted the global shipping and port industries in a material and adverse manner. The total throughput of Hong Kong (which includes Kwai Tsing) and Shenzhen, PRC, decreased by 14.3% and 15.0%, respectively, in 2009 compared to 2008, according to Drewry.

HIT's container throughput volume increased by 9.4%, from 7.4 million TEU in 2008 to 8.1 million TEU in 2009, primarily due to an increase in transhipment activities, while Yantian's container throughput volume decreased by 11.4%, from 9.7 million TEU in 2008 to 8.6 million TEU in 2009, primarily due to reduced demand resulting from the global financial crisis. The increase in throughput volume was mainly attributable to intra-Asia and transhipment activities, which have lower handling charges compared to O&D throughput.

Since the first quarter of 2010, both the global economy and the PRC's exports and imports have experienced a strong recovery as financial recovery has appeared to begin in many markets. HIT's container throughput volume increased by 16.5%, from 8.1 million TEU in 2009 to 9.5 million TEU in 2010. Yantian's container throughput volume increased by 18.1%, from 8.6 million TEU in 2009 to 10.1 million TEU in 2010.

Throughput of HIT and Yantian

The following table provides throughput data for HIT and Yantian for the periods indicated.

Throughput[1]	Year ended 31 December		
	2008	2009	2010
	(TEU in thousands)		
HIT[2]	7,427.5	8,126.5	9,465.5
Yantian	9,683.5	8,579.0	10,134.0

Note:

(1) The published statistics from the Hong Kong Marine Department for the total of local and transhipment throughput incorporate liftings to or from oceangoing vessels and containers received from or delivered to ports located within the river trade zone (as defined by the Hong Kong Marine Department) by water-borne traffic, i.e. traffic to and from the Pearl River Delta via barges. The published statistics are not directly comparable to throughput figures of HIT shown in the above table. HIT figures in 2008 in the table above exclude volume in relation to lighterwork and water-borne traffic which, based on the estimates of the Trustee-Manager, totalled approximately 1.8 million TEU and 0.1 million TEU, respectively. For 2009 and 2010, the HIT figures in the table above include volumes in relation to lighterwork and the water-borne traffic so as to make the figures more comparable to statistics used by the industry.

(2) The throughput data for HIT does not include throughput from overflow operations at HIT during the peak season.

Throughput Mix

The Historical Portfolio Business's results of operations are also substantially dependent on the mix between the two main categories of throughput, namely O&D and transhipment, handled at its port facilities.

O&D containers and transhipment containers are subject to different handling rates at terminals. Transhipment containers earn lower revenue per move than O&D containers, and generate lower margins for the container port operator. O&D containers also offer greater potential earnings from ancillary services such as storage, delivery, cleaning and repair. However, these ancillary services account for only a small proportion of the container terminal operator's earnings, as loading and discharging containers account for approximately 80% of the terminal operator's earnings.

Structurally, the pricing mechanisms for O&D containers and transhipment containers differ, with transhipment containers generally earning much lower revenue than O&D containers, as multiple handling of the same container results in higher operating costs so transhipment containers, which are typically handled more times than O&D containers, generally provide lower margins than O&D containers.

The deep-water conditions near Yantian and its proximity to the manufacturing centre in the Pearl River Delta region, which has the highest concentration of manufacturing facilities in the world, provide Yantian with a natural advantage in generating higher percentages of O&D throughput compared to transhipment throughput. Due to its geographic location and local market conditions, the Historical Portfolio Business's HIT operations typically handle relatively higher levels of transhipment throughput compared to Yantian.

The Historical Portfolio Business's results of operations, and particularly its margins, are also affected by the proportion of throughput by product mix, which is composed of empty and laden containers. Handling laden containers results in higher tariffs and margins compared to empty containers.

HIT Throughput Data

The following table provides throughput data of HIT by route type and product mix for the periods indicated.

HIT(1)

		Year ended 31 December		
		2008	2009	2010
		(TEU in thousands)		
Throughput by route type	O&D	4,208.9	3,300.2	3,791.0
	Transhipment	3,218.6	4,826.3	5,674.5
Throughput by product mix	Empty	892.9	839.4	1,164.5
	Laden	6,534.6	7,287.1	8,301.0

Note:
(1) The throughput data for HIT does not include throughput from overflow operations at HIT during the peak season.

Yantian Throughput Data

The following table provides throughput data of Yantian by route type and product mix for the periods indicated.

Yantian

		Year ended 31 December		
		2008	2009	2010
		(TEU in thousands)		
Throughput by route type	O&D	8,721.5	7,834.1	9,317.6
	Transhipment	962.0	744.9	816.4
Throughput by product mix	Empty	3,888.9	3,358.1	4,023.6
	Laden	5,794.6	5,220.9	6,110.4

Tariffs

In addition to supply and demand, a terminal operator's ability to set tariffs depends on its 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. HIT and Yantian are both centrally located in the Pearl River Delta region, where they are situated at the nexus of major shipping trade routes and are connected to a well-developed transportation and logistics network, serving as a hub where manufacturers meet buyers and as a gateway between east and west. Despite the global financial crisis, in 2008 and 2009 HIT and Yantian's tariffs for O&D trade routes were relatively stable, although those for transhipments experienced some volatility. Due to the general economic recovery in 2010, HIT and Yantian's tariffs for O&D and transhipment trade routes generally improved.

Capacity and Operating Efficiency

The Historical Portfolio Business's revenue growth is significantly driven by expansion of capacity at its existing terminals, the development of new terminals and potential acquisitions. The Historical Portfolio Business's acquisition and development growth is based on pursuing selective value-enhancing development projects for existing assets, strategically leveraging the Sponsor's pipeline and selectively pursuing third party acquisition opportunities. The Trustee-Manager will endeavour to identify, evaluate and selectively pursue value-enhancing greenfield or brownfield development opportunities and acquisitions with attractive cash flow generation characteristics and long-term DPU-accretion potential. However, from time to time, the operators of the Historical Portfolio Business may sell or divest businesses in the ordinary course of business.

The Trustee-Manager believes that the Historical Portfolio Business operates some of the most efficient deep-water container ports in the world through the effective use of the nGen system, staff, contract workers and equipment. Both HIT and Yantian are natural deep-water ports, capable of serving mega vessels of 8,000 TEU or above at gross quay crane rates of at least 30 moves per hour and are supported by a powerful backbone terminal operating system co-developed in-house by HIT and Yantian. By operating more efficiently, the Historical Portfolio Business seeks to increase capacity, which in turn permits increased throughput, making each container move more profitable. Increased operating efficiency also reduces the Historical Portfolio Business's cost base as it is better able to utilise its existing assets. At ports that can be expanded physically, the Historical Portfolio Business may use efficiency improvements to incrementally increase capacity until demand reaches a point that justifies the capital expenditure costs associated with physical expansion.

The following table sets out the average cost per TEU for the HIT and Yantian facilities.

Average cost per TEU[1]

	Year ended 31 December		
	2008	2009	2010
		(HK$)	
HIT	374.2	290.5	275.7
Yantian	218.9	220.9	224.1

Note:

(1) Average cost per TEU is defined as total operating expenses divided by total throughput. Total operating expenses include cost of services rendered, staff costs, depreciation and amortisation, other operating income and other operating expenses.

Due to cost savings and increased operating efficiency, there was a significant decrease in the average cost per TEU for HIT from HK$374.2 for the year ended 31 December 2008 to HK$275.7 for the year ended 31 December 2010.

Costs of Contract Workers

Both HIT and Yantian engage third party sub-contractors to provide contract workers for non-core positions, such as tractor drivers, frontloaders/forklift drivers, gatehouse clerks and security guards. These contract workers make up a significant portion of the Historical Portfolio Business's workforce. The costs of such contract workers are consequently a major component of the Historical Portfolio Business's operating costs. In order to avoid dependence on any particular source for contract workers, the Historical Portfolio Business relies on a pool of approximately 100 sub-contractors to provide contract workers. This pool of sub-contractors is chosen based on the rigorous procurement policy and process of the Historical Portfolio Business.

Approximately 2,000 to 3,000 contract staff are assigned to work at HIT's operations on a daily basis while Yantian deploys approximately 2,000 to 4,000 contract staff for its operations each day, depending on the operational needs of the ports. These staff are assigned under contracts with terms ranging from one to three years. The contract negotiations with these sub-contractors are handled by in-house management teams for both ports, which ensures that the sub-contracting process is handled effectively and efficiently. The rates agreed with subcontractors were relatively stable through 2008 and 2009 due to the economic downturn. However, there have been some rate increases in 2010, particularly for Yantian, due to inflationary pressures and the recovery of the local economy.

Power and Fuel Costs

Other key contributors to the Historical Portfolio Business's results of operations are power and fuel costs, which accounted for 9.1%, 7.7% and 8.7% of the Historical Portfolio Business's total operating expenses in 2008, 2009 and 2010, respectively.

Diesel prices in Hong Kong fluctuate in line with global oil prices. A significant decline in diesel prices, along with other power saving initiatives, allowed HIT to enjoy savings of approximately HK$77.0 million in power and fuel costs in 2009 compared to 2008. HIT's power and fuel costs increased by approximately HK$38.0 million in 2010 compared to 2009, primarily due to increased diesel prices.

Conversely, Yantian's electricity expenses increased by 74.1% in 2010 when compared to 2009 due to the introduction by the Shenzhen Power Supply Bureau of a new method for calculating electricity consumption based on capacity charges, which resulted in an additional annual expense for Yantian of approximately RMB45.0 million.

To manage operating expenses, including power and fuel costs, both HIT and Yantian have implemented a series of energy-saving and environmental measures, such as converting rubber-tyre gantry cranes from diesel to electricity, replacing diesel tractors with liquefied natural gas tractors and other cost saving measures.

Changes in Foreign Exchange Rates

The HPH Trust Business Portfolio's profitability and financial condition are affected by changes in foreign exchange rates, particularly with respect to changes in the exchange rate of the Renminbi and the Hong Kong dollar. The Historical Portfolio Business's reporting currency is the Hong Kong dollar. The majority of its revenue is recognised in Hong Kong dollars and US dollars while a significant proportion of its operating expenses, particularly relating to Yantian, are denominated in Renminbi. The Historical Portfolio Business had net exchange gains of HK$258.7 million, HK$42.9 million and HK$49.7 million in 2008, 2009 and 2010, respectively, primarily due to Yantian having net positive RMB-denominated assets and the appreciation of the Renminbi against the Hong Kong dollar, particularly in 2008.

The Trustee-Manager expects that the HPH Trust Business Portfolio will have increased exposure to changes in foreign exchange rates because a portion of its future capital expenditure needs that will be settled in Renminbi will be met by debt financing that is primarily denominated in Hong Kong dollars or US dollars. Increased debt financing could result in a change in the Historical Portfolio Business's net exposure to Renminbi appreciation.

Taxation

The Historical Portfolio Business's financial condition is affected by the applicable statutory tax rates, tax exemptions and preferential tax rates to which it is subject. The Historical Portfolio Business's effective tax rate based on profit before tax was 9.5%, 11.1% and 11.3% for the years ended 31 December 2008, 2009 and 2010, respectively.

Before 2007, under the Foreign Investment Enterprise and Foreign Enterprise Income Tax Law ("**FEIT Law**") – Detailed Implementation Rule ("**DIR**") Article 73, the enterprise income tax rate in the Special Economic Zone (where the Yantian is located) was 15% (the statutory rate was then 33%). In 2007, PRC tax reform resulted in the enactment of the CIT Law which revised the statutory tax rate to 25%, with a phase-in period (under Article 57) of 5 years for enterprises located in zones that were subject to preferential tax rates as follows (specified under Circular GuoFa (2007) 39):

- 2008 – 18%;
- 2009 – 20%;
- 2010 – 22%;
- 2011 – 24%; and
- 2012 onwards – 25%.

Under the FEIT Law DIR Article 75(1), Sino-foreign equity joint venture enterprises ("**EJV**") engaged in the setting up of ports are entitled to a 5-year exemption and a 5-year 50% reduction in FEIT from their respective first profit-making years ("**Tax Holiday**"). According to Article 57 of the CIT Law, enterprises enjoying a Tax Holiday under the FEIT Law may continue to enjoy such Tax Holiday until the end of the period of the preferential tax treatment; provided, however, if such an enterprise fails to derive any profits and therefore does not benefit from the tax exemption and reduction treatment, the Tax Holiday would start from the first effective year of the CIT Law. According to Article 27 of the CIT Law and its Implementation Rules Article 87, major State-supported public infrastructure facility projects are entitled to a 3-year exemption and a 3-year 50% reduction. Tax rates under the CIT Law should however be applied thereafter.

Going forward, the profitability and financial condition of HPH Trust will be affected by the granting and expiration of Tax Holidays for existing facilities and as new capacity is built, as well as any changes to the statutory tax rates applicable to its operations. In addition, HPH Trust's ability to distribute dividends will be affected by withholding taxes (currently 5.0%) levied on distributions from Yantian to the shareholders of the Historical Portfolio Business.

Allocation of Results of Operations of Yantian

The profit attributable to shareholders of the Historical Portfolio Business is significantly affected by the arrangements for allocating the revenue and operating costs of the Yantian business between the shareholders of the operators of Yantian. To effectively manage the operations and costs among different phases of Yantian with different shareholders, Yantian is operated as a stand-alone business and the operating profit is allocated based on a pre-defined formula taking into account the respective capacity of each phase, as set out in the agreement among the shareholders of the operators of Yantian. The impact of these agreed allocations changes as additional capacity comes online. As at 31 December 2010, prior to the acquisition of non-controlling interests in certain of its subsidiaries in Yantian, HPH Trust's effective equity interest in Yantian was approximately 45.6%. Yantian's other shareholders consist of YPG and YPH and other operators in the shipping and port services industry.

See "– Recent Developments – Acquisition of Interests in Certain Companies Comprising the Historical Portfolio Business".

SIGNIFICANT LINE ITEMS IN INCOME STATEMENT

A discussion of the significant line items in the Historical Portfolio Business's combined income statement is set out below.

Revenue

Revenue comprises income generated from rendering of port and related services (including handling, dockage, restowage, inspection, trucking, feedering, freight forwarding, supply chain management, warehousing and distribution services), income generated from transportation and logistics solutions, system development and support fees, management fee income, licence fee, and dividend income from available-for-sale investments. Revenue includes income generated from overflow operations at HIT primarily during the peak season and amounted to HK$243.9 million, HK$245.6 million and HK$289.4 million in 2008, 2009 and 2010, respectively.

The following table provides a breakdown of the revenue of the Historical Portfolio Business for the periods indicated.

	Year ended 31 December			
Revenue	**2008**	**2009**	**2010**	
	(HK$ in millions)		**(HK$ in millions)**	**(US$ in millions)**
Rendering of port and related services	11,717.4	9,860.6	10,997.8	1,413.4
Rendering of transportation and logistics solutions	226.8	171.6	242.2	31.1
Other[(1)]	67.2	76.5	98.7	12.7
Total	**12,011.4**	**10,108.7**	**11,338.7**	**1,457.2**

Note:

(1) Other includes system development and support fees, management fee income, licence fee and dividend income from available-for-sale investments.

Other Income

Other income includes mainly interest income on bank deposits earned.

Operating Expenses

Total operating expenses include cost of services rendered, staff costs, depreciation and amortisation, other income and other operating expenses. Total operating expenses amounted to HK$5,788.0 million, HK$4,990.5 million and HK$5,715.0 million for the years ended 31 December 2008, 2009 and 2010, respectively. The following table sets out the breakdown of total operating expenses of the Historical Portfolio Business for the periods indicated.

	Year ended 31 December			
Total operating expenses	**2008**	**2009**	**2010**	
	(HK$ in millions)		(HK$ in millions)	(US$ in millions)
HIT	2,779.3	2,360.5	2,609.2	335.3
Yantian	2,119.6	1,894.9	2,270.6	291.8
Other	889.1	735.1	835.2	107.4
Total	**5,788.0**	**4,990.5**	**5,715.0**	**734.5**

Cost of Services Rendered

Cost of services rendered comprises direct charges (including contract workers), staff costs for operational staff, repairs and maintenance costs, power and fuel costs, and business taxes. Staff costs for operational staff includes mainly wages and salaries, allowances, pension contributions and other staff benefits.

The following table provides a breakdown of the cost of services rendered of the Historical Portfolio Business for the periods indicated.

	Year ended 31 December			
Cost of services rendered	**2008**	**2009**	**2010**	
	(HK$ in millions)		(HK$ in millions)	(US$ in millions)
HIT	1,598.1	1,298.0	1,573.9	202.3
Yantian	1,415.1	1,113.0	1,406.0	180.7
Other	741.7	612.5	711.6	91.4
Total	**3,754.9**	**3,023.5**	**3,691.5**	**474.4**

Direct charges amounted to 50.5%, 45.1% and 50.4% of the cost of services rendered of HIT in 2008, 2009 and 2010, respectively. Staff costs for operational staff amounted to 26.8%, 34.0% and 28.8%, respectively, of the cost of services rendered of HIT for the same periods. Repairs and maintenance costs amounted to 8.8%, 9.7% and 9.2% of the cost of services rendered of HIT for the same periods. Power and fuel costs amounted to 13.9%, 11.2% and 11.6%, respectively, of the cost of services rendered of HIT for the same periods.

Direct charges amounted to 27.6%, 25.1% and 27.6% of the cost of services rendered of Yantian in 2008, 2009 and 2010, respectively. Staff costs for operational staff amounted to 25.9%, 27.9% and 26.1%, respectively, of the cost of services rendered of Yantian for the same periods. Repairs and maintenance amounted to 11.6%, 11.1% and 10.6%, respectively, of the cost of services rendered of Yantian for the same periods. Power and fuel costs amounted to 21.5%, 21.6% and 22.4%, respectively, of the cost of services rendered of Yantian for the same periods. Business tax amounted to 13.4%, 14.3% and 13.3%, respectively, of the cost of services rendered of Yantian for the same periods.

Staff Costs

Staff costs refers to staff costs for non-operational staff, which includes mainly wages and salaries, allowances, pension contributions and other staff benefits.

The following table provides staff costs of the Historical Portfolio Business for the periods indicated.

	Year ended 31 December			
Staff costs	**2008**	**2009**	**2010**	
	(HK$ in millions)		**(HK$ in millions)**	**(US$ in millions)**
HIT	102.4	106.2	113.2	14.6
Yantian	160.0	102.1	113.6	14.6
Other	50.4	42.2	53.2	6.8
Total	**312.8**	**250.5**	**280.0**	**36.0**

Depreciation and Amortisation

Depreciation and amortisation includes mainly depreciation of fixed assets, amortisation of leasehold land and land use rights, and amortisation of railway usage rights.

The following table provides depreciation and amortisation amounts of the Historical Portfolio Business for the periods indicated.

	Year ended 31 December			
Depreciation and amortisation	**2008**	**2009**	**2010**	
	(HK$ in millions)		**(HK$ in millions)**	**(US$ in millions)**
HIT	392.5	358.5	377.5	48.5
Yantian	621.5	590.8	611.1	78.5
Other	36.1	29.4	26.9	3.5
Total	**1,050.1**	**978.7**	**1,015.5**	**130.5**

Other Operating Income

Other operating income mainly consists of gains/losses on disposal of fixed assets, gains/losses on disposal of available-for-sale investments and exchange gains/losses.

Other Operating Expenses

Other operating expenses include mainly rent and rates, marketing expenses, insurance and agency fees. Rental expenses primarily consist of lease rentals for office premises and port facilities. Rates primarily include Hong Kong government rates and PRC land use taxes.

The following table provides other operating expenses amounts of the Historical Portfolio Business for the periods indicated.

	Year ended 31 December			
Other operating expenses	**2008**	**2009**	**2010**	
	(HK$ in millions)		**(HK$ in millions)**	**(US$ in millions)**
HIT	686.4	597.8	555.3	71.4
Yantian	229.3	173.1	190.1	24.4
Other	61.0	51.1	44.5	5.7
Total	**976.7**	**822.0**	**789.9**	**101.5**

Interest and Other Financing Costs

Interest and other financing costs include mainly interest and other financing costs on (i) bank loans and overdrafts, (ii) amortisation of transaction costs on bank loans and (iii) loan guarantee fees to holding companies. Historically, these costs also included loans from related companies and amounts due to associated companies. The related party loans will be settled within five Business Days of the Listing Date.

Share of Profits less Losses after Tax of Associated Companies

Share of profit less losses after tax of associated companies comprises profit/loss shared from Shenzhen Yantian Tugboat Company Ltd in the PRC and certain associated companies operating barges in Hong Kong.

Share of Profits less Losses after Tax of Jointly Controlled Entities

Share of profits less losses after tax of jointly controlled entities includes mainly profit/loss shared from CHT, which holds COSCO-HIT. See "– Contribution of COSCO-HIT".

Tax

Tax consists of profit tax on income earned for the period and net deferred tax liabilities charged during the period.

Profit Attributable to Non-Controlling Interests

Profit attributable to non-controlling interests includes mainly profit after tax for the year attributable to the non-controlling interests in Yantian. As at 31 December 2010, prior to the acquisition of non-controlling interests in certain of its subsidiaries in Yantian, HPH Trust's effective equity interest in Yantian was approximately 45.6%. See "– Recent Developments – Acquisition of Interests in Certain Companies Comprising the Historical Portfolio Business".

Profit Attributable to Holding Companies of the Historical Portfolio Business

Profit attributable to holding companies of the Historical Portfolio Business consists of profit after tax for the year attributable to shareholders of the Historical Portfolio Business after deducting the profit attributable to the non-controlling interests of the Historical Portfolio Business.

CONTRIBUTION OF COSCO-HIT

The results of operations of COSCO-HIT, a jointly controlled entity of HIT, are recorded on the combined income statement of the Historical Portfolio Business as share of profits less losses after tax of jointly controlled entities. The discussion and analysis in this section are presented with respect to HIT and Yantian only. Generally, the drivers and factors affecting the results of operations and business of the Historical Portfolio Business are similar to those affecting the results of operations and business of COSCO-HIT, and COSCO-HIT's business generally reflects the same trends as those reflected in HIT's business.

During periods of relatively lower throughput volumes, HIT typically retains a higher proportion of containers as compared to COSCO-HIT, which results in reduced utilisation at COSCO-HIT and correspondingly reduces its contribution to the Historical Portfolio Business's profitability.

See "Factors Affecting Results of Operations and Financial Condition" and "Share of Profits Less Losses After Tax of Jointly Controlled Entities".

COSCO-HIT's Throughput Data

The following table provides throughput of COSCO-HIT by route type and product mix for the periods indicated.

		Year ended 31 December		
		2008	**2009**	**2010**
		(TEU in thousands)		
Throughput by route type	O&D	887.0	642.2	701.5
	Transhipment	777.1	736.2	872.7
Throughput by product mix	Empty	237.1	165.2	223.1
	Laden	1,427.0	1,213.2	1,351.1

RESULTS OF OPERATIONS

Year ended 31 December 2010 Compared with Year ended 31 December 2009

Revenue and Other Income

Revenue and other income increased by HK$1,299.1 million, or 12.7%, from HK$10,262.9 million in 2009 to HK$11,562.0 million in 2010. Since the first quarter of 2010, both the global economy and the PRC's exports and imports have experienced a strong recovery as the global financial recovery has appeared to begin in many markets. The total throughput of the Hong Kong and Shenzhen, PRC port markets increased by 11.9% and 19.8%, respectively, in 2010 compared to 2009 according to Drewry.

HIT's container throughput volume increased by 16.5%, from 8.1 million TEU in 2009 to 9.5 million TEU in 2010, primarily due to an increase in intra-Asia O&D and transhipment activities, handling charges of which were lower compared with those for other O&D cargoes. Revenue derived from Hong Kong (excluding interest income) increased by HK$401.6 million, or 8.0%, from HK$5,032.1 million in 2009 to HK$5,433.7 million in 2010, which was in line with the throughput growth.

Yantian's container throughput volume increased by 18.1% from 8.6 million TEU in 2009 to 10.1 million TEU in 2010, with a strong rebound in transocean activities. Revenue derived from the PRC (excluding interest income) increased by HK$825.5 million, or 16.3%, from HK$5,079.5 million in 2009 to HK$5,905.0 million in 2010. This was largely due to the recovery of China's economy from the financial crisis with GDP and gross import and export value increasing in 2010 compared to 2009 in the PRC, and Guangdong Province in particular. The increase in revenue was lower than the increase in container throughput volume, mainly due to slightly higher empty/laden container ratio in 2010 than 2009 as a result of more empty container repositioning by shipping lines to meet the strong export demand.

Due to the recovery of the global economy and strong recovery of PRC's exports and imports, the freight forwarding business and cargo agency business of the Portfolio Ancillary Services also increased in 2010, partially offset by competition as the entry barriers and set-up capital requirements are relatively low compared with the shipping and container terminal industry. The revenue of the Portfolio Ancillary Services increased by 12.5% in 2010 compared to 2009 primarily due to the increase in global trade volume.

Other income increased by HK$69.1 million, or 44.8%, from HK$154.2 million in 2009 to HK$223.3 million in 2010 primarily due to increased cash and cash equivalents resulting in increased interest income.

Cost of Services Rendered

Cost of services rendered increased by HK$668.0 million, or 22.1%, from HK$3,023.5 million in 2009 to HK$3,691.5 million in 2010. This was primarily due to the increase in container throughput volume. Inflationary pressures and the recovery of the general economy locally also contributed to higher subcontractor and staff costs and diesel prices. The new method for calculating electricity as introduced by the Shenzhen Power Supply Bureau further adversely impacted the overall cost of services rendered by an additional approximately RMB45 million of electricity expenses for Yantian. As a result, HIT's and Yantian's cost of services rendered increased by 21.3% and 26.3%, respectively, in 2010, compared to 2009. Cost of services rendered incurred from other operations increased by HK$99.2 million, from HK$612.4 million in 2009 to HK$711.6 million in 2010, in line with increased volume and revenue in 2010.

Staff Costs

Staff costs, which consists of costs for non-operational staff, increased by HK$29.5 million, or 11.8%, from HK$250.5 million in 2009 to HK$280.0 million in 2010. Staff costs increased less than the growth in throughput volume due to the ongoing effect of the implementation of certain cost management measures, including limiting overtime costs and instituting a hiring freeze, in response to decreased demand for services resulting from the global economic downturn in 2009. Staff costs from other business increased by HK$11.0 million, from HK$42.2 million in 2009 to HK$53.2 million in 2010 as volume returned to normal levels due to the general economic recovery.

Depreciation and Amortisation

Depreciation and amortisation increased by HK$36.8 million, or 3.8%, from HK$978.7 million in 2009 to HK$1,015.5 million in 2010. The increase was mainly due to the full year impact of hybrid rubber-tyre gantry cranes, berths and yard areas put into operation over the course of 2009, and electric rubber-tyre gantry crane conversion and new berths and yard areas completed during 2010 for the Yantian Phase III Expansion.

Other Operating Income

Other operating income decreased by HK$22.3 million, or 26.5%, from HK$84.2 million in 2009 to HK$61.9 million in 2010, mainly due to a decrease in gains from the disposal of fixed assets and sundry income as compared to 2009 but partially offset by an increase in exchange gain for Yantian based on its net RMB-denominated monetary assets, resulting from the Historical Portfolio Business's net exposure to appreciation of the Renminbi compared to the Hong Kong dollar.

Other Operating Expenses

Other operating expenses decreased by HK$32.1 million, or 3.9%, from HK$822.0 million in 2009 to HK$789.9 million in 2010. This was due primarily to increased overhead expenses for Yantian as a result of inflationary pressures in Shenzhen, PRC, but offset by a decrease in rent and rates of HK$66.0 million for HIT as a result of a refund of HK Government rent and rates of HK$29.0 million and lower rateable value.

Interest and Other Finance Costs

Interest and other finance costs decreased by HK$61.3 million, or 15.1%, from HK$406.8 million in 2009 to HK$345.5 million in 2010, primarily due to decreased interest rates in Hong Kong.

Share of Profits less Losses after Tax of Associated Companies

Share of profits less losses after tax of associated companies increased by HK$3.7 million, or 26.2%, from HK$14.1 million in 2009 to HK$17.8 million in 2010, mainly as a result of an increase in profit contribution from Shenzhen Yantian Tugboat Company Ltd due to increased activity at Yantian relating to the recovery of global trade volume in 2010.

Share of Profits less Losses after Tax of Jointly Controlled Entities

Share of profits less losses after tax of jointly controlled entities increased by HK$53.1 million, or 36.8%, from HK$144.3 million in 2009 to HK$197.4 million in 2010, primarily due to the increase in net profits contributed by COSCO-HIT. In 2010, the throughput volume and revenue of COSCO-HIT increased by 14.2% and 10.3%, respectively, compared to 2009. HIT's share of the net profits of COSCO-HIT increased from HK$132.4 million in 2009 to HK$165.0 million in 2010. See "– Contribution of COSCO-HIT".

Tax

Tax increased by HK$77.5 million, or 14.3%, from HK$541.9 million in 2009 to HK$619.4 million in 2010, mainly due to higher operating profits and a higher effective profit tax rate as a result of the phasing-out of tax incentives on the different development phases of Yantian, offset by a tax refund on equipment purchased locally in the PRC.

Profit for the Year

As a result of the above, the Historical Portfolio Business's profit for the year increased by HK$615.2 million, or 13.7%, from HK$4,482.1 million in 2009 to HK$5,097.3 million in 2010.

Profit Attributable to Non-Controlling Interests

Profit attributable to non-controlling interests increased by HK$216.7 million, or 11.5%, from HK$1,892.1 million in 2009 to HK$2,108.8 million in 2010.

Profit Attributable to the Holding Companies of the Historical Portfolio Business

Profit attributable to the Holding Companies of the Historical Portfolio Business increased by HK$398.5 million, or 15.4%, from HK$2,590.0 million in 2009 to HK$2,988.5 million in 2010.

Year ended 31 December 2009 Compared with Year ended 31 December 2008

Revenue and Other Income

Revenue and other income decreased by HK$1,984.0 million, or 16.2%, from HK$12,246.9 million in 2008 to HK$10,262.9 million in 2009. The global economy was severely impacted by the global financial crisis in 2009, which led to significant decreases in international trade, including container throughput volume at Kwai Tsing Port and Yantian, which in turn negatively impacted demand for the Portfolio Container Terminals' services in 2009 compared to 2008.

The total throughput of the Hong Kong and Shenzhen, PRC port markets decreased by 14.3% and 15.0%, respectively, in 2009 compared to 2008 according to Drewry.

HIT's container throughput volume increased by 9.5%, from 7.4 million TEU in 2008 to 8.1 million TEU in 2009, primarily due to an increase in transhipment activities. Revenue derived from Hong Kong (excluding interest income) decreased by HK$947.4 million, or 15.8%, from HK$5,979.5 million in 2008 to HK$5,032.1 million in 2009, mainly due to continued tariff pressure at HIT and an increase in the proportion of transhipment throughput handled, which generated lower average revenue per TEU.

Yantian's container throughput volume decreased by 11.3%, from 9.7 million TEU in 2008 to 8.6 million TEU in 2009. Revenue derived from the PRC (excluding interest income) decreased by HK$957.7 million, or 15.9%, from HK$6,037.2 million in 2008 to HK$5,079.5 million in 2009. The decrease in revenue was more significant than the decrease in container throughput volume. This was because of (i) a decrease in average revenue per TEU handled in 2009 due mainly to an increase in intra-Asia volume (handling charges of which were lower compared with those for other O&D cargoes), and (ii) the concessions offered to customers in 2009 primarily due to the global economic downturn.

Due to decreased demand from overseas, the freight forwarding business and cargo agency business of the Portfolio Ancillary Services also recorded negative growth in 2009. The revenue of the Portfolio Ancillary Services decreased by 17.6% in 2009 compared to 2008, primarily due to decreased throughput.

Other income decreased by HK$81.3 million, or 34.5%, from HK$235.5 million in 2008 to HK$154.2 million in 2009 primarily due to decreased interest income resulting from decreased interest rates.

Cost of Services Rendered

Cost of services rendered decreased by HK$731.4 million, or 19.5%, from HK$3,754.9 million in 2008 to HK$3,023.5 million in 2009. This was primarily due to the decrease in container throughput volume and the effects of the implementation of certain cost containment exercises as well as the significant decrease in market fuel prices in 2009.

Due to the challenging market conditions in 2009, both HIT and Yantian implemented a series of cost saving initiatives, such as minimising container transfer in the terminals, scheduling equipment maintenance based on utilisation, rendering certain idle equipment during low-peak seasons, consolidating the use of sub-contractors and reducing the amount of overtime required from other staff. As a result, HIT's and Yantian's cost of services rendered decreased by 18.8% and 21.3%, respectively, in 2009 compared to 2008.

Cost of services rendered incurred from other operations decreased by HK$129.3 million, from HK$741.7 million in 2008 to HK$612.4 million in 2009, in line with decreased volume and revenue in 2009 due to the global economic downturn.

Staff Costs

Staff costs, which refers to costs for non-operational staff, decreased by HK$62.3 million, or 19.9%, from HK$312.8 million in 2008 to HK$250.5 million in 2009. This decrease was primarily due to a decrease in staff costs at Yantian by HK$57.9 million, or 36.2%, from HK$160.0 million in 2008 to HK$102.1 million in 2009, resulting from the effective implementation of cost management measures, including limiting overtime costs and instituting a hiring freeze, in response to the decreased demand for services. Staff costs from other business decreased by HK$8.2 million, from HK$50.4 million in 2008 to HK$42.2 million in 2009 primarily due to the cost management measures described above.

Depreciation and Amortisation

Depreciation and amortisation decreased by HK$71.4 million, or 6.8%, from HK$1,050.1 million in 2008 to HK$978.7 million in 2009. The decrease was mainly due to changes in accounting estimates, with an extension of asset useful lives on certain long-lived assets in order to properly reflect their useful lives. This decrease was partially offset by increased depreciation due to new berths and yard areas commencing operations during 2009 at the Yantian Phase III Expansion during 2009. See "– Critical Accounting Policies, Estimates and Judgments – Depreciation".

Other Operating Income

Other operating income decreased by HK$222.3 million, or 72.5%, from HK$306.5 million in 2008 to HK$84.2 million in 2009, mainly due to a decrease in the net exchange rate gain for Yantian based on its net RMB-denominated monetary assets. Due to a one-time net exchange rate gain in 2008 resulting from the Historical Portfolio Business's net exposure to appreciation of the Renminbi compared to the Hong Kong dollar, other operating income was significantly lower in 2009 compared to 2008.

Other Operating Expenses

Other operating expenses decreased by HK$154.7 million, or 15.8%, from HK$976.7 million in 2008 to HK$822.0 million in 2009. This was due primarily to decreased depot costs, the implementation of various cost containment initiatives (which reduced commitment incentives costs at HIT and miscellaneous costs at Yantian) and the reduction of Hong Kong government rent and rates for the land occupied.

Interest and Other Finance Costs

Interest and other finance costs decreased by HK$541.2 million, or 57.1%, from HK$948.0 million in 2008 to HK$406.8 million in 2009, primarily due a reduction of market interest rates and the partial repayment of bank loans and loans from related parties.

Share of Profits less Losses after Tax of Associated Companies

Share of profit less losses after tax of associated companies increased by HK$0.5 million, or 3.7%, from HK$13.6 million in 2008 to HK$14.1 million in 2009, as a result of an increase in profit contribution from a shipping agency joint venture company at Yantian that expanded its customer base in 2009. This increase was partially offset by a decrease in profit contribution from Shenzhen Yantian Tugboat Company Ltd due to decreased activity at Yantian in 2009.

Share of Profits less Losses after Tax of Jointly Controlled Entities

Share of profits less losses after tax of jointly controlled entities decreased by HK$79.9 million, or 35.6%, from HK$224.2 million in 2008 to HK$144.3 million in 2009, primarily due to the decrease of net profits contributed by COSCO-HIT resulting from a 17.2% decrease in container throughput in 2009 compared to 2008. See "– Contribution of COSCO-HIT".

Tax

Tax increased by HK$20.1 million, or 3.9%, from HK$521.8 million in 2008 to HK$541.9 million in 2009, mainly due to a higher effective profit tax rate as a result of the phasing-out of tax incentives on the different development phases of Yantian, partially offset by a tax refund on equipment purchased locally in the PRC.

Profit for the Year

As a result of the above, the Historical Portfolio Business's profit for the year decreased by HK$744.8 million, or 14.2%, from HK$5,226.9 million in 2008 to HK$4,482.1 million in 2009.

Profit Attributable to Non-Controlling Interests

Profit attributable to non-controlling interests decreased by HK$370.5 million, or 16.4%, from HK$2,262.6 million in 2008 to HK$1,892.1 million in 2009.

Profit Attributable to the Holding Companies of the Historical Portfolio Business

Profit attributable to the Holding Companies of the Historical Portfolio Business decreased by HK$374.3 million, or 12.6%, from HK$2,964.3 million in 2008 to HK$2,590.0 million in 2009.

LIQUIDITY AND CAPITAL RESOURCES

The HPH Trust Business Portfolio's liquidity and capital requirements relate principally to the following:

(a) costs and expenses relating to the operation of the business;

(b) the servicing of indebtedness;

(c) the efficiency of transferring cash from operating assets to HPH Trust to be distributed to Unitholders; and

(d) capital expenditure.

The principal sources of funding for construction and development of the operating assets have historically been derived from cash flow from operations, bank borrowings and loans from related parties.

Taking into account the expected cash to be generated from the operations of the HPH Trust Business Portfolio and amounts available from debt financing (including the New Debt Facility), together with cash and cash equivalents, the Directors of the Trustee-Manager are of the opinion that the working capital available to the HPH Trust Business Portfolio is sufficient for its present requirements and anticipated requirements for capital expenditures and other cash requirements for 12 months following the date of this document.

Cash flows and working capital

Net cash from operations and debt financing, including amounts available under the New Debt Facility, will be the HPH Trust Business Portfolio's primary source of liquidity to fund distributions, service debts, pay operating expenses and other recurring capital expenditure. As at 31 December 2010, cash and cash equivalents of the Historical Portfolio Business were HK$10,439.0 million. During the year ended 31 December 2010, net cash inflow was HK$3,656.5 million, primarily due to cash generated from operations due to increased revenue as the global economy improved.

The following table sets forth selected cash flow data for the periods indicated.

	Year ended 31 December			
	2008	2009	2010	
	(HK$ in millions)		(HK$ in millions)	(US$ in millions)
Net cash from operating activities	5,751.0	6,905.4	5,884.3	756.2
Net cash (used in)/ from investing activities	(2,952.1)	(2,731.8)	484.7	62.3
Net cash used in financing activities	(2,638.9)	(4,749.0)	(2,712.5)	(348.6)
Net change in cash and cash equivalents	160.0	(575.4)	3,656.5	469.9
Cash and cash equivalents at beginning of period	7,197.9	7,357.9	6,782.5	871.7
Cash and cash equivalents at end of period	7,357.9	6,782.5	10,439.0	1,341.6

Net cash from operating activities

Net cash from operating activities was HK$5,884.3 million in 2010, which was primarily due to operating profit before changes in working capital of HK$6,634.1 million, negative adjustments for an increase of HK$916.6 million in amounts due from group companies, related companies and jointly controlled entities (primarily consisting of bond principal upon redemption and the bond interest of listed debt securities issued by a subsidiary of HWL), HK$507.6 million in tax paid and HK$340.8 million in interest and other finance costs paid, which were partially offset by a HK$880.0 million increase in trade and other payables (in line with the increase in business volume).

Net cash from operating activities was HK$6,905.4 million in 2009, which was primarily due to operating profit before changes in working capital of HK$6,062.1 million, positive adjustments for a decrease of HK$2,013.4 million in amounts due from group companies, related companies and jointly controlled entities (primarily consisting of repayment of approximately HK$2,000.0 million from HPH Finance Limited ("**HPH Finance**"), a subsidiary of HPH) and a HK$256.9 million decrease in trade and other receivables, which were partially offset by HK$529.4 million in tax paid, HK$432.6 million in interest and other finance costs paid and a HK$467.1 million decrease in trade and other payables.

Net cash from operating activities was HK$5,751.0 million in 2008, which was primarily due to operating profit before changes in working capital of HK$7,235.3 million, positive adjustments for a decrease of HK$386.7 million in amounts due from group companies, related companies and jointly controlled entities and a HK$589.3 million decrease in trade and other receivables, which were partially offset by HK$1,022.6 million in tax paid, HK$979.7 million in interest and other finance costs paid and a HK$452.4 million decrease in trade and other payables.

Net cash (used in)/ from investing activities

Net cash from investing activities was HK$484.7 million in 2010, which primarily consisted of HK$935.6 million of proceeds on redemption of available-for-sale investments (primarily consisting of listed debt securities issued by a HWL subsidiary), as well as HK$197.0 million of dividends received from associated companies and jointly controlled entities, and HK$279.4 million of interest received, which were partially offset by HK$959.7 million used for the purchase of fixed assets, additions to projects under development and leasehold land and land use rights (primarily consisting of capital expenditure on the Yantian Phase III Expansion). Net cash used in investing activities was HK$2,731.8 million in 2009, which primarily consisted of HK$4,072.2 million used for the purchase of available-for-sale investments (primarily consisting of debt securities issued by Hutchison Whampoa International (03/33) Limited and Hutchison Whampoa International (03/13) Limited) and HK$493.7 million used for the purchase of fixed assets and additions to projects under development and leasehold land and land use rights (primarily consisting of capital expenditure on the Yantian Phase III Expansion), which were partially offset by HK$1,378.2 million in repayments of loans advanced to HPH Finance, dividends received from associated companies and jointly controlled entities and interest received.

Net cash used in investing activities was HK$2,952.1 million in 2008, which primarily consisted of HK$2,383.0 million used for the purchase of fixed assets, additions to projects under development and leasehold land (primarily consisting of capital expenditure on the Yantian Phase III Expansion) and HK$1,377.6 million in advances to a fellow subsidiary, which were partially offset by dividends received from jointly controlled entities, refunds of value-added tax for fixed assets purchases and interest received.

Net cash used in financing activities

Net cash used in financing activities was HK$2,712.5 million in 2010, which primarily consisted of HK$2,002.3 million in repayments of bank loans and HK$908.5 million in dividends paid to non-controlling interests, which were partially offset by HK$246.9 million in drawn down loans from non-controlling interests primarily for working capital purposes.

Net cash used in financing activities was HK$4,749.0 million in 2009, which primarily consisted of HK$5,156.8 million in repayments of bank loans by refinancing in the ordinary course of business, HK$1,477.8 million in dividends paid to non-controlling interests, HK$1,000.6 million in loan repayments to non-controlling interests and HK$613.2 million in dividends paid to shareholders of Holding Companies, which were partially offset by HK$3,499.4 million in drawn down bank loans and loans from non-controlling interests primarily for working capital purposes.

Net cash used in financing activities was HK$2,638.9 million in 2008, which primarily consisted of HK$5,000.0 million in repayments of bank loans by refinancing in the ordinary course of business, HK$1,559.8 million in dividends paid to non-controlling interests and HK$1,378.7 million in dividends paid to shareholders of Holding Companies, which were partially offset by HK$5,493.8 million in drawn down bank loans and loans from non-controlling interests primarily for working capital purposes.

INDEBTEDNESS

The Historical Portfolio Business uses debt financing to fund a portion of its cash requirements for working capital and investing activities.

Historically, the Historical Portfolio Business has used bank loans and loans from shareholders and related parties for these purposes.

The following table sets forth the Historical Portfolio Business's loans from related parties and bank loans as at the dates indicated.

	As at 31 December			
	2008	2009	2010	
	(HK$ in millions)		(HK$ in millions)	(US$ in millions)
Non-current				
Fellow subsidiary	8,664.2	8,664.2	8,664.2	1,113.4
Non-controlling interests	1,547.2	1,547.2	665.0	85.5
Related companies	5,260.4	5,260.4	5,260.4	676.1
Bank loans	7,984.8	10,756.2	6,119.7	786.5
	23,456.6	26,228.0	20,709.3	2,661.5
Current				
Fellow subsidiary	–	–	–	–
Non-controlling interests	–	–	882.2	113.4
Related companies	–	–	–	–
Bank loans	5,049.6	136.8	2,774.7	356.6
	5,049.6	136.8	3,656.9	470.0
Total	**28,506.2**	**26,364.8**	**24,366.2**	**3,131.5**

Loans from related parties primarily consist of loans from a fellow subsidiary, non-controlling interests and related companies. These loans bear interest at a rate of 1.1% above the Hong Kong Interbank Offered Rate ("**HIBOR**") and the effective interest rate of these loans was 2.64%, 1.22% and 1.36% as at 31 December 2008, 2009 and 2010, respectively. The loans from related parties were provided to fund capital expenditure and operating expenses. All outstanding loans from related parties are expected to be settled within five Business Days of the Listing Date pursuant to the Restructuring. For further details, see "The Restructuring Exercise" and notes 22 to 24 to the combined financial statements included in "Appendix C – Independent Auditor's Report on the Combined Financial Statements of the Business Comprising the Deep-Water Container Ports in Hong Kong and Guangdong Province and Port Ancillary Services for the Financial Years Ended 31 December 2008, 2009 and 2010".

The effective interest rates of the Historical Portfolio Business's bank loans at 31 December 2008, 2009 and 2010 were 1.27%, 0.76% and 0.90%, respectively.

Description of Material Indebtedness

The following is a summary of the material terms and conditions of the material debt facilities of HPH and its subsidiaries that are expected to be in place and remain outstanding following the Listing. Assuming that the New Debt Facility is drawn down in full and the transactions contemplated by the

Restructuring occur, HPH Trust will have aggregate loan facilities of HK$35,280.7 million available to it, of which HK$28,900.5 million will have been drawn down and outstanding within five Business Days of the Listing Date.

New Debt Facility

In connection with the Restructuring and to refinance certain existing indebtedness of the Historical Portfolio Business, HITL, as borrower, entered into a three-year US dollar term loan facility (the "**New Debt Facility**") for the amount of US$3,000 million on 18 February 2011 with a syndicate of lenders and DBS Bank Ltd., Deutsche Bank AG, Singapore Branch and Goldman Sachs (Asia) L.L.C. as mandated lead arrangers. HITL is an indirect wholly-owned subsidiary of HPH Trust. It is expected that part of the New Debt Facility will be used to refinance HITL's existing HK$3,000.0 million bank loan (which is guaranteed by the Sponsor) within five Business Days of the Listing Date. The borrower's obligations under the New Debt Facility are secured by a first priority charge over all of the shares in HITL, a first priority fixed and floating charge over certain assets of HITL and guaranteed by HPH Trust HoldCo and the Trustee-Manager.

The remaining existing indebtedness, which will not be refinanced by the New Debt Facility before Listing comprises (a) SHICD's existing RMB118 million bank loan, which is secured by the parcel of land it owns, and (b) YICT's existing HK$500.0 million bank loan and YICTP3's existing HK$2,500.0 million and HK$2,770.0 million bank loans, which are all unsecured. These existing bank loans are not guaranteed by HPH and it is HPH Trust's intention to refinance these loans upon their maturity.

The material terms of the New Debt Facility set forth in the current term sheet, on which the existing and future commitment letters from the group of financial institutions are, or will be, based, are described in "– Recent Developments – New Debt Facility".

2009 Yantian Facilities

Yantian entered into two five-year multi-currency term loan agreements (together, the "**2009 Yantian Facilities**") for amounts equivalent to HK$1.7 billion and HK$3.3 billion, respectively, on 20 March 2009. The lenders under the facilities are Bank of China Limited Shenzhen Branch, China Construction Bank Corporation Shenzhen Branch, and Industrial and Commercial Bank of China Limited Shenzhen Branch. The facilities are on substantially the same terms and are not secured or guaranteed. The currency of the facilities is Hong Kong dollars, Renminbi and US dollars. With respect to the Hong Kong dollar tranche, the interest rate is 0.78% plus HIBOR. With respect to the US dollar tranche, the interest rate is 0.78% plus LIBOR. With respect to the Renminbi tranche, the interest rate is set at 90% of the applicable prevailing rates as published by the People's Bank of China from time to time.

All principal outstanding under these facilities is to be repaid on the final maturity date, being five years from the initial drawdown date. The facilities may also be voluntarily prepaid by Yantian.

The facilities contain a number of customary covenants and undertakings for a corporate facility of similar nature, including negative pledges. The facilities also contain a number of customary events of default, including in respect of non-payment, breaches of warranties and undertakings, misrepresentation, nationalisation, illegality and insolvency. Upon the occurrence of an event of default, and if such event of default cannot be remedied within 30 Business Days (or such longer period as the lenders may agree), the lenders will be entitled to declare the amount outstanding under the facilities to be immediately due and payable and to cancel the facilities.

2006 Yantian Facility

Yantian entered into a five-year multi-currency term loan agreement (the "**2006 Yantian Facility**") for an amount equivalent to HK$6.8 billion on 8 November 2006. The lenders under the facilities are Bank of China Limited, Shenzhen Branch, China Construction Bank Corporation Shenzhen Branch, Industrial and Commercial Bank of China Limited Shenzhen Branch and Agricultural Bank of China Shenzhen Branch. The facility is not secured or guaranteed. The currency of the facility is Hong Kong dollars, Renminbi and US dollars. With respect to the Hong Kong dollar tranche, the interest rate is 0.43% plus HIBOR. With respect to the US dollar tranche, the interest rate is 0.43% plus LIBOR. With respect to the Renminbi tranche, the interest rate is set at 90% of the applicable prevailing rates as published by the People's Bank of China from time to time.

All principal outstanding under the facility is to be repaid on the final maturity date, being five years from the initial drawdown date. The facility may also be voluntarily prepaid by Yantian.

The facility contains a number of customary covenants and undertakings for a corporate facility of similar nature, including a negative pledge. The facility also contains a number of customary events of default, including in respect of non-payment, breaches of warranties and undertakings, misrepresentation, nationalisation, illegality and insolvency. Upon the occurrence of an event of default, and if such event of default cannot be remedied within 30 Business Days (or such longer period as the lenders may agree), the lenders will be entitled to declare the amount outstanding under the facility to be immediately due and payable and to cancel the facility.

For further details, see "– Recent Developments – New Debt Facility", "Capitalisation and Indebtedness" and "The Restructuring Exercise".

CERTAIN INFORMATION ON COMBINED STATEMENTS OF FINANCIAL POSITION

Trade receivables

Trade receivables primarily relate to the rendering of port and related services to customers. Trade receivables decreased from HK$1,911.2 million as at 31 December 2008 to HK$1,852.1 million as at 31 December 2009 primarily because of lower volume due to the global economic downturn in 2009. Trade receivables increased from HK$1,852.1 million as at 31 December 2009 to HK$1,911.1 million as at 31 December 2010 primarily due to increased throughput volume as the global economy improved.

The following table sets forth an aging analysis of the Historical Portfolio Business's trade receivables that were past due but not impaired as at the dates indicated.

	As at 31 December			
	2008	2009	2010	
	(HK$ in millions)		(HK$ in millions)	(US$ in millions)
Up to 2 months	403.7	412.3	562.8	72.3
2 to 3 months	135.8	183.8	95.1	12.2
Over 3 months	154.9	126.8	207.1	26.6
Total	**694.4**	**722.9**	**865.0**	**111.1**

The operators of the Portfolio Container Terminals provide trade credit to their customers for periods of 30 to 60 days from the invoice date, depending on several factors, including the customer's financial position, volume, track record and other factors. As at the Latest Practicable Date, approximately 95% of the trade receivables that were past due but not impaired as at 31 December 2010 had been fully settled. The balance of the bad debt provisions is not significant.

Other receivables

Other receivables decreased from HK$4,415.6 million as at 31 December 2008 to HK$819.6 million as at 31 December 2009 and then increased to HK$1,616.8 million as at 31 December 2010. The decrease in other receivables in 2009 was primarily due to a decrease of HK$3,365.6 million in amounts due from fellow subsidiaries (primarily due to the settlement of current account from HPH Finance) and a HK$205.0 million decrease in other receivables and prepayments (primarily consisting of the use of tax reserve certificates to settle tax liabilities and a reduction in pension obligations). Other receivables increased as at 31 December 2010 primarily due to interest accrued from listed debt securities issued by subsidiaries of HWL and amounts received by HPH Finance, a fellow subsidiary on behalf of the HPH Trust Group.

Trade and other payables

Trade and other payables as recorded include both trade payables, other payables and accruals generated from the purchase of fuel, services and equipment as well as loans from, and amounts due to, related parties. Trade payables, other payables and accruals decreased from HK$6,224.8 million as at 31 December 2008 to HK$5,749.6 million as at 31 December 2009 and increased to HK$6,642.1 million as at 31 December 2010. The Historical Portfolio Business generally receives invoices from suppliers at the time of delivery of the fuel, services and equipment it purchases and is typically given 30 to 60 days of credit.

The current portion of loans from fellow subsidiaries, non-controlling interests and related parties are classified as trade and other payables under current liabilities and these loans are expected to be settled within five Business Days of the Listing Date pursuant to the Restructuring.

Available-for-sale investments

Available-for-sale investments primarily consisted of listed debt securities issued by certain subsidiaries of HWL that were purchased during the year ended 31 December 2009. The fair value of the listed debt securities was HK$3,878.6 million and HK$2,918.0 million as at 31 December 2009 and 2010, respectively. The fair values of the listed debt securities are based on quoted market prices at the end of the applicable period. As part of the Restructuring, the listed debt securities will be distributed to the Holding Companies of the Historical Portfolio Business prior to the Listing.

For further details, see note 17 to the combined financial statements included in "Appendix C – Independent Auditor's Report on the Combined Financial Statements of the Business Comprising the Deep-Water Container Ports in Hong Kong and Guangdong Province and Port Ancillary Services for the Financial Years Ended 31 December 2008, 2009 and 2010".

CAPITAL EXPENDITURE

For the years ended 31 December 2008, 2009 and 2010, total capital expenditure amounted to HK$2,307.1 million, HK$514.6 million, and HK$988.0 million, respectively. The following table provides capital expenditure data for the periods indicated.

	Year ended 31 December			
	2008	2009	2010	
	(HK$ in millions)		(HK$ in millions)	(US$ in millions)
Fixed assets[(1)]	94.7	54.8	176.1	22.6
Projects under development[(2)]	2,013.1	429.9	758.5	97.5
Leasehold land and land use rights[(3)]	199.3	29.9	53.4	6.9
Total	**2,307.1**	**514.6**	**988.0**	**127.0**

Notes:

(1) Primarily relates to properties, container handling equipment and furniture and equipment.

(2) Primarily relates to the cost of construction of port facilities (mainly the Yantian Phase III Expansion) and railways in the PRC incurred by subsidiaries of the Historical Portfolio Business.

(3) Primarily relates to additions to leasehold land and land use rights.

The Trustee-Manager anticipates that the total capital expenditure of HPH Trust in 2011 and 2012 will be approximately HK$1,986.9 million and HK$1,172.1 million, respectively, which will primarily relate to investment projects at Yantian. It expects that substantially all its capital expenditure for 2011 will be used for the construction and development of Yantian Phase III Expansion and West Port Phase II at Yantian. The Trustee-Manager intends to finance the capital expenditure of the HPH Trust Business Portfolio initially with cash retained by the HPH Business Portfolio of approximately HK$5,118.7 million and then, for maintenance capital expenditure only, with cash generated from operations and, if required, debt financing.

COMMITMENTS

Capital Expenditure Commitments

The Historical Portfolio Business had the following capital expenditure commitments as at the dates indicated.

	As at 31 December			
	2008	2009	2010	
	(HK$ in millions)		(HK$ in millions)	(US$ in millions)
Contracted but not provided for	1,189.2	231.3	401.2	51.6
Authorised but not contracted for	–	515.7	778.4	100.0
Total	**1,189.2**	**747.0**	**1,179.6**	**151.6**

As at 31 December 2010, the Historical Portfolio Business had capital expenditure commitments of HK$1,179.6 million, which primarily related to land price payments for Yantian Phase III Expansion, civil work for West Port Phase II and Yantian Phase III Expansion, certain energy saving projects and retention payments for certain quay cranes at Yantian. The Trustee-Manager intends to finance the capital expenditure of the HPH Trust Business Portfolio initially with cash retained by the HPH Business Portfolio of approximately HK$5,118.7 million and then, for maintenance capital expenditure only, with cash generated from operations and, if required, debt financing.

Operating Lease Commitments

The Historical Portfolio Business had the following operating lease commitments as at the dates indicated.

	As at 31 December			
	2008	2009	2010	
	(HK$ in millions)		(HK$ in millions)	(US$ in millions)
Not later than one year	33.5	24.3	37.7	4.8
Later than one year and not later than five years	23.5	10.7	33.4	4.3
Later than five years	–	0.0	–	–
Total	**57.0**	**35.0**	**71.1**	**9.1**

Other than the obligations set forth above, the Historical Portfolio Business did not have any long-term debt obligations, capital lease obligations, operating lease obligations, purchase obligations or other long-term liabilities as at 31 December 2010 or the Latest Practicable Date.

OFF-BALANCE SHEET ARRANGEMENTS

As at the Latest Practicable Date, the Historical Portfolio Business did not have any material off-balance sheet arrangements.

CONTINGENT LIABILITIES

Save as disclosed above, the Historical Portfolio Business did not have any outstanding bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, debentures, mortgages, charges, hire purchase agreements, guarantees or other material contingent liabilities as at the Latest Practicable Date.

INFLATION

Inflation in Hong Kong and the PRC may increase costs relating to fixed costs and operating expenses, which may adversely affect margins and results of operations. According to the National Bureau of Statistics of China[1], the consumer price index in the PRC increased by 5.9% in 2008,

1 Source: National Bureau of Statistics of China's website http://www.stats.gov.cn/english/statisticaldata/. The National Bureau of Statistics of China has not provided its consent, for purposes of Section 282I of the SFA, to the inclusion of the information extracted from the relevant report issued by it and is thereby not liable for such information under Sections 282N and 282O of the SFA. While the Trustee-Manager, the Joint Bookrunners and the Underwriters have taken reasonable action to ensure that the information from the relevant report issued by National Bureau of Statistics of China is reproduced in its proper form and context and that the information is extracted accurately and fairly from such report, none of the Trustee-Manager, the Joint Bookrunners, the Underwriters or any other party has conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

decreased by 0.7% in 2009 and increased by 3.3% in 2010. According to the Census and Statistics Department of Hong Kong, the consumer price index in Hong Kong increased by 4.3%, 0.5% and 2.4% in 2008, 2009 and 2010, respectively[1].

DIVIDENDS AND DISTRIBUTION POLICY

During the years ended 31 December 2008, 2009 and 2010, the companies comprising the Historical Portfolio Business declared dividends to holding companies of the Historical Portfolio Business amounting to HK$974.7 million, HK$541.5 million and HK$30.0 million, respectively.

For further details on the Historical Portfolio Business's distribution policy going forward, see the section titled "Distributions".

FINANCIAL RISK MANAGEMENT

The major financial instruments of the Historical Portfolio Business include liquid funds, available-for-sale investments, trade and other receivables, trade and other payables and borrowings. Details of these financial instruments are disclosed in the respective notes to the combined financial statements. The risk management programme of the Historical Portfolio Business is designed to minimise the financial risks of the Historical Portfolio Business. These risks include liquidity risk, credit risk and interest rate risk.

(a) Cash management and funding

The Historical Portfolio Business generally obtains long-term financing to meet its funding requirements. These borrowings include bank borrowings and loans from group companies, non-controlling interests and related companies. The management of the Historical Portfolio Business regularly and closely monitors its overall net debt position and reviews its needs for funding if intercompany loans are required.

The Historical Portfolio Business adopts prudent liquidity risk management, which implies maintaining sufficient cash and making available an adequate amount of committed credit facilities from major financial institutions and financial support from holding companies with staggered maturities to reduce refinancing risk in any year and to fund working capital, debt servicing and new investments, if required. The Historical Portfolio Business maintains significant flexibility to respond to opportunities and events by ensuring that committed credit lines are available.

(b) Capital management

The primary objectives of the Historical Portfolio Business when managing capital are to safeguard the Historical Portfolio Business's ability to continue to provide returns for Unitholders and to support the Historical Portfolio Business's stability and growth.

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1 Source: Census and Statistics Department of Hong Kong, "Annual Report on the Consumer Price Index 2010". The Census and Statistics Department of Hong Kong has not provided its consent, for purposes of Section 282I of the SFA, to the inclusion of the information extracted from the relevant report issued by it and is thereby not liable for such information under Sections 282N and 282O of the SFA. While the Trustee-Manager and the Joint Bookrunners and the Underwriters have taken reasonable action to ensure that the information from the relevant report issued by Census and Statistics Department of Hong Kong is reproduced in its proper form and context and that the information is extracted accurately and fairly from such report, none of the Trustee-Manager, the Joint Bookrunners, the Underwriters nor any other party has conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

The Historical Portfolio Business's management regularly reviews and manages its capital structure to ensure an optimal capital structure to maintain a balance between higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

(c) Credit exposure

The Historical Portfolio Business's holdings of cash and cash equivalents expose the Historical Portfolio Business to credit risk of the counterparty. The Historical Portfolio Business controls its credit risk of non-performance by its counterparties through regular review and monitoring of their credit ratings.

The receivables from customers and other counterparties also expose the Historical Portfolio Business to credit risk. The Historical Portfolio Business controls the 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.

(d) Interest rate exposure

The Historical Portfolio Business's main interest risk exposures relate to cash and cash equivalents, loans from group companies, non-controlling interests and related companies and bank borrowings. The Historical Portfolio Business manages its interest rate exposure with a focus on reducing the Historical Portfolio Business's overall cost of debt and exposure to changes in interest rates.

The impact of a hypothetical 100 basis points increase in market interest rate at the end of the reporting period would reduce the Historical Portfolio Business's profit and shareholders' equity by HK$142.8 million (2009: HK$196.6 million; 2008: HK$213.4 million).

(e) Foreign currency exposure

For overseas subsidiaries, associated companies and jointly controlled entities, which consist of non-Hong Kong dollar assets, the Historical Portfolio Business generally monitors the development of the Historical Portfolio Business's cash flow and debt markets and, when appropriate, would expect to refinance these businesses with local currency borrowings.

Currency risk, as defined by HKFRS 7, arises with financial instruments being denominated in a currency that is not the functional currency and is of a monetary nature. Differences resulting from the translation of accounts of overseas subsidiaries into the Historical Portfolio Business's presentation currency are therefore not taken into consideration for the purpose of the sensitivity analysis for currency risk.

Assuming the mix of currency remains constant, the significant impact of a hypothetical 10% weakening of the functional currencies of the overseas subsidiaries against all exchange rates at the end of the reporting period on the Historical Portfolio Business's profit or loss is provided in the table below.

	Year ended 31 December		
	2008	2009	2010
	(HK$ in millions)		
Renminbi	183.9	59.5	217.2
US dollar	55.1	87.7	197.3
Total	**239.0**	**147.2**	**414.5**

RECENT ACCOUNTING PRONOUNCEMENTS

Certain new accounting standards and interpretations that are mandatory for accounting periods beginning on or after 1 January 2010 or later periods have been published. The Trustee-Manager has set out below its assessment of the impact of adopting such standards and interpretations. On 1 January 2008, the new or amended HKFRS that are relevant to the operations were adopted or early adopted. Changes to the accounting policies were made, as required, in accordance with the transitional provisions in the respective HKFRS.

The following are the new or revised HKFRS that are relevant to HPH Trust:

HKFRS 3 (revised), 'Business combinations', and consequential amendments to HKAS 27, 'Consolidated and separate financial statements', HKAS 28, 'Investments in associates', and HKAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed. The adoption of HKFRS 3 does not have a material impact on the combined financial statements.

HKAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. This standard has been adopted from 1 January 2008.

HKAS 17 (amendment), 'Leases', deletes specific guidance regarding classification of leases of land so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating leases using the general principles of IAS/HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interests for which title is not expected to pass by the end of the lease term were classified as operating leases under "Leasehold land and land use rights", and amortised over the lease term. HKAS 17 (amendment) has been applied retrospectively for annual periods beginning 1 January 2008 in accordance with the effective date and transitional provisions of the amendment.

HKAS 36 (amendment), 'Impairment of assets', effective 1 January 2010. The amendment clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of HKFRS 8, 'Operating segments' (that is, before the aggregation of segments with similar economic characteristics). The adoption of HKAS 36 does not have a material impact on the combined financial statements.

See note 2 to the combined financial statements of the Historical Portfolio Business included in "Appendix C – Independent Auditor's Report on the Combined Financial Statements of the Business Comprising the Deep-Water Container Ports in Hong Kong and Guangdong Province and Port Ancillary Services for the Financial Years Ended 31 December 2008, 2009 and 2010".

UNAUDITED PRO FORMA HISTORICAL FINANCIAL INFORMATION

The following tables present HPH Trust Group's unaudited pro forma financial information as at and for the financial year ended 31 December 2010. Such unaudited pro forma financial information should be read in conjunction with the unaudited pro forma financial information included in the report in "Appendix A – Reporting Auditor's Report on Examination of the Unaudited Pro Forma Financial Statements of Hutchison Port Holdings Trust and its Subsidiaries for the Financial Year Ended 31 December 2010" to this document.

HPH Trust Group's unaudited pro forma financial information have been prepared for illustrative purposes only and are based on certain assumptions after making certain adjustments to show what:

(i) the financial results of the HPH Trust Group for the year ended 31 December 2010 would have been if certain restructuring steps (comprising a restructuring exercise implemented to establish HPH Trust and the ownership structure of the HPH Trust Business Portfolio, the New Debt Facility obtained by HPH Trust, certain acquisitions and disposals of equity interests, and certain dividend payments to shareholders and non-controlling interests) (collectively, the "**Significant Events**") had occurred at 1 January 2010;

(ii) the financial position of the HPH Trust Group as at 31 December 2010 would have been if the Significant Events had occurred at 31 December 2010; and

(iii) the cash flows of the HPH Trust Group for the year ended 31 December 2010 would have been if the Significant Events had occurred at 1 January 2010.

See "The Restructuring Exercise" and "Overview – Structure of HPH Trust" in this document.

See Note 3(d) of the unaudited pro forma financial information of HPH Trust Group included in "Appendix A – Reporting Auditor's Report on Examination of the Unaudited Pro Forma Financial Statements of Hutchison Port Holdings Trust and its subsidiaries for the Financial Year ended 31 December 2010" for the key adjustments and assumptions made for the preparation of the unaudited pro forma financial information.

The objective of the unaudited pro forma historical financial information is to illustrate what the financial position of HPH Trust might be at the Listing Date, on the basis as described above. However, the unaudited pro forma historical financial information is not necessarily indicative of the actual financial position that would have been attained by HPH Trust on the Listing Date. The unaudited pro forma historical financial information, because of its nature, may not give a true picture of HPH Trust's financial position.

HPH Trust is a business trust. Under Singapore law, business trusts are allowed to pay distributions to investors out of operating cash flows (provided that immediately after making the distribution, the trustee-manager will be able to fulfil, from the trust property, the liabilities of the business trust as these liabilities fall due) unlike Singapore-incorporated companies, which can only pay dividends out of distributable profits. As a result, there are some differences in the financials of HPH Trust when compared to those of a Singapore-incorporated company.

A business trust is able to make distributions to its unitholders in excess of its net profit after tax or when it records a loss after tax, so long as the distributions are supported by the operating cash flow. As such, HPH Trust may report quarterly or annual net profit amounts that are less than operating cash flow amounts, which is not uncommon for a business trust holding infrastructure assets, due to:

(i) structuring to optimise tax efficiency;

(ii) non-cash depreciation and amortisation expenses associated with infrastructure assets (which are typically capital intensive); and

(iii) other non-cash items accounted for as expenses in accordance with relevant accounting standards.

These non-cash items may affect HPH Trust's ability to make distributions.

The Trustee-Manager measures HPH Trust's financial performance using EBITDA in addition to accounting profits or losses. The basis for this approach is that infrastructure/port assets tend to have lower accounting profit amounts compared to operating cash flows in a financial year or period, or even losses, due to the relatively high amount of non-cash depreciation and amortisation expenses associated with infrastructure/ports assets. Under Singapore law, business trusts are allowed to pay distributions to investors out of operating cash flows (provided that immediately after making the distribution, the trustee-manager will be able to fulfil, from the trust property, the liabilities of the business trust as these liabilities fall due) unlike Singapore-incorporated companies which are only able to pay dividends out of distributable profit.

Pro Forma Income Statement

	Year Ended 31 December 2010 (HK$ in millions) (unaudited)	Year Ended 31 December 2010 (US$ in millions) (unaudited)
Revenue and other income	11,408.0	1,466.1
Cost of services rendered	(3,691.5)	(474.4)
Staff costs	(280.0)	(36.0)
Depreciation and amortisation	(2,772.3)	(356.3)
Other operating income	132.8	17.1
Other operating expenses	(722.9)	(92.9)
Total operating expenses	(7,333.9)	(942.5)
Operating profit	4,074.1	523.6
Interest and other finance costs	(648.5)	(83.3)
Share of profits less losses after tax of associated companies	17.8	2.3
Share of profits less losses after tax of jointly controlled entities	148.8	19.1
Profit before tax	3,592.2	461.7
Tax	(253.1)	(32.5)
Profit for the year	3,339.1	429.2
Allocated as: Profit attributable to non-controlling interests	(1,208.2)	(155.3)
Profit attributable to Unitholders	2,130.9	273.9
Earnings per Unit attributable to Unitholders	HK$0.245	US$0.0315

Pro Forma Statement of Financial Position

	As at 31 December 2010	
	(HK$ in millions)	(US$ in millions)
	(unaudited)	
ASSETS		
Non-current assets		
Fixed assets	27,062.6	3,478.0
Projects under development	944.2	121.3
Leasehold land and land use rights	50,348.9	6,470.8
Railway usage rights	16.2	2.1
Intangible assets	8,563.4	1,100.6
Associated companies	116.3	14.9
Jointly controlled entities	2,833.9	364.2
Available-for-sale investments	806.5	103.7
Goodwill	45,869.3	5,895.0
Total non-current assets	136,561.3	17,550.6
Current assets		
Cash and cash equivalents	4,571.3	587.5
Trade and other receivables	2,576.1	331.1
Tax recoverable	2.9	0.4
Inventories	140.9	18.1
Total current assets	7,291.2	937.1
Current liabilities		
Trade and other payables	8,221.9	1,056.7
Bank loans	2,774.7	356.6
Current tax liabilities	265.7	34.1
Total current liabilities	11,262.3	1,447.4
Net current liabilities	(3,971.1)	(510.3)
Total assets less current liabilities	132,590.2	17,040.3
Non-current liabilities		
Bank loans	26,125.8	3,357.7
Pension obligations	112.8	14.5
Deferred tax liabilities	13,546.0	1,740.9
Total non-current liabilities	39,784.6	5,113.1
Net assets	92,805.6	11,927.2
UNITHOLDERS' FUNDS		
Units in issue	73,185.0	9,405.6
Non-controlling interests	19,620.6	2,521.6
Total Unitholders' funds	92,805.6	11,927.2

Pro Forma Statement of Cash Flows

	Year Ended 31 December 2010 (HK$ in millions)	Year Ended 31 December 2010 (US$ in millions)
	(unaudited)	
Operating activities		
Cash generated from operations	6,915.8	888.8
Interest and other finance costs paid	(411.0)	(52.8)
Tax paid	(507.6)	(65.2)
Net cash from operating activities	5,997.2	770.8
Investing activities		
Payment for acquisition of HPH Trust Business Portfolio	(64,452.7)	(8,283.3)
Purchase of fixed assets, additions to projects under development and leasehold land and land use rights	(959.7)	(123.3)
Proceeds on disposal of fixed assets and leasehold land and land use rights	30.2	3.9
Proceed on redemption of available-for-sale investments	935.6	120.2
Proceeds on liquidation of an associated company	0.0	0.0
Dividends received from available-for-sale investments	73.1	9.4
Dividends received from associated companies and jointly controlled entities	197.0	25.3
Interest received	125.4	16.1
Net cash used in investing activities	(64,051.1)	(8,231.7)
Financing activities		
Issuance of Units	45,374.7	5,831.5
Drawdown of bank loan	22,992.9	2,955.0
Drawdown of loans from non-controlling interests	246.9	31.7
Repayment of bank loans	(5,002.4)	(642.9)
Repayment of loan from a holding company	(4.7)	(0.6)
Facilities fee of bank loan	(13.9)	(1.8)
Dividends paid to a former holding company	(30.0)	(3.9)
Dividends paid to non-controlling interests	(908.5)	(116.8)
Net cash from financing activities	62,655.0	8,052.2
Net change in cash and cash equivalents	4,601.1	591.3
Effects on pro forma adjustments arising from the different basis of preparation of the pro forma statement of financial position and income statement	(29.8)	(3.8)
Cash and cash equivalents at 31 December	4,571.3	587.5

Other Financial and Operational Information

Other non-GAAP financial information in relation to HPH Trust Group is set out below.

	Year ended 31 December 2010	
	(HK$ in millions, except %)	(US$ in millions, except %)
	(unaudited)	
Non-GAAP items		
EBITDA[(1)]	7,093.4	911.6
Consolidated EBITDA[(1)]	6,706.1	861.8
Consolidated EBITDA margin[(2)]	59.1%	59.1%
Attributable EBITDA[(3)]	5,100.9	655.6

Notes:

(1) "**EBITDA**" is defined as operating profit after deducting (i) interest income and adding (ii) depreciation and amortisation, (iii) the share of EBITDA of associated companies, (iv) the share of EBITDA of jointly controlled entities (including, among others, the EBITDA contribution from COSCO-HIT) and (v) the River Ports Economic Benefits (as defined herein). "**Consolidated EBITDA**" is defined as EBITDA after excluding (i) the share of EBITDA of associated companies, (ii) the share of EBITDA of jointly controlled entities and (iii) the River Ports Economic Benefits. EBITDA, Consolidated EBITDA and the related ratios in this document are supplemental measures of performance and liquidity and are not required by, or presented in accordance with HKFRS, IFRS or US GAAP. Furthermore, EBITDA is not a measure of the financial performance or liquidity under HKFRS, IFRS or US GAAP and should not be considered an alternative to net income, operating income or any other performance measures derived in accordance with HKFRS, IFRS or US GAAP or an alternative to cash flow from operations or a measure of liquidity. Other companies may calculate EBITDA differently from HPH Trust, limiting its usefulness as a comparative measure.

The Trustee-Manager measures HPH Trust's financial performance using EBITDA in addition to accounting profits or losses. The basis for this approach is that infrastructure/ports assets tend to have lower accounting profit amounts compared to operating cash flows in a financial year or period, or even losses, due to the relatively high amount of non-cash depreciation and amortisation expenses associated with infrastructure/ports assets. Under Singapore law, business trusts are allowed to pay distributions to investors out of operating cash flows (provided that immediately after making the distribution, the trustee-manager will be able to fulfil, from the trust property, the liabilities of the business trust as these liabilities fall due) unlike Singapore-incorporated companies which are only able to pay dividends out of distributable profit.

For the reasons for presenting EBITDA and related ratios, see "Notice to Investors – Presentation of Financial Information – Non-GAAP Financial Measure."

The table below sets out the primary components of EBITDA for the periods indicated.

	Year ended 31 December 2010	
	(HK$ in millions)	(US$ in millions)
	(unaudited)	
Consolidated EBITDA	6,706.1	861.8
River Ports Economic Benefits	70.9	9.1
Share of EBITDA of associated companies	33.3	4.3
Share of EBITDA of jointly controlled entities	283.1	36.4
EBITDA	**7,093.4**	**911.6**

(2) Consolidated EBITDA margin is defined as Consolidated EBITDA as defined in Note 1 above divided by revenue and other income (including sundry income but excluding interest income) of HPH Trust Group. Pro forma interest income for HPH Trust Group amounted to HK$69.3 million in 2010.

(3) Attributable EBITDA is defined as HPH Trust's proportionate ownership share of EBITDA (see "Overview – Structure of HPH Trust").

Pro Forma Non-GAAP items

		Year ended 31 December 2010	
		(HK$ in millions)	(US$ in millions)
		(unaudited)	
Revenue and other income generated from[1]	Hong Kong	5,433.7	698.3
	PRC	5,905.0	758.9
EBITDA by region[2]	Hong Kong	2,739.9	352.1
	PRC[4]	4,353.5	559.5
Attributable EBITDA by region[3]	Hong Kong	2,737.4	351.8
	PRC[4]	2,363.5	303.8

Notes:

(1) Includes other income such as sundry income but excludes interest income. Pro forma interest income for HPH Trust Group amounted to HK$69.3 million in 2010.

(2) EBITDA is defined as operating profit after deducting (i) interest income and adding, (ii) depreciation and amortisation, (iii) the share of EBITDA of associated companies, (iv) the share of EBITDA of jointly controlled entities (including, among others, the EBITDA contribution from COSCO-HIT) and (v) the River Ports Economic Benefits. EBITDA and the related ratios in this document are supplemental measures of performance and liquidity and are not required by, or presented in accordance with HKFRS, IFRS or US GAAP. Furthermore, EBITDA is not a measure of the financial performance or liquidity under HKFRS, IFRS or US GAAP and should not be considered an alternative to net income, operating income or any other performance measures derived in accordance with HKFRS, IFRS or US GAAP or an alternative to cash flow from operations or a measure of liquidity. Other companies may calculate EBITDA differently from HPH Trust, limiting its usefulness as a comparative measure.

The Trustee-Manager measures HPH Trust's financial performance using EBITDA in addition to accounting profits or losses. The basis for this approach is that infrastructure/ports assets tend to have lower accounting profit amounts compared to operating cash flows in a financial year or period, or even losses, due to the relatively high amount of non-cash depreciation and amortisation expenses associated with infrastructure/ports assets. Under Singapore law, business trusts are allowed to pay distributions to investors out of operating cash flows (provided that immediately after making the distribution, the trustee-manager will be able to fulfil, from the trust property, the liabilities of the business trust as these liabilities fall due) unlike Singapore-incorporated companies which are only able to pay dividends out of distributable profit.

For the reasons for presenting EBITDA and related ratios, see "Notice to Investors – Presentation of Financial Information – Non-GAAP Financial Measure".

(3) Attributable EBITDA is defined as HPH Trust's proportionate ownership share of EBITDA (see "Overview – Structure of HPH Trust").

(4) Includes the River Ports Economic Benefits.

PROFIT AND CASH FLOW FORECAST AND PROFIT AND CASH FLOW PROJECTION

Statements contained in this Profit and Cash Flow Forecast and Profit and Cash Flow Projection section that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in this section and are subject to certain risks and uncertainties, which could cause actual results to differ materially from those that are forecast. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by any of HPH Trust, the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners, the Underwriters or any other person, nor that these results will be achieved or are likely to be achieved. See "Forward-looking Statements" and "Risk Factors". Investors in the Units are cautioned not to place undue reliance on these forward-looking statements, which are made only as of the date of this document.

None of HPH Trust, the Trustee-Manager, the Sponsor, HWL, the Joint Bookrunners or the Underwriters guarantees the performance of HPH Trust, the repayment of capital or the payment of any distributions, or any particular return on the Units. The forecast yields stated in the following table(s) are calculated based on the Minimum Offering Price and the Maximum Offering Price. Such yields will vary accordingly and in relation to investors who purchase Units in the secondary market at a market price that differs from the Minimum Offering Price and the Maximum Offering Price.

The following tables set forth HPH Trust's projected income statements and statements of cash flows for the nine and one-half month period from 16 March 2011 to 31 December 2011 (the "**Forecast Period 2011**") and the twelve month period from 1 January 2012 to 31 December 2012 (the "**Projection Year 2012**"). The financial year-end of HPH Trust is 31 December. HPH Trust's first accounting period is for the period from 25 February 2011, being the date of its constitution, to 31 December 2011.

The DPU for the Forecast Period 2011 is calculated on the assumption that the Units are issued on 16 March 2011 and are eligible for distributions arising from operations from 16 March 2011 to 31 December 2011.

Investors in the Units should read the whole of this "Profit and Cash Flow Forecast and Profit and Cash Flow Projection" section together with the report set out in "Appendix B – Reporting Auditor's Report on the Profit and Cash Flow Forecast and Profit and Cash Flow Projection of Hutchison Port Holdings Trust and its Subsidiaries for the period from 16 March 2011 to 31 December 2011 and financial year ending 31 December 2012", as well as the assumptions and the sensitivity analysis set out in this section of this document.

FORECAST AND PROJECTED INCOME STATEMENTS

	Forecast Period 2011[(1)]	Projection Year 2012
	(HK$ in millions)	
Revenue and other income	**10,230.6**	**13,710.3**
Cost of services rendered	(3,417.5)	(4,511.7)
Staff costs	(230.2)	(285.3)
Depreciation and amortisation[(2)]	(2,297.4)	(2,944.7)
Other operating income	71.5	80.2
Other operating expenses	(472.1)	(648.1)
Management fees	(15.4)	(33.8)
Trust expenses	(114.0)	(146.8)
Total operating expenses	**(6,475.1)**	**(8,490.2)**
Operating profit	**3,755.5**	**5,220.1**
Interest and other finance costs	(534.6)	(731.5)
Share of profits less losses after tax of associated companies	10.6	14.8
Share of profits less losses after tax of jointly controlled entities[(3)]	91.4	130.1
Profit before tax	**3,322.9**	**4,633.5**
Tax[(4)]	(309.5)	(588.0)
Profit for the year	**3,013.4**	**4,045.5**
Attributable to:		
Unitholders of HPH Trust	1,879.9	2,589.3
Non-controlling interests	1,133.5	1,456.2
Profit for the year	**3,013.4**	**4,045.5**

Notes:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

(2) Including additional depreciation and amortisation arising from the acquisition of the HPH Trust Business Portfolio at fair value from the Sponsor amounting to HK$1,390.7 million and HK$1,756.7 million for the Forecast Period 2011 and the Projection Year 2012, respectively.

(3) Including additional depreciation and amortisation (net of tax) arising from the acquisition of the HPH Trust Business Portfolio at fair value from the Sponsor amounting to HK$38.5 million and HK$48.6 million for the Forecast Period 2011 and the Projection Year 2012, respectively.

(4) Including accounting tax credits on the additional depreciation and amortisation arising from the acquisition of the HPH Trust Business Portfolio at fair value from the Sponsor amounting to HK$301.8 million and HK$381.2 million for the Forecast Period 2011 and the Projection Year 2012, respectively.

FORECAST AND PROJECTED STATEMENTS OF CASH FLOWS

	Forecast Period 2011(1)	Projection Year 2012
	(HK$ in millions)	
Operating activities		
Cash generated from operations (before management fees paid in cash and trust expenses)	6,160.2	8,335.8
Management fees paid in cash	(15.4)	(19.8)
Trust expenses	(114.0)	(146.8)
Interest and other finance costs paid	(442.3)	(614.8)
Tax paid	(733.3)	(957.6)
Net cash from operating activities	**4,855.2**	**6,596.8**
Investing activities		
Acquisition of HPH Trust Business Portfolio, net of cash acquired(2)	(60,178.8)	–
Maintenance capital expenditure	(143.4)	(163.7)
Development capital expenditure(3)	(1,843.5)	(1,008.4)
Dividends received from associated companies and jointly controlled entities	139.6	178.6
Net cash used in investing activities	**(62,026.1)**	**(993.5)**
Financing activities		
Proceeds raised from issue of units	45,374.6	–
Drawdown of bank loans	22,992.9	–
Repayment of bank loans	(3,004.6)	(4.6)
Capital contribution from non-controlling interests in a subsidiary for development capital expenditure	140.3	248.1
Distribution to Unitholders	(1,130.4)	(4,221.2)
Distribution to non-controlling interests	(566.6)	(2,217.4)
Net cash from/(used in) financing activities	**63,806.2**	**(6,195.1)**
Net change in cash and cash equivalents	**6,635.3**	**(591.8)**
Cash and cash equivalents at beginning of the period/year(2)	–	6,635.3
Cash and cash equivalents at end of the period/year	6,635.3	6,043.5

Notes:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

(2) Cash and cash equivalents retained by the HPH Trust Business Portfolio amounting to HK$5,188.7 million will be acquired by HPH Trust and will be available immediately after the acquisition to meet the working capital requirements and development capital expenditures of HPH Trust as mentioned in Note 3 below. The details of the acquisition of the HPH Trust Business Portfolio, net of cash acquired are as follows:

	HK$ in millions
Consideration for the acquisition of the HPH Trust Business Portfolio	(78,753.3)
Loan assignments	(24,125.4)
Less: IPO Adjustment	9,700.9
	(93,177.8)
Less: settlement by issuance of Consideration Units	27,810.3
	(65,367.5)
Less: cash acquired from the HPH Trust Business Portfolio	5,188.7
Acquisition of the HPH Trust Business Portfolio, net of cash acquired	(60,178.8)

(3) Includes development capital expenditure in relation to Yantian Phase III Expansion and West Port Phase II.

RECONCILIATION OF DISTRIBUTION

The following is the reconciliation of distribution to Unitholders:

	Forecast Period 2011(1)	Projection Year 2012
	(HK$ in millions)	
Distribution to Unitholders paid in current period/year	1,130.4	4,221.2
Less: Distribution paid in current period/year in relation to prior period's/year's July to December distribution period	–	(2,126.8)
Add: Distribution to be paid next year in relation to current period's/year's July to December distribution period	2,126.8	2,368.1
Distribution to Unitholders attributable for the period/year	**3,257.2**	**4,462.5**

Note:
(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

The following is the reconciliation of distribution to non-controlling interests:

	Forecast Period 2011(1)	Projection Year 2012
	(HK$ in millions)	
Distribution to non-controlling interests paid in current period/year	566.6	2,217.4
Less: Distribution paid in current period/year in relation to prior period's/year's July to December distribution period	–	(1,151.0)
Add: Distribution to be paid next year in relation to current period's/year's July to December distribution period	1,151.0	1,308.7
Distribution to non-controlling interests attributable for the period/year	**1,717.6**	**2,375.1**

Note:
(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

RECONCILIATION OF EBITDA TO DISTRIBUTION

Set forth is the reconciliation of EBITDA to distribution.

	Forecast Period 2011[(1)]	Projection Year 2012
	(HK$ in millions)	
EBITDA[(2)]	6,254.9	8,469.3
Less:		
Share of EBITDA of associated companies and jointly controlled entities	(224.7)	(315.3)
Changes in working capital	(39.1)	(31.8)
Maintenance capital expenditure	(143.4)	(163.7)
Development capital expenditure	(1,843.5)	(1,008.4)
Interest and other finance costs paid	(442.3)	(614.8)
Tax paid	(733.3)	(957.6)
Add:		
Dividend income from associated companies and jointly controlled entities	139.6	178.6
Interest income	22.8	10.8
Management fees paid in units	0.0	14.0
Development capital expenditure[(3)]	1,843.5	1,008.4
Capital contribution from non-controlling interests in a subsidiary for development capital expenditure	140.3	248.1
Total distribution attributable for the period/year	4,974.8	6,837.6
Distribution to Unitholders of HPH Trust	3,257.2	4,462.5
Distribution to non-controlling interests	1,717.6	2,375.1

Notes:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

(2) EBITDA is defined as operating profit after deducting (i) interest income and adding, (ii) depreciation and amortisation, (iii) the share of EBITDA of associated companies, (iv) the share of EBITDA of jointly controlled entities (including, among others, the EBITDA contribution from COSCO-HIT) and (v) the River Ports Economic Benefits. EBITDA and the related ratios in this document are supplemental measures of performance and liquidity and are not required by, or presented in accordance with HKFRS, IFRS or US GAAP. Furthermore, EBITDA is not a measure of the financial performance or liquidity under HKFRS, IFRS or US GAAP and should not be considered an alternative to net income, operating income or any other performance measures derived in accordance with HKFRS, IFRS or US GAAP or an alternative to cash flow from operations or a measure of liquidity. Other companies may calculate EBITDA differently from HPH Trust, limiting its usefulness as a comparative measure.

The Trustee-Manager measures HPH Trust's financial performance using EBITDA in addition to accounting profits or losses. The basis for this approach is that infrastructure/ports assets tend to have lower accounting profit amounts compared to operating cash flow in a financial year or period, or even losses, due to the relatively high amount of non-cash depreciation and amortisation expenses associated with infrastructure/ports assets. Under Singapore law, business trusts are allowed to pay distributions to investors out of operating cash flow (provided that immediately after making the distribution, the trustee-manager will be able to fulfil, from the trust property, the liabilities of the business trust as these liabilities fall due) unlike Singapore-incorporated companies which are only able to pay dividends out of distributable profit.

For the reasons for presenting EBITDA and related ratios, see "Notice to Investors – Presentation of Financial Information – Non-GAAP Financial Measure".

(3) Development capital expenditure will be funded from cash and cash equivalents retained by the HPH Trust Business Portfolio amounting to HK$5,188.7 million as of 16 March 2011 and capital contribution from non-controlling interests in a subsidiary.

Projected Yields Based on Minimum Offering Price and the Maximum Offering Price

The projected yields stated in the following table are calculated based on the Minimum Offering Price and the Maximum Offering Price. Such yields will vary accordingly in relation to investors who purchase Units in the secondary market at a market price that differs from the Minimum Offering Price and the Maximum Offering Price or to investors who do not hold the Units for the whole of the Forecast Period 2011 or Projection Year 2012.

	Based on the Minimum Offering Price		Based on the Maximum Offering Price	
	Forecast Period 2011(1)	Projection Year 2012	Forecast Period 2011(1)	Projection Year 2012
Issue Price (US$ per Unit)	0.91	0.91	1.08	1.08
Distribution to Unitholders (HK$ in millions)(2)	3,257.2	4,462.5	3,257.2	4,462.5
Weighted average number of Units (million)	8,709	8,709(5)	8,709	8,709(5)
DPU (HK cents)	37.40	51.24	37.40	51.24
DPU (US cents(3))	4.81	6.59	4.81	6.59
Seasonally annualised DPU(4) (HK cents)	45.88	51.24	45.88	51.24
Seasonally annualised DPU(4) (US cents(3))	5.90	6.59	5.90	6.59
Seasonally annualised DPU(4) yield (%)	6.5%	7.2%	5.5%	6.1%

Notes:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

(2) Based on distribution to Unitholders attributable for the period/year. (See "Profit and Cash Flow Forecast and Profit and Cash Flow Projection – Reconciliation of Distribution").

(3) Based on exchange rate of US$1.00 : HK$7.7810.

(4) DPU for Forecast Period 2011 is seasonally annualised as follows:
Seasonally annualised DPU = Forecast Period 2011 DPU ÷ Seasonally Annualising Factor
Seasonally Annualising Factor = 0.8151 (Combined throughput of HIT and Yantian assumed for Forecast Period 2011 ÷ Combined throughput of HIT and Yantian assumed for the Forecast Year 2011) (See "The Business of Hutchison Port Holdings Trust – Seasonality").

(5) Excludes performance fee paid in Units which are assumed to be issued in the following financial year.

ASSUMPTIONS

The Trustee-Manager has prepared the profit and cash flow forecast for the Forecast Period 2011 and the profit and cash flow projection for the Projection Year 2012 based on the Maximum Offering Price and the material assumptions listed below. The Trustee-Manager considers these assumptions to be appropriate and reasonable as at the Latest Practicable Date. However, investors should consider these assumptions as well as the profit and cash flow forecast and the profit and cash flow projection and make their own assessment of the future performance of HPH Trust.

INCOME STATEMENTS ASSUMPTIONS

(1) Revenue and other income

	Forecast Period 2011[1]	Projection Year 2012
	(HK$ in millions)	
Revenue and other income	10,230.6	13,710.3
Rendering of port and related services	9,840.8	13,227.0
Other revenue	367.0	472.5
Other income	22.8	10.8

Note:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

The revenue and other income assumptions reflect the Trustee-Manager's assessment of the Portfolio Container Terminals' market-leading positions in Hong Kong and Shenzhen, the PRC and their competitive strengths including natural deep-water advantages, strong global connectivity and established reputation (See "The Business of Hutchison Port Holdings Trust – Competitive Strengths"), taking into consideration the outlook of the general economy including GDP growth rates and trade growth rates of various countries and regions including China, Europe, the United States and Asia.

According to Drewry (See "Overview of the Container Port Industry"), there is a strong relationship between economic activity and container trade, with any changes in economic growth normally having a corresponding impact on global container trades. In the Pearl River Delta region, container traffic grew at an average rate which was 1.1 times the rate of average economic growth (as measured by Real GDP) from the period from 2002 to 2010.

Based on the detailed assumptions laid out subsequently in this section, the combined throughput of HIT and Yantian is projected to increase by 8.5% and 8.4% year-on-year for the Forecast Year 2011 and the Projection Year 2012 respectively. Assuming the combined throughput of HIT and Yantian grows in line with the overall market, this implies that the real GDP of the Pearl River Delta region is projected to increase by 7.7% and 7.6% for the Forecast Year 2011 and the Projection Year 2012, respectively, based on the 1.1x historical multiple of container traffic growth rate over economic growth rate. The Trustee-Manager believes this implied growth rate is reasonable given that the Pearl River Delta economy has grown at a CAGR of 8.4% from 2002 to 2010, based on Drewry's estimates. Among the drivers of such growth are the Pearl River Delta's exports, which have grown at a CAGR of 9.8% since 2000 due to the development of the region's manufacturing activity and the PRC's imports, which have grown by a CAGR of 16.2% since 2000 as a result of the rising affluence of the PRC's urban population.

The combined market share of the Portfolio Container Terminals in Shenzhen, the PRC and Hong Kong was 53% in 2009 according to Drewry. HIT and Yantian, which the Trustee-Manager believes are preferred ports of call for mega vessels, are expected to benefit from the strong order book for mega vessels with capacity in excess of 8,000 TEU. Drewry expects 2.0 million TEU of increase in capacity of such mega vessels over 2011 to 2014. Due to the market-leading positions and competitive strengths of the Portfolio Container Terminals, the Trustee-Manager believes its current market share is sustainable and may potentially increase over 2011 and 2012, and hence the container traffic growth of HIT and Yantian may be in line with or higher than that of the overall market.

The Trustee-Manager believes that HIT has successfully positioned itself as a regional transhipment hub, recording a transhipment throughput CAGR (including COSCO-HIT) of 28% between 2008 and 2010. According to Drewry, Hong Kong is expected to continue to solidify its position as a regional transhipment hub in addition to growing its direct container trade with the rest of Asia. In 2010, container trade between China and the ASEAN countries increased by 38.8%, assisted by the favourable impact of the implementation of the China-ASEAN Free Trade Agreement. As a result of its expectation that Intra-Asia trade will continue to grow, the Trustee-Manager believes that throughput growth at HIT in the Forecast Period 2011 and the Projection Year 2012 will be more balanced between O&D and transhipment and that the mix may eventually even shift back towards O&D throughput.

According to Drewry, the competitive environment among Pearl River Delta ports is stable and container handling tariffs are generally determined by market forces, including port capacity utilisation. Based on Drewry's estimates, the average utilisation rate of major ports in the Pearl River Delta[1] is 80.5%.

As major ports in the region are currently operating at high utilisation levels, the Trustee Manager believes that it is unlikely that the major ports in the region will engage in price-based competition to increase market share, and may consider increasing tariffs to maximise revenues. Stable or increasing industry tariffs are likely to have a neutral to positive effect on the average revenue per TEU for the Portfolio Container Terminals. Hence, the Trustee-Manager believes that the forecasted change in the average revenues per TEU for HIT and Yantian, which range from approximately 1.0% to 2.0% for the Forecast Period 2011 and the Projection Year 2012, are reasonable and achievable.

As part of its strategic planning and customer service efforts, the Trustee-Manager engages in ongoing in-depth conversations with liners and their customers regarding their business prospects and projected traffic volume. The expectations of these liners and their customers further reinforce the Trustee-Manager's view that the forecasted and projected container throughput growth rate and average revenue per TEU for the Portfolio Container Terminals for the Forecast Period 2011 and the Projection Year 2012 are reasonable and achievable.

Detailed assumptions for the businesses in Hong Kong and the PRC respectively are as follows:

(a) Hong Kong

Total revenue and other income generated from Hong Kong is projected to be HK$4,800.0 million and HK$6,408.9 million for the Forecast Period 2011 and the Projection Year 2012, respectively. This comprises revenue from rendering of port and related services, other revenue and other income.

1 Includes HIT, COSCO-HIT, Modern Terminals Limited, Nansha, Yantian, Chiwan, Shekou, Da Chan Bay and China Merchant Terminal.

Rendering of port and related services and other revenue

Revenue from rendering of port and related services and other revenue from ancillary services are projected to increase by 6.7% and 7.4% for the Forecast Period 2011 and the Projection Year 2012, respectively. This is driven mainly by (i) HIT throughput; and (ii) average revenue per TEU for the Forecast Period 2011 and the Projection Year 2012.

(i) ***HIT throughput volume:*** The following table sets out the throughput data, breakdown of the throughput by route type and product mix for HIT for the periods indicated.

HIT		**Forecast Period 2011(1)**	**Forecast Year 2011(2)**	**Projection Year 2012**
		(TEU in thousands)		
Throughput		8,283.0	10,250.2	10,967.7
Throughput by route type	O&D	3,317.4	4,105.3	4,392.7
	Transhipment	4,965.6	6,144.9	6,575.0
Throughput by product mix	Empty	1,019.0	1,261.0	1,349.3
	Laden	7,264.0	8,989.2	9,618.4

Notes:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

(2) Twelve months period from 1 January 2011 to 31 December 2011.

The throughput volume of HIT was assumed to increase to 10.3 million TEU and 11.0 million TEU, representing 8.3% year-on-year growth and 7.0% year-on-year growth for the Forecast Year 2011 and the Projection Year 2012 respectively, mainly driven by continued growth in Intra-Asia container trades and continued growth in transhipment led by the increased use of mega vessels.

For the Forecast Period 2011 and the Projection Year 2012, HIT is expected to have sufficient capacity to accommodate the assumed throughput growth and would be able to use efficiency improvements to incrementally increase capacity if necessary.

(ii) ***Average revenue per TEU:*** The majority of the throughput volume at HIT is transhipment and it is assumed that the trade mix between transhipment cargoes and O&D cargoes, the laden/empty product mix remains more or less the same over the Forecast Period 2011 and the Projection Year 2012. Due to the withdrawal of shipping liners' concessions that were granted during the global financial crisis in 2009, the average revenue per TEU of the Hong Kong operations is projected to increase by 1.4% year-on-year and 0.4% year-on-year for the Forecast Period 2011 and the Projection Year 2012.

Other income

Other income is composed mainly of interest income on bank deposits earned. It has been assumed that there is no deposit interest income for the Forecast Period 2011 and the Projection Year 2012, as interest income is expected to be minimal due to distribution of surplus cash.

(b) The PRC

Total revenue and other income generated from the PRC is projected to be HK$5,430.6 million and HK$7,301.4 million for the Forecast Period 2011 and the Projection Year 2012, respectively. This consists of revenue from rendering of port and related services, other revenue and other income.

Rendering of port and related services and other revenue

Revenue from rendering of port and related services and other revenue from ancillary services is projected to increase by 9.9% and 11.2% for the Forecast Period 2011 and the Projection Year 2012, respectively. This is driven mainly by (i) Yantian throughput; and (ii) average revenue per TEU for the Forecast Period 2011 and the Projection Year 2012.

(i) ***Yantian throughput volume:*** The following table sets out the throughput data, breakdown of the throughput by route type and product mix for Yantian for the periods indicated.

Yantian		**Forecast Period 2011[(1)]**	**Forecast Year 2011[(2)]**	**Projection Year 2012**
		(TEU in thousands)		
Throughput		9,054.5	11,020.4	12,089.4
Throughput by route type	O&D	8,325.1	10,132.6	11,115.5
	Transhipment	729.4	887.8	973.9
Throughput by product mix	Empty	3,595.0	4,375.6	4,800.0
	Laden	5,459.5	6,644.8	7,289.4

Notes:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

(2) Twelve months period from 1 January 2011 to 31 December 2011.

The throughput volume of Yantian was assumed to increase to 11.0 million TEU and 12.1 million TEU, representing 8.7% year-on-year growth and 9.7% year-on-year growth for the Forecast Year 2011 and the Projection Year 2012, respectively, driven by the continued growth of export and import activity in Pearl River Delta and continued increase in use of mega vessels.

For the Forecast Period 2011 and the Projection Year 2012, Yantian is expected to have sufficient capacity to accommodate the assumed throughput growth, taking into account the two expansion projects currently in progress at Yantian and efficiency improvements to incrementally increase capacity if necessary.

(ii) ***Average revenue per TEU:*** Yantian's throughput is predominantly export cargoes and it is assumed that the trade mix between transhipment cargoes and O&D cargoes with a focus on O&D cargoes and the laden/empty product mix remains more or less the same over the Forecast Period 2011 and the Projection Year 2012. Due to the withdrawal of shipping liners' concessions that were granted during the global financial crisis in 2009, average revenue per TEU of the PRC operations is projected to rise by 2.1% and 1.3% year-on-year for the Forecast Period 2011 and the Projection Year 2012, respectively.

Other income

Other income is composed mainly of interest income on bank deposits earned. Renminbi cash balances are assumed to earn interest at 1.3% during the Forecast Period 2011 and Projection Year 2012, calculated based on the average cash balances outstanding for the relevant period.

(2) Operating expenses

Total operating expenses (excluding management fees and trust expenses) are projected to be HK$6,345.7 million and HK$8,309.6 million for the Forecast Period 2011 and the Projection Year 2012, respectively. This includes additional depreciation and amortisation arising from the acquisition of the Historical Portfolio Business at fair value from the Sponsor. Management fees for management and administrative services paid to the holding company of the Historical Portfolio Business and a fellow subsidiary were included in other operating expenses in the historical combined financial information. After the Restructuring, these management fees will be included as part of the Base Fee, Global Support Services Agreement Fee and Master IT Services Agreement Fee. The following table sets out the breakdown of total operating expenses (excluding management fees and other trust expenses) for the Forecast Period 2011 and the Projection Year 2012.

	Forecast Period 2011[1]	Projection Year 2012
	(HK$ in millions)	
HIT	2,270.6	2,901.5
Yantian	1,988.1	2,733.8
Additional depreciation and amortisation arising from the acquisition of the Historical Portfolio Business	1,390.7	1,756.7
Other	696.3	917.6
Total	**6,345.7**	**8,309.6**

Note:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

(a) Cost of services rendered

Cost of services rendered comprises direct charges, staff costs for operational staff (including contract workers), repairs and maintenance costs, power and fuel costs, and business taxes. Staff costs for operational staff is composed mainly of wages and salaries, allowances, pension contributions and other staff benefits. The following table sets out the breakdown of cost of services rendered for the Forecast Period 2011 and the Projection Year 2012.

	Forecast Period 2011[1]	Projection Year 2012
	(HK$ in millions)	
HIT	1,499.3	1,951.9
Yantian	1,246.7	1,687.7
Other	671.5	872.1
Total	**3,417.5**	**4,511.7**

Note:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

HIT

Direct charges are assumed to increase, with throughput growth and direct charges per TEU rising by 12.2% year-on-year for the Forecast Period 2011 due to a one-time incremental increase in costs of contract workers and are further assumed to rise again by 1.0% year-on-year for the Projection Year 2012. Repairs and maintenance costs, and power and fuel costs are assumed to increase with throughput growth for the Forecast Period 2011 and the Projection Year 2012. Staff costs per TEU for operational staff are assumed to increase at 2.0% per annum for the Forecast Period 2011 and the Projection Year 2012.

Direct charges are assumed to amount to 52.7% and 53.5% of the costs of services rendered of HIT for the Forecast Period 2011 and the Projection Year 2012, respectively. Staff costs for operational staff are assumed to amount to 24.1% and 24.0%, respectively, of the costs of services rendered of HIT in the same periods. Repairs and maintenance costs are assumed to amount to 8.4% and 8.4%, respectively, of the costs of services rendered of HIT in the same periods. Power and fuel and others costs are assumed to amount to 14.8% and 14.1%, respectively, of the costs of services rendered of HIT in the same periods.

Yantian

Direct charges are assumed to increase with the throughput growth for the Forecast Period 2011 and the Projection Year 2012. Repairs and maintenance costs are assumed to increase at 8.2% year-on-year and 9.0% year-on-year for the Forecast Period 2011 and the Projection Year 2012 respectively. Power and fuel costs are assumed to increase at 9.5% year-on-year and 8.0% year-on-year for the Forecast Period 2011 and the Projection Year 2012 respectively. Notwithstanding that operational staff headcount is expected to remain relatively stable due to more efficient labour deployment, staff costs are assumed to increase primarily due to wage inflationary pressures, representing 10.0% year-on-year growth for both the Forecast Period 2011 and the Projection Year 2012.

Direct charges are assumed to amount to 27.9% and 27.8% of the costs of services rendered of Yantian for the Forecast Period 2011 and the Projection Year 2012, respectively. Staff costs for operational staff are assumed to amount to 25.7% and 26.3%, respectively, of the costs of services rendered of Yantian in the same periods. Repairs and maintenance costs are assumed to amount to 10.2% and 10.4%, respectively, of the costs of services rendered of Yantian in the same periods. Power and fuel costs are assumed to amount to 22.7% and 22.0%, respectively, of the costs of services rendered of Yantian in the same periods. Business tax is assumed to amount to 13.5% and 13.5%, respectively, of the costs of services rendered of Yantian in the same periods.

(b) Staff costs

Staff costs refers to staff costs for non-operational staff, which includes mainly wages and salaries, allowances, pension contributions and other staff benefits. Staff costs are assumed to increase at 2.0% per annum for the Forecast Period 2011 and the Projection Year 2012. Non-operational staff headcount is assumed to remain relatively stable over the Forecast Period 2011 and the Projection Year 2012. The following table sets out the breakdown of staff costs for the Forecast Period 2011 and the Projection Year 2012.

	Forecast Period 2011(1)	Projection Year 2012
	(HK$ in millions)	
HIT	90.6	105.5
Yantian	95.3	122.8
Other	44.3	57.0
Total	**230.2**	**285.3**

Note:
(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

(c) Depreciation and Amortisation

Depreciation is calculated using a straight-line method to allocate the depreciable amounts of fixed assets over their estimated useful lives, from 5 to 35 years. Amortisation is calculated using a straight line method to allocate the amortisable amounts of leasehold land and land use rights, and railway usage rights over the period of lease/rights as well as intangible assets.

Depreciation and amortisation for the Forecast Period 2011 and the Projection Year 2012 is relatively higher than the historical financial years due to inclusion of the additional depreciation and amortisation of the fixed assets, project under development, leasehold land and land use right, and intangible assets arising from the acquisition of the HPH Trust Business Portfolio at fair value from the Sponsor, amounting to HK$1,390.7 million and HK$1,756.7 million for Forecast Period 2011 and Projection Year 2012, respectively.

The following table sets out the breakdown of depreciation and amortisation for the Forecast Period 2011 and the Projection Year 2012.

	Forecast Period 2011(1)	Projection Year 2012
	(HK$ in millions)	
HIT	335.6	429.3
Yantian	545.1	723.7
Additional depreciation and amortisation arising from the acquisition of the HPH Trust Business Portfolio	1,390.7	1,756.7
Other	26.0	35.0
Total	**2,297.4**	**2,944.7**

Note:
(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

(d) Other operating income

Other operating income includes mainly sundry income and HPH Trust's share of net dividend income from the River Ports. No foreign exchange gain or loss and gain or loss on disposal of fixed assets is assumed for the Forecast Period 2011 and the Projection Year 2012.

(e) Other operating expenses

Other operating expenses include mainly rent and rate, marketing expenses, insurance and agency fees. The following table sets out the breakdown of other operating expenses for the Forecast Period 2011 and the Projection Year 2012.

	Forecast Period 2011[(1)]	Projection Year 2012
	(HK$ in millions)	
HIT	345.1	414.8
Yantian	107.0	204.1
Other	20.0	29.2
Total	**472.1**	**648.1**

Note:
(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

(3) Share of profits less losses after tax of associated companies and jointly controlled entities

This relates mainly to HPH Trust's stake in COSCO-HIT and its minority stake in other ancillary services. A forecasting approach similar to HIT has been adopted to derive the Net Income for COSCO-HIT.

Contribution of COSCO-HIT

The results of operations of COSCO-HIT, a jointly controlled entity between HIT Holdings Limited and COSCO, is recorded on the combined income statement of HPH Trust as share of profits less losses after tax of jointly controlled entities. The discussion and analysis in this section is mainly presented with respect to HIT and Yantian. COSCO-HIT's business generally reflects the same trends as those reflected in HIT's business.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting Results of Operations and Financial Condition" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Share of Profits Less Losses after Tax of Jointly Controlled Entities".

The following table sets out the throughput of COSCO-HIT by route type and product mix for the periods indicated.

COSCO-HIT		Forecast Period 2011(1)	Forecast Year 2011(2)	Projection Year 2012
		(TEU in thousands)		
Throughput		1,281.5	1,618.7	1,764.4
Throughput by route type	O&D	571.0	721.3	786.2
	Transhipment	710.5	897.4	978.2
Throughput by product mix	Empty	181.6	229.4	250.0
	Laden	1,099.9	1,389.3	1,514.4

Notes:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

(2) Twelve month period from 1 January 2011 to 31 December 2011.

(4) Interest and other finance costs

Interest and other finance costs include mainly interest and other financing costs on bank loans and overdrafts. Total debt and loan outstanding are projected to be HK$28,988.3 million at end of the Forecast Period 2011 and HK$29,100.4 million at end of the Projection Year 2012.

In connection with the Restructuring and to refinance existing indebtedness of the Historical Portfolio business, HITL, as borrower, entered into the New Debt Facility, a three-year US Dollar term loan facility for the amount of US$3,000.0 million (HK$23,343.0 million). The New Debt Facility is assumed to be fully drawn down by HITL on 16 March 2011. It is assumed that the interest rate is approximately 2.5% per annum for the Forecast Period 2011 and the Projection Year 2012, calculated based on the average debt balances outstanding for the relevant period. Interest and other finance costs for HIT are projected to be HK$460.7 million for the Forecast Period 2011 and HK$581.2 million for the Projection Year 2012, respectively. (See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Recent Developments – New Debt Facility" for more details.)

Yantian has three existing term loan facilities outstanding:

1) HK$1.7 billion five-year multi-currency term loan facility due 20 March 2014 (with an outstanding amount of HK$500 million) held at YICT. The outstanding amount of the facility relates only to the Hong Kong dollar tranche, with an interest rate at 0.78% plus HIBOR;

2) HK$3.3 billion five-year multi-currency term loan facility due 20 May 2014 (with an outstanding amount of HK$2.5 billion) held at YICTP3. The outstanding amount of the facility relates only to the Hong Kong dollar tranche, with an interest rate at 0.78% plus HIBOR; and

3) HK$6.8 billion five-year multi-currency term loan facility due 28 November 2011 (with an outstanding amount of HK$2.8 billion) held at YICTP3. The outstanding amount of the facility relates only to the Hong Kong dollar tranche, with an interest rate at 0.43% plus HIBOR.

The weighted-average interest rate is assumed to be approximately 1.5% per annum for the Forecast Period 2011 and approximately 2.5% per annum for the Projection Year 2012, calculated based on the average debt balances outstanding for the relevant period. It is assumed that HPH Trust would be able to refinance such term loan facilities when they are due for repayment. Interest and other finance costs are projected to be HK$68.5 million for the Forecast Period 2011 and HK$143.7 million for the Projection Year 2012, respectively.

(5) Tax

Different tax rates and rules will be applied to the entities held by HPH Trust depending on their respective jurisdictions of incorporation.

PRC taxes have been taken into account in the Forecast, including withholding taxes on dividends from the HPH Trust's PRC subsidiaries and joint ventures to the intermediate holding companies and then to the ultimate holding company, HPH Trust HoldCo (see "Structure of HPH Trust").

For the purposes of preparing the profit and cash flow forecast for the Forecast Period 2011 and the profit and cash flow projection for the Projection Year 2012, it is assumed that the Double Taxation Arrangement ("**DTA**") with Hong Kong applies and the applicable withholding tax rate on these dividends is 5.0% for the Forecast Period 2011 and the Projection Year 2012. If the DTA does not apply, the applicable withholding tax rate on these dividends would be 10.0% and an additional gross tax of HK$124.7 million and HK$173.7 million would be recognised in respect of the earnings from the HPH Trust's PRC subsidiaries and joint ventures in the Forecast Period 2011 and the Projection Year 2012, respectively. See the "Taxation" and "Risk Factors" sections.

For the Forecast Period 2011 and the Projection Year 2012, the effective tax rate for HIT is assumed to be 16.5% in both periods and the effective tax rate for Yantian is assumed to be 7.0% and 9.7% (excluding withholding tax), respectively.

HIT is subject to a profits tax rate of 16.5%. Yantian is located in the special economic zone and enjoys preferential tax rate treatment during the transition period to the New Corporate Income Tax Law. The applicable tax rates for Yantian are as follows:

- Yantian Phases I & II – 24.0% (2011) and 25.0% (2012);
- Yantian Phase III – 12.0% (2011) and 12.5% (2012);
- Yantian Phase III Expansion – 0% (2011) and 12.5% (2012); and
- West Port Phase I and West Port Phase II – 0% (2011), 12.5% (2012).

For the Forecast Period 2011, Yantian Phase I and II is assumed to account for 28.3% of Yantian's total operating profit while Yantian Phase III is assumed to account for 67.8% of Yantian's total operating profit, and West Port is assumed to account for 3.9% of Yantian's total operating profit.

For the Projection Year 2012, Yantian Phase I and II is assumed to account for 26.5% of Yantian's total operating profit while Yantian Phase III is assumed to account for 67.2% of Yantian's total operating profit, and West Port is assumed to account for 6.3% of Yantian's total operating profit.

The receipts of HPH Trust will consist substantially of dividends from the entities held by HPH Trust.

TRUST ASSUMPTIONS

(1) Management fees

Pursuant to the Trust Deed, the Trustee-Manager is entitled to a Base Fee of HK$15.4 million (pro rata adjustment of US$2.5 million per annum) in the Forecast Period 2011. The Base Fee will be adjusted annually in accordance with the Hong Kong Consumer Price Index and are assumed to be HK$19.8 million for the Projection Year 2012.

In addition, based on the projected DPU for the Projection Year 2012, the Trustee-Manager is projected to be entitled to a Performance Fee of HK$14.0 million in the Projection Year 2012.

The Trustee-Manager may elect to receive the fees in cash or Units or a combination of cash and Units (as it may in its sole discretion determine), subject to the Trust Deed. The Trustee-Manager has elected to receive 100.0% of the Base Fee in cash for the Forecast Period 2011 and the Projection Year 2012 and 100.0% of the Performance Fee in Units for the Forecast Period 2011 and the Projection Year 2012.

The Trustee-Manager has assumed no further acquisitions, divestments and development projects in the Forecast Period 2011 and the Projection Year 2012, and as such, no Acquisition Fees, Divestment Fees and Development Fees will be paid. No Development Fee is payable in relation to Yantian Phase III Expansion and West Port Phase II.

(2) Trust expenses

Trust expenses are composed mainly of fees payable under the Global Support Services Agreement and fees payable pursuant to the IT contracts governed by the Master IT Services Agreement. Fees payable under the Global Support Services Agreement is assumed to be HK$92.4 million for the Forecast Period 2011 and will be adjusted annually in accordance with the Hong Kong Consumer Price Index and are assumed to be HK$119.0 million for the Projection Year 2012. Fees payable pursuant to the IT contracts governed by the Master IT Services Agreement are assumed to be HK$18.5 million for the Forecast Period 2011 and will be adjusted annually in accordance with the Hong Kong Consumer Price Index and are assumed to be HK$23.8 million for the Projection Year 2012.

Trust expenses also include administrative expenses incurred at HPH Trust and are utilised for the operation and management of the entity and include costs such as corporate services fees, audit fees, annual filing fees, and other miscellaneous expenses, which are projected to be HK$3.1 million and HK$4.0 million for the Forecast Period 2011 and the Projection Year 2012, respectively.

CASH FLOW ASSUMPTIONS

(1) Capital expenditure

Maintenance capital expenditure

For the Forecast Period 2011 and the Projection Year 2012, the maintenance capital expenditure incurred is forecasted to be HK$143.4 million and HK$163.7 million, respectively. Maintenance capital expenditure is used for regular maintenance of the equipment at the terminals and replacement of existing equipment that is worn out.

Development capital expenditure

For the Forecast Period 2011 and the Projection Year 2012, the development capital expenditure incurred is forecasted to be HK$1,843.5 million (which includes a HK$900.0 million payment for the purchase of land use rights in relation to Yantian Phase III Expansion) and HK$1,008.4 million, respectively. This development capital expenditure is mainly used for Yantian Phase III Expansion and West Port Phase II. This capital expenditure is fully pre-funded and will be drawn from internal cash resources.

(2) Repayment of borrowings

The proceeds of the New Debt Facility are expected to be used to refinance approximately HK$20.3 billion in loans from related parties and approximately HK$3.0 billion in bank loans to various subsidiaries of HPH Trust for the Forecast Period 2011.

No repayment of the New Debt Facility is projected for the Forecast Period 2011 and the Projection Year 2012. Existing bank loans are projected to be repaid by HPH Trust in the amount of HK$4.6 million and HK$4.6 million for the Forecast Period 2011 and the Projection Year 2012, respectively.

(3) Distribution assumptions

Distribution to Unitholders of HPH Trust is projected to be HK$3,257.2 million and HK$4,462.5 million for the Forecast Period 2011 and Projection Year 2012 respectively. (See "Profit and Cash Flow Forecast and Profit and Cash Flow Projection – Reconciliation of EBITDA to Distributions".) Distributions will be calculated on a semi-annual basis for the six-month periods ending 30 June and 31 December of each year and will be paid within 90 calendar days from 30 June and 31 December of each year. However, the first distribution will be for the period from the Listing Date to 30 June 2011 and will be paid on or before 30 September 2011.

The distributions from the Hong Kong companies are assumed to be derived primarily from dividends and interest income from shareholders' loans (net of applicable taxes and expenses) and principal repayment of shareholders' loans. The distributions from the PRC subsidiaries and joint ventures are assumed to be derived primarily from the relevant year's profit and prior years' retained earnings. Under PRC accounting standards, depreciation is a mandatory expense when determining net profits from operations that would be available for distribution as dividends. As such, the PRC companies are assumed to draw upon prior years' retained earnings to pay this amount of trapped cash as dividends each year. To the extent that prior years' retained earnings are fully depleted, the ability of the PRC subsidiaries and joint ventures to declare dividends to HPH Trust may be limited by trapped cash caused by depreciation. The pro forma balance of retained earnings of Yantian is HK$4.3 billion as of 31 December 2010.

(See "Risk Factors – Risks Relating to Hong Kong, the PRC and Singapore – The ability of companies of HPH Trust that are incorporated in the PRC to declare dividends may be limited by trapped cash".)

For the purpose of preparing the profit and cash flow forecast for the Forecast Period 2011 and the profit and cash flow projection for the Projection Period 2012, it is assumed that the DTA with Hong Kong applies and the applicable withholding tax rate on these dividends is 5.0% for the Forecast Period 2011 and the Projection Year 2012. If the DTA does not apply, the applicable withholding tax rate would be 10.0% and additional withholding tax on distributions for the PRC subsidiaries and joint ventures of HK$124.7 million and HK$173.7 million would be incurred in the Forecast Period 2011 and the Projection Year 2012, respectively. See the "Taxation" and "Risk Factors" sections.

(4) Other cash flow assumptions

The consideration for acquisition of the HPH Trust Business Portfolio and loan assignments is HK$93.2 billion, which was determined based on the estimated fair value of the HPH Trust Business Portfolio as at 25 February 2011 of approximately HK$102.9 billion and adjusted by the IPO Adjustment of HK$9.7 billion. The acquisition of the HPH Trust Business Portfolio and loan assignments will be funded by the issue of 3,309,377,999 Consideration Units, the proceeds from the Offering and the issue of Cornerstone Units of HK$45,374.6 million (based on the Maximum Offering Price) and the proceeds from the New Debt Facility. The cash acquired from the HPH Trust Portfolio Business is estimated to be approximately HK$5,188.7 million, which includes pre-funding for future development capital expenditure and working capital. (See "The Restructuring Exercise".)

OTHER ASSUMPTIONS

(1) Accounting standards

The Trustee-Manager has assumed that there will be no change in applicable accounting standards or other financial reporting requirements that may have a material effect on the Profit Forecast. Significant accounting policies adopted by the Trustee-Manager in the preparation of the Profit and Cash Flow Forecast and the Profit and Cash Flow Projection are set out in "Appendix A – Reporting Auditor's Report on Examination of the Unaudited Pro Forma Financial Statements of Hutchison Port Holdings Trust and its Subsidiaries for the Financial Year Ended 31 December 2010".

(2) Other assumptions

The Trustee-Manager has made the following additional assumptions in preparing the Profit and Cash Flow Forecast and the Profit and Cash Flow Projection:

(a) The asset portfolio of HPH Trust remains unchanged;

(b) No further capital at HPH Trust level will be raised during the Forecast Period 2011 and the Projection Year 2012;

(c) HPH Trust will not incur any Equity Issue Expenses and Debt Issue Expenses (but not including certain Upfront Debt Transaction Costs), which the Sponsor has agreed to pay in entirety;

(d) HPH Trust will not be required to incur additional material capital expenditure, other than those identified in the Profit and Cash Flow Forecast and the Profit and Cash Flow Projection;

(e) The foreign exchange rate for the Forecast Period 2011 and the Projection Year 2012 is US$1.00: HK$7.7810;

(f) There will be no change in applicable accounting standards or other financial reporting requirements that may have a material effect on the Profit and Cash Flow Forecast and the Profit and Cash Flow Projection;

(g) There will be no material changes in power and fuel costs, inflation rates, interest rates or foreign exchange rates from those currently prevailing in the context of HPH Trust's operations other than those which are discussed in this document;

(h) There will be no material changes in the bases or applicable rates of taxation, surcharges or other government levies in the countries or territories in which HPH Trust operates, except as otherwise disclosed in this document;

(i) There will be no economic crisis, wars, military incidents, pandemic diseases or natural disasters that would have a material impact on HPH Trust's business and operating activities;

(j) HPH Trust's operations and business will not be severely interrupted by any force majeure events or unforeseeable factors that are beyond the control of the Directors, including the occurrence of natural disasters or catastrophes (such as floods and typhoons), epidemics or serious accidents;

(k) There will be no interruption of operations that will adversely affect HPH Trust as a result of energy shortages, labour shortages or disputes or any other circumstances that are beyond the control of the Directors. In addition, HPH Trust will be able to recruit sufficient employees to meet its operating requirements during the Forecast Period 2011 and the Projection Year 2012; and

(l) There will be no material amendments to any material agreements relating to the Trust Deed, the Global Support Services Agreement and the Master IT Services Agreement.

SUPPLEMENTARY FINANCIAL INFORMATION

Non-GAAP items	**Forecast Period 2011[1]**	**Projection Year 2012**
	(HK$ in millions, except %)	
EBITDA[2]	6,254.9	8,469.3
Consolidated EBITDA[2]	5,965.1	8,078.9
Consolidated EBITDA margin[3]	58.4%	59.0%
Attributable EBITDA[4]	4,413.5	5,996.5

Notes:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

(2) EBITDA is defined as operating profit after deducting (i) interest income and adding (ii) depreciation and amortisation, (iii) the share of EBITDA of associated companies, (iv) the share of EBITDA of jointly controlled entities (including, among others, the EBITDA contribution from COSCO-HIT) and (v) the River Ports Economic Benefits. "**Consolidated EBITDA**" is defined as EBITDA after excluding (i) the share of EBITDA of associated companies (ii) the share of EBITDA of jointly controlled entities and (iii) the River Ports Economic Benefits. EBITDA, Consolidated EBITDA and the related ratios in this document are supplemental measures of performance and liquidity and are not required by, or presented in accordance with HKFRS, IFRS or US GAAP. Furthermore, EBITDA is not a measure of the financial performance or liquidity under HKFRS, IFRS or US GAAP and should not be considered an alternative to net income, operating income or any other performance measures derived in accordance with HKFRS, IFRS or US GAAP or an alternative to cash flow from operations or a measure of liquidity. Other companies may calculate EBITDA differently from HPH Trust, limiting its usefulness as a comparative measure.

The Trustee-Manager measures HPH Trust's financial performance using EBITDA in addition to accounting profits or losses. The basis for this approach is that infrastructure/ports assets tend to have lower accounting profit amounts compared to operating cash flow in a financial year or period, or even losses, due to the relatively high amount of non-cash depreciation and amortisation expenses associated with infrastructure/ports assets. Under Singapore law, business trusts are allowed to pay distributions to investors out of operating cash flow (provided that immediately after making the distribution, the trustee-manager will be able to fulfil, from the trust property, the liabilities of the business trust as these liabilities fall due) unlike Singapore-incorporated companies which are only able to pay dividends out of distributable profit.

For the reasons for presenting EBITDA and related ratios, see "Notice to Investors – Presentation of Financial Information – Non-GAAP Financial Measure."

The table below sets out the primary components of EBITDA for the periods indicated.

EBITDA	**Forecast Period 2011[a]**	**Projection Year 2012**
	(HK$ in millions)	
EBITDA of the HPH Trust subsidiaries[b]	5,965.1	8,078.8
Share of EBITDA of associated companies	23.7	30.7
Share of EBITDA of jointly controlled entities	201.0	284.7
River Ports Economic Benefits	65.1	75.1
Total EBITDA	**6,254.9**	**8,469.3**

Notes:

(a) Nine and one-half month period from 16 March 2011 to 31 December 2011.

(b) Comprises the EBITDA from the Portfolio Container Terminals and Portfolio Ancillary Services of HPH Trust.

(3) Consolidated EBITDA margin is defined as Consolidated EBITDA as defined in Note 2 above divided by revenue and other income (including sundry income but excluding interest income) of HPH Trust Group.

(4) Attributable EBITDA is defined as HPH Trust's proportionate ownership share of EBITDA.

Other financial information in relation to HPH Trust's operations in Hong Kong and the PRC is set out below.

Non-GAAP items		Forecast Period 2011[(1)]	Projection Year 2012
		(HK$ in millions)	
Revenue generated from[(2)]	Hong Kong	4,800.0	6,408.9
	PRC	5,407.8	7,290.6
EBITDA by region[(3)]	Hong Kong	2,250.9	3,113.6
	PRC[(5)]	4,004.0	5,355.7
Attributable EBITDA by region[(4)]	Hong Kong	2,245.3	3,106.0
	PRC[(5)]	2,168.2	2,890.5

Notes:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011.

(2) Includes other income such as sundry income but excludes interest income.

(3) EBITDA is defined as operating profit after deducting (i) interest income and adding (ii) depreciation and amortisation, (iii) the share of EBITDA of associated companies, (iv) the share of EBITDA of jointly controlled entities (including, among others, the EBITDA contribution from COSCO-HIT) and (v) the River Ports Economic Benefits. EBITDA and the related ratios in this document are supplemental measures of performance and liquidity and are not required by, or presented in accordance with HKFRS, IFRS or US GAAP. Furthermore, EBITDA is not a measure of the financial performance or liquidity under HKFRS, IFRS or US GAAP and should not be considered an alternative to net income, operating income or any other performance measures derived in accordance with HKFRS, IFRS or US GAAP or an alternative to cash flow from operations or a measure of liquidity. Other companies may calculate EBITDA differently from HPH Trust, limiting its usefulness as a comparative measure.

The Trustee-Manager measures HPH Trust's financial performance using EBITDA in addition to accounting profits or losses. The basis for this approach is that infrastructure/ports assets tend to have lower accounting profit amounts compared to operating cash flow in a financial year or period, or even losses, due to the relatively high amount of non-cash depreciation and amortisation expenses associated with infrastructure/ports assets. Under Singapore law, business trusts are allowed to pay distributions to investors out of operating cash flow (provided that immediately after making the distribution, the trustee-manager will be able to fulfil, from the trust property, the liabilities of the business trust as these liabilities fall due) unlike Singapore-incorporated companies which are only able to pay dividends out of distributable profit.

For the reasons for presenting EBITDA and related ratios, see "Notice to Investors – Presentation of Financial Information – Non-GAAP Financial Measure."

(4) Attributable EBITDA is defined as the HPH Trust's proportionate ownership share of EBITDA.

(5) Includes the River Ports Economic Benefits.

SENSITIVITY ANALYSIS

This sensitivity analysis does not form part of the Profit and Cash Flow Forecast and Profit and Cash Flow Projection and is intended only for the purposes as set out below.

The forecast and projected distributions included in this document are based on a number of key assumptions that have been outlined earlier in this section. The forecast and projected distributions are also subject to a number of risks as set out in the "Risk Factors" section.

Unitholders should be aware that future events cannot be predicted with any certainty and deviations from the figures forecast in this document are to be expected. To assist Unitholders in assessing the impact of these assumptions on the Profit and Cash Flow Forecast and Profit and Cash Flow Projection, a series of tables demonstrating the sensitivity of the DPU to changes in the key assumptions are set out below.

The sensitivity analysis is intended to provide a guide only and variations in actual performance could exceed the ranges shown. Movements in other variables may offset or compound the effect of a change in any variable beyond the extent shown. The sensitivity analysis is performed based on HIT and Yantian only because HIT and Yantian are expected to account for more than 90% of HPH Trust's distribution to Unitholders in the Forecast Period 2011 and the Projection Year 2012.

Throughput

Changes in throughput of HIT and Yantian will impact the revenue of HPH Trust and, consequently, the distribution yield of HPH Trust. The assumptions for throughput of HIT and Yantian have been set out earlier in the section.

The effect of variations in throughput of HIT and Yantian on DPU is set out below:

	DPU pursuant to changes in throughput			
	Forecast Period 2011[1]		**Projection Year 2012**	
	(HK cents)	**(US cents)**	**(HK cents)**	**(US cents)**
Throughput is higher by 5.0%	48.71	6.26	54.64	7.02
Base Case	**45.88**	**5.90**	**51.24**	**6.59**
Throughput is lower by 5.0%	43.03	5.53	48.09	6.18

Note:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011 and seasonally annualised as described in note 4 of the table in the section above entitled "– Projected Yields Based on the Minimum Offering Price and the Maximum Offering Price".

Average revenue per TEU

Changes in average revenue per TEU of HIT and Yantian will impact the revenue of HPH Trust and, consequently, the distribution yield of HPH Trust. The base case assumptions for average revenue per TEU of HIT and Yantian have been set out earlier in the section.

The effect of variations in the average revenue per TEU (while keeping TEU constant) of HIT and Yantian on DPU is set out below:

	DPU pursuant to changes in average revenue per TEU			
	Forecast Period 2011[1]		**Projection Year 2012**	
	(HK cents)	**(US cents)**	**(HK cents)**	**(US cents)**
5.0% above Base Case	49.04	6.30	55.05	7.07
Base Case	**45.88**	**5.90**	**51.24**	**6.59**
5.0% below Base Case	42.00	5.40	47.43	6.10

Note:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011 and seasonally annualised as described in note 4 of the table in the section above entitled "– Projected Yields Based on the Minimum Offering Price and the Maximum Offering Price."

Operating expenses

Changes in operating expenses (including cost of services rendered, staff costs and other operating expenses but excluding depreciation and amortisation, management fees and trust expenses) for HIT and Yantian will impact the operating profit margin of HPH Trust and, consequently, the distribution yield of HPH Trust. The base case assumptions for such operating expenses for HIT and Yantian have been set out earlier in the section.

The effect of variations in the operating expenses incurred for HIT and Yantian on the DPU is set out below:

	DPU pursuant to changes in operating expenses			
	Forecast Period 2011(1)		**Projection Year 2012**	
	(HK cents)	**(US cents)**	**(HK cents)**	**(US cents)**
5.0% below Base Case	47.81	6.14	52.96	6.81
Base Case...	**45.88**	**5.90**	**51.24**	**6.59**
5.0% above Base Case................................	43.96	5.65	49.52	6.36

Note:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011 and seasonally annualised as described in note 4 of the table in the section above entitled "– Projected Yields Based on the Minimum Offering Price and the Maximum Offering Price".

Withholding tax on dividends from HPH Trust's PRC subsidiaries and joint ventures

Changes in the applicable withholding tax rate on dividends from the HPH Trust's PRC subsidiaries and joint ventures will impact the tax expenses of HPH Trust and, consequently, the distribution yield of HPH Trust. The base case assumption for the withholding tax rate is 5.0% as set out earlier in the section.

The effect of a change in the withholding tax from 5.0% to 10.0% on the DPU is set out below:

	DPU pursuant to changes in withholding tax on PRC dividends			
	Forecast Period 2011(1)		**Projection Year 2012**	
	(HK cents)	**(US cents)**	**(HK cents)**	**(US cents)**
Base Case...	**45.88**	**5.90**	**51.24**	**6.59**
Withholding tax of 10.0%...........................	44.49	5.72	49.66	6.38

Note:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011 and seasonally annualised as described in Note 4 of the table in the section above entitled "– Projected Yields Based on the Minimum Offering Price and the Maximum Offering Price".

Interest rate on bank loans

Changes in interest rate of the bank loans for HIT and Yantian will impact the interest expenses of HPH Trust and, consequently, the distribution yield of HPH Trust. The base case assumptions for interest rates for HIT and Yantian have been set out earlier in the section.

The effect of variations in the interest rates on the DPU is set out below:

	DPU pursuant to changes in interest rate on bank loans			
	Forecast Period 2011[1]		Projection Year 2012	
	(HK cents)	(US cents)	(HK cents)	(US cents)
25 bps below Base Case	46.51	5.98	51.88	6.67
Base Case	**45.88**	**5.90**	**51.24**	**6.59**
25 bps above Base Case	45.25	5.82	50.60	6.50

Note:

(1) Nine and one-half month period from 16 March 2011 to 31 December 2011 and seasonally annualised as described in note 4 of the table in the section above entitled "– Projected Yields Based on the Minimum Offering Price and the Maximum Offering Price".

THE RESTRUCTURING EXERCISE

Overview

In preparation for the Offering, a restructuring exercise is being implemented by the Sponsor to establish HPH Trust and the ownership structure of the HPH Trust Business Portfolio (the "**Restructuring**"). The Restructuring is being implemented in the manner described below.

Details of the Restructuring

On 28 February 2011, the Sponsor and HPH Trust HoldCo, a wholly-owned subsidiary of HPH Trust, entered into the Sale and Purchase Agreement pursuant to which:

(a) the Sponsor agreed to sell, or procure the sale of, and HPH Trust HoldCo agreed to acquire, the entire issued share capital of each of the Holding Companies and the River Ports Economic Benefits. The Holding Companies together indirectly own the interests in the operators of the Portfolio Container Terminals and the Portfolio Ancillary Services; and

(b) the Sponsor agreed to assign, or procure the assignment of, and HPH Trust HoldCo agreed to accept, or procure the acceptance of the assignment of, certain related party and shareholders' loans in the aggregate principal amount of approximately HK$24,125.4 million together with the accrued interest thereon.

Completion of the Acquisition will take place prior to the Listing Date on 15 March 2011.

Further details of the Sale and Purchase Agreement are set out in "Certain Agreements Relating to Hutchison Port Holdings Trust – Sale and Purchase Agreement".

The consideration for the acquisition and the loan assignments is approximately HK$102,878.7 million (the "**Initial Consideration**") and is subject to an adjustment calculated in the manner described below (the "**IPO Adjustment**"). The purpose of the IPO Adjustment is to ensure that the consideration for the acquisition of the Holding Companies and the River Ports Economic Benefits and the loan assignments reflect the value of the underlying assets of HPH Trust implied by the final Offering Price. The Initial Consideration was determined based on the estimated fair value of the HPH Trust Business Portfolio as at 25 February 2011[1].

The Initial Consideration will be satisfied on completion of the acquisition and the loan assignments by the issue of promissory notes by HPH Trust HoldCo and one of its subsidiaries to the Sponsor (or as it may direct) with an aggregate principal amount equal to the Initial Consideration (the "**Promissory Notes**").

The IPO Adjustment will be calculated as follows:

IPO Adjustment = A – B

1 The estimated fair value was determined based on the mid-point of the Independent Valuer's enterprise value range of the HPH Trust Business Portfolio of HK$99.0 billion to HK$119.0 billion as at 25 February 2011 and as disclosed in Appendix F and after adjusting for the amount of the outstanding debt financing that is attributable to HPH Trust prior to the Listing Date. The outstanding debt financing that is attributable to HPH Trust prior to the Listing Date includes HK$118 million from SHICD, HK$3,003 million from Yantian and HK$3,000 million from HITL, totalling HK$6,121 million.

where:

(a) "**A**" is the enterprise value of HPH Trust as at the Listing Date, being the aggregate of:

(i) the value of the outstanding Units as at the Listing Date based on the Offering Price;

(ii) the amount of the outstanding debt financing that is attributable to HPH Trust as at the Listing Date; and

(iii) the principal amount of the New Debt Facility to be drawn down by HITL on or after the Listing Date;

less

(iv) the amount of the outstanding debt financing to be repaid by HITL from the proceeds of the New Debt Facility on or after the Listing Date; and

(v) Upfront Debt Transaction Costs; and

(b) "**B**" is the enterprise value of HPH Trust prior to the Listing Date, being the aggregate of:

(i) the Initial Consideration of approximately HK$102,878.7 million; and

(ii) the amount of the outstanding debt financing that is attributable to HPH Trust prior to the Listing Date. The outstanding debt financing that is attributable to HPH Trust prior to the Listing Date includes HK$118 million from SHICD, HK$3,003 million from Yantian and HK$3,000 million from HITL, totalling HK$6,121 million.

For the purpose of calculating the IPO Adjustment, any amount in US dollars shall be converted into Hong Kong dollars at the US dollar to Hong Kong dollar exchange rate agreed between the parties.

Where the amount of the IPO Adjustment is a positive figure, the amount of the IPO Adjustment will be payable by HPH Trust HoldCo to the Sponsor on the Listing Date and will be effected by increasing the aggregate principal amount of the Promissory Notes.

Where the amount of the IPO Adjustment is a negative figure, the amount of the IPO Adjustment will be payable by the Sponsor to HPH Trust HoldCo on the Listing Date and will be effected by setting off the amount of the IPO Adjustment against the aggregate principal amount of the Promissory Notes.

The Promissory Notes will be settled as follows:

(a) by the issue of an aggregate of 3,309,377,999 Consideration Units at the Offering Price to the Sponsor (or as it may direct) on the Listing Date; and

(b) by the payment of cash to the Sponsor (or as it may direct), a portion of which will be paid on the Listing Date using the net proceeds from the Offering and the issue of the Cornerstone Units and the balance being paid on or before the fifth Business Day following the Listing Date (the "**Final Payment Date**") using the proceeds from the New Debt Facility.

The Promissory Notes do not bear any interest, provided that in the event the proceeds from the New Debt Facility are not available on or before the Final Payment Date, the outstanding principal amount of the Promissory Notes will bear interest from the Final Payment Date until the date of payment of such outstanding principal amount at the rate of interest up to that charged to HITL for the New Debt Facility and HPH Trust shall provide such security as the Sponsor may require up to that required under the New Debt Facility. Such security, if required by the Sponsor to be provided by HPH Trust, may consist of the same security provided by HITL under the terms of the New Debt Facility, that is, the borrower's obligations under the New Debt Facility are secured by a first priority charge over all of the shares in HITL, a first priority fixed and floating charge over certain assets of the HITL and guaranteed by HPH Trust HoldCo and the Trustee-Manager. HPH Trust HoldCo has undertaken to the Sponsor to use its best endeavours to procure the drawdown of the New Debt Facility or to obtain alternative sources of financing and to pay the outstanding principal amount and accrued interest of the Promissory Notes.

SUBSTANTIAL SUBSIDIARIES, SUBSIDIARY ENTITIES, ASSOCIATED COMPANY AND ASSOCIATED ENTITY OF HPH TRUST

Name	Date and Country of Incorporation	Principal Business	Principal Place of Business	Percentage Owned	Investments/assets held
Operating Companies					
COSCO-HIT Terminals (Hong Kong) Limited	8 January 1991 Hong Kong, limited liability company	Container terminal operation	Hong Kong	50.0%	Terminal 8 East, Hong Kong
Hongkong International Terminals Limited	3 March 1994 Hong Kong, limited liability company	Container terminals operation	Hong Kong	100.0%	Terminals 4, 6 7 and two berths in Terminal 9, Hong Kong
Shenzhen Yantian West Port Terminals Limited	1 April 2005 PRC, limited liability company	Development and operation of container terminals	PRC	51.6%	West Port Phase I and II, Shenzhen
Yantian International Container Terminals Limited	16 November 1993 PRC, limited liability company	Development and operation of container terminals	PRC	56.4%	Yantian Phases I & II, Shenzhen
Yantian International Container Terminals (Phase III) Limited	26 December 2002 PRC, limited liability company	Development and operation of container terminals	PRC	51.6%	Yantian Phase III and Yantian Phase III Expansion, Shenzhen
Intermediate holding companies					
Birdwood Developments Limited	18 February 1991 British Virgin Islands, company limited by shares	Investment holding	British Virgin Islands	100%	Intermediate holding company
Birrong Limited	5 January 1995 British Virgin Islands, company limited by shares	Investment holding	British Virgin Islands	100.0%	Intermediate holding company

Name	Date and Country of Incorporation	Principal Business	Principal Place of Business	Percentage Owned	Investments/assets held
Classic Mandate Limited	13 June 2005 British Virgin Islands, company limited by shares	Investment holding	British Virgin Islands	100%	Intermediate holding company
Classic Outlook Investments Limited	18 May 2000 British Virgin Islands, company limited by shares	Investment holding	British Virgin Islands	100.0%	Intermediate holding company
Giantfield Resources Limited	28 April 2005 British Virgin Islands, company limited by shares	Investment holding	British Virgin Islands	100.0%	Intermediate holding company
HIT Holdings Limited	28 June 1974 Hong Kong, limited liability company	Investment holding	Hong Kong	100.0%	Intermediate holding company
HIT Investments Limited	26 July 1994 British Virgin Islands, company limited by shares	Investment holding	British Virgin Islands	100.0%	Intermediate holding company
HPHT Limited	7 January 2011 Hong Kong, limited liability company	Investment holding	Hong Kong	100%	Ultimate holding company
Hutchison Ports Yantian Limited	24 November 1992 Hong Kong, limited liability company	Investment holding	Hong Kong	79.5%	Immediate holding company
Hutchison Ports Yantian Investments Limited	13 May 1997 British Virgin Islands, company limited by shares	Investment holding	British Virgin Islands	100.0%	Intermediate holding company
Hutchison Shenzhen East Investments Limited	14 November 2003 British Virgin Islands, company limited by shares	Investment holding	British Virgin Islands	100.0%	Intermediate holding company
Pearl Spirit Limited	7 March 1994 British Virgin Islands, company limited by shares	Investment holding	British Virgin Islands	100.0%	Intermediate holding company
Sigma Enterprises Limited	23 March 1988 British Virgin Islands, company limited by shares	Investment holding	British Virgin Islands	79.5%	Intermediate holding company
Wattrus Limited	22 May 1997 British Virgin Islands, company limited by shares	Investment holding	British Virgin Islands	94.9%	Intermediate holding company

THE BUSINESS OF HUTCHISON PORT HOLDINGS TRUST

OVERVIEW

HPH Trust is the first publicly traded container port Registered Business Trust and provides Unitholders with an attractive opportunity to invest in the market leader of the world's largest trading hub by throughput, the Pearl River Delta, which hub consists of two of the world's busiest container port cities by throughput – Hong Kong and Shenzhen, PRC. HPH Trust's sponsor is Hutchison Port Holdings Limited, the global leader in the container port sector by throughput and a subsidiary of HWL.

The Trustee-Manager, an indirect wholly-owned subsidiary of HWL, will manage HPH Trust's business with the key objective of providing Unitholders with stable and regular distributions as well as long-term DPU growth.

The Trustee-Manager believes that the key highlights for investing in HPH Trust include, among others, its market-leading position in the world's largest trading hub by throughput, its world class facilities as represented by their strategic locations with natural deep-water port and unimpeded channel access, its long-term relationships with liners and their customers, its strong profitability and cash generation, its attractive growth prospects, as well as the continuing support and proven track record of the Sponsor.

HPH Trust's investment mandate is principally to invest in, develop, operate and manage deep-water container ports[1] in the Pearl River Delta. HPH Trust may also invest in other types of port assets, including river ports, which are complementary to the deep-water container ports operated by HPH Trust, as well as undertake certain port ancillary services including, but not limited to, trucking, feedering, freight-forwarding, supply chain management, warehousing and distribution services. In addition to the port assets and the port ancillary services that are to be undertaken within the Trust Territory (as defined herein), HPH Trust is also authorised by its Trust Deed to invest in other assets or carry on other activities or undertakings whether within or outside Pearl River Delta, provided they are associated with, complementary, incidental and/or ancillary to its principal deep-water container port business. Such investments by HPH Trust may include permissible activities for HPH Trust under the Non-Compete Agreement (as defined herein).

On a combined basis, Hong Kong and Shenzhen, PRC was the world's largest trading hub in 2009 with a total throughput of approximately 39.2 million TEU[2]. In connection with the Offering and prior to the Listing Date, HPH Trust will acquire from the Sponsor its two principal deep-water container port assets in Hong Kong and Shenzhen, PRC. These two deep-water container port assets are HPH Trust's interest in the operators of:

- HIT and COSCO-HIT, located in Kwai Tsing Port, Hong Kong; and
- Yantian, located in Shenzhen Port, the PRC.

1 For the purposes of the investment mandate of HPH Trust, a "deep-water container port" means any port that has the ability to accommodate a fully laden vessel with a capacity in excess of 8,000 TEU.

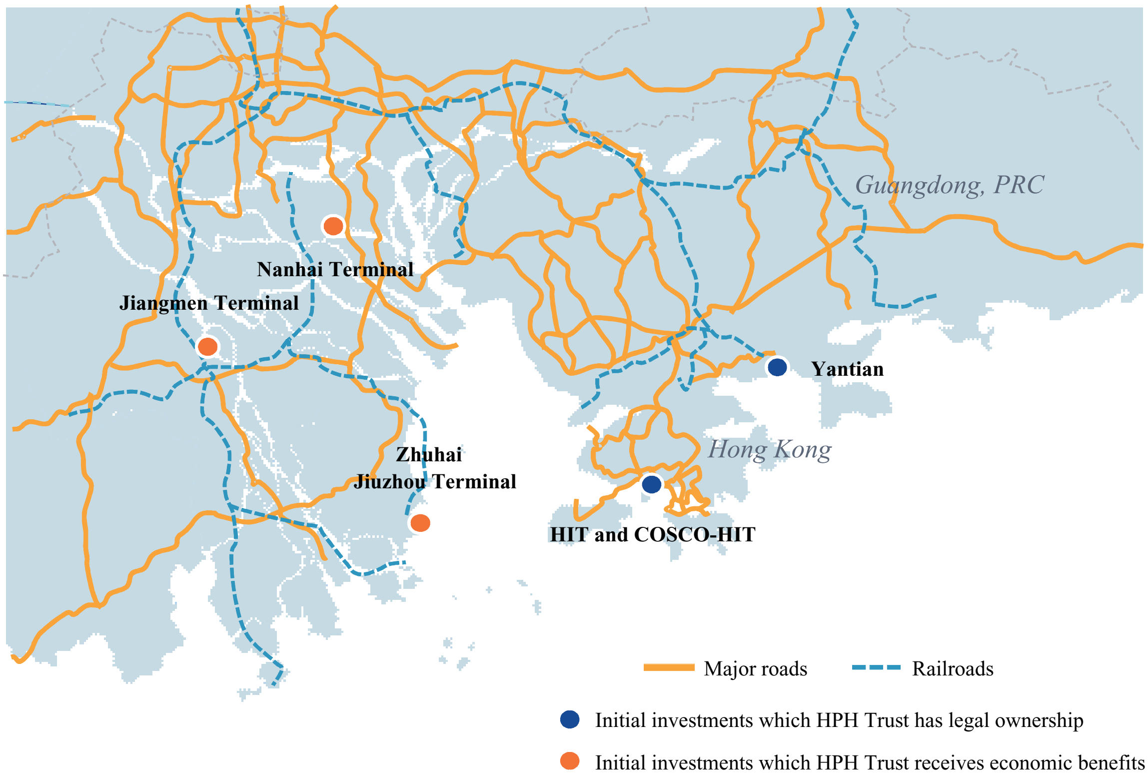
2 Source: See "Overview of the Container Port Industry" prepared by Drewry.

In addition, in connection with the Offering and prior to the Listing Date, HPH Trust will acquire from the Sponsor, and the Sponsor will account to HPH Trust for, all of the River Ports Economic Benefits attributable to the business of three PRC river ports located in Jiangmen, Nanhai and Jiuzhou, whose operations complement the operations of HIT, COSCO-HIT and Yantian. Prior to the Listing Date, HPH Trust will also acquire from the Sponsor the Portfolio Ancillary Services.

The map below shows the locations of HIT, COSCO-HIT, Yantian and the River Ports.

COMPETITIVE STRENGTHS

The Trustee-Manager believes that the Portfolio Container Terminals have the following competitive strengths:



Portfolio Container Terminals – Competitive Strengths

Natural deep-water geographic advantages underpinned by long-term rights

The Portfolio Container Terminals offer natural deep-water ports with direct and unimpeded channel access.

With natural deep-water ports, the Portfolio Container Terminals accommodate container vessels of all sizes, with the flexibility to respond to constant changes in the shipping industry and resultant re-alignment of shipping services. As the Portfolio Container Terminals are naturally deep-water, it would generally not be necessary for them to be dredged, which would otherwise be a costly and disruptive exercise.

In addition, the ease of access to the Portfolio Container Terminals, due to their deep-water approach channels leading to the terminals, saves time and costs for container vessels, as they can take the most direct route to the terminals. This is particularly important for mega vessels, which are increasingly being operated by the liners in their efforts to reduce costs.

These natural advantages position the Portfolio Container Terminals as the preferred port-of-call for shipping lines in the Asia-Pacific region.

This natural competitive advantage is supported by long-term rights from the respective governmental authorities for varying periods ending from 2038 to 2055, which enhances customers' confidence in the long-term stability of the operation of the Portfolio of Container Terminals. Another advantage of long-term rights is that they enable capital investments to be planned and staggered across the relevant terms (see "The Business of Hutchison Port Holdings Trust – HIT and COSCO-HIT – Port Concessions" and "The Business of Hutchison Port Holdings Trust – Yantian – Government Approvals for Port Operation" for further details of these rights).

Strong and established global connectivity

One of the key drivers of the strategic value of the Portfolio Container Terminals is their connectivity. A port's connectivity is determined by its location, number of destinations served by the port, the number of shipping lines calling at the port, the services offered by the port as well as the access to the port's hinterland.

On a combined basis, Hong Kong and Shenzhen, PRC was the world's largest trading hub with a total throughput of approximately 39.2 million TEU in 2009. As at 31 December 2010, the Portfolio Container Terminals served all major shipping lines with more than 300 weekly container movements to a wide range of destinations around the world. Their global network reach establishes the Portfolio Container Terminals' position as the preferred O&D gateway and transhipment hub in the Pearl River Delta.

Established reputation and brand name with strong customer relationships

The Portfolio Container Terminals have established a strong and well-recognised reputation and brand name due to their track record of serving the container port industry in the Pearl River Delta, the world's busiest and largest trading hub. With one of the longest operating histories in the container port industry as well as their continued achievement of operational performance and customer service, the Portfolio Container Terminals enjoy close and established working relationships with a large and diverse range of customers and shippers, which include all the major shipping lines, as well as shippers of O&D cargo such as multinational retailers and manufacturers.

Customised and quality service ensuring customer satisfaction

The Portfolio Container Terminals work closely with the shipping lines to better understand their needs. The operating systems of the Portfolio Container Terminals are integrated with those of their major customers. The Portfolio Container Terminals have a licence to use the Sponsor's proprietary and award winning terminal management system, nGen. The customer relationship management and integrated systems of nGen enable the Portfolio Container Terminals to offer flexible and customised services, such as late cargo acceptance, express customs processing and last-minute route modification. These services increase customer satisfaction and build customer loyalty.

Optimised design and layout, with advanced port infrastructure and facilities

The Trustee-Manager believes that the Portfolio Container Terminals have advanced infrastructure compared to their regional and global peers. The Portfolio Container Terminals are designed using state-of-the-art simulation models to optimise the terminal layout in order to maximise productivity, optimise efficiency, increase throughput per berth and minimise berthing time for vessels. The use of advanced container equipment, such as Super Post Panamax Quay Cranes and Tandem-Lift Quay Cranes, also differentiates the Portfolio Container Terminals from other ports. The Trustee-Manager believes that this allows the Portfolio Container Terminals to offer fast turnaround times and reliability to their customers.

As such, the Trustee-Manager believes that the Portfolio Container Terminals are among the most efficient terminals in the world. This efficiency is demonstrated by using a common industry benchmark of quay crane moves per hour. The Portfolio Container Terminals consistently achieve an average of more than 30 quay crane moves per hour, which the Trustee-Manager believes compares favourably with the rest of the industry. The Portfolio Container Terminals won numerous awards including China's Best Container Terminal in terms of efficiency of operations, awarded by the China Shipping Gazette in 2008.

Complementary services offerings to customers at the Portfolio Container Terminals

HIT and COSCO-HIT, collectively, is primarily a transhipment hub and intra-Asia gateway, and Yantian is primarily an O&D gateway for Europe and North America. Together, they offer shipping lines a wide spectrum of services. The Portfolio Container Terminals are further supported by an in-house feeder service, integrated operating systems, mid-stream operations and complementary business models.

APS offers mid-stream and feeder services between HIT, COSCO-HIT, Yantian and the River Ports, and facilitates efficient movement of cargo between the ports. The integration of the Portfolio Container Terminals' operating systems also enhances the efficiency of the port operations. (See "The Business of Hutchison Port Holdings Trust – Competitive Strengths – Yantian – Competitive Strength – Well-developed intermodal network to the PRC hinterland, presenting significant growth potential.")

HIT and COSCO-HIT – Competitive Strengths

In addition, the Trustee-Manager believes that HIT and COSCO-HIT have the following competitive strengths:

Strategically located transhipment hub

Given the strategic central location of Hong Kong in the Asia-Pacific region, HIT and COSCO-HIT benefit from being the preferred transhipment hub at the nexus of major trade routes, with more than 200 weekly services connecting to destinations around the globe. This enables HIT and COSCO-HIT to capture a substantial share of the east-west, north-south and intra-regional transhipment and intra-Asia O&D cargo.

Freeport status of Hong Kong complemented by conducive business environment and infrastructure

HIT and COSCO-HIT benefit from the freeport status of Hong Kong, which does not impose any customs duties except on tobacco, liquor, cosmetics and motor vehicles. In addition, Hong Kong has late cargo cut-off times and liberal export declarations, which allow electronic declaration within 14 days after a vessel's departure from the port. This enhances Hong Kong's position as the preferred transhipment hub in Asia.

As a Special Administrative Region of the PRC, Hong Kong can offer non-Chinese liners with transhipment services for Chinese container trades, which would otherwise not be permitted under Chinese cabotage rules.

On a macro level, Hong Kong's efficient government, vibrant financial sector (which facilities global trade), stable regulatory framework and exchange rate stability, create a competitive business environment in which HIT and COSCO-HIT operate their businesses.

Scale of operations and contiguous yards, resulting in operational synergies

The Trustee-Manager believes that HIT and COSCO-HIT enjoy significant operational synergies due to their contiguous yards. With direct linkages between the terminals within HIT and COSCO-HIT, cost savings are generated in the transfer of containers by using internal trucking between terminals that are operated by HIT and COSCO-HIT, as compared to more costly external trucking. In addition, these synergies enable fast turnaround times which lead to higher productivity and the ability to handle several mega vessels simultaneously.

As HIT and COSCO-HIT collectively enjoy the largest combined market share in Hong Kong and the largest number of contiguous berths, they enjoy significant cost savings from economies of scale, such as the ability to leverage their strength to procure equipment and sub-contractor services at more attractive rates.

Yantian – Competitive Strengths

Further, the Trustee-Manager believes that Yantian has the following competitive strengths:

The largest and scalable deep-water port in Shenzhen, PRC, with first mover advantage

Yantian is the first and only deep-water container port in East Shenzhen. Since commencing operations in mid-1994, it has been able to capitalise on its first mover advantage and has developed into the largest port in Shenzhen, PRC, with a wide spectrum of port services being offered. Yantian's throughput first exceeded 10.0 million TEU in 2007.

With its existing developments and access to expansion sites, Yantian has substantial scope for long-term development to increase throughput capacity on a timely basis to cater to future customer demand, which will increase throughput and revenue.

Gateway to the Guangdong Province trade catchment area, one of the densest manufacturing regions in the world

The Trustee-Manager believes that Yantian's geographic proximity to the major industrial regions in South China, such as Shenzhen and Guangzhou, its natural deep-water harbour and well-developed public infrastructure have positioned Yantian as the port of choice for export of manufactured products. Its proximity to the manufacturing centres in the Pearl River Delta and its highly efficient terminal operations have made it a major port for exports in the PRC.

The Trustee-Manager also believes that Yantian is ideally positioned to capitalise on the growing import of goods by the PRC as its economy continues to grow and its population becomes more affluent, bringing with it a corresponding increase in consumer purchasing power.

Well-developed intermodal network to the PRC hinterland, presenting significant growth potential

Yantian is well-connected to the public transportation system in the PRC. In addition to the advanced highway network which allows the movement of cargo across the Guangdong Province, HPH Trust also owns Pingyan Railway, which connects Yantian to the national railway network of the PRC. The 22.7 kilometre-long railway interfaces with the PRC's main railway network, specifically the Beijing-Kowloon Line and the Beijing-Guangzhou Line, which enables Yantian to provide one-stop logistics services to importers and exporters in the Guangdong Province and provinces and cities in Inner China including Chongqing, Hubei, Hunan, Jiangxi and Yunnan.

The Trustee-Manager believes that this advanced transportation network facilitates the movement of goods between the inland regions of the PRC and Yantian, and the expansion of this network will increase the catchment area of Yantian beyond Guangdong Province. With the PRC's "Go West" Policy[1], Yantian will be well positioned to serve the import and export needs of western China.

STRATEGY

The principal investment mandate of the Trustee-Manager for HPH Trust involves investing in, developing, operating and managing deep-water container ports in the Pearl River Delta. HPH Trust may also invest in other types of port assets, including river ports, which may be complementary to the deep-water container ports operated by HPH Trust as well as undertake certain port ancillary services, including but not limited to trucking, feedering, freight-forwarding, supply chain management, warehousing and distribution services. In 2010, HPH Trust's revenue from its deep-water port business represented more than 90% of its revenue.

In accordance with the requirements of the Listing Manual, the Trustee-Manager's investment strategy for HPH Trust will be adhered to for at least three years following the Listing Date, unless otherwise agreed by an Extraordinary Resolution passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed. If, however, the Trust Deed is required to be amended as a result of change in investment mandate, Unitholders' approval would be required.

The Trustee-Manager intends to pursue deep-water container port investment opportunities based on its assessment of their potential for value creation, growth and sustained profitability to ensure that these investments will deliver long-term DPU-accretive returns.

1 The "Go West" Policy is a policy adopted by the PRC Government to develop the western regions of the PRC.

The Trustee-Manager aims to provide Unitholders with stable and regular distributions as well as long-term DPU growth. The Trustee-Manager believes that the positive outlook of the deep-water container port market in the Pearl River Delta provides HPH Trust with the opportunity to increase the returns of the Portfolio Container Terminals through a combination of the following strategies.

Active Business and Asset Management Strategy

The Trustee-Manager intends to actively manage HPH Trust's Portfolio Container Terminals in the Pearl River Delta. In particular, it intends to:

- **Increase throughput of the Portfolio Container Terminals**

  - enhance customer satisfaction with innovative and tailored solutions by offering value-added port and logistics solutions to customers of the Portfolio Container Terminals. For example, the Portfolio Container Terminals provide differentiated solutions such as flexible scheduling of berth and quay cranes to optimise turnaround time for time-sensitive customers. In addition, the Electronic Data Interchange System (as defined herein) of HPH Trust supports and integrates the exchange of information between the Portfolio Container Terminals and its customers from the submission of vessel arrival schedules to the eventual bill processing;

  - engage in long-term planning with strong understanding of customers' future needs by making timely strategic capital expenditures on its port facilities and infrastructure ahead of the competition to maintain its first-mover advantage and to capitalise on emerging trends. For example, Yantian was one of the first in the world to invest in Super Post Panamax Quay Cranes and Tandem-lift Quay Cranes when it observed a number of its key shipping customers order new build mega vessels commencing in the mid-2000s. Together with the Portfolio Container Terminals' natural deep-water port and unimpeded channel access advantages, the Portfolio Container Terminals are well-placed as preferred ports of call, especially for mega vessels;

  - maintain close ties with key stakeholders such as shipping lines, freight-forwarders and shippers, including multinational retailers and manufacturers, to capitalise on the expanding throughput of the PRC's exports and imports. The PRC's imports remain low relative to its exports, but are expected to grow as a result of the rising affluence of the PRC's urban population; and

  - capitalise on the expanding throughput of hinterland cargo in the central and western regions of the PRC by promoting intermodal connectivity between Yantian and the PRC's road, barge and rail networks. HPH Trust already owns the 22.7 kilometre Pingyan Railway, which connects Yantian to the national railway network of the PRC.

- **Implement strategies to enhance throughput mix**

  The Trustee-Manager intends to pro-actively identify throughput trends and devise strategies to capture opportunities arising from such trends by:

  - capitalising on the trend of increasing imports relative to exports of the PRC as a result of the rising affluence of the PRC's urban population; and

- ○ implementing strategies to improve the proportion of inbound laden containers as compared to empty containers, because the average revenue for inbound laden containers is higher than that for empty containers.

- **Improve operational efficiency and reduce operating costs**

The Trustee-Manager intends to actively manage HPH Trust's cost base in order to maintain its strong profitability by:

- ○ maximising efficiency and productivity of its operations;
- ○ investing in cost reduction initiatives that reduce fuel and power costs;
- ○ continuing to develop and improve technology;
- ○ leveraging the provision of labour by subcontractors to maintain a variable cost structure to better align costs with peak or seasonal demand; and
- ○ working closely with customers to implement cost saving and resource sharing initiatives.

Risk and Capital Management Strategy

- **Optimise overall capital structure of HPH Trust and its assets**

The Trustee-Manager's strategy involves adopting and maintaining an appropriate mix of debt and equity for HPH Trust to ensure optimal returns to Unitholders, while maintaining sufficient flexibility for HPH Trust to implement growth strategies or acquisitions. HPH Trust has put in place the New Debt Facility of US$3.0 billion (HK$23.3 billion).

As and when appropriate, the Trustee-Manager may consider diversifying its sources of debt financing by accessing the debt capital markets through the issuance of bonds to optimise HPH Trust's debt maturity profile. The Trustee-Manager may also pursue growth opportunities that may require raising additional equity capital for HPH Trust through the issue of new Units. The decision to raise additional equity will also take into account HPH Trust's strategy of maintaining an optimal capital structure.

- **Proactively manage overall financing costs**

The Trustee-Manager may utilise interest rate hedging strategies where appropriate to optimise risk-adjusted returns to Unitholders, and will adopt a proactive interest rate management policy to manage the risks associated with changes in interest rates on debt financing while seeking to ensure that HPH Trust's ongoing cost of debt remains competitive. Currently, none of the entities of HPH Trust is engaged in any hedging transactions.

Development and Acquisition Growth Strategy

The Trustee-Manager will endeavour to identify, evaluate and selectively pursue value-enhancing greenfield or brownfield development and acquisition opportunities with attractive cash flow generation characteristics and long-term DPU-accretion potential.

- **Pursue selective value-enhancing development projects**

  The Sponsor's expertise as a port operator provides the Trustee-Manager with access to the Sponsor's global experience in undertaking container port development activities.

  The Trustee-Manager seeks to adhere to its investment mandate by only undertaking developments on a selective basis that it believes will be value-enhancing to the portfolio. HPH Trust is currently undertaking the development of West Port Phase II, which is expected to be completed by 2015, and has also executed a non-binding heads of agreement to develop Yantian East Port Phase I in the future.

- **A right of first refusal over the Sponsor's pipeline in the Pearl River Delta**

  To demonstrate its support for HPH Trust, the Sponsor has granted HPH Trust certain rights to participate in, and rights of first refusal over, any future deep-water container ports developed or acquired by the Sponsor that fall within HPH Trust's investment mandate, subject to the terms and conditions set out in the ROFR Agreement (as defined herein).

  Currently, the Sponsor has interests in certain port assets in Gaolan, Huizhou and Shantou, PRC. Although Gaolan port is a deep-water port, it is predominantly operating as a general cargo port. Huizhou port is operating as a general cargo port and is undergoing planning and initial works on civil engineering for deep-water container facilities. Gaolan and Huizhou are located in the Pearl River Delta region, and Huizhou will be subject to the ROFR Agreement once it is developed into a deep-water container terminal.

  (See "Certain Agreements Relating to Hutchison Port Holdings Trust – ROFR Agreement" for further details.)

- **Selectively pursue third party acquisition opportunities**

  The Trustee-Manager believes there are good prospects for consolidation and investment opportunities in the deep-water container port market in the Pearl River Delta due to greater demand for deep-water container ports as a result of economic growth and expanding trade activity. Accordingly, in addition to future projects under the ROFR Agreement, the Trustee-Manager will independently source projects that satisfy HPH Trust's investment mandate.

MILESTONES

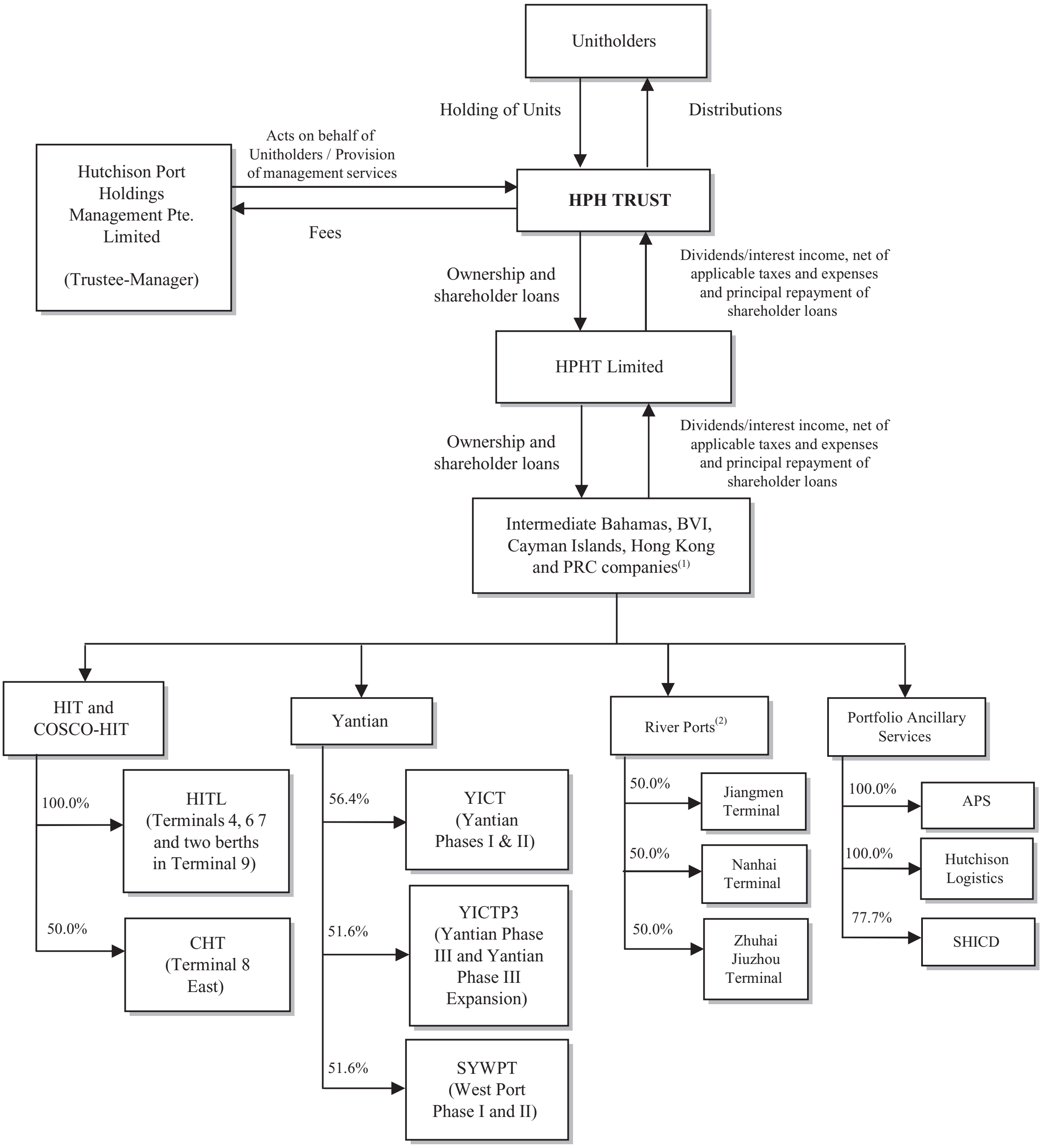
The table below sets out the corporate milestones of HITL, CHT and YICT.

Date	Event
1969	HITL was established.
1976	HITL acquired Terminal 2 from Kowloon Container Warehouse. HIT Terminal 4 operations commenced.
1985	HITL was granted the right to develop Terminal 6.
1988	HIT handled its 10 millionth TEU.
1989	HIT Terminal 6 was completed and Terminal 2 was handed over to Modern Terminals Limited ("**MTL**").
1990	The Hong Kong Government agreed to award the rights to develop Container Terminal 8 to HITL and MTL.
1991	HIT Terminal 7 was completed and the COSCO (as defined herein) and HITL joint venture was formed to develop Container Terminal 8 East.
1993	HPY and Shenzhen Dongpeng Industry Co., Ltd (now known as YPG) signed the joint venture contract to establish YICT.
1994	HITL launched its HK$1.5 billion Productivity Plus Programme. COSCO-HIT's Container Terminal 8 East became fully operational. Yantian officially commenced port terminal operations when the container vessel, the "Maersk Algeciras", arrived at Yantian.
1995	HITL became the first terminal operator in Kwai Chung to use highly automated rail-mounted gantry cranes.
1998	HIT handled its 50 millionth TEU and the annual throughput of Yantian exceeded one million TEU for the first time.
2001	HPY entered into official agreements with YPG and the Shenzhen Government to jointly develop Yantian Phase III.
2002	HIT won the Best Container Terminal Operator Award in Lloyd's List's Maritime Asia Awards in recognition of HIT's key status in the maritime and transport industries. COSCO-HIT handled its 10 millionth TEU. Yantian handled its 10 millionth TEU since the commencement of operations of Yantian.
2003	In July, HITL officially launched the first berth of Container Terminal 9.
2004	HPY entered into agreement with YPH to develop West Port Phase I.
2005	HPY and YPG officially signed a joint-venture contract to develop the Yantian Phase III Expansion for a total investment of over RMB10 billion.

Date	Event
2006	HIT handled its 100 millionth TEU. HIT was awarded the "Industrial Applications – Grand Prize" of the Asia-Pacific Information and Communication Technology Awards 2006.
2007	Yantian's annual container throughput exceeded 10 million TEU.
2008	Yantian became one of the first ports in the world to be named as an "International Healthy Seaport" by the World Health Organisation. HPY and YPG signed a non-binding heads of agreement to jointly develop the Yantian East Port Phase I Project at Yantian. In June, HIT deployed 17 electric rubber-tyre gantry cranes.
2009	Yantian was awarded "First Place, Top 10 Container Terminals in China" in 2008.
2010	HIT was awarded the 2009 Transport and Logistics Gold Award under the Sectoral Awards of the Hong Kong Awards for Environmental Excellence (HKAEE). Yantian was named as one of the "Top Ten Container Terminals in China" in 2009.

STRUCTURE OF HPH TRUST

The following diagram illustrates the relationship between HPH Trust, the Trustee-Manager and the Unitholders at Listing. The percentages in the following diagram represent HPH Trust's effective interests in these assets/businesses:



Notes:

(1) There are multiple layers of intermediate Bahamas, BVI, Cayman Islands, Hong Kong and PRC companies.

(2) HPH Trust holds the River Ports Economic Benefits but not the shares of the River Ports holding companies.

PORTFOLIO CONTAINER TERMINALS

Overview of Facilities

The table below summarises certain key information in relation to the Portfolio Container Terminals.

Terminals	No. of Container Berths[1]	No. of Barge Berths[1]	Total Berth Length (metres)	Water Depth Alongside[2] (metres)	Container Quay Cranes	Rubber-Tyre Gantry Cranes	Total Area (ha)	Container Throughput (TEU in thousands)			HPH Trust Ownership of Operator[3]
								2008	2009	2010	
Hong Kong Port (Total)	**14 (14)**	**9 (2)**	**5,080**	**14.2 to 15.5**	**56**	**158**	**141**	**9,092**	**9,505**	**11,040**	**–**
HIT	12 (12)	4 (1)	3,992	14.2 to 15.5	47	126	111	7,428	8,127	9,466	100.0%[3]
COSCO-HIT	2 (2)	5 (1)	1,088	15.5	9	32	30	1,664	1,378	1,574	50.0%[3]
Yantian (Total)[4]	**16 (18)**	**3 (4)**	**6,743**	**14 to 16.5**	**74**	**200**	**373**	**9,684**	**8,579**	**10,134**	**–**
Yantian Phase I & II	5 (5)	1 (2)	2,350	14 to 15[5]	20	62	130	3,620	2,984	3,188	56.4%[3]
Yantian Phase III and Yantian Phase III Expansion	10 (12)	– (–)	3,504	16.5	51	126	226	5,566	5,187	6,509	51.6%[3]
West Port Phase I	1 (1)	2 (2)	889	14.3[5]	3	12	17	498	408	437	51.6%[3]
West Port Phase II[6]	3 (4)	– (–)	1,142	15	11	30	44	–	–	–	51.6%[3]
Total[4]	**30 (32)**	**12 (6)**	**11,823**	**14 to 16.5**	**130**	**358**	**514**	**18,776**	**18,084**	**21,174**	

Notes:

(1) The figures in brackets are based on HPH's global definition of a berth at 300 metres per berth. These figures are computed by dividing the total berth length by 300 metres.

(2) The water depth alongside refers to the quay side depth of the terminal where the vessel will berth.

(3) The percentage represents HPH Trust's effective interest in these assets/businesses.

(4) The aggregate figures do not include West Port Phase II as it has not been completed. Construction works on West Port Phase II are expected to be completed by 2015.

(5) The figure excludes the water depth of the barge berth.

(6) Construction works on West Port Phase II are expected to be completed by 2015. The information relating to West Port Phase II is indicative and based on current plans and may be subject to change.

HIT AND COSCO-HIT

Description

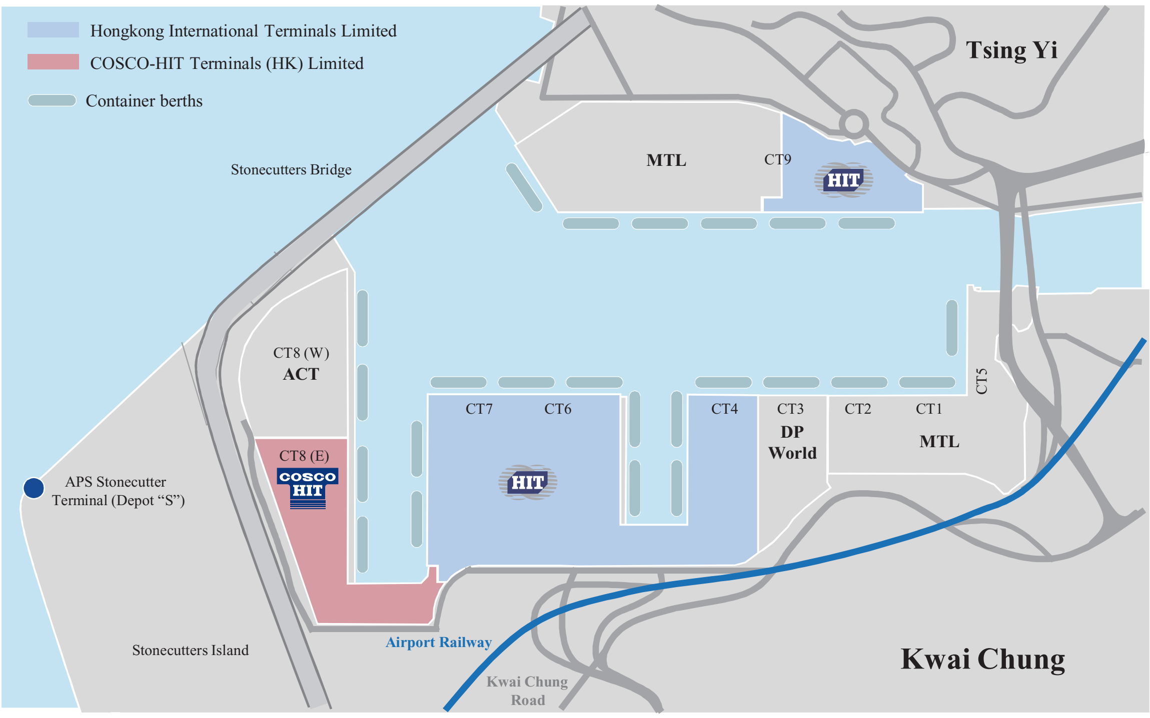
Situated in the Kwai Tsing container port area of Hong Kong (which is one of the busiest container ports in the world), HITL operates twelve berths (Terminals 4, 6, 7 and two berths in Terminal 9) at Kwai Tsing, Hong Kong. HPH Trust owns 100% of the issued shares of HITL.

CHT is a 50/50 joint venture between HIT Holdings Limited ("**HITHL**", an indirect holding company of HITL and an indirect subsidiary of HPH Trust) and COSCO Pacific Limited ("**COSCO**"), an affiliate of China Ocean Shipping (Group) Company. CHT operates two container berths at the eastern side of Terminal 8 at Kwai Tsing, Hong Kong. The shareholders of CHT have agreed that certain matters relating to CHT, such as the sale of material assets or changes in the business or share capital of CHT, require the approval of both shareholders and that each shareholder shall have a pre-emptive right to acquire the shares in CHT of the other shareholder. Each of HITHL and COSCO has the right to appoint four directors of CHT. The chairman of the board of directors of CHT is appointed for a one year term by either party on an annual rotation and, in the event of an equality of votes, the chairman has a second or casting vote unless otherwise agreed by the shareholders holding not less than 95% of the nominal value of the shares in CHT. CHT has appointed HITL to provide general advisory and management services to CHT in relation to CHT's business. COSCO has undertaken to CHT and HITHL not to participate, engage or be involved directly or indirectly in the ownership, development, expansion or operation of any container terminal facility in Hong Kong or any neighbouring region that, in the reasonable opinion of HITHL, is likely to compete with or have a detrimental effect on the business of CHT or the business of HIT. HITHL has undertaken to COSCO that if it becomes involved in the development of new container terminal facilities in Hong Kong or any neighbouring region for which it requires a joint venture participant, it would first offer COSCO the opportunity to participate in such venture on a joint venture basis. The joint venture may be terminated by either shareholder if the other shareholder becomes unable to pay its debts as and when they fall due or an order is made for the other shareholder's liquidation or dissolution or by either shareholder upon the other shareholder being in material breach of the terms of the joint venture or by either shareholder after it disposes of all of its shares in CHT by giving not less than three years' notice of termination of the joint venture.

Due to their geographic location and local market conditions, HIT and COSCO-HIT handle mainly transhipment cargo.

Layout of Kwai Tsing Port

The map below illustrates layout of Kwai Tsing Port and the location of terminals operated by HITL, CHT and its competitors.



Additional Details

The table below sets out additional details regarding HIT and COSCO-HIT.

	HIT	COSCO-HIT	Total
Total area (ha)	111	30	141
No. of container berths(1)	12 (12)	2 (2)	14 (14)
No. of barge berths(1)	4 (1)	5 (1)	9 (2)
Total berth length (m)	3,992	1,088	5,080
Water depth alongside (m)	14.2 to 15.5	15.5	14.2 to 15.5
Container Quay Cranes	47	9	56
Rubber Tyre Gantry Cranes	126	32	158

Note:

(1) The figures in brackets are based on HPH's global definition of a berth at 300 metres per berth. These figures are computed by dividing the total berth length by 300.

Throughput

The throughput of HIT and COSCO-HIT increased during the period from 2001 to 2010 as indicated in the table below. The combined throughput of HIT and COSCO-HIT increased year on year throughout the period from 2001 to 2010, notwithstanding the recent global economic downturn from 2008 through 2009, when container throughput in Hong Kong decreased by 14.3%[1] from 2008 through 2009.

HIT and COSCO-HIT have transformed from an O&D port into a transhipment hub over the past ten years. The percentage of total throughput represented by transhipment cargo at HIT and COSCO-HIT increased from 21% in 2001 to 59% in 2010.

In light of the congestion faced by operators within the Kwai Tsing Port caused by peak or seasonal demand, APS assists HIT and COSCO-HIT in handling overflow volume for Pearl River Delta feeders via haulage fleet and waterfront facilities at its own container terminal facility.

The throughput of HIT and COSCO-HIT since 1993 is as follows:

Year	HIT Throughput (TEU in thousands)	COSCO-HIT Throughput (TEU in thousands)	Total Throughput (TEU in thousands)
1993	3,487	–	3,487
1994	4,015	631	4,646
1995	4,078	1,193	5,271
1996	4,499	1,154	5,653
1997	5,087	1,302	6,389
1998	4,540	1,092	5,632
1999	4,875	1,101	5,976
2000	5,308	1,293	6,601
2001	4,959	1,193	6,152
2002	5,188	1,399	6,587
2003	5,020	1,372	6,392
2004	5,922	1,530	7,452
2005	6,132	1,678	7,810
2006	6,657	1,578	8,235
2007	7,231	1,741	8,972
2008	7,428	1,664	9,092
2009	8,127	1,378	9,505
2010	9,466	1,574	11,040

1 See "Overview of the Container Port Industry" prepared by Drewry.

HPH Trust estimates the current combined annual capacity of HIT and COSCO-HIT to be around 12.6 million TEU. The estimated capacity of a container port could vary and fluctuate due to a number of factors, such as the following:

– design and layout of berths, length of berth, quay side depth, yard area and other physical factors;

– average size of vessels and the number of mega vessels that call at the port;

– availability and lifting capacity of quay cranes and yard cranes and availability of internal tractors and other hardware;

– maintenance of equipment and hardware;

– functionality and performance of the terminal management system;

– workflow design and work practices;

– availability and skill level of labour; and

– emergence of technology, such as GPS and mobile communication devices.

The Trustee-Manager believes that there is potential to increase the capacity of HIT and COSCO-HIT through enhancements in equipment, systems, work processes and staff skill levels.

Productivity Data

Certain productivity data in relation to HIT and COSCO-HIT are set out below.

		2008	**2009**	**2010**
Gross quay crane moves (per hour)	HIT	31.5	31.5	30.7
	COSCO-HIT	30.0	30.0	30.0
Gross truck turn-around time (minutes)	HIT	48.0	46.0	55.0
	COSCO-HIT	40.0	43.0	46.0
Throughput per hectare (TEU)	HIT	66,914	73,212	85,275
	COSCO-HIT	55,470	45,945	52,474
Vessel operating rate (per hour)	HIT	75.0	75.1	68.8
	COSCO-HIT	86.8	80.1	83.4

The increase in HIT's gross truck turn-around time and decrease in vessel operating rate in 2010 was as a result of HIT striking a balance between costs, efficiency and the requirements of its customers. During the financial crisis, when shipping lines were low in cargo volume, HIT was requested by customers to prolong the servicing time.

Port Concessions

The table below sets out certain additional details concerning the port concessions of HITL and COSCO-HIT.

	Terminal	Concession Term	Operator	Authority	Approximate land area (ha)	Usage
1.	Terminal 4, Kwai Tsing Port	Expires June 2047	HITL	HK Government	28	Container Terminal
2.	Terminal 6, Kwai Tsing Port	Expires June 2047	HITL	HK Government	29	Container Terminal
3.	Terminal 7, Kwai Tsing Port	Expires June 2047	HITL	HK Government	35	Container Terminal
4.	Terminal 9 North, Kwai Tsing Port	Expires June 2047	HITL	HK Government	19	Container Terminal
5	Terminal 8 East, Kwai Tsing Port	Expires June 2047	COSCO-HIT	HK Government	30	Container Terminal

Yantian

Description

YICT

YICT operates Phases I and II of Yantian, the first deep-water port in southern China. Yantian commenced operations in mid-1994 and is located in Da Peng Bay, three kilometres from the Hong Kong border. Yantian Phases I and II provide 130 hectares of yard space, five container berths and one barge berth.

YICT was initially established as a 70/30 joint venture between HPY (an indirect subsidiary of HPH Trust) and YPG, which was subsequently amended to 73% and 27%, respectively. YPG transferred the 27% equity interest it held in YICT to YPH in 2001. YPG, formerly known as Shenzhen Dongpeng Industry Co., Ltd., was established on 26 February 1985. YPG changed to and began using its current name on 15 November 1994. YPG is a state-owned limited liability company authorised by the Shenzhen Municipal Government, and is 100% held by the State-owned Assets Supervision and Administration Commission of the Shenzhen Municipal Government. The principal activities of YPG include investment in port construction, integrated logistics and port ancillary services. YPG is the holding company of YPH. The shareholders of YICT have agreed that certain matters relating to YICT's registered capital, termination and dissolution, and merger with another company require the approval of all the directors of YICT and that each shareholder has a pre-emptive right to acquire the interest in YICT of the other shareholder. HPY has the right to appoint seven directors and YPH has the right to appoint three directors of YICT. If either party's shareholding in YICT changes, the number of directors of YICT that that party has the right to appoint is amended correspondingly, on the principle that a party may appoint one director of YICT for every 10% of capital contributed by it. HPY and YPH each has the right to nominate one candidate for each of the positions of general manager and executive deputy general manager of YICT, and the general manager is selected and appointed by the board of directors of YICT. If a nominee of one party is selected by the board of YICT as general manager, the nominee of the other party must be appointed as executive deputy general manager. The board of YICT elects the chairman and vice chairman of the board. If a director appointed by one party is elected as the chairman of the board, a director appointed by the other party must be elected as the vice chairman. The chairman of the board of YICT is the legal representative of YICT and does not have a second or casting vote. (See "Risk Factors – Risks relating to the Business – HPH Trust may face risks related to its joint ventures".)

The term of YICT commenced on 16 November 1993 and, subject to extension, will expire on 16 November 2043. The joint venture will terminate upon the term of YICT expiring and may also be terminated under certain circumstances, including a material breach of the terms of the joint venture by either shareholder or where YICT has suffered serious financial losses with no foreseeable prospect of achieving profitable operations.

In April 2010, A.P. Moller-Maersk A/S agreed to sell and COSCO agreed to purchase, its 5.12% interest in Wattrus Limited and its 9.64% interest in Sigma Enterprises Limited as well as its shareholding interests in other entities for an aggregate cash consideration of US$520 million. Wattrus Limited and Sigma Enterprises Limited are intermediate holding companies of HPY. A.P. Moller-Maersk A/S and COSCO completed their sale and purchase in 11 June 2010. COSCO currently indirectly holds the remaining 20.5% interest in Sigma Enterprises Limited.

In February 2011, HPY agreed to sell and YPH agreed to purchase, a 2.0% interest in YICT for a cash consideration of US$28.7 million.

YICTP3

Yantian Phase III and Yantian Phase III Expansion are adjacent to Yantian Phases I and II is operated by YICTP3. Together they provide a total yard space of 226 hectares. The first berth commenced operations in October 2003 and the entire Phase III Expansion is expected to be completed by mid-2011.

YICTP3 was established as a 65/35 joint venture between HPY and YPG. The shareholders of YICTP3 have agreed that certain matters relating to YICTP3's registered capital, termination and dissolution, merger with another company and the provision of a guarantee for a single amount of 10% or more of the registered capital of YICTP3 require the approval of all the directors of YICTP3 and that each shareholder has a pre-emptive right to acquire the interest in YICTP3 of the other shareholder. HPY has the right to appoint seven directors and YPG has the right to appoint four directors of YICTP3. If either party's shareholding in YICTP3 changes, the number of directors of YICTP3 that that party has the right to appoint may be amended correspondingly. HPY has the right to nominate the general manager and YPG has the right to nominate the deputy general manager of YICTP3, which appointments will be approved by the board of directors of YICTP3. The chairman of the board of YICTP3 is appointed by HPY while the vice chairman is appointed by YPG. The chairman of the board of YICTP3 is the legal representative of YICTP3 and does not have a second or casting vote. (See "Risk Factors – Risks relating to the Business – HPH Trust may face risks related to its joint ventures".)

The term of YICTP3 commenced on 26 December 2002 and, subject to extension, will expire on 26 December 2052. The joint venture will terminate upon the term of YICTP3 expiring and may also be terminated under certain circumstances, including a material breach of the terms of the joint venture by either shareholder or where YICTP3 has suffered serious financial losses with no foreseeable prospect of achieving profitable operations.

SYWPT

West Port is adjacent to Yantian Phases I and II, and is operated by SYWPT. Construction works for West Port Phase II are expected to be completed by 2015.

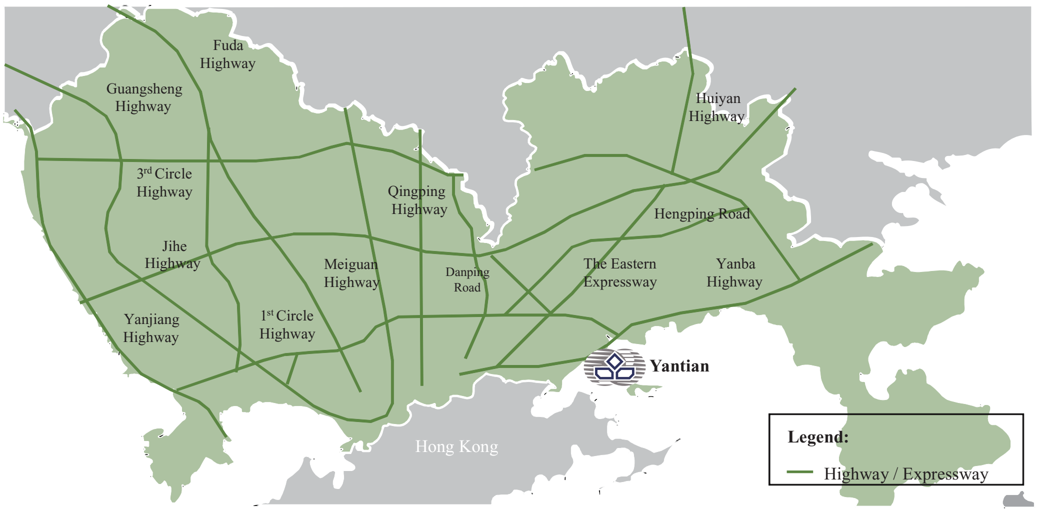
SYWPT was initially established as a 41.67/58.33 joint venture between HPY and YPH, which was subsequently amended to 65% and 35%, respectively. The shareholders of SYWPT have agreed that certain matters relating to SYWPT's registered capital, termination and dissolution, merger with another company and the provision of a guarantee for a single amount of 10% or more of the registered capital of SYWPT require the approval of all the directors of SYWPT and that each shareholder has a pre-emptive right to acquire the interest in SYWPT of the other shareholder. HPY has the right to appoint seven directors and YPH has the right to appoint four directors of SYWPT. If either party's shareholding in SYWPT changes, the number of directors of SYWPT which that party has the right to appoint may be amended correspondingly. HPY has the right to nominate the general manager and YPH has the right to nominate the executive deputy general manager of SYWPT, which appointments will be approved by the board of directors of SYWPT. The chairman of the board of SYWPT is appointed by HPY while the vice chairman is appointed by YPH. The chairman of the board of SYWPT is the legal representative of SYWPT and does not have a second or casting vote. (See "Risk Factors – Risks relating to the Business – HPH Trust may face risks related to its joint ventures".)

In relation to the West Port Phase II project, SYWPT will proceed with the preparation and execution of all necessary definitive agreements for the ownership and/or lease of the land and SYWPT expects the process to be completed in the course of 2011. The definitive agreements will, upon execution, be submitted for approvals by the relevant government authorities, and that process is expected to take 3 to 6 months. (See "Risk Factors – Risks relating to the Business – Delays may occur in the development and construction of berths and port facilities at Yantian.") SYWPT will apply for the relevant permits in relation to the construction of West Port Phase II upon approval of all duly executed definitive agreements by the relevant government authorities and completion of the land transfer and/or land lease. In the event that the land is leased from YPG and/or YPH, YPG and/or YPH will be responsible for the construction on the land and would therefore also be applying for the relevant permits in relation to the construction of West Port Phase II. (See "Risk Factors – Risks relating to the Business – Certain land use right certificate and construction permits have not been received for Yantian.")

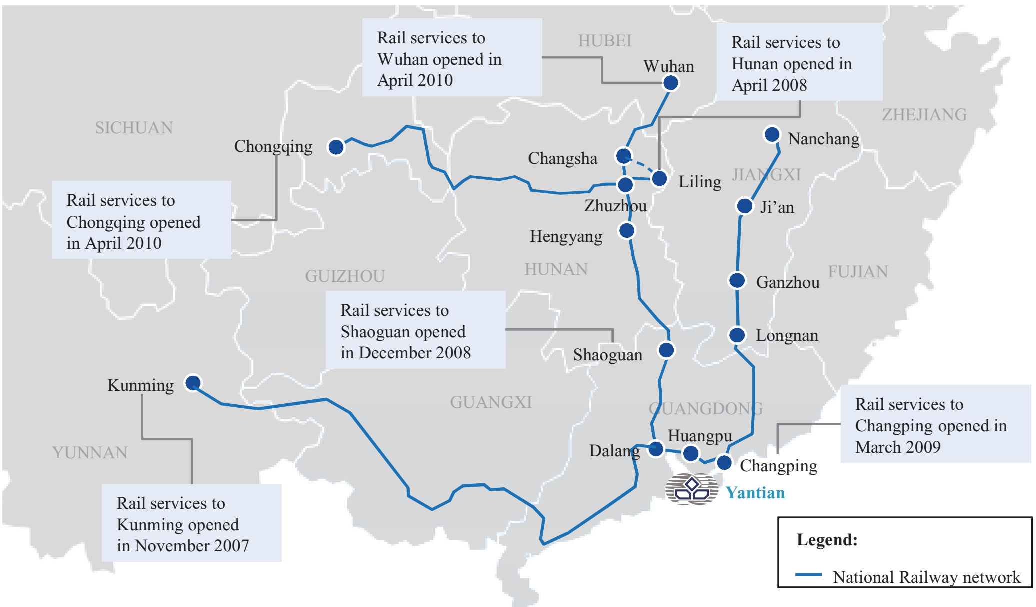
The term of SYWPT commenced on 1 April 2005 and, subject to extension, will expire on 1 April 2055. The joint venture will terminate upon the term of SYWPT expiring and may also be terminated under certain circumstances, including a material breach of the terms of the joint venture by either shareholder or where SYWPT has suffered serious financial losses with no foreseeable prospect of achieving profitable operations or where the property permits in respect of berths 1, 2 and 3 owned by SYWPT at West Port expire and cannot be extended.

Yantian is connected to the highway network serving the Pearl River Delta as well as the national railway network of the PRC through the Pingyan Railway. The transportation network connected to Yantian is illustrated by the map below.

Shenzhen Highway Network

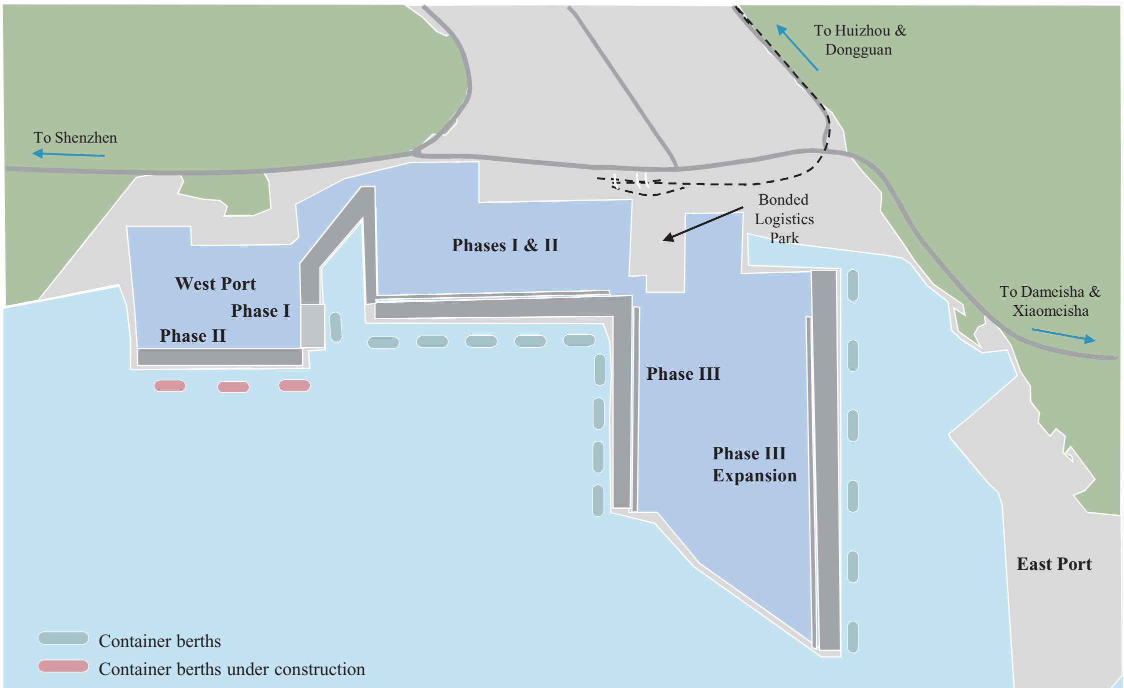


Pingyan Railway Service Coverage



Layout of Yantian

The map below illustrates the layout of Yantian.



Additional Details

The table below sets out certain additional details regarding Yantian.

	Phase I and II	Phase III and Phase III Expansion[(1)]	West Port Phase I	West Port Phase II[(2)]
Total area (ha)	130	226	17	44
No. of container berths[(3)]	5 (5)	10 (12)	1 (1)	3 (4)
No. of barge berths[(3)]	1 (2)	Nil	2 (2)	Nil
Total berth length (m)	2,350	3,504	889	1,142
Water depth alongside (m)	14 to 15[(4)]	16.5	14.3[(4)]	15
Container Quay Cranes	20	51	3	11
Rubber Tyre Gantry Cranes	62	126	12	30

Notes:

(1) Completion of Phase III Expansion is expected by mid-2011.

(2) Completion expected by 2015. The information is indicative and based on current plans and may be subject to change.

(3) Figures in brackets are based on HPH's global definition of a berth at 300 metres per berth. These figures are computed by dividing the total berth length by 300 metres.

(4) Excludes water depth of barge berth.

Throughput

The table below sets out Yantian's historical throughput from 1994 to 2010. The global financial crisis negatively affected the US and European volume in 2008 and 2009, leading to a drop in throughput in Yantian for the corresponding years. Based on the recent recovery of trade volume, new handling capacity coming on line and Yantian's successful initiatives in attracting new businesses, throughput in 2010 was 18% higher than that in 2009. Yantian has always been focused on O&D container traffic (approximately 89% for 2001 and 92% for 2010). The O&D throughput mainly consists of Trans-Pacific and Europe-Asia volume.

Year	**Throughput (TEU in thousands)**
1994	13
1995	106
1996	354
1997	638
1998	1,038
1999	1,588
2000	2,148
2001	2,752
2002	4,182
2003	5,258
2004	6,260
2005	7,581
2006	8,865
2007	10,016
2008	9,684
2009	8,579
2010	10,134

HPH Trust estimates the annual capacity of Yantian to be around 14.4 million TEU. As discussed in "– HIT and COSCO-HIT – Throughput" above, the current estimated annual capacity is capable of change, depending on the factors described in that section.

Productivity Data

Certain productivity data in relation to Yantian are set out below.

Productivity Metric	2008	2009	2010
Gross quay crane move (per hour)	33.7	31.4	31.9
Gross truck turn-around time (minutes)	36.0	38.9	34.1
Throughput per hectare (TEU)	33,861	27,811	30,241
Vessel operating rate (per hour)	108.5	107.0	103.9

Government Approvals for Port Operation

The PRC Government has approved:

- YICT to operate Yantian Phases I and II until November 2043;
- YICTP3 to operate Yantian Phases III and Yantian Phases III Expansion until December 2052; and
- SYWPT to operate West Port Phase I until April 2055 and West Port Phase II until August 2038.

The table below sets out certain additional details concerning the government approvals for operation of Yantian.

	Terminal	Approved Operation Term	Operator	Approving Authority	Approximate land area (ha)	Usage
1.	Yantian Phases I & II, Yantian	Expires November 2043	YICT	Ministry of Commerce	130	Container Terminal
2.	Yantian Phase III and Yantian Phase III Expansion, Yantian	Expires December 2052	YICTP3	Ministry of Commerce	226	Container Terminal
3.	West Port Phase I, Yantian	Expires April 2055	SYWPT	Shenzhen Municipal Government	17	Container Terminal
4.	West Port Phase II, Yantian	Expires August 2038	SYWPT	National Development and Reform Commission	44	Container Terminal

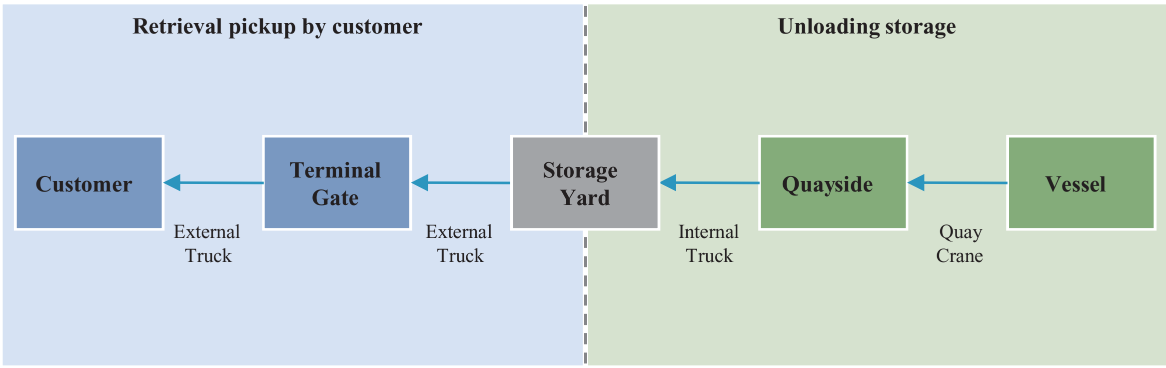
CORE SERVICES

Cargo Handling and Storage

HPH Trust's core port services include the loading and unloading of containers to and from container vessels, the temporary storage of containers and cargo and the handling of containers within the container terminal premises.

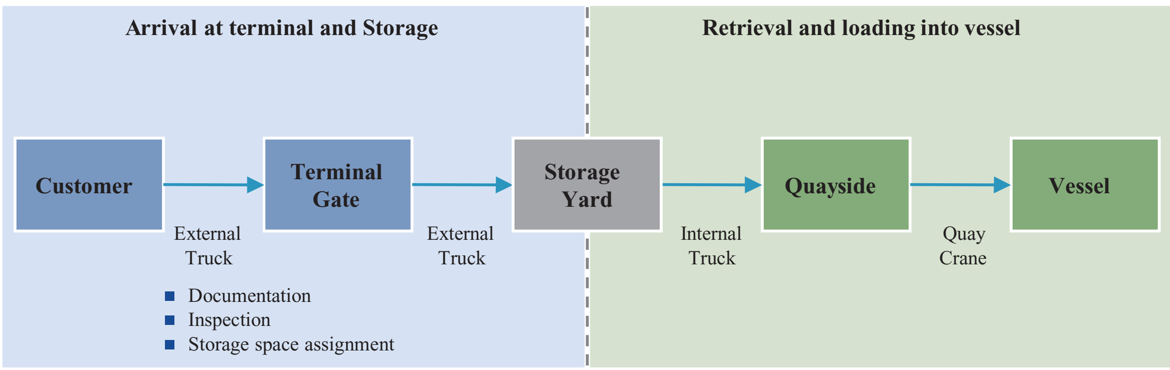
Import of Containers

Import containers are unloaded from vessels by quay cranes and placed on trucks which operate within the terminals and are provided by the terminal operators ("**Internal Trucks**"). These Internal Trucks transport the containers to the yard, and the containers are placed by yard cranes into temporary storage. The containers remain in storage until the yard cranes retrieve them for collection by trucks in service of the shippers, which transport these containers in and out of the terminals ("**External Trucks**"). The flow of import containers is illustrated below.



Export of Containers

Export containers follow the same sequence as containers to be imported but in reverse. The containers arrive on External Trucks through the terminal gate and are held in temporary storage until their designated vessel arrives. They are thereafter retrieved from storage, taken by Internal Trucks to the berth and loaded by the quay cranes onto vessels. The flow of containers for export through the terminal is illustrated below.



Yantian offers rail as an additional mode of transport for containers entering and leaving Yantian.

Transhipment

Transhipment refers to the transfer of containers from one vessel to another at the terminal, en route to a final destination. There are broadly two types of transhipment flow:

- vessel-to-vessel transhipment, which involves the transfer of containers from one deep-sea container vessel to another; and

- vessel-to-barge transhipment, which involves the transfer of containers from deep-water container vessels to barges and feeders, or vice versa.

Pre-arrival Vessel Planning

The tentative arrival schedules of vessels are normally submitted a few days before the estimated time of arrival of the vessel. Around 24 hours prior to the estimated time of berthing, notifications are submitted to the terminal for container details such as import or transhipment declaration. Information from shipping lines can be provided via the Electronic Data Interchange System or the Customer Plus (as defined herein) system (for HIT and COSCO-HIT) and the YesInfo system (for Yantian).

Information received from the shipping lines is loaded into the following systems, which are part of nGen, to facilitate the loading and unloading operations upon the arrival of the vessels:

- the advanced stowage planning system, Guider (as defined herein), which helps ship planners organise vessel stowage for loading and unloading operations; and

- the Automated Grounding System which helps Yard Planners identify the most appropriate areas for the temporary storage of each container based on its designated vessel, weight class and port of discharge.

(See "The Business of Hutchison Port Holdings Trust – Terminal Management System – nGen" for details regarding nGen.)

Quayside Operations

Upon the arrival of vessels at HIT, COSCO-HIT or Yantian, the following systems are in place to ensure that loading and unloading of the vessels are carried out in an efficient manner:

- all terminal activities are coordinated through the port control tower which uses the Operations Monitoring System ("**OMS**"), which is part of nGen. The OMS is able to support the terminal operations to ensure that the ports are operated efficiently (even through adverse weather conditions) and are able to meet the demands of customers; and

- Internal Trucks are equipped with a two-way wireless communications device which receives real-time operating instructions from the proprietary terminal management system nGen.

(See "The Business of Hutchison Port Holdings Trust – Terminal Management System – nGen" for details regarding nGen.)

Yard Movement

The movement of containers within the terminals is supported by the following systems to ensure that such movement is properly planned, coordinated and monitored:

- nGen maintains detailed information on each container and provides a variety of enquiry, reporting and analysis functions to assist in the optimal management of containers in the relevant terminal;

- the gantry cranes deployed throughout the container yard are linked to nGen, which allows for the efficient real-time deployment of gantry cranes for the movement of containers; and

- nGen has a yard map that contains the exact location of each of the containers in the terminal at any one time, which is linked to Customer Plus and YesInfo and the terminal gate operations (Tractor Identity Card ("**TID**") systems (for HIT and COSCO-HIT) and Port Community Card systems (for Yantian)).

(See "The Business of Hutchison Port Holdings Trust – Terminal Management System – nGen" for details regarding nGen.)

Gate Operations

Movement of Containers in and out of Terminals

The movement of containers in and out of HIT, COSCO-HIT or Yantian through the various terminal gates is highly automated. The procedure for such movement of containers mainly consists of:

- inspection of the physical condition of the container at the terminal gates prior to the entry into the terminal;

- collection of transport documents and processing of such documents at the terminal gates; and

- inspection of the physical condition of the container at the terminal gates prior to its exit from the terminal.

Automated Systems for Trucks

In HIT and COSCO-HIT, External Truck drivers can make appointments through the interactive voice response-based Tractor Appointment System to pick up or deliver containers. The system scans the drivers' TID at the point of entry at the gate terminal for verification. Truck drivers receive pick-up instructions via their mobile phones.

Yantian has developed the Port Community Card, a system which is similar to the TID system. The Port Community Card developed by YICT is now adopted by all container terminals in Shenzhen, PRC.

In addition, the Portfolio Container Terminals have in place the Smart Dual Move System which is a system that enables the truck driver to deliver and collect containers in one single trip, thereby avoiding empty runs and reducing truck traffic in the terminal.

Customs Procedures

The customs handling procedures for Hong Kong and Yantian are different.

The customs handling procedure at Hong Kong, which is a freeport, varies based on the type of cargo. For example, different procedures are in place for special cargo such as detention cargo (cargo is detained at the discretion of the customs authorities) and dutiable cargo (for dutiable goods such as cigarettes and light diesel oil). As Hong Kong is a freeport and has efficient customs handling procedures, these advantages have contributed to its status as the preferred transhipment hub for the region.

The PRC's customs handling procedure involves a number of parties, including the shipping lines' agents (brokers), shippers, consignees and container terminals. The Trustee-Manager believes that Yantian's streamlined procedures assist its customers in expediting customs clearance, making it a preferred O&D port for the Guangdong trade catchment area, which is one of the densest manufacturing regions in the world.

TERMINAL MANAGEMENT SYSTEM – nGen

nGen is the Sponsor's proprietary, scalable, and customer-oriented terminal management system that streamlines port processes, improves the efficiency of port operations and enhances information exchange with shipping lines by integrating with their systems.

The Trustee-Manager and HPH Trust HoldCo have entered into the Master IT Services Agreement with HPHIS(BVI) and HPHIS for the usage of nGen. Pursuant to this agreement, the Sponsor will also support the future development and enhancement of nGen at the request of the Trustee-Manager. (See "Certain Agreements Relating to Hutchison Port Holdings Trust – Master IT Services Agreement".)

nGen was launched at Yantian in 2003. An updated version of nGen was then introduced at HIT and COSCO-HIT in 2005[1].

1 This system has also been installed by the Sponsor in its ports in Indonesia, Poland, Oman, Thailand and Vietnam, and the Sponsor will be installing this system in its other ports as well.

nGen has three main product suites, being "Peripheral Operation Systems", "Corporate Systems" and "Port Community Communications", and details of the individual systems within each of these product suites are set out below.

Product Suite	Full Name	Alias	Key Functionality
Peripheral Operation Systems	Terminal Operation Planning System	TOPS	A system which provides graphic user interface for the allocation of berths to calling vessels according to operations requirements, vessel specifications and calling schedule
	Guider	Guider	A system which facilitates the vessel discharge and loading planning process
	Automated Grounding System		A system that helps yard planners identify the most appropriate areas for the temporary storage of each container yard based on its designated vessel, weight class and port of discharge
	Operations Monitoring System	OMS	A system which monitors yard operations including inventory distribution and container movement status
	Terminal Reporting and Communications System	TRACS	A system which provides real time reporting and control of container picking/grounding moves by yard equipment and vessel loading/ unloading by quay cranes through radio data communications
	ASC System	ASC	A system which coordinates the operation of automatic stacking cranes to support the pickup and delivery of containers
Corporate Systems	Enterprise Data Repository	nEDR	A data repository which records historical operations data for performance reporting, operations analysis and trend analysis
	Billing Management	nBIS	A system to maintain information on customer tariff, invoice calculation and generating of invoices

Product Suite	Full Name	Alias	Key Functionality
Port Community Communications	Electronic Data Interchange	GIS	A system which supports the exchange of a variety of electronic message formats and types
	Port Community System		An information hub supporting real-time information exchange within a port community, including the relevant port authority, shipping lines/agents, freight forwarders and trucking companies

Participation in OnePort

OnePort was founded by HITL, CHT and MTL (a terminal operator in Hong Kong), in February 2003 with an objective of strengthening the competitive position of Hong Kong as a logistics hub through the provision of information and related services. Tradelink Electronic Commerce Limited later became one of the shareholders.

Since its establishment in 2003, the aim of OnePort has been to improve the efficiency of the local logistics industry. OnePort supports a substantial number of registered customers including all Hong Kong container terminals, 100 shipping lines, 20,000 shippers, 3,000 freight forwarders, 4,000 trucking companies and 200 barge operators.

The services provided by OnePort include (i) berth booking solutions, (ii) information delivery system solutions, (iii) billing and payment system solutions, (iv) data integration and interchange solutions, (v) fleet management solutions and (vi) the PRC mainland customs declaration solutions.

CUSTOMERS

HPH Trust's major customers are international shipping companies.

The number of shipping lines served by the Portfolio Container Terminals is set out in the table below.

Number of shipping lines served	2008	2009	2010
HIT and COSCO-HIT	77	80	89
Yantian	48	54	59

The top 10 customers (by throughput) of the Portfolio Container Terminals for 2010 are (in alphabetical order) APL Ltd., China Shipping Container Lines, CMA CGM S.A., COSCO Container Lines Co., Ltd., Evergreen Marine Corporation, Hanjin Shipping, A.P. Moller-Maersk A/S, Mitsui O.S.K. Lines Ltd., Mediterranean Shipping Company S.A. and Wan Hai Lines. For the year ended 31 December 2010, the Portfolio Container Terminals' five and 10 largest customers accounted for 41% and 68%, respectively, of the gross throughput of the Portfolio Container Terminals although none of these customers individually accounted for more than 15% of the gross throughput for all the Portfolio Container Terminals.

The number of weekly shipping lines services for HIT, COSCO-HIT and Yantian (by trade routes as at 31 December 2010) is set out in the table below.

Number of weekly services by trade routes	**HIT & COSCO-HIT**	**Yantian**
North America	31	35
Europe	35	33
Asia	123	14
Others	39	21
Total	**228**	**103**

SALES AND MARKETING

The ability to provide customers with an efficient, high quality and competitive service has always been fundamental to the continued success of the Portfolio Container Terminals.

The Portfolio Container Terminals' major customers are international shipping companies, which contribute to global trade flows through their deployment of container vessels. The Portfolio Container Terminals enter into terminal services agreements with its customers, with terms ranging from one to three years, setting out detailed fees and charges for services at the terminals. (See "The Business of Hutchison Port Holdings Trust – Tariffs and Fees" for further details of the terminal services agreement.)

Customer Service

The HIT and COSCO-HIT customer service team provides customers with a dedicated hotline to cater to their special requests. In addition, the customer service team provides feedback to relevant departments of HIT and COSCO-HIT to improve overall service levels. The customer service team is also involved in building and maintaining customer relationships.

The Yantian customer service team provides similar services. However, due to the different regulatory environment in the PRC, the Yantian customer service team liaises with additional parties, such as customs brokers and direct shippers.

A proprietary Customer Plus system was launched in 1998, offering a web-based and real-time communication channel between HIT and its customers. A bi-annual survey is conducted for customers to identify areas for improvement of service.

A similar community platform was also established in Yantian in early 2004. Compared to the Customer Plus system, YesInfo (as defined herein) has a relatively broader coverage of other stakeholders, such as customs, China Inspection Quarantine and ship agents and third-party logistics providers, such as freight forwarders, cargo consolidators and trucking companies.

Upstream Marketing

An upstream marketing team was established at the same time the operations of Yantian commenced. The main objective of the team is to promote the use of HIT, COSCO-HIT and Yantian by engaging with end-customers of shipping lines such as very large internationally renowned retailers and manufacturers, freight forwarders and cargo consolidators.

Diversification of sourcing options and supply chain strategies in recent decades has led to many international companies setting up manufacturing capacity in the PRC. The growth in Sino-US and Sino-EU trade in recent decades reflects this trend. Although Yantian does not directly provide services to these international companies, their long term supply chain decisions play a vital role in the development of Yantian.

Yantian, being the market leader in Shenzhen, PRC, is actively involved in promoting the port with the local government. Yantian participates in the China International Logistics and Transportation Fair, held annually in Shenzhen, PRC. The fair brings together trade and logistics companies along the whole international supply chain and provides a platform for YICT to promote its services to players engaged in different stages of the supply chain.

Yantian also actively participates in the Trans-Pacific Maritime (TPM) Asia Conference held annually in the US and the PRC (Shenzhen). Started in the US in 2001, YICT invited the organiser to bring the conference to Shenzhen, PRC in 2007. Yantian is now a Platinum Sponsor of the conference and helps the organiser in identifying and introducing industry leading speakers to the conference. The conference is one of the most important industry events for Trans-Pacific trade.

International Marketing and Sales

The objective of the commercial team is to expand the customer base and throughput of HIT, COSCO-HIT and Yantian. The commercial team collects market intelligence and monitors emerging shipping companies for business opportunities.

The commercial team works closely with the shipping companies to achieve the above objectives. The commercial team engages in discussion with shipping companies to optimise assets and terminal resources allocation through berthing windows arrangements and crane and labour deployment.

The Portfolio Container Terminals benefit from the Sponsor's global relationship with international shipping companies.

Tariffs and fees

In addition to supply and demand, a port operator's ability to set tariffs in the face of competition depends on its overall competitiveness, which is determined by a number of factors, such as geographical location and connectivity, operating efficiency, berth availability, handling capability, transportation and logistics network, ancillary services and facilities.

The tariffs and fees at which the Portfolio Container Terminals offer their services and facilities to customers are set out in the relevant terminal service agreement.

Tariffs are charged for loading and unloading of containers, storage of containers and movement of containers within the terminal. Other fees which may be charged include fees in relation to dockage (i.e. the docking of vessels), change of vessel or port of discharge, cargo re-consolidation and the provision of administrative services.

The tariff rates charged to customers may depend on:

(a) the type of services provided (such as loading and unloading of containers and transfer of containers both within and out of the terminal);

(b) the type of containers, such as reefer, hazardous goods, dutiable, empty containers and others;

(c) the trade routes (such as transocean, intra-Asia and transhipment);

(d) the physical dimensions of the cargo being handled, which can be broadly classified into 20-ft, 40-ft, 45-ft and oversize containers and non-containerised cargo; and

(e) the volume of the cargo being handled.

For the Portfolio Container Terminals, the term of a typical terminal service agreement range between one to three years, although there are terminal service agreements with longer terms or with options for extension.

The Portfolio Container Terminals provide trade credit to their customers for periods of 30 to 60 days from the invoice date, depending on several factors, including the individual customer's financial position, volume and track record. On average, it takes approximately 35 to 45 days to collect the payments.

COMPETITION

Operational Competition

The Portfolio Container Terminals face competition from other container port operators and container terminal operators in Hong Kong and Shenzhen, PRC.

Hong Kong

In Hong Kong, HIT and COSCO-HIT compete with other container terminal operators in the Kwai Tsing Port, including MTL, Container Terminal 3 of Kwai Tsing, Hong Kong ("**CT3**") and Asia Container Terminals Limited ("**ACT**"). HIT and COSCO-HIT have (on a combined basis) 14 berths and approximately 60.0% market share in the Kwai Tsing Port by TEU in 2009.

MTL is a subsidiary of the Hong Kong-based conglomerate, Wharf (Holdings) Limited, with seven container berths and a throughput of 5.1 million TEU in 2009.

CT3 and ACT are co-owned by DP World Limited, a global port operator based in Dubai, and PSA International Pte Ltd, with (on a combined basis) three berths. Their combined throughput was 1.4 million TEU in 2009.

Hong Kong also competes with Singapore and Busan as transhipment hubs.

Shenzhen, PRC

In Shenzhen, PRC, Yantian competes with other container terminal operators in West Shenzhen, such as Shekou Container Terminal ("**SCT**"), Chiwan Container Terminal ("**CCT**") and Da Chan Bay Terminal One ("**DB One**"). Yantian has 16 container berths. Yantian's market share in Shenzhen, PRC by TEU was approximately 47.0% in 2009.

China Merchants Holdings (International) Co. Ltd., a Hong Kong-listed Chinese port operator, is the largest shareholder of SCT and CCT. SCT has nine container berths with a throughput of 4.6 million TEU in 2009. CCT has nine container berths with a throughput of 4.7 million TEU in 2009.

MTL is the largest shareholder of DB One. DB One has five container berths with throughput of 0.2 million TEU in 2009.

Currently, the Portfolio Container Terminals do not consider ports operating in the PRC outside of the Pearl River Delta as competitors. However, as the PRC develops over time, the ports that are outside of the Pearl River Delta may eventually become competitors.

YANTIAN DEVELOPMENT

Two expansion projects are currently in progress at Yantian:

– **Yantian Phase III Expansion**: construction of the remaining yard area is expected to be completed by mid-2011.

– **West Port Phase II**: construction of three deep-water container berths and the extension of one of the container berths of West Port Phase I is expected to be completed by 2015.

Completion of Yantian West Port Phase II will increase capacity by around 3 million TEU per annum. To date, Yantian Phase III Expansion has incurred construction costs of approximately HK$10 billion, with approximately HK$1 billion more required to complete construction. To date, Yantian West Port Phase II has incurred approximately HK$0.2 billion in construction costs, with approximately HK$3 billion more required to complete construction.

HPY has also signed a non-binding heads of agreement with YPG in December 2008 for the joint construction and development of Yantian East Port Phase I. The main definitive agreements for Yantian East Port Phase I include: (i) the Joint Venture Contract and Articles of Association and (ii) the land transfer contract and/or lease agreement (as appropriate). It is currently planned that Yantian East Port Phase I will consist of four deep-water container berths with estimated land area of approximately 1.4 million square metres and quay length of approximately 1.4 kilometres. Subject to all required approvals and execution of definitive agreements, the construction of Yantian East Port Phase I is targeted to commence by 2015 and to be completed by 2020.

EMPLOYEES

The Trustee-Manager believes that human capital is critical to the success of HPH Trust. Competitive employment practices and remuneration packages are offered to attract talented candidates to join HPH Trust.

Apart from traditional training sponsorship that provides employees with the necessary skills and knowledge to perform, opportunities are provided to employees to acquire a broad overview of the container port business through job rotations and overseas assignments. Such career development opportunities enhance the technical expertise and business knowledge of employees.

HITL has developed a number of in-house training programmes. HITL issues official competency licences following technical training courses offered by the Labour Department of Hong Kong. Training offered includes both technical and trade-related skills, such as Mandatory Safety Training, Crane Licensing and Re-validation courses and the Portworker Development Program.

The table below sets out the details of the number of employees of the Portfolio Container Terminals and the Portfolio Ancillary Services.

Category	2008	2009	2010
HIT and COSCO-HIT (Hong Kong)			
Operations	1,260	1,208	1,196
Sales and Marketing	34	33	34
Operation Development and Technology	157	150	136
Engineering	248	223	225
Corporate Support and others	192	184	181
Sub-Total	**1,891**	**1,798**	**1,772**
Yantian (Shenzhen, PRC)			
Operations	1,713	1,656	1,604
Sales and Marketing	105	72	68
Operation Development and Technology	93	86	70
Engineering	322	302	292
Corporate Support and others	550	455	413
Sub-Total	**2,783**	**2,571**	**2,447**
Portfolio Ancillary Services			
Sub-Total	**527**	**465**	**484**
TOTAL	**5,201**	**4,834**	**4,703**

SUB-CONTRACTORS AND SUPPLIERS

Instead of hiring employees for all operational positions, the Portfolio Container Terminals engage third-party sub-contractors to provide contract workers for non-core positions such as tractor drivers, frontloader/forklift drivers, gatehouse clerks and security guards. These contract workers make up a significant portion of the workforce of the Portfolio Container Terminals. The costs of such contract workers are therefore a major component of the operating costs of the Portfolio Container Terminals. In order to avoid dependence on any particular source for contract workers, the Portfolio Container Terminals use a large number of sub-contractors on contract terms ranging from one to three years to provide contract workers.

On average, HIT and COSCO-HIT use approximately 2,000 to 3,000 contract workers on a daily basis. The sub-contracting rates in 2008 and 2009 were relatively stable due to the economic downturn. However, there have been some rate increases in 2010 due to inflationary pressures and the recovery of the general economy.

On average, Yantian uses 2,000 to 4,000 contract staff per day depending on the operational needs of the port.

Besides operations, the Portfolio Container Terminals also engage sub-contractors and suppliers in its port construction and development. Selection of such sub-contractors and suppliers and incurrence of any material capital expenditures will be governed by HPH Trust's tender process and capital expenditure policy.

SEASONALITY

The demand for port services of the Portfolio Container Terminals is affected by seasonality.

On an annual basis, the peak season for container ports in the Pearl River Delta runs from May to October. This precedes the peak in consumer demand at Halloween, Thanksgiving and Christmas. Exports from the PRC are reduced significantly during the Chinese New Year holidays but volumes are typically higher before and after this period.

Seasonality particularly affects the proportion of throughput handled by HIT and COSCO-HIT in Kwai Tsing Port. During the peak season, when volume is higher, HIT shifts excess volume to COSCO-HIT.

In addition, from time to time excess volume is transferred between terminals within Kwai Tsing Port. Depending on the capacity of the terminals, excess volume from HIT or COSCO-HIT is transferred to other terminals in Kwai Tsing Port and vice versa at agreed rates.

SECURITY

ISPS compliance

All of the facilities of the Portfolio Container Terminals are in compliance with the International Ship & Port Facility Security Code ("**ISPS**") issued by the International Maritime Organisation. In order to receive ISPS compliance certification, terminals and shipping vessels are required to submit security assessments and detailed security plans, which are then be followed by regular assessments.

HIT successfully obtained the Statement of Compliance in 2 April 2004, and was among the first terminal facilities to receive ISPS compliance in Hong Kong. COSCO-HIT obtained the Statement of Compliance in 23 April 2004. In Hong Kong, an annual ISPS audit is conducted by the Marine Department, Customs and Excise Department and local law-enforcement agencies. The Port Facility Security Officer ensures the compliance with the ISPS code of any ocean vessels visiting the terminal.

In the PRC, ISPS Compliance is issued by the Ministry of Transport. Yantian first received its compliance certificate for Berths 1-5 in June 2004 and for all the remaining berths in subsequent years, except for Berth 15, which is in a trial operation term until 18 March 2011. While it is in the trial operation term, Berth 15 does not require the Statement of Compliance. Yantian was also among the first terminal operators to receive its "Port Facility Security Certificate" under ISPS in the PRC.

Container Security Initiative

Container Security Initiative ("**CSI**") is a series of measures adopted by US customs authorities to commence security screening on container cargo entering or transiting through the US or Canada (such as identifying high risk containers in foreign ports before they are loaded on vessels destined to or transited through the US / Canada). The Portfolio Container Terminals are in compliance with CSI.

The nGen system supports shipping lines computer systems in tracing and tracking container movement and submits the cargo manifests to destination ports in compliance with CSI 24 hours rule requirements.

At Yantian, a container scanning device has been in operation since February 2009. Two customs examination areas are available at Yantian, one for ordinary manual inspection and one for X-ray scanning. There are also mini-sized scanners, FS-3000, for checking pre-identified containers at the gate terminals. In addition, there is also a radioactivity detector, RM2000, in the cargo examination area, which was installed in February 2009. The detector can scan up to two or three trucks per minute. The results of such scans are submitted to the customs authorities.

The Trustee-Manager believes that Yantian is one of the few ports in the PRC that is CSI compliant.

Customs-Trade Partnership Against Terrorism

The Customs-Trade Partnership Against Terrorism ("**C-TPAT**") is a voluntary supply chain security programme led by US customs authorities and is focused on improving the security of private companies' supply chains with respect to terrorism. As at the Latest Practicable Date, the Portfolio Container Terminals are fully certified and validated members of C-TPAT. The Trustee-Manager expects that the Portfolio Container Terminals will remain as fully certified and validated members of C-TPAT after the Listing Date. The benefit of participating in C-TPAT includes reductions in customs inspection and in cargo delay at borders, for cargo movement into the US. As a member of C-TPAT, the latest updated security information from US. Customs and Border Protection is regularly provided.

Stowaway Prevention

A standard carbon dioxide inspection procedure has been in place to detect suspicious containers since 2005. In addition, at Yantian, two "life-signal" detectors were installed in June 2009 as a non-intrusive inspection tool.

CCTV system

The facilities have installed closed circuit television ("**CCTV**") systems that monitor all critical parts of the terminal facilities 24 hours a day. At the gate area, where external trucks enter the terminal, barriers and card readers for identification of truck drivers are installed to verify the identity of incoming truck drivers.

CCTV systems with more than 260 cameras (in HIT) and more than 60 cameras (in COSCO-HIT) facilitate the operations of HIT and COSCO-HIT. All cameras are monitored and controlled centrally by duty staff 24 hours a day, and rolling two-month records are kept.

HIT and COSCO-HIT have also installed E-Fencing systems on their perimeter fences to detect intruders. Other security facilities, such as carbon dioxide detectors and metal detectors, are also used by their qualified professional security team.

CCTV systems with more than 560 cameras are available at Yantian to facilitate the operations of the port. All cameras are monitored and controlled centrally by duty staff 24 hours a day and key records are kept for seven days.

INSURANCE

The insurance policies relating to the HPH Trust Business Portfolio are maintained at levels which the Trustee-Manager believes to be adequate and consistent with industry standards. Insurance policies taken up include insurance against business interruption, as well as property and equipment insurance. None of HITL, CHT, YICT, YICTP3, SYWPT and the Portfolio Ancillary Services has experienced any significant loss in the past, either as a result of interruptions to its business or as a result of damage to its production facilities due to fire or other causes.

PROPERTIES AND EQUIPMENT

Properties

Certain details concerning the properties owned/leased by HPH Trust (apart from the concessions) are as follows:

	Property/ Building	Leasehold term/ Concession period	Owner/Lessor	Approximate land area (square metres)	Usage
1.	Barge Berth – STT3605	Expires May 2011(1)	HK Government	12,800	Barge Berth
2.	Depot 5 – STT3677	Expires September 2010(1)	HK Government	41,300	Container Storage
3.	4/F, Hutchison Logistics Center	Expires January 2013	Omaha Investments Ltd(2)	1,131	Office
4.	9/F, Hutchison Logistics Center	Expires December 2011	Omaha Investments Ltd(2)	331	Office
5.	HIT Tower, T9	Expires June 2047	HK Government	5,548	Office
6.	10/F, Hutchison Logistics Center	Expires April 2011(1)	Omaha Investments Ltd(2)	83	Store
7.	Yard Land A2 & A3 in West Port, Shenzhen, PRC	Expires September 2011	Shenzhen Yantian Port Holdings Co., Ltd.	52,334	Container Storage
8.	Berth #0 of West Port, Shenzhen, PRC	Expires April 2011(1)	Shenzhen Yantian Port Group Company Limited	8,860	Container Terminal
9.	Yantian East Coastline Yard	Expires December 2013	Shenzhen Yantian Port Tonghui Investment Co., Ltd.	33,000	Container Storage
10.	Pingyan Railway, Shenzhen, PRC(3)	Expires February 2053	Owned by HPH Trust	945,327	Railway

Notes:

(1) In the process of being renewed.

(2) Omaha Investments Ltd is 100% owned by HWL.

(3) The figure reflects the term which Pingyan Railway joint venture had received approval to operate. The fixtures of the railway are owned by the joint venture. The land on which Pingyan Railway situates has different land use right expiry dates, the earliest being March 2041.

HPH Trust does not anticipate difficulty in renewing the leases but in the event that it fails to obtain renewal, it can lease properties from third parties and thus HPH Trust expects non-renewal of leases not to have a significant impact on operations.

Equipment

Major container handling equipment that is in place at the Portfolio Container Terminals includes container quay cranes (which include Super Post Panamax Quay Cranes and Tandem-Lift Quay Cranes), rubber-tyre gantry cranes (which include electric rubber-tyre gantry cranes and hybrid rubber-tyre gantry cranes), trucks, tractors and forklifts.

RIVER PORTS

The River Ports Economic Benefits attributable to three PRC river ports located in Jiangmen, Nanhai and Jiuzhou, whose operations are complementary to HIT, COSCO-HIT and Yantian, will be assigned from the Sponsor to HPH Trust. Between 75% to 90% of the throughput in these river ports was barged to the Portfolio Container Terminals in 2009 and 2010.

The following table sets out the facilities available at the River Ports.

	Jiangmen Terminal	Nanhai Terminal	Zhuhai Jiuzhou Terminal
Total area (ha)	12	40	15
Multi-purpose berths	12	5	6
Total berth length (m)	623	420	703
Water Depth alongside (m)	4.5	8	5
Multi-Purpose Quay Cranes and Jib Cranes	12	4	3
Rubber-Tyre Gantry Cranes	2	8	7
2009 throughput (TEU in thousands)	127	399	295
Sponsor's effective interest (%)	50	50	50

Jiangmen Terminal

Jiangmen Terminal lies close to the Jiangmen High and New Technology Development Zone on the Xijiang River, approximately 53 nautical miles upstream from Macau and 99 nautical miles from Hong Kong. It offers handling services for both container and general cargo.

Jiangmen Terminal has 10 completed warehouses with a total area of 10,000 square metres, half of which are over 1,500 square metres in size. Jiangmen Terminal is also capable of handling reefer and dangerous cargo, using X-ray machines and CCTV systems to facilitate cargo inspection and on-site customs clearance at the terminal. Other services include local vessel and cargo agencies, on-dock container repair, cargo consolidation and off-dock warehousing. Additionally, Jiangmen Terminal provides feeder services to Hong Kong and has extended its feeder service network to Shenzhen, PRC and Nansha.

Nanhai Terminal

Nanhai Terminal commenced operations in 1994. It is located in the Sanshan Port Economic Development Zone, which is in the Nanhai Area of Foshan City, Guangdong Province. The terminal lies on the north bank of the Xijiang River, 84 nautical miles from Hong Kong.

Nanhai Terminal offers a 5,000 square metres off-dock refrigerated warehouse. Other features include import bonded and export surveillance warehouse facilities, local vessel and cargo agencies, as well as container repairing. On-site customs, joint inspection services, and X-ray container inspection services are also provided within the terminal. Nanhai Terminal provides feeder services to Hong Kong and its feeder network extends to Shenzhen and Nansha.

Zhuhai Jiuzhou Terminal

Zhuhai Jiuzhou Terminal began operations in 1993. It is located within Zhuhai Special Economic Zone on the western shore of the Pearl River Estuary, just 36 nautical miles from Hong Kong.

Zhuhai Jiuzhou Terminal has seven warehouses, covering a total area of more than 14,000 square metres. Three of these warehouses are over 2,500 square metres in size. Zhuhai Jiuzhou Terminal provides feeder services to Hong Kong and has extended its feeder service network to Shenzhen, the PRC and Nansha.

PORTFOLIO ANCILLARY SERVICES

The Portfolio Ancillary Services consist of:

- APS;
- Hutchison Logistics; and
- SHICD.

APS is mainly engaged in port ancillary services, with shipping lines as major customers.

Hutchison Logistics and SHICD are engaged in freight forwarding, supply chain management, warehousing and distribution services, with shippers and consignees.

APS

APS provides a loading alternative for container vessels anchored in mid-stream or moored to buoys in Hong Kong's harbour.

APS operates one of the largest fleets of dedicated barges in Hong Kong, delivering full support for both inbound and outbound operations. APS employs a team of over 300 staff members that manages cargo depots and floating yards. APS also offers a range of competitively priced cargo-handling services, including container maintenance, containerised and break-bulk cargo handling, container freight station, empty container storage (both inland and near-dock depots) and trucking services. It also provides marine feeder-shuttle services between Hong Kong and ports in the Pearl River Delta. In particular, APS currently runs feeder services between the Portfolio Container Terminals in Shenzhen, PRC and Hong Kong.

In 2007, Shenzhen Leading Edge Port Services Co. Ltd. was established as a joint venture to provide shipping agency services. The joint venture partner is Shenzhen United International Shipping Agency Company Limited, which is sponsored by the Ministry of Communications and China Ocean Shipping Agency Co., Ltd.

HUTCHISON LOGISTICS AND SHICD

Hutchison Logistics serves customers seeking shipping and warehousing services not typically provided by port operators. Hutchison Logistics can meet shippers' needs for goods storage both prior to shipping or delivery and arrange for the distribution of cargo.

SHICD provides value-added services. Located at Guanlan in Shenzhen's Baoan District, SHICD operates a supervisory and bonded warehouse that facilitates imports and exports in the Pearl River Delta. The facility commenced operations in 1999.

Hutchison Logistics and SHICD together support the logistics and customs clearance needs of global buyers and shippers.

SAFETY AND ENVIRONMENT

Environment

The operations of HIT and COSCO-HIT are in compliance with the health and safety regulations of Hong Kong. Periodic audits and self-assessment checks are conducted to ensure compliance.

HIT and COSCO-HIT promote the adoption of environmentally-friendly measures beyond the minimum requirements stipulated by relevant regulations. Most of their rubber-tyre gantry cranes have switched from industrial diesel oil to ultra-low sulphur diesel. To further reduce emissions, HIT introduced electric rubber-tyre gantry cranes and hybrid rubber-tyre gantry cranes in 2008, while COSCO-HIT introduced them in 2009. As at 31 December 2010, HIT has 39 hybrid rubber-tyre gantry cranes and 41 electric rubber-tyre gantry cranes, representing 63.5% of the total rubber-tyre gantry cranes in operation at HIT, while COSCO-HIT has five hybrid electric rubber-tyre gantry cranes and six electric rubber-tyre gantry cranes, representing 34.4% of the total rubber-tyre gantry cranes in operation.

Similar initiatives were undertaken at Yantian. Yantian completed a major power transmission emission reduction project in 2009. As at 31 December 2010, four hybrid rubber-tyre gantry cranes and 108 electric rubber-tyre gantry cranes, representing 56.0% of the total rubber-tyre gantry cranes, are in operation in Yantian. Direct carbon dioxide emissions in Yantian were reduced by 5.5% in 2008, 13.8% in 2009 and 8.0% in 2010.

The Portfolio Container Terminals have also introduced measures to conserve electricity consumption, including the installation of energy-saving lighting (including flood lights in the yard area and office buildings), and deployment of a solar-powered water heater.

HIT has received a number of awards in recognition of its environmental efforts, including the "2009 Hong Kong Awards for Environmental Excellence – Transport and Logistics sector Awards – Gold Award" by the Hong Kong Environmental Campaign Committee and the "2007 Environmental Performance Award – Certificate of Merit" granted by the Business Environment Council in Hong Kong.

Yantian has also received a number of awards, including the "2008 Outstanding Energy-Saving Enterprise" award by Shenzhen Bureau of Trade and Industry. YICT was also one of the world's first ports to be awarded the title "International Healthy Seaport" ("國際衛生港口") by the World Health Organisation.

Yantian was also the first port facility in the PRC to deploy liquefied natural gas-powered container trucks ("**LNG Trucks**"), introducing the first batch of nine LNG Trucks in 2009. As at 31 December 2010, there are 27 LNG Trucks in operation.

Safety

The safety management system consists of policies, procedures and programmes for the purpose of ensuring that the operational activities are conducted in a manner that promotes human safety and health. The effectiveness of the safety management system is regularly reviewed and audited.

Officers are equipped with speed laser detectors and alcoholic breath testers to ensure safe driving in the terminals. The Safety Steering Committee is responsible for the introduction and regular review of safety polices in compliance with the relevant legal requirements and in line with the best practices of the industry.

LEGAL PROCEEDINGS

None of HPH Trust or the Trustee-Manager is currently involved in any material litigation nor, to the best of the Trustee-Manager's knowledge, is any material litigation currently contemplated or threatened against HPH Trust or the Trustee-Manager.

CORPORATE SOCIAL RESPONSIBILITY

HPH Trust intends to participate in a variety of projects that are beneficial to the community through existing corporate social responsibility programmes launched by HITL, CHT and YICT as well as new ones to be launched in the future. In addition to its continuing support of diversified charity events and voluntary services, it is intended that HPH Trust (through HITL, CHT and YICT) plays an active role in nurturing younger generations by running the Dock School Program. The Dock School Program is a programme that:

- provides scholarships to students; and

- offers industrial placements for students to gain an understanding of the business and operations of HITL, CHT and YICT.

Other educational initiatives that HITL, CHT and YICT have been involved in include:

- donating to Yunnan Dahaizi Hope Primary School in Yunnan, PRC to fund teaching, training, scholarships, materials and cultural exchanges; and

- taking part in the School-Company Partnership programme of the Young Entrepreneurs Development Council to help Hong Kong students better understand the operations of private enterprises.

HPH Trust will disclose its corporate social responsibility initiatives in its annual reports.

OVERVIEW OF THE CONTAINER PORT INDUSTRY

The Trustee-Manager commissioned Drewry Shipping Consultants Limited as the Independent Market Research Consultant to prepare a report on the container port industry for the purpose of inclusion in this document. While the Trustee-Manager believes that the information and data are reliable, the Trustee-Manager cannot ensure the accuracy of the information or data, and the Trustee-Manager, the Joint Bookrunners, the Underwriters and any of their affiliates or advisers have not independently verified this information or data. You should not assume that the information and data contained in this section is accurate as at any date other than the date of this document, except as otherwise indicated. You should also be aware that since the date of this document, there may have been changes in the container port industry and the various sectors therein which could affect the accuracy or completeness of the information in this section.

All the information and data presented in this section, including the analysis of the Chinese container port market has been provided by Drewry. Drewry has advised that the statistical and graphical information contained herein is drawn from its database and other sources. In connection therewith, Drewry has advised that:

- *Certain information in Drewry's database is derived from estimates or subjective judgments;*
- *The information in the databases of other maritime data collection agencies may differ from the information in Drewry's database; and*
- *While Drewry has taken reasonable care in the compilation of the statistical and graphical information and believes it to be accurate and correct, data compilation is subject to limited audit and validation procedures.*

Drewry's methodologies for collection information and data, and therefore the information discussed in this section, may differ from those of other sources.

MARKET OVERVIEW

Summary

- In the last three decades world container port throughput has grown at a compound annual growth rate (CAGR) of 9.2%, almost three times the rate of average global GDP growth.
- The Far East has emerged as the dominant region in container trades and China alone accounts for 23.8% of world container traffic in 2009.
- China has become the factory of the world in the last decade with much of this output concentrated in the Guangdong region which includes the Pearl River Delta.
- Eight of the top 10 container port cities are in Asia, of which six are in China. Container throughput volumes at Chinese ports increased at an average rate of 22.2% in the period 2000 to 2009.
- Chinese container ports operate at very high levels of efficiency and generally outperform their global peers.

- The financial performance of container port operators has exceeded by a wide margin that of container shipping lines and during the recent economic downturn, port operators were able to maintain operating margins by reducing costs.

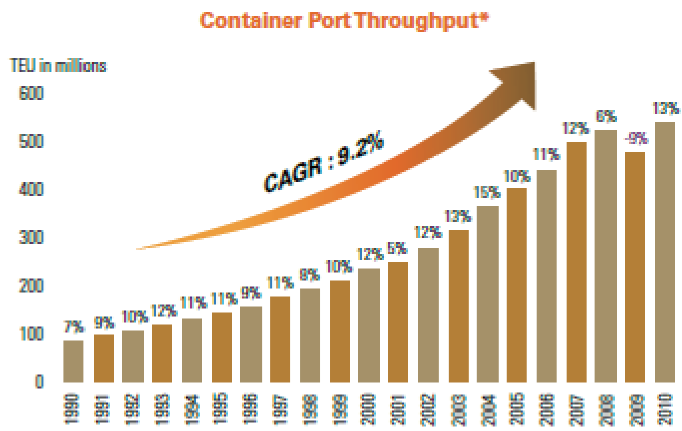
History and Development

Freight transport in standardised containers was first introduced in the 1950s and has since expanded rapidly and consistently to emerge as the most dominant mode for the transport of goods. In volume terms approximately 14% of global trade is now carried in containers, moving finished and semi-finished products from producers to end users in a distribution chain that involves sea, road and railway. Containers are loaded and unloaded from ships using specialised container handling equipment at dedicated container ports and it is container ports which are the focus of this review.

Freight moved in containers covers a broad spectrum of goods including consumer items, industrial products, agricultural commodities, raw materials, liquid products, refrigerated goods and project cargo. Container trades originated from the general cargo sector, but today they have penetrated bulk trades as well. Containers offer many benefits over the traditional modes of trade and transport, and these benefits have resulted in lowering the cost of trade, whilst at the same time increasing the flexibility, efficiency and productivity of the entire transporting network.

Container Market Development

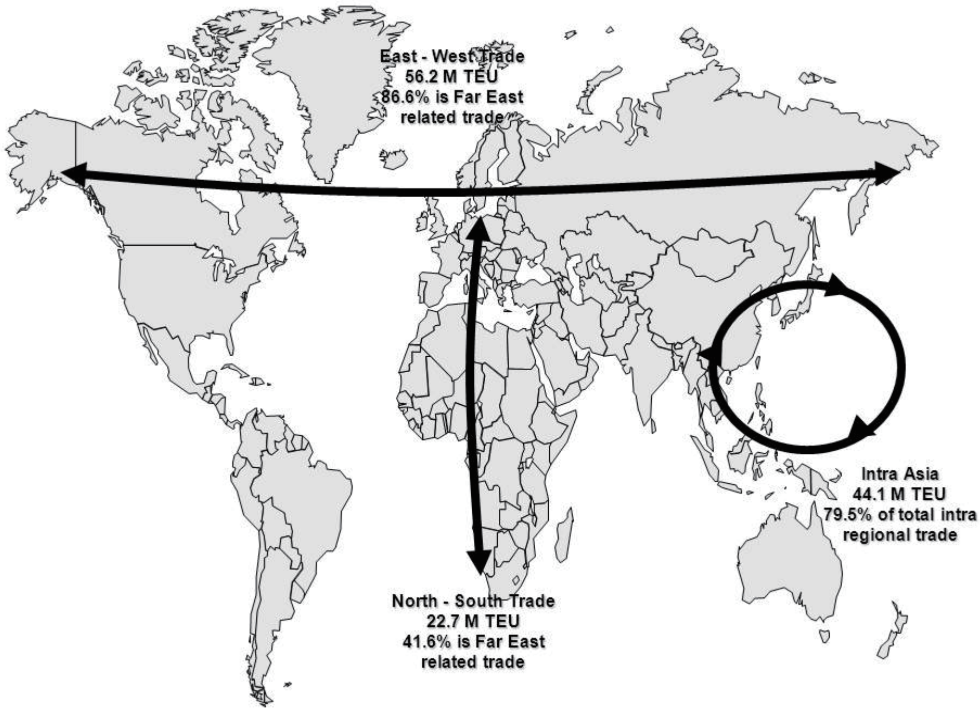
Between 1990 and 2010 world container port throughput grew at a CAGR of 9.2%, making it the fastest growing sector of international shipping by comparison. Over the same period seaborne trade in liquid products and dry bulk commodities grew by approximately 1.8% and 3.1% respectively.



* *Includes empty containers and transhipment*
2010 figures are provisional

Between 1980 and 2008, growth in container port throughput was sustained, but in 2009 due to the global economic downturn container traffic declined for first time in history. Nevertheless, the market recovered strongly in 2010, with preliminary estimates pointing to a 13.4% increase in traffic over 2009, and 3.2% growth over the previous peak in 2008.

Principal Container Trade Flows



Global container trade flows can be classified into two main groups – Inter-Regional trade which runs both East-West and North-South in direction, and Intra-Regional trade.

East-West trade represents the largest container flow and in 2009 accounted for 41.8% of total loaded container movements. The main East-West trades are Transpacific, Far East-Europe and Transatlantic. Intra-regional movements accounted for a further 41.3%, with the balance of 16.9% being accounted for by North-South trades.

Globally, the Far East has emerged as the dominant region on all the major container trade routes, with China alone accounting for 23.8% of global container movements in 2009, compared with just 11.7% in 2002. The intra-Asia trade has grown to become the single largest trade in the world, accounting for 44.1 million TEU in 2009.

China's volume growth has been very rapid at a CAGR of 18.4% from 2002 to 2009, almost three times the world average. Conversely, during the same period the United States and Western Europe's share of the global container market actually declined.

Container Port Throughput and Market Share[1] by Major Country/Region

(TEU in millions, except %)

Year	2002	2003	2004	2005	2006	2007	2008	2009	CAGR (%)
World	**279.1**	**315.5**	**362.6**	**399.1**	**442.4**	**497.7**	**524.5**	**476.9**	**7.6**
Of which:									
US	30.9	33.9	36.9	40.3	42.6	43.2	41.0	35.3	1.9
Market Share (%)	11.1	10.7	10.2	10.1	9.6	8.7	7.8	7.4	
China[2]	37.2	48.8	61.6	75.8	93.6	114.7	128.0	121.2	18.4
Market Share (%)	13.3	15.5	17.0	19.0	21.2	23.1	24.4	25.4	
Japan	14.0	15.4	16.4	17.0	16.9	18.1	18.4	17.6	3.3
Market Share (%)	5.0	4.9	4.5	4.3	3.8	3.6	3.5	3.7	
Western Europe	57.7	63.1	70.9	75.7	81.1	91.0	91.8	78.7	4.5
Market Share (%)	20.7	20.0	19.6	19.0	18.3	18.3	17.5	16.5	
South East Asia	41.5	45.7	51.6	54.6	59.2	66.9	70.7	66.2	6.9
Market Share (%)	14.9	14.5	14.2	13.7	13.4	13.4	13.5	13.9	

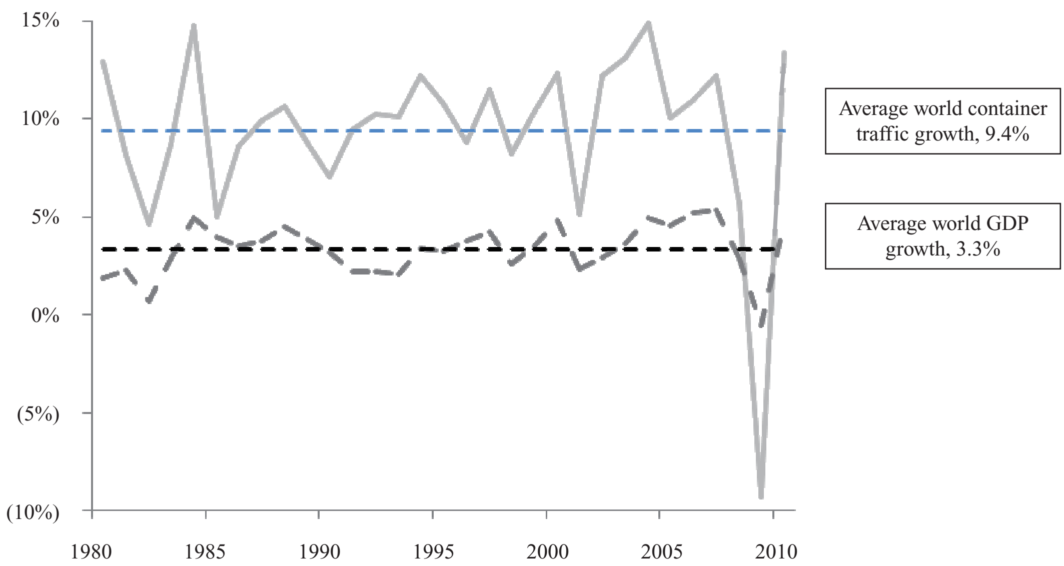
(1) Includes transhipment and empties.
(2) Includes Hong Kong, but excludes Taiwan.

Drivers of Container Traffic

There is strong relationship between economic activity and container traffic, with any changes in economic growth normally having a corresponding impact on global container traffic.

World Economic Growth and Container Traffic

(% Change Year-on-Year)



Historically container traffic has consistently outperformed economic activity and in the period 1980 to 2000 grew at an average rate which was almost three times the average rate of economic growth. High growth rates were driven by the shift in global manufacturing to China, especially the Guangdong region; the steady conversion of break-bulk general cargo into containers; the disintermediation of global supply chains, and induced demand, driven by practices such as transhipment. Since the 1980s each decade has also witnessed different drivers of growth, which are summarised below.

Key Drivers of Container Trade

Period	**Key Drivers**	**Impact on container traffic growth**
1980-1990	Trade liberalisation: General Agreement on Tariffs and Trade. Container trade predominantly between developed nations.	CAGR 8.0%
1991-2000	Greater global integration in container trade. New and emerging markets. Asian financial crisis	CAGR 10.0%
2000-2008	China becomes World Trade Organisation member in 2001 and United States recession	CAGR 11.0%
2009	Global financial crisis	Declined by 9.0% as compared to 2008
2010	Recovery: container volumes increase in several regions and major ports.	Preliminary data for 2010 indicates a 13.0% growth over 2009

China is critical to the overall health of the container market and besides the above drivers, it is evident that the Chinese market is also being driven by a combination of growing intermodal flows which have resulted from investment in the national rail network and inland container depots, and government induced growth of manufacturing industries in the central and western provinces. At the same it is also evident that political and economic support for domestic consumption has given rise to imports.

Origin and Destination (O&D) and Transhipment

Two categories of container traffic are handled at container terminals. O&D traffic comprises containers moving to and from the hinterland served by a terminal. Transhipment containers are containers which are transferred from one vessel to another at a terminal, en route to a final destination.

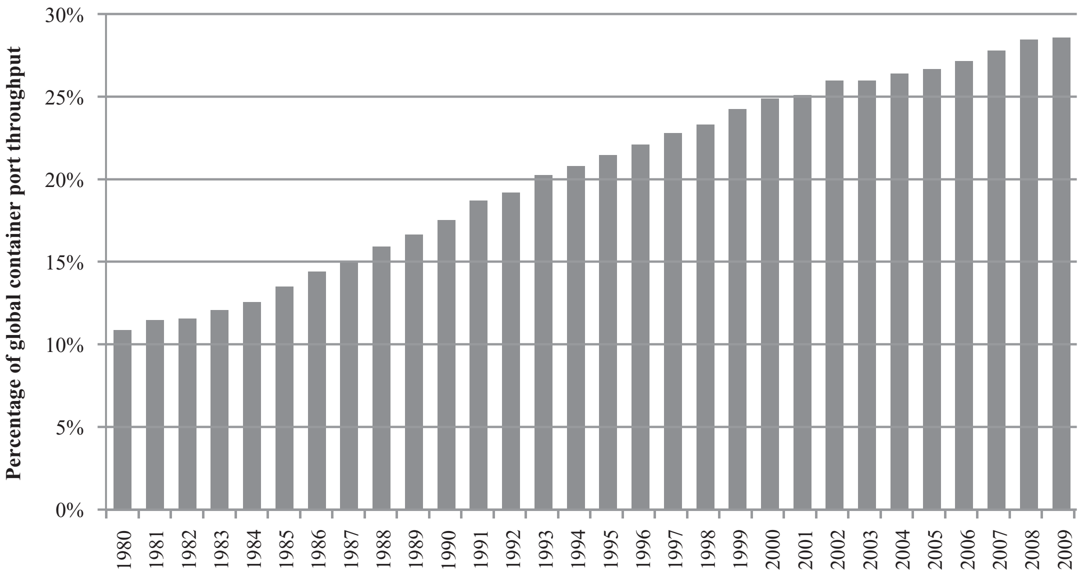
Transhipment was used initially as a means of serving small ports at which mainline vessels were not able to call. Containers would be transhipped at a convenient regional hub onto small "feeder" vessels, which would carry the container to the final destination. In the 1990s, lines began to tranship containers between mainline vessels in order to increase service options and to reduce overall network cost. These trends led to an increase in the use of transhipment; and the incidence of transhipment globally has increased from 17.6% in 1990 to an estimated 28.5% of total container port throughput in 2010.

O&D containers and transhipment containers are subject to different handling rates. Transhipment containers earn lower revenue per move than O&D containers, and generate lower margins for the terminal operator. Despite transhipment containers bearing lower revenue per move, efficient terminal operators have potential to earn more profits due to quicker turnaround time and economies of scale. Therefore, terminal operators with frequent services calls and better services network will earn bigger shares in the transhipment containers market. O&D containers also offer greater potential earnings from ancillary services such as storage, delivery, cleaning and repair etc. However, these ancillary services account for only a small proportion of the container terminal operator's income, as loading and discharging containers account for approximately around 80% of the terminal operators earnings.

Transhipment therefore increases the overall cost of transporting the container from origin to destination and shipping lines may not always be able to pass on the full costs associated with transhipment to their customers. Shipping lines also prefer to service a trade with direct calls rather than transhipment. Sometimes, however, the shipping lines do not have much choice due to the nature of the trade services. As such, they would prefer to have convenient regional hubs, e.g. Singapore for South East Asia, and Hong Kong for South China, to consolidate their boxes to reduce their network cost.

Development of Transhipment

(% of Global Container Port Throughput)



Empty and Laden Containers

Container traffic is rarely balanced: for example, exports from Asia to Europe and North America greatly exceed imports from those regions. As a result, empty containers flow back to Asia and other export dominant regions as containers are repositioned from areas of surplus.

The problem of empty repositioning is compounded by a wide variety of container types in operation. These range from dry vans to refrigerated containers to flat racks and other special types. This variety can, in certain circumstances, generate a two way flow of empty containers.

Approximately 20.0% of global container port throughput comprises empty containers. The empty container market share has been stable in the period from 2002 to 2009.

Market Dynamics and Tariffs

Container ports are typically capital intensive and may be subject to stringent planning regulations. There are therefore significant barriers to market entry. As a result, the container port market is often fairly concentrated. Ports offer similar services to their customers and therefore compete on the basis of performance, berth availability and their geographical reach and hinterland connectivity. Relationships with customers tend to be long lived and, as a result, tariffs in the container port industry are now relatively stable, although some level of tariff volatility is evident in the transhipment sector where traffic is inherently more mobile.

O&D markets are typically more stable than transhipment markets, as transport connections to the hinterland often mean that O&D traffic may be effectively captive to a particular port. Transhipment traffic, by contrast, can be moved from one regional hub to another as lines seek to minimise overall network costs. This traffic is therefore more susceptible to competition between rival hubs on price, productivity and reliability. That being said, geographic location will also play a role, as key ports such as Hong Kong and Singapore are situated on major trade routes of many shipping lines.

In some markets, tariffs have fallen from historical levels due to the effects of privatisation, the development of increased competition, improvements in technology and increases in productivity, which have reduced the average operating cost per TEU and increased customer choice. The cost of handling containers at a terminal constitutes a very small proportion of overall landed cost of goods and therefore overall market demand is relatively inelastic to price.

Container Port Operators & Container Carriers

Container ports and container carriers are both involved in container trade but are structurally very different and this is reflected in the financial performance of each type of entity.

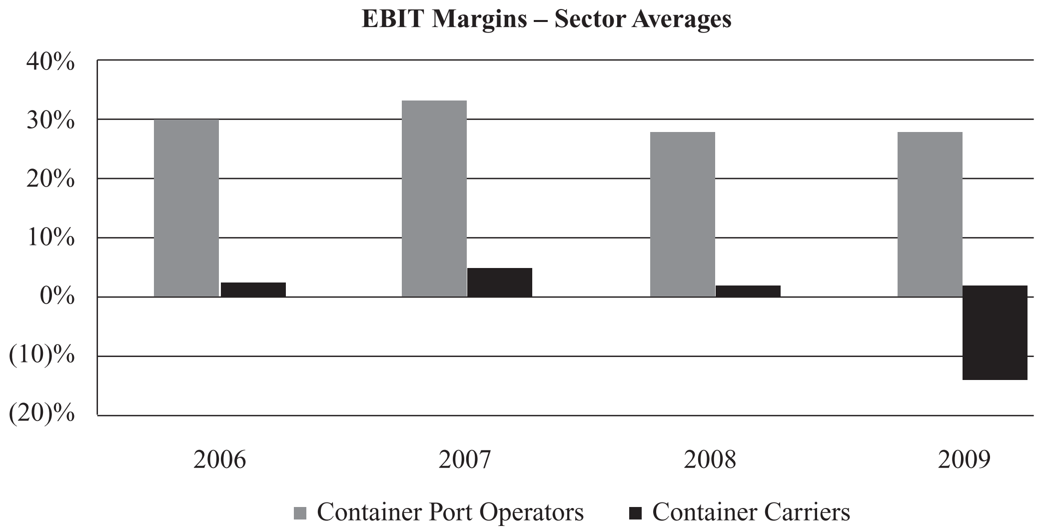
Port operators compete in markets with high barriers to entry (with resulting higher market concentration) and where a significant proportion of captive traffic is characterised by comparative tariff stability. They also have a larger proportion of their operating costs linked to throughput and therefore have a greater flexibility to manage their costs during a downturn.

Critical success factors in the O&D market include reliability, capacity, productivity, berth availability and having contiguous berths, and hinterland transport connections. Proximity to trade flows and natural deep-water both at the quay side and in approach channels are also critical for successful port operation, as they negate the requirement for costly dredging, as well as removing constraints on sailing times and avoiding congestion. In the transhipment market reliability, capacity, productivity, berth availability remain key and price plays a more prominent role.

Conversely, container carriers compete in a highly fragmented market where earnings are very volatile and where they do have limited short run flexibility to manage operating costs in line with throughput.

During the 2009 global financial crisis when container trade volumes dropped by 9.3%, container carriers incurred losses estimated at US$15 billion. However, as the chart below shows, global container port operators were able to maintain profitability.

Financial Performance[1]: Container Port Operators & Container Carriers



(1) Derived from annual reports

Key Container Ports and Container Port Operators

In 2009, eight of the top 10 container ports cities (based on throughput) were in Asia, of which six were in China alone. In 2000 only five of the top ten container ports were in Asia, with only two ports in China in this ranking.

Top 10[1] Container Port Cities – 2009

PORT	COUNTRY	Rank 2009	Rank 2000	2009 Throughput (TEU in millions)
Singapore	Singapore	1	2	25.9
Shanghai	China	2	6	25.2
Hong Kong	China	3	1	21.0
Shenzhen	China	4	11	18.2
Busan	S. Korea	5	3	12.0
Dubai	U.A.E.	6	13	11.1
Guangzhou (Nansha)	China	7	37	11.0
Ningbo	China	8	65	10.4
Qingdao	China	9	23	10.2
Rotterdam	Netherlands	10	5	9.7

(1) Based on throughput

The growing dominance of China in global container trades is further emphasised in the rankings of major container port operators. Hong Kong and Shenzhen, PRC are so close geographically that they can be considered to be one market and to a lesser extent this also applies to Shanghai and Ningbo. Although it should be noted that Shanghai actually comprises of two key ports – Waigaoqiao and Yangshan port, each with its own set of terminal operators.

Waigaoqiao includes Shanghai Pudong International Container Terminals; Shanghai Zhendong Container Terminals; Shanghai Mingdong Container Terminals and Shanghai Hudong Container Terminals. Yangshan includes Shanghai Shengdong Container terminals and Shanghai Guandong Container Terminals. These two terminals are operated by SIPG. Given that there are different operators within each port city, there are different levels of productivity.

A large proportion of the top container ports are operated by international port operators. In 2009, the top 10 international terminal operators accounted for 64.8% of global throughput.

Top 10 Global Container Port Operators

(TEU in millions/% Share Container Port Throughput)

Operator	2008		2009		Ranking	
	(TEU in millions)	(% Share)	(TEU in millions)	(% Share)	2009	2008
HPH	67.6	13.0%	65.3	13.8%	1	1
APMT	64.4	12.3%	56.9	12.0%	2	2
PSA	59.7	11.4%	55.3	11.7%	3	3
DPW	46.2	8.9%	45.2	9.5%	4	4
Cosco	32.0	6.1%	32.5	6.9%	5	5
MSC	16.2	3.1%	16.4	3.5%	6	6
Eurogate	13.2	2.5%	11.7	2.5%	7	7
Evergreen	10.3	2.0%	8.6	1.8%	8	8
SSA Marine	7.4	1.4%	7.7	1.6%	9	10
CMA-CGM	7.0	1.3%	7.0	1.5%	10	11
Total Top 10	**324.1**	**62.0%**	**306.6**	**64.8%**		
Others Operators	200.3	38.0%	166.4	35.2%		
Total Operators	**524.4**	**100.0%**	**473.0**	**100.0%**		

Notes:

1) Unless stated otherwise, figures include total annual throughput for all terminals in which 10%+ shareholdings held as at 31 Dec 2008 and 31 Dec 2009.
2) Figures do not include stevedoring operations at common user terminals.
3) Cosco includes Cosco Pacific and Cosco Container Line.
4) Due to method of calculation there is some degree of variation between Drewry's figures and the terminal operator's publicly announced results.
5) Some figures are estimated and is based on those organisations with operations in more than one region.

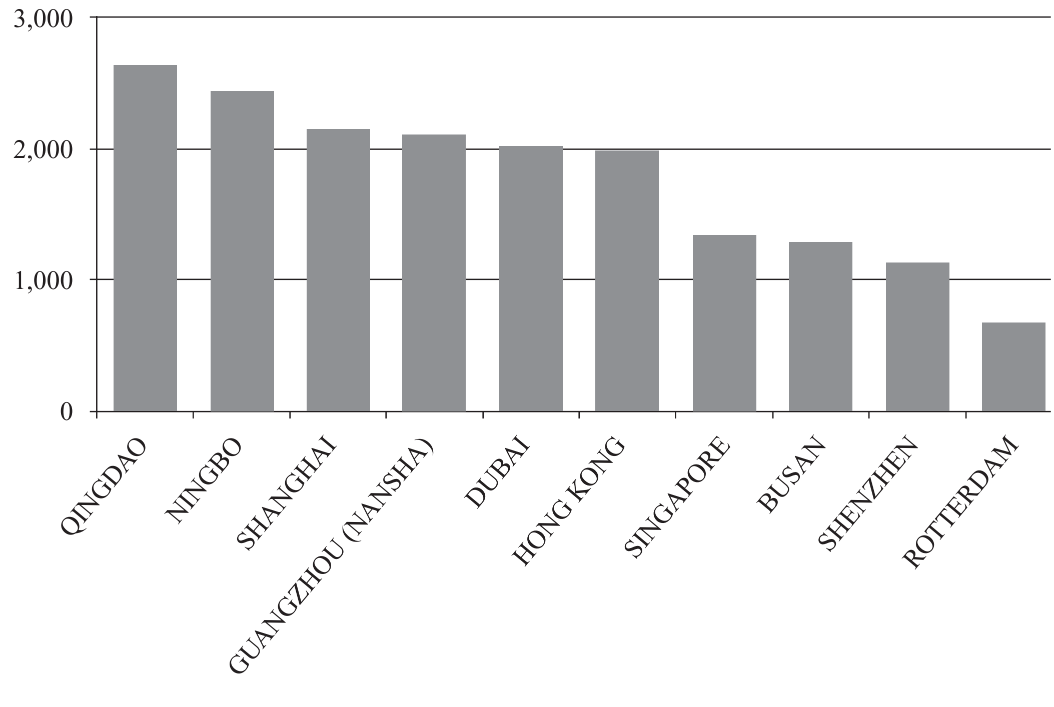
Geographical scope has a large influence on the competitiveness of global port operators as they compete increasingly on the size and diversification of their portfolios, which enable them to offer global networks to their liner customers, who are themselves consolidating and becoming increasingly large.

Container Port Operating Efficiency

Within a global context productivity at container ports in China is much higher than major container ports in other parts of the world. For example, Singapore and Hong Kong, which ranked as the largest and third largest container port by throughput in 2009, only rank 7th and 6th respectively in terms of productivity.

Quay Line Performance

(TEU per Metre of Quay Per Annum)



Quay line performance is a measure of berth utilisation; although it is true to say that high efficiency in this context is not always directly related to profitability. Normally, high berth productivity for a port operator will lead to greater revenues, as more revenue will be generated by per metre of port infrastructure investment.

Similarly, high crane productivity normally leads to faster ship turnaround while in port and therefore lower costs for the container carrier.

Trends in Container Shipping and the Impact on Container Ports

The growing volume of container trade on all trade routes and continued efforts by the container carriers to reduce costs has meant larger ships being deployed. Average ship size has increased on all trade routes and the more prominent trade lanes have witnessed growth in ship size that has resulted in changes in the way shipping lines service these trades.

Container Orderbook by Size Range – December 2010

Size (TEU)	Existing fleet		Scheduled for Delivery In: 2010[1]		2011 E		2012 E		2013 E		2014 E		Total		% to Existing Fleet
	Unit	(TEU in thousands)	Unit	(TEU in thousands)	Unit	(TEU in thousands)	Unit	(TEU in thousands)	Unit	(TEU in thousands)	Unit	(TEU in thousands)	Unit	(TEU in thousands)	
<1,000-8,000	4,441	11,051	188	417	135	485	108	417	44	137	3	20	478	1,476	13.4
8,000+	308	2,874	9	115	88	963	64	711	37	339	28	276	226	2,404	83.7
Total	**4,749**	**13,925**	**197**	**532**	**223**	**1,448**	**172**	**1,128**	**81**	**476**	**31**	**296**	**704**	**3,880**	**27.9**

Note:

(1) Apparent late deliveries.

Average container vessel size has grown three-fold in the past two decades and vessels with a design capacity of more than 13,500 TEU are in now in operation.

The increase in average ship size will continue as over 61% of the current containership orderbook (in terms of TEU) is made up of ships in excess of 8,000 TEU.

Shipping lines continue to build larger ships in an effort to drive down slot costs, although the number of routes where large vessels can operate remains comparatively small. A corollary of the deployment of larger ships is therefore the growth in transhipment volumes, with smaller ships moving containers from hub ports. It has also placed new demands on port facilities, as the required operating drafts of the fleet have risen from approximately 10.0 metres in the 1970s to more than 15.0 metres plus today.

The deployment of larger ships has had an impact on ports and terminals as well. It has led to additional investment in both port infrastructure (dredging and civil works) and port superstructure (equipment and technology). Furthermore, the ability to handle larger ships translates into greater competitive advantage, and this is a significant factor in attracting shipping lines to a particular port.

The drivers for customer service for container ports therefore include the ability to adapt to the changing demands of the shipping industry; the growth in ship size; productivity and performance; geographical coverage, and most importantly, the ability to control costs and manage market downturns.

THE CHINESE & HONG KONG CONTAINER PORT MARKET

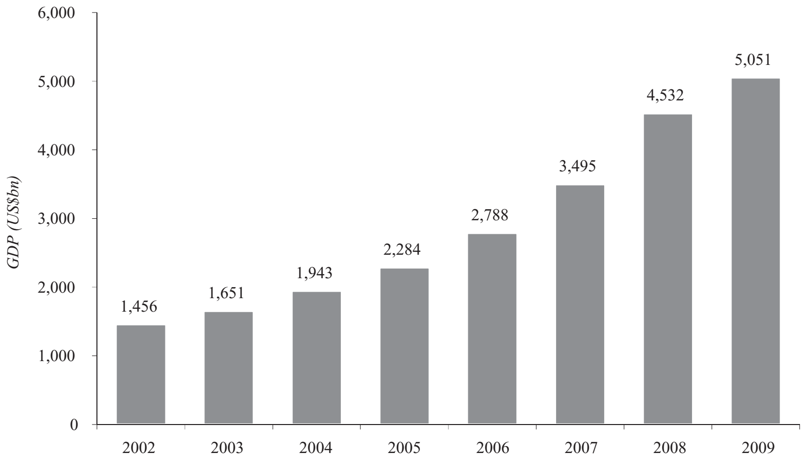
Container Market Development

Driven by strong economic growth and geographical shifts in the location of manufacturing China has become the factory of the world in the last two decades.

Over the 8-year period from 2002 to 2009, the Chinese economy has grown at a CAGR of 19.5% and is now considered to be the major growth engine of the global economy.

China GDP

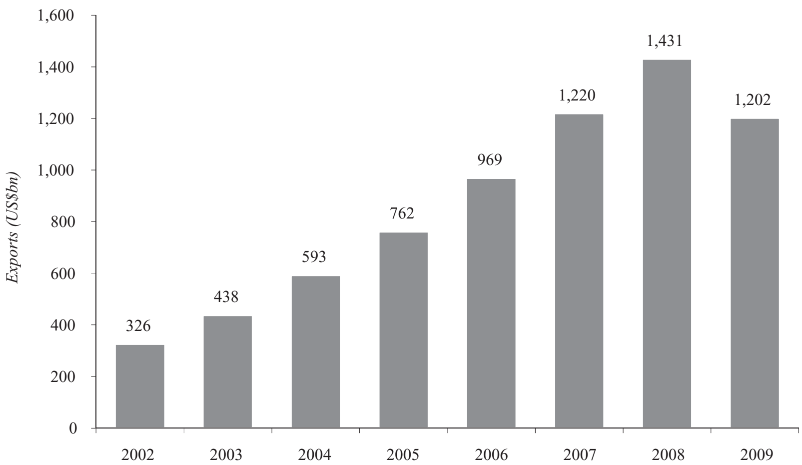
(US$ Billion)



Exports have been the key to China's growth, growing from just US$326 billion in 2002 to over US$1.2 trillion in 2009.

China Exports

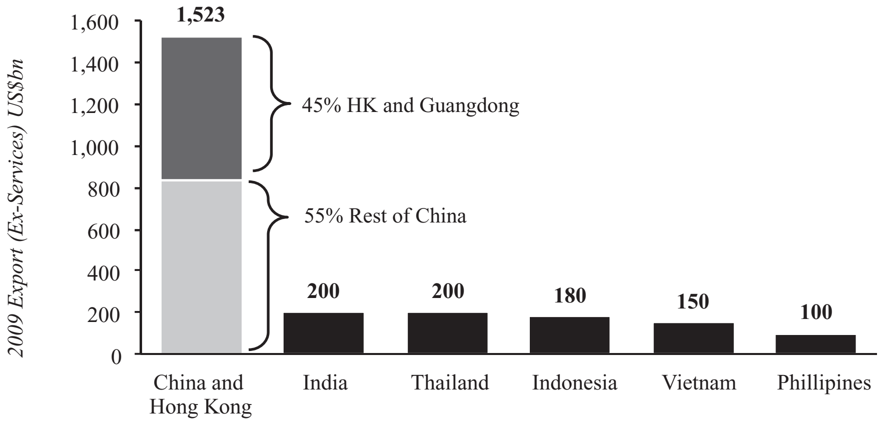
(US$ Billion)



In fact, China makes up most of developing Asia's export volume, with much of this output concentrated in the region of Guangdong and Hong Kong.

2009 Asian Exports by Country

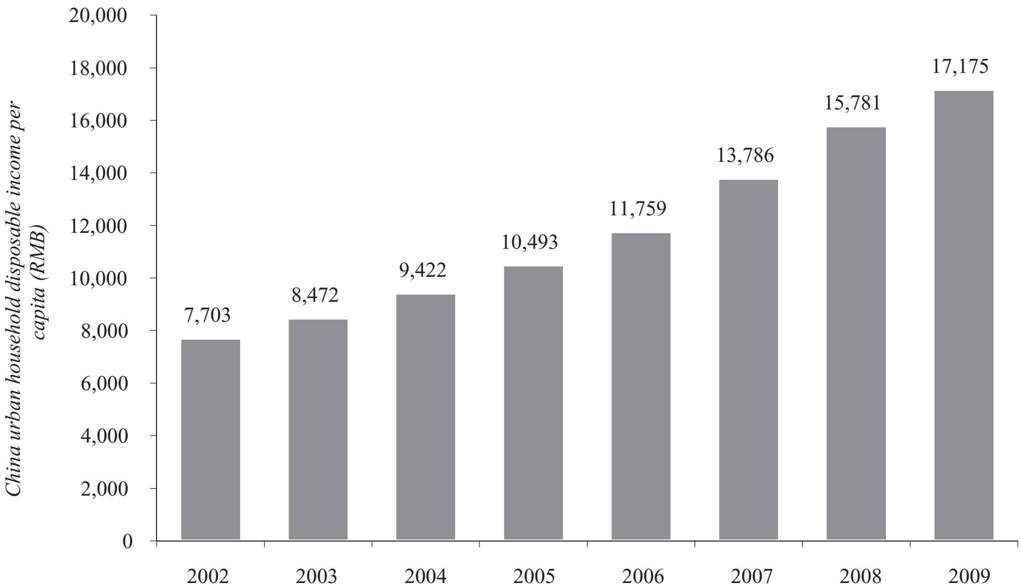
(US$ Billion)



Besides export-driven growth, China's consumption is fast becoming a significant pillar of the world economy as China is home to 1 billion consumers whose disposable income per capita grew almost 9% from 2008 to 2009.

China Urban Household Disposable Income Per Capita

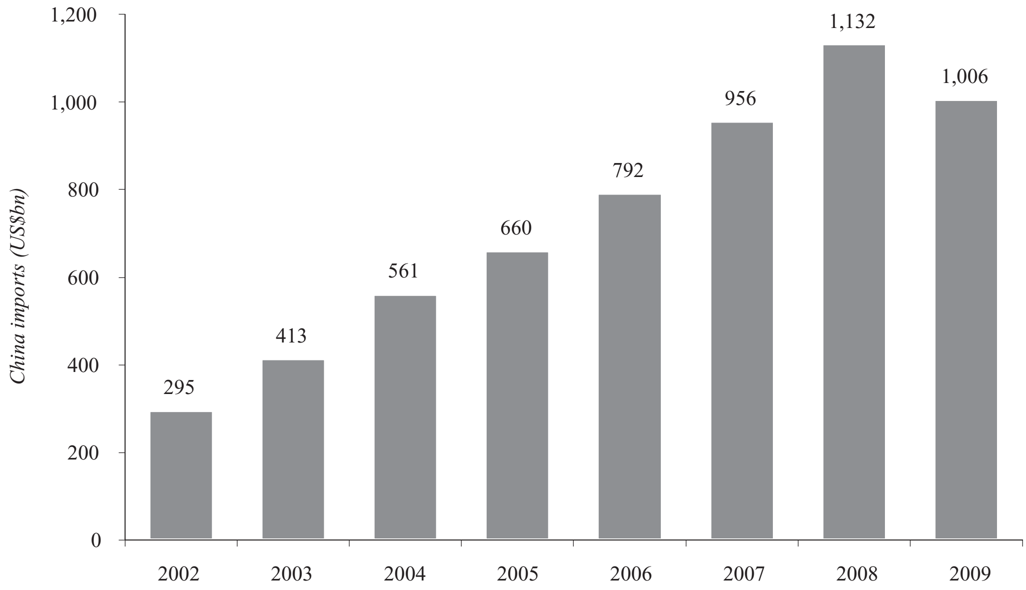
(RMB)



With the increased spending power, there has been a steady growth in China import trade since 2002 with a CAGR of over 20% between 2002 and 2009.

China Imports

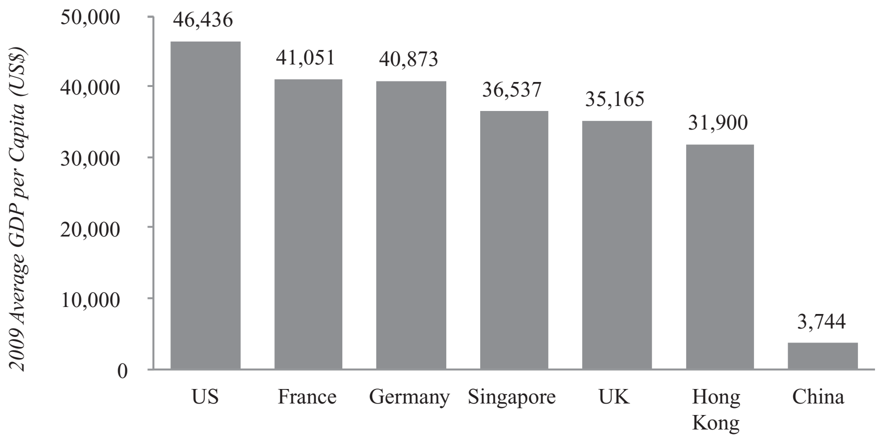
(US$ Billion)



Even with its rapid growth over the past decade, China still lags behind other major economies in terms of average GDP per capita.

2009 Average GDP Per Capita

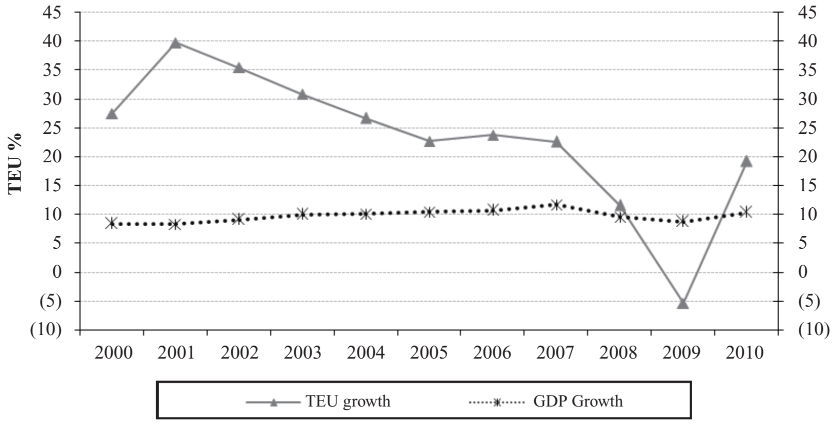
(US$)



As a major export centre and a growing consumer market, China is now the largest and one of the fastest growing container trading markets in the world.

Chinese container port throughput has grown at twice the rate of China's GDP growth in the last decade. Container throughput volumes handled at Chinese ports grew at an average rate of 22.2% per year in the period 2000 to 2009, rising from 19.9 million TEU to 121.2 million TEU. Preliminary figures also indicate that the volume of China's container throughput grew strongly in 2010 by 20.7%, to 144.4 million TEU.

China – TEU vs GDP Growth Rates



The container shipping industry was one of the earliest service industries to be opened up by the Chinese government to foreign competition. In the early 1990s major international container shipping companies entered the Chinese container shipping market and commenced the operation of extensive direct shipping services, connecting China to various international destinations. When China gained access to the WTO in December 2001, the Chinese government further liberalised its maritime industry, allowing foreign port operators to jointly develop container ports with domestic partners, although the policy of allowing foreign owners majority control has since been withdrawn.

China's container trade is focused on three primary economic regions or hubs – the Yangtze River Delta, the Pearl River Delta and the Beijing-Tianjin Bohai Economic region as illustrated in the map below. Within the context of this section, the Pearl River Delta is taken to include Hong Kong.

China – Key Economic Hubs

China Container Throughput by Major Economic Region

(TEU in millions, except %)

Region	2002	2003	2004	2005	2006	2007	2008	2009	2010	CAGR 02-10 (%)
Bohai Economic Rim	7.8	9.9	12.5	15.3	20.2	25.1	29.2	30.3	35.1	20.7
Yangtze River Delta	10.9	14.6	21.1	27.0	33.6	42.3	47.9	45.1	53.2	21.9
Pearl River Delta(1)	28.9	34.1	39.2	45.1	50.2	56.8	59.9	52.9	61.0	9.8
Other Regions	7.4	9.3	9.2	10.3	11.5	13.3	15.5	13.8	18.6	12.2
China Total	**55.0**	**67.9**	**82.0**	**97.7**	**115.5**	**137.5**	**152.7**	**142.4**	**167.9**	**15.0**

Note:

(1) Includes Hong Kong, Zhaoqing, Zhangjiang, Haikou and some conventional ports.

The Bohai Economic Rim includes Beijing, Tianjin, Hebei, Liaoning and Shandong provinces which surround the Bohai Sea. The west of Bohai Economic Rim has traditionally been focused in heavy industries, manufacturing, petrochemical, aviation, automobile, electronics, rubber tyres and textiles. The region captured 20.8% market share of containers handled in China in 2010. The leading ports in the region are Dalian, Tianjin and Qingdao. The three container ports accounted for 78.0% of total regional container market in 2010. The volume of container throughput captured by this region grew by a CAGR of 20.7% for the period from 2002 to 2010.

The Yangtze River Delta region is an important economic region in China. The region is dominated by Shanghai, which is mainland China's financial centre, and other economic hubs such as Nanjing, Suzhou, Hangzhou, Ningbo. Two of the busiest ports (Shanghai & Ningbo) in China are located in this region. These two leading ports are connected by water-way to all the ports located along the Yangtze River. All the container traffic generated by economic hinterlands along the Yangtze River is carried by barges and small vessels to Shanghai and Ningbo for export to other international destinations.

The Pearl River Delta region covers a total of 21 prefectures of the Guangdong province, Hong Kong and Macau. Container throughput volumes in this region grew at an average rate of 9.8% per year during the period 2002 to 2010 and accounted for 35.0% of China's container throughput in 2010.

Shenzhen, Hong Kong and Guangzhou are the busiest ports in the Pearl River Delta. These ports captured 95.0% of total the Pearl River Delta market in 2010.

Trends in container traffic on the main Chinese routes are shown in the table below. China – South East Asia container trade grew by a CAGR of 8.1% from 3.0 million TEU in 2006 to 4.1 million TEU in 2010, and accounted for 5.8% of China's international container trade.

The two-way trade between China and North East Asian countries grew by a CAGR of 4.7% accounting for 16.2% of total China international trade during the period 2006 to 2010.

China Container Trade by Origin and Destination

From	To	2006 (TEU in thousands)	2007 (TEU in thousands)	2008 (TEU in thousands)	2009 (TEU in thousands)	2010 (TEU in thousands)	2010 Route Mix (%)	2010 Market Share (%)	CAGR 2006-2010 (%)
China	SE Asia	1,586	1,856	2,032	1,761	2,308	56.5		9.8
SE Asia	China	1,410	1,532	1,623	1,410	1,779	43.5		6.0
Sub-total		**2,996**	**3,389**	**3,655**	**3,171**	**4,087**		**5.8**	**8.1**
China	NE Asia	5,126	4,728	5,198	4,641	5,799	51.0		3.1
NE Asia	China	4,321	4,608	4,616	4,266	5,566	49.0		6.5
Sub-total		**9,447**	**9,336**	**9,814**	**8,906**	**11,365**		**16.2**	**4.7**
China	South Asia	408	470	779	677	951	58.4		23.6
South Asia	China	301	415	551	481	684	41.6		22.8
Sub-total		**709**	**886**	**1,329**	**1,158**	**1,635**		**2.3**	**23.2**
China	Middle East	927	1,541	1,339	1,189	1,605	62.0		14.7
Middle East	China	578	960	834	741	984	38.4		14.2
Sub-total		**1,505**	**2,501**	**2,173**	**1,930**	**2,588**		**3.7**	**14.5**
China	Europe	6,661	9,753	9,969	8,437	10,248	60.0		11.4
Europe	China	4,440	6,502	6,646	5,625	7,122	40.0		12.5
Sub-total		**11,101**	**16,255**	**16,616**	**14,062**	**17,370**		**24.8**	**11.8**
China	North America	6,667	7,752	8,966	7,737	9,400	61.0		9.0
North America	China	4,086	4,752	5,732	4,947	6,267	39.0		11.3
Sub-total		**10,753**	**12,504**	**14,699**	**12,683**	**15,667**		**22.3**	**9.9**
China	Others	8,898	10,111	11,636	13,179	11,049	26.7		5.6
Others	China	5,047	5,372	6,608	7,610	6,340	22.1		5.9
Sub-total		**13,945**	**15,483**	**18,244**	**20,789**	**17,389**		**24.8**	**5.7**
China	World	30,274	36,212	39,920	37,620	41,359	59.0		8.1
World	China	20,182	24,141	26,610	25,080	28,741	41.0		9.2
Total		**50,456**	**60,353**	**66,530**	**62,700**	**70,100**		**100.0**	**8.6**

Both Europe and North American were China's largest trading partners, of which total two-way trade rose by a CAGR of 11.8% and 9.9% respectively during the same period. The combined market share as a percentage of total China external container trade was about 47.1% in 2010.

Key Container Ports

The table below indicates the volume of container throughput handled by major Chinese ports for the period from 2002 to 2010. Shanghai is the largest container port in China and its container throughput grew strongly at a CAGR of 16.5% to reach 29.1 million TEU in 2010. In 2010 it also overtook Singapore to become the world largest container port.

Container Throughput at Major China Port Cities

(TEU in millions)

Port	2002	2003	2004	2005	2006	2007	2008	2009	2010	CAGR 2002 to 2010 (%)
Shanghai	8.6	11.3	14.6	18.1	21.7	26.2	28	25.2	29.1	16.5
Shenzhen	7.6	10.7	13.7	16.2	18.5	21.1	21.4	18.2	21.8	14.1
Ningbo	1.9	2.8	4.1	5.3	7.1	9.4	10.9	10.4	13.3	27.6
Qingdao	3.4	4.2	5.1	6.3	7.7	9.5	10.0	10.2	12.1	17.1
Tianjin	2.4	3.0	3.8	4.8	6.0	7.1	8.5	8.7	10.1	19.6
Xiamen	1.8	2.4	3.0	3.5	4.0	4.6	5.0	4.7	5.7	15.8
Dalian	1.4	1.7	2.2	2.7	3.2	3.8	4.5	4.6	5.3	18.5
Guangzhou[1]	2.2	2.8	3.3	4.7	6.6	9.2	10.9	11.0	12.3	24.0
Other Ports	7.9	9.9	11.8	14.2	18.2	23.1	28.7	28.2	34.7	20.3
Mainland China Ports	37.2	48.8	61.6	75.8	93.0	114.0	128.0	121.1	144.4	18.5
Hong Kong	17.8	19.1	20.4	21.9	22.6	23.5	24.5	21.0	23.5	3.5
Total China	**55.0**	**67.9**	**82.0**	**97.7**	**115.6**	**137.5**	**152.5**	**142.2**	**167.9**	**15.0**

Note:
(1) Includes Nansha Port

Shenzhen, PRC which includes Yantian, Shekou and Chiwan among others, is the second largest container port city in China handling a total throughput of 21.8 million TEU in 2010, a 19.8% increase as compared to 2009. Nansha container port located at the mouth of the Pearl River is an emerging deep-water container port to serve Guangdong province.

China Direct Trade vs Transhipment

The total volume of container throughput handled by all major Chinese ports amounted to 121.1 million TEU in 2009, of which about 20% or 23.9 million TEU was transhipment. The remaining 97.2 million TEU was direct international and domestic trade containers.

Transhipment containers comprise international and domestic transhipment traffic. The international transhipment of container via the major deep-water ports is referred to those containers which are carried by barges/feeders from feeder ports located along the Yangtze River, and from coastal ports to major hub ports, where these containers are subsequently relayed by main-haul carriers to other international destinations and vice versa. The combined container throughput handled at Shanghai and Ningbo ports amounted to 35.6 million TEU in 2009, accounting for 80.0% of the total Yangtze Delta market. The volume of transhipment containers amounted to 16.3 million TEU, approximately 68.0% of the total transhipment throughput in this region in 2009.

Domestic transhipment is defined as the volume of containers carried by barges/feeders from all the ports along the Yangtze River and from other costal ports to major port cities such as Shanghai and Ningbo, Shenzhen and Guangzhou. These containers are subsequently transshipped via the hub ports to other Chinese ports.

China Direct Container Trade vs Transhipment Container Trade

Trade type	2008 (TEU in millions)	2009 (TEU in millions)	% Change
Transhipment	**23.9**	**23.9**	**0.1**
International Transhipment	16.1	16.9	5.3
Domestic Transhipment	7.8	7.0	(10.9)
Direct Trade	104.1	97.2	(6.6)
Total Containers	**128.0**	**121.1**	**(5.4)**

As many other countries, China's cabotage regulations reserve the carriage of cargo between Chinese ports for national flag vessels. This prevents foreign flagged vessels from participating in China's coastal trades and from carrying containers between China's hub ports. Although this restricts carrier choice, it is unlikely that the Chinese government will lift the cabotage law and allow foreign shipping operators to run local feeder services, because this would have a negative impact on the profitable operations of local shipping lines.

Market Tariffs

As a general rule in most international markets, container handling tariffs are determined by market forces. If port capacity utilisation and terminal operating costs are high, the container handling tariff will increase. On the other hand if port capacity utilisation is low and competition is high the tariff is unlikely to increase.

Posted Stevedoring Tariffs Set by the PRC Government

Container Type	O&D Loading & Discharging		Transhipment Loading & Discharging	
	RMB	US$(1)	RMB	US$(1)
20 Footer (Full)	426	64.5	330	50.0
20 Footer (Empty)	294	44.5	252	38.1
40 Footer (Full)	640	97.0	500	75.8
40 Footer (Empty)	441	66.8	385	58.3
Per Box	**500**	**75.8**	**410**	**62.1**
Per TEU	**332**	**50.3**	**273**	**41.4**

Note:
(1) The exchange rate per US$ is RMB6.60.

The PRC government provided a set of posted tariffs in 2001 to serve as a guide to various port operators in China. The set of government posted container tariffs has remained unchanged to-date, although they are not enforced.

In practice, the container handling tariff offered by individual port operators to their customers was lower than the government posted tariffs in early years, but the tariff has been adjusted upward by the port operators since 2006. Indeed, the O&D container handling tariff offered by Shanghai and Yantian to their customers has exceeded the government tariff rate since 2008. In 2006, Yangshan (which is part of Shanghai) container terminal reduced its transhipment rate by 50.0% from the government rate, so that the main-haul carriers serving transpacific and Far East Europe routes would be attracted to operate to and from Yangshan port.

Tariff rates from 2001, 2008 and 2010 are shown in the table below and are the rates offered by port operators to their customers. These fees include unloading/loading, as well as ancillary services. The TEU and per box rates are based on the container handling tariff offered by the port operator to the shipping lines.

China's Container Tariff

(RMB)

	2001[1]		2008		2010	
Port	**O&D**	**Transhipment**	**O&D**	**Transhipment**	**O&D**	**Transhipment**
Dalian						
Per Box	358	350	380	327	422	363
Per TEU	250	247	267	230	294	255
Tianjin						
Per Box	460	366	450	342	450	342
Per TEU	338	269	331	252	331	252
Qingdao						
Per Box	455	NA	387	NA	387	NA
Per TEU	303	NA	258	NA	258	NA
Shanghai						
Per Box	498	337	498	377	610	397
Per TEU	332	224	332	251	405	265
Yantian						
Per Box	507	406	1,031	598	1,031	598
Per TEU	317	254	645	374	645	374

Note:

(1) Container handling tariffs in 2001 was set by the PRC Government.

Container Port Operating Efficiency

There are several key port performance indicators which can be used to compare the operating efficiency of Chinese ports vis-a-vis some of their Asian counterparts. Among these indicators is crane productivity (moves per crane/hour) and berth productivity (TEU per 100 metre of berth). These are useful measures of container port resources and utilisation.

Performance Indicators of Major Asian Ports in 2010

Port	Box/Quay Crane/Hour	Rank	TEU Per 100 Metre Run
Yantian	32	1	150,299
Ningbo	31	2	132,100
Hong Kong (HIT)	31	3	237,113
Kaohsiung	29	4	125,931
Singapore	27	5	224,920
Qingdao	26	6	172,020
Dalian	26	7	127,122
Shanghai	25	8	247,000
Tianjin/Xingang	25	9	110,000

In terms of average crane productivity, Yantian and Ningbo are the most efficient ports in China. These two ports have achieved the highest average 31 moves per crane/hour, followed by Hong Kong with 30 moves per crane/hour. Qingdao, Dalian, Shanghai and Tianjin also performed well to achieve about 25-26 moves per crane/hour.

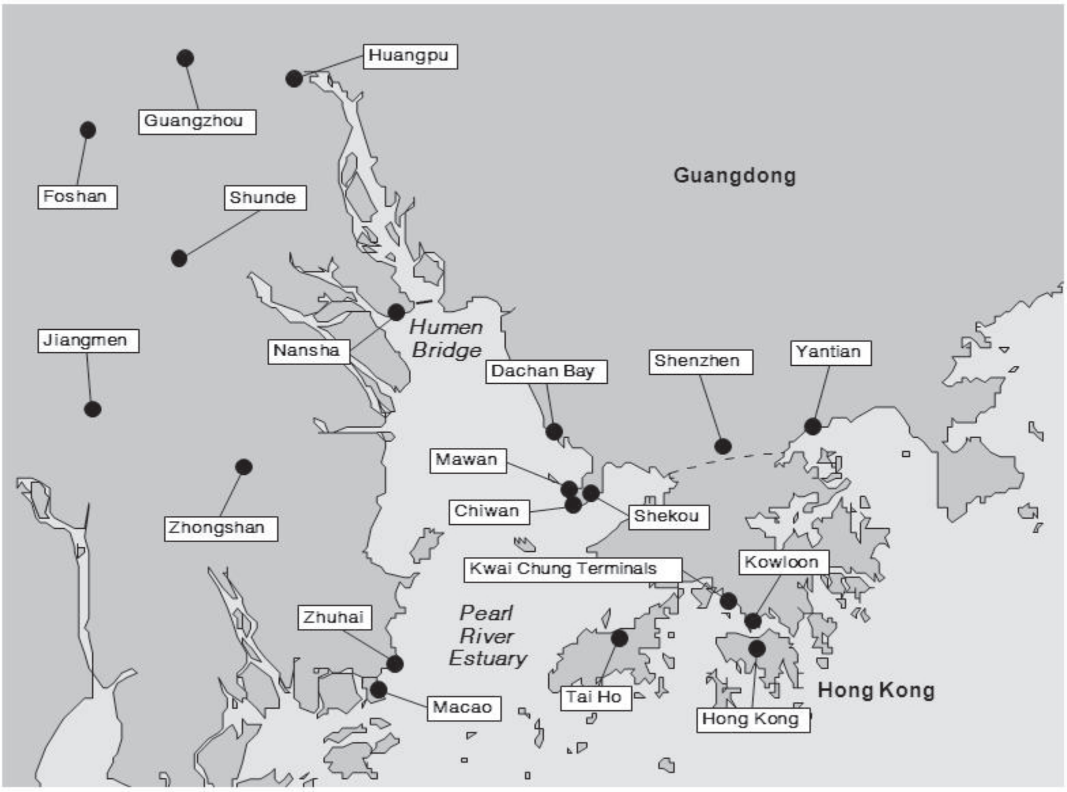
The main factors which affect the efficiency of a port are container-mix, vessel bay layout, weather, unproductive crane time such as breakdowns, and crane operator meal time.

THE PEARL RIVER DELTA CONTAINER PORT MARKET

Container Market Development

Within the context of this review, the Pearl River Delta comprises the Guangdong province covering a total of 21 prefectures, Hong Kong and Macau. The Pearl River Delta has been one of the most dynamic regions of China in the last decade, with economic growth equivalent to a CAGR of 7.9% in the period from 2000 to 2009.

Pearl River Delta Container Ports



Rapid economic growth has been driven by the strong global demand for goods manufactured in the Pearl River Delta region and by the inflow of large amounts of foreign direct investment to boost the new export-oriented industries such as cars and by-products of the petrochemical industry in a form suitable for container transport.

Guangzhou, Shenzhen, Foshan, Huizhou Dongguan and Zhongshan are the main economic hinterlands which contributed more than 78.0% of the regional GDP in 2009. As one of the largest manufacturing bases in China, total Pearl River Delta external trade has grown by a CAGR of 9.8% per year since 2000, to reach US$1,497 billion in 2010, equivalent to 67.0% of total Chinese trade. This level of trade is larger than most other countries in the world. The Pearl River Delta is the largest container trading hub in the world.

Guangdong & Hong Kong Key Economic Indicators

	Guangdong				HK				Pearl River Delta	
	GDP (RMB in billions)	YoY Change (%)	Trade (US$ in billions)	YoY Change (%)	GDP (RMB in billions)	YoY Change (%)	Trade (US$ in billions)	YoY Change (%)	GDP (RMB in billions)	YoY Change (%)
2000	1,050.8	11.5	170.1	21.2	1,246.9	8.0	415.8	17.7	2,297.7	–
2001	1,161.1	10.5	176.5	3.8	1,253.1	0.5	391.8	(5.8)	2,414.2	5.1
2002	1,305.1	12.4	221.1	25.3	1,276.1	1.8	408.5	4.3	2,581.3	6.9
2003	1,498.3	14.8	283.5	28.2	1,314.5	3.0	456.8	11.8	2,812.8	9.0
2004	1,721.5	14.9	357.1	26.0	1,425.8	8.5	531.1	16.3	3,147.3	11.9
2005	1,959.1	13.8	428	19.8	1,526.8	7.1	589.6	11.0	3,485.9	10.8
2006	2,243.2	14.5	527.2	23.2	1,572.3	7.0	651.7	10.5	3,815.4	9.5
2007	2,568.4	14.5	634	20.3	1,590.6	6.4	713.1	9.4	4,159.1	9.0
2008	2,825.3	10.0	683.5	7.8	1,491.0	2.2	751.9	5.4	4,316.3	3.8
2009	3,093.7	9.5	611.1	(10.6)	1,449.9	(2.8)	666.4	(11.4)	4,543.5	5.3
2010	3,372.1	9.0	745.6	22.0	1,536.9	6.0	751.9	12.8	4,909.0	8.0
CAGR 2000-2010 (%)		**12.4**		**15.9**		**2.1**		**6.1**		**7.9**

Note: HK GDP has been converted to RMB using RMB/HKD exchange rate of the respective years.

In line with the growth in manufacturing the volume of container cargoes for import and export from the Pearl River Delta has increased sharply in the last decade. Container throughput handled by Guangdong ports in the Pearl River Delta's ports grew by a CAGR of 9.8% between 2005 and 2010.

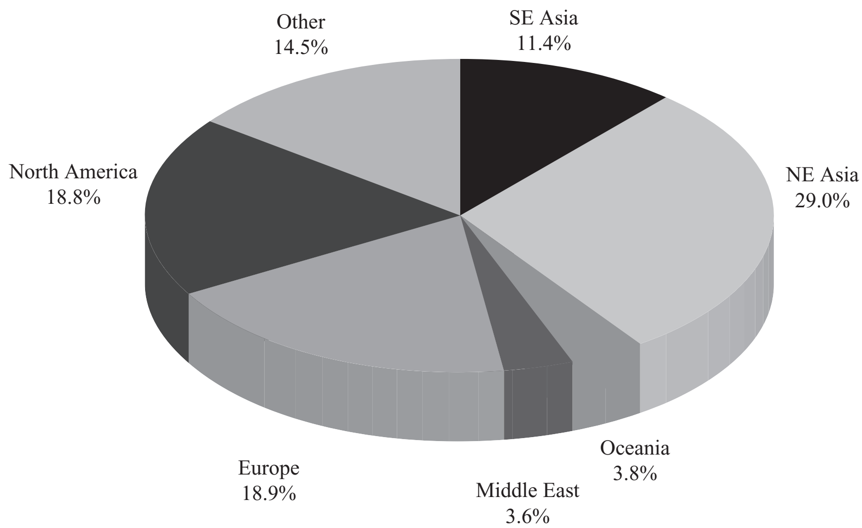
By comparison Hong Kong container throughput over the same period grew at a much lower rate because some of the container throughput generated by the Pearl River Delta region was exported direct, thereby by-passing Hong Kong to reduce shipping costs.

Container Throughput – Guangdong and Hong Kong

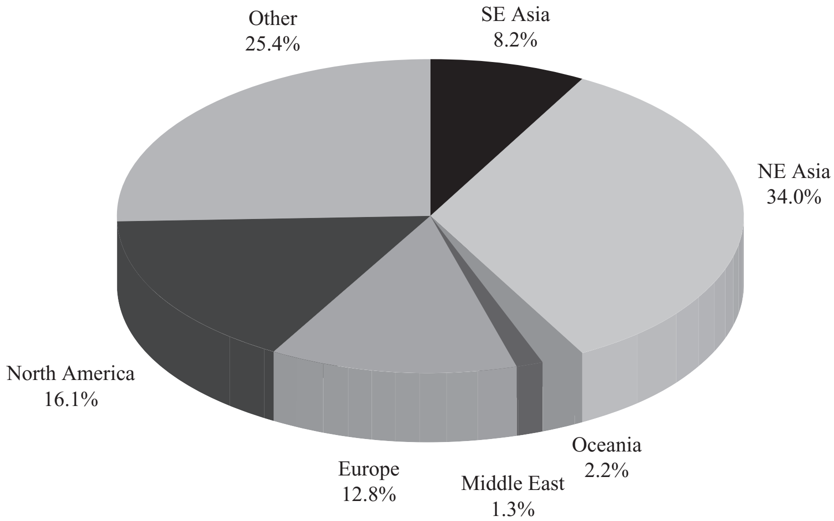
Ports	2005	2006	2007	2008	2009	2010	CAGR 2005-2010 (%)
			(TEU in thousands, except %)				
Guangdong	20,568	24,526	29,699	31,750	27,951	32,842	9.8
% Change		19.2	21.1	6.9	(12.0)	17.5	
Hong Kong	21,984	22,602	23,539	24,494	20,900	23,532	1.7
% Change		2.8	4.1	4.1	(14.7)	12.6	
Total Pearl River Delta	**42,552**	**47,128**	**53,238**	**56,244**	**48,851**	**56,374**	**5.8**

The main trading partners of Guangdong ports are South East Asia, North East Asia, Europe and North America. The breakdown of Guangdong 2010 import and export container flows by region is shown below.

Guangdong – Principal Export Container Flows: 2010
(Total 13.2 Million TEU)



Guangdong – Principal Import Container Flows: 2010
(Total 10.4 Million TEU)



Similarly, the main trading partners for Hong Kong comprise South East Asia, North East Asia, Europe and North America.

Key Container Ports in Pearl River Delta

The Pearl River Delta region can be further sub-divided by deep-water and river ports and also geographically into Hong Kong and the East and West Shenzhen regions.

The main deep-water ports in the Pearl River Delta region comprise Hong Kong, Yantian, Chiwan, Shekou, Nansha Container Terminal, China Merchant Terminal and the Da Chan Bay Terminal. Each port is fed by cargoes from its own immediate cargo hinterlands and common cargo hinterlands.

All these deep-water ports provide berth depth along-side of more than 14 metres and they are capable of accommodating mega-size vessels with carrying capacity of more than 8,000 TEU. The container market share captured by these ports increased from 91.2% to 93.2% during the period from 2005 to 2010, while the corresponding market share of the river ports declined from 8.8% to 6.8%.

Although all of the non-river ports have deep water berths at the quayside, there are significant differences in the approach channels to each. Both East Shenzhen and Hong Kong have natural deep water, but West Shenzhen, and particularly Guangzhou, have siltation issues and channel constraints.

Container Market Share – River and Deep-Water Ports – Pearl River Delta region

Ports	2005	2006	2007	2008	2009	2010	CAGR 2005-2010
		(TEU in thousands, except %)					(%)
Deep-Water Ports	**38,334**	**42,981**	**48,633**	**52,002**	**45,298**	**52,502**	**6.5**
% market share	91	91	91	93	93	93	
River Ports	**3,718**	**4,147**	**4,606**	**4,243**	**3,552**	**3,872**	**0.8**
% market share	9	9	9	8	7	7	
Total Pearl River Delta	**42,552**	**47,128**	**53,238**	**56,245**	**48,851**	**56,374**	**5.8**

There are five main river ports comprising Guangzhou, Huizhou, Shantou, Zhuhai and Zhongshan in South China Pearl River Delta region. These ports are feeder ports which can serve feeder vessels and barges linking to the deep-water ports in Pearl River Delta as well as Hong Kong.

Geographically, the major ports located in the Eastern Shenzhen region are Shantou, Huizhou and Yantian. The volume of containers handled at these ports rose from 8.0 million TEU in 2005 to 11.0 million TEU in 2010. Yantian container port operated by HPH, is the largest container port in Eastern Shenzhen with a 92% market share of total throughput in the region.

The volumes of container handled by the West Shenzhen region increased from 8.2 million TEU in 2005 to 11.7 million TEU in 2010. The main container ports in West Shenzhen are the Chiwan Container Terminal, Shekou Container Terminal, China Merchant Container Port and Da Chan Bay Container Terminal and other small ports.

HPH is the leading port operator in the Pearl River Delta. Its main ports, HIT, COSCO-HIT and Yantian, together have a 53% market share of total throughput of the deepwater container berths in Shenzhen, PRC and Hong Kong (Kwai Tsing) in 2009.

In Guangzhou the main terminals are Guangzhou and the Nansha Container Terminal. The volume of container throughput handled at these two ports grew by an average of 11.5% per year from 2.6 million TEU in 2005 rising to 8.2 million TEU in 2010.

Container Throughput at Deep Water Pearl River Delta Ports

Ports	2005	2006	2007	2008	2009	2010	CAGR %
		(TEU in thousands, except %)					2005-2010
East Shenzhen							
Yantian	7,581	8,865	10,016	9,684	8,579	10,134	6.0
Total East Shenzhen	**7,581**	**8,865**	**10,016**	**9,684**	**8,579**	**10,134**	**6.0**
West Shenzhen							
Chiwan	4,152	5,016	5,731	5,646	4,578	5,877	7.2
Shekou	2,664	2,583	3,312	4,107	3,344	3,830	7.5
China Merchant	1,368	1,505	1,607	1,541	1,092	1,269	(1.5)
Da Chan Bay				90	250	700	
Total West Shenzhen	**8,184**	**9,104**	**10,649**	**11,384**	**9,264**	**11,676**	**7.4**
Guangzhou							
Xingsha Terminals	1,554	1,781	1,949	1,486	988	1,007	(8.3)
Nansha	1,084	2,411	4,428	6,440	6,555	7,161	45.9
Total Guangzhou	**2,638**	**4,192**	**6,377**	**7,926**	**7,543**	**8,168**	**11.5**
Other ports[1]	**2,165**	**2,366**	**2,657**	**2,756**	**2,564**	**2,865**	**5.8**
Pearl River Delta ex HK	20,568	24,526	29,700	31,750	27,950	32,843	9.8
Hong Kong	21,984	22,602	23,539	24,494	20,900	23,532	1.4
Total Pearl River Delta incl HK	**42,552**	**47,128**	**53,238**	**56,245**	**48,851**	**56,374**	**5.8**

Notes:

1) Other ports include a few small ports (Huizhou, Shantou, Zhuhai and Zhongshan ports).

2) Due to method of calculation there is some degree of variation between Drewry's figures and the terminal operator's publicly announced results.

Container Port Facilities: Pearl River Delta Deep-Water Region

Ports	Max Draft Metres	No. of Deep-Water Berths	No. of Quay Cranes	Quay Length Metres	Yard Space Hectares	Terminal Capacity (TEU in thousands)	2010 Volumes (TEU in thousands)	Capacity Utilisation (%)
Yantian	16.5	16	74	6,743	373	14,400	10,134	70.4
Chiwan	16.0	9	37	3,138	125	6,500	5,877	90.4
Shekou	16.0	9	36	4,090	139	5,800	3,830	66.0
Da Chan Bay	18.0	5	12	1,000	112	2,220	700	31.5
Nansha	15.0	10	34	3,500	83	6,460	7,161	110.9
China Merchant	14.0	7	8	700	25	1,400	1,269	90.6

Hongkong International Terminals (HIT & COSCO-HIT)

HIT is owned and operated by HPH. HIT container operations moved to new facilities at Kwai Tsing Port in 1976. Currently, HIT operates a total of 14 berths (including two berths at COSCO-HIT) with a total quay length of 5,080 metres, equipped with 56 quay cranes and with a total handling capacity of 12.6 million TEU in 2010. The terminal has a water depth of 15.5 metres and is capable of handling several mega vessels simultaneously. HIT is the largest container port in Hong Kong to handle both local containers, as well as transhipment containers from Pearl River Delta region and other regions of Asia. The volume of container throughput handled by HIT and COSCO-HIT has grown on average by 6.6% per year from 6.6 million TEU in 2002, reaching to 11.0 million TEU in 2010. It also accounted for approximately 48.0% of Hong Kong's total container throughput and 60.0% of Kwai Tsing's throughput.

HIT is well served by many main line operators and feeder operators connecting Hong Kong to major world ports. It provides premier services for short ship turnaround time in port and a good road network, which connects to the major cargo hinterlands in Shenzhen, PRC. The main disadvantage is that the container handling cost is high when compared with other regional ports. However, the efficient services provided by the port serve to retain existing customers and also attract customers. A key factor is high terminal productivity which speeds up fast ship turnaround times in port, which in turn reduces ship operating costs in port. It also has a large number of contiguous berths which is an advantage for transhipment.

Modern Terminals Limited

Established in 1972, Modern Terminals Limited is the oldest terminal in Hong Kong. The terminal is jointly operated by The Wharf Holdings Limited and China Merchants Holdings Ltd. It has seven berths with a total quay length of 2,432 metres and is operated by 30 quay cranes with a total handling capacity of 7.0 million TEU. It handled a total throughput of 5.1 million TEU in 2009 and 5.4 million TEU in 2010, accounting for about 32% of the total Kwai Tsing market. The port is well served by the main shipping lines and is connected to major international ports. The main disadvantage is that the container handling cost is high when compared with other regional ports.

Yantian International Container Terminal (YICT)

YICT was jointly developed by HPH and Shenzhen Yantian Port Group and is the most established terminal in Pearl River Delta region. The terminal commenced operations in 1994 and it is the leading gateway serving import and export container traffic generated by its immediate cargo hinterlands including East Shenzhen, Shantou, Huizhou and the other Pearl River Delta regions. The port has 16 berths and has built up an extensive cargo base which attracts more than 30 major shipping lines that provide regular direct services linking to major world ports. It has a capacity to handle 14.4 million TEU and in 2009 it recorded container port throughput of 8.6 million TEU, equivalent to a 47% share of total Shenzhen, PRC throughput.

YICT is a natural deep-water terminal with a number of advantages over other ports in the Pearl River Delta. It has excellent facilities for efficient port operations to shorten vessel turnaround time in port; good main haul and short-sea services connecting Yantian to major international ports; a large cargo base to attract main haul carriers; excellent road network connecting to major cargo hinterlands; strong barge operating network linking to Hong Kong and the main river ports located along the Pearl and Xi Rivers (this has provided cost effective container shipping for shippers between Yantian and these river ports); good connection of sea-rail services between the port and Hunan and Guizhou provinces, which captures container traffic and development potential for future expansion to meet growing port demand. Being located in East Shenzhen near to its unique immediate cargo hinterlands, it has an ability to capture cargo from these hinterlands that ports in the West Shenzhen region do not. The container handling tariff is higher than those ports in the West Shenzhen ports, but the premier services provided by the port can be translated into savings for shipping customers by way of fast ship turnaround times in port.

Chiwan Container Terminal

Located at the east end of Pearl River and 20 nautical miles away from Hong Kong, CCT is one of the main gateways to serve the Pearl River Delta economic hinterland. It is a joint venture between local partner (China Merchants Holdings) and Hong Kong partner (Modern Terminals Limited). Currently, CCT operates nine container berths with the quay length of 3,100 metres. It is equipped with 35 Quay Cranes, with container handling capacity of about 6.4 million TEU per year. The terminal handled a total of 5.9 million TEU in 2010. The terminal is currently connected by more than 70 weekly shipping services to international ports. The comparative advantages of CCT are excellent facilities for efficient port operations to shorten vessel turnaround time in port; good shipping network connecting CCT to South East Asia, North East Asia, Europe (but weak shipping connections to North America); large cargo base to attract main haul carriers; excellent road network connecting to major cargo hinterland; 20 weekly fixed barge shuttle services linking CCT to main river ports located along the Pearl and Xi Rivers for cost effective container shipping from/to other Pearl River Delta hinterlands and Guangxi province; good sea-rail services connecting the port to Hunan and Guizhou provinces to capture more container traffic for the port for exports and vice versa. The main weakness of CCT is that it has limited space for future expansion. Despite Yantian's higher tariffs, with efficient operations, the average cost for container carryings in fact is lower from the shipping lines' perspective. This can be evidenced as the throughput handled at the Yantian Port has been increasing.

Shekou Container Terminal

SCT, established in 1989, is one of the oldest international container terminals in West Shenzhen. It is jointly owned and operated by China Merchants Holdings and Modern Terminals of Hong Kong, with a total throughput in 2010 of 3.8 million TEU. The port has nine berths and is currently served by more than 70 main haul liner services, connecting to main international ports. SCT has the following key advantages; excellent facilities for efficient port operations to shorten vessel turnaround time in port; good shipping network connecting SCT to SE Asia, North East Asia, Europe (but weak shipping connections to North America); a large cargo base to attract main haul carriers; excellent road network connecting to major cargo hinterlands; 20 weekly fixed barge shuttle services linking SCT to main river ports located along the Pearl and Xi Rivers for cost effective container shipping from/to other Pearl River Delta hinterlands and Guangxi province; and good sea-rail services linking the port to Hunan and Guizhou provinces to capture more container traffic for the port for export and vice versa. However, it has no space to expand and this is a major disadvantage.

Da Chan Bay Terminal

Da Chan Bay terminal is a new deep-water port operated by Modern Terminals Limited in the BaoAn District. It services all the key manufacturing centres in the Pan-Pearl River Delta region. The terminal has five berths with total quay length of 1,830 metres, of which only three berths with a total quay length of 1,000 metres are currently available for container operations. It is equipped with 12 quay cranes. The operational capacity of the terminal is about 2.2 million TEU and it is well connected by several expressways/highways to its immediate hinterlands. It has good potential to compete with other deep-water ports located in West Shenzhen and expansion potential. However, the approach channel to the port is not deep enough to handle mega vessels, which will be the trend for international trade services in future.

Guangzhou Nansha Container Terminal ("GNCT")

In 2000 the Chinese government decided that the Nansha region would be developed as a mega industrial base for the car, petrochemical and iron & steel industries in Guangdong province to support Nansha port. Since 2004, two automobile and automobile parts related companies had been jointly established by Guangzhou Car Group and Toyota Group in Nansha region to produce car engines and parts for export to Japan.

The Nansha port is a new port which is located at the entrance of the Pearl River. It is strategically located at the centre of the Pearl River Delta, although this means that the approach channel needs to be dredged regularly in order to allow large vessels to call at the port. The port is endowed with a long coastal line for future expansion of container berths. Currently, the port has two container terminals namely, GNCT Phase 1 and GNCT Phase 2. The former is jointly operated by China Container Shipping (40%) and Guangzhou Port Group (60%). The latter is operated by three partners comprising COSCO (39%), APMT (20%) and Guangzhou Port Group (41%). Nansha is a deep-water port capable of serving big vessels with carrying capacity of more than 10,000 TEU. However, regular dredging of the approach channel will restrict the vessels traffic of the terminal to become a hub in the region.

Nansha container port is supported not only by its immediate hinterlands located in the Pearl River Delta but also other secondary hinterlands in Guangdong and Guangxi provinces and other provinces in Southern China. The large immediate cargo hinterlands include Guangzhou city, Foshan, Zhongshan, Jiangmen, Shantou, Shaoguan, Yangjiang, Zhaoqing, Qingyuan, Yunfu and Jieyang. The secondary hinterlands are also connected by good expressways to Nansha port. The main customers are China Container Shipping and COSCO. These two lines have deployed mega vessels to serve the port.

Market Tariffs in the Pearl River Delta

The container handling tariffs offered by each port operator to customers in the Pearl River Delta region are different depending on the volume and mix of throughput contributed by each customer. Normally, shipping lines who contribute high volumes of throughput enjoy preferential handling tariffs.

The average O&D and transhipment container handling tariffs per TEU offered by Yantian port to its customers are 14.4% higher than the rate offered by Shekou port to its customers, although it is noted that Yantian traffic is predominantly transocean, whereas Shekou is more transhipment oriented.

Many liner operators have not been discouraged to operate to Yantian port despite its higher tariffs. This is because the port provides efficient services which in turn lead to cost savings for shipping lines.

Container Handling Tariffs(1) – Pearl River Delta

(RMB)

	2001		2009		2010	
Port	**O&D**	**Transhipment**	**O&D**	**Transhipment**	**O&D**	**Transhipment**
Yantian						
Per Box	507	406	1,031	598	1,031	598
Per TEU	317	254	645	374	645	374
Shekou						
Per Box	507	406	902	532	902	532
Per TEU	317	254	564	327	564	327

Note:
(1) Partly estimated.

Shipping Services

The shipping services provided by the various shipping lines connecting each of the ports to the major countries/region are summarised below.

Shipping Service Network between Pearl River Delta Ports and International Regions

(Number of weekly services in 2010)

Ports To	Asia	North America	Europe	Rest of World	Total weekly services
Yantian	14	35	33	21	103
Chiwan	30	10	10	29	79
Shekou	40	8	14	20	82
Nansha	13	4	9	15	41
Da Chan Bay	16	5	2	3	26
MTL	37	25	28	18	108
HIT & COSCO-HIT	123	31	35	39	228

Yantian is the largest port and is focused on transocean trades to Europe and the United States and it is therefore well connected to all major trading partners. The port is connected by 14 weekly services to Asian countries. The main haul liners have provided 35 services on Yantian – North America route and thirty three services on the Yantian – Europe route.

Shekou port is connected by 82 weekly services to various world ports. The existing short-sea shipping lines provide 22 and 18 weekly shipping services between Shekou and South and North East Asia. However, the shipping services on Shekou – North America and South America routes are weak.

Chiwan is the third largest container port in the Pearl River Delta region. It has attracted a total of 8 weekly services to South East Asian countries and 22 weekly services to North East Asia. The main shipping lines provide 10 weekly services connecting to North America and Europe. Shipping services between Nansha/Da Chan Bay ports and international ports are weak because these two ports need time to build their cargo bases to attract more international liner services.

Port Competition in Pearl River Delta Region

During the period from 2001 to 2005, Hong Kong established itself as a top transhipment hub port connecting world markets to the Pearl River Delta. The volume of transhipment containers moved via Hong Kong grew by an average of 11.9% per year from 6.5 million TEU in 2001 to reach 10.2 million TEU in 2005. Prior to 2005, Hong Kong had been the leading port to serve the Pearl River Delta cargo market via a well-connected shipping network, linking all the major world markets.

However, since 2005 the dependence on Hong Kong for international transhipment with the Pearl River Delta region has been reduced by the rapid development of modern deep-water container ports within the Pearl River Delta region itself. This is because all the major deep-water container ports such as Yantian, Chiwan and Shekou built by local and foreign port operators in the region have provided state-of-the-art facilities to serve container lines operating direct services.

Today, a large volume of container trade to and from the Pearl River Delta region is shipped direct mainly via Yantian port by-passing Hong Kong. As a result, the volume of China container traffic transhipped via Hong Kong grew by a CAGR of 4.5% during the period from 2005 to 2010, compared with a CAGR of 12.0% per year during the period from 2001 to 2004.

Although the momentum of transhipment via Hong Kong has slowed down, Hong Kong has the potential to enhance its position as a premier transhipment hub port. This is because the container market in the Pearl River Delta region will continue to grow to support all the deep-water ports in the region. Hong Kong's status as an international port from a Chinese perspective allows Hong Kong to be used by non-Chinese lines as a transhipment port for Chinese containers, thereby avoiding domestic cabotage which is limited by Chinese law to local lines only.

The efficient transhipment of containers by barges at the midstream is another factor that could strengthen the position of Hong Kong as a premier transhipment hub. In fact, the volume of transhipment container handled at the midstream grew faster by a CAGR of 9.2% per year from 2.0 million TEU in 2003 rising to about 3.7 million TEU in 2010, compared with a CAGR of 7.2% for transhipment as whole during the same period. As a result the transhipment market share captured by the midstream increased from 23% to 27% during the same period.

Over the past eight years, Hong Kong has positioned itself well as a leading hub port for intra-Asian transhipment container trades. The volume of intra-Asia container transhipped via Hong Kong rose by a CAGR of 7.3% per year to reach 9.1 million TEU in 2010, accounting for 67.8% of total Hong Kong transhipment volumes as illustrated in the Table below.

Container Transhipment in Hong Kong & China

Year	China Transhipment via Hong Kong (TEU in thousands)		Hong Kong Transhipment (TEU in thousands)	
	Transhipment	Growth %	Total Transhipment	Growth %
2001	2,961		6,457	
2002	3,414	15.3	7,407	14.7
2003	3,921	14.9	8,534	15.2
2004	4,162	6.1	9,487	11.2
CAGR 2001-2004 (%)	**12.0**		**13.7**	
2005	4,281	2.9	10,151	7.0
2006	4,661	8.9	10,965	8.0
2007	5,281	13.3	12,196	11.2
2008	5,317	0.7	12,818	5.1
2009	4,557	(14.3)	11,427	(10.9)
2010	5,340	17.2	13,427	17.5
CAGR 2005-2010 (%)	**4.5**		**5.8**	

Volume of Intra-Asia Containers Transhipped via Hong Kong

Country	2003	2004	2005	2006	2007	2008	2009	2010	CAGR
			(TEU in thousands, except %)						(%)
China	3,661	4,022	4,266	4,393	4,807	4,970	3,915	5,230	6.1
Japan	474	474	560	616	742	818	602	840	10.0
Korea	236	219	209	263	289	308	194	290	3.5
Taiwan	596	571	328	521	586	665	281	624	0.8
Sub-total	**4,967**	**5,286**	**5,363**	**5,793**	**6,424**	**6,761**	**4,992**	**6,984**	**5.8**
Indonesia	179	170	187	201	219	193	155	215	3.1
Malaysia	191	236	245	271	319	349	288	441	15.0
Philippine	112	134	156	177	219	258	146	200	10.1
Singapore	267	206	218	216	245	251	179	237	(2.0)
Thailand	237	286	320	320	360	401	309	440	10.9
Vietnam	0	0	0	0	352	406	451	556	16.5
Sub-total	**986**	**1,032**	**1,126**	**1,185**	**1,714**	**1,858**	**1,528**	**2,089**	**13.3**
Total	**5,953**	**6,318**	**6,489**	**6,978**	**8,138**	**8,619**	**6,520**	**9,073**	**7.3**
% Change		6.1	2.7	7.5	16.6	5.9	-24.4	39.2	

The extensive shipping network provided by feeder operators and short-sea lines connecting Hong Kong to the various ASEAN and North East Asian countries is the key factor to entrench Hong Kong as an ideal transhipment hub against other hub ports in North East Asia region. Hence, Hong Kong is expected to continue to solidify its position as the main transhipment hub port for Asia, as well as being an ideal port for imports of cargoes into China attributing to its efficient customs procedures.

The direct container trade between Hong Kong and ASEAN countries performed well growing by a CAGR of 5.5% from 0.7 million TEU in 2003 rising to 1.0 million TEU in 2010. The key factor for the increase of Hong Kong direct container trade with ASEAN countries was the favourable impact of the implementation of the ASEAN – China Free Trade Agreement ("**ACFTA**") which commenced on 1 January 2010. The free trade agreement has cut tariffs for ASEAN goods sold in China and in reciprocity Chinese goods sold in ASEAN countries will also enjoy low tariffs. The free trade agreement will further boost Hong Kong direct container trade with ASEAN countries in future.

Hong Kong Direct Container Trade with ASEAN Countries

Country	2003	2004	2005	2006	2007	2008	2009	2010	CAGR
			(TEU in thousands, except %)						(%)
Hong Kong to ASEAN	706	743	690	685	823	876	742	1,030	5.5
% Change		5.2	(7.1)	(0.7)	20.1	6.4	(15.3)	38.8	

All the deep-water ports located in Pearl River Delta were built to serve their immediate cargo hinterlands but these ports also need to compete with each other to capture market share from the common hinterlands. Currently, competition among the major operators is moderate and none of the port operators has yet to reduce price in an attempt to capture customers. This is because most of the port operators have captured sufficient market shares for desired capacity utilisation in recent years. In addition, there are a relatively small number of operators plus common operators between the ports. Hence, the competitive environment among Pearl River Delta ports over the period has remained stable.

Port Operating Efficiency in the Pearl River Delta Region

In terms of average crane productivity, Yantian and Da Chan Bay Port are the most efficient ports in the Pearl River Delta region. These ports have achieved the highest average moves per crane/hour followed by Hong Kong. Average crane productivity and other resource productivity performance measurements achieved by the deep-water ports in Pearl River Delta shown below.

Port Operating Efficiency in Pearl River Delta region 2010

Port	Boxes Per Crane/Hour	TEU Per 100 Metres Berth	TEU Per Hectare Land
Hong Kong (HIT)	31	237,113	85,275
Yantian	32	150,289	30,241
Chiwan	29	189,580	52,473
Shekou	N/A	93,640	27,550
Nansha	26	204,540	47,700
Da Chan Bay	32	70,000	6,250

The average TEU per hectare of land per year is an indicator which measures the degree of resource utilisation within a container port. Both Hong Kong (HIT) and Chiwan Ports make productive use of their port land space, mainly because both of these ports are operating at relatively high utilisation levels.

Pearl River Delta Direct Container Trade vs. Transhipment

The major ports located in the Pearl River Delta region handled a total of 56.4 million TEU in 2010, of which transhipment volume accounted for about 35.0% or 19.7 million TEU. Total direct trade comprising international and domestic amounted to 36.7 million TEU.

Hong Kong, Chiwan and Nansha ports are the leading transhipment hub ports in the Pearl River Delta of which Hong Kong handled more than 67% of total transhipment volumes in the Pearl River Delta region, with Chiwan and Nansha handling the remaining volumes in 2010.

Direct vs Transhipment Container Trade in the Pearl River Delta region

Types	2008	2009	2010	% Change (2008-2010)
	(TEU in millions)			
Transhipment TEU	**19.3**	**18.4**	**19.7**	**1.1**
International Transhipment	16.1	14.9	16.6	1.6
Domestic Transhipment	3.2	3.5	3.2	(0.7)
Direct Trade	36.9	30.5	36.7	(0.4)
Total Containers	**56.2**	**48.9**	**56.4**	**0.2**

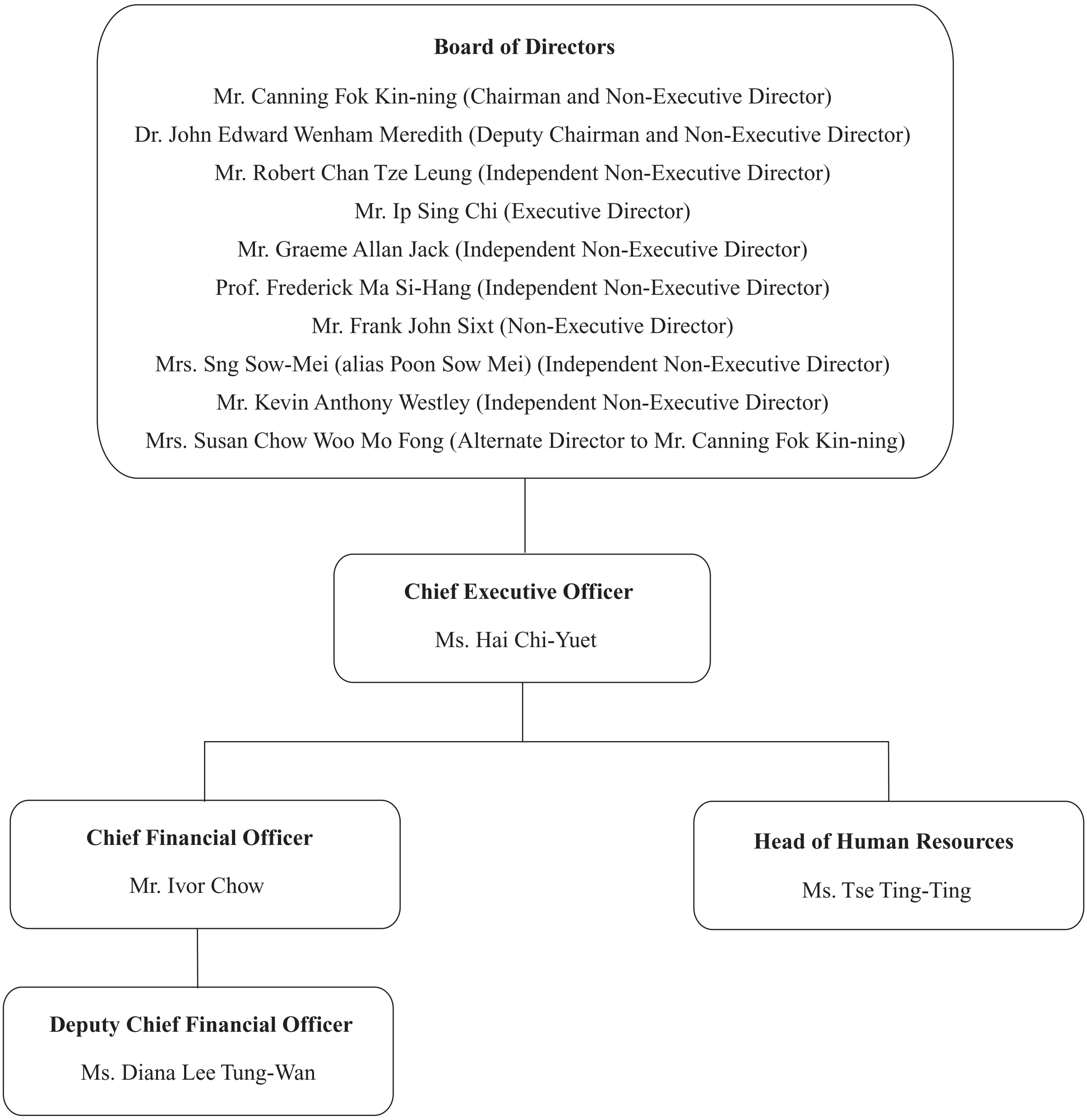
Note: The volume of transhipment container throughput for Pearl River Delta region exclude HK transhipment volumes

THE TRUSTEE-MANAGER

THE TRUSTEE-MANAGER OF HPH TRUST

The Trustee-Manager, Hutchison Port Holdings Management Pte. Limited, was incorporated in Singapore under the Companies Act on 7 January 2011. It has an issued and paid-up capital of HK$1. Its registered office is located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, and its telephone and facsimile numbers are +65 6536 5355 and +65 6536 1360, respectively. The Trustee-Manager is an indirect wholly-owned subsidiary of HWL.

Management Reporting Structure of the Trustee-Manager



Board of Directors of the Trustee-Manager

The Board of Directors is entrusted with the responsibility for the overall management of the Trustee-Manager, and has nine members. The following table provides certain information regarding the Directors:

Name	Age	Address	Position
Mr. Canning FOK Kin-ning	59	22nd Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong	Chairman and Non-Executive Director
Dr. John Edward Wenham MEREDITH	72	Terminal 4, Container Port Road South, Kwai Chung, Hong Kong	Deputy Chairman and Non-Executive Director
Mr. Robert CHAN Tze Leung	64	25/F Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong	Independent Non-Executive Director
Mr. IP Sing Chi	57	Terminal 4, Container Port Road South, Kwai Chung, Hong Kong	Executive Director
Mr. Graeme Allan JACK	60	24B Po Garden, 9 Brewin Path, Mid Levels, Hong Kong	Independent Non-Executive Director
Prof. Frederick MA Si-Hang	58	Room 3206-3210, 32/F China Resources Building, 26 Harbour Road, Wanchai, Hong Kong	Independent Non-Executive Director
Mr. Frank John SIXT	59	22nd Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong	Non-Executive Director
Mrs. SNG Sow-Mei (alias Poon Sow Mei)	69	Block 5000D, #12-14 Marine Parade Road, Singapore 449287	Independent Non-Executive Director
Mr. Kevin Anthony WESTLEY	61	15 Horizon Drive, Chung Hom Kok, Hong Kong	Independent Non-Executive Director
Mrs. Susan CHOW Woo Mo Fong	57	22nd Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong	Alternate Director to Mr. Canning Fok Kin-ning, Non-Executive Director

As at the Latest Practicable Date, none of the Directors has any family relationship with one another, with any Executive Officers, with any employee of the Trustee-Manager upon whose work HPH Trust is dependent, with any substantial shareholder of the Trustee-Manager or with any person expected to be a Substantial Unitholder[1] as at the Listing Date.

1 "**Substantial Unitholder**" refers to any Unitholder with an interest in Units constituting not less than 5.0% of all Units in issue.

Experience and Expertise of the Board of Directors

Certain information concerning the business and working experience of the Directors is set out below:

Mr. Canning Fok Kin-ning is the Chairman and a Non-Executive Director of the Trustee-Manager.

Mr. Fok has been Executive Director and Group Managing Director of HWL since 1984 and 1993, respectively. He is the Chairman of Hutchison Harbour Ring Limited, Hutchison Telecommunications Hong Kong Holdings Limited, Hutchison Telecommunications (Australia) Limited and Power Assets Holdings Limited and Co-chairman of Husky Energy Inc. He is also the Deputy Chairman of Cheung Kong Infrastructure Holdings Limited and Non-executive Director of Cheung Kong (Holdings) Limited.

Mr. Fok graduated from St. John's University in Minnesota with a Bachelor of Arts degree in 1974 and a diploma in financial management from the University of New England in Australia. He is a member of the Australian Institute of Chartered Accountants.

Dr. John Edward Wenham Meredith is the Deputy Chairman and a Non-Executive Director of the Trustee-Manager.

Dr. Meredith is the Group Managing Director of HPH. He is also the Deputy Chairman and Chief Executive of HITL and the Chairman of YICT. In addition, he is the President of Hutchison Ports (Panama), S.A. and holds senior management positions in other companies within HPH's worldwide operations. Prior to the Listing Date, Dr. Meredith will resign as Chief Executive of HITL and Chairman of YICT.

Dr. Meredith is a graduate of the University of Southampton and is a Master Mariner who served over 16 years with a major liner company prior to joining the Hutchison Group in 1972. He is well known in the maritime industry and a pioneer in containerisation. In 2008, he was awarded an honorary Doctor of Laws degree by The University of Western Ontario in Canada in recognition of his achievements in the maritime industry.

Mr. Robert Chan Tze Leung is an Independent Non-Executive Director of the Trustee-Manager.

Mr. Chan is an experienced banker with over 30 years of experience in both commercial and investment banking. Having worked in London, Malaysia and Singapore, Mr. Chan is currently the Chief Executive Officer of United Overseas Bank, Hong Kong.

He has been an Independent Non-Executive Director of Noble Group Ltd since 1996 and is also a Senior Adviser to Long March Capital Ltd, a fund management company based in Beijing and Shanghai in partnership with leading Chinese institutions including the CITIC Group.

Mr. Chan holds a Bachelor of Science (Econ) Hons. from the University of London and a Master of Business Administration degree from the University of Liverpool. He is a Fellow of the Hong Kong Institute of Directors.

Mr. Ip Sing Chi is an Executive Director of the Trustee-Manager and an Executive Director of the Sponsor.

Mr. Ip has over 30 years of experience in the maritime industry. He joined HITL in 1993 and was promoted to Managing Director in 1998. His responsibilities soon expanded to cover YICT and he became Managing Director of the South China Division of the HPH Group. In 2005, Mr. Ip was appointed Executive Director on the Board of HPH and assumed the corporate role as Head of Commercial of HPH. Prior to the Listing Date, Mr. Ip will resign as Managing Director of HITL and the South China Division of the HPH Group. He will assume the role of Chairman of YICT.

Mr. Ip graduated from Lanchester Polytechnic in the United Kingdom, with a Bachelor of Arts degree. He is a member of the Hong Kong Port Development Council and Chairman of the Shipping & Port Operations Group of the Employers' Federation of Hong Kong. He was the founding Chairman (in 2000-2001) of the Hong Kong Container Terminal Operators Association.

Mr. Graeme Allan Jack is an Independent Non-Executive Director of the Trustee-Manager.

Mr. Jack has extensive experience in finance and audit. Mr. Jack is an Independent Non-executive Director and a member of the audit and compensation committees of The Greenbrier Companies Inc., which is listed on the New York Stock Exchange. He is also the Independent Trustee of Hutchison Provident Fund and the Hutchison Provident and Retirement Plan, two trusts established to fund the retirement of HWL Group employees.

Mr. Jack retired from PricewaterhouseCoopers in 2006 having served as a partner for twenty six years in the audit and management consulting services practices.

Mr. Jack holds a Bachelor of Commerce degree from the University of New South Wales. He is a Fellow of the Hong Kong Institute of Certified Public Accountants and an Associate of the Institute of Chartered Accountants in Australia.

Prof. Frederick Ma Si-Hang, GBS, JP is an Independent Non-Executive Director of the Trustee-Manager.

Prof. Ma has been the Chairman and Non-Executive Director of China Strategic Holdings Limited since November 2009. He has also been a Director of Husky Energy Inc. since July 2010 and an Independent Non-executive Director of China Resources Land Limited since March 2010. Prof. Ma was appointed as a member of the International Advisory Council of China Investment Corporation in July 2009. Prior to that, Prof. Ma joined the Government of the Hong Kong Special Administrative Region as the Secretary for Financial Services and the Treasury in July 2002, and assumed the post of Secretary for Commerce and Economic Development in July 2007.

Prof. Ma has extensive experience in the financial services industry. He joined Chase Manhattan Bank, Hong Kong branch in 1973 and relocated to its New York Head Office in 1976. From 1978 to 1980, he was Second Vice President of the bank's Toronto office. In 1980, he joined Pitfield Mackay Ross Ltd (which later became RBC Dominion Securities) as a bank analyst and became President of its Asia subsidiary in 1985 before relocating to its London office as Managing Director in 1989. From 1998 to 2000, he was Managing Director and Asia Area Executive of Chase Manhattan Private Bank. He was Asia-Pacific Chief Executive of JP Morgan Private Bank from 2000 to 2001. Prof. Ma was Deputy Chairman and Managing Director of Kumagai Gumi (HK) Ltd (now known as HKC (Holdings) Ltd) from 1990 to 1998; an executive director and the Group Chief Financial Officer of Pacific Century Cyberworks Limited (now known as PCCW Limited) from 2001 to 2002 and was also a Non-executive Director of MTR Corporation Limited from 2002 to 2007.

Prof. Ma holds a Bachelor of Arts (Honours) in Economics and History from the University of Hong Kong. Prof. Ma is an Honorary Professor of the School of Economics and Finance at the University of Hong Kong. Prof. Ma received an Honorary Fellowship from the School of Accountancy, Central University of Finance and Economics in 2010. Prof. Ma is a Justice of Peace and was awarded a Gold Bauhinia Star by the Hong Kong SAR Government in 2009.

Mr. Frank John Sixt is a Non-Executive Director of the Trustee-Manager.

Mr. Sixt has been Executive Director and Group Finance Director of HWL since 1991 and 1998, respectively. He is the Chairman of TOM Group Limited. He is also Executive Director of Cheung Kong Infrastructure Holdings Limited and Power Assets Holdings Limited, Non-executive Director of Cheung Kong (Holdings) Limited, and Hutchison Telecommunications Hong Kong Holdings Limited and Director of Hutchison Telecommunications (Australia) Limited and Husky Energy Inc. In addition, he is director of Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust, Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust and Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust.

Mr. Sixt holds a Master's degree in Arts and a Bachelor degree in Civil Law, and is a member of the Bar and of the Law Society of the Provinces of Quebec and Ontario, Canada.

Mrs. Sng Sow-Mei (alias Poon Sow Mei) is an Independent Non-Executive Director of the Trustee-Manager.

Mrs. Sng has been an Independent Non-executive Director and a member of the audit committee of Cheung Kong Infrastructure Holdings Limited since September 2004. Since June 2003, she has been an Independent Director of ARA Asset Management (Fortune) Limited, which manages Fortune Real Estate Investment Trust, a real estate investment trust listed on The Stock Exchange of Hong Kong Limited and the SGX-ST, since October 2004 an Independent Director of ARA Trust Management (Suntec) Limited, which manages Suntec Real Estate Investment Trust, a real estate investment trust listed on SGX-ST, since October 2005 an Independent Non-executive Director of ARA Asset Management (Prosperity) Limited, which manages Prosperity Real Estate Investment Trust, a real estate investment trust listed on The Stock Exchange of Hong Kong Limited and since September 2007 a director of INFA Systems Ltd. Mrs. Sng is also a member of the audit committee of ARA Asset Management (Fortune) Limited, ARA Trust Management (Suntec) Limited and ARA Asset Management (Prosperity) Limited. Since 2001, Mrs. Sng has been a Senior Consultant of Singapore Technologies Electronics Ltd. Concurrently, since 2003, she has been an Adviser to InfoWave Pte. Ltd. Prior to her appointment with Singapore Technologies Pte Ltd., where Mrs. Sng was the Director, Special Projects (North East Asia) in 2000 and a Senior Consultant in 2001, Mrs. Sng was the Managing Director of CapitaLand Hong Kong Ltd. for investments in Hong Kong and the region including Japan and Taiwan from 1998 to 2000.

Prior to that, Mrs. Sng was the Centre Director of the Singapore Economic Development Board and then the Regional Director of the Trade Development Board in Hong Kong from 1983 to 1997. She was Singapore's Trade Commissioner in Hong Kong from 1990 to 1997.

Mrs. Sng holds a Bachelor of Arts degree from Nanyang University in Singapore. She was conferred the title of PPA(P) – Pingat Pentadbiran Awam (Perak), the Singapore Public Administration Medal (Silver) by the Republic of Singapore in 1996.

Mr. Kevin Anthony Westley is an Independent Non-Executive Director of the Trustee-Manager.

Mr. Westley is currently an adviser to the Chairman of The Hongkong and Shanghai Banking Corporation Limited and Non-Executive Chairman of Interpharma Investments Ltd, a holding company for a group engaged in pharmaceutical distribution within the Asia-Pacific region. He is also a member of the investment committee of the West Kowloon Redevelopment Authority; and a member of The Hong Kong Securities and Futures Commission's Committee on Real Estate Investment Trusts.

Prior to that, Mr. Westley joined the HSBC Group in 1977 and retired from full time employment with the HSBC Group in 2000 as Chairman and Chief Executive of HSBC Investment Bank (Asia) Limited. He has also served as Chairman of Takeovers and Mergers Panel in Hong Kong from 1996 to 2008, and as Deputy Chairman of Ocean Park Corporation Limited from 2002 to 2009. He was an independent non-executive director of Hutchison Telecommunications International Limited from 2004 until its privatisation in 2010.

Mr. Westley holds a Bachelor of Arts (Honours) degree from the London School of Economics and Political Science. He is a fellow of the Institute of Chartered Accountants of England and Wales.

Mrs. Susan Chow Woo Mo Fong is an Alternate Director to Mr. Canning Fok Kin-ning, Non-Executive Director of the Trustee-Manager.

She has been Executive Director and Deputy Group Managing Director of HWL since 1993 and 1998 respectively. She is also an Executive Director of Cheung Kong Infrastructure Holdings Limited, Hutchison Harbour Ring Limited and Power Assets Holdings Limited, a Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited and TOM Group Limited and a Director of Hutchison Telecommunications (Australia) Limited.

Mrs. Chow is a qualified solicitor in Hong Kong and England and Wales and holds a Bachelor's degree in Business Administration from the University of Bath, the United Kingdom.

The Executive Director, together with the management, is responsible for implementing the corporate strategy of HPH Trust. With the support of management, the Executive Director and the Company Secretary will ensure that the Board is properly informed of issues arising at Board meetings and is provided with complete and adequate information in a timely manner, including regular updates on financial results, market trends and business developments.

Independence of the Board of Directors

The Board will adhere to requirements of the BTA with regard to the independence of the independent directors of the Trustee-Manager (the "**Independent Directors**"). Under the Business Trusts Regulations 2005, an independent director is either:

- a person who is considered to be independent from management and business relationships with the trustee-manager as well as independent from a substantial shareholder of the trustee-manager pursuant to definitions used in the Business Trusts Regulations 2005; or

- a person whom, notwithstanding that he has the relationships described above, the board of directors of the trustee-manager is satisfied that his independent judgment and ability to act with regard to the interests of all the unitholders of the Registered Business Trust as a whole will not be interfered with, despite such relationships.

Review of Independence

The Board has reviewed the independence of Mrs. Sng Sow-Mei (alias Poon Sow Mei) and Prof. Frederick Ma Si-Hang.

Having carried out the review, the Board is satisfied that the relationships described above will not interfere with either of Mrs. Sng Sow-Mei's (alias Poon Sow Mei) or Prof. Frederick Ma Si-hang's independent judgment and ability to act with regard to the interests of all the Unitholders as a whole. Accordingly, the Board has, pursuant to Regulation 12(6) of the Business Trust Regulations 2005, determined that both Mrs. Sng Sow-mei (alias Poon Sow Mei) and Prof. Frederick Ma Si-hang are independent from management and business relationships with the Trustee-Manager or independent from a substantial shareholder of the Trustee-Manager, as the case may be, and the Board is satisfied that these Directors' independent judgment and ability to act with regard to the interests of all the Unitholders of HPH Trust as a whole will not be interfered with, despite the relationships, and are therefore both Independent Directors.

The Board has reached this conclusion based on the following:

- In the case of Mrs. Sng Sow-Mei (alias Poon Sow Mei), notwithstanding that she is currently an independent director and a member of the audit committees of Cheung Kong Infrastructure Holdings Limited ("**CKI**"), which is listed in Hong Kong; ARA Asset Management (Fortune) Limited ("**Fortune REIT Manager**"), which manages Fortune Real Estate Investment Trust (listed in Singapore and Hong Kong); ARA Trust Management (Suntec) Limited ("**Suntec REIT Manager**"), which manages Suntec Real Estate Investment Trust (listed in Singapore); and ARA Asset Management (Prosperity) Limited ("**Prosperity REIT Manager**"), which manages Prosperity Real Estate Investment Trust (listed in Hong Kong), these roles should not interfere with her ability to exercise independent judgment in the interest of the Unitholders for the following reasons:

  (i) Mrs. Sng does not have any relationship with the chief executive officers, members of the management teams, boards of directors or major shareholders/unitholders of these companies / REITs;

  (ii) she is not involved in the day-to-day management and operation of these companies / REITs;

  (iii) she does not own any shares/units of any of CKI, Suntec REIT and Prosperity REIT and she is a minority shareholder/unitholder only of:

    (a) ARA Asset Management Limited (listed in Singapore) – holding approximately 216,000 shares. Mrs Sng is not a director of this company; and

    (b) Fortune REIT (listed in Singapore and Hong Kong) – holding approximately 220,000 units;

  (iv) she exercises independent judgment as a member of the audit committees of the above-mentioned companies/REITs, in particular on interested person transactions and on internal audit control and management, and by participating in various meetings with relevant professional institutions and financial advisers prior to major transaction approvals;

(v) the above-mentioned companies/REITs of which she is currently an independent director are in different businesses from HPH Trust; and

(vi) her former and current regional diplomatic and business experiences in the region, in particular, North East Asia and South China, enable her to provide macro as well as micro views for businesses involved.

As such, given her extensive experience and qualifications, she will be able to contribute as an independent director on the Board.

- In the case of Prof. Frederick Ma Si-Hang, notwithstanding that he is a Non-executive Director of Husky Energy Inc., Husky Energy Inc. is an associated company of HWL and his role is that of an independent director. He is not involved in the day-to-day management of that company. In any case, that company does not engage in the same business as HPH Trust and should not interfere with the exercise of his independent judgment with regard to the interests of all the Unitholders.

As (i) Mrs. Sng Sow-mei (alias Poon Sow Mei) is also a Director of CKI, the Fortune REIT Manager, the Suntec REIT Manager and the Prosperity REIT Manager and (ii) Prof. Frederick Ma Si-Hang is also a Director of Husky Energy Inc., they will not participate in any discussions of the Board in relation to any interested person transactions with (a) (in relation to Mrs. Sng Sow-mei (alias Poon Sow Mei)) CKI, Fortune REIT, Suntec REIT and Prosperity REIT (b) (in relation to Prof. Frederick Ma Si-Hang) Husky Energy Inc., or (in relation to both of them) any matters that might give rise to a conflict of interest with the above mentioned entities and shall abstain from voting on any such proposals at any meeting of the Board.

List of Present and Past Principal Directorships of Directors

A list of the present and past directorships of each Director over the last five years preceding the Latest Practicable Date is set out in "Appendix G – List of Present and Past Principal Directorships of Directors and Executive Officers".

The Board collectively has the appropriate experience to act as the directors of the Trustee-Manager and is familiar with the responsibilities of a director of a public-listed vehicle.

Key Roles of the Board of Directors

The key roles of the Board are to:

- guide the corporate strategy and directions of the Trustee-Manager;
- ensure that senior management discharges business leadership and demonstrates the highest quality of management skills with integrity and enterprise; and
- oversee the proper conduct of the Trustee-Manager.

The Board consists of nine Directors. The audit committee of the Trustee-Manager ("**Audit Committee**") is made up of Mr. Graeme Allan Jack, Mr. Frank John Sixt and Mrs. Sng Sow-mei (alias Poon Sow Mei). Mr. Graeme Allan Jack will assume the position of Chairman of the Audit Committee.

The Board will meet to review the key activities and business strategies of the Trustee-Manager. The Board intends to meet regularly, at least once every three months to deliberate on the strategic policies of HPH Trust, including acquisitions and disposals, approve the annual budget and review the performance of HPH Trust. The Board will also review HPH Trust's key financial risk areas. The outcome of these reviews will be disclosed in HPH Trust's annual report or, where the findings are material, immediately announced via SGXNET.

Each Director has been appointed on the basis of his professional experience and his potential to contribute to the proper guidance of HPH Trust. The Directors will contribute in different ways, including using their personal networks to further the interests of HPH Trust.

The Board has approved a set of internal controls, which details approval limits for capital expenditure, investments and divestments and bank borrowings as well as arrangements in relation to cheque signatories. In addition, sub-limits are also delegated to various management levels to facilitate operational efficiency.

Changes to regulations and accounting standards are monitored closely by the members of the Audit Committee (see "Corporate Governance – Corporate Governance of the Trustee-Manager – Audit Committee"). To keep pace with regulatory changes, where these changes have an important bearing on the Trustee-Manager's or Directors' disclosure obligations, the Directors will be briefed either during Board meetings or at specially convened sessions involving the relevant professionals.

Management also provides the Board with complete and adequate information in a timely manner through regular updates on financial results, market trends and business developments.

Five of the nine Directors, which constitute the majority of the Board, are non-executive Directors and are independent of management. This enables management to benefit from the external, diverse and objective perspective of these directors, on issues that are brought before the Board. It also enables the Board to interact and work with management through a robust exchange of ideas and views to help shape the strategic process. This, together with a clear separation of the roles of the Chairman and the Chief Executive Officer, provides a healthy professional relationship between the Board and management, with clarity of roles and robust oversight as they deliberate on the business activities of the Trustee-Manager.

The positions of Chairman of the Board and Chief Executive Officer are separately held by two persons in order to maintain effective checks and balances. The Chairman of the Board is Mr Canning Fok Kin-ning while the Chief Executive Officer is Ms. Hai Chi-Yuet.

There is a clear separation of the roles and responsibilities between the Chairman and the Chief Executive Officer. The Chairman is responsible for the overall management of the Board as well as ensuring that the members of the Board and management work together with integrity and competency, and that the Board engages management in constructive debate on strategy, business operations, enterprise risk and other plans while the Chief Executive Officer has full executive responsibilities over the business directions and operational decisions in the day-to-day management of the Trustee-Manager.

The Board has separate and independent access to senior management and the Company Secretary at all times. The Company Secretary attends to corporate secretarial administration matters and attends all Board meetings. The Board also has access to independent professional advice where appropriate. As at the date of this document, the Company Secretary is Lim Ka Bee, an associate member of The Institute of Chartered Secretaries & Administrators, United Kingdom and a practising member of the Singapore Association of the Institute of Chartered Secretaries & Administrators.

Executive Officers of the Trustee-Manager and Key Management of the Portfolio Container Terminals

The Executive Officers are entrusted with the responsibility for the daily operations of the Trustee-Manager. Certain of the Executive Officers are also the key management of the Portfolio Container Terminals.

Name	Age	Address	Position
Ms. HAI Chi-Yuet	56	YICT Building, 3rd Jingang Road, Yantian District, Shenzhen, China	Chief Executive Officer (and Managing Director of Yantian)
Mr. Ivor CHOW	41	Terminal 4, Container Port Road South, Kwai Chung, Hong Kong	Chief Financial Officer (and Managing Director of HIT)
Ms. Diana LEE Tung-Wan	42	YICT Building, 3rd Jingang Road, Yantian District, Shenzhen, China	Deputy Chief Financial Officer (and General Manager – Finance and Legal and Company Secretary of Yantian)
Mr. Kenneth YING Tze Man	55	CHT Tower, Terminal 8 East, Container Port Road South, Kwai Chung, Hong Kong	Director and General Manager, COSCO-HIT
Ms. TSE Ting-Ting	43	Terminal 4, Container Port Road South, Kwai Chung, Hong Kong	Head of Human Resources (and General Manager – Human Resources of HIT)

Experience and Expertise of the Executive Officers and Key Management of the Portfolio Container Terminals

Information on the working experience of the Executive Officers and key management of the Portfolio Container Terminals is set out below:

Ms. Hai Chi-Yuet is the Chief Executive Officer of the Trustee-Manager.

Ms. Hai is also the Managing Director of Yantian.

Ms. Hai has a long established career with the Hutchison Group. Prior to joining the Ports Division in 1987, Ms. Hai worked at Hutchison International Limited since 1981. Prior to joining Yantian International Container Terminals in 2009, she had been the Director and General Manager of COSCO-HIT Terminals (Hong Kong) since its inception in 1992.

Ms. Hai is also a member of the Hutchison Port South China ("**HPSC**") Exco, a committee of executives that determines the strategy for HPH in South China. She serves on many public bodies both in Hong Kong and Shenzhen, PRC. She is a member of the Election Committee for the Chief Executive of the Hong Kong Special Administrative Region, the President of the Shenzhen Ports Association and Deputy President of Guangdong Port & Harbour Association, and was a member of the Port Development Advisory Group from 2003 to 2008.

Ms. Hai graduated with a Bachelor of Business Administration degree from the business school of York University in Toronto, Canada.

Mr. Ivor Chow is the Chief Financial Officer of the Trustee-Manager.

Mr. Chow is also the Managing Director of HIT.

Mr. Chow has over 20 years of experience working in the port industry as well as the accounting and banking industry. Mr. Chow joined Hutchison Port Holdings in 1998 and since 2001, he has served as the General Manager of the Commercial division and Chief Financial Officer of several of HPH's subsidiaries. He has also served as Finance Director of the South China Division of HPH's as well as director on some of HPH Trust Business Portfolio's assets' board of directors since 2008.

Mr. Chow holds a Bachelor of Mathematics degree from the University of Waterloo in Canada. He is a Chartered Accountant of The Institute of Chartered Accountants of Ontario.

The Audit Committee is of the opinion that Ivor Chow is suitable as the Chief Financial Officer on the basis of his qualifications and relevant past experience.

Ms. Diana Lee Tung-Wan is the Deputy Chief Financial Officer of the Trustee-Manager.

Ms. Lee is also the General Manager – Finance and Legal and Company Secretary of Yantian.

Ms. Lee has 20 years of experience working in the accounting and banking field. Ms. Lee worked in China and Australia prior to joining HITL in 2000. During her time with HITL, Ms. Lee focused in the financial planning and corporate finance area of the South China Division of Hutchison Port Holdings and served as Chief Financial Officer of several of HPH's subsidiaries. She has also served as director on some of HPH Trust Business Portfolio's assets' boards of directors since 2006.

Ms. Lee holds a Bachelor of Commerce degree from the University of Melbourne in Australia. She is an Associate of the Institute of Chartered Accountants in Australia.

Mr. Kenneth Ying Tze Man is the Director and General Manager of COSCO-HIT Terminals (Hong Kong) Limited.

Mr. Ying is also a member of the HPSC Exco, a committee of executives who determine the strategy of HPH in South China.

Mr. Ying has over 30 years of experience in audit and the logistics sector. Prior to joining CHT, Mr. Ying held various executive positions at HPSC. He was an Executive Director of HITL and a Finance Director of HPSC and looked after the financial matters of Hutchison Ports business units in South China.

Mr. Ying is a member of the Hong Kong Institute of Certified Public Accountants and also a Fellow of the Association of the Chartered Association of Certified Accountants in the United Kingdom. He is a member of the Port Development Advisory Group of Hong Kong. Prior to joining HPSC, he was the Finance Director of a Hong Kong-listed company.

Ms. Tse Ting-Ting is the Head of Human Resources of the Trustee-Manager.

Ms. Tse is also the General Manager – Human Resources of HIT.

Ms. Tse has over 20 years of experience working in the human resources field in the ports, accounting, manufacturing and service industries. She has held numerous regional roles covering Asia-Pacific as well as operational responsibilities for China and Hong Kong. Prior to joining the Trustee-Manager, Ms. Tse was the General Manager of the Human Resources division at HITL.

Ms. Tse holds a Master of Business Administration from the University of Hull in the United Kingdom.

List of Present and Past Principal Directorships of Executive Officers

A list of the present and past directorships of each Executive Officer of the Trustee-Manager over the last five years preceding the Latest Practicable Date is set out in "Appendix G – List of Present and Past Principal Directorships of Directors and Executive Officers".

Key Roles of the Executive Officers and Key Management of the Portfolio Container Terminals

The **Chief Executive Officer** of the Trustee-Manager will work with the Board to determine the strategy for HPH Trust. He will also work with the other members of the Trustee-Manager's management team in meeting the stated strategic and operational objectives of HPH Trust. Additionally, the Chief Executive Officer will be responsible for planning the future strategic development and the day-to-day operations of HPH Trust.

The **Chief Financial Officer** of the Trustee-Manager will work with the Chief Executive Officer and the other members of the management team to formulate strategic plans for HPH Trust in accordance with the Trustee-Manager's stated investment mandate. The Chief Financial Officer will be responsible for applying the appropriate capital management strategy and overseeing the implementation of HPH Trust's short-term and medium-term business plans and financial condition.

The **Head of Human Resources** of the Trustee-Manager will work with the Chief Executive Officer and the other members of the management team to manage the human resources of HPH Trust. The Human Resources Director will be responsible for recruitment, training, performance management, industrial relations and compensation and benefits.

The Key Management of the Portfolio Container Terminals is responsible for overseeing the management and operations of the Portfolio Container Terminals.

Remuneration of the Directors and Executive Officers of the Trustee-Manager

The compensation, in bands of US$150,000, paid by the Trustee-Manager, and/or any one or more subsidiaries or subsidiary entities, of HPH Trust, to the Directors and the Executive Officers, for services rendered to the HPH Trust Group in all capacities on an aggregate basis for FY2009 and FY2010 (being the last two most recent completed financial years) and the estimate of the same for FY2011 is as follows:

	FY2009(1)	FY2010(1)	FY2011 (Estimate)
Directors			
Mr. Canning FOK Kin-ning	Nil	Nil	A
Dr. John Edward Wenham MEREDITH	Nil	Nil	A
Mr. Robert CHAN Tze Leung	Nil	Nil	A
Mr. IP Sing Chi	Nil	Nil	A
Mr. Graeme Allan JACK	Nil	Nil	A
Prof. Frederick MA Si-Hang	Nil	Nil	A
Mr. Frank John SIXT	Nil	Nil	A
Mrs. SNG Sow-Mei (alias Poon Sow Mei)	Nil	Nil	A
Mr. Kevin Anthony WESTLEY	Nil	Nil	A
Mrs. Susan CHOW Woo Mo Fong(2)	Nil	Nil	Nil
Executive Officers			
Ms. HAI Chi-Yuet	D	E	E(3)
Mr. Ivor CHOW	C	D	D(3)
Ms. Diana LEE Tung-Wan	B	C	C(3)
Ms. TSE Ting-Ting	B	C	C(3)

Notes:

(1) Refers to compensation paid by subsidiaries or subsidiary entities of HPH Trust as the Trustee-Manager was only incorporated on 7 January 2011.

(2) As an alternate director to Mr. Canning Fok Kin-ning, Mrs. Susan Chow Woo Mo Fong will not be receiving any director's fees from the Trustee-Manager.

(3) Most of the aggregate compensation of the Executive Officers will be paid by the relevant operating subsidiary of HPH Trust (YICT to Ms. Hai Chi-Yuet in her role as Managing Director of Yantian and Ms. Diana Lee in relation to her role as General Manager – Finance and Legal and Company Secretary of Yantian, and HITL to Mr. Ivor Chow in relation to his role as Managing Director of HITL and Ms. Tse Ting-Ting in relation to her role as General Manager – Human Resources of HITL), with the remainder of the aggregate compensation of each of the Executive Officers being paid by the Trustee-Manager (out of its own account) and HPH Trust HoldCo.

Remuneration Bands:

- "A" refers to remuneration not exceeding US$150,000.
- "B" refers to remuneration between the equivalent of US$150,001 and US$300,000.

- "C" refers to remuneration between the equivalent of US$300,001 and US$450,000.
- "D" refers to remuneration between the equivalent of US$450,001 and US$600,000.
- "E" refers to remuneration between the equivalent of US$600,001 and US$750,000.

As at the Latest Practicable Date, S$1.00 = US$0.7806[1].

Compensation includes benefits in kind and any deferred compensation accrued for the relevant fiscal year and payable at a later date.

No compensation is currently payable to any Director or Executive Officer in the form of options in Units or pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement under the service contracts. The Trustee-Manager may in the future consider the establishment of a bonus or profit-sharing plan or other profit-linked agreement or arrangement under the respective service contracts of the Executive Officers.

The Trustee-Manager has not set aside or accrued any amounts for its employees to provide for pension, retirement or similar benefits.

Employees of the Trustee-Manager

On the Listing Date, the Trustee-Manager has five employees, consisting of the Chief Executive Officer, the Chief Financial Officer, the Deputy Chief Financial Officer and the Head of Human Resources of the Trustee-Manager (listed in "The Trustee-Manager – The Trustee-Manager of HPH Trust – Executive Officers of the Trustee-Manager and Key Management of the Portfolio Container Terminals" above) as well as and a liaison officer based in Singapore.

As at the Latest Practicable Date, the employees of the Trustee-Manager are not unionised.

Service Agreements

None of the Directors has entered, or proposes to enter, into service agreements with the Trustee-Manager or any subsidiary or subsidiary entity of HPH Trust which provides for benefits upon termination of employment.

Constituent Documents of the Trustee-Manager

Certain key provisions of the Memorandum and Articles of Association of the Trustee-Manager are set out below.

The power of a Director to vote on a proposal, arrangement or contract in which he is interested

The Director must, as soon as practicable after the relevant facts have come to his knowledge, declare the nature of his interest at a meeting of the Directors. Subject to such disclosure, as well as Section 156 of the Companies Act and the BTA, the Director is entitled to vote on transactions in which he is interested and he shall be taken into account in ascertaining whether a quorum is present.

1 Source: Bloomberg. Bloomberg has not provided its consent, for purposes of Section 282L of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 282N and 282O of the SFA. While the Trustee-Manager, the Joint Bookrunners and the Underwriters have taken reasonable actions to ensure that the information from the relevant report published by Bloomberg is reproduced in its proper form and context, and that the information is extracted accurately and fairly from that report, none of the Trustee-Manager, the Joint Bookrunners, the Underwriters or any other party has conducted an independent review of the information contained in that report or verified the accuracy of the contents of the relevant information.

The borrowing powers exercisable by the Trustee-Manager (acting in its capacity as trustee-manager of HPH Trust) and how such borrowing powers may be varied

Pursuant to the Memorandum of Association of the Trustee-Manager, the Trustee-Manager has all full rights, powers and privileges necessary to carry on or undertake any business or activity, do any act or enter into any transaction subject to the provisions of the Companies Act, the BTA and any other written law, in this case, the business of acting as trustee-manager of HPH Trust.

Section 28(4) of the BTA prohibits the Trustee-Manager from borrowing on behalf of HPH Trust unless the power of borrowing is conferred upon it by the Trust Deed. The Trust Deed empowers the Trustee-Manager to, whenever it considers it desirable in the interests of Unitholders to do so or for the purpose of enabling the Trustee-Manager to meet any contractual obligations or liabilities under or in connection with the trusts of the Trust Deed or with any investment of HPH Trust or for the purpose of financing the conduct, carrying on or furtherance of any Authorised Businesses (as defined herein) undertaken by HPH Trust or for the purpose of financing or facilitating any distributions to Unitholders or financing the repurchase and/or redemption of Units by the Trustee-Manager or for any other purpose deemed desirable by the Trustee-Manager in connection with any Authorised Businesses undertaken by HPH Trust or any asset of HPH Trust, lend, borrow or raise monies (upon such terms and conditions as it thinks fit, including, without limitation, raising monies by the issue of securities or the incurrence of borrowings involving the charging, mortgaging or creating security of over all or any of the investments, assets or rights of HPH Trust or by issuing debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Trustee-Manager, as trustee-manager of HPH Trust) and enter into swap derivative transactions for the management of foreign exchange and/or interest rate risks and as otherwise permitted under the Trust Deed. The Trustee-Manager may secure the repayment of such monies and interest costs and other charges and expenses in such manner and upon such terms and conditions as the Trustee-Manager may think fit and provide such priority, subordination or sharing of any liabilities owing to HPH Trust in such manner and upon such terms and conditions as the Trustee-Manager may think fit provided that the Trustee-Manager shall not be required to execute any instrument, lien, charge, pledge, hypothecation, mortgage or agreement in respect of the lending, borrowing or raising of monies which (in its opinion) would render HPH Trust's liability to extend beyond it being limited to the Trust Property.

Any variation of the borrowing powers as contained in the Trust Deed would require the approval of the Unitholders by way of an Extraordinary Resolution held at a Unitholders' general meeting convened in accordance with the Trust Deed and such other regulatory approvals as may be required to vary the terms of the Trust Deed.

The retirement or non-retirement of a Director under an age limit requirement

The Memorandum and Articles of Association of the Trustee-Manager do not specify an age limit beyond which a Director shall retire.

The number of Units, if any, required for the qualification of a Director

A Director is not required to hold any Units to qualify as a Director.

Retirement of Directors

The appointment of the Directors will continue until such time as they resign, are required to vacate their office as directors, or are removed by way of an ordinary resolution of the shareholder(s) of the Trustee-Manager, in each case, in accordance with the Articles of Association of the Trustee-Manager.

ROLES AND RESPONSIBILITIES OF THE TRUSTEE-MANAGER

The Trustee-Manager has the dual responsibility of safeguarding the interests of Unitholders, and managing the business conducted by HPH Trust. The Trustee-Manager has general powers of management over the business and assets of HPH Trust and its main responsibility is to manage HPH Trust's assets and liabilities for the benefit of the Unitholders as a whole.

The Trustee-Manager will set the strategic direction of HPH Trust and decide on the acquisition, divestment or enhancement of assets of HPH Trust in accordance with its stated investment mandate. Additionally, the Trustee-Manager will undertake active management of HPH Trust's assets to enhance the performance of the portfolio. It will also undertake capital and risk management strategies in order to maintain a strong balance sheet for HPH Trust.

The Trustee-Manager is also obliged to exercise the degree of care and diligence required of a trustee-manager of a Registered Business Trust ("**Due Care**") to comply with the applicable provisions of all relevant legislation, as well as the Listing Manual, and is responsible for ensuring compliance with the Trust Deed and all relevant contracts entered into by the Trustee-Manager on behalf of HPH Trust.

Furthermore, the Trustee-Manager will prepare business plans on a regular basis, which may contain proposals and forecasts on net income, capital expenditure, sales and valuations, explanations of major variances to previous forecasts, written commentary on key issues and any relevant assumptions. The purpose of these plans is to explain the performance of HPH Trust's investments.

The Trustee-Manager, in exercising its powers and carrying out its duties as HPH Trust's trustee-manager, is required to:

- treat Unitholders who hold Units in the same class fairly and equally;
- ensure that all payments out of the Trust Property of HPH Trust are made in accordance with the BTA and the Trust Deed;
- report to the Authority any contravention of the BTA or the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005 ("**SF BT Regulations**") by any other person that:
  - relates to HPH Trust; and
  - has had, has or is likely to have, a material adverse effect on the interests of all Unitholders, or any class of Unitholders, as a whole, as soon as practicable after the Trustee-Manager becomes aware of the contravention.
- ensure that the Trust Property of HPH Trust is properly accounted for; and

- ensure that the Trust Property of HPH Trust is kept distinct from the property held in its own capacity.

The Board will meet regularly to review HPH Trust's business activities and strategies pursuant to its then prevailing investment mandate. Such regular review is aimed at ensuring adherence to the Trust Deed and compliance with any applicable legislation, regulations and guidelines.

The Trustee-Manager also has the following statutory duties under the BTA:

- at all times act honestly and exercise reasonable diligence in the discharge of its duties as HPH Trust's trustee-manager in accordance with the BTA and the Trust Deed;

- act in the best interests of all Unitholders as a whole and give priority to the interests of all Unitholders as a whole over its own interests in the event of a conflict between the interests of all the Unitholders as a whole and its own interests;

- not make improper use of any information acquired by virtue of its position as HPH Trust's trustee-manager to gain, directly or indirectly, an advantage for itself or for any other person to the detriment of the Unitholders; and

- hold the Trust Property of HPH Trust on trust for all Unitholders as a whole in accordance with the terms of the Trust Deed.

Should the Trustee-Manager contravene any of the provisions setting out the aforesaid duties, it is:

- liable to all Unitholders as a whole for any profit or financial gain directly or indirectly made by it or any of its related corporations or for any damage suffered by all Unitholders as a whole as a result of the contravention; and

- be guilty of an offence and shall be liable on conviction to a fine not exceeding S$100,000.

While the Trustee-Manager is required to be dedicated to the conduct of the business of HPH Trust, it is not prohibited from delegating its duties and obligations to third parties. Save for an instance of fraud, wilful default or breach of trust by the Trustee-Manager or where the Trustee-Manager fails to exercise Due Care, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered to be done or omitted to be done by it in good faith under the Trust Deed. In addition, the Trustee-Manager shall be entitled, for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as trustee-manager, to have recourse to the Trust Property of HPH Trust or any part thereof save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, wilful default or breach of trust by the Trustee-Manager or by the failure of the Trustee-Manager to exercise Due Care. The Trustee-Manager may, in managing HPH Trust and in carrying out and performing its duties and obligations under the Trust Deed, appoint such person to exercise any or all of its powers and discretions and to perform all or any of its obligations under the Trust Deed, and shall not be liable for all acts and omissions of such persons provided that the Trustee-Manager exercised Due Care in selecting as well as monitoring such persons.

FEES PAYABLE TO THE TRUSTEE-MANAGER

The fees payable to the Trustee-Manager in respect of its services to HPH Trust are set out below. The Trustee-Manager may direct that all or a portion of any fees payable to the Trustee-Manager be paid directly to any third parties.

Management Fees

The Trustee-Manager is entitled under the Trust Deed to the Base Fee and a Performance Fee.

The Base Fee is a fixed fee of US$2.5 million per annum, which is subject to increase each year by such percentage representing the percentage increase (if any) in the Hong Kong Composite Consumer Price Index[1].

The amount of the Base Fee is subject to an upward adjustment whenever HPH Trust makes an acquisition that can be classified as a major transaction based on the tests set out in Chapter 10 of the Listing Manual. This upward adjustment shall be based on a cost recovery basis, subject to a maximum increase equivalent to the percentage increase in the total assets of HPH Trust as a result of the acquisition. The actual adjustment shall be subject to the approval of the Independent Directors and the maximum increase as described above.

The Base Fee is payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect).

The Trustee-Manager has elected to receive 100.0% of the Base Fee in cash for the Forecast Year and the Projection Year.

The Trustee-Manager is entitled to receive a Performance Fee in relation to the Forecast Period 2011 and the Projection Year 2012 as follows when the DPU of HPH Trust exceeds the seasonally annualised 2011[2] forecast DPU of HK45.88 cents (the "**Base DPU**"):

- a fee of 3.0% of the first 25.0% of excess DPU as compared to the Base DPU;
- an additional fee of 6.0% of the next 25.0% of excess DPU as compared to the Base DPU (i.e. excess DPU above 25.0% and up to 50.0% of the Base DPU);
- a further fee of 12.0% of the next 25.0% of excess DPU as compared to the Base DPU (i.e. excess DPU above 50.0% and up to 75.0% of the Base DPU); and
- an additional further fee of 18.0% of any excess DPU above 75.0% of the Base DPU.

In the event that the actual DPU is less than the Base DPU, such deficit shall be brought forward to the subsequent period(s) and shall be set-off from any excess DPU before any Performance Fee can be paid.

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1 As shown in the Hong Kong Monetary Authority official website (http://www.info.gov.hk/hkma/eng/statistics/index_efdhk.htm) as at 31 December of the fiscal year as compared to 31 December of the previous fiscal year.

2 DPU for Forecast Period 2011 is seasonally annualised as follows:
Seasonally annualised DPU = Forecast Period 2011 DPU ÷ Seasonally Annualising Factor
Seasonally Annualising Factor = 0.8151 (Combined throughput of HIT and Yantian assumed for Forecast Period 2011 ÷ Combined throughput of HIT and Yantian assumed for the Forecast Year 2011) (See "The Business of Hutchison Port Holdings Trust – Seasonality".)

The Trustee-Manager is entitled to receive a Performance Fee in relation to any year following the Projection Year 2012 as follows when the DPU of HPH Trust exceeds the CPI Adjusted Base DPU:

- a fee of 3.0% of the first 25.0% of excess DPU as compared to the CPI Adjusted Base DPU;
- an additional fee of 6.0% of the next 25.0% of excess DPU as compared to the CPI Adjusted Base DPU (i.e. excess DPU above 25.0% and up to 50.0% of the CPI Adjusted Base DPU);
- a further fee of 12.0% of the next 25.0% of excess DPU as compared to the CPI Adjusted Base DPU (i.e. excess DPU above 50.0% and up to 75.0% of the CPI Adjusted Base DPU); and
- an additional further fee of 18.0% of any excess DPU above 75.0% of the CPI Adjusted Base DPU.

In the event that the actual DPU is less than the CPI Adjusted Base DPU, such deficit shall be brought forward to the subsequent period(s) and shall be set-off from any excess DPU before any Performance Fee can be paid.

The Performance Fee for any year following the Projection Year 2012 is payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect). For avoidance of doubt, the Performance Fee shall not be payable on any distribution derived from the disposal and/or sale of assets from the HPH Trust Business Portfolio.

The Performance Fee is payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect). The Trustee-Manager has elected to receive the Performance Fee in Units for the Forecast Period 2011 and the Projection Year 2012.

Any increase in the rates set out above or any change in the formula for calculation of the Trustee-Manager's management fees must be approved by an Extraordinary Resolution passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

The base fee and the performance fee is payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect).

Acquisition Fee, Divestment Fee and Development Fee

The Trustee-Manager is entitled to an Acquisition Fee and Divestment Fee.

The Acquisition Fee will be:

- where the Sponsor has direct or indirect interests of more than 50.0% in any investments acquired directly or indirectly by HPH Trust, 0.5% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of the Enterprise Value of the investments (pro-rated if applicable to the proportion of HPH Trust's interest in the investments acquired); and
- in all other cases, 1.0% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of the Enterprise Value of any investments acquired directly or indirectly by HPH Trust (pro-rated if applicable to the proportion of HPH Trust's interest in the investments acquired).

The Divestment Fee is calculated at the rate of 0.5% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of the Enterprise Value of any investments sold or divested directly or indirectly by HPH Trust (pro-rated if applicable to the proportion of HPH Trust's interest in the investments sold or divested).

Where:

Enterprise Value = Equity + Net Debt

"**Equity**" is the consideration paid or offered for a company's share capital of all classes, including the consideration paid or offered under any proposals relating to any options over the company's share capital.

"**Net Debt**" is the value of any debt including finance lease obligations, unfunded superannuation and minority interests, and net of cash held on the balance sheet as at the time of the acquisition or divestment.

In the case of an acquisition or divestment of an equity share or interest of less than 100.0%, the above definition of Enterprise Value will be applied proportionately to both Equity and Net Debt as defined above.

The Acquisition Fee and the Divestment Fee are payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect).

The Acquisition Fee and the Divestment Fee are calculated based on the Enterprise Value of any investments acquired or divested directly or indirectly by HPH Trust and exclude any fees or expenses incurred in connection with the acquisition or divestment. Any payment to third-party agents or brokers in connection with the acquisition or divestment of any asset of HPH Trust shall be paid by the Trustee-Manager to such persons out of the Trust Property of HPH Trust or the assets of the relevant special purpose vehicle, and not out of the acquisition fee or divestment fee received or to be received by the Trustee-Manager.

The Trustee-Manager is entitled to receive development fees equivalent to:

- where the total project costs incurred in the development project is less than US$500 million, a fee of 2.5% of the total project costs incurred (pro-rated if applicable to the interest of HPH Trust in the development); and

- where the total project costs incurred in the development project is US$500 million or more, a fee of US$12.5 million plus 1.5% of the total amount by which the project costs incurred exceeds US$500 million (pro-rated if applicable to the interest of HPH Trust in the development),

for undertaking any Development Project (as defined herein) undertaken by the Trustee-Manager on the behalf of HPH Trust.

"**Development Project**" means a project involving the development of land, terminal facilities, buildings, or part(s) thereof on land which is acquired, held or leased by HPH Trust.

For the avoidance of doubt, (i) no Acquisition Fee shall be paid when the Trustee-Manager receives the Development Fee for a Development Project, but the cost of the land shall be included as an item in the total project costs and (ii) no Development Fee shall be paid in relation to Yantian Phase III Expansion and Yantian West Port Phase II.

Any increase in the rates set out above or any change in the formula for calculation of the Acquisition Fee, the Divestment Fee or the Development Fee must be approved by an Extraordinary Resolution passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

The Development Fee is calculated based on the project costs of the Development Project, excluding any fees or expenses incurred.

RETIREMENT OR REMOVAL OF THE TRUSTEE-MANAGER

Under the BTA, the Trustee-Manager may be removed as trustee-manager of HPH Trust, by the Unitholders only by an Extraordinary Resolution, or it may resign as trustee-manager. Any removal or resignation of the Trustee-Manager must be made in accordance with the procedures that the MAS may prescribe. Any purported change of the trustee-manager of a Registered Business Trust is ineffective unless it is made in accordance with the BTA.

Under the Trust Deed, the Trustee-Manager may be removed only if such removal is approved by an Extraordinary Resolution of the Unitholders (with no Unitholder being disenfranchised).

The Trustee-Manager will remain the trustee-manager of HPH Trust until another person is appointed by:

(i) the Unitholders to be the trustee-manager of HPH Trust; or

(ii) by the court under Section 21(1) of the BTA to be the temporary trustee-manager of HPH Trust,

and such appointment shall be effective from the date stated in the resolution of the Unitholders or court order as the effective date of the appointment of the replacement trustee-manager or temporary trustee-manager, as the case may be.

Pursuant to Section 21(1) of the BTA, on an application by the MAS or the Trustee-Manager or a Unitholder, the court may, by order, appoint a company that has consented in writing to serve as a temporary trustee-manager to be the temporary trustee-manager of HPH Trust for a period of three months if the court is satisfied that the appointment is in the interest of the Unitholders.

The temporary trustee-manager of HPH Trust is required, within such time and in accordance with such requirements as may be prescribed by MAS, to take steps to enable the Unitholders to appoint another person as the trustee-manager (not being a temporary trustee-manager) of HPH Trust.

ANNUAL REPORTS

An annual report will be issued by the Trustee-Manager to Unitholders within four months from the end of each accounting period of HPH Trust and at least 14 days before the annual general meeting of the Unitholders, containing, among other things, the following key items:

(i) the No Material Differences Statement which will be set out as a note to the annual consolidated financial statements, assuming that there are no material differences between HKFRS and IFRS;

(ii) details of HPH Trust's exposure to derivatives;

(iii) details of all material transactions in respect of HPH Trust entered into for the relevant accounting period;

(iv) a general description of each of the ports operated by HPH Trust;

(v) an operational and financial review of HPH Trust;

(vi) the amount of Distributable Income held pending distribution to Unitholders;

(vii) the amount of fees paid to the Trustee-Manager (including any Units issued in part or full payment thereof, and the issue price of such Units);

(viii) details of amounts outstanding under any financing arrangements;

(ix) details of HPH Trust's other material investments;

(x) the highest and lowest prices at which the Units were traded on the SGX-ST during the relevant accounting period;

(xi) the volume of trade in the Units during the relevant accounting period; and

(xii) the aggregate value of all transactions entered into by the Trustee-Manager, for and on behalf of HPH Trust, with an "interested person" (as defined in the Listing Manual).

The SGX-ST has granted a waiver from Rule 220(1) of SGX-ST Listing Manual on the basis that:

(a) in respect of the audited combined financial statements of the Historical Portfolio Business included in this document, the notes to the combined financial statements will include the No Material Differences Statement;

(b) after the Listing Date and going forward, assuming that there are no material differences between HKFRS and IFRS, the No Material Differences Statement will be set out as a note to the annual audited full-year financial statements issued by HPH Trust; and

(c) after the Listing Date and going forward after the announcement of HPH Trust's unaudited full-year results, if it comes to HPH Trust's attention that there are material differences between HKFRS and IFRS and material adjustments are required to restate its full-year financial statements in accordance with IFRS, HPH Trust will make an immediate announcement of the material differences on SGXNET.

The Board is also required under Section 86 of the BTA to make a written statement, in accordance with a Board resolution and signed by not less than two Directors on behalf of the Board, certifying that:

(i) fees or charges paid or payable out of the Trust Property of HPH Trust to the Trustee-Manager are in accordance with the Trust Deed;

(ii) Interested Person Transactions[1] are not detrimental to the interests of all the Unitholders as a whole based on the circumstances at the time of the transaction; and

(iii) the Board is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of HPH Trust or on the interests of all the Unitholders as a whole.

Such statement must be attached to the profit and loss accounts of HPH Trust.

HPH Trust's first reporting period will be from 25 February 2011, the date of constitution as a business trust, to 31 December 2011. The first annual report of HPH Trust will cover the period to 31 December 2011.

HPH Trust will also issue quarterly reports in accordance with the requirements of the Listing Manual and all relevant laws. These quarterly reports will contain, among other things, the financial statements of HPH Trust for the relevant quarter, the earnings per Unit (calculated in accordance with the requirements of the SGX-ST) and a review of the performance of HPH Trust that contains significant factors affecting turnover, costs, and earnings of HPH Trust for the financial period reported on, and any material factors that affected the cash flow, working capital, assets or liabilities of HPH Trust during the financial period reported on.

1 "**Interested Person Transaction**" has the meaning ascribed to it in the Listing Manual.

THE SPONSOR

Overview

The Sponsor is Hutchison Port Holdings Limited, a company incorporated in the British Virgin Islands, and a subsidiary of HWL, a company listed on Main Board of the Stock Exchange of Hong Kong Limited.

The Sponsor is the world's largest privately-owned container terminal operator in terms of throughput handled. As at 31 December 2010, the Sponsor held interests in a total of 308 berths in 51 ports, spanning 25 countries throughout Asia, the Middle East, Africa, Europe, the Americas and Australasia. The Sponsor operates in six of the 10 busiest container ports in the world. In 2009, the Sponsor handled a combined throughput of approximately 65.3 million TEU worldwide.

The Sponsor is a market leader in terms of technologically-advanced commercial port operations. Through decades of investment and research in improving operational efficiency, the Sponsor has pioneered innovations in its various operational areas and is one of the world's most advanced port operators.

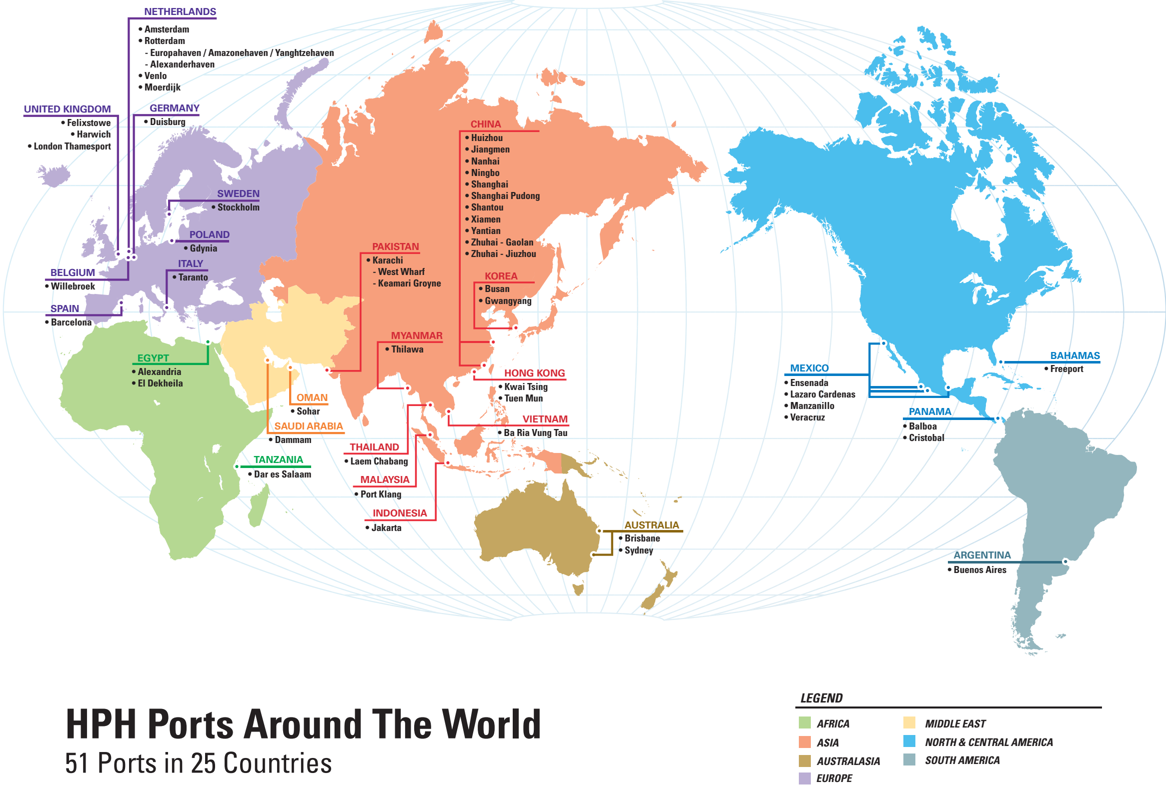
History and milestones

The history of the Sponsor Group began in 1866 when the Hongkong and Whampoa Dock Company, Limited was established in Hong Kong as Registered Company Number One. For over 100 years, it provided ship construction and repair services before diversifying into cargo and container handling operations in 1969 when its flagship operation, Hongkong International Terminals Limited, was established. In 1994, the Sponsor was founded to manage HWL's growing international port network.

Drawing on Hongkong International Terminals Limited's extensive experience, the Sponsor has since expanded its business operations worldwide. The Sponsor Group now includes ports and related operations that span the entire logistics chain, providing customers with a full range of value-added services including container storage and repair, container tracking, general and bulk cargo transfer, warehousing, marine shuttle services, and other port-related services.

Portfolio of the Sponsor

The Sponsor has substantial investments in container ports around the world.



The Sponsor's major container port investments, other than the Portfolio Container Terminals, include:

- ***PRC***: Shanghai Container Terminals, Shanghai Mingdong Container Terminals and Shanghai Pudong International Container Terminals in Shanghai, Ningbo Beilun International Container Terminals in Ningbo and Xiamen International Container Terminals in Xiamen;

- ***Thailand***: Thai Laemchabang Terminal, Hutchison Laemchabang Terminal and Laemchabang International Ro-Ro Terminal at Laem Chabang;

- ***Malaysia***: Westports Malaysia at Port Klang;

- ***Vietnam***: Saigon International Terminals Vietnam in Ba Ria Vung Tau Province, in southern Vietnam;

- ***Indonesia***: Jakarta International Container Terminal and Koja Container Terminal;

- ***Pakistan***: Karachi International Container Terminal and South Asia Pakistan Terminals;

- ***Myanmar***: Myanmar International Terminals Thilawa;

- ***Australia***: Brisbane Container Terminals at the Port of Brisbane and Sydney International Container Terminals at Port Botany;

- ***South Korea***; two terminals in Busan Port through Hutchison Korea Terminals, and one terminal in Gwangyang Port through Korea International Terminals;

- ***Oman***: Oman International Container Terminal at the Port of Sohar, Oman;

- ***Saudi Arabia***: International Ports Services at Dammam;

- ***Tanzania***: Tanzania International Container Terminal Services at Dar es Salaam;

- ***Egypt***: Alexandria International Container Terminals, which operates terminals at Alexandria and El Dekheila Ports;

- ***United Kingdom***: Hutchison Ports (UK) which operates in the Port of Felixstowe, London Thamesport and Harwich International Port;

- ***Netherlands***: Europe Container Terminals in Rotterdam and Amsterdam Container Terminals and Amsterdam Marine Terminals in Amsterdam;

- ***Continental Europe***: Terminal Catalunya in Spain, Gdynia Container Terminal in Poland, Taranto Container Terminal in Italy and Container Terminal Nynäshamn in Sweden as well as the right to operate Container Terminal Frihamnen in Sweden;

- ***Bahamas***: Freeport Container Port on Grand Bahama Island;

- ***Argentina***: Buenos Aires Container Terminal;

- ***Mexico***: Internacional de Contenedores Asociados de Veracruz located in Veracruz on the east coast as well as other port operations in Ensenada, Manzanillo and Lazaro Cardenas which are located on the west coast; and

- ***Panama***: Panama Ports Company which operates terminals at Cristobal and Balboa ports, located near each end of the Panama Canal.

The Sponsor also has investments in other ports and port development projects. It has also invested in ship repair, salvage and towage operations in Hong Kong and inland container depot operations in the PRC, the airport on Grand Bahama Island in the Bahamas, as well as air cargo handling services at the Hong Kong International Airport.

Strategy

The Sponsor aims to be the global market leader in port development, operations and logistics services.

The Sponsor intends to continue to optimise the performance of its existing port operations and to strengthen its existing position as a leading global player in container terminal operations. The Sponsor plans to explore selective expansion opportunities to meet demand in its existing port locations in order to maintain market share, and to strategically expand into new markets elsewhere around the world.

In addition, the Sponsor seeks to maximise efficiencies among its global port operations and improve the operating results of the ports it holds interests in by upgrading existing infrastructure, operation systems and management skills based on its successful existing operations.

CORPORATE GOVERNANCE

The regime under the BTA stipulates requirements and obligations in respect of corporate governance. For example, the Business Trusts Regulations 2005 sets out the requirements for, among other things, board composition of a trustee-manager, audit committee composition of a trustee-manager and independence of directors of a trustee-manager. The following is a summary of the material provisions of the BTA insofar as they relate to the Board.

COMPOSITION OF THE BOARD

The Board of the Trustee-Manager must consist of[1]:

- at least a majority of Directors who are independent from management and business relationships with the Trustee-Manager;
- at least one-third of Directors who are independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager; and
- at least a majority of Directors who are independent from any single substantial shareholder of the Trustee-Manager.[2]

Independence of Directors[3]

Independence from management and business relationships

To be considered to be independent from management and business relationships with the Trustee-Manager (whether or not the Trustee-Manager is acting for or on behalf of HPH Trust) a Director must not have any:

- management relationships with the Trustee-Manager or with any of its subsidiaries; or
- business relationships with the Trustee-Manager or with any of its related corporations, or with any officer of the Trustee-Manager or any of its related corporations,

that could interfere with the exercise of his independent judgment with regard to the interests of all the Unitholders of HPH Trust as a whole.

1 Section 14(2) of the BTA provides that contravention of the provision on board composition is an offence and renders the Trustee-Manager liable on conviction to a fine not exceeding S$100,000.

2 Where a single substantial shareholder has an interest in 50% or more of the voting shares in the Trustee-Manager, this requirement shall not apply to the Trustee-Manager in respect of the independence of its directors from that substantial shareholder.

3 Regulations 3 and 4 of the Business Trusts Regulations 2005.

Independence from management relationships

A Director is not considered to be independent from management relationships with the Trustee-Manager if:

- he is employed by the Trustee-Manager or by any of its subsidiaries, or has been so employed, at any time during the current financial year or any of the preceding three financial years of the Trustee-Manager;

- any member of his immediate family:

  – is being employed by the Trustee-Manager or by any of its subsidiaries as an executive officer whose compensation is determined by the Board or the subsidiary, as the case may be; or

  – has been so employed at any time during the current financial year or any of the preceding three financial years of the Trustee-Manager; or

- he is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the management of the Trustee-Manager or any of its subsidiaries.

Independence from business relationships

A Director is not considered to be independent from business relationships with the Trustee-Manager or with any of its related corporations, or with any officer of the Trustee-Manager or any of its related corporations, if:

- he is a substantial shareholder, a director or an executive officer of any corporation, or a sole proprietor or partner of any firm, where such corporation, sole proprietorship or firm carries on business for purposes of profit to which the Trustee-Manager or any of its related corporations has made, or from which the Trustee-Manager or any of its related corporations has received, payments (whether or not the Trustee-Manager is acting for or on behalf of HPH Trust) at any time during the current or immediately preceding financial year of the Trustee-Manager; or

- he is receiving or has received compensation from the Trustee-Manager or any of its related corporations, other than remuneration received for his service as a director or as an employee of the Trustee-Manager or any of its related corporations, at any time during the current or immediately preceding financial year of the Trustee-Manager.

Independence from substantial shareholder

A Director is considered to be independent from a substantial shareholder of the Trustee-Manager if he is not a substantial shareholder of the Trustee-Manager or is not connected to that substantial shareholder of the Trustee-Manager.

The Director is connected to the substantial shareholder if:

- in the case where the substantial shareholder is an individual, the Director is:
  - a member of the immediate family of the substantial shareholder;
  - a partner of a firm of which the substantial shareholder is also a partner; or
  - accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder; or
- in the case where the substantial shareholder is a corporation, the Director is:
  - employed by the substantial shareholder;
  - employed by a subsidiary or an associated company of the substantial shareholder;
  - a director of the substantial shareholder;
  - an executive director of a subsidiary or an associated company of the substantial shareholder;
  - a non-executive director of a subsidiary or an associated company of the substantial shareholder, where the subsidiary or associated company is not the Trustee-Manager;
  - a partner of a firm of which the substantial shareholder is also a partner; or
  - accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder.

CORPORATE GOVERNANCE OF THE TRUSTEE-MANAGER

The following outlines the main corporate governance practices of the Trustee-Manager.

Board of Directors

The Board is responsible for the overall corporate governance of the Trustee-Manager including establishing goals for management and monitoring the achievement of these goals. The Trustee-Manager is also responsible for the strategic business direction and risk management of HPH Trust. All Board members participate in matters relating to corporate governance, business operations and risks, financial performance and the nomination and review of Directors. The Board has established a framework for the management of the Trustee-Manager and HPH Trust, including a system of internal control and a business risk management process.

The Board consists of nine members, five of whom are Independent Directors for the purposes of the BTA.

In addition to compliance with requirements under the BTA, the composition of the Board is determined using the following principles:

- the Chairman of the Board should be a non-executive Director; and

- the Board should consists of Directors with a broad range of commercial experience including expertise in the container port industry.

The composition of the Board will be reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience.

Audit Committee

The Audit Committee of the Trustee-Manager is required to be composed of three or more members:

- all of whom are independent of management and business relationships with the Trustee-Manager; and

- at least a majority of whom, including the Chairman of the Audit Committee, are independent of management and business relationships with the Trustee-Manager and independent from every substantial shareholder of the Trustee-Manager[1].

The members of the Audit Committee are Mr. Graeme Allan Jack, Mr. Frank John Sixt and Mrs. Sng Sow-mei (alias Poon Sow Mei). Mr. Graeme Allan Jack has been appointed as the Chairman of the Audit Committee.

The role of the Audit Committee is to monitor and evaluate the effectiveness of the Trustee-Manager's internal controls. The Audit Committee also reviews the quality and reliability of information prepared for inclusion in financial reports, and is responsible for the nomination of external auditor and reviewing the adequacy of external audits in respect of cost, scope and performance. The Audit Committee's responsibilities also include, but are not limited to, the following:

(i) to review with the auditor of HPH Trust:

  (a) the audit plan of HPH Trust;

  (b) the auditor's evaluation of the system of internal accounting controls of the Trustee-Manager of HPH Trust; and

  (c) the auditor's audit report for HPH Trust;

(ii) to review:

  (a) the assistance given by the officers of the Trustee-Manager to the auditor of HPH Trust;

  (b) the scope and results of the internal audit procedures of the Trustee-Manager of HPH Trust;

  (c) the policies and practices put in place by the Trustee-Manager of the Registered Business Trust to ensure compliance with the BTA and the Trust Deed;

1 Section 15(4) of the BTA provides that contravention of the aforesaid requirements is an offence and renders the trustee-manager liable on conviction to a fine not exceeding S$100,000.

(d) the procedures put in place by the Trustee-Manager of HPH Trust for managing any conflict that may arise between the interests of the Unitholders and the interests of the Trustee-Manager, including Interested Person Transactions, the indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees or charges payable out of the Trust Property;

(e) Interested Person Transactions for potential conflict of interests; and

(f) risk management policies and guidelines and monitor compliance therewith;

(iii) to review the balance sheet and profit and loss account of the Trustee-Manager and the balance sheet, profit and loss account and cash flow statement of HPH Trust submitted to it by the Trustee-Manager, and thereafter to submit them to the Board;

(iv) to report to the Board:

(a) any inadequacies, deficiencies or matters of concern of which the Audit Committee becomes aware or that it suspects arising from its review of the items referred to in sub-paragraphs (i), (ii) and (iii); and

(b) any breach of the BTA or any breach of the provisions of the Trust Deed, of which the Audit Committee becomes aware or that it suspects,

(v) to report to the MAS if the Audit Committee is of the view that the Board has not taken, or does not propose to take, appropriate action to deal with a matter reported under sub-paragraph (iv);

(vi) to nominate a person or persons as auditor of HPH Trust, notwithstanding anything contained in the Trust Deed;

(vii) to approve and review all hedging policies and instruments to be implemented by the HPH Trust Group, if any; and

(viii) meet with external and internal auditors, without the presence of the executive officers, at least on an annual basis.

Dealings in Units

Currently, the BTA requires each Director to give notice in writing to the Trustee-Manager of his acquisition of Units or of changes in the number of Units which he holds or in which he has an interest, within two Business Days after the date on which the Director became a director of the Trustee-Manager or the date of such acquisition or the occurrence of the event giving rise to changes in the number of Units which he holds or in which he has an interest.

Upon the coming into force of the Securities and Futures (Amendment) Act 2009, Section 137N of the SFA will require each Director and the Chief Executive Officer to give notice in writing to the Trustee-Manager of, among other things, particulars of his interest in Units or of changes in the number of Units which he has an interest, within two Business Days after the date on which the Director or Chief Executive Officer became a director or chief executive officer of the Trustee-Manager or the date on which he acquires an interest in the Units or he becomes aware of the occurrence of the event giving rise to changes in the number of Units in which he has an interest.

All dealings in Units by Directors and, upon the coming into force of the Securities and Futures (Amendment) Act 2009, the Chief Executive Officer, will be announced via SGXNET, with the announcement to be posted on the Internet at the SGX-ST website <http://www.sgx.com>.

The Directors and employees of the Trustee-Manager are encouraged, as a matter of internal policy, to hold Units but are prohibited from dealing in the Units:

- in the period commencing one month before the public announcement of HPH Trust's annual results and two weeks before the public announcement of HPH Trust's quarterly results, and expiring on the date of announcement of the relevant results; and

- at any time while in possession of price sensitive information.

Upon the coming into force of the Securities and Futures (Amendment) Act 2009, Section 137R of the SFA will require the Trustee-Manager to announce to the SGX-ST the particulars of its holdings in the Units and any changes thereto as soon as practicable and in any case no later than the end of the Business Day following the day on which it acquires or, as the case may be, disposes of any Units.

Management of Business Risk

The Board will meet quarterly or more often if necessary and will review the financial performance of the Trustee-Manager and HPH Trust against a previously approved budget. The Board will also review the business risks of HPH Trust, examine liability management and will act upon any comments from the auditor of HPH Trust.

The Trustee-Manager has appointed experienced and well-qualified management personnel to handle the day-to-day operations of the Trustee-Manager and HPH Trust. In assessing business risk, the Board will consider the economic environment and risks relevant to the port industry. It reviews management reports and feasibility studies on projects prior to approving major transactions. The management meets regularly to review the operations of the Trustee-Manager and HPH Trust and discuss any disclosure issues.

INTERESTED PERSON TRANSACTIONS AND POTENTIAL CONFLICTS OF INTEREST

INTERESTED PERSON TRANSACTIONS

In general, transactions between:

- an entity at risk (in this case, the Trustee-Manager (acting in its capacity as the trustee-manager of HPH Trust) or any of the subsidiaries or associated companies of HPH Trust); and
- any of the Interested Persons (namely the Trustee-Manager (acting in its personal capacity), a related corporation or related entity of the Trustee-Manager (other than a subsidiary or subsidiary entity of HPH Trust), an associated company or associated entity of the Trustee-Manager (other than an associated company or associated entity of HPH Trust), a Director, Chief Executive Officer or controlling shareholder of the Trustee-Manager, a controlling Unitholder or an associate of any such Director, Chief Executive Officer, controlling shareholder or controlling Unitholder),

would constitute an Interested Person Transaction.

See "Glossary" for the meanings of "associate", "associated company", "associated entity", "controlling shareholder", "controlling unitholder", "related corporation", "related entity" and "subsidiary".

HWL will be a controlling Unitholder as it will hold more than 15% of the Units (directly and/or indirectly through its subsidiary) (see "Information Concerning the Units – Principal Unitholders of HPH Trust and their Unitholdings" and "Information Concerning the Units – Upstream Distribution of Units by HPH" for further details). The Trustee-Manager is an indirect wholly-owned subsidiary of HWL.

Details of each transaction between members of the HWL Group and members of the HPH Trust Group during the three most recent completed financial years and up to the Latest Practicable Date, and which the Trustee-Manager considers material in the context of the Offering are described below. The amounts shown in this section have been rounded to the nearest thousand, unless the exact amount is used.

The Trustee-Manager's Internal Control System

The Trustee-Manager will establish an internal control system to ensure that all future Interested Person Transactions:

- will be undertaken on normal commercial terms; and
- will not be prejudicial to the interests of HPH Trust and the Unitholders.

As a general rule, the Trustee-Manager must demonstrate to its Audit Committee that such transactions satisfy the foregoing criteria. This may entail obtaining (where practicable) quotations from parties unrelated to the Trustee-Manager.

The Trustee-Manager will maintain 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 will also incorporate into its internal audit plan a review of all Interested Person Transactions entered into by HPH Trust. The Audit Committee shall review 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.

The review will include the examination of the nature of the transaction and its supporting documents or such other data that the Audit Committee deems necessary. If a member of the Audit Committee has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

Furthermore, the following procedures will be undertaken:

- transactions (either (i) individually or (ii) as part of a series or (iii) if aggregated with other transactions involving the same Interested Person during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of HPH Trust's net tangible assets based on the latest audited accounts will be subject to review by the Audit Committee at regular intervals;

- transactions (either (i) individually or (ii) as part of a series or (iii) if aggregated with other transactions involving the same Interested Person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of HPH Trust's net tangible assets based on the latest audited accounts will be subject to the review and prior approval of the Audit Committee. Such approval shall only be given if the transactions are on normal commercial terms and are consistent with similar types of transactions made by the Trustee-Manager with third parties that are unrelated to the Trustee-Manager; and

- transactions (either (i) individually or (ii) as part of a series or (iii) if aggregated with other transactions involving the same Interested Person during the same financial year) equal to or exceeding 5.0% of the value of HPH Trust's net tangible assets based on the latest audited accounts will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the Audit Committee which may, as it deems fit, request advice on the transaction from independent sources or advisers. Furthermore, under the Listing Manual, such transactions would have to be approved by the Unitholders at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Where matters concerning HPH Trust relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of HPH Trust with a related party of the Trustee-Manager (which would include relevant associates thereof) or HPH Trust, the Trustee-Manager is required to consider the terms of such transactions to satisfy itself that such transactions are conducted:

- on normal commercial terms;

- are not prejudicial to the interests of HPH Trust and the Unitholders; and

- in accordance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question.

If the Trustee-Manager is to sign any contract with a related party of the Trustee-Manager or HPH Trust, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to Interested Person Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to business trusts.

Save for the transactions described under "Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Interested Person Transactions in Connection with the Setting up of HPH Trust and the Offering", HPH Trust will comply with Rule 905 of the Listing Manual by announcing any Interested Person Transaction in accordance with the Listing Manual if such transaction, by itself or when aggregated with other Interested Person Transactions entered into with the same Interested Person during the same financial year, is 3.0% or more of HPH Trust's latest audited net tangible assets.

The aggregate value of all Interested Person Transactions which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will be disclosed in HPH Trust's annual report for the relevant financial year.

Role of the Audit Committee for Interested Person Transactions

The Audit Committee will periodically review all Interested Person Transactions to ensure compliance with the Trustee-Manager's internal control system and with the relevant rules of the Listing Manual. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the Audit Committee.

If a member of the Audit Committee has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

Present and Ongoing Interested Person Transactions

Interested Person Transactions in Connection with the Setting up of HPH Trust and the Offering

The Trustee-Manager, as trustee-manager of HPH Trust, has entered into a number of present and ongoing transactions with certain Interested Persons in connection with the establishment of HPH Trust. These Interested Person Transactions are as follows:

- the Trustee-Manager has entered into the Global Support Services Agreement with the Sponsor and HPH Trust HoldCo;
- HITL has entered into the Services Agreement (as defined herein) with the Sponsor;
- HPH Trust HoldCo, a wholly-owned subsidiary of HPH Trust, has entered into the Sale and Purchase Agreement with the Sponsor, pursuant to which the Promissory Notes have been issued to the Sponsor (or as the Sponsor otherwise directed);
- the Trustee-Manager and the HPH Trust HoldCo have entered into the Master IT Services Agreement (as defined herein) with HPHIS(BVI) and HPHIS for the provisions of certain IT support services by HPHIS(BVI) to the HPH Trust Group; and

- HPH Trust HoldCo has entered into the IP Licence Agreement (as defined herein) with Hutchison International Ports Enterprises Limited relating to the grant of certain trademark licences by Hutchison International Ports Enterprises Limited to HPH Trust HoldCo.

All of the agreements mentioned above are more particularly described in "Certain Agreements Relating to Hutchison Port Holdings Trust".

Save as disclosed in this document, the Trustee-Manager has not entered into any other transactions with (i) the Sponsor or (ii) any Interested Person of the Trustee-Manager in connection with the setting up of HPH Trust.

Based on its experience, expertise and knowledge, the Trustee-Manager believes that each of the Sale and Purchase Agreement, the Master IT Services Agreement and the IP Licence Agreement have been entered into on an arm's length basis, reflects normal commercial terms and is not prejudicial to the interests of HPH Trust and/or the Unitholders. The Directors have appointed Ernst & Young Corporate Finance Pte Ltd to review and opine on whether the Global Support Services Agreement and the Services Agreement are entered into on an arm's length basis, follow general market practice, are on normal commercial terms and are not prejudicial to the interests of HPH Trust and its minority Unitholders. Ernst & Young Corporate Finance Pte Ltd is of the opinion that, on balance, the financial terms of the Global Support Services Agreement and the Services Agreement are on an arm's length basis, follow general market practice, are on normal commercial terms and are not prejudicial to the interests of HPH Trust and its minority Unitholders. (See "Appendix E – Independent Financial Adviser Report".)

Ernst & Young Corporate Finance Pte Ltd is not required to review and opine on the IP Licence Agreement, Master IT Services Agreement and Sale and Purchase Agreement. In an initial public offering, investors are, by subscribing for Units, deemed to have approved the interested person transactions on terms as disclosed in a prospectus. As such, interested person transactions entered into in connection with an initial public offering are not subject to Chapter 9 of the Listing Manual and an independent financial adviser's opinion is not required for purposes of an IPO. Any changes to the terms of these contracts post-listing will be subject to Chapter 9 of the Listing Manual. Accordingly, the Directors (including the Independent Directors) believe that the Global Support Services Agreement and the Services Agreement, including the fees and charges payable under the Global Support Services Agreement and the Services Agreement, have been entered into on an arm's length basis.

The Trustee-Manager considers the Global Support Services Agreement to be a key contract to HPH Trust in light of the wide scope and nature of services being provided and as it is relatively less familiar to investors. The Trustee-Manager has decided to obtain an Independent Financial Adviser opinion even though it is strictly not required by the Listing Manual. As for the Services Agreement, although its value is relatively small, it relates to the provision of services by HPH Trust to the Sponsor and is generally less familiar to investors. The Trustee-Manager therefore considers it appropriate for the agreement to likewise be covered by the Independent Financial Adviser's opinion. As for the Sale and Purchase Agreement, which is a one-off agreement, and the Master IT Services Agreement and the IP Licence Agreement, which are common arrangements put in place and cover generic rights and services such as right to use the Sponsor's brand and IT services, the Trustee-Manager believes it is not necessary for the Independent Financial Adviser's opinion to cover these generic agreements.

As described in "The Restructuring Exercise – Details of the Restructuring" above, the Promissory Notes do not bear any interest, provided that in the event the proceeds from the New Debt Facility are not available on or before the Final Payment Date, the outstanding principal amount of the Promissory Notes will bear interest from the Final Payment Date until the date of payment of such outstanding principal amount at the rate of interest up to that charged to HITL for the New Debt Facility and HPH Trust shall provide such security as the Sponsor may require up to that required under the New Debt Facility. The Directors have also appointed Ernst & Young Corporate Finance Pte Ltd to review and opine on whether the interest payable by HPH Trust and the security to be provided by HPH Trust under the Promissory Notes are on an arm's length basis, follow general market practice, are on normal commercial terms and are not prejudicial to the interests of HPH Trust and its minority Unitholders. Ernst & Young Corporate Finance Pte Ltd is of the opinion that the financial terms of the Promissory Notes are on an arm's length basis, follow general market practice, are on normal commercial terms and are not prejudicial to the interests of HPH Trust and its minority Unitholders. (See "Appendix E – Independent Financial Adviser Report".)

Accordingly, the Directors (including the Independent Directors) believe that the interest payable by HPH Trust and the security to be provided by HPH Trust under the Promissory Notes are on an arm's length basis.

Save as disclosed in this document, the Trustee-Manager has not entered into any other transactions with any Interested Person of the Trustee-Manager in connection with the setting up of HPH Trust.

Other Ongoing Interested Person Transactions

The aggregate value of expenses incurred, and income earned, from the transactions undertaken with Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date, insofar as the aggregate values of expenses incurred from such transactions with each group of Interested Persons are material in the context of the Offering, are as follows:

	Year Ended 31 December			**From 1 January 2011 to Latest Practicable Date**
	2008 (HK$'000)	**2009** (HK$'000)	**2010** (HK$'000)	
Income earned	102,849	80,169	122,922	12,535
Expenses Incurred	460,762	377,413	359,682	34,593

Details of the transactions with Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date are set out below.

nGen licence and support and IT support and maintenance services

HITL, CHT and YICT obtain the right to use nGen and the support and maintenance services for nGen from HPHIS(BVI) and HPHIS, members of the HWL Group. Other members of the HPH Trust Group have also obtained IT support and maintenance services from HPHIS(BVI) and HPHIS and other members of the HWL Group in the ordinary course of business, which include maintenance of IT systems. Certain members of the HPH Trust Group also provide IT support and maintenance services to members of the HWL Group, which include providing data centre services, computer room environment, facility management for the network and terminal planning and analysis work, help desk services and related technical support services.

The value of the past and present ongoing nGen licence and support and IT support and maintenance transactions with Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date are as follows:

	Year Ended 31 December			**From 1 January 2011 to Latest Practicable Date**
	2008 (HK$'000)	**2009 (HK$'000)**	**2010 (HK$'000)**	
nGen licence and support and receipt of IT support and maintenance services from Interested Persons[(1)]	38,367	33,583	32,063	3,408
Provision of IT support and maintenance services to Interested Persons[(2)]	9,294	5,375	5,070	600

Notes:

(1) This constitutes part of the expenses incurred from transactions undertaken with Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date.

(2) This constitutes part of the income earned from transactions undertaken with Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date.

The details of the nGen licence and support and IT support and maintenance services with the members of the HWL Group were negotiated at arm's length and on normal commercial terms, with reference to market rates for the supply of similar services.

Telecommunications services

Members of the HPH Trust Group obtain telecommunications services from members of the HWL Group in the ordinary course of business, including fixed lines telephone services, data lines and mobile services. The Interested Persons from whom HITL and CHT have obtained telecommunications and support services during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date include Hutchison Global Communications Limited and Hutchison Telecommunications Hong Kong Holdings Limited, each a member of the HWL Group.

The value of the past and present ongoing transactions with these Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date are as follows:

	Year Ended 31 December			From 1 January 2011 to Latest Practicable Date
	2008 (HK$'000)	2009 (HK$'000)	2010 (HK$'000)	
Receipt of telecommunications services from Interested Persons[1]	9,012	5,807	5,789	599

Note:

(1) This constitutes part of the expenses incurred from transactions undertaken with Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date.

The conditions under which the telecommunications services are provided to HPH Trust Group by these Interested Persons were negotiated at arm's length and on normal commercial terms, with reference to market rates for the supply of similar telecommunications services.

Lease of properties from Interested Persons

Members of the HPH Trust Group lease real property from Interested Persons in the ordinary course of business, including but not limited to, office space and private motor vehicle parking spaces. The Interested Persons from whom HITL has leased and licensed real property during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date include Omaha Investments Limited, Hutchison Logistics Centre Management Limited, Hutchison Estate Agents Limited and Whampoa Property Management Limited, each a member of the HWL Group.

The value of the past and present ongoing transactions with these Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date are as follows:

	Year Ended 31 December			From 1 January 2011 to Latest Practicable Date
	2008 (HK$'000)	2009 (HK$'000)	2010 (HK$'000)	
Lease of properties from Interested Persons[1]	27,762	27,581	21,807	1,766

Note:

(1) This constitutes part of the expenses incurred from transactions undertaken with Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date.

The conditions under which the HPH Trust Group leased real properties from these Interested Persons were negotiated at arm's length and on normal commercial terms, taking into account the prevailing market rental rates for similar real property.

Licence of properties to Interested Persons

Members of the HPH Trust Group license the use of certain areas of their properties to Interested Persons in connection with the setting up of radio base stations and the erection of antennas. Such Interested Persons to whom members of the HPH Trust Group license the use of real property to are Hutchison Telecom Company Ltd and Hutchison Telephone Company Ltd.

The value of the past and present ongoing transactions with the Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date are as follows:

	Year Ended 31 December			From 1 January 2011 to Latest Practicable Date
	2008 (HK$'000)	2009 (HK$'000)	2010 (HK$'000)	
Licence of properties to Interested Persons[1]	967	866	894	124

Note:

(1) This constitutes part of the income earned from transactions undertaken with Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date.

The conditions under which members of the HPH Trust Group licensed use of spaces to these Interested Persons were negotiated at arm's length and on normal commercial terms, taking into account the prevailing market licence fees for similar real property.

Receipt of Advisory, Management and Support Services from Interested Persons

Members of the HPH Trust Group obtain advisory, management and support services from the HWL Group. Such services, paid for by the HPH Trust Group to the HWL Group, include administrative support, corporate support, and management of the HPH Trust Group's portfolio.

The value of the past and present ongoing transactions with these Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date are as follows:

	Year Ended 31 December			From 1 January 2011 to Latest Practicable Date
	2008 (HK$'000)	**2009** (HK$'000)	**2010** (HK$'000)	
Receipt of advisory, management and support services from Interested Persons[1]	188,050	131,109	135,225	10,480

Note:

(1) This constitutes part of the expenses incurred from transactions undertaken with Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date.

The conditions for receiving these services by members of the HPH Trust Group from these Interested Persons were negotiated at arm's length and on normal commercial terms.

Provision of Advisory, Management and Support Services to Interested Persons

Members of the HPH Trust Group provide advisory, management and support services to Interested Persons. These include human resource services, finance-related services (such as payments) and as well as the sharing of overheads.

The value of the past and present ongoing transactions with these Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date are as follows:

	Year Ended 31 December			From 1 January 2011 to Latest Practicable Date
	2008 (HK$'000)	**2009** (HK$'000)	**2010** (HK$'000)	
Provision of advisory, management and support services to Interested Persons[1]	22,598	24,488	22,205	3,492

Note:

(1) This constitutes part of the income earned from transactions undertaken with Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date.

The conditions for the provision of these services by members of the HPH Trust Group to these Interested Persons were negotiated at arm's length and on normal commercial terms, with reference to market rates for the supply of similar services.

Receipt of Ancillary Goods and Services from Interested Persons

Members of the HPH Trust Group obtain ancillary goods and services from Interested Persons. These include (i) purchase of stationery and office supplies, (ii) outsourced container handling operations, (iii) insurance services, (iv) transportation services, (v) storage services, (vi) payment of a fee to HPH for providing a guarantee in connection with a bank facility and costs reimbursements.

The value of the past and present ongoing transactions with these Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date are as follows:

	Year Ended 31 December			From 1 January 2011 to Latest Practicable Date
	2008 (HK$'000)	2009 (HK$'000)	2010 (HK$'000)	
Receipt of ancillary goods and services provided by Interested Persons(1)	197,571	179,333	164,798	18,341

Note:

(1) This constitutes part of the expenses incurred from transactions undertaken with Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date.

The price of the goods and the details of the services obtained by members of the HPH Trust Group from these Interested Persons were negotiated at arm's length and on normal commercial terms, with reference to market rates for the price of similar goods and supply of similar services.

Provision of Ancillary Services to Interested Persons

Members of the HPH Trust Group provide ancillary services to Interested Persons, which include provision of haulage services, workforce sub-contracting services, transportation services, storage services and container repair and maintenance services.

The value of the past and present ongoing transactions with the Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date are as follows:

	Year Ended 31 December			From 1 January 2011 to Latest Practicable Date
	2008 (HK$'000)	2009 (HK$'000)	2010 (HK$'000)	
Provision of ancillary services to Interested Persons(1)	69,990	49,440	94,753	8,319

Note:

(1) This constitutes part of the income earned from transactions undertaken with Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date.

The conditions under which the services are provided by members of the HPH Trust Group to these Interested Persons were negotiated at arm's length and on normal commercial terms, with reference to market rates for the supply of similar services.

Loans from Interested Persons

Shareholder loans were provided by various Interested Persons during the three years ended 31 December 2010 and up to the Latest Practicable Date. The principal amounts outstanding as at 31 December 2008, 2009 and 2010 and as at the Latest Practicable Date are set out below. All of the loans provided by the Interested Persons were on an unsecured basis and repayable on demand (except in the case of the loans granted to HITL by A.S. Watson Group (HK) Ltd and Hutchison Port Holdings Limited and which have a pre-agreed term, subject to extension). The interest rates ranged from interest-free to Hong Kong prime rate, US prime rate and three-month HIBOR + 1.1%. While the interest-free loans from the Interested Persons were not provided on arm's length terms, the Directors (including the Independent Directors) believe that they are not prejudicial to the interest of HPH Trust or those of the Unitholders. The others were provided on arm's length and commercial terms. All the loans provided by the various Interested Persons, except the loan from Hutchison Whampoa Properties (Shenzhen) Limited ("**HWPSZ**") to SHICD, will be repaid on or before the fifth Business Day following the Listing Date using a combination of proceeds from the Offering and the New Debt Facility.

In January and February 2011, HPH Trust Group obtained loans from the Sponsor, amounting to HK$7,172.8 million, to acquire certain equity interests of the HPH Trust Group from minority interest holders. The loans are interest-free and will be fully repaid on or before the fifth Business Day following the Listing Date.

	Year Ended 31 December			**As at the Latest Practicable Date**
Loan from Interested Persons	**2008** (HK$'000)	**2009** (HK$'000)	**2010** (HK$'000)	(HK$'000)
Loan granted by Hutchison Port Holdings Limited to Mid-Stream Holdings (HK) Ltd(1)	115,999	115,999	115,999	115,999
Loan granted by Hutchison Port Holdings Limited to TransHub Ltd(2)	2,950	2,950	2,950	2,950
Loan granted by HPH Finance Ltd to Mid-Stream Holdings (HK) Ltd(3)	16,451	16,451	16,451	16,451
Loan granted by Hutchison Port Holdings Limited to Brilliant Voyage Ltd (formerly known as Hutchison Logistics (China) Limited)(4)	116,828	116,828	116,828	116,828

Loan from Interested Persons	Year Ended 31 December 2008 (HK$'000)	2009 (HK$'000)	2010 (HK$'000)	As at the Latest Practicable Date (HK$'000)
Loan granted by HPH Finance Ltd to Brilliant Voyage Ltd (formerly known as Hutchison Logistics (China) Limited)(5)	7,750	7,750	7,750	7,750
Loan granted by Hutchison Port Holdings Limited to SupplyLINE Logistics Ltd(6)	31,620	31,620	–	–
Loan granted by Hutchison Port Holdings Limited to Hutchison Logistics Limited (formerly known as Logistics Information Network Enterprise (HK) Limited)(7)	524,238	524,238	–	–
Loan granted by Hutchison Port Holdings Limited to HPH E.Commerce Ltd(8)	68,318	68,318	–	–
Loan granted by Hutchison Port Holdings Limited to Transportation Community Network Limited(9)	62,754	62,754	–	–
Loan granted by Hutchison Port Holdings Limited to Birrong Ltd(10)	1,220,706	1,220,706	1,220,706	1,220,706
Loan granted by A.S. Watson Group (HK) Ltd to HITL(11)	4,940,208	4,940,208	4,940,208	4,940,208
Loan granted by A.S. Watson Group (HK) Ltd to HITL(11)	3,724,000	3,724,000	3,724,000	3,724,000
Loan from HWPSZ to SHICD(12)	3,450	520	520	520
Loan granted by Hutchison Port Holdings Limited to HITL(13)	–	–	–	882,180
Loan granted by Hutchison Port Holdings Limited to HITL(13)	–	–	–	665,000

Notes:

(1) In 1998, Hutchison Port Holdings Limited granted a loan of HK$115,999,375.17 to Mid-Stream Holdings (HK) Ltd, which is now a subsidiary of HPH Trust, at the Hong Kong prime rate. The largest amount outstanding between the beginning of the financial year ended 31 December 2008 and the Latest Practicable Date was HK$115,999,375.17. The purpose of the loan was to fund Mid-Stream Holdings (HK) Limited for the acquisition of a piece of land, Lot KCTL 479, at Stonecutters Island in Hong Kong.

(2) In 2002, Hutchison Port Holdings Limited granted a loan of HK$2,950,000.00 to TransHub Ltd, which is now a subsidiary of HPH Trust, at the Hong Kong prime rate. The largest amount outstanding between the beginning of the financial year ended 31 December 2008 and the Latest Practicable Date was HK$2,950,000.00. The purpose of the loan was to finance the working capital of TransHub Ltd.

(3) In 2004, HPH Finance Ltd granted a loan of HK$16,450,513.20 to Mid-Stream Holdings (HK) Ltd, which is now a subsidiary of HPH Trust, at the US prime rate. The largest amount outstanding between the beginning of the financial year ended 31 December 2008 and the Latest Practicable Date was HK$16,450,513.20. The purpose of the loan was to fund the Mid-Stream Holdings (HK) Limited's portion of share capital of Beijing Leading Edge Container Services Co., Limited.

(4) Between 1998 and 1999, Hutchison Port Holdings Limited granted an interest-free loan of HK$116,827,865.56 to Brilliant Voyage Ltd (formerly known as Hutchison Logistics (China) Limited), which is now a subsidiary of HPH Trust. The largest amount outstanding between the beginning of the financial year ended 31 December 2008 and the Latest Practicable Date was HK$116,827,865.56. The purpose of the loan was to fund capital expenditure and working capital during the establishment of SHICD.

(5) In 2004, HPH Finance Ltd granted an interest-free loan of approximately HK$7,750,000.00 to Brilliant Voyage Ltd (formerly known as Hutchison Logistics (China) Limited), which is now a subsidiary of HPH Trust. The largest amount outstanding between the beginning of the financial year ended 31 December 2008 and the Latest Practicable Date was HK$7,750,000.00. The purpose of the loan was to finance the working capital of SHICD.

(6) Between 2002 and 2004, Hutchison Port Holdings Limited granted loans totalling HK$31,620,000.00 to SupplyLINE Logistics Ltd, which is now a subsidiary of HPH Trust, at the Hong Kong prime rate. Logistics Information Network Enterprise Limited ("**LINE CI**"), a Cayman Islands incorporated company, which is a wholly-owned subsidiary of HPH E.Commerce Limited, acquired the shareholder loan from Hutchison Port Holdings Limited for a consideration of HK$1.00 on 31 December 2010 and the largest amount outstanding between the beginning of the financial year ended 31 December 2008 and 31 December 2010 was HK$31,620,000.00. The purpose of the loan was to finance the working capital of SupplyLINE Logistics Limited.

(7) In 2003, Hutchison Port Holdings Limited granted a loan of HK$524,237,820.43 to Hutchison Logistics Ltd (formerly known as Logistics Information Network Enterprise (HK) Limited), which is now a subsidiary of HPH Trust. Part of the loan was interest-bearing at the time of drawdown and changed to interest-free loan in 2009. The loan was purchased by LINE CI on 31 December 2010 for a consideration of HK$1.00 and the largest amount outstanding between the beginning of the financial year ended 31 December 2008 and 31 December 2010 was HK$524,237,820.43. The purpose of the loan was to finance the working capital of Hutchison Logistics Limited.

(8) In 2002, Hutchison Port Holdings Limited granted an interest-free loan of HK$68,317,719.40 to HPH E.Commerce Ltd, which is now a subsidiary of HPH Trust. The loan was fully waived by Hutchison Port Holdings Limited on 31 December 2010 and the largest amount outstanding between the beginning of the financial year ended 31 December 2008 and 31 December 2010 was HK$68,317,719.40. The purpose of the loan was to finance the working capital of HPH E.Commerce Limited and its subsidiaries.

(9) Between 2001 and 2002, Hutchison Port Holdings Limited granted an interest-free loan of HK$62,753,562.84 to Transportation Community Network Limited, which is now a subsidiary of HPH Trust. The loan was purchased by LINE CI on 31 December 2010 for a consideration of HK$1.00 and the largest amount outstanding between the beginning of the financial year ended 31 December 2008 and 31 December 2010 was HK$62,753,562.84. The purpose of the loan was to finance the working capital of Transportation Community Network Limited.

(10) Between 1998 and 1999, Hutchison Port Holdings Limited granted interest-bearing loans totalling HK$2,447,939,715.88 to Birrong Ltd, which is now a subsidiary of HPH Trust. The loan was reduced to HK$1,220,706,346.79 in 2003 and was changed to an interest-free loan in 2007. The largest amount outstanding between the beginning of the financial year ended 31 December 2008 and the Latest Practicable Date was HK$1,220,706,346.79. The purpose of the loan is to finance Birrong Ltd's equity investment in Yantian Port.

(11) On 26 November 2007, Hutchison International Limited assigned two loans (which amounted to HK$4,940,208,000.00 and HK$3,724,000,000.00, respectively) due from HITL to A.S. Watson Group (HK) Ltd, at an interest rate of three month-HIBOR plus 1.1%. The largest amount outstanding between the beginning of the financial year ended 31 December 2008 and the Latest Practicable Date were HK$4,940,208,000.00 and HK$3,724,000,000.00, respectively. The loans were first drawn in 2001 and 2003, respectively, to finance business expenditures of HITL.

(12) In April 2006, HWPSZ granted an interest-free loan of RMB 3.0 million to SHICD through an entrusted loan arrangement with Industrial and Commercial Bank of China (the "**HWPSZ Loan**"). HWPSZ is 50.0% owned by each of HWL and Cheung Kong Holdings Limited (which owns an interest of 49.9% in HWL).

The purpose of the HWPSZ Loan was to enable SHICD to finance its acquisition of a 5.0% interest in Shenzhen Hutchison Whampoa Logistics Limited ("**SHWLL**"), which is in the business of providing logistics services. The remaining 95% interest in SHWLL is held by Fine Sheen Limited ("**FSL**"), which is a wholly-owned subsidiary of HWPSZ.

In 1998 SHICD had paid a deposit of RMB5.1 million to the Shenzhen Land Bureau for an option to acquire a parcel of land adjacent to the land occupied by SHICD. SHICD subsequently decided not to exercise the option as it was of the view that it did not require the use of the adjacent parcel of land. Pursuant to a binding arrangement entered into between FSL and SHICD in 2005, in the event that SHWLL successfully acquires the adjacent parcel of land, FSL is entitled to acquire from SHICD its entire interest in SHWLL at a purchase consideration of RMB3,000,000.00 and SHICD would be required to repay the HWPSZ Loan within 10 days of receipt of the purchase consideration. In such an event, SHWLL will refund SHICD the deposit of RMB5.1 million which SHICD previously paid to the Shenzhen Land Bureau.

At the Latest Practicable Date, the amount outstanding under the HWPSZ Loan is RMB451,850.00. This reduction came about because SHWLL reduced its registered share capital in March 2009 and SHICD received a capital return of RMB2,548,150.00, which it used to repay part of the HWPSZ Loan.

(13) On 6 January 2011, an exiting minority shareholder of HITL assigned two loans due from HITL to Classic Mandate Limited, who then assigned these loans to Hutchison Port Holdings Limited. The loans amounted to HK$882,180,000.00 and HK$665,000,000.00, respectively, and bear interest at an interest rate of three month-HIBOR plus 1.1%.

Past Interested Person Transactions

Disposal of Assets

HITL and YICT have disposed of fixed assets to Interested Persons in the ordinary course of business including the sale of cranes. The Interested Persons to whom HIT and YICT have disposed of fixed assets during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date include (i) Panama Ports Company S.A., (ii) L.C. Terminal Portuaria De Contenedores, S.A. de C.V., (iii) Thai Laemchabang Terminal Co., Ltd., (iv) Hutchison Laemchabang Terminal Limited and (v) Saigon International Terminal Vietnam Limited, each a member of the HWL Group.

The value of the past and non-recurring disposals of fixed assets to the Interested Persons of HPH Trust during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date are as follows:

	Year Ended 31 December			From 1 January 2011 to Latest Practicable Date
	2008 (HK$'000)	2009 (HK$'000)	2010 (HK$'000)	
Disposal of Assets	107,952	54,047	23,580	–

The details of the disposal to these Interested Persons were negotiated at arm's length and on normal commercial terms, with reference to market rates for the sale of similar assets.

Acquisition of Assets

Members of the HPH Trust Group have purchased assets from Interested Persons, such as communication systems.

The value of the past acquisition of assets from Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date are as follows:

	Year Ended 31 December			From 1 January 2011 to Latest Practicable Date
	2008 (HK$'000)	2009 (HK$'000)	2010 (HK$'000)	
Acquisition of Assets	1,811	1,613	763	–

The details of the acquisition from these Interested Persons were negotiated at arm's length and on normal commercial terms, with reference to market rates for the acquisition of similar assets.

Loans to Interested Persons

Loans were provided to various Interested Persons during the three years ended 31 December 2010 and up to the Latest Practicable Date. The principal amounts outstanding to the HPH Trust Group as at 31 December 2008, 2009 and 2010 and as of the Latest Practicable Date are set out below. These loans provided to Interested Persons comprise acquisition of the listed debt securities issued by such Interested Persons, with the terms of the debt securities being on arm's length terms, and loans extended to an Interested Person which were on arm's length terms. The debt securities will be distributed to the holding companies of the Historical Portfolio Business prior to the Listing. Such debt securities are intended to be retained by the Sponsor (or as the Sponsor directs) and not assumed by HPH Trust.

	Year Ended 31 December			As of the Latest Practicable Date
Loan to Interested Persons	**2008 (HK$'000)**	**2009 (HK$'000)**	**2010 (HK$'000)**	**(HK$'000)**
Debt securities issued by Hutchison Whampoa International (03/13) Limited held by members of HPH Trust Group(1)	–	2,630,259	2,637,745	2,637,745
Debt securities issued by Hutchison Whampoa International (03/33) Limited held by members of HPH Trust Group(2)	–	964,558	–	–
Debt securities issued by Hutchison Whampoa International (03/33) Limited held by members of HPH Trust Group(3)	–	213,038	214,754	214,754
Loans to HPH Finance Limited(4)	3,478,878	–	–	–

Notes:

1. In June 2009, Sigma Enterprises Limited, which will be a subsidiary of HPH Trust, acquired US$309,625,000.00 in principal amount of listed debt securities issued by Hutchison Whampoa International (03/13) Limited at US$324,864,743.00 at an interest rate of 6.5% per annum. The highest market value of these debt securities between the beginning of the financial year ended 31 December 2008 and the Latest Practicable Date was HK$2,637,745,000.00.
2. In June 2009, Sigma Enterprises Limited, acquired US$155,157,000.00 in principal amount of listed debt securities issued by Hutchison Whampoa International (03/33) Limited at US$161,557,226.00 at an interest rate of 5.45% per annum. The highest market value of these debt securities between the beginning of the financial year ended 31 December 2008 and the Latest Practicable Date was HK$964,558.00.
3. In June 2009, Sigma Enterprises Limited, acquired US$25,000,000.00 in principal amount of listed debt securities issued by Hutchison Whampoa International (03/33) Limited at US$26,195,500.00 at an interest rate of 6.25% per annum. The highest market value of these debt securities between the beginning of the financial year ended 31 December 2008 and the Latest Practicable Date was HK$214,754,000.00.
4. During 2008 to 2009, Fargreater Limited, which will be a subsidiary of HPH Trust, advanced loans to HPH Finance Ltd at an interest rate of HIBOR less 0.25%. The largest amount outstanding between the beginning of the financial year ended 31 December 2008 and the Latest Practicable Date was HK$3,479,496,000.00.

The aggregate value of income earned, from the loans to the Interested Persons during each of the three most recently completed financial years ended 31 December 2010 and up to the Latest Practicable Date, insofar as the aggregate values of income earned from such transactions with are material in the context of the Offering, are as follows:

	Year Ended 31 December			From 1 January 2011 to Latest Practicable Date
	2008 (HK$'000)	2009 (HK$'000)	2010 (HK$'000)	(HK$'000)
Income earned	46,557	82,831	153,990	16,316

Exempted Agreements

The entry into and the fees and charges payable by HPH Trust Group under the Trust Deed, the Global Support Services Agreement, the Services Agreement, the Master IT Services Agreement and the IP Licence Agreement each of which constitutes or will, when entered into, constitute a Interested Person Transaction, are deemed to have been specifically approved by the Unitholders upon subscription for the Units and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder that will adversely affect HPH Trust.

Any changes to the terms of the Global Support Services Agreement, the Services Agreement, the Master IT Services Agreement and the IP Licence Agreement will be subject to Rules 905 and 906 of the Listing Manual. Upon renewal of the Global Support Services Agreement, the Services Agreement, the Master IT Services Agreement and the IP Licence Agreement, the Audit Committee will review and ensure that the renewal is in accordance with the terms of the respective agreement. Any changes in the terms of renewal will be subject to Rules 905 and 906 of the Listing Manual.

As described in "The Restructuring Exercise – Details of the Restructuring" above, the Promissory Notes do not bear any interest, provided that in the event the proceeds from the New Debt Facility are not available on or before the Final Payment Date, the outstanding principal amount of the Promissory Notes will bear interest from the Final Payment Date until the date of payment of such outstanding principal amount at the rate of interest up to that charged to HITL for the New Debt Facility and HPH Trust shall provide such security as the Sponsor may require up to that required under the New Debt Facility. Such security, if required by the Sponsor to be provided by HPH Trust, may consist of the same security provided by HITL under the terms of the New Debt Facility, that is, the borrower's obligations under the New Debt Facility are secured by a first priority charge over all of the shares in HITL, a first priority fixed and floating charge over certain assets of the HITL and guaranteed by HPH Trust HoldCo and the Trustee-Manager. The interest payable by HPH Trust and the security to be provided by HPH Trust under the Promissory Notes, being Interested Person Transactions are deemed to have been specifically approved by the Unitholders upon subscription for the Units and the Promissory Notes are therefore not subject to Rules 905 and 906 of the Listing Manual.

Future Interested Person Transactions

HPH Trust is regulated by the Listing Manual and the BTA. The Listing Manual and the BTA regulate all Interested Person Transactions. Depending on the materiality of the transaction, HPH Trust may be required to make a public announcement of the transaction (pursuant to Rule 905 of the Listing Manual), or to make a public announcement of and to obtain Unitholders' prior approval for the transaction (pursuant to Rule 906 of the Listing Manual). Section 86 of the BTA further requires (a) the Board to make a written statement in accordance with a resolution of the Board and signed by not less than two Directors on behalf of the Board certifying that, among other things, the relevant Interested Person Transaction is not detrimental to the interests of all the Unitholders of HPH Trust as a whole based on the circumstances at the time of the transaction, and (b) the Chief Executive Officer to, in his or her personal capacity, make a written statement certifying that he or she is not aware of any violation of duties of the Trustee-Manager that would have a material adverse effect on the business of HPH Trust and the interests of all the Unitholders as a whole. These statements must be annexed to the profit and loss accounts of HPH Trust in its annual financial statements.

In addition to these written statements, Section 87 of the BTA also requires the Board to attach to HPH Trust's profit and loss accounts, a statement of policies and practices in relation to management and governance of HPH Trust containing such information as prescribed by Regulation 20 of the Business Trusts Regulations 2005 including, among other things, a description of measures put in place by the Trustee-Manager to review Interested Person Transactions in relation to HPH Trust.

The Trust Deed requires the Trustee-Manager to comply with the provisions of the Listing Manual relating to Interested Person Transactions as well as the BTA and such other guidelines relating to Interested Person Transactions as may be prescribed by the MAS or the SGX-ST applying to business trusts.

The Trustee-Manager may at any time in the future seek a general annual mandate from the Unitholders pursuant to Rule 920(1) of the Listing Manual for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations with Interested Persons, and all transactions conducted under such a general mandate for the relevant financial year will not be subject to the requirements under Rules 905 and 906 of the Listing Manual. In seeking such a general annual mandate, the Trustee-Manager will appoint an independent financial adviser pursuant to Rule 920(1)(b)(v) of the Listing Manual to render an opinion as to whether the methods or procedures for determining the transaction prices of the transactions contemplated under the annual general mandate are sufficient in an effort to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of HPH Trust and the Unitholders.

Both the BTA and the Listing Manual requirements would have to be complied with in respect of a proposed Interested Person Transaction that is prima facie governed by both sets of rules. Where matters concerning HPH Trust relate to transactions entered or to be entered into by the Trustee-Manager for and on behalf of HPH Trust with an "Interested Person" as defined under the Listing Manual and/or the BTA, the Trustee-Manager is required to ensure that such transactions are conducted in accordance with applicable requirements of the Listing Manual, the BTA and/or such other applicable guidelines relating to the transaction in question.

POTENTIAL CONFLICTS OF INTEREST

The Trustee-Manager has instituted the following procedures to deal with conflict of interest issues:

- all resolutions in writing of the Directors in relation to matters concerning HPH Trust must be approved by a majority of the Directors, including at least one Independent Director;

- in respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude any nominee Directors of the Sponsor and/or its subsidiaries; and

- where matters concerning HPH Trust relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of HPH Trust with a related party of the Trustee-Manager (which would include relevant associates thereof) or HPH Trust, the Board is required to consider the terms of the transactions to satisfy itself that the transactions are conducted on normal commercial terms, are not prejudicial to the interests of HPH Trust and the Unitholders and are in compliance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question. If the Trustee-Manager is to sign any contract with a related party of the Trustee-Manager or HPH Trust, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to Interested Person Transactions (as may be amended from time to time) as well as any other guidelines as may from time to time be prescribed by the MAS and SGX-ST that apply to business trusts.

It should be noted that under Section 6(3) of the BTA, the Trustee-Manager is prohibited from carrying on any business other than the management and operation of HPH Trust as its trustee-manager.

In particular, in order to manage any potential competition and conflicts of interest that may arise between the Sponsor and HPH Trust in relation to assets that fall within the investment mandate of HPH Trust, HPH and the Trustee-Manager have entered into the ROFR Agreement pursuant to which HPH and the Trustee-Manager have granted each other mutual rights of first refusal which will cease upon the occurrence of the following events, whichever occurs first:

(a) Hutchison Port Holdings Management Pte. Limited or any of HWL's subsidiaries (as defined in the Companies Act, Chapter 50 of Singapore) ceases to be the trustee-manager of HPH Trust;

(b) HWL and/or any of its subsidiaries, alone or in aggregate, ceases to be a controlling shareholder (i.e. holding 15% or more of the voting shares) of the trustee-manager of HPH Trust; and

(c) HPH Trust ceases to be listed on the Main Board of the SGX-ST.

In addition, the Trustee-Manager and the Sponsor have also entered into the Non-Compete Agreement pursuant to which there is a mutual non-compete undertaking between the Sponsor and HPH Trust such that the Sponsor undertakes not to invest in, develop, operate and manage deep-water container ports in the Guangdong Province, Hong Kong and Macau and HPH Trust undertakes not to invest in, develop, operate and manage deep-water container ports in any part of the world outside of the Guangdong Province, Hong Kong and Macau, save that the Sponsor may pursue any investment opportunity (including undertaking greenfield port development) declined by HPH Trust. The Non-Compete Agreement will continue until the earlier of (1) HWL ceasing to be a controlling Unitholder of HPH Trust, and (2) the delisting of HPH Trust from the Main Board of the SGX-ST. The continuance of the Non-Compete Agreement is not dependent on the Sponsor's interest in the Trustee-Manager.

(See "Certain Agreements Relating to Hutchison Port Holdings Trust" for further details on the terms of the ROFR Agreement and the Non-Compete Agreement.)

To ensure compliance with the terms of the ROFR Agreement and the Non-Compete Agreement, the Trustee-Manager will, after Listing, put in place the following procedures:

(i) as part of the Trustee-Manager's internal control system, the Trustee-Manager will maintain a register of all opportunities/transactions arising from the implementation of the ROFR Agreement and the Non-Compete Agreement;

(ii) the Trustee-Manager will incorporate in its internal audit plan, a review of the implementation of the ROFR Agreement and the Non-Compete Agreement; and

(iii) as part of its review of the internal audit reports at least twice a year, the Audit Committee will review the internal audit reports on the implementation of the ROFR Agreement and the Non-Compete Agreement to ascertain that the terms of the ROFR Agreement and the Non-Compete Agreement have been complied with. The review will include the examination of supporting documents and such other data deemed necessary to the Audit Committee. If a member of the Audit Committee has an interest in a transaction arising from the implementation of the ROFR Agreement or the Non-Compete Agreement, he or she is to abstain from participating in the review and approval process in relation to that transaction.

THE CONSTITUTION OF HUTCHISON PORT HOLDINGS TRUST

The Trust Deed is a complex document and the following is a summary only and is qualified in its entirety by, and is subject to, the contents of the Trust Deed. Recipients of this document and all prospective investors should refer to the Trust Deed itself to confirm specific information or for a detailed understanding of HPH Trust (Registration Number 2011001). The Trust Deed is available for inspection at the registered office of the Trustee-Manager at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

BACKGROUND OF HPH TRUST

HPH Trust was constituted as a business trust on 25 February 2011 by a declaration of trust by Hutchison Port Holdings Management Pte. Limited, as trustee-manager of HPH Trust, under the Trust Deed. The Trustee-Manager is an indirect wholly-owned subsidiary of HWL. As at the date of this document, the Sponsor is the sole Unitholder.

UNIT ISSUE MANDATE

The Sponsor has approved, and Unitholders by subscribing for Units pursuant to or in connection with the Offering are deemed to have approved (A) the issuance of (i) the Units pursuant to or in connection with the Offering, (ii) the Consideration Units and (iii) the Cornerstone Units under Section 36 of the BTA and clause 6.1 of the Trust Deed and (B) deemed to have given the authority (the "**Unit Issue Mandate**") to the Trustee-Manager, pursuant to Section 36 of the BTA and clause 6.1 of the Trust Deed, to:

(i) (a) issue Units whether by way of rights, bonus or otherwise; and/or

(b) 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 and for such purposes and to such persons as the Trustee-Manager may in its absolute discretion deem fit; and

(ii) issue Units in pursuance of any Instrument made or granted by the Trustee-Manager while the Unit Issue Mandate is in force (notwithstanding that the authority conferred by the Unit Issue Mandate may have ceased to be in force at the time such Units are issued),

provided that:

(A) the aggregate number of Units to be issued pursuant to the Unit Issue Mandate (including Units to be issued according to Instruments made or granted pursuant to the Unit Issue Mandate) must not exceed 50.0% of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders must not exceed 20.0% of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below);

(B) subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (A) above, the total number of issued Units (excluding treasury Units, if any) will be based on the number of issued Units (excluding treasury Units, if any) after completion of the Offering, after adjusting for any subsequent bonus issue, consolidation or subdivision of Units;

(C) in exercising the Unit Issue Mandate, the Trustee-Manager must comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed for the time being in force (unless otherwise exempted or waived by the MAS);

(D) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by the Unit Issue Mandate will continue in force until (i) the conclusion of the first annual general meeting of HPH Trust or (ii) the date by which the first annual general meeting of HPH Trust is required by applicable regulations to be held, whichever is earlier;

(E) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Trustee-Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by the Unit Issue Mandate may have ceased to be in force at the time the Instruments or Units are issued; and

(F) the Trustee-Manager be and is hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager may consider expedient or necessary or in the interest of HPH Trust to give effect to the authority conferred by the Unit Issue Mandate.

Unless revoked or varied by the Unitholders in a general meeting, such authority shall continue in full force until the conclusion of the first annual general meeting of HPH Trust or the date by which the first annual general meeting is required by law to be held, whichever is the earlier.

HPH Trust's first financial year will be from 25 February 2011, the date of constitution as a business trust with the Authority, to 31 December 2011. Accordingly, HPH Trust will hold its first annual general meeting by 30 April 2012, which is within 18 months from the date of its registration. The Unit Issue Mandate will be in force until that date.

THE UNITS ARE PRIMARILY NOT REDEEMABLE

It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Unitholders will not have the right to redeem Units or require the redemption of Units by the Trustee-Manager, though it is provided in the Trust Deed that the Trustee-Manager may repurchase and/ or redeem Units in accordance with the relevant laws, regulations and guidelines.

THE TRUST DEED

HPH Trust is a Registered Business Trust constituted by the Trust Deed and is principally regulated by the SFA and the BTA.

The terms and conditions of the Trust Deed and all deeds supplemental to it shall be binding on each Unitholder (and persons claiming through such Unitholder) as if such Unitholder had been a party to the Trust Deed and as if the Trust Deed and such supplemental deeds contain covenants by such

Unitholder to observe and be bound by the provisions of the Trust Deed and such supplemental deeds, and an authorisation by each Unitholder to do all such acts and things as the Trust Deed and such supplemental deeds may require the Trustee-Manager to do.

The provisions of the BTA prescribe certain terms of the Trust Deed and certain rights, duties and obligations of the Trustee-Manager and Unitholders under the Trust Deed.

Operational Structure

HPH Trust is established with the principal investment mandate of investing in, developing, operating and managing deep-water container ports in the Pearl River Delta. HPH Trust may also invest in other types of port assets, including river ports, which may be complementary to the deep-water container ports operated by HPH Trust and may also undertake certain port ancillary services, including but not limited to trucking, feedering, freight-forwarding, supply chain management, warehousing and distribution services.

The Trust Deed currently provides that "**Authorised Businesses**" of HPH Trust means:

(i) Port Operation Business;

(ii) investing, directly or indirectly in Port Operation Business (including without limitation investments or participation in units, securities, partnership interests or any other form of economic participation in any trust, entity or unincorporated association that carries on or invests, directly or indirectly, in Port Operation Business), selling, leasing or otherwise disposing of Port Operation Business or exploring any opportunities for any of the foregoing purposes; and

(iii) any business, undertaking or activity associated with, complementary, incidental and/or ancillary to the carrying on of the businesses referred to in paragraphs (i) and (ii) of this definition, including but not limited to deriving economic benefits from the redevelopment of land on which HPH Trust's port assets are situated and deriving economic benefits from port assets not owned by HPH Trust;

"**Port Operation Business**" includes the following businesses carried on in the Pearl River Delta:

(a) the business of investing in, acquisition of, managing, operating and developing ports or port-related assets and facilities, including but not limited to port infrastructure (such as container terminals and warehouses) and port super structures and equipment (such as cranes, gantries and pipes), and the land, coastal or port line and other rights related thereto; and

(b) any other business that the Trustee-Manager determines, in its opinion, to be integral, complementary and/or incidental to the business described in (a), including but not limited to berthing services (such as pilotage and towing), ancillary services (such as the provision of supplies, repair and maintenance services, cleaning and refuse collection, and safety services) and cargo handling (such as stevedoring, storage, tallying, distribution, trucking, feedering, freight forwarding and supply chain management).

Clause 9.2 of the Trust Deed currently provides that the Trustee-Manager's scope of business and the business objectives of HPH Trust are as follows:

"9.2.1 the Trust is established to principally engage in Authorised Businesses;

9.2.2 the Port Operation Business will be carried on at all times, at the minimum, at the Initial Port Land or substantially the whole of the Initial Port Land; and

9.2.3 the Trustee-Manager shall, in determining the business objectives and investment policies of the Trust and in exercising its powers and fulfilling its duties in relation to the management of the Trust Property (including, without limitation, the conduct of any Authorised Business undertaken by the Trust), exercise Due Care and comply with the Relevant Laws, Regulations and Guidelines and this Deed."

"**HPHT Initial Business Portfolio**" means the businesses and assets acquired by HPH Trust in connection with the initial public offering of HPH Trust;

"**Initial Port Land**" means the land on which the HPHT Initial Business Portfolio is carried out and which is owned on the Listing Date by HPH Trust, whether directly or indirectly, through the companies in which it has an interest.

The Trust Deed further provides that HPH Trust may not carry out any other principal activities that are restricted by any relevant laws, regulations and guidelines and all other applicable laws and regulations (subject to any waivers or exemptions therefrom permitted by the relevant authorities), and that notwithstanding anything to the contrary in the Trust Deed, HPH Trust may not carry out any redevelopment of land that may result in a breach of the Redevelopment Potential Agreement (as defined herein).

Any amendment of Clause 9.2 and the definitions of "Port Operation Business" and "Initial Port Land" shall require the approval of Unitholders by way of an Extraordinary Resolution.

The Units and Unitholders

The rights and interests of Unitholders are contained in the Trust Deed. Under the Trust Deed, these rights and interests are safeguarded by the Trustee-Manager.

Each Unit represents an undivided interest in HPH Trust. A Unitholder has no equitable or proprietary interest in the underlying assets of HPH Trust and is not entitled to the transfer to it of any asset (or any part thereof) or any interest in any asset (or any part thereof) of HPH Trust. A Unitholder's right is limited to the right to require due administration of HPH Trust in accordance with the provisions of the Trust Deed, including, without limitation, by suit against the Trustee-Manager.

Under the Trust Deed, each Unitholder acknowledges and agrees that it will not commence or pursue any action against the Trustee-Manager seeking an order for specific performance or for injunctive relief in respect of the assets of HPH Trust (or any part thereof), and waives any rights it may otherwise have to such relief. If the Trustee-Manager breaches or threatens to breach its duties or obligations to the Unitholder under the Trust Deed, the Unitholder's recourse against the Trustee-Manager is limited to a right to recover damages or compensation from the Trustee-Manager in a court of competent jurisdiction, and each Unitholder acknowledges and agrees that damages or compensation is an adequate remedy for such breach.

Further, unless otherwise expressly provided in the Trust Deed, a Unitholder may not interfere or seek to interfere with the rights, powers, authority or discretion of the Trustee-Manager, exercise any right in respect of the assets of HPH Trust or any part thereof or lodge any notice affecting the assets of HPH Trust (or any part thereof), or require that any part of the Trust Property be transferred to such Unitholder.

For so long as HPH Trust is listed, quoted and traded on the SGX-ST and/or any other stock exchange of repute in any part of the world ("**Recognised Stock Exchange**") in accordance with the listing rules and requirements of the relevant stock exchange, the Trustee-Manager shall appoint CDP as the unit depository for HPH Trust in respect of all scripless Units in accordance with CDP's depository services terms and conditions relating to the deposit of Units in CDP ("**Depository Services Terms and Conditions**"). All Units issued will be represented by entries in the register of Unitholders kept by the Trustee-Manager or the agent appointed by the Trustee-Manager in the name of, and deposited with, CDP as the registered holder of such Units and, as the case may be, in the name of Unitholders (other than the CDP) whose Units are not deposited with the CDP. The Trustee-Manager or the agent appointed by the Trustee-Manager shall issue to CDP and each Unitholder (other than the Depositors (as defined in Section 130A of the Companies Act)) not more than 10 Business Days after the issue of Units a confirmation note confirming the date of issue and the number of Units so issued and, if applicable, also stating that the Units are issued under a moratorium and the expiry date of such moratorium and for the purposes of the Trust Deed, such confirmation note will constitute a certificate evidencing title to the Units issued.

There are no restrictions under the Trust Deed or Singapore law on a person's right to purchase (or subscribe for) Units and to own Units except in the case of a rights issue where the Trustee-Manager has the right under the Trust Deed to elect not to extend an offer of Units under a rights issue to Unitholders whose addresses are outside Singapore.

Changes in Unitholders' Equity

The Trustee-Manager may at any time, on prior written notice (such notice period to be determined by the Trustee-Manager in its absolute discretion) to each Unitholder or, when the Units of HPH Trust are listed on the SGX-ST and are represented by entries in the register of Unitholders in the name of the Depository and the Unitholders (other than the Depository), by the Trustee-Manager delivering such notice in writing to CDP for onward delivery to the Unitholders, determine that each Unit shall be sub-divided into two or more Units or consolidated with one or more other Units and the Unitholders shall be bound to accept their new number of Units accordingly. The Trustee-Manager shall thereupon require each Unitholder to deliver up his confirmation note (if any) for endorsement or enfacement with the number of Units thereby represented as a result of such sub-division or consolidation (in the case of a sub-division) or send or cause to be sent to each Unitholder, a confirmation note representing the number of additional Units to which he has become entitled by reason of the sub-division.

The register of Unitholders shall be altered accordingly to reflect the new number of Units held by each Unitholder as a result of such sub-division or consolidation. The Trustee-Manager shall cause CDP to alter the depository register maintained by CDP (the "**Depository Register**") accordingly in respect of each relevant Unitholder's securities account or sub-account maintained by a Depositor (as defined in Section 130A of the Companies Act) with CDP ("**Securities Account**") to reflect the new number of Units held by such Unitholder as a result of such sub-division or consolidation.

Rights, Preferences and Restrictions Attaching to Each Class of Units

The Trust Deed provides that rights attached to the Units issued with special conditions have to be clearly defined in the Trust Deed and, if at any time, different classes of Units are issued, the rights attached to any class (unless otherwise provided by the terms of issue of the Units of that class) may, subject to the provisions of any applicable laws, regulations and guidelines, be varied or abrogated with the sanction of an Extraordinary Resolution passed at a separate meeting of Unitholders of that class.

Currently, there is only one class of Units and every Unit carries the same voting rights. Under the BTA, only the persons registered in the statutory register maintained by the Trustee-Manager are recognised as registered holders of the Units in issue. For so long as HPH Trust is listed on the Main Board of the SGX-ST, CDP shall, pursuant to the Depository Services Terms and Conditions, maintain a record in a depository register of the Unitholders having Units credited into their respective Securities Accounts and record in the Depository Register, among other things, the following information in relation to each Unitholder:

- the names and addresses of the Unitholders;
- the number of Units held by each Unitholder;
- the date on which every such person entered into the Depository Register in respect of the Units standing in his or her name became a Unitholder and, where he or she became a Unitholder by virtue of an instrument of transfer, a sufficient reference to enable the name and address of the transferor to be identified; and
- the date on which any transfer is registered and the name and address of the transferee.

Under the Trust Deed, each Unitholder named in the Depository Register shall for such period as the Units are entered against his or her name in the Depository Register, be deemed to be the owner in respect of the number of Units entered against such Unitholder's name in the Depository Register and would be entitled to attend and vote at general meetings of Unitholders. The Trustee-Manager shall be entitled to rely on any and all such information in the Depository Register.

The entries in the Depository Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Depositor and, in the event of any discrepancy between the entries in the Depository Register and the details appearing in any contract statements, confirmation note or monthly statement issued by CDP, the entries in the Depository Register shall prevail unless the Unitholder proves to the satisfaction of the Trustee-Manager and CDP that the Depository Register is incorrect.

Distributions

Subject to the relevant laws, regulations and guidelines and the Trust Deed, the Trustee-Manager may make regular distributions to Unitholders of such amounts to be payable out of Trust Property on such distribution dates as the Trustee-Manager may think fit. All distributions are paid pro rata among Unitholders in proportion to the number of fully-paid up Units held by the relevant Unitholder, unless the rights attached to an issue of any Unit provide otherwise. Any monies payable to Unitholders which remain unclaimed after a period of 12 months shall be accumulated in a special account (the "**Unclaimed Monies Account**") from which the Trustee-Manager may, from time to time, make payments to Unitholders claiming any such monies.

In the case where any Unit is not fully paid up, the distribution declared shall be allocated and paid in such proportions as provided for in the terms of issue of such partially paid up Units, and failing such provision, in such proportions as the Trustee-Manager may think fit.

Subject to the winding-up provisions in the Trust Deed, the Trustee-Manager may, and if practicable, cause such sums which represent monies remaining in the Unclaimed Monies Account for five years after the date of payment of such monies into the Unclaimed Monies Account and interest, if any, earned thereon, to be paid into the courts of Singapore after deducting from such sums all fees, costs and expenses incurred in relation to such payment into the courts of Singapore. If the said monies are insufficient to meet all such fees, costs and expenses, the Trustee-Manager shall be entitled to have recourse to the Trust Property.

Voting Rights

A Unitholder is entitled to attend, speak and vote at any general meeting of the Unitholders in person or by proxy and a Unitholder may appoint not more than two proxies to attend and vote at the same general meeting as a Unitholder if CDP certifies to HPH Trust that the Unitholder's name appears on the Depository Register as at 48 hours before the time of the relevant general meeting. Except as otherwise provided in the Trust Deed, not less than two Unitholders must be present in person or by proxy to constitute a quorum at any general meeting.

At any general meeting a resolution put to the vote of the meeting shall be decided by poll unless voting on a show of hands is required by the relevant laws, regulations and guidelines. Under the Trust Deed, on a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit which he or she holds or represents. If a resolution is being proposed at a general meeting of the Unitholders that: (i) will or may, if approved and implemented, constitute a breach by HPH Trust of the Redevelopment Potential Agreement as long as it is subsisting or (ii) is for the purpose of amending clause 9.2 of the Trust Deed or the definition of "Port Operation Business" or "Initial Port Land", (in each case) the Sponsor and/or its related corporations shall not be precluded from voting on that resolution.

Variation of Rights of Respective Classes of Units

If at any time different classes of Units are issued, the rights attached to any class (unless otherwise provided by the terms of issue of the Units of that class) may, subject to any applicable laws, regulations and guidelines, whether or not HPH Trust is being wound up, be varied or abrogated with the sanction of an Extraordinary Resolution passed at a separate meeting of Unitholders of that class. To every such separate meeting of Unitholders of that class, the provisions of the Trust Deed relating to general meetings of the Unitholders shall, apply mutatis mutandis, but so that the necessary quorum shall be two persons at least holding or representing by proxy or by attorney at least one third of the issued Units of the class and that any Unitholder of that class present in person or by proxy or by attorney may demand a poll.

The rights conferred upon the Unitholders of any class of Units issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the Units of that class or by the Trust Deed as are in force at the time of such issue, be deemed to be varied by the creation or issue of further Units ranking equally therewith.

The Trust Deed does not impose more stringent conditions for variation of rights of various classes of Units than those required by applicable law.

Issue of Units

The Trustee-Manager has the exclusive right to issue Units for the account of HPH Trust. For so long as HPH Trust is listed on the SGX-ST, the Trustee-Manager may issue Units, subject to the provisions of the Listing Manual, the Trust Deed, the BTA and any other relevant laws, regulations and guidelines.

In particular, the issuance of Units will be subject to Section 36 of the BTA, which requires the approval by a majority of the number of votes of Unitholders who, being entitled to do so, vote in person or by proxy present at a general meeting of Unitholders.

In connection with an issue of a Unit, any requisite payment of the issue price for such Unit has not been received by the Trustee-Manager before the seventh Business Day after the Unit was agreed to be issued (or such other date as the Trustee-Manager may decide), the Trustee-Manager may cancel its agreement to issue such Unit, and such Unit will be deemed never to have been issued or agreed to be issued. In such an event, the Trustee-Manager may, at its discretion, charge the investor (and retain the same for its own account) a cancellation fee of such amount as the Trustee-Manager may from time to time determine to represent the administrative costs involved in processing the application for such Unit.

Suspension of Issue of Units

The Trustee-Manager may, subject to the Listing Manual, suspend the issue of Units during:

- any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;

- any period when, for any reason, the prices of trust assets cannot be promptly and accurately ascertained;

- any breakdown in the means of communication normally employed in determining the price of any assets of HPH Trust or the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange, or any period when for any reason the prices of any assets of HPH Trust cannot be promptly and accurately ascertained;

- any period when remittance of money that will or may be involved in the realisation of any asset of HPH Trust or in the payment for such asset of HPH Trust cannot, in the opinion of the Trustee-Manager, be carried out at normal rates of exchange;

- in relation to any general meeting of Unitholders, the period of 48 hours before such general meeting or any adjournment thereof;

- any period where the issuance of Units is suspended pursuant to any order or direction issued by the MAS or other relevant regulatory authorities; or

- any period where the business operations of the Trustee-Manager in relation to HPH Trust are substantially interrupted or closed as a result of, or arising from, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the Trustee-Manager and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension ceases to exist and no other conditions under which suspension is authorised (as set out above) exists, upon the declaration in writing thereof by the Trustee-Manager.

In the event of any suspension while HPH Trust is listed on the SGX-ST, the Trustee-Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST via SGXNET.

Rights and Liabilities of Unitholders

The key rights of Unitholders include rights to:

- receive income and other distributions attributable to the Units held;
- receive audited accounts and the annual reports of HPH Trust; and
- participate in the winding up or liquidation of HPH Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of HPH Trust, less any liabilities, in accordance with their proportionate interests in HPH Trust.

No Unitholder has a right to require that any asset of HPH Trust be transferred to him or her.

Further, Unitholders cannot give any directions to the Trustee-Manager (whether at a meeting of Unitholders or otherwise) if it would require the Trustee-Manager to do or omit doing anything which may result in:

- HPH Trust ceasing to comply with applicable laws and regulations; or
- the interference in the exercise of any discretion expressly conferred on the Trustee-Manager by the Trust Deed.

The Trust Deed contains provisions that are designed to limit the liability of a Unitholder to the amount paid or payable for any Unit. The provisions seek to ensure that if the issue price of the Units held by a Unitholder has been fully paid, no such Unitholder, by reason alone of being a Unitholder, will be personally liable to indemnify the Trustee-Manager or any creditor of HPH Trust in the event that the liabilities of HPH Trust exceed its assets.

Under the Trust Deed, every Unit carries the same voting rights.

Limitation on Right to Own Units – Units Issued to Persons Resident Outside Singapore

In relation to any rights issue, the Trustee-Manager may in its absolute discretion elect not to extend an offer of Units under the rights issue to those Unitholders whose addresses are outside Singapore. In such an event, the rights or entitlements to the Units of such Unitholders will be offered for subscription by the Trustee-Manager as the nominee and authorised agent of each such relevant Unitholder in such manner and at such price as the Trustee-Manager may determine. Where necessary, the Trustee-Manager has the discretion to impose such other terms and conditions in connection with the sale. The proceeds of any such sale, if successful, will be paid to the relevant Unitholders whose rights or entitlements have been thus sold, provided that where such proceeds payable to any Unitholder is less than S$10.00, the Trustee-Manager may retain such proceeds as part of the Trust Property of HPH Trust.

Amendments to the Trust Deed

After the Listing Date, the Trustee-Manager shall be entitled, by deed supplemental to the Trust Deed, to modify, alter or add to the provisions of the Trust Deed in such a manner and to such an extent as it may consider expedient for any purpose, subject to the provisions of the BTA.

The BTA currently provides that the trust deed of a Registered Business Trust may be amended by a resolution passed by the unitholders of that trust holding in the aggregate not less than 75% of the voting rights of all the unitholders of that trust who, being entitled to do so, vote in person or by proxy present at a general meeting of which not less than 21 days' written notice specifying the intention to propose the resolution as an extraordinary resolution has been duly given. The period of notice is not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given. It is also provided in the Trust Deed that any amendment of Clause 9.2 and the definitions of "Port Operation Business" and "Initial Port Land" requires the approval of Unitholders by way of an Extraordinary Resolution.

Circumstances under Which the Trustee-Manager may be Indemnified out of the Trust Property of HPH Trust

In general, subject to any express provision under the Trust Deed and without prejudice to any right of indemnity at law given to the Trustee-Manager, the Trustee-Manager is entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as HPH Trust's Trustee-Manager to have recourse to the Trust Property of HPH Trust or any part thereof, save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, wilful default, breach of trust by the Trustee-Manager or where the Trustee-Manager failed to exercise Due Care.

Circumstances under Which the Trustee-Manager may Exclude Liability in relation to Carrying Out of its Duties with respect to HPH Trust

Subject to the duties and obligations of the Trustee-Manager under the Trust Deed, the Trustee-Manager is not liable for any act or omission in relation to HPH Trust save where there is, on the part of the Trustee-Manager, fraud, wilful default, breach of trust or where the Trustee-Manager fails to exercise Due Care.

In the absence of fraud, wilful default, breach of trust by the Trustee-Manager or where the Trustee-Manager can show that it had exercised Due Care, the Trustee-Manager is not liable to the Unitholders by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith under the Trust Deed.

Appointment, Removal, Resignation or Retirement of the Trustee-Manager

The Trust Deed provides that appointment, removal, resignation and retirement of the Trustee-Manager shall only be in accordance with applicable laws, regulations and guidelines. (See "The Trustee-Manager – The Trustee-Manager of HPH Trust – Retirement or Removal of the Trustee-Manager".)

Changes in the Fees and Charges Payable to the Trustee-Manager

An Extraordinary Resolution is required to modify the Trust Deed to approve any increase in the rates of, or any change in the formula for calculation of, the Management Fee, the Acquisition Fee, the Divestment Fee or the Development Fee.

Winding-up

There is no provision in the Trust Deed which provides that HPH Trust shall be wound up at a specified time, in specified circumstances or on the happening of a specified event.

The duration of the trust constituted by the Trust Deed is of indefinite duration but HPH Trust may, without prejudice to the provisions of the BTA, be wound up by the Trustee-Manager in the event that any law is passed which renders it illegal or, in the opinion of the Trustee-Manager, impracticable or inadvisable to continue HPH Trust. Notwithstanding the time, circumstances or event specified in the Trust Deed, the winding up of HPH Trust by the Trustee-Manager would still be subject to approval by way of an Ordinary Resolution (as defined herein) duly passed by the Unitholders.

CERTAIN AGREEMENTS RELATING TO HUTCHISON PORT HOLDINGS TRUST

The agreements discussed in this section are complex documents and the following is a summary only. Investors should refer to the agreements themselves to confirm specific information or for a detailed understanding of HPH Trust. The agreements are available for inspection at the registered office of the Trustee-Manager at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 for a period of six months from the date of this document.

ROFR AGREEMENT

On 28 February 2011, HPH and the Trustee-Manager entered into the ROFR Agreement, pursuant to which, the parties agreed to grant each other certain rights on the terms and conditions set out therein.

The rights granted to the respective parties in the ROFR Agreement will cease immediately upon the occurrence of any of the following events, whichever occurs first:

(i) Hutchison Port Holdings Management Pte. Limited or any of HWL's subsidiaries (as defined in the Companies Act, Chapter 50 of Singapore) ceases to be the trustee-manager of HPH Trust;

(ii) HWL and/or any of its subsidiaries, alone or in aggregate, ceases to be a controlling shareholder (i.e. holding 15% or more of the voting shares) of the trustee-manager of HPH Trust; and

(iii) HPH Trust ceases to be listed on the Main Board of the SGX-ST,

(the "**Termination Events**").

For purposes of the ROFR Agreement,

"**greenfield port development**" is the development of a deep-water container port on a vacant plot of land (including reclaimed land) which lacks port facilities such as container yard, quay and equipment necessary for port operations.

"**Relevant Asset**" means any port development project (in whatever stage) or developed port falling within the investment mandate of HPH Trust. Where such port development project or port is held through a single purpose company, vehicle or entity (a "**SPV**") established solely to hold such port development project or port, the term "Relevant Asset" refers to the shares or equity interests, as the case may be, in that SPV. For the avoidance of doubt, "Relevant Asset" shall not include any land development project (for purposes other than for development into a deep-water container port).

"**Relevant Entity**" means the Sponsor or any of its existing or future subsidiaries, and where such subsidiaries are not wholly-owned by the Sponsor, and whose other shareholder(s) is/are third parties, such subsidiaries will be subject to the right of first refusal only upon obtaining the consent of such third parties, and in this respect, the Sponsor shall use best endeavours to obtain such consent.

"**Trust Territory**" means the Guangdong Province of the People's Republic of China, Hong Kong Special Administrative Region and Macau Special Administrative Region.

Mutual Duty of Referral

Where the Relevant Entity receives an invitation to undertake a greenfield port development project

With effect from the date HPH Trust is first listed on the Main Board of the SGX-ST ("**Listing**") and until the occurrence of any of the Termination Events, the Sponsor shall be under a duty to refer certain development opportunities to HPH Trust in accordance with the ROFR Agreement.

If the Relevant Entity receives any invitation from the relevant government in the Trust Territory to undertake or bid for the right to undertake a greenfield port development project, the Relevant Entity shall refer this invitation to HPH Trust for HPH Trust to consider if it would be interested in the opportunity to undertake or bid for the right to undertake the greenfield port development project, subject to the government's agreement to allow HPH Trust's participation, provided that the Relevant Entity shall use best endeavours to obtain such agreement.

Should HPH Trust accept the referral and be interested in undertaking or participating in the bid to undertake the greenfield port development project, HPH Trust may either (1) do so on its own and, if required by HPH Trust, the Relevant Entity may provide certain services to HPH Trust pursuant to the Global Support Services Agreement; or (2) form a consortium or joint venture and do so with the consortium or joint venture partners (and in this respect, the Relevant Entity will be HPH Trust's preferred partner).

Should HPH Trust reject the referral, the Relevant Entity may either (1) decline to take up the development opportunity, or (2) take up the development opportunity. If the Relevant Entity takes up the development opportunity, the assets shall be subject to HPH Trust's right to initiate discussions and right of first refusal, described below.

Reciprocal duty of referral by HPH Trust

With effect from the Listing and until the occurrence of any of the Termination Events, HPH Trust shall be under a duty to refer certain development opportunities to the Sponsor in accordance with the ROFR Agreement.

HPH Trust shall refer to the Sponsor any invitation received by HPH Trust from the relevant government in the Trust Territory to undertake or bid for the right to undertake a greenfield port development project where HPH Trust declines and is not interested in taking up the opportunity to undertake or bid for the right to undertake the greenfield port development project either on its own or together with other consortium partners or any invitation received by HPH Trust from the relevant government to undertake or bid for the right to undertake a greenfield port development project outside of the Trust Territory. Such referral will be subject to the government's agreement to allow the Sponsor's participation, provided that HPH Trust shall use best endeavours to obtain such agreement.

Any greenfield port development project declined by HPH Trust and taken up by the Relevant Entity will, if it is within the Trust Territory, be subject to HPH Trust's right to initiate discussions and right of first refusal, described below.

Right to initiate discussion

With effect from the Listing and until the occurrence of any of the Termination Events, HPH Trust shall have the right to initiate a discussion with the Relevant Entity from time to time to explore the possibility of acquiring from the Relevant Entity, any Relevant Asset based on industry or public data, and HPH Trust shall provide the terms under which it intends to do so.

If the Relevant Entity is interested in taking discussions forward, HPH Trust and the Relevant Entity shall enter into a confidentiality and exclusivity agreement which will allow for exclusive negotiations for such specified period of time as the parties may agree. HPH Trust and the Relevant Entity will then enter into a period of exclusive good-faith negotiation during which the Relevant Entity will provide HPH Trust such key operating and financial information regarding the Relevant Asset as HPH Trust may reasonably request to enable HPH Trust to make an assessment of the Relevant Asset.

If the parties reach a binding agreement on the terms of the acquisition by HPH Trust, then the Relevant Asset will be sold to HPH Trust, subject to compliance with applicable rules (including those of the Listing Manual on interested person transactions). If no agreement is reached or HPH Trust indicates that it is not interested to acquire the asset at this time, the Relevant Entity shall be entitled to continue to operate the asset. The asset so declined by HPH Trust will continue to be subject to its right to initiate discussion and the ROFR set forth below.

Right of First Refusal ("ROFR")

In addition and without prejudice to HPH Trust's right to initiate discussion, with effect from the Listing and until the occurrence of any of the Termination Events, HPH Trust shall have a ROFR such that in the event that a Relevant Entity receives an offer from a third party to sell a Relevant Asset to the Relevant Entity ("**Proposed Acquisition**"), or the Relevant Entity intends to dispose of a Relevant Asset to a third party ("**Sponsor Proposed Disposal**"), it will give HPH Trust the first right to purchase the Relevant Asset.

Where such Relevant Asset is owned jointly by a Relevant Entity together with one or more third parties and any of such third parties object to offering the Relevant Asset to HPH Trust pursuant to the ROFR, the Sponsor shall use best endeavours to obtain consent from the relevant third party or parties and if such consent cannot be obtained, the ROFR will not apply to the disposal of such Relevant Asset.

The ROFR is subject to the Trustee-Manager giving confidentiality undertakings on customary and usual terms. The written notice from the Sponsor informing HPH Trust of the offer shall be accompanied by copies of the offer documents and other supporting documentation as may be reasonably available to the Sponsor (which shall include the indicative price for the Relevant Asset) in connection with the offer made by, or made available to, the Relevant Entity.

Notwithstanding anything to the contrary, the ROFR:

(i) is subject to any prior overriding contractual obligations which the Relevant Entity may have in relation to the Relevant Asset and/or the third parties that hold these Relevant Assets;

(ii) is subject to, in the case of a Proposed Acquisition, the conditions set out by the third party in relation to such Proposed Acquisition;

(iii) excludes the disposal of any interest in the Relevant Assets by a Relevant Entity to HWL and/or its subsidiaries pursuant to a reconstruction, amalgamation, restructuring, merger and/or any analogous event or transfer of shares of the Relevant Entity between the shareholders as may be provided in any shareholders agreement; and

(iv) is subject to the applicable laws, regulations and government policies.

In the event that:

(a) the Trustee-Manager does not enter into a binding commitment (in the form of a sale and purchase agreement or an option agreement, whether conditional or unconditional) for the purchase of the Relevant Asset within 30 days (or such other period as may, in the case of a Proposed Acquisition, be stipulated by the relevant third party or mutually agreed by the Trustee-Manager and the third party; or, in the case of a Sponsor Proposed Disposal, mutually agreed by the Trustee-Manager and the Relevant Entity) from the date of the Trustee-Manager's receipt of the written notice together with the relevant transaction documents;

(b) the Trustee-Manager indicates in writing to the Relevant Entity that it shall not be purchasing the Relevant Asset; or

(c) the proposed acquisition of the Relevant Asset is aborted by the Trustee-Manager,

the Trustee-Manager shall be deemed to be unable to, or not to have, exercised the ROFR and the Relevant Entity shall be entitled to, as the case may be, (i) dispose its interest in the Relevant Asset to a third party on terms and conditions no more favourable to the third party than those offered by the Relevant Entity to the Trustee-Manager; or (ii) acquire the Relevant Asset on such terms and conditions no more favourable to the Relevant Entity than those offered by the third party to the Trustee-Manager, provided that, in the case of (i) above, if the completion of the disposal of the Relevant Asset by the Relevant Entity does not occur within 12 months from the date of the Sponsor's written notice, any proposal to dispose of such Relevant Asset after the aforesaid 12-month period shall then remain subject to the right to initiate discussions and the ROFR in accordance with the terms of the ROFR Agreement.

Reverse Right of First Refusal

With effect from the Listing, and until the occurrence of any of the Termination Events, the Sponsor will be granted a reverse ROFR ("**Reverse ROFR**") by the Trustee-Manager such that in the event that the Trustee-Manager intends to dispose of a Relevant Asset to a third party, the Trustee-Manager will give the Sponsor the first right to purchase the Relevant Asset.

The Trustee-Manager shall issue a written notice any time on or after the date the Units in HPH Trust are first listed on the SGX-ST and during the term of the Reverse ROFR, to the Sponsor of any proposed offer by the Trustee-Manager to dispose of any interest in any Relevant Asset which is owned by the Trustee-Manager ("**TM Proposed Disposal**"). Where such Relevant Asset is owned jointly by the Trustee-Manager together with one or more third parties and any of such third parties object to offering the Relevant Asset to the Sponsor pursuant to the Reverse ROFR, the Trustee-Manager shall use best endeavours to obtain consent from the relevant third party or parties and if such consent cannot be obtained, the Reverse ROFR will not apply to the disposal of such Relevant Asset.

The Reverse ROFR is subject to the Sponsor giving confidentiality undertakings on customary and usual terms. The written notice from the Trustee-Manager shall be accompanied by copies of the offer documents and other supporting documentation as may be reasonably available to the Trustee-Manager (which shall include the indicative price for the Relevant Asset) in connection with the offer made by, or made available to, the Trustee-Manager.

Notwithstanding anything to the contrary in the ROFR Agreement, the Reverse ROFR:

(i) is subject to any prior overriding contractual obligations which the Trustee-Manager may have in relation to the Relevant Assets;

(ii) excludes the disposal of any interest in the Relevant Assets by the Trustee-Manager to HPH Trust and/or its subsidiaries pursuant to a reconstruction, amalgamation, restructuring, merger and/or any analogous event; and

(iii) is subject to the applicable laws, regulations and government policies.

In the event that:

(a) the Sponsor does not enter into a binding commitment (in the form of a sale and purchase agreement or a option agreement, whether conditional or unconditional) for the purchase of the Relevant Asset within 30 days (or such other period as may be mutually agreed by the Trustee-Manager and the Sponsor) from the date of the Sponsor's receipt of the written notice together with the relevant transaction documents;

(b) the Sponsor indicates in writing to the Trustee-Manager that it shall not be purchasing the Relevant Asset; or

(c) the proposed acquisition of the Relevant Asset is aborted by the Sponsor,

the Sponsor shall be deemed to be unable to, or not to have, exercised the Reverse ROFR and the Trustee-Manager shall be entitled to dispose of its interest in the Relevant Asset to a third party on terms and conditions no more favourable to the third party than those offered by the Trustee-Manager to the Sponsor, provided that if the completion of the disposal of the Relevant Asset by the Trustee-Manager does not occur within 12 months from the date of the written notice issued by the Trustee-Manager, any proposal to dispose of such Relevant Asset after the aforesaid 12-month period shall then remain subject to the Reverse ROFR. For the avoidance of doubt, the third party who purchases the Relevant Asset shall not, by reason solely of the purchase, be bound by the terms of the Redevelopment Potential Agreement.

Permissible Activities

Notwithstanding anything to the contrary, the rights and obligations set out in the foregoing paragraphs shall not apply to the following activities, and nothing in the ROFR Agreement shall prevent the Trustee-Manager or any member of the Sponsor Group or HPH Trust Group from:

(a) carrying on, engaging in or making an investment in port ancillary services including but not limited to trucking, feedering, freight-forwarding, supply chain management, warehousing, and distribution services;

(b) the acquisition or holding of shares by (a) any member of the Sponsor Group in an entity which is engaged in any part of the Defined Businesses within the HPH Trust Territory, or (b) any member of the HPH Trust Group in an entity which is engaged in any part of the Defined Businesses within the Sponsor Territory provided that:

(i) such shares are held for Investment Purposes and are, or are proposed to be, listed on any internationally recognised stock exchange and such investment does not exceed 15% of the outstanding voting stock of such entity; or

(ii) the consolidated revenues of such entity from any service or activity constituting part of the Defined Businesses do not exceed 15% of the total consolidated revenues of such entity at the date of investment; or

(iii) such shares are held for Investment Purposes and do not confer rights to be involved directly or indirectly with the operations of such entity and are disclosed in writing by the Sponsor to the Trustee-Manager or, as the case may be, by the Trustee-Manager to the Sponsor, prior to the date of the ROFR Agreement issued in connection with the Listing.

For purposes of this paragraph on the permissible activities, the following terms have the meaning ascribed to them below.

"**Defined Businesses**" means the business of the investing in, developing, operating and managing deep-water container ports;

"**HPH Trust Affected Party**" means any Subsidiary, jointly controlled entity or associated company of HPH Trust, and "**HPH Trust Affected Parties**" shall be construed accordingly;

"**HPH Trust Group**" means the Trustee-Manager acting as trustee-manager of HPH Trust and the HPH Trust Affected Parties;

"**HPH Trust Territory**" means the Guangdong Province, Hong Kong and Macau;

"**Investment Purposes**" means, in relation to the holding of shares in a company, a holding of such shares principally for the purpose of generating revenue or capital appreciation and not conferring any direct or indirect board, management or other control over such company;

"**Sponsor Affected Party**" means any Subsidiary of the Sponsor and any company which is accounted for and consolidated in the audited consolidated accounts of the Sponsor, but excluding any member of the HPH Trust Group, and "**Sponsor Affected Parties**" shall be construed accordingly;

"**Sponsor Group**" means the Sponsor and the Sponsor Affected Parties;

"**Sponsor Territory**" means all areas of the world other than the territories which comprise the HPH Trust Territory; and

"**Subsidiary**" has the meaning ascribed to that term in the Companies Act, Chapter 50 of Singapore.

NON-COMPETE AGREEMENT

On 28 February 2011, the Sponsor and the Trustee-Manager entered into the Non-Compete Agreement. The Non-Compete Agreement provides that until the earlier of:

(a) the date when HWL ceases to control, directly or indirectly, more than 15% of the Units in issue; and

(b) the date upon which the Units cease to be listed on SGX-ST,

the Sponsor shall not invest in any Defined Businesses within the HPH Trust Territory without the prior consent of the Trustee-Manager or, in the case of New Opportunities, compliance with the right of first refusal procedure agreed between the Sponsor and the Trustee-Manager and the Trustee-Manager shall procure that HPH Trust will not invest in any Defined Businesses within the Sponsor Territory without the Sponsor's prior consent or, in the case of New Opportunities, compliance with the right of first refusal procedure agreed between the Sponsor and HPH Trust.

It is provided in the Non-Compete Agreement that no member of the Sponsor Group or HPH Trust Group shall be prevented from:

(a) carrying on, engaging in or making an investment in port ancillary services including but not limited to trucking, feedering, freight-forwarding, supply chain management, warehousing, and distribution services;

(b) the acquisition or holding of shares by (a) any member of the Sponsor Group in an entity which is engaged in any part of the Defined Businesses within the HPH Trust Territory, or (b) any member of the HPH Trust Group in an entity which is engaged in any part of the Defined Businesses within the Sponsor Territory provided that:

    (i) such shares are held for Investment Purposes and are, or are proposed to be, listed on any internationally recognised stock exchange and such investment does not exceed 15% of the outstanding voting stock of such entity; or

    (ii) the consolidated revenues of such entity from any service or activity constituting part of the Defined Businesses do not exceed 15% of the total consolidated revenues of such entity at the date of investment; or

    (iii) such shares are held for Investment Purposes and do not confer rights to be involved directly or indirectly with the operations of such entity and are disclosed in writing by the Sponsor to the Trustee-Manager or, as the case may be, by the Trustee-Manager to the Sponsor, prior to the date of the prospectus issued in connection with the Listing.

For purposes of the Non-Compete Agreement,

"**Defined Businesses**" means the business of the investing in, developing, operating and managing deep-water container ports;

"**HPH Trust Affected Party**" means any Subsidiary, jointly controlled entity or associated company of HPH Trust, and "**HPH Trust Affected Parties**" shall be construed accordingly;

"**HPH Trust Group**" means the Trustee-Manager acting as trustee-manager of HPH Trust and the HPH Trust Affected Parties;

"**HPH Trust Territory**" means the Guangdong Province, Hong Kong and Macau;

"**Investment Purposes**" means, in relation to the holding of shares in a company, a holding of such shares principally for the purpose of generating revenue or capital appreciation and not conferring any direct or indirect board, management or other control over such company;

"**New Opportunities**" means any business opportunity offered to a member of the HPH Trust Group after the date of the Non-Compete Agreement which relates to the Defined Businesses;

"**Sponsor Affected Party**" means any Subsidiary of the Sponsor and any company which is accounted for and consolidated in the audited consolidated accounts of the Sponsor, but excluding any member of the HPH Trust Group, and "**Sponsor Affected Parties**" shall be construed accordingly;

"**Sponsor Group**" means the Sponsor and the Sponsor Affected Parties; and

"**Sponsor Territory**" means all areas of the world other than the territories which comprise the HPH Trust Territory.

REDEVELOPMENT POTENTIAL AGREEMENT

On 28 February 2011, HPH entered into a redevelopment potential agreement (the "**Redevelopment Potential Agreement**") with the Trustee-Manager and HPH Trust HoldCo. This agreement was entered into pursuant to the Sale and Purchase Agreement and is in respect of properties identified in the Redevelopment Potential Agreement (including properties having a boundary substantially similar to such properties or any part thereof which is from time to time granted by the government by way of land exchange (including surrender and in-situ regrant) or renewal on expiry of the relevant land grant, where the origin of the chain of land exchange(s) and/or renewal(s) leading to the grant of such lot can be traced back to such properties).

Pursuant to the Redevelopment Potential Agreement, the Trustee-Manager and HPH Trust HoldCo have agreed that if there is a change in the land use zoning of any part of the property such that such part of the property can only be used for a purpose other than the purpose permitted by the land grant of the property as at the date of the Redevelopment Potential Agreement,

(1) for so long as HWL and/or its Subsidiaries hold 15% or more of the total number of Units in issue or hold 15% or more of the total number of shares in issue in the company that is the trustee-manager of HPH Trust at the time the exclusive right of redevelopment is sought to be exercised, HPH shall have the exclusive right to assist the Trustee-Manager ("**exclusive right of redevelopment**"); and

(2) in the event HWL and/or its Subsidiaries hold less than 15% of the total number of Units in issue and hold less than 15% of the total number of shares in issue in the company that is the trustee-manager of HPH Trust at the time the first right of redevelopment is sought to be exercised, HPH shall have the first right to assist the Trustee-Manager ("**first right of redevelopment**"),

in assessing the feasibility of a redevelopment of the relevant part of the property by preparing a redevelopment proposal (including any revisions or new redevelopment proposals) contemplating that all financial risks and burdens relating to the redevelopment shall be assumed solely by HPH and that HPH Trust shall be entitled to participate in the economic benefits arising from such redevelopment.

The Trustee-Manager is not obliged to accept any redevelopment proposal from HPH (the "**Proposal**"). In addition, as the Trust Deed provides that the Trustee-Manager shall carry on the authorised port operation business of HPH Trust, at the minimum, on the Initial Port Land or substantially the whole of the Initial Port Land, any Proposal involving any part of the Initial Port Land will require the approval of the Unitholders by way of passing an Extraordinary Resolution.

The Trustee-Manager shall, in reviewing the Proposal from HPH, appoint an independent financial adviser to advise it on whether the Proposal is fair, reasonable and on normal commercial terms and whether it is prejudicial to Unitholders. If the advice from the independent financial adviser is that the Proposal is not fair, reasonable or on normal commercial terms or is prejudicial to Unitholders, the Trustee-Manager shall notify (the "**Notice**") HPH of the complete list of aspects of the Proposal which the independent financial adviser has identified as being not fair or reasonable or not on normal commercial terms or prejudicial to Unitholders ("**Relevant Aspects**"). On the other hand, if the advice from the independent financial adviser is that the Proposal is fair, reasonable and on normal commercial terms and is not prejudicial to Unitholders, the Trustee-Manager shall proceed to obtain the approval of Unitholders to proceed with the Proposal in accordance with applicable listing rules regarding interested person transactions.

Exclusive Right of Redevelopment

In the case where HPH has the exclusive right of redevelopment and the Relevant Aspects have not been addressed by HPH such that the independent financial adviser could advise the Trustee-Manager that the Proposal then becomes fair and reasonable and on normal commercial terms and is not prejudicial to the Unitholders as a whole within six months after the date of the Notice, the parties to the Redevelopment Potential Agreement will refer to an arbitration tribunal their disagreement on whether the Proposal is fair and reasonable to the Unitholders as a whole.

The arbitration tribunal shall comprise three arbitrators, with HPH and the Trustee-Manager each having the right to appoint one arbitrator and the third arbitrator to be jointly appointed by HPH and the Trustee-Manager. In the case of the arbitrator to be selected by the Trustee-Manager, only the independent directors of the Trustee-Manager shall decide on the selection of such arbitrator. The parties to the Redevelopment Potential Agreement have agreed to use their best endeavours to conduct the arbitration process in an expeditious manner.

The arbitration tribunal shall provide a reasoned decision (the "**Decision**") and the reasons attributable to its decision as to whether the Proposal is fair and reasonable to the Unitholders as a whole ("**Relevant Reasons**").

If the arbitration tribunal decides that the Proposal is fair and reasonable to the Unitholders as a whole, the Trustee-Manager shall proceed to obtain the approval of Unitholders in accordance with applicable listing rules regarding interested person transactions.

On the other hand, if the arbitration tribunal decides that the Proposal is not fair or reasonable to the Unitholders as a whole and HPH has addressed the Relevant Reasons such that the independent financial adviser could advise the Trustee-Manager that the Proposal then becomes fair and reasonable to the Unitholders as a whole within four months after the date of the Decision, the Trustee-Manager shall proceed to obtain the approval of Unitholders to proceed with the Proposal in accordance with applicable listing rules regarding interested person transactions. However, if HPH does not address the Relevant Reasons within the four month period as described in the preceding sentence, HPH Trust shall be released from its obligations, in respect only of the property concerned, under the Redevelopment Potential Agreement and shall not be restricted by the Redevelopment Potential Agreement from negotiating and dealing with any party regarding a redevelopment of the relevant part of the property concerned (having the same purpose, usage and subject matter as the Proposal) as the Trustee-Manager deems fit on terms no less favourable to HPH Trust than the Proposal (including, for the avoidance of doubt, disposing of the relevant part of the property concerned to the extent contemplated by the Proposal).

First Right of Redevelopment

In the case where HPH only has the first right of redevelopment and the Trustee-Manager has given the Notice to HPH, HPH Trust shall be released from its obligations, in respect only of the relevant part of the property concerned, under the Redevelopment Potential Agreement and shall not be restricted by the Redevelopment Potential Agreement from negotiating and dealing with any party regarding a redevelopment of the relevant part of the property concerned (having the same purpose, usage and subject matter as the Proposal) as the Trustee-Manager deems fit on terms no less favourable to HPH Trust than the Proposal (including, for the avoidance of doubt, disposing the relevant part of the property concerned to the extent contemplated by the Proposal).

Other Salient Terms of Redevelopment Potential Agreement

The Trustee-Manager shall not (whether on its own, in joint venture or otherwise) redevelop or take any step for the purpose of redeveloping its property, or enter into any communication, discussion or negotiation with any person for purposes relating to the redevelopment of its property, save as permitted by HPH or as provided under the Redevelopment Potential Agreement.

In the event that the Trustee-Manager has proceeded to obtain Unitholders' approval for the Proposal in accordance with applicable listing rules regarding interested person transactions, and such approval was not obtained, the Trustee-Manager will continue to retain the relevant part of the property concerned as part of the Trust Property and the Redevelopment Potential Agreement will continue to apply to the relevant part of such property concerned.

The covenants in the Redevelopment Potential Agreement shall apply, in relation to each property and/or its owner, for as long as the land grant in respect of the property concerned continues to subsist, whether before or after the renewal of the existing land grant or any subsequent land grant of the property.

The Redevelopment Potential Agreement will terminate in the following circumstances:

(1) HPH is unable to pay its debts as they fall due;

(2) HPH goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation) or if a receiver is appointed over any of its assets or a judicial manager is appointed in relation to HPH; or

(3) any change of law which results in it becoming unlawful for HPH or HPH Trust to perform their respective obligations under the Redevelopment Potential Agreement.

For purposes of the Redevelopment Potential Agreement, "**redevelop**" means, in relation to a property (or a part thereof), the development or redevelopment of the property or any part thereof for one or more uses which is non-port use or into any building or structure not permitted by the relevant land grant as of the date of the Redevelopment Potential Agreement.

SALE AND PURCHASE AGREEMENT

On 28 February 2011, the Sponsor and HPH Trust HoldCo, a wholly-owned subsidiary of HPH Trust, entered into the Sale and Purchase Agreement pursuant to which:

(a) the Sponsor agreed to sell, or procure the sale of, and HPH Trust HoldCo agreed to acquire, the entire issued share capital of each of the Holding Companies and the River Ports Economic Benefits. The Holding Companies together indirectly own the interests in the operators of the Portfolio Container Terminals and the Portfolio Ancillary Services; and

(b) the Sponsor agreed to assign, or procure the assignment of, and HPH Trust HoldCo agreed to accept, or procure the acceptance of the assignment of, certain related party and shareholders' loans in the aggregate principal amount of approximately HK$24,125.4 million together with the accrued interest thereon.

Completion of the acquisition and the loan assignments will take place prior to the Listing Date on 15 March 2011.

The Initial Consideration for the acquisition and the loan assignments is approximately HK$102,878.7 million and is subject to the IPO Adjustment. Please refer to "The Restructuring Exercise – Details of the Restructuring" for details of the Initial Consideration and the IPO Adjustment.

The Sponsor has irrevocably and unconditionally undertaken to HPH Trust HoldCo that with effect from completion and for so long as any member of the Sponsor Group (excluding the HPH Trust Group) remains entitled to receive any of the River Ports Economic Benefits, the Sponsor will account to HPH Trust HoldCo for all of the River Ports Economic Benefits. HPH Trust HoldCo has irrevocably and conditionally undertaken to the Sponsor that if any member of the Sponsor Group (excluding the HPH Trust Group) is required to provide any funding or other financial support in relation to the business of the River Ports, HPH Trust HoldCo will provide such funding.

The Sale and Purchase Agreement contains certain warranties given by the Sponsor in respect of, among others, the Holding Companies and their underlying assets.

The Sale and Purchase Agreement also sets out certain limitations on the liability of the Sponsor in respect of any breach of warranties, including provisions for an aggregate maximum liability for all claims (other than claims in respect of certain title warranties) of 50.0% of the final consideration, a minimum threshold for claims and limitation periods.

The Sale and Purchase Agreement further provides that if the Listing Date does not occur on or before 31 December 2011, the parties to such agreement shall rescind the sale and purchase of the shares in the Holding Companies and the River Ports Economic Benefits and the loan assignments. HPH Trust HoldCo will then transfer such shares and River Ports Economic Benefits back to the Sponsor (or as it may direct) and assign or procure the assignment of the loans back to the Sponsor (or as it may direct) and will cancel or procure the cancellation of the Promissory Notes.

There is no expiry to the validity of the Sale and Purchase Agreement. Under the terms of the Sale and Purchase Agreement, with effect from completion, subject to Listing occurring on or before 31 December 2011 and for so long as any member of the Sponsor Group (excluding the HPH Trust Group) remains entitled to receive any of the River Port Economic Benefits, the Sponsor will account to HPH Trust HoldCo for all of such River Port Economic Benefits.

GLOBAL SUPPORT SERVICES AGREEMENT

On 28 February 2011, HPH, the Trustee-Manager and HPH Trust HoldCo entered into the Global Support Services Agreement, pursuant to which the Trustee-Manager and HPH Trust HoldCo appointed HPH to (i) provide or procure the provision by its subsidiaries of certain support services to HPH Trust HoldCo, its subsidiaries, and jointly controlled entities and associated companies of its respective subsidiaries ("**HPH Trust HoldCo Group**") as and when reasonably required or requested by the Trustee-Manager, HPH Trust HoldCo or any other members of the HPH Trust HoldCo Group from time to time (ii) procure the entering into of the IP Licence Agreement; and (iii) procure the entering into of the Master IT Services Agreement. Such support services include, without limitation, administrative central support services, port technical and engineering services, and such other additional services as may be added in accordance with the terms of the agreement, but exclude services provided under the IP Licence Agreement (as defined herein) and IT services as more particularly defined in the Master IT Services Agreement (as defined herein).

Payment for the services comprises a base fee, payable in equal semi-annual instalments in advance on or before 10 July and 10 January, the first such payment being made on the Listing Date. The base fee for any financial year of the agreement is US$15 million, which is subject to increase each year by such percentage representing the percentage increase (if any) in the Hong Kong Composite Consumer Price Index. The amount of the base fee is subject to an upward adjustment whenever HPH Trust makes an acquisition that can be classified as a major transaction based on the tests set out in Chapter 10 of the Listing Manual. In the event the HPH Trust HoldCo Group makes one or more acquisitions (the "**Subject Acquisitions**") and the cumulative (if applicable) result of which is to increase the value of the total assets of HPH Trust HoldCo as at the Listing Date by more than 20%, the parties shall negotiate in good faith with a view to reaching agreement on a revision in the base fee, failing which HPH shall be entitled to restrict the services to be provided thereunder to those companies within the HPH Trust HoldCo Group that are subject matter of the Subject Acquisitions on the same terms as those prevailing immediately prior to completion of the Subject Acquisitions.

The Global Support Services Agreement will take effect on the Listing Date and, unless otherwise terminated earlier, expire on 31 December 2021. The agreement may be extended on the same terms and conditions (other than the extension right) by any of the Trustee-Manager, HPH Trust HoldCo or HPH for a period of five (5) years commencing on 1 January 2022 and ending 31 December 2026. Thereafter, the Trustee-Manager or HPH Trust HoldCo may, by giving written notice to HPH, extend the Global Support Services Agreement for another period of five (5) years commencing on 1 January 2027 and ending 31 December 2032 on such terms as the parties may agree.

The agreement may be terminated upon occurrence of a default or other events as stipulated therein or by HPH if, among others, the Units cease to be listed on the Main Board of the SGX-ST.

Save where the agreement is terminated by the Trustee-Manager and HPH Trust HoldCo as a result of (i) an encumbrancer takes possession or a receiver is compulsorily appointed over all or substantially all of the property or assets of HPH, (ii) HPH makes any voluntary arrangement with its creditors or becomes subject to an administration order; or (iii) HPH goes into liquidation (except for the purposes of amalgamation or reconstruction and in such manner that the company resulting therefrom effectively agrees to be bound by or assume the obligations imposed on that other party under the agreement), HPH shall continue to render the services to be provided pursuant to the Global Support Services Agreement to the HPH Trust HoldCo Group if so required by HPH Trust HoldCo and on the same terms (other than with respect to termination or renewal) until such time as a replacement service provider is appointed by HPH Trust HoldCo but in any case, for a period not exceeding 12 months after the date of notice of termination.

SERVICES AGREEMENT

On 28 February 2011, HITL and HPH entered into a services agreement (the "**Services Agreement**") pursuant to which HPH appointed HITL to provide or procure the provision by its subsidiaries of certain administrative support services to HPH as and when reasonably requested by HPH and agreed between HITL and HPH from time to time.

The administrative support services to be provided include the use of office space, sharing of office electricity and utilities, sharing of company bus services and employee facilities (such as canteens and sports centre), sharing of data centre facilities, supply of computer network and computer support, purchasing and procurement services; accounts payable services, office and corporate administration services (such as internal courier, drivers), book-keeping and accounting services, payroll services and participation in HITL's medical scheme.

Payment for the services shall be by way of a service fee, which is charged on a cost basis involving an allocation of costs of the services on a fair and equitable basis and the costs and expenses to be reimbursed by HPH to HITL for the provision of services, and shall be separately determined and agreed between the parties based on the following principles:

(a) any use of space by HPH will be charged at the then prevailing market rent and according to the area occupied by HPH;

(b) any sharing of facilities, utilities, maintenance and other infrastructure costs will be computed according to headcounts and floor area occupied by HPH; and

(c) any non-executive or non-management support services will be charged on the then prevailing market manpower cost based on level of service requested and supplied.

The parties acknowledged that, applying the above principles, an annual service fee of HK$30.0 million would have been payable in the financial year ended 31 December 2010 as follows:

(a) approximately HK$9.0 million for the use of space by HPH, charged at the then prevailing market rent and according to the area occupied by HPH;

(b) approximately HK$8.7 million for the sharing of facilities, utilities, maintenance and other infrastructural costs, computed according to headcounts and floor area occupied by HPH; and

(c) approximately HK$12.3 million for non-executive or non-management support services, charged at the then prevailing market manpower cost based on level of service requested and supplied.

The Services Agreement is deemed to have commenced on 1 January 2011 and expires on 31 December 2021, unless terminated earlier in accordance with its terms. The Services Agreement may be terminated earlier, without penalty, by either party giving not less than 180 days' advance written notice to the non-terminating party, such notice of termination to take effect no earlier than the day immediately preceding the fifth anniversary of the commencement date which falls immediately after such 180-day notice period, or upon occurrence of a default or other events as stipulated therein.

MASTER IT SERVICES AGREEMENT

On 28 February 2011, HPHIS(BVI), HPHIS, the Trustee-Manager and HPH Trust HoldCo entered into the Master IT Services Agreement pursuant to which HPHIS(BVI) and HPHIS agreed, in respect of companies within the HPH Trust HoldCo Group where HPHIS(BVI) and HPHIS have entered into existing agreements for the provision of IT services, that HPHIS(BVI) and HPHIS shall engage in good faith negotiations with the respective counterparties for the continued provision of IT services after the expiry dates of the respective agreements. HPHIS(BVI) and HPHIS have also agreed to use their commercial endeavours to offer IT services to other members of the HPH Trust Group who have not entered into agreements with HPHIS(BVI) and HPHIS on terms no less favourable than those contained in the existing agreements.

IT services contemplated under the Master IT Services Agreement include the provision of software application, application support and administration, software improvement request, database administration, data centre services, hardware maintenance, customer service and ad-hoc management reporting, and terminal operation systems, including nGEN and its ancillary IT systems, software and modules.

The Master IT Services Agreement will take effect on the Listing Date and expire on 31 December 2021. The Master IT Services Agreement may be extended on the same terms and conditions (other than the extension right) by either HPH Trust HoldCo, HPHIS(BVI) and HPHIS for up to two periods of five years commencing on 1 January 2022 and ending 31 December 2032, unless terminated earlier in accordance with the terms of the agreement.

The Master IT Services Agreement may be terminated by HPHIS(BVI) and HPHIS at any time after the Global Support Services Agreement is terminated in accordance with its terms or if the Units cease to be listed on the Main Board of the SGX-ST but such termination will not affect the validity or continuing subsistence of existing or new licence agreements that have been entered into.

The Master IT Services Agreement is governed by and construed in all respects in accordance with the laws of Hong Kong.

IP LICENCE AGREEMENT

On 28 February 2011, Hutchison International Ports Enterprises Limited (the "**Licensor**") and HPH Trust HoldCo entered into a licence agreement ("**IP Licence Agreement**") pursuant to which the Licensor granted HPH Trust HoldCo, the non-exclusive, non-transferable right during the term of the IP Licence Agreement to, among others, use certain trademarks, in all forms used and any other intellectual property rights authorised by the Licensor to be used in respect of the trademarks, including, without limitation, elements such as the typefaces, slogans, tag-lines, logos, artwork, colour combinations, get-up, and other distinctive features used in respect of or as part of those trademarks, and any other trademarks, design rights, domain names and patents as may from time to time be licensed by the Licensor in connection with the carrying on of HPH Trust HoldCo's investment in, development, operation and management of deep-water container ports in the Guangdong Province, Hong Kong and Macau and the conduct of businesses incidental to activities conducted within a port upon the terms and subject to the conditions therein contained.

The rights granted under the IP Licence Agreement are on a royalty-free basis provided that following the occurrence of any of (i) the Trustee-Manager or any of its related corporations ceasing to be the trustee-manager of HPH Trust, (ii) HWL or any of its related corporations, alone or in aggregate, ceasing to hold 20% or more of the Units, (iii) the Units ceasing to be listed on the Main Board of the SGX-ST or (iv) the termination or expiry of the Global Support Services Agreement in accordance with its terms, the Licensor and the Licensee shall re-negotiate the amount of royalty payable by the Licensee to the Licensor.

The rights granted under the IP Licence Agreement are personal to HPH Trust HoldCo and do not include any right to grant sub-licences except to the Trustee-Manager, HPH Trust and any member of the HPH Trust Group which engages in port business, and to any person approved by the Licensor in writing, which approval may be granted or withheld by the Licensor in its absolute discretion.

The Licensor has the right, by giving notice in writing to the Licensee, to terminate the agreement immediately at any time if, inter alia:

(a) the Licensee (being HPH Trust HoldCo) commits a material breach of any term or condition of the IP Licence Agreement and such breach continues unremedied for more than 14 days after the Licensor has served a notice in writing on the Licensee requiring remedy of the breach,

(b) at any time during a period of 12 months following the occurrence of any of, (i) the Trustee-Manager or any of its related corporations ceasing to be the trustee-manager of HPH Trust; (ii) HWL or any of its related corporations, alone or in aggregate, ceasing to be a controlling Unitholder (i.e. holding 15% or more of the Units); (iii) the Units ceasing to be listed on the Main Board of the SGX-ST, or (iv) the termination or expiry of the Global Support Services Agreement;

(c) HPH Trust HoldCo ceases or threatens to cease to carry on the whole or any material part of its port business or its port business ceases to be its sole enterprise;

(d) HPH Trust HoldCo's licence or authorisation to operate a port business is suspended or revoked provided that temporary suspension of services for reasons outside the control of HPH Trust HoldCo in circumstances where resumption of service can reasonably be expected, will not result in automatic termination of the agreement unless such suspension continues for more than three months; and

(e) the Licensor and HPH Trust HoldCo fail to agree on the revised royalty amount within 30 days.

Regulatory Authority for Port Operations

The administrator of the Hong Kong port is the Marine Department, which is responsible for, among other things, maintaining safe operation of the port.

Regulations and Licences

Application must be made to the Director of Marine before any person may construct or maintain a port facility in the waters of Hong Kong. In addition, container terminal operators must apply for environmental permits for the construction or operation of container terminals under the Environmental Impact Assessment Ordinance. Port facilities are subject to various general port laws and regulations, which include regulations on security.

Container terminal operators must also comply with the laws and regulations in respect of dangerous goods, which include requirements to maintain records of dangerous goods. HIT has been gazetted as an approved container terminal where (i) dangerous goods may be loaded and discharged and (ii) freight containers containing dangerous goods may be stored.

In addition, HPH Trust is required to obtain various general operating licences in Hong Kong for its business, including, among other licences, general bonded warehouse licences to store dutiable goods and licences to deal with controlled chemicals from the Customs and Excise Department, licences to store dangerous goods from the Director of Fire Services, licences to handle cargoes containing radioactive substances from the Radiation Board, operating licences from the Marine Department for certain vessels, radio system and radio paging licences to use radio communications apparatus from the Telecommunications Authority and waste production and disposal licences from the Environmental Protection Authority.

Save as disclosed in this document, to the best of the Trustee-Manager's knowledge, HPH Trust is in compliance with all applicable laws and regulations in material respects, and has obtained all relevant approvals, registrations, licences and permits, necessary to operate the business.

PEOPLE'S REPUBLIC OF CHINA

Laws and Regulations in Relation to Port Business and Logistics and Related Business

The business of HPH Trust within the territory of the PRC is currently and will continue to be governed by PRC regulations and policies in the form of laws and regulations in force in relation to port businesses and logistics and related port value-added businesses and under the control and monitoring of various PRC regulatory authorities. This section of this document contains a summary of PRC main laws and regulations currently relevant to the main business of HPH Trust in the PRC. Laws and regulations are subject to change from time to time and it is possible for such changes to affect the business of HPH Trust and the resulting costs of compliance.

Container Terminal Business

In the PRC, planning, construction, maintenance, operation and management of ports are subject to the PRC Port Law ("**Port Law**"), which became effective on 1 January 2004. Furthermore, operations in ports, including operations in terminals and other port facilities, loading and unloading, lighterage and warehousing of goods within a port area must comply with the Regulations for the Administration of Port Operations (the "**Port Operations Regulations**") which were amended on 29 October 2009 and became effective on 1 March 2010. Based on the Port Law and the Port Operations Regulations, the port industry is governed by a licensing system, i.e. a port operator must apply to the Ministry of Communications or its competent local branch ("**MOC**") for a Permit for Port Operations which indicates the classifications of permitted port business activities.

In addition to the Permit for Port Operations, companies engaged in dangerous goods operations at ports must apply to the MOC for a Competency Certificate of Port Operations for Dangerous Goods pursuant to the Regulations for the Administration of Dangerous Goods at Ports, which became effective on 1 January 2004. Companies engaged in entry-exit container yard/container freight station operations must also apply to the local entry-exit inspection and quarantine administrative authority for a Hygiene Permit of Warehousing Premises within the PRC Border and Ports and a Registration Certificate for Entry-Exit Container Yard/Container Freight Station pursuant to the Specific Rules on Registration for Entry-Exit Container Yard/Container Freight Station, which became effective on 30 July 2001. A port facility used by international vessels must have a Statement of Compliance of a Port Facility pursuant to the Safeguard Rules of PRC Port Facilities which became effective on 1 March 2008.

Logistic Business

According to the Logistic Industry Adjustment and Development Plan (the "**Plan**") promulgated by the State Council on 10 March 2009, the PRC government supports the development of the Chinese logistics industry. According to the Plan, the State Council aims to establish a comprehensive and effective logistics system in the PRC by 2011.

Road Transportation and Station Business

Companies engaged in road transportation and stations operations must comply with the requirements of the Regulations on Road Transportation, which became effective on 1 July 2004, and the Regulations for the Administration of Road Cargo Transportation and Stations, which became effective on 1 August 2005 and was amended on 20 April 2009, by obtaining the Road Transportation Operation Permit from the road transportation administrative authorities.

Foreign-invested enterprises engaged in road passenger transportation, road cargo transportation, road cargo loading and unloading, road cargo storage, any other ancillary services and vehicle repair are also subject to the Regulations on the Administration of Foreign Investment in Road Transportation Industry, which became effective on 20 November 2001 and was supplemented on 31 December 2003 and 28 December 2006.

Warehouse Business

According to the Regulations of the Customs of the PRC for the Administration of Bonded Warehouses and Cargoes Stored, which become effective on 1 February 2004, companies engaged in the bonded warehouse business, must obtain a PRC Customs Bonded Warehouse Registration Certificate. Companies engaged in the export supervision warehouse business must comply with the Regulations of the Customs of the PRC for the Administration of Export Supervision Warehouses and Cargoes Stored, which become effective on 1 January 2006, by obtaining a PRC Customs Export Supervision Warehouse Registration Certificate.

Other Relevant Laws and Regulations

Set out below is a brief overview of the PRC legal framework relevant to HPH Trust in respect of company establishment, foreign investment, acquisition of land and development of construction projects, employment, major taxes, foreign exchange controls and dividend distribution.

Company Establishment and Foreign Investment Laws

Company Law and the Joint Venture Law

The establishment, operation and management of any PRC company is governed by the PRC Company Law (the "**Company Law**"), which was promulgated by the Standing Committee of the National People's Congress on 29 December 1993, and became effective on 1 July 1994. The Company Law was subsequently amended on 25 December 1999, 28 August 2004 and 27 October 2005.

According to the Company Law, companies established in the PRC are either limited liability companies or joint stock limited liability companies. The Company Law applies to both PRC domestic companies and foreign-invested companies; however where the Company Law is silent on matters related to foreign-invested companies, such matters may be addressed by other PRC laws and regulations.

The establishment procedures, approval procedures, registered capital requirements, foreign exchange matters, accounting practices, taxation and labour matters of equity joint venture enterprises are regulated by the PRC Sino-Foreign Equity Joint Venture Law (the "**JV Law**"), which was promulgated by the National People's Congress in July 1979 and amended on 4 April 1990 and May 13, 2001, and is supplemented by the Implementation Regulations on the Equity Joint Venture Law of the PRC, which was promulgated by the State Council on 20 September 1983, and amended on 15 January 1986, 21 December 1987 and 22 July 2001.

Foreign Investment Catalogue

In 1995, the State Planning Commission, the State Economic and Trade Commission and the Ministry of Foreign Trade and Economic Cooperation jointly promulgated the Interim Provisions on Guiding Foreign Investment (the "**Interim Foreign Investment Provisions**") and the Catalogue for the Guidance of Foreign Investment (the "**Foreign Investment Catalogue**"), classifying all foreign investment projects into one of four categories: (i) encouraged projects, (ii) permitted projects, (iii) restricted projects and (iv) prohibited projects.

On 11 February 2002, the State Council promulgated the Provisions on Guiding Foreign Investment (the "**Foreign Investment Provisions**"), re-stating the four classifications of foreign investment projects. The Foreign Investment Provisions became effective on 1 April 2002, and the Interim Foreign Investment Provisions were simultaneously repealed.

The Foreign Investment Catalogue has been revised several times since it was first promulgated, with the most significant revisions taking place in 2002, 2004 and 2007. The version of the Foreign Investment Catalogue currently in effect was jointly promulgated by the National Development and Reform Commission and the Ministry of Commerce on 31 October 2007 and became effective on 1 December 2007.

Construction and operation of port public terminal facilities, construction and operation of warehouse facilities related to the transportation industry and modern logistics facilities are classified in the Foreign Investment Catalogue (2007) as encouraged projects.

Major Taxes

Income tax

According to the PRC Income Tax Law for Foreign-invested Enterprises and Foreign Enterprises, which was promulgated by National People's Congress on 9 April 1991 and implemented on 1 July 1991, and its detailed rules promulgated by the State Council on 30 June 1991, the income tax on enterprises with foreign investment was computed on taxable income at the rate of 30%, and local income tax was computed on taxable income at the rate of 3%. Foreign-invested enterprises were entitled to fixed period tax exemptions and reductions.

According to the PRC Corporate Income Tax Law (the "**CIT Law**") enacted by the National People's Congress on 16 March 2007 and enforced from 1 January 2008 onwards, a unified income tax rate of 25% is now applied towards foreign investment and foreign enterprises that have established a place of business in the PRC as well as PRC enterprises.

Pursuant to the provisions of the State Council, enterprises established prior to the promulgation of the CIT Law that enjoyed preferential tax rates in accordance with relevant tax laws and administrative regulations may, during a five year transition period beginning on the date the law came into effect, gradually move to the tax rate provided by the CIT Law. Fixed period tax exemptions and reductions may continue to apply to eligible enterprises even after the expiry of the implementation period of the CIT Law. According to the Notice of the State Council on the Implementation of the Transitional Preferential Policies of Corporate Income Tax (the "**CIT Transitional Policies**"), during a transition period of five years from the implementation of the CIT Law, the preferential tax rate for eligible enterprises will gradually adjust to the tax rate established by the CIT Law. For enterprises whose enterprises income tax rate was 15%, the tax rate is 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012. For enterprises whose enterprises income tax rate is 24%, the tax rate is 25% from 2008. From 1 January 2008, enterprises that were eligible for tax exemptions and reductions such as "exemption for the first two years and half deduction for the following three years" may continue to enjoy such preferential policies pursuant to previous tax laws and regulations until the expiry of such preferential policies. Where such enterprises fail to derive any profits and therefore do not benefit from the preferential treatment, the preferential period commenced in 2008.

The CIT Law and relevant implementing regulations provide that withholding tax at the rate of 10% is applicable to dividends and other distributions payable to shareholders who are "non-resident enterprises".

The CIT Law defines a "non-resident enterprise" as an enterprise established in accordance with the laws of foreign countries (regions) and with its place of effective management located outside PRC, but which has an establishment or a place of business in the PRC; or an enterprise which, though having no establishment or place of business in the PRC, derives income that is sourced from the PRC. Relevant international treaties provide that withholding tax at the reduced rate of 5% is applicable to dividends payable to beneficial owners of PRC subsidiaries if certain requirements are met.

Business tax

Pursuant to the Interim Regulations of the PRC on Business Tax which were promulgated by the State Council on 13 December 1993, amended on 5 November 2008, and which became effective on 1 January 2009, and the Detailed Implementation Rules on the Provisional Regulations of the People's Republic of China on Business Tax issued by the Ministry of Finance on 25 December 1993 and amended and implemented on 1 January 2009, companies that provide services, transfer intangible assets or transfer real properties will be subject to Business Tax.

The Business Tax rate of 3% is applicable on taxable services relating to communication and transportation (i.e. loading and unloading of containers, transportation, etc). All other non-entertainment services generally attract a Business Tax rate of 5%.

Deed tax

Pursuant to the Interim Regulations of the PRC on Deed Tax promulgated by the State Council on 7 July 1997 and implemented on 1 October 1997, the transferee, whether an individual or otherwise, of the title to a land site or building in the PRC is subject to the payment of deed tax. The rate of deed tax is 3% to 5%. The governments of provinces, autonomous regions and municipalities directly under the central government may, within the aforesaid range, determine and report their effective tax rates to the Ministry of Finance and the State Administration of Taxation ("**SAT**") for the record.

Urban land use tax

Pursuant to the Interim Regulations of the PRC on Land Use Tax in Urban Areas promulgated by the State Council on 27 September 1988, implemented on 1 November 1988 and amended on 31 December 2006, land use tax in respect of urban land is levied according to the area of relevant land. As at 1 January 2007, the annual tax on every square meter of urban land collected from foreign-invested enterprises is between RMB0.6 and RMB30.0.

Property tax

Under the Interim Regulations of the PRC on Building Tax promulgated by the State Council on 15 September 1986 and implemented on 1 October 1986, property tax is levied at 1.2% if it is calculated on the basis of the residual value of a building (that is 70.0% to 90.0% of the original value of the building and the deduction percentage (10.0% to 30.0%) is determined by each provincial government), and 12% if it is calculated on the basis of the rental.

According to the Circular Concerning the Levy of Building Tax on Foreign Enterprises and Foreigners promulgated by the Ministry of Finance on 12 January 2009, and the Circular Concerning the Implementation of the Levy of Property Tax on Foreign-Invested Enterprise and Foreign Individuals issued by the SAT on 6 January 2009, from 1 January 2009, domestic and foreign-invested enterprises and foreign individuals are subject to the Interim Regulations of the PRC on Property Tax.

Stamp duty

Under the Interim Regulations of the PRC on Stamp Duty promulgated by the State Council on 6 August 1988 and implemented on 1 October 1988, for property transfer instruments, including those in respect of property ownership transfer, the stamp duty rate is 0.05% of the amount stated therein; for permits and certificates relating to rights, including property title certificates and land use rights certificates, stamp duty is levied on an item basis of RMB5.0 per item.

Urban Construction and Maintenance Tax ("Surtax" which also includes Education Surcharge and Local Education Surcharge)

Under the Interim Regulations of the PRC on Urban Construction and Maintenance Tax promulgated by the State Council on 8 February 1985, any taxpayer, whether an individual or otherwise, of Consumption Tax, Value-added Tax or Business Tax is required to pay Urban Construction and Maintenance Tax. The tax rate is 7% for a taxpayer whose domicile is in an urban area, 5% for a taxpayer whose domicile is in a county or a town, and 1% for a taxpayer whose domicile is not in any urban area, county or town. Under the Circular Concerning Temporary Exemption from Urban Construction and Maintenance Tax and Education Surcharge for Foreign-invested Enterprises and Foreign Enterprises issued by the SAT on 25 February 1994, the municipal maintenance tax was not applicable to foreign invested enterprises until the State Council issued notice to the contrary.

On 18 October 2010, the State Council issued Circular GuoFa (2010) 35 to remove the exemption to Foreign-invested Enterprises and Foreign Enterprises, effective 1 December 2010. The applicable tax rate (7%, 5% or 1%) is now imposed on the Value-added Tax, Business Tax and Consumption Tax liability of the enterprise.

Education Surcharge

Under the Interim Provisions on the Imposition of the Education Surcharge promulgated by the State Council on 28 April 1986 and amended on 7 June 1990 and 20 August 2005, a taxpayer, whether an individual or otherwise, of Consumption Tax, Value-added Tax or Business Tax must pay an Education Surcharge, unless such taxpayer is instead required to pay a rural area education surcharge as provided by the Notice of the State Council on Raising Funds for Schools in Rural Areas. Under the Supplementary Notice Concerning Imposition of Education Surcharge issued by the State Council on 12 October 1994, the Circular Concerning Temporary Exemption from Urban Construction and Maintenance Tax and Education Surcharge for Foreign-invested Enterprises and Foreign Enterprises issued by the SAT on 25 February 1994, the Education Surcharge was not be applicable to enterprises with foreign investment until the State Council issued notice to the contrary.

On 18 October 2010, the State Council issued Circular GuoFa (2010) 35 to remove the exemption to Foreign-invested Enterprises and Foreign Enterprises, effective 1 December 2010. The applicable levy rate of 3% is now imposed on the Value-added Tax, Business Tax and Consumption Tax liabilities of the enterprise.

Local Education Surcharge

On 7 November 2010, the Ministry of Finance issued Circular CaiZong (2010) 98 to the local Finance Departments requesting those provinces and areas that have not levied Local Education Surcharge to prepare for the imposition, and the levy rate will be unified to 2% on the Value-added Tax, Business Tax and Consumption Tax liabilities of the enterprise.

Direct and indirect transfer of interest in PRC companies

The SAT issued a circular, Guoshuihan 2009 No. 698 ("**Circular 698**"), on 10 December 2009, which became effective retroactively from 1 January 2008, which addresses tax filing requirements of non-PRC tax residents from their transfers of equity in PRC-resident enterprises (excluding the stocks of PRC resident enterprises which are purchased and sold on open securities markets). More importantly, the Circular also sets out certain reporting requirements in respect of indirect transfers of equity in PRC-resident enterprises by foreign investors. An indirect transfer occurs when a foreign investor sells the equity in its offshore holding company, which holding company directly or indirectly owns equity of a PRC-resident enterprise. Circular 698 also asserts the right of the PRC tax authorities to invoke the PRC's general anti-avoidance rules to disregard the existence of the offshore holding company if the organisation structure serves no reasonable commercial purpose and the intention is to avoid taxation obligations in the PRC.

Withholding tax on dividends and interest

Passive income (such as dividends, royalties and interest) that a non-resident enterprise generates in the PRC is generally subject to 10% PRC withholding tax, unless a reduced treaty rate applies. Under the tax treaties or arrangements between the PRC and certain tax treaty partners, a reduced tax rate (e.g. 5%, 6% or 7%) may apply with respect to dividends, royalties or interest, as applicable, if the recipient is a tax resident of that treaty partner and, if specified under the relevant treaties or arrangements, a "beneficial owner" of such income. On 27 October 2009, the SAT released a circular, Guoshuihan 2009 No. 601 ("**Circular 601**"), which provides guidance for the determination of "beneficial ownership" for the purpose of claiming the PRC's Double Taxation Agreement benefits by residents of treaty jurisdictions in respect of dividends, royalties, and interest (as defined under the relevant DTA). According to Circular 601, a "beneficial owner" is a person who has the right of ownership and disposition of the income or the rights or property that generates such income. A "beneficial owner" must generally engage in actual business activities. A "beneficial owner" can be an individual, a corporation or any other type of organisation, but excludes "agents" or "conduit companies". A "conduit company" is defined as a company that is established for the purpose of avoiding or reducing tax, or shifting or accumulating profits elsewhere. Such a company may be registered in the country of its formation in compliance with the legal requirements in that country, but does not carry out actual business activities such as manufacturing, distribution and management. When determining whether a non-resident claiming treaty benefits is the "beneficial owner" of the dividend, royalty or interest income, the PRC's tax authorities consider the specific facts and circumstances of each case, taking into consideration the objectives of the tax treaties (e.g. avoiding double taxation as well as preventing fiscal evasion), and follow the "substance over form" principle.

Employment

The Labour Contract Law of the PRC was promulgated by the Standing Committee of the National People's Congress on 29 June 2007, and became effective on 1 January 2008. The Labour Contract Law is primarily aimed at the regulation of employee/employer rights and obligations, including matters with respect to the establishment, performance and termination of labour contracts. Under the Labour Contract Law, (a) employers must pay employees double income in circumstances where an employer fails to enter into an employment contract within one year with an employee who works for the employer for a period exceeding one month. Where such period exceeds one year, the parties are deemed to have entered into a labour contract with an unfixed term; (b) employees who fulfill certain criteria, including having worked for the same employer for ten years or more, may demand that the employer execute a labour contract with an unfixed term; (c) employees must adhere to regulations concerning commercial confidentiality and non-competition; (d) the range of situations in which employers must lawfully compensate employees has increased; (e) an upper limit has been set on the amount of compensation an employer may seek for an employee's breach of the agreed service term. The upper limit may not exceed the cost of training supplied to the employee; (f) employees in respect of whom employers have not in accordance with law made social insurance contributions may terminate their employment contracts; (g) employers who demand money or property from employees by way of guarantee or whatsoever may be fined a maximum of RMB2,000 for each employee; and (h) employers who intentionally deprive employees of any part of their salary must, in addition to their full salary, pay employees compensation in the order of 50% to 100% of the amount of salary so deprived.

Rules on Foreign Exchange and Dividend Distribution

Rules on Foreign Currency

The principal regulation governing foreign currency exchange in the PRC is the Foreign Currency Administration Rules, which were issued by the State Council in January 1996, became effective in April 1996 and were amended in January 1997 and August 2008. Under these rules, RMB is freely convertible for payments of current account items, including trade and service related foreign exchange transactions and dividend payments, but not for capital account expenses, including direct investment, loans or investment in securities outside the PRC. RMB may only be converted for capital account expenses once the prior approval of SAFE has been obtained. Under the Foreign Currency Administration Rules, foreign-invested enterprises in the PRC may purchase foreign exchange without the approval of SAFE for trade and service-related foreign exchange transactions by providing commercial documents evidencing such transactions. They may also retain foreign exchange (subject to a cap approved by SAFE) to satisfy foreign exchange liabilities or to pay dividends. However, the relevant PRC government authorities, which have significant administrative discretion in implementing the laws, may restrict or eliminate the ability of foreign invested enterprises to purchase and retain foreign currencies in the future. In addition, foreign exchange transactions involving direct investment, loans and investment in securities outside the PRC are subject to limitations and require approvals from SAFE.

Regulation on Dividend Distribution

The principal laws and regulations governing distribution of dividends paid by foreign-invested enterprises in the PRC include (a) the Company Law and (b) the JV Law and its implementing regulations. Under the above laws and regulations, domestic companies and foreign-invested enterprises in the PRC may pay dividends only from accumulated after-tax profits, if any, determined in accordance with the PRC accounting standards and regulations. In addition, companies are required to set aside at least 10% of their after-tax profits each year, if any, to fund certain reserve funds, until such time as the accumulated reserve funds reach and remain above 50% of the enterprise's registered capital amount, except for joint venture companies, which may allocate the fund at a percentage determined by their respective board. These reserves are not distributable as cash dividends. Under the relevant PRC law, no net assets other than accumulated after-tax profits can be distributed in the form of dividends.

Environmental Protection

The Environmental Protection Law was promulgated on 26 December 1989 by the Standing Committee of the National People's Congress and became effective on 26 December 1989. The Environmental Law establishes the legal framework for environmental protection in the PRC. The Ministry of Environmental Protection under the State Council supervises environmental protection in the PRC and establishes national standards for the discharge of pollutants.

The Law on Prevention and Control of Environmental Pollution by Solid Wastes, or the Solid Wastes Law, was promulgated by the National People's Congress on 29 December 2004 and became effective on 1 April 2005. The Solid Wastes Law provides that any entity that discharges hazardous wastes must dispose of hazardous wastes according to relevant provisions of the State, and may not dump or pile up the wastes without approval. Moreover, it is forbidden to supply or entrust hazardous wastes to entities that do not have business licences and qualifications for the collection, storage, utilisation and treatment of solid wastes. Parties that violate such provisions will be ordered to stop such violation, to correct it within a prescribed time period and/or be subject to a fine.

The Air Pollution Prevention Law was promulgated on 29 April 2000 by the Standing Committee of the National People's Congress and became effective on 1 September 2000. The Air Pollution Prevention Law establishes the legal framework for air pollution prevention in the PRC. The Water Pollution Prevention Law was promulgated on 11 May 1984 by the Standing Committee of the National People's Congress, became effective on 1 November 1984 and was amended on 15 March 1996 and 28 February 2008. The Ocean Environment Protection Law was promulgated on 23 August 1982 and effective from 1 March 1983 and was amended on 25 December 1999. The Ocean Environment Protection Law establishes the legal framework for ocean pollution prevention in the PRC. Under these laws, enterprises must comply with a number of requirements for handling, storage, treatment, transportation and disposal of regulated substances and wastes. Enterprises that discharge waste into the air or waters must obtain a permit and pay waste treatment fees. Competent local counterparts or other designated local agencies of the Ministry of Environmental Protection are authorised to regulate pollution within their respective jurisdictions and have the authority to adopt more specific local standards and rules. Failure to comply with these laws and local regulations and rules may result in penalties, including suspension of operations.

TAXATION

The following summary of certain Singapore, BVI, Cayman Islands, The Bahamas, Hong Kong, PRC and United States tax consequences of the purchase, ownership and disposition of the Units is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Units and does not purport to apply to all categories of prospective investors, some of whom may be subject to special rules. Prospective investors should consult their own tax advisers concerning the application of Singapore, BVI, Cayman Islands, The Bahamas, Hong Kong, PRC and United States tax laws to their particular situation, as well as any consequences of the purchase, ownership and disposition of the Units arising under the laws of any other taxing jurisdiction.

The taxation of HPH Trust and that of its Unitholders is described below. Where BVI, Cayman Islands, Bahamas, Hong Kong, PRC and United States tax laws are discussed, these are merely an outline of the implications of such laws.

A. Singapore Taxation of HPH Trust

Dividends from HPH Trust HoldCo

Subject to meeting certain stipulated conditions and reporting obligations, HPH Trust has obtained an exemption from Singapore income tax under Section 13(12) of the Income Tax Act, Chapter 134 of Singapore ("**Income Tax Act**") on dividends it receives from HPH Trust HoldCo throughout the life of HPH Trust.

Specifically, HPH Trust will be exempt from tax on dividends from HPH Trust HoldCo that originate from:

(i) profits derived from the operations of the Portfolio Container Terminals, River Ports and Portfolio Ancillary Services; and

(ii) interest and other income including interest rate swap and foreign exchange swap gains derived by HPH Trust HoldCo and Hutchison Logistics Ltd (provided the income derives from activities connected with or for the operators of the Portfolio Container Terminals and the Portfolio Ancillary Services).

However, where either:

(a) the conditions or reporting obligations imposed under the exemption are not met;

(b) the dividends do not fall within the scenario and sources described in the exemption application;

(c) there are changes in the structure, entities or circumstances that do not fall within the scope of the exemption granted; or

(d) there is a change in the tax legislation governing such tax exemptions,

then the dividends received by HPH Trust from HPH Trust HoldCo will, if received in Singapore, be subject to tax in Singapore at the prevailing corporate tax rate, which is currently 17%.

Gains on disposal of shares in HPH Trust HoldCo

Singapore does not currently impose tax on capital gains. Gains derived by HPH Trust from the disposal of its shares in HPH Trust HoldCo will not be liable to Singapore income tax unless the gains are considered income of a trade or business (for example if the shares in HPH Trust HoldCo were acquired with the intention or purpose of making a profit by sale and not with the intention of holding for long-term investment purposes).

B. Singapore Taxation of Unitholders

Distributions from HPH Trust

Distributions by HPH Trust will not be subject to tax in Singapore and are also not subject to Singapore withholding tax. This tax exemption is given to all Unitholders regardless of their nationality, identity (whether corporate or individual) or tax residence status. Unitholders are not entitled to tax credits for any taxes paid by the Trustee-Manager on any taxable income of HPH Trust against their Singapore tax liability.

Gains on Disposal of Units

Singapore does not impose tax on capital gains. Therefore, gains on the disposal of the Units that are capital in nature will not be subject to Singapore income tax. However, such gains may be considered income in nature and subject to Singapore income tax if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. Such gains may also be considered income in nature, even if they do not arise from an activity in the ordinary course of trade or business or as a result of some other business activity, if the Units are purchased with the intention or purpose of making a profit by sale and not with the intention of holding for long-term investment purposes.

In the event that the Units are held as trading assets, corporate Unitholders who adopt Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement ("**FRS 39**") for accounting purposes may be required to recognise gains or losses on the Units in the profit and loss account in accordance with FRS 39. If so, the gains or losses recognised will be taxed or allowed as a deduction even though they are unrealised. Unitholders who may be subject to this tax treatment should consult their own accounting and tax advisers regarding the Singapore income tax consequences that may apply to their individual circumstances.

Goods and Services Tax ("GST")

The sale of the Units by a GST-registered investor who belongs in Singapore through the Singapore Exchange or to another person belonging in Singapore is an exempt supply that is not subject to GST. Any GST directly or indirectly incurred by the investor in respect of this exempt supply is not recoverable and will become an additional cost to the investor. Where the Units are sold by a GST-registered investor to a person belonging outside Singapore, the sale is a taxable supply subject to GST at a zero rate. Any GST incurred by a GST-registered investor in the making of this supply in the course or furtherance of a business is claimable as an input tax credit from the Comptroller of GST. Services such as brokerage, handling and clearing services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase, sale or holding of the Units will be subject to GST, currently at the rate of 7.0%. Similar services rendered to an investor belonging outside Singapore are generally subject to GST at the zero rate.

Stamp Duty

Stamp duty will not be imposed on the transfer of Units (whether in scripless or confirmation note form) or on the transfer of any property for the purpose of effectuating the appointment of a new trustee-manager for HPH Trust.

C. Hong Kong Taxation

Profits Tax

HPH Trust HoldCo is subject to Hong Kong profits tax in respect of profits arising in or derived from Hong Kong from a trade, profession or business. The prevailing profits tax rate is 16.5%. However, dividend income should not be taxable for Hong Kong profits tax purposes. Dividends derived by HPH Trust HoldCo from the BVI companies should thus be non-taxable in Hong Kong.

Gains from the sale of assets acquired and held for trading purposes are taxable in Hong Kong. Gains from the sale of capital assets are not subject to Hong Kong profits tax.

Hong Kong does not impose withholding tax on dividends. Dividend payments made by Hong Kong companies to non-Hong Kong holding companies are therefore not subject to withholding tax in Hong Kong. Accordingly, HPH Trust HoldCo will not need to withhold Hong Kong tax on dividends paid to HPH Trust.

Stamp Duty

Both the purchase and sale of shares in Hong Kong incorporated companies will be subject to Hong Kong stamp duty at 0.1% on the higher of the consideration paid and the fair market value.

D. BVI Taxation

No taxes are payable in BVI in respect of income or gains of the BVI companies or on distributions from these companies.

E. Cayman Islands Taxation

No taxes are payable in Cayman Islands in respect of income or capital gains or on distributions from the operating, investment holding or inactive companies in Cayman Islands.

F. The Bahamas Taxation

No taxes are payable in The Bahamas in respect of income or capital gains or on distributions from the operating, investment holding or inactive companies in The Bahamas.

G. PRC Taxation

Corporate Income Tax (CIT)

Foreign investment enterprises and domestic companies are subject to a uniform income tax rate of 25%. The Corporate Income Tax (CIT) Law provides a five-year transition period commencing from its effective date for those enterprises which were established before the promulgation date of the CIT Law and which were entitled to a preferential lower income tax rate under the then effective tax laws or regulations.

According to a Notice of the State Council on the Implementation of the Transitional Preferential Policies in respect of Corporate Income Tax dated December 26, 2007, the income tax rate of the enterprises which have been entitled to an income tax rate of 15% will be increased to 18% for 2008, 20% for 2009, 22% for 2010, 24% for 2011 and 25% thereafter.

For those enterprises which are enjoying tax holidays, these tax holidays may continue until they expire in accordance with the original tax regulations, but where the tax holiday has not yet started because of losses, the tax holiday will be deemed to commence from the first effective year of the CIT Law.

According to the CIT Law and the Implementation Rules, dividends payable to foreign investors will be subject to PRC withholding tax of 10% unless the foreign investor's country of residence has a tax treaty with the PRC that provides for a different withholding arrangement.

According to the Arrangement between the Mainland and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income signed by the two parties on August 21, 2006, a company incorporated in Hong Kong will be subject to withholding tax of 5% on dividends it receives from a company incorporated in the PRC if the relevant criteria are met.

In addition, the PRC State Administration of Taxation promulgated a Notice of Taxation on "How to Understand and Determine the Beneficial Owners in Tax Agreements" ("**Circular 601**") on 27 October 2009. This Circular provides that tax treaty benefits will be denied to conduit or shell companies without business substance, and a beneficial ownership analysis will be used based on a "substance-over-form" principle to determine whether or not to grant tax treaty benefits.

The beneficial ownership analysis is undertaken at the local PRC tax authorities level. Due to differing interpretations of Circular 601, the application by the local PRC tax authorities of tax treaty benefits under the DTA to the beneficial owner may result in different outcomes by location.

Capital gains

Capital gains derived from the transfer of the shares of PRC resident companies by non-residents are normally subject to a withholding tax of 10%. In contrast, transfers of shares or equity interests in a non-resident enterprise *prima facie* do not give rise to any PRC tax implications, if certain criteria are met.

Interest expenses

Interest expense is deductible for CIT purposes provided that certain requirements are met. According to the CIT Law and the Implementation Rules, interest expense payable to a non-resident enterprise will be subject to PRC withholding tax of 10% unless a tax treaty provides differently. In addition, interest income is also subject to Business Tax and surtaxes.

Business Tax

A business that provides services (except an entertainment business), assigns intangible assets or sells immovable property, is liable to Business Tax at rates ranging from 3% to 5% of the charges for the services provided, intangible assets assigned or immovable property sold, as the case may be.

The Business Tax rate of 3% is applicable on taxable services relating to communications and transportation (i.e. loading and unloading of containers, transportation, etc). All other services generally attract a Business Tax rate of 5%.

In addition, Business Tax is payable on the gross amount of all billings with respect to services rendered within the PRC unless specific rules stipulate the use of a net amount.

An Urban Construction and Maintenance Tax together with an Education Surcharge are payable at a rate of 6.0% to 12.0% of the Business Tax.

Value-added Tax (VAT)

The Provisional Regulations of the PRC Concerning VAT promulgated by the State Council came into effect on January 1, 2009. Under these regulations and the Implementing Rules of the Provisional Regulations of the People's Republic of China Concerning VAT, VAT is imposed on goods sold in or imported into the PRC and on processing, repair and replacement services provided within the PRC.

A VAT rate of 17% is applicable on taxable items encompassing the sale of most tangible goods and the provision of certain labour in respect of processing goods, repair and replacement services undertaken in the PRC.

An Urban Construction and Maintenance Tax together with Education Surcharge are payable at a rate, in aggregate, of 6.0% to 12.0% of the VAT.

Stamp tax

All enterprises are subject to stamp tax on all taxable documents listed in the Stamp Tax Regulations. Stamp tax is levied on the execution or receipt in the PRC of certain documents, including contracts for the sale of goods, the undertaking of processing work, the contracting of construction and engineering projects, leases, loans, and agency and other non-trade contracts. Stamp tax is also levied on documentation effecting the transfer of property, business account books and certification of rights and licences.

The rates of stamp tax vary, but the maximum rate is 0.1%.

Real Estate Tax (RET)

Properties owned by an enterprise will be subject to RET at variable rates depending on locality. In certain localities, RET is applicable at a rate of 1.2% of the original value of the building less a standard deduction which ranges from 10% to 30% of the original value or 12% of the rental income.

Recent Developments – Guoshuihan 2009 No. 698 ("Circular 698")

On 10 December 2009, Circular 698 was issued by the State Administration of Taxation, which stipulates the PRC tax treatment and reporting obligations on "indirect" equity transfers undertaken by non-resident enterprises ("**offshore investors**"). Under certain circumstances, specified documentation should be provided to the PRC tax authorities in charge of the PRC enterprise whose equity interests have been indirectly transferred (within 30 days from the date of signing the share transfer agreement).

Circular 698 also introduces anti-abuse and anti-avoidance rules where the dominant purpose of using the offshore entities is to avoid PRC tax obligations. In such a case, the PRC tax authorities can adopt a "look-through" approach and disregard the interposing offshore entities, and consequently apply a 10% withholding tax on capital gains derived by the offshore investor on the indirect transfer. However, Circular 698 does not provide for clear guidance on how the capital gains withholding tax of 10% is to be applied in practice in connection to indirect transfer.

TAXATION IN THE UNITED STATES

The following discussion is a general summary under present law of certain US federal income tax considerations relevant to the purchase, ownership and disposition of the Units. The summary is not a complete description of all tax considerations that may be relevant. It applies only to US Holders (as defined below) that purchase Units in this offering, hold the Units as capital assets and use the US dollar as their functional currency. It does not address the tax treatment of persons subject to special rules, such as financial institutions, dealers or traders, insurance companies, tax exempt entities, persons holding Units as part of a hedge, straddle, conversion or constructive sale transaction or persons holding Units in connection with a permanent establishment in Singapore or the PRC. It also does not address US state and local tax considerations.

THE STATEMENTS ABOUT US FEDERAL TAX CONSIDERATIONS ARE MADE TO SUPPORT MARKETING OF THE UNITS. YOU CANNOT RELY ON THEM TO AVOID US FEDERAL TAX PENALTIES. YOU SHOULD SEEK ADVICE FROM AN INDEPENDENT TAX ADVISER ABOUT THE TAX CONSEQUENCES UNDER YOUR OWN PARTICULAR CIRCUMSTANCES OF INVESTING IN THE UNITS UNDER THE LAWS OF SINGAPORE, HONG KONG, THE PEOPLE'S REPUBLIC OF CHINA, THE BRITISH VIRGIN ISLANDS, THE CAYMAN ISLANDS, THE UNITED STATES AND ITS CONSTITUENT JURISDICTIONS, AND ANY OTHER JURISDICTIONS WHERE YOU MAY BE SUBJECT TO TAXATION.

As used in this section, "US Holder" means a beneficial owner of Units that is for US federal income tax purposes (i) a US citizen or individual resident of the United States, (ii) a corporation or other business entity treated as a corporation created or organised under the laws of the United States or its political subdivisions, (iii) a trust subject to the control of a US person and the primary supervision of a US court (or where the trust has elected to be treated as a domestic trust for US federal income tax purposes) or (iv) an estate the income of which is subject to US federal income tax without regard to its source.

The US federal income tax treatment of a partner in a partnership purchasing, owning and disposing of Units generally will depend on the status of the partner and the activities of the partnership. A prospective purchaser that is a partnership should consult its own tax advisers regarding the specific US federal income tax consequences to its partners of the partnership's acquisition, ownership and disposition of Units.

The Trustee-Manager believes and the following discussion assumes that HPH Trust will be treated as an association taxable as a corporation for US federal tax purposes. The Trustee-Manager also believes and the following discussion assumes that HPH Trust is not and is not expected to become a passive foreign investment company for US federal income tax purposes.

Distributions

Distributions on the Units (including the amount of tax withheld) should be included in a US Holder's gross income as ordinary income from foreign sources. Distributions will not be eligible for the dividends-received deduction generally available to US corporations. Distributions received by eligible non-corporate US holders in tax years beginning before 2013, however, might be taxable at the preferential rate allowed for qualified dividend income if HPH Trust were treated as a PRC resident enterprise under PRC tax law, HPH Trust were eligible for the benefits of the income tax treaty between the United States and the PRC ("**US-PRC Treaty**") and the US Holder met applicable holding period requirements.

Distributions made in foreign currency will be includable in income in a US dollar amount based on the exchange rate in effect on the date of receipt whether or not the payment is converted into US dollars at that time. A US holder's tax basis in the foreign currency will equal the US dollar amount included in income. Any gain or loss on a subsequent disposition or conversion of the foreign currency into US dollars for a different amount generally will be US source ordinary income or loss.

If HPH Trust were treated as a PRC-resident enterprise under PRC law, distributions made to US Holders may be subject to PRC withholding tax. (See "Taxation – PRC Taxation"). Subject to generally applicable limitations, US Holders may claim a deduction or a foreign tax credit for PRC tax withheld at the appropriate rate. In computing a non-corporate US Holder's foreign tax credit limitation, only a portion of any distribution taxed at the reduced rate for qualified dividend income will be treated as income from foreign sources. Should the PRC withholding tax rate exceed the 10% rate provided by the US-PRC Treaty, a US Holder eligible for benefits under the treaty may be able to claim a withholding tax reduction. US Holders should consult their own tax advisers about their eligibility for reduction of PRC withholding tax.

Dispositions

A US Holder will recognise a capital gain or loss on the sale or other disposition of the Units in an amount equal to the difference between the US Holder's adjusted tax basis in the Units and the US dollar value of the amount realised from the disposition. A US Holder's adjusted tax basis in the Units generally will be its US dollar cost. Any gain will be long-term capital gain if the US Holder has held Units for more than one year. Any loss will be long-term capital loss if the US Holder has held the Units for more than one year or has received distributions taxed at the reduced rate for qualified dividend income in an amount that exceeded 10 per cent of the US Holder's basis in its Units. Deductions for capital losses are subject to significant limitations. Any gain or loss generally will be treated as arising from US sources.

A US Holder that receives foreign currency on the disposition of Units will realise an amount equal to the US dollar value of the currency received at the spot rate on the date of sale (or, in the case of cash basis and electing accrual basis, the settlement date). A US Holder will recognise a foreign currency gain or loss to the extent of any difference between the US dollar value of the amount received at the spot rate on the settlement date and the US dollar amount recognised on the sale date. A US Holder will have a tax basis in the currency received equal to the US dollar value of the currency received on the settlement date. Any gain or loss on a subsequent disposition or conversion of the currency will be a US source ordinary income or loss.

Reporting and Backup Withholding

Distributions on and proceeds from the sale or other disposition of the Units may be reported to the US Internal Revenue Service unless the holder is a corporation or otherwise establishes a basis for exemption. Backup withholding may apply to amounts subject to reporting if the holder fails to provide an accurate taxpayer identification number or otherwise establish a basis for exemption. A US Holder can claim a credit against its US federal income tax liability for amounts withheld under the backup withholding rules, and it can claim a refund of amounts in excess of its tax liability by providing the appropriate information to the Internal Revenue Service.

A US Holder may be required specifically to report a sale, retirement or other taxable disposition of the Units to the Internal Revenue Service if it recognises a foreign currency or other loss from a single transaction that exceeds, in the case of an individual or trust, $50,000 in a single taxable year or, in other cases, various higher thresholds. US Holders that recognise losses on the Units should consult their tax advisers.

Recently enacted legislation requires certain US Holders to report to the Internal Revenue Service information about their investment in Units not held through an account with a financial institution. Investors who fail to report required information could become subject to substantial penalties. Potential investors are encouraged to consult with their own tax advisers about the possible application of this legislation to their investment in the Units.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE UNITS IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

PLAN OF DISTRIBUTION

The Trustee-Manager is making an offering of 3,619,290,000 to 3,899,510,000 Units based on the Minimum Offering Price and the Maximum Offering Price, respectively (representing approximately 41.6% to 44.8% of the total number of Units in issue after the Offering, assuming the Over-Allotment Option is not exercised) for subscription at the Offering Price under the Placement and the Public Offer. The Placement will include a public offering without listing in Japan and the Preferential Offer. A minimum of 185,185,000 Units will be offered under the Public Offer. Units may be re-allocated between the Placement and the Public Offer at the discretion of the Joint Bookrunners (in consultation with the Trustee-Manager).

Placement

Under the Placement, the Trustee-Manager intends to offer the Units by way of an international placement through the International Purchasers to investors, including institutional and other investors in Singapore. If the Offering Price is agreed between the Joint Bookrunners and the Trustee-Manager on the Price Determination Date, the Trustee-Manager, the Sponsor and the International Purchasers are expected to enter into an International Purchase Agreement on the Price Determination Date in connection with the Placement. Pursuant to and subject to the terms and conditions to be set forth in the International Purchase Agreement, the Trustee-Manager is expected to effect for the account of HPH Trust the issue of, and the International Purchasers are expected to (a) subscribe for, or procure subscribers for, between 3,434,105,000 Units and 3,714,325,000 Units (excluding the Over-Allotment Option) at the Offering Price, in the amounts set forth opposite their respective names below; and (b) subscribe and pay for, or procure the subscription and payment of any Cornerstone Units which the Cornerstone Investors may fail to subscribe for or pay for at the Offering Price, in the amounts set forth opposite their respective names below.

	Number of Units			
	Based on Minimum Offering Price		Based on Maximum Offering Price	
International Purchasers	Placement	Cornerstone Units	Placement	Cornerstone Units
DBS Bank Ltd.	817,315,000	423,692,000	884,009,000	357,000,000
Deutsche Bank AG, Singapore Branch	1,050,836,000	544,746,000	1,136,584,000	459,000,000
Goldman Sachs (Singapore) Pte.	1,050,836,000	544,746,000	1,136,584,000	459,000,000
Barclays Bank PLC	84,927,000	44,506,000	91,932,000	37,500,000
Daiwa Capital Markets Singapore Limited	84,927,000	44,506,000	91,932,000	37,500,000
J.P. Morgan (S.E.A.) Limited	84,927,000	44,506,000	91,932,000	37,500,000
Mizuho Securities Asia Limited	90,483,000	44,506,000	97,488,000	37,500,000
Morgan Stanley Asia (Singapore) Pte.	84,927,000	44,506,000	91,932,000	37,500,000
UBS AG, Singapore Branch	84,927,000	44,506,000	91,932,000	37,500,000
Total	3,434,105,000	1,780,220,000	3,714,325,000	1,500,000,000

Public Offer

The Trustee-Manager, the Sponsor and the Singapore Underwriters have entered into the Singapore Offer Agreement in connection with the Public Offer. The Public Offer is open to members of the public in Singapore. Subject to the terms and conditions set forth in the Singapore Offer Agreement, the Trustee-Manager is expecting to effect for the account of HPH Trust the issue of, and the Singapore Underwriters are expected to subscribe for, or provide subscribers for, 185,185,000 Units, in the amounts set forth opposite their respective names below.

	Public Offer
Singapore Underwriters	**Number of Units**
DBS Bank Ltd.	44,073,000
Deutsche Bank AG, Singapore Branch	56,666,000
Goldman Sachs (Singapore) Pte.	56,666,000
Barclays Bank PLC, Singapore Branch	5,556,000
Daiwa Capital Markets Singapore Limited	5,556,000
J.P. Morgan (S.E.A.) Limited	5,556,000
Morgan Stanley Asia (Singapore) Pte.	5,556,000
UBS AG, Singapore Branch	5,556,000
Total	185,185,000

The Sponsor will pay the International Purchasers and the Singapore Underwriters, as compensation for their services in connection with the Offering, the Underwriting, Selling and Management Commission, amounting to 2.75% of the total gross proceeds from the sale of between 5,561,606,591 Units and 5,587,553,108 Units, being the Units under the Placement (excluding Units allotted to Cheung Kong (Holdings) Limited or its subsidiaries under the Preferential Offer), the Units under the Public Offer, certain Cornerstone Units and the Units sold pursuant to the exercise of the Over-Allotment Option (assuming the Over-Allotment Option is exercised in full). In addition, the Sponsor may pay the Joint Bookrunners, the International Purchasers, the Singapore Underwriters or any of them, an incentive fee of up to 0.75% of the total gross proceeds in such amount and in such proportion as may be determined by the Sponsor in its sole discretion.

Purchasers of the Units, other than those in the Public Offer, will be required to pay to the Joint Bookrunners a brokerage fee of 1.0% of the Offering Price, stamp taxes and other similar charges in accordance with the laws and practices of the country of purchase, at the time of settlement.

The Offering Price will be determined, following a book-building process, by agreement between the Joint Bookrunners and the Trustee-Manager on the Price Determination Date, which is expected to be 14 March 2011 (or such other date as the Joint Bookrunners and the Trustee-Manager may agree). Among the factors that will be considered in determining the Offering Price are the level of investor demand for the Units and the prevailing market conditions in the securities markets.

The closing of the Public Offer is conditional upon the conditions to the Placement set out in the International Purchase Agreement being satisfied and vice versa. The closing of the Offering is conditional upon, among other things, the closing of the transactions contemplated in the International Purchase Agreement and the Singapore Offer Agreement, including, among others, the fulfilment or waiver by the SGX-ST of all conditions contained in the letter of eligibility from the SGX-ST for the listing and quotation of the Units on the Main Board of the SGX-ST. The Singapore Offer Agreement will terminate in the event that the International Purchase Agreement is terminated.

The Trustee-Manager and the Sponsor have agreed in the Singapore Offer Agreement and are expected to agree under the International Purchase Agreement to indemnify the International Purchasers and the Singapore Underwriters against certain liabilities. The indemnity under the Singapore Offer Agreement provides that where the indemnification is unavailable or insufficient, the Trustee-Manager and the Sponsor shall contribute to the amount payable by Singapore Underwriters as a result of any claims against them, in such proportion as is appropriate to reflect the relative benefits to be received by the Trustee-Manager and the Sponsor from the Offering. Where such allocation is prohibited by applicable law then the Trustee-Manager, the Sponsor and the Singapore Underwriters shall contribute proportionately to reflect both the relative benefits and the relative fault of the Trustee-Manager, the Sponsor or the Singapore Underwriters, as the case may be, in respect of any misstatement or omission which resulted in such claims and any other relevant equitable considerations. The relative benefits to be received by the Trustee-Manager, the Sponsor and the Singapore Underwriters pursuant to the Offering will be in the same proportion that the amount of total net proceeds from the offering of the Units in the Public Offer (before deducting expenses) to be received by the Trustee-Manager and the Sponsor bears to the amount of the total underwriting discounts and commissions to be received by the Singapore Underwriters in respect of the Public Offer. The relative fault is determined by reference to, among other things, whether the misstatement or omission relates to information supplied by the Trustee-Manager, the Sponsor or the Singapore Underwriters, as the case may be and the respective parties' relative intent, knowledge, access to information and opportunity to correct or prevent such misstatement or omission. No Singapore Underwriter is required to contribute any amount in excess of the amount by which the total price at which the Units underwritten by it under the Public Offer exceeds the amount of any damages which such Singapore Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. A similar contribution provision is expected to be contained in the International Purchase Agreement.

The International Purchasers and the Singapore Underwriters are offering the Units or undertaking their obligations thereunder on the terms and conditions of the International Purchase Agreement and the Singapore Offer Agreement, subject to certain conditions precedent including the receipt by them of officer's certificates from the Trustee-Manager, legal opinions and comfort letters and on the basis of certain representations, warranties and covenants of the Trustee-Manager and the Sponsor. The International Purchase Agreement and the Singapore Offer Agreement may be terminated by the International Purchasers and the Singapore Underwriters, respectively, at any time prior to the issue and delivery of the Units, upon the occurrence of certain events including, among other things, certain force majeure events pursuant to the terms of the International Purchase Agreement and the Singapore Offer Agreement, respectively.

The International Purchasers and the Singapore Underwriters may make sub-underwriting arrangements in respect of their obligations under the International Purchase Agreement and the Singapore Offer Agreement, respectively, upon such terms and conditions as they deem fit.

As noted under "Risk Factors – Third parties may be unable to recover for claims brought against the Trustee-Manager as the Trustee-Manager is not an entity with significant assets", under the terms of the Trust Deed, the Trustee-Manager is indemnified from the Trust Property against any actions, costs, claims, damages, expenses or demands to which it may suffer or bear as the trustee-manager of HPH Trust unless occasioned by the fraud, wilful default, breach of trust or where the Trustee-Manager fails to exercise Due Care. In the event of any such fraud, wilful default, breach of trust or failure to exercise Due Care, only the Trustee-Manager's own assets, but not the Trust Property held by the Trustee-Manager, would be available to satisfy a claim.

The International Purchasers, the Singapore Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the International Purchasers, the Singapore Underwriters and their respective affiliates have, from time to time, performed and may in the future perform, various financial advisory and investment banking services for HPH Trust, the Trustee-Manager and the Sponsor and their respective affiliates for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the International Purchasers, the Singapore Underwriters and their respective affiliates (or any of them) may make, issue or hold a broad array of investments and enter into secondary market transactions or actively trade debt and equity securities (including but not limited to equity derivatives, warrants and other structured instruments) and financial instruments (including bank loans) for their own account and for the account of their customers, and after the Offering such investment and securities activities may involve securities (including but not limited to Units) and/or instruments of HPH Trust, the Sponsor or their respective affiliates. Such transactions would be carried out as bilateral trades with selected counterparties (including but not limited to Cornerstone Investors) separately from any sale or issue of the Units to which this document relates, which might require the International Purchasers and the Singapore Underwriters to take long or short positions in the Units. The International Purchasers, the Singapore Underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Units may be re-allocated between the Placement and the Public Offer at the discretion of the Joint Bookrunners (in consultation with the Trustee-Manager), subject to any applicable laws.

PREFERENTIAL OFFER

The listing of the Units on the SGX-ST pursuant to the Offering will constitute a "spin-off" for HWL under Practice Note 15 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**HKSE Listing Rules**"). HWL is required to obtain, and has obtained, the approval of The Stock Exchange of Hong Kong Limited (the "**HKSE**"), for the "spin-off" transaction under Practice Note 15 of the HKSE Listing Rules.

In giving due regard to the interests of the HWL shareholders as required under Practice Note 15 of the Listing Rules, qualifying HWL shareholders will be entitled to participate in the Offering on a preferential basis as to allocation only by way of the Preferential Offer.

The Trustee-Manager will make available 425,810,400 Units (the "**Assured Tranche**") so that each qualifying HWL shareholder will be entitled to apply, on an assured basis, for 100 Units for every board lot of HWL shares held by them on 3 March 2011 (the "**Record Date**"). Any Units in the Assured Tranche which are not taken up by qualifying HWL shareholders (the "**Available Units**") will be allocated by the Trustee-Manager on the basis described below.

A qualifying HWL shareholder who holds at least 1,000 HWL shares on the Record Date may also apply for excess Units. To the extent that applications for excess Units are:

(i) less than the Available Units, the Available Units will first be allocated to satisfy such applications for excess Units in full and thereafter will be allocated in such manner as to be agreed between the Trustee-Manager and the Joint Bookrunners to professional, institutional and other investors in the Placement;

(ii) equal to the Available Units, the Available Units will be allocated to satisfy the applications for excess Units in full; or

(iii) greater than the Available Units, the Trustee-Manager will make available up to an additional 425,810,400 Units (the "**Additional Units**") to satisfy the applications for excess Units. The Available Units and the Additional Units (together, the "**Excess Tranche**") will be allocated to those qualifying HWL shareholders who have made applications for excess Units on a fair and reasonable basis and as far as practicable, (1) preference will be given to those applications which will top up odd lots to whole board lots provided that the Trustee-Manager is satisfied that such applications are not made with the intention to abuse this mechanism and (2) subject to availability of excess Units after allocation under (1) above, the excess Units will be allocated to qualifying HWL shareholders who have applied for excess Units on a pro rata basis with reference to their number of excess Units applied for, and with board lot allocations to be made on a best efforts basis. Beneficial HWL shareholders whose HWL shares are held by a nominee company should note that the Trustee-Manager will regard the nominee company as a single HWL shareholder according to the register of members of HWL. Accordingly, HWL shareholders should note that the top-up arrangement under (1) above in relation to the allocation of excess Units will not be applicable to beneficial HWL shareholders individually.

Cheung Kong (Holdings) Limited, which together with its subsidiaries, holds approximately 49.97% of HWL, has informed HWL of its intention to take up its assured entitlement to the Units in full and not to apply for any excess Units in the Preferential Offer.

NEW DEBT FACILITY

In connection with the Restructuring and to refinance the existing indebtedness of the Historical Portfolio Business, HITL, as borrower, entered into the New Debt Facility for the amount of US$3,000 million on 18 February 2011 with a syndicate of lenders and DBS Bank Ltd., Deutsche Bank AG, Singapore Branch and Goldman Sachs (Asia) L.L.C. as mandated lead arrangers. HITL is an indirect wholly-owned subsidiary of HPH Trust. The borrower's obligations under the New Debt Facility are secured by a first priority charge over all of the shares in HITL, a first priority fixed and floating charge over certain assets of HITL and guaranteed by HPH Trust HoldCo and the Trustee-Manager.

It is a term of the New Debt Facility that should HWL cease to own (directly and/or indirectly through its subsidiaries) at least 15% of the total number of Units in issue from time to time, a prepayment event would have occurred, which would entitle the lenders of the New Debt Facility to require prepayment and the cancellation of the New Debt Facility subject to and in accordance with the terms thereof. In this respect, HWL has undertaken to the Trustee-Manager that, subject to Listing occurring, it will not, and will procure that its subsidiaries will not, during the three-year term of the New Debt Facility (or such shorter term as may arise pursuant to the provisions in the event of repayment or prepayment of the New Debt Facility), dispose of Units as will result in the aggregated unitholdings of HWL and its subsidiaries falling below 15% of the total number of Units in issue from time to time.

For further details see "The Restructuring Exercise" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Indebtedness – Description of Material Indebtedness".

OVER-ALLOTMENT AND STABILISATION

The Sponsor intends to grant the Over-Allotment Option to the Stabilising Manager on behalf of the International Purchasers for the acquisition from the Sponsor of up to an aggregate of 539,951,000 Units at the Offering Price per Unit. The number of Units subject to the Over-Allotment Option will not be more than approximately 15.0% of the initial 3,619,290,000 Units to 3,899,510,000 Units under the Placement and the Public Offer (excluding the Over-Allotment Option). The Stabilising Manager (or persons acting on behalf of the Stabilising Manager) may exercise the Over-Allotment Option in full or in part, on one or more occasions, subject to any applicable laws and regulations, including the SFA and any regulations thereunder, from the date of commencement of trading in the Units on the SGX-ST until the earliest of (i) the date falling 30 days thereafter, or (ii) the date when the Stabilising Manager has bought on the SGX-ST, an aggregate of 539,951,000 Units, representing not more than approximately 15.0% of the total number of Units in the Offering, to undertake stabilising actions, or (iii) the date falling 30 days after the date of adequate public disclosure of the Offering Price. The International Purchasers are expected to purchase the Units in respect of which the Over-Allotment Option has been exercised in the same proportion as described in the table under the section "– Placement" above. The exercise of the Over-Allotment Option will not increase the total number of Units in issue.

In connection with the Over-Allotment Option, the Stabilising Manager and the Sponsor are expected to enter into a unit lending agreement (the "**Unit Lending Agreement**") pursuant to which the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) may borrow up to an aggregate of 539,951,000 Units from the Sponsor for the purpose of facilitating settlement of the over-allotment of Units no later than five Business Days following the earliest of (i) the date falling within 30 days thereafter, or (ii) the date when the Stabilising Manager has bought on the SGX-ST, an aggregate of 539,951,000 Units, representing not more than approximately 15.0% of the total number of Units in the Offering, to undertake stabilising actions, or (iii) the date falling 30 days after the date of adequate public disclosure of the Offering Price or such earlier time as may be agreed between the parties.

In connection with the Offering, the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) may, in consultation with the other Joint Bookrunners, over-allot or otherwise effect transactions that stabilise or maintain the market price of the Units at levels that might not otherwise prevail in the open market. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations, including the SFA and any regulations thereunder. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilising action. Such transactions may commence on or after the date of commencement of trading in the Units on the SGX-ST and, if commenced, may be discontinued at any time and must not be effected after the earliest of (i) the date falling 30 days thereafter, or (ii) the date when the Stabilising Manager has bought on the SGX-ST, an aggregate of 539,951,000 Units, representing not more than approximately 15.0% of the total number of Units in the Offering, to undertake stabilising actions or (iii) the date falling 30 days after the date of adequate public disclosure of the Offering Price. Any profit after expenses derived, or any loss sustained, as a consequence of the Over-Allotment Option or stabilising activities shall be for the account of the Stabilising Manager.

None of the Trustee-Manager, the Sponsor, the Joint Bookrunners, the Underwriters or the Stabilising Manager makes any representation or prediction as to the magnitude of any effect that the transactions described above may have on the price of the Units. In addition, none of the Trustee-Manager, the Sponsor, the Joint Bookrunners, the Underwriters or the Stabilising Manager makes any representation that the Stabilising Manager will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice (unless such notice is required by law). The Stabilising Manager will be required to make a public announcement via SGXNET in relation to the total number of Units purchased by the Stabilising Manager, not later than 12 noon on the next trading day of the SGX-ST after the transactions are effected. The Stabilising Manager will also be required to make a public announcement through the SGX-ST in relation to the cessation of stabilising action and the number of Units in respect of which the Over-Allotment Option has been exercised not later than 8.30 a.m. on the next trading day of the SGX-ST after the cessation of stabilising action.

Units Are Not Being Registered Under the US Securities Act

The Joint Bookrunners, directly or through their affiliates, propose to offer the Units for resale in transactions not requiring registration under the US Securities Act or applicable state securities laws, including sales pursuant to Rule 144A and Regulation S. The Joint Bookrunners will not offer or sell the Units except:

- within the United States in reliance on Rule 144A to persons they reasonably believe to be QIBs; or
- outside the United States in offshore transactions (as defined in Regulation S).

Units may not be offered, transferred or resold within the United States except under an exemption from the registration requirements of the US Securities Act or under a registration statement declared effective under the US Securities Act and in accordance with the restrictions under "Transfer Restrictions".

LOCK-UP ARRANGEMENTS

The Sponsor

Subject to the exceptions described below, the Sponsor has agreed with the International Purchasers and the Singapore Underwriters, that it will not, without the prior written consent of the International Purchasers and the Singapore Underwriters (such consent not to be unreasonably withheld or delayed), directly or indirectly offer, sell, contract to sell grant any option to purchase, grant security over, encumber or otherwise dispose of any or all of its effective interest in any or all of the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-Up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-Up Units or part thereof), enter into a transaction (including a derivative transaction) with a similar economic effect to the foregoing, deposit any Lock-up Units (or any securities convertible into or exchangeable for any such Lock-Up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-Up Units or part thereof) in any depository receipt facility, enter into a transaction which is designed or which may reasonably be expected to result in any of the above or publicly announce any intention to do any of the above, during the Lock-up Period.

The restriction described in the preceding paragraph does not apply to:

- the transfer of the Lock-up Units between wholly-owned subsidiaries of the Sponsor, whether direct or indirect, provided that the transferor procures that each such subsidiary gives a similar undertaking for the remainder of the Lock-up Period;
- the creation of a charge or pledge over the Lock-up Units or otherwise grant of security over or creation of any encumbrance over the Lock-up Units, provided that such charge, pledge, security or encumbrance can only be enforced after the end of the Lock-up Period; and

- to the distribution of the Lock-up Units to HWL and PSA or such entity as each of HWL and PSA may designate, provided that HWL, or such entity designated by HWL gives a similar undertaking for the remainder of the Lock-up Period..

Hutchison Port Group Holdings Limited

Subject to the exceptions described below, Hutchison Port Group Holdings Limited has agreed with the International Purchasers and the Singapore Underwriters that it will not, without the prior written consent of the International Purchasers and the Singapore Underwriters (such consent not to be unreasonably withheld or delayed), directly or indirectly offer, sell, contract to sell grant any option to purchase, grant security over, encumber or otherwise dispose of any or all of its effective interest in any or all of the Lock-up Units that the Sponsor distributes to it pursuant to the Upstream Distribution (the "**Distributed Units**") (or any securities convertible into or exchangeable for any such Distributed Units or part thereof or which carry rights to subscribe for or purchase such Distributed Units or part thereof), enter into a transaction (including a derivative transaction) with a similar economic effect to the foregoing, deposit any Distributed Units (or any securities convertible into or exchangeable for any such Distributed Units or part thereof or which carry rights to subscribe for or purchase such Distributed Units or part thereof) in any depository receipt facility, enter into a transaction which is designed or which may reasonably be expected to result in any of the above or publicly announce any intention to do any of the above, during the Lock-up Period.

The restriction described in the preceding paragraph does not apply to:

- the transfer of the Distributed Units between wholly-owned subsidiaries of Hutchison Port Group Holdings Limited, whether direct or indirect, provided that the transferor procures that each such subsidiary gives a similar undertaking for the remainder of the Lock-up Period; and

- the creation of a charge or pledge over the Distributed Units or otherwise grant of security over or creation of any encumbrance over the Distributed Units, provided that such charge, pledge, security or encumbrance can only be enforced after the end of the Lock-up Period.

The Trustee-Manager

Subject to the exceptions described below, the Trustee-Manager has agreed with the International Purchasers and the Singapore Underwriters that it will not (and will not cause or permit HPH Trust to), directly or indirectly, without the prior written consent of the Joint Bookrunners, the International Purchasers and the Singapore Underwriters, (such consent not to be unreasonably withheld or delayed), offer, issue, sell, contract to issue or sell or otherwise dispose of Units (or any securities convertible or exchangeable for Units or which carry rights to subscribe for or purchase Units or part thereof), or enter into a transaction (including a derivative transaction) with a similar effect to the foregoing, deposit any Units (or any securities convertible or exchangeable for Units or which carry rights to subscribe for or purchase Units) in any depository receipt facility, enter into a transaction which is designed or which may reasonably be expected to result in any of the above, or publicly announce any intention to do any of the above, during the Lock-up Period.

The restrictions described in the preceding paragraph do not apply to the issuance of Units to be offered under the Offering, the Cornerstone Units, the Consideration Units and the Units to the Trustee-Manager in payment of any fees payable to the Trustee-Manager under the Trust Deed.

If, for any reason, the Offering is not completed by the end of 14 days after the expected Listing Date, the lock-up arrangements described above will be terminated.

SGX-ST LISTING

HPH Trust has received a letter of eligibility from the SGX-ST for the listing and quotation of the Units on the Main Board of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements or opinions made or reports contained in this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Offering, HPH Trust, the Trustee-Manager or the Units. It is expected that the Units will commence trading on the SGX-ST on a "ready" basis on or about 18 March 2011.

Prior to this Offering, there has been no trading market for the Units. There can be no assurance that an active trading market will develop for the Units, or that the Units will trade in the public market subsequent to this Offering at or above the Offering Price.

DISTRIBUTION AND SELLING RESTRICTIONS

No action has been or will be taken in any jurisdiction that would permit a public offering of the Units or the possession, circulation or distribution of this document or any other offering or publicity material relating to HPH Trust or the Units in any country or jurisdiction (other than Singapore and Japan, where action for the purpose is required). Accordingly, the Units may not be offered or sold, directly or indirectly, and neither this document nor any other offering material, circular, form of application or advertisement in connection with the Units may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with all applicable laws and regulations of any such country or jurisdiction.

Australia

Any offer, invitation, transfer or issue of Units in HPH Trust to any person located in, or a resident of, Australia may not occur unless the person is a wholesale client for the purposes of Section 761G(7) of the Australian Corporations Act. This document has not been, and will not be, lodged with the Australian Securities and Investments Commission or the Australian Securities Exchange as a prospectus or product disclosure statement for the purposes of the Australian Corporations Act and is not required to, and does not, contain all the information which would be required in a prospectus or product disclosure statement under Australian law.

Any Units in HPH Trust issued upon acceptance of the Offering may not be offered for sale (or transferred, assigned or otherwise alienated) to investors in Australia for at least 12 months after their issue, except in circumstances where disclosure to investors is not required under Part 7.9 of the Australian Corporations Act. Accordingly, each investor acknowledges these restrictions and, by applying for Units under this document, gives an undertaking not to sell those Units (except in the circumstances referred to above) for 12 months after their issue.

HPH Trust has not been and will not be registered as a managed investment scheme under Chapter 5C of the Australian Corporations Act. Neither HPH Trust nor the Trustee-Manager holds an Australian financial services licence and they are not licensed to provide financial product advice in relation to Units in HPH Trust. Investors in HPH Trust do not have "cooling off" rights under Australian law.

Bahrain

THIS OFFERING IS A PRIVATE PLACEMENT. NO OFFER TO THE PUBLIC WILL BE MADE IN THE KINGDOM OF BAHRAIN. *THIS DOCUMENT IS INTENDED TO BE READ BY THE ADDRESSEE ONLY AND MAY NOT BE PASSED TO, SHOWN TO OR MADE AVAILABLE TO THE PUBLIC GENERALLY IN THE KINGDOM OF BAHRAIN. IT IS NOT SUBJECT TO THE REGULATIONS OF THE CENTRAL BANK OF BAHRAIN THAT APPLY TO PUBLIC OFFERINGS OF SECURITIES, AND THE EXTENSIVE DISCLOSURE REQUIREMENTS AND OTHER PROTECTIONS THAT THESE REGULATIONS CONTAIN*. THIS MEMORANDUM IS THEREFORE INTENDED ONLY FOR "ACCREDITED INVESTORS" AS DEFINED BELOW.

THE FINANCIAL INSTRUMENTS OFFERED BY WAY OF PRIVATE PLACEMENT MAY ONLY BE OFFERED IN MINIMUM SUBSCRIPTIONS OF $100,000 (OR EQUIVALENT IN OTHER CURRENCIES).

THE CENTRAL BANK OF BAHRAIN ASSUMES NO RESPONSIBILITY FOR THE ACCURACY AND COMPLETENESS OF THE STATEMENTS AND INFORMATION CONTAINED IN THIS DOCUMENT AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS DOCUMENT.

THE BOARD OF DIRECTORS AND THE MANAGEMENT OF THE ISSUER ACCEPTS RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS DOCUMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE BOARD OF DIRECTORS AND THE MANAGEMENT, WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE, THE INFORMATION CONTAINED IN THIS DOCUMENT IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE RELIABILITY OF SUCH INFORMATION.

An accredited investor is defined as:

(a) Individuals holding financial assets (either singly or jointly with their spouse) of US$1,000,000 or more;

(b) Companies, partnerships, trusts or other commercial undertakings, which have financial assets available for investment of not less than US$1,000,000; or

(c) Governments, supranational organisations, central banks or other national monetary authorities, and state organisations whose main activity is to invest in financial instruments (such as state pension funds).

An investor must make the standard declaration of status.

Canada

The Units have not been offered, sold or distributed and will not be offered, sold or distributed, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with applicable securities laws. This document, or any other offering material in connection with any offering of the Units, has not been distributed or delivered and will not be distributed or delivered in Canada other than in compliance with applicable securities laws.

The distribution of the Units in Canada is being made only on a private placement basis exempt from the requirement that HPH Trust prepare and file a prospectus with the applicable securities regulatory authorities. HPH Trust is not a reporting issuer in any province or territory in Canada and its securities are not listed on any stock exchange in Canada and there is currently no public market for the Units in Canada. HPH Trust currently has no intention of becoming a reporting issuer in Canada, filing a prospectus with any securities regulatory authority in Canada to qualify the resale of the Units to the public, or listing its securities on any stock exchange in Canada. Accordingly, to be made in accordance with securities laws, any resale of the Units in Canada must be made under available statutory exemptions from registration and prospectus requirements or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Canadian purchasers are advised to seek legal advice prior to any resale of the Units.

Dubai International Financial Centre

This document relates to a trust which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("**DFSA**"). The DFSA has no responsibility for reviewing or verifying any prospectus or other documents in connection with this trust. Accordingly, the DFSA has not approved this document or any other associated documents nor taken any steps to verify the information set out in this document, and has no responsibility for it. The Units to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Units. If you do not understand the contents of this document you should consult an authorised financial adviser.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), an offer to the public of any Units which are the subject of the Offering contemplated by this document may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any Units may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to legal entities which are qualified investors as defined under the Prospectus Directive;

(b) by the Trustee-Manager to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) as permitted under the Prospectus Directive, subject to obtaining the prior consent of the International Purchasers for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Units shall result in a requirement for the Trustee-Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer to the public**" in relation to any Units in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and any Units to be offered so as to enable an investor to decide to purchase any Units, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Hong Kong

The Hong Kong Securities and Futures Commission ("**SFC**") has not authorised HPH Trust under section 104(1) of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**") and has only authorised the issue of a Hong Kong Preferential Offer document (comprising a Hong Kong wrap and this document) under section 105(1) of the SFO solely for distribution to existing shareholders of Hutchison Whampoa Limited in Hong Kong in connection with the Preferential Offer (the "**qualifying HWL shareholders**"). The SFC takes no responsibility for the contents of the Hong Kong Preferential Offer document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. The SFC's authorisation of the Hong Kong Preferential Offer document does not imply its endorsement or recommendation of the Units or HPH Trust.

Please note that (1) Units may not be offered or sold in Hong Kong by means of the Hong Kong Preferential Offer document other than to qualifying HWL shareholders and/or by means of this document or any other document other than to professional investors within the meaning of Part I of Schedule 1 to the SFO and any rules made thereunder or in circumstances which do not constitute an offer or invitation to the public for the purposes of the SFO, and (2) no person shall issue, or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to Units which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Units which are or are intended to be disposed of only to persons outside Hong Kong, to qualifying HWL shareholders and/or to such professional investors.

Japan

The Units may not be offered or sold directly or indirectly in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended) (the "**FIEA**")), or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except in accordance with the terms and conditions of a public offering without listing of the Units in Japan, as stated in the Securities Registration Statement filed on 28 February 2011, as amended, with the Director of the Kanto Local Finance Bureau of the Ministry of Finance of Japan under, or pursuant to any exemption from the registration requirements and from the requirements to deliver a prospectus under, the FIEA and otherwise in compliance with any applicable laws and regulations of Japan.

Malaysia

No approval from the Securities Commission of Malaysia ("**SC**") has been applied for or will be obtained for the offer or invitation in respect of the Offering under the Capital Markets and Services Act 2007. No prospectus has been nor will one be registered with the SC in connection with the Offering in Malaysia. Accordingly, this document or any amendment or supplement hereto or any other offering document in relation to HPH Trust may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Units and no person may offer for subscription or purchase any of the Units directly or indirectly to anyone in Malaysia.

Netherlands

In the Netherlands, the Units may only be offered or sold, directly or indirectly, to qualified investors as defined in section 1:1 of the Netherlands Act on Financial Supervision ('Wet op het financieel toezicht') ("**AFS**"), all within the meaning of section 1:12 and section 5:2 of the AFS. In respect of the Offering, the offeror (e.g. the Trustee-Manager) and HPH Trust are not required to obtain a licence pursuant to the AFS and are not subject to prudential supervision or conduct of business supervision by the Netherlands Authority for the Financial Markets ('Autoriteit Financiele Markten') or any other regulator in the Netherlands. In subscribing for or purchasing Units, each investor in the Netherlands represents and agrees that it is a qualified investor as defined in section 1:1 of the AFS.

New Zealand

The offer and sale of the Units have not been registered under the New Zealand Securities Act 1978 on the basis of reliance upon sections 3(2)(a)(ii), 3(2)(a)(iia) and 5(2CBA) of that Act. This document is not a registered prospectus or investment statement for the purposes of the New Zealand Securities Act 1978 and does not contain all the information typically included in a registered prospectus or investment statement.

In New Zealand, the only persons who are able, under the terms of the Offering, to subscribe for the Units are:

(a) persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or

(b) persons who are each required to pay a minimum subscription price of at least NZ$500,000 for the Units before the allotment of the Units; or

(c) "eligible persons" as that term is defined in sections 5(2CC) to 5(2CG) of the New Zealand Securities Act 1978, being (A) "wealthy" persons that an independent chartered accountant certifies (no more than twelve months before this Offering) has net assets of at least NZ$2,000,000 or has had an annual gross income of at least NZ$200,000 for each of the last two financial years and/or (B) "experienced" persons that an independent financial service provider has provided such persons with a written statement of the financial service provider's reasons for being satisfied on reasonable grounds that such persons, as a result of having experience of that kind, are able to assess (i) the merits of the offer; (ii) the value of the securities; (iii) the risks involved in accepting the offer; (iv) such persons' own information needs; and (v) the adequacy of the information given by the person making the offer.

The Offering will not be made to members of the "public" in New Zealand.

No person may offer, invite, sell or deliver any security or distribute any documents (including this document) to any person in New Zealand except in accordance with all of the legal requirements of New Zealand, including the New Zealand Securities Act 1978.

PRC (excluding Hong Kong, Macau and Taiwan)

The Units have not been offered or sold and will not be offered or sold in the PRC as part of the initial distribution of the Units.

This document does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

The Trustee-Manager does not represent that this document may be lawfully distributed, or that any Units may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Trustee-Manager which would permit a public offering of any Units or distribution of this document in the PRC. Accordingly, the Units are not being offered or sold within the PRC by means of this document or any other document. Neither this document nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

Qatar

This document and the information contained in it is not intended to constitute a public or general offer, sale or other invitation for sale or delivery of any shares, units in a collective investment scheme (including the Units) or other securities under the Commercial Companies Law No. (5) of 2002 (as amended) or otherwise under any laws of the State of Qatar including the rules and regulations of the Qatar Financial Centre Authority (the QFCA), the Qatar Financial Centre Regulatory Authority (the QFCRA), the Qatar Central Bank (the QCB) or the Qatar Financial Markets Authority (the QFMA). This document has not been lodged or registered with, or reviewed or approved by the QFCA, the QFCRA, the QCB, the QFMA or any other authority in the State of Qatar and is not otherwise authorised or licensed for distribution in the State of Qatar or the Qatar Financial Centre.

Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires Units pursuant to the Offering should note that the offer of Units is a limited offer under Article 11 of the "Offer of Securities Regulations" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated October 4, 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated August 18, 2008 (the "**KSA Regulations**"). Each International Purchaser has represented, warranted and agreed that the offer of the Units will not be directed at more than 60 Saudi Investors in total (excluding "**Sophisticated Investors**" (as defined in Article 10 of the KSA Regulations)) and the minimum amount payable per Saudi Investor will be not less than Saudi Riyal (SR) 1 million or an equivalent amount. The offer of Units shall not therefore constitute a "public offer" pursuant to the KSA Regulations, but is subject to the following restrictions on secondary market activity under Article 17 of the KSA Regulations:

(a) A Saudi Investor (the "**transferor**") who has acquired Units pursuant to a limited offer may not offer or sell Units to any person (referred to as a "transferee") unless the offer or sale is made through an authorised person appropriately licensed by the Saudi Arabian Capital Market Authority and the transferee is a Sophisticated Investor (as defined in Article 10 of the KSA Regulations) or the price to be paid by the transferee for such Units equals or exceeds SR 1 million, or the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

(b) If the provisions of paragraph (a) cannot be fulfilled because the price of the Units being offered or sold to the transferee has declined since the date of the original limited offer, the transferor may offer or sell the Units to the transferee if their purchase price during the period of the original limited offer was equal to or exceeded SR 1 million.

(c) If the provisions of (a) and (b) cannot be fulfilled, the transferor may offer or sell Units if he/she sells his entire holding of Units to one transferee. The provisions of paragraphs (a), (b) and (c) shall apply to all subsequent transferees of the Units.

This document may not be distributed in Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document you should consult an authorised financial adviser.

State of Kuwait

This document is not for general circulation to the public in Kuwait. The Units have not been licensed for offering in Kuwait by the Ministry of Commerce and Industry or the Central Bank of Kuwait or any other relevant Kuwaiti government agency. The offering of the Units in Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Decree Law No. 31 of 1990, as amended, and Ministerial Order No. 113 of 1992, as amended. No private or public offering of the Units is being made in Kuwait, and no agreement relating to the sale of the Units will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Units in Kuwait.

Switzerland

The Units may not be publicly offered, distributed or re-distributed on a professional basis in or from Switzerland and neither this document nor any other solicitation for investments in HPH Trust may be communicated or distributed in Switzerland in any way that could constitute a public offering within the meaning of Articles 1156/652a of the Swiss Code of Obligations ("**CO**"). This document may not be copied, reproduced, distributed or passed on to others without the Trustee-Manager's prior written consent. This document is not a prospectus within the meaning of Articles 1156/652a CO and HPH Trust will not be listed on the SIX Swiss Exchange. Therefore, this document may not comply with the disclosure standards of the CO and/or the listing rules (including any prospectus schemes) of the SIX Swiss Exchange set forth in art. 27 et seq. of the SIX Listing Rules. In addition, it cannot be excluded that HPH Trust could qualify as a foreign collective investment scheme pursuant to Article 119 para. 2 Swiss Federal Act on Collective Investment Schemes ("**CISA**"). HPH Trust will not be licensed for public distribution in and from Switzerland. Therefore, Units in HPH Trust may only be offered and sold to so-called "qualified investors" in accordance with the private placement exemptions pursuant to applicable Swiss law (in particular, Article 10 para. 3 CISA and Article 6 of the implementing ordinance to the CISA). The Trustee-Manager has not been licensed and is not subject to the supervision of the Swiss Financial Market Supervisory Authority ("**FINMA**"). Accordingly, investors in HPH Trust do not benefit from the specific investor protection provided by CISA and the supervision of the FINMA.

United Arab Emirates (excluding the Dubai International Financial Centre)

This document and the information contained herein does not constitute, and is not intended to constitute, a public offer of securities in the United Arab Emirates ("**UAE**") and accordingly should not be construed as such. The Units are only being offered to a limited number of sophisticated investors in the UAE who are willing and able to conduct an independent investigation of the risks involved in an investment in such Units, upon their specific request. The Units have not been approved or licensed or registered with the UAE Central Bank, the UAE Securities and Commodities Authority or any other relevant licensing authorities or governmental agencies in the UAE and no transaction will be concluded in the UAE. This document is for the use of the named addressee only and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof).

United Kingdom

The Units in HPH Trust are units in a collective investment scheme as defined in the Financial Services and Markets Act 2000 (FSMA) of the United Kingdom (UK). HPH Trust has not been authorised, or otherwise recognised or approved by the UK Financial Services Authority (FSA) and, as an unregulated collective investment scheme, accordingly cannot be marketed in the UK to the general public.

The issue or distribution of this document in the UK, (a) if made by a person who is not an authorised person under FSMA, is being made only to, or directed only at, persons who (i) have professional experience in matters relating to investments; or (ii) are high net worth companies (and certain other entities) falling within Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and who meet the requirements thereunder (all such persons together being referred to as FPO persons); and (b) if made by a person who is an authorised person under FSMA, is being made only to, or directed only at, (i) persons who have professional experience in participating in unregulated collective investment schemes; or (ii) high net worth companies (and certain other entities) falling within Article 22 of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the CIS Order) who meet the requirements thereunder; or (iii) persons to whom it may otherwise lawfully be distributed under the CIS Order or Section 4.12 of the FSA's Conduct of Business Sourcebook (all such persons together being referred to as PCIS persons and, together with the FPO persons, the relevant persons). This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

Potential investors in the UK are advised that all, or most, of the protections afforded by the UK regulatory system will not apply to an investment in the Fund and that compensation will not be available under the UK Financial Services Compensation Scheme.

United States

The Units have not been and will not be registered under the US Securities Act and may only be offered and sold within the United States in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the US Securities Act to persons who are QIBs, or outside the United States in offshore transactions (as defined in Regulation S) in compliance with Regulation S. A description of the transfer restrictions applicable to the Units is set forth in "Transfer Restrictions".

General

Subscribers of Units under the Offering may be required to pay stamp taxes and/or other charges in accordance with the laws and practice of the country of purchase in addition to the Units on the cover of this document.

No action has been or will be taken in any jurisdiction that would permit a public offer of the Units being offered outside of Singapore or Japan as described herein, or the possession, circulation or distribution of this document or any other material relating to HPH Trust or the Units, in any jurisdiction where action for the purpose is required. Accordingly, the Units may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisements in connection with the Units may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

It is expected that delivery of the Units offered in the Offering will be made through the facilities of the CDP (scripless system) on or about 18 March 2011.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers of the Units in the Offering are advised to consult their legal counsel prior to making any offer, resale, pledge or other transfer of such Units. Terms used herein that are defined in Rule 144A or Regulation S are used herein as defined therein.

The Units have not been and will not be registered under the US Securities Act or any other applicable securities laws of the United States or with any securities regulatory authority of any state or other jurisdiction outside of Singapore. The Units may not be offered or sold in the United States, except pursuant to an effective registration statement or in accordance with an applicable exemption from, or in transactions not subject to, the registration requirements of the US Securities Act and such other laws. Accordingly, the Units are being offered and sold (1) in the United States only to QIBs in reliance on Rule 144A or another available exemption from, or in transactions not subject to, the registration requirements of the US Securities Act, and (2) outside the United States in offshore transactions pursuant to Regulation S and applicable laws.

In addition, until 40 days after the commencement of the Offering, an offer or sale of Units within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the US Securities Act unless made pursuant to Rule 144A or another available exemption from the registration requirements of the US Securities Act and in accordance with applicable laws.

OFFERING IN THE UNITED STATES

If you purchase the Units in the United States in reliance on Rule 144A or another exemption from the registration requirements of the US Securities Act, by accepting delivery of this document, you will be deemed to have represented and agreed that:

1. you (a) are a QIB, (b) are aware and each beneficial owner of the Units has been advised that the seller of the Units may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A or another exemption under the US Securities Act, (c) are purchasing such Units for your own account or for the account of a QIB with respect to which you invest on a discretionary basis, and (d) are not an affiliate of the Trustee-Manager or HPH Trust or otherwise acting on their behalf;

2. you understand that the Units are being offered in a transaction not involving any public offering in the United States within the meaning of the US Securities Act, and have not been and will not be registered under the US Securities Act or the securities laws of any state of the United States and may not be offered, resold, pledged or otherwise transferred except (a)(i) to a person who you reasonably believe is a QIB purchasing for its own account or for the account of a QIB, in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in an offshore transaction in accordance with Regulation S, (iii) pursuant to an exemption from registration under the US Securities Act provided by Rule 144 thereunder, if available, (iv) pursuant to another available exemption from the registration requirements of the US Securities Act, or (v) pursuant to an effective registration statement under the US Securities Act, and (b) in each case in accordance with all applicable laws of any state or other jurisdiction of the United States;

3. the Units sold in the Offering will constitute "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act, and for so long as they remain "restricted securities," such Units may not be transferred except as described in clause (2) above. **No representation is made as to the availability of the exemption provided by Rule 144 under the US Securities Act for resales of the Units**;

4. you will not deposit the Units, or cause the Units to be deposited, into any unrestricted depositary receipt facility established or maintained by a depositary bank relating to such Units, unless or until the Units are no longer deemed "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act;

5. any offer, sale, pledge or other transfer made other than in compliance with the above stated restrictions will not be recognised by the Trustee-Manager or HPH Trust in respect of the Units;

6. you agree to notify and will be deemed to have notified, and each subsequent holder is required to notify and will be deemed to have notified, any purchaser of the Units from you or such subsequent holder of the resale restrictions referred to in clause (2) above, if then applicable; and

7. you understand that the Units sold within the United States (to the extent they are in certificated form), unless the Trustee-Manager determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

   "THIS UNIT HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE US SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE US SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE US SECURITIES ACT FOR RESALES OF THIS UNIT. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THIS UNIT MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE UNITS ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK."

OFFERING OUTSIDE THE UNITED STATES

Each person who purchases Units outside the United States will be deemed to have acknowledged, represented to and agreed with the Trustee-Manager, the Joint Bookrunners and the Underwriters as follows (terms used herein that are defined in Rule 144A or Regulation S are used herein as defined therein):

(1) The purchaser is acquiring Units in an offshore transaction in accordance with Regulation S under the US Securities Act.

(2) The purchaser understands that such Units have not been and will not be registered under the Securities Act and may not be offered, resold, pledged or transferred within the United States except in transactions exempt from registration under the US Securities Act.

(3) Each purchaser of Units agrees that the Trustee-Manager, HPH Trust, the Joint Bookrunners and the Underwriters, their respective affiliates and their respective agents may rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

In addition, each prospective purchaser of Units, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with HPH Trust, the Trustee-Manager, the Joint Bookrunners and the Underwriters as follows:

(4) That none of the Trustee-Manager, HPH Trust, the Joint Bookrunners and the Underwriters or any person representing the Trustee-Manager or HPH Trust has made any representation or provided any information to it with respect to the Trustee-Manager, HPH Trust, or the Offering, other than the information contained or incorporated by reference in this document, which document has been delivered to it and upon which it is relying in making its investment decision with respect to the Units; and it has had access to such financial and other information concerning HPH Trust and the Units as it has deemed necessary in connection with its decision to purchase the Units.

(5) That the Trustee-Manager, HPH Trust, the Joint Bookrunners and the Underwriters and others will rely upon the truth and accuracy of the acknowledgments, representations and agreements contained in "Transfer Restrictions", and such prospective purchaser agrees that, if any of the acknowledgments, representations or agreements deemed to have been made by it through its purchase of the Units are no longer accurate, it shall promptly notify the Trustee-Manager, HPH Trust, the Joint Bookrunners and the Underwriters; and if it is acquiring any Units as fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

CLEARANCE AND SETTLEMENT

INTRODUCTION

A letter of eligibility has been obtained from the SGX-ST for the listing and quotation of the Units. For the purpose of trading on the SGX-ST, a board lot for the Units will comprise 1,000 Units.

Upon listing and quotation on the SGX-ST, the Units will be traded under the electronic book-entry clearance and settlement system of CDP. All dealings in and transactions of the Units through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts, as amended from time to time.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account-holders and facilitates the clearance and settlement of securities transactions between account-holders through electronic book-entry changes in the Securities Accounts maintained by such accountholders with CDP.

It is expected that the Units will be credited into the Securities Accounts of applicants for the Units within four Market Days after the closing date for applications for the Units.

CLEARANCE AND SETTLEMENT UNDER THE DEPOSITORY SYSTEM

The Units will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and depository agents in the depository register maintained by CDP will be treated as Unitholders in respect of the number of Units credited to their respective Securities Accounts.

Persons holding Units in a Securities Account with the CDP may withdraw the number of Units they own from the book-entry settlement system in the form of confirmation notes. Such confirmation notes will not, however, be valid for delivery pursuant to trades transacted on the SGX-ST, although they will be prima facie evidence of title and may be transferred in accordance with the Trust Deed. A fee of S$10.00 for each withdrawal of 1,000 Units or less and a fee of S$25.00 for each withdrawal of more than 1,000 Units will be payable to the CDP upon withdrawing the Units from the book-entry settlement system and obtaining confirmation notes. In addition, a fee of S$2.00 or such other amount as the directors may decide will be payable to the CDP for each confirmation notes issued and such stamp duty as may be payable. Persons holding confirmation notes who wish to trade on the SGX-ST must deposit with the CDP their confirmation notes together with the duly executed and stamped (if required) instruments of transfer in favour of the CDP, and have their respective securities accounts credited with the number of Units deposited before they can effect the desired trades. A fee of S$2.00, subject to GST at the prevailing rate (which is currently 7%), is payable upon the deposit of each instrument of transfer with the CDP. The above fee may be subject to such changes as may be in accordance with the CDP's prevailing policies or the tax policies that may be in force in Singapore.

Transactions in the Units under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Units sold and the buyer's Securities Account being credited with the number of Units acquired and no transfer stamp duty is currently payable for the transfer of Units that are settled on a book-entry basis.

Units credited to a Securities Account may be traded on the SGX-ST on the basis of a price between a willing buyer and a willing seller. Units credited into a Securities Account may be transferred to any other Securities Account with CDP, subject to the terms and conditions for the operation of Securities Accounts and a S$10.00 transfer fee payable to CDP. All persons trading in the Units through the SGX-ST should ensure that the relevant Units have been credited into their Securities Account, prior to trading in such Units, since no assurance can be given that the Units can be credited into the Securities Account in time for settlement following a dealing. If the Units have not been credited into the Securities Account by the due date for the settlement of the trade, the buy-in procedures of the SGX-ST will be implemented.

CLEARING FEE

A clearing fee for the trading of Units on the SGX-ST is payable at the rate of 0.04% of the transaction value, subject to a maximum of S$600.00 per transaction. The clearing fee, deposit fee and unit withdrawal fee may be subject to the prevailing GST.

Dealings in the Units will be carried out in US dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the third Market Day following the transaction date and payment for the securities is generally settled on the following day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with any CDP depository agent. A CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

EXPERTS

Drewry Shipping Consultants Limited, the Independent Market Research Consultant, was responsible for preparing the section of this document entitled "Overview of the Container Port Industry".

PricewaterhouseCoopers Services LLP, the Independent Tax Adviser, was responsible for preparing the Independent Taxation Report found in Appendix D of this document.

Ernst & Young Corporate Finance Pte Ltd, the Independent Financial Adviser, was responsible for preparing the Independent Financial Adviser Report found in Appendix E of this document.

Ernst & Young Solutions LLP, the Independent Valuer, was responsible for preparing the Independent Valuation Summary Report found in Appendix F of this document.

The Independent Tax Adviser, the Independent Financial Adviser, the Independent Market Research Consultant and the Independent Valuer have each given and have not withdrawn their written consents to the issue of this document with the inclusion herein of their names and their respective write-ups and reports and all references thereto in the form and context in which they respectively appear in this document, and to act in such capacity in relation to this document.

None of Allen & Gledhill LLP, Freshfields Bruckhaus Deringer, Allen & Overy LLP and Jun He Law Offices makes, or purports to make, any statement in this document and none of them is aware of any statement in this document that purports to be based on a statement made by it and it makes no representation, express or implied, regarding, and takes no responsibility for, any statement in or omission from this document.

King & Wood, the PRC legal adviser of the Trustee-Manager, were responsible for advising on the statement attributed to them in the section "Risk Factors – Risks Relating to the Business – Certain land use right certificates and construction permits have not been received for Yantian."

REPORTING AUDITOR AND INDEPENDENT AUDITOR

PricewaterhouseCoopers LLP, the Reporting Auditor, for the purpose of complying with the Securities and Futures Act only, has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of, and all references to

(i) its name;

(ii) its report dated 28 February 2011 on the examination of the unaudited pro forma historical financial statements of Hutchison Port Holdings Trust and its subsidiaries for the financial year ended 31 December 2010; and

(iii) its report dated 28 February 2011 in relation to the profit and cash flow forecast and profit and cash flow projection of Hutchison Port Holdings Trust and its subsidiaries for the period from 16 March 2011 to 31 December 2011 and the financial year ending 31 December 2012,

in the form and context in which they are respectively included in this document. A written consent under the Securities and Futures Act is different from a consent filed with the US Securities and Exchange Commission under Section 7 of the US Securities Act, which is applicable only to transactions involving securities registered under the US Securities Act. As the Units in the Offering have not been and will not be registered under the US Securities Act, PricewaterhouseCoopers LLP has not filed a consent under Section 7 of the US Securities Act.

PricewaterhouseCoopers LLP, for the purposes of offers and sales outside the United States in offshore transactions in reliance on Regulation S under the US Securities Act (other than in Singapore), has acknowledged the inclusion herein of, and all references to its name, in the form and context in which they are respectively included in this document.

PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, the Independent Auditor for the combined financial statements of the business comprising the deep-water container ports in Hong Kong and Guangdong Province and port ancillary services, for the purpose of complying with the Securities and Futures Act only, has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of, and all references to

(i) its name; and

(ii) its independent auditor's report dated 28 February 2011 in relation to the combined financial statements of the business comprising the deep-water container ports in Hong Kong and Guangdong Province and port ancillary services for the financial years ended 31 December 2008, 2009 and 2010

in the form and context in which they are respectively included in this document. A written consent under the Securities and Futures Act is different from a consent filed with the US Securities and Exchange Commission under Section 7 of the US Securities Act, which is applicable only to transactions involving securities registered under the US Securities Act. As the Units in the Offering have not been and will not be registered under the US Securities Act, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong has not filed a consent under Section 7 of the US Securities Act.

PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purposes of offers and sales outside the United States in offshore transactions in reliance on Regulation S (other than in Singapore), has acknowledged the inclusion herein of, and all references to its name, in the form and context in which they are respectively included in this document.

GENERAL AND STATUTORY INFORMATION

RESPONSIBILITY STATEMENT BY THE DIRECTORS

1. This document has been seen and approved by the Directors and they individually and collectively accept full responsibility for the accuracy of the information given herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed herein are fair and accurate in all material respects as at the date hereof and there are no material facts the omission of which would make any statement in this document misleading, and that this document constitutes full and true disclosure of all material facts about the Offering and HPH Trust. The forecast and projection contained in "Profit and Cash Flow Forecast and Profit and Cash Flow Projection" have been stated by the Directors after due and careful enquiry and consideration.

MATERIAL BACKGROUND INFORMATION

2. Save as disclosed below, none of the directors, key executives or controlling shareholders of the Trustee-Manager, or the controlling Unitholder, was or is involved in any of the following events:

   (a) at any time during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;

   (b) at any time during the last 10 years, an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a Registered Business Trust, that Registered Business Trust, on the ground of insolvency, save as disclosed in "Appendix G – List of Present and Past Principal Directorships of Directors and Executive Officers";

   (c) any unsatisfied judgment against him;

   (d) a conviction of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;

   (e) a conviction of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;

   (f) at any time during the last 10 years, judgment been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;

(g) a conviction in Singapore or elsewhere of any offence in connection with the formation or management of any entity or Registered Business Trust;

(h) disqualification from acting as a director or an equivalent person of any entity (including the trustee of a Registered Business Trust), or from taking part directly or indirectly in the management of any entity or Registered Business Trust;

(i) any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;

(j) to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:

   (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

   (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;

   (iii) any Registered Business Trust which has been investigated for a breach of any law or regulatory requirement governing Registered Business Trusts in Singapore or elsewhere; or

   (iv) any entity or Registered Business Trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

   in connection with any matter occurring or arising during the period when he was so concerned with the entity or Registered Business Trust; or

(k) the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

LITIGATION

3. Save as disclosed in this document, none of the members of the HPH Trust Group is engaged or has been engaged in the past 12 months before the date of lodgement of this document in any legal or arbitration proceedings as plaintiff or defendant in respect of any amounts or claims which are material in the context of the Offering and to the best of the Directors' knowledge and belief, having made all due enquiries, there are no proceedings pending or threatened against any member of the HPH Trust Group or any facts likely to give rise to any litigation, claims or proceedings which might have a material effect on the financial position or the profitability of the HPH Trust Group.

EXCHANGE CONTROLS

4. Other than as described below, as at the date of this document, there is no governmental law, decree or regulatory requirement or any other requirement which may affect the repatriation of capital and the remittance of profits by or to the Trustee-Manager.

   Currently, exchange control restrictions exist in the PRC. Under the current foreign exchange regulations of the PRC, payments of current account items, including dividends, trade– and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, approvals from SAFE as well as other appropriate governmental authorities are required for payments in RMB to be converted into foreign currencies and remitted from the PRC to pay for capital account items, such as the repayment of loans denominated in foreign currencies. Receivables of capital account items in foreign currencies, including capital contribution and foreign shareholder's loans, can be remitted into the PRC and converted into RMB, by complying with certain regulatory requirements and completing certain registration procedures with SAFE.

MATERIAL CONTRACTS

5. The material contracts entered into within the two years preceding the date of this document (not being contracts entered into in the ordinary course of the business of HPH Trust) are as follows:

   (a) the Trust Deed;

   (b) the ROFR Agreement;

   (c) the Non-Compete Agreement;

   (d) the Redevelopment Potential Agreement;

   (e) the Sale and Purchase Agreement;

   (f) the Global Support Services Agreement;

   (g) the Services Agreement;

   (h) the Master IT Services Agreement; and

   (i) the IP Licence Agreement.

   The agreements listed in sub-paragraphs (a) to (i) above (including the dates of, parties to, and general nature of the agreements) are as described in "The Constitution of Hutchison Port Holdings Trust" and "Certain Agreements Relating to Hutchison Port Holdings Trust".

DOCUMENTS FOR INSPECTION

6. Copies of the following documents are available for inspection at the registered office of the Trustee-Manager at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, for a period of six months from the date of this document:

   (a) the Trust Deed (which will be available for inspection for so long as HPH Trust is in existence and listed on the SGX-ST);

   (b) the material contracts referred to in paragraph 5 above;

   (c) the Depository Services Terms and Conditions;

   (d) the Reporting Auditor's Report on Examination of the Unaudited Pro Forma Financial Statements of Hutchison Port Holdings Trust and its Subsidiaries for the Financial Year Ended 31 December 2010 as set out in Appendix A of this document;

   (e) the Reporting Auditor's Report on the Profit and Cash Flow Forecast and Profit and Cash Flow Projection of Hutchison Port Holdings Trust and its Subsidiaries for the Period from 16 March 2011 to 31 December 2011 and for the Year Ending 31 December 2012 as set out in Appendix B of this document;

   (f) the Independent Auditor's Report on the Combined Financial Statements of the Business Comprising the Deep-Water Container Ports in Hong Kong and Guangdong Province and Port Ancillary Services for the Financial Years Ended 31 December 2008, 2009 and 2010 as set out in Appendix C of this document;

   (g) the Independent Taxation Report as set out in Appendix D of this document;

   (h) the Independent Financial Adviser Report as set out in Appendix E of this document;

   (i) the Independent Valuation Summary Report as set out in Appendix F of this document;

   (j) the written consents of the Reporting Auditor, the Independent Auditor, the Independent Tax Adviser, the Independent Financial Adviser, the Independent Market Research Consultant the Independent Valuer and King & Wood (see "Reporting Auditor and Independent Auditor" and "Experts"); and

   (k) the combined financial statements of the Historical Portfolio Business for the financial year ended 31 December 2008, 2009 and 2010 as set out in Appendix C of this document.

MISCELLANEOUS

7. The financial year-end of HPH Trust is 31 December. The annual audited financial statements of HPH Trust will be prepared and sent to Unitholders within three months of the financial year-end. HPH Trust's first annual report will be from the date of its constitution to 31 December 2011.

8. While HPH Trust is listed on the SGX-ST, investors may check the SGX-ST website http://www.sgx.com, for the prices at which Units are being traded on the SGX-ST. Investors may also check one or more major Singapore newspapers, such as The Straits Times, The Business Times and Lianhe Zaobao, for the price range within which Units were traded on the SGX-ST on the preceding day.

9. Save as disclosed in this document, unless otherwise permitted under the Listing Manual, neither the Trustee-Manager nor any of its Associates will be entitled to receive any part of any brokerage charged to HPH Trust, or any part of any fees, allowances or benefits received on purchases charged to HPH Trust.

10. There have been no public takeover offers by third-parties in respect of the Units or by the Trustee-Manager in respect of the shares of a corporation or the units of another business trust, that have occurred between 25 February 2011, being the date of constitution of HPH Trust, and up to the Latest Practicable Date.

11. No expert is interested, directly or indirectly, in promotion of, or in any assets that have, within the two years preceding the date of this document, been acquired by or disposed of or leased to HPH Trust or are proposed to be acquired by or disposed of or leased to HPH Trust.

12. Save as disclosed elsewhere in this document, there is no arrangement or understanding with a substantial shareholder of the Trustee-Manager, substantial Unitholder, customer or supplier of the Trustee-Manager, pursuant to which any Director or any Executive Officer was selected as a Director or Executive Officer.

13. There is no known arrangement the operation of which may, at a subsequent date, result in a change of control in the Trustee-Manager.

14. The principal banker of the Trustee-Manager is DBS Bank Ltd.

15. The Independent Valuation Summary Report of the Portfolio Container Terminals is set out in Appendix F of this document.

16. Dilution is the difference between the offer price per Unit and the net asset value per Unit for the equivalent class of Unit, as at the latest balance-sheet date after adjusting for the effects of the offer, and any disposal or acquisition which occurred between the latest balance sheet date and the date of the registration of this document by the Authority on the net asset value per Unit.

    Dilution cannot be computed in the case of HPH Trust, as the net asset value per Unit (based on the Minimum Offering Price) is equivalent to the Minimum Offering Price, and the net asset value per Unit (based on the Maximum Offering Price) is above the Maximum Offering Price.

TREND INFORMATION AND PROFIT FORECAST

17. Save as disclosed under the sections "Risk Factors", "Capitalisation and Indebtedness", "Profit Forecast" and "The Business of Hutchison Port Holdings Trust" of this document, the financial condition and operations of HPH Trust is not likely to be affected by any of the following:

    (a) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in HPH Trust's liquidity increasing or decreasing in any material way;

    (b) material commitments for capital expenditure;

    (c) unusual or infrequent events or transactions or any insignificant economic changes that materially affect the amount of reported income from operations; and

    (d) known trends or uncertainties that have had or that HPH Trust reasonably expects will have a material favourable or unfavourable impact on revenues or operating income.

18. Due to the nature of the business of HPH Trust, an order book is not maintained.

WAIVERS FROM THE SGX-ST

19. The Trustee-Manager has obtained the following waivers from the SGX-ST to facilitate its business:

    (a) Rule 220(1) which requires the financial statements submitted with the listing application and future periodic financial reports to be prepared in accordance with Singapore Financial Reporting Standards, or IFRS, or US GAAP, waiver was granted on the basis that:

        (i) in respect of the audited combined financial statements of the Historical Portfolio Business included in this document, the notes to the combined financial statements will include a statement that there are no material differences between HKFRS and International Financial Reporting Standards ("**IFRS**") and that no material adjustments are required to restate these combined financial statements in accordance with IFRS (collectively, the "**No Material Differences Statement**");

        (ii) after the Listing Date and going forward, assuming that there are no material differences between HKFRS and IFRS, the No Material Differences Statement will be set out as a note to the annual audited full-year financial statements issued by HPH Trust; and

        (iii) after the Listing Date and going forward after the announcement of HPH Trust's unaudited full-year results, if it comes to HPH Trust's attention that there are material differences between HKFRS and IFRS and material adjustments are required to restate its full-year financial statements in accordance with IFRS, HPH Trust will make an immediate announcement of the material differences on SGXNET.

    (b) Rule 404(3) which relates to restrictions on investments;

(c) Rule 404(5) which requires the management company (if there is no management company, the sponsor or trustee) to be reputable and have an established track record in managing investments, subject to the management in the Trustee-Manager, which is the entity responsible for managing the assets held by HPH Trust, having the relevant experience;

(d) Rule 407(4) which requires the submission of the financial track record of the investment manager, the investment adviser and persons employed by them in the listing application;

(e) Rule 608 which requires the Trustee-Manager to ensure that the Prospectus complies with prospectus disclosure requirements in the SFA;

(f) Rule 705(2)(b) which requires the announcement of quarterly financial statements not later than 45 days after the quarter end, provided that HPH Trust makes an announcement of the waiver pursuant to Rule 107 and discloses in the announcement that HPH Trust will announce its financial results for the six months period ending 30 June 2011;

(g) Rule 748(1) which requires an investment fund to announce via SGXNET its net tangible assets per share or per unit at the end of each week; and

(h) Rule 748(3) which requires an investment fund to disclose certain information in its annual report, subject to disclosure of the information set out on pages 274 to 275 of this document.

CONSENTS OF JOINT BOOKRUNNERS

20. Each of DBS Bank Ltd., Deutsche Bank AG, Singapore Branch and Goldman Sachs (Singapore) Pte. has given and has not withdrawn its written consent to being named in this document as the Joint Bookrunners, Lead Managers, Issue Managers and Underwriters in relation to the Offering.

CONSENTS OF CO-LEAD MANAGERS AND UNDERWRITERS

21. Each of Barclays Bank PLC, Barclays Bank PLC, Singapore Branch, Daiwa Capital Markets Singapore Limited, J.P. Morgan (S.E.A.) Limited, Mizuho Securities Asia Limited, Morgan Stanley Asia (Singapore) Pte. and UBS AG, Singapore Branch has given and has not withdrawn its written consent to being named in this document as the co-lead managers and underwriters.

SUMMARY OF CERTAIN DIFFERENCES BETWEEN HKFRS AND US GAAP

The audited combined financial statements of the Historical Portfolio Business are prepared and presented in accordance with HKFRS issued by the HKICPA. Certain differences exist between HKFRS and US GAAP which may be material to financial information herein.

Certain significant measurement differences between HKFRS and US GAAP relevant to the combined financial statements are summarised below. This summary should not be construed to be exhaustive. No attempt has been made to prepare a complete reconciliation of the combined financial statements and related footnote disclosures between HKFRS and US GAAP or to quantify the impact of those differences. Accordingly, no assurance is provided that the following summary of certain differences between HKFRS and US GAAP is complete. In making an investment decision, investors must rely upon their own examination of the combined financial statements, the terms of the offer and the financial information. Potential investors should consult their own professional advisers for an understanding of the differences between HKFRS and US GAAP, and how these differences might affect the financial information herein. Additionally, no attempt has been made to identify future differences between HKFRS and US GAAP as the result of prescribed changes in accounting standards and regulations. Regulatory bodies that promulgate HKFRS and US GAAP have significant ongoing projects that could affect future comparisons such as this one. Finally, no attempt has been made to identify all future differences between HKFRS and US GAAP that may affect the combined financial statements as a result of transactions or events that may occur in the future.

Basis of Presentation

HKFRS does not provide specific guidance on the basis of presentation in carve-out transactions. It is acceptable under HKFRS to present combined financial statements of businesses that have been managed together as a single economic entity for the purpose of establishing an appropriate historical track record.

In determining the basis of financial statements of a carve-out entity that was a portion of several large operations, under US GAAP, an entity would normally apply SEC guidance which requires consideration be given to the nature of business of the carve-out entity compared to the commonly managed entities outside of the carve-out entity, the business relationship between the carve-out entity and other commonly managed entities and the context in which the carve-out entity had been managed during the historical reporting period, among others. Based on the assessment of specific facts and circumstances, US GAAP may require that certain business operations excluded from the carve-out entity be included in the financial statements of the carve-out entity for the purpose of establishing an appropriate historical track record.

Historical cost or valuation

Under HKFRS, historical cost is the main accounting convention. However, HKFRS permits the revaluation of intangible assets, property, plant and equipment and investment property. HKFRS also requires certain categories of financial instruments and certain biological assets to be reported at fair value.

US GAAP prohibits revaluations except for certain categories of financial instruments which are carried at fair value.

Goodwill

Under HKFRS, goodwill arising on acquisition is recognised as an asset and purchased goodwill is capitalised as an intangible asset. Prior to 1 January 2010, goodwill arising on acquisition was measured as the excess of the cost of the acquisition over the acquirer's share of fair value of identifiable assets, liabilities and contingent liabilities acquired. Effective 1 January 2010, goodwill on acquisition is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amounts of the identifiable assets acquired and the liabilities assumed.

Under HKFRS, from January 1, 2005, goodwill ceased to be amortised but reviewed for impairment annually and when indicators of impairment arise. A one-step impairment test is performed. The recoverable amount (i.e. the higher of its fair value less costs to sell and its value in use) is compared to its carrying amount. The impairment loss is recognised in operating results as the excess of the carrying amount over the recoverable amount. An impairment loss recognised for goodwill cannot be reversed in a subsequent period.

Under US GAAP, goodwill is not amortised but reviewed for impairment annually and when indicators of impairment arise. A two-step approach is required:

1. The fair value and the carrying amount of the reporting unit including goodwill is compared. Goodwill is considered to be impaired if the fair value of the reporting unit is less than the carrying amount; and

2. If goodwill is determined to be impaired based on step one, then goodwill impairment is measured as the excess of the carrying amount of goodwill over its implied fair value. The implied fair value of goodwill is determined by calculating the fair value of the various assets and liabilities included in the reporting unit in the same manner as goodwill is determined in a business combination. The impairment charge is included in operating income. The loss recognised cannot exceed the carrying amount of goodwill. Same as HKFRS, an impairment loss recognised for goodwill cannot be reversed in a subsequent period.

Negative goodwill

Under HKFRS, if any excess of fair value over the purchase price arises, the acquirer reassesses the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination. Any excess remaining after reassessment is recognised immediately in the income statement.

Under US GAAP, any excess over the purchase price after reassessment is used to reduce proportionately the fair value assigned and allocated on a pro-rata basis to all assets other than:

- current assets;

- financial assets (other than equity method investments);

- assets to be sold;

- prepaid pension assets; and

- deferred taxes.

Any negative goodwill remaining is recognised as an extraordinary gain.

Non-controlling interests

Under HKFRS, prior to 1 January 2010, where an investor acquires less than 100.0% of a subsidiary, the non-controlling interests are stated on the investor's statement of financial position at the non-controlling interests proportion of the net fair value of acquired assets, liabilities and contingent liabilities assumed. Effective 1 January 2010, HKFRS allows the acquirer to measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Under US GAAP, the non-controlling interests arising from a business combination prior to 1 January 2009 are valued at their historical book value. Fair values are assigned only to the parent company's share of the net assets acquired. Non-controlling interests arising from a business combination post 1 January 2009 are measured at fair value.

Impairment of long-lived assets (other than goodwill)

Under HKFRS, an entity should assess at each reporting date whether there are any indications that an asset may be impaired. The asset is tested for impairment if there is any such indication. An impairment loss is recognised in the income statement when a non-revalued asset's carrying amount exceeds its recoverable amount. Where the asset is carried at valuation the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset and any excess is recognised in the income statement. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. Value in use represents the future cash flows to be derived from the particular asset, discounted to present value using a pre-tax rate that reflects the current assessment of the time value of money and the risks specific to the asset for which the cash flow estimates have not been adjusted. Fair value less cost to sell represents the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Impairment losses are reversed when there has been a change in economic conditions or in the expected use of the asset.

Under US GAAP, long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. However, unlike HKFRS, US GAAP requires a two-step impairment test. The carrying amount is first compared to the undiscounted cash flows that are expected to result from the use and eventual disposal of the asset. If the carrying amount is lower than the undiscounted cash flows, no impairment loss is recognised. If the carrying amount is higher, the impairment loss (if any) is measured as the difference between the carrying amount and fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Impairment losses cannot be reversed for assets to be held and used.

Available-for-sale investments

Available-for-sale investments include debt and equity securities.

Under HKFRS, available-for-sales investments are measured at fair value. Changes in fair value are recognised net of tax effects in equity (i.e. presented in a statement of changes in shareholders' equity) and recognised in the income statement when sold, impaired or collected. Foreign exchange gains and losses on debt securities are recognised in the income statement.

Under US GAAP, except for unlisted equity securities, which are generally carried at cost, available-for-sale investments are stated at fair value. Changes in fair value are reported in other comprehensive income. Foreign exchange gains and losses on debt securities are recognised in equity.

Deferred tax

Under HKFRS, 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 amounts in the financial statements accounts. Deferred income tax is determined using tax rates (and based on laws) that have been enacted or substantially enacted at the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled. 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 is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by Historical Portfolio Business and it is probable that the temporary difference will not reverse in the foreseeable future.

Under US GAAP, deferred tax assets and liabilities are recognised in full for temporary differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. However, use of substantively enacted rates is not permitted. Tax rate and tax laws used must have been enacted. US GAAP also requires the recognition of deferred tax assets on future deductible temporary differences and tax loss and credit carry forwards with recognition of a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax asset will not be realised. Under US GAAP, no deferred taxes are recognised on undistributed profits of foreign subsidiaries that meet the indefinite reversal criterion.

GLOSSARY OF TECHNICAL TERMS

Automated Grounding System	:	A system that helps yard planners identify the most appropriate areas for the temporary storage of each container yard based on its designated vessel, weight class and port of discharge
CCTV	:	Closed circuit television
CSI	:	Container Security Initiative, a series of measures adopted by US customs authorities to commence security screening on container cargo entering or transiting through the US or Canada (such as identifying high risk containers in foreign ports before they are loaded on vessels destined at or transited through the US / Canada)
C-TPAT	:	Customs-Trade Partnership Against Terrorism, a voluntary supply chain security programme led by US customs authorities and focused on improving the security of private companies' supply chains with respect to terrorism
Customer Plus	:	A system that offers a web-based and real-time communication channel between HIT and its customers
Deep-water container port	:	Any port that has the ability to accommodate a fully laden vessel with a capacity in excess of 8,000 TEU
Electric rubber-tyre gantry cranes	:	Electric powered rubber-tyre gantry cranes
Electronic Data Interchange System	:	A system that supports and integrates the exchange of information between the Portfolio Container Terminals and its customers, from the submission of vessel arrival schedules to the eventual bill processing
External Trucks	:	Trucks that transport containers in and out of the terminals
Hybrid rubber-tyre gantry cranes	:	Hybrid powered rubber-tyre gantry cranes
Guider	:	A system that facilitates the vessel discharge and loading planning process
Internal Trucks	:	Trucks that operate within the terminals
ISPS	:	International Ship & Port Facility Security Code
LNG Trucks	:	Liquefied natural gas-powered container trucks
Mega vessels	:	A vessel with a capacity in excess of 8,000 TEU

nGen	:	The Next Generation Terminal Management System, the Sponsor's proprietary, scalable, and customer-oriented terminal management system that streamlines port processes, improves the efficiency of port operations and enhances information exchange with shipping lines by integrating with their systems
O&D	:	Origin and destination
OMS		Operations Monitoring System, which is a system that monitors yard operations including inventory distribution and container movement status
Smart Dual Move System	:	A system that enables the truck driver to deliver and collect containers in one single trip, thereby avoiding empty runs and reducing truck traffic in the terminal
Super Post Panamax Quay Cranes	:	A container crane that is able to load and unload vessels that are 22 container rows wide or more
Tandem-Lift Quay Cranes	:	A container crane that is able to load and unload multiple containers simultaneously
TEU	:	Twenty-foot equivalent unit, based on the dimensions of a cargo container 20 feet long by 8 feet wide by 8 feet 6 inches high, with a maximum load of 24 tonnes
Throughput	:	A measure of container handling activity. The two main categories of throughput are O&D, which is also often referred to as import and export, and transhipment. Every container shipped by sea is by definition an export container at the origination terminal and an import container at the destination terminal. A container that is transferred from one ship to another at some point during the journey is said to be transhipped, which gives rise to transhipment throughput at an intermediate terminal somewhere between the load terminal and the discharge terminal. Throughput includes the handling of imports, exports, empty containers and transhipments
TID	:	Tractor Identity Cards
Water Depth Alongside	:	The quay side depth of the terminal where vessels will berth
Yard Planners	:	Persons who are in charge of identifying the appropriate areas in the terminal for the storage of containers
YesInfo	:	An information technology platform that offers a web-based real-time communication channel with Yantian, the shipping lines customers, customs, shipping lines' agent and transportation companies

GLOSSARY OF GENERAL TERMS

%	:	Per centum or percentage
Acquisition	:	The acquisition by HPH Trust of the HPH Trust Business Portfolio and the assignment of certain related party and shareholders' loans
Acquisition Fee	:	The acquisition fee payable to the Trustee-Manager
ACT	:	Asia Container Terminals Limited
Application Forms	:	The printed application forms to be used for the purpose of the Offering and which form part of this document
Application List	:	The list of applicants subscribing for Units that are the subject of the Public Offer
APS	:	Asia Port Services Limited
Associate	:	Has the meaning ascribed to it in the Listing Manual
Associated company	:	Has the meaning ascribed to it in the Third Schedule of the SF BT Regulations
Associated entity	:	Has the meaning ascribed to it in the SF BT Regulations
Audit Committee	:	The audit committee of the Trustee-Manager
Authorised Businesses	:	Has the meaning ascribed to it in the Trust Deed
Base Fee	:	The base fee payable to the Trustee-Manager
Board	:	The board of Directors of the Trustee-Manager
BTA or Business Trusts Act	:	Business Trusts Act, Chapter 31A of Singapore
Business Day	:	Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading
BVI	:	British Virgin Islands
CCT	:	Chiwan Container Terminal
CDP	:	The Central Depository (Pte) Limited
CHT	:	COSCO-HIT Terminals (Hong Kong) Limited
CIT Law	:	PRC Corporate Income Tax Law

Co-Lead Managers and Underwriters or Co-Lead Managers	:	Barclays Bank PLC, Barclays Bank PLC, Singapore Branch, Daiwa Capital Markets Singapore Limited, J.P. Morgan (S.E.A.) Limited, Mizuho Securities Asia Limited, Morgan Stanley Asia (Singapore) Pte. and UBS AG, Singapore Branch
Companies Act	:	Companies Act, Chapter 50 of Singapore
Consideration Units	:	The 3,309,377,999 Units to be issued by the Trustee-Manager to the Sponsor (or as it may direct) on the Listing Date as part settlement of the consideration for the Acquisition
Controlling shareholder	:	Has the meaning ascribed to it in the Third Schedule of the SF BT Regulations
Controlling unitholder	:	Has the meaning ascribed to it in the Third Schedule of the SF BT Regulations
Cornerstone Investors	:	Ally Holding Limited, Aranda Investments Pte. Ltd., Capital Research and Management Company, Cathay Life Insurance Co., Ltd., Lone Pine Capital LLC (on behalf of investment funds), Metropolitan Financial Services Ltd, Paulson & Co. Inc., and Seacrest FIR Incorporated
Cornerstone Units	:	The total Units subscribed for by the respective Cornerstone Investors
COSCO	:	COSCO Pacific Limited
COSCO-HIT	:	Terminal 8 East at Kwai Tsing, Hong Kong
CT3	:	Container Terminal 3 of Kwai Tsing, Hong Kong
DB One	:	Da Chan Bay Terminal One
Debt Issue Expenses	:	The expenses incurred in connection with the New Debt Facility
Depository Services Terms and Conditions	:	The CDP's depository services terms and conditions in relation to the deposit of the Units in CDP
Development Fee	:	The development fee payable to the Trustee-Manager
Director	:	A director of the Trustee-Manager
Distributable Income	:	Has the meaning ascribed to it in "Distributions" of this document
Divestment Fee	:	The divestment fee payable to the Trustee-Manager
DPU	:	Distribution per Unit
Due Care	:	The degree of care and diligence required of a trustee-manager of a Registered Business Trust under the BTA

EBITDA	:	Operating profit after deducting (i) interest income and adding (ii) depreciation and amortisation, (iii) the share of EBITDA of associated companies, (iv) the share of EBITDA of jointly controlled entities and (v) the River Ports Economic Benefits
Equity Issue Expenses	:	Costs and expenses payable in connection with the Offering and the application for listing, including the Underwriting, Selling and Management Commission, professional fees and all other incidental expenses relating to the Offering (but not including the Underwriting, Selling and Management Commission and other expenses payable by the Unit Lender in connection with the exercise of the Over-Allotment Option)
Executive Officers	:	The executive officers of the Trustee-Manager
Extraordinary Resolution	:	A resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed
Final Payment Date	:	In relation to the Promissory Notes means the fifth Business Day following the Listing Date
Financial Year or FY	:	Financial year ended or, as the case may be, ending 31 December
Forecast	:	The profit and cash flow forecast of HPH Trust for the Forecast Period 2011
Forecast Period 2011	:	16 March 2011 to 31 December 2011
GAAP	:	Generally accepted accounting principles
GDP	:	Gross domestic product
Global Support Services Agreement	:	The global support services agreement dated 28 February 2011 entered into between the Trustee-Manager, HPH Trust HoldCo and the Sponsor whereby the Sponsor will provide HPH Trust with certain services including company secretarial, legal, specialised engineering services, business development, marketing, risk management and treasury services
GST	:	Goods and Services Tax
Guangdong Province	:	The Guangdong province of the PRC
Ha	:	Hectare
HIBOR	:	Hong Kong Inter-bank Offered Rate

Historical Portfolio Business	:	The Portfolio Container Terminals and Portfolio Ancillary Services, representing the businesses held by the Sponsor that operate the deep-water container ports in Hong Kong and Guangdong Province and the port ancillary services
HIT	:	Terminals 4, 6, 7 and two berths in Terminal 9 at Kwai Tsing, Hong Kong
HITL	:	Hongkong International Terminals Limited
HK$ or Hong Kong dollars and cents	:	The lawful currency of Hong Kong
HKFRS	:	Hong Kong Financial Reporting Standards
HK Government	:	The Government of the Hong Kong Special Administrative Region
HKICPA	:	Hong Kong Institute of Certified Public Accountants
Holding Companies	:	Giantfield Resources Limited, Patton Profits Limited, More Choice Resources Limited, Hutchison Shenzhen East Investments Limited, Orient-Triumph Investments Limited, Global Voyage Limited and Hutchison Logistics
Hong Kong	:	The Hong Kong Special Administrative Region of the PRC
HPH Finance	:	HPH Finance Limited
HPHIS	:	HPH Information Services (Hong Kong) Limited
HPHIS(BVI)	:	HPH Information Services Limited
HPH Trust	:	Hutchison Port Holdings Trust, and where the context requires, assuming the completion of the Restructuring, and includes HPH Trust Group as may be appropriate
HPH Trust Business Portfolio	:	The Portfolio Container Terminals, the Portfolio Ancillary Services and the River Ports Economic Benefits
HPH Trust Group	:	HPH Trust and its subsidiaries, jointly controlled entities and associated companies, and where the context requires, assuming the completion of the Restructuring
HPH Trust HoldCo	:	HPHT Limited
HPH Trust Territory or Trust Territory	:	Guangdong Province, Hong Kong and Macau
HPY	:	Hutchison Ports Yantian Limited
Hutchison Logistics	:	HPH E.Commerce Limited

HWL	:	Hutchison Whampoa Limited
HWPSZ	:	Hutchison Whampoa Properties (Shenzhen) Limited
IASB	:	International Accounting Standards Board
IFRS	:	International Financial Reporting Standards
Income Tax Act	:	The Income Tax Act, Chapter 134 of Singapore
Independent Auditor	:	PricewaterhouseCoopers, Certified Public Accountants, Hong Kong
Independent Directors	:	Has the meaning ascribed to it in "The Trustee-Manager – The Trustee-Manager of HPH Trust – Board of Directors of the Trustee-Manager – Independence of the Board of Directors" section of this document
Independent Financial Adviser	:	Ernst & Young Corporate Finance Pte Ltd
Independent Market Research Consultant or Drewry	:	Drewry Shipping Consultants Limited
Independent Tax Adviser	:	PricewaterhouseCoopers Services LLP
Independent Valuer	:	Ernst & Young Solutions LLP
Initial Consideration	:	The initial consideration for the Acquisition amounting to approximately HK$102,878.7 million
Initial Port Land	:	The land on which the businesses and assets acquired by HPH Trust in connection with the initial public offering of HPH Trust is carried out and which is owned on the Listing Date by HPH Trust, whether directly or indirectly, through the companies in which it has an interest
Instruments	:	Offers, agreements or options 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
Interested Person	:	Has the meaning ascribed to it in the Listing Manual
Interested Person Transaction	:	Has the meaning ascribed to it in the Listing Manual

International Purchasers	:	Certain of the Joint Bookrunners and Co-Lead Managers in respect of the Placement namely, DBS Bank Ltd., Deutsche Bank AG, Singapore Branch, Goldman Sachs (Singapore) Pte., Barclays Bank PLC, Daiwa Capital Markets Singapore Limited, J.P. Morgan (S.E.A.) Limited, Mizuho Securities Asia Limited, Morgan Stanley Asia (Singapore) Pte. and UBS AG, Singapore Branch
International Purchase Agreement	:	The international purchase agreement expected to be entered into on or about 14 March 2011 between the Trustee-Manager, the Sponsor and the International Purchasers
IP Licence Agreement	:	The licence agreement dated 28 February 2011 entered into between Hutchison International Ports Enterprises Limited and HPH Trust HoldCo relating to the grant of certain trademark licences by Hutchison International Ports Enterprises Limited to HPH Trust HoldCo
IPO Adjustment	:	The adjustment to ensure that the consideration for the acquisition of the Holding Companies and the River Ports Economic Benefits and the loan assignments reflects the value of the underlying assets of HPH Trust implied by the final Offering Price
IRAS	:	Inland Revenue Authority of Singapore
Jiangmen Terminal	:	Jiangmen International Container Terminals
Joint Bookrunners, Lead Managers, Issue Managers and Underwriters or Joint Bookrunners	:	DBS Bank Ltd., Deutsche Bank AG, Singapore Branch and Goldman Sachs (Singapore) Pte.
Latest Practicable Date	:	14 February 2011, being the latest practicable date prior to the lodgement of this document with the MAS
LIBOR	:	The London Interbank Offered Rate
Listing	:	The listing of the Units on the Main Board of the SGX-ST
Listing Date	:	The date of admission of HPH Trust to the Official List of the SGX-ST
Listing Manual	:	The Listing Manual of the SGX-ST
Lock-up Period	:	The period commencing from the Listing Date until the date falling six months thereafter (both dates inclusive)
Lock-up Units	:	The Units that will be owned by the Sponsor at the Listing Date (including any securities convertible into or exchangeable for any of those Units or part thereof or which carry rights to subscribe for or purchase any of those Units or part thereof)

Macau	:	The Macau Special Administrative Region of the PRC
Market Day	:	A day on which the SGX-ST is open for trading in securities
MAS or Authority	:	The Monetary Authority of Singapore
Master IT Services Agreement	:	The master agreement dated 28 February 2011 entered into between the Trustee-Manager, HPH Trust HoldCo, HPHIS(BVI) and HPH Information Services (Hong Kong) Limited relating to the provision of information technology, computer and other related services
Maximum Offering Price	:	US$1.08 per Unit, being the maximum subscription price of the Offering Price Range
Minimum Offering Price	:	US$0.91 per Unit, being the minimum subscription price of the Offering Price Range
MTL	:	Modern Terminals Limited
Nanhai Terminal	:	Nanhai International Container Terminals
New Debt Facility	:	The three year US dollar term loan facility for the amount of US$3,000 million dated 18 February 2011 entered into between HITL as borrower, a syndicate of lenders and DBS Bank Ltd., Deutsche Bank AG, Singapore Branch and Goldman Sachs (Asia) L.L.C. as mandated lead arrangers.
No Material Differences Statement	:	The statement that there are no material differences between HKFRS and IFRS and that no material adjustments are required to restate these combined financial statements in accordance with IFRS
Non-Compete Agreement	:	The non-compete agreement dated 28 February 2011 entered into between the Trustee-Manager and the Sponsor
Offering	:	Based on the Offering Price Range, the offering of 3,619,290,000 to 3,899,510,000 Units by the Trustee-Manager for subscription at the Offering Price under the Placement and the Public Offer, subject to the Over-Allotment Option
Offering Price	:	The subscription price of each Unit under the Offering, currently expected to be between US$0.91 and US$1.08
Offering Price Range	:	US$0.91 to US$1.08 per Unit
Ordinary Resolution	:	A resolution proposed and passed as such by a majority, being more than 50%, of the total number of votes cast for and against such resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed

Over-Allotment Option	:	An option to be granted by the Sponsor to the Stabilising Manager to acquire from the Sponsor up to an aggregate of 539,951,000 Units at the Offering Price, solely to cover the over-allotment of Units (if any)
Partial Acquisition Amount	:	The amount of the consideration for the Acquisition that will be paid using the proceeds from the Offering and the issue of the Cornerstone Units
Participating Banks	:	DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited
Pearl River Delta	:	The Trust Territory
Performance Fee	:	The performance fee payable to the Trustee-Manager
Placement	:	The international placement of Units to investors, including institutional and other investors in Singapore (which includes the Preferential Offer and the Public Offer without listing in Japan)
Portfolio Ancillary Services	:	APS, Hutchison Logistics and SHICD
Portfolio Container Terminals	:	HIT, COSCO-HIT and Yantian
POWL Coordinators	:	Daiwa Securities Capital Markets Co. Ltd. and Mizuho Securities Co., Ltd.
PRC or China	:	People's Republic of China, but for the purposes of this document only, except where the context requires, references in this document to the PRC or China exclude Hong Kong, Macau and Taiwan
PRC Government	:	The government of the PRC
Preferential Offer	:	The preferential offer to the qualifying shareholders of HWL
Price Determination Date	:	14 March 2011 (or such other date as the Joint Bookrunners and the Trustee-Manager may agree)
Projection	:	The profit and cash flow projection of HPH Trust for the Projection Year 2012
Projection Year 2012	:	1 January 2012 to 31 December 2012
Promissory Notes	:	The promissory notes to be issued by HPH Trust HoldCo and its subsidiary to the Sponsor (or as it may direct) as consideration for the Acquisition in the aggregate principal amount equal to the Initial Consideration (subject to the IPO Adjustment)

Public Offer	:	The initial offering by the Trustee-Manager to the public in Singapore of the Units
QIBs	:	Qualified institutional buyers as defined in Rule 144A
Recognised Stock Exchange	:	Any stock exchange of repute in any part of the world
Redevelopment Potential Agreement	:	The redevelopment potential agreement dated 28 February 2011 entered into between HPH, the Trustee-Manager and HPH Trust HoldCo in relation to any future redevelopment opportunities that may arise out of the land on which the HPH Trust Business Portfolio are situated, as the same may be amended from time to time;
Registered Business Trust	:	A business trust registered with the MAS
Regulation S	:	Regulation S under the US Securities Act
Related corporation	:	Has the meaning ascribed to it in the Companies Act
Related entity	:	Has the meaning ascribed to it in the SF BT Regulations
RMB or Renminbi	:	The lawful currency of the PRC
Reporting Auditor	:	PricewaterhouseCoopers LLP
Restructuring	:	The restructuring implemented by the Sponsor to establish HPH Trust and the ownership structure of the HPH Trust Business Portfolio
River Ports	:	Jiangmen Terminal, Nanhai Terminal and Zhuhai Jiuzhou Terminal
River Ports Economic Benefits	:	All of the economic interest and benefits of the Sponsor Group attributable to the business of the River Ports, including all dividends and any other distributions or other monies payable to any member of the Sponsor Group (excluding the HPH Trust Group) 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 the businesses, assets, rights and/or liabilities that constitute any part of the business of the River Ports as agreed with the Sponsor Group (excluding the HPH Trust Group)
ROFR Agreement	:	The right of first refusal agreement dated 28 February 2011 entered into between the Trustee-Manager and the Sponsor
Rule 144A	:	Rule 144A under the US Securities Act
S$ or Singapore dollars and cents	:	Singapore dollars and cents, the lawful currency of the Republic of Singapore

SAFE	:	State Administration of Foreign Exchange
Sale and Purchase Agreement	:	The sale and purchase agreement dated 28 February 2011 entered into between the Sponsor and HPH Trust HoldCo relating to the sale and purchase of the entire issued share capital of each of the Holding Companies and the River Ports Economic Benefits and the assignment of certain related party and shareholders' loans
SAT	:	The PRC State Administration of Taxation
SCT	:	Shekou Container Terminal
SEC	:	United States Securities and Exchange Commission
Securities Account	:	Securities account or sub-account maintained by a Depositor (as defined in Section 130A of the Companies Act) with CDP
Services Agreement	:	The services agreement dated 28 February 2011 entered into between HITL and the Sponsor pursuant to which HPH appointed HITL to provide or procure the provision by its subsidiaries of certain administrative support services to HPH as and when reasonably requested by HPH and agreed between HITL and HPH from time to time
Settlement Date	:	The date and time on which the Units are issued as settlement under the Offering
SFA or Securities and Futures Act	:	Securities and Futures Act, Chapter 289 of Singapore
SF BT Regulations	:	Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005
SFC	:	Hong Kong Securities and Futures Commission
SGX-ST	:	Singapore Exchange Securities Trading Limited
SHICD	:	Shenzhen Hutchison Inland Container Depots Co. Limited
SHWLL	:	Shenzhen Hutchison Whampoa Logistics Limited
Singapore Offer Agreement	:	The offer agreement dated 7 March 2011, entered into between the Trustee-Manager, the Sponsor and the Singapore Underwriters
Singapore Underwriters	:	Certain of the Joint Bookrunners and Co-Lead Managers, in respect of the Public Offer, namely, DBS Bank Ltd., Deutsche Bank AG, Singapore Branch, Goldman Sachs (Singapore) Pte., Barclays Bank PLC, Singapore Branch, Daiwa Capital Markets Singapore Limited, J.P. Morgan (S.E.A.) Limited, Morgan Stanley Asia (Singapore) Pte. and UBS AG, Singapore Branch

Sponsor or HPH	:	Hutchison Port Holdings Limited
Sponsor Group or HPH Group	:	The Sponsor and its subsidiaries, jointly controlled entities and associated companies
SPV	:	Special purpose vehicle
sq ft	:	Square feet
square metres	:	Square metres
Stabilising Manager	:	Deutsche Bank AG, Singapore Branch
Subsidiary	:	Has the meaning ascribed to it in the Companies Act
Substantial Unitholder	:	Any Unitholder with an interest in Units constituting not less than 5.0% of all Units in issue
SYWPT	:	Shenzhen Yantian West Port Terminals Ltd (深圳盐田西港区码头有限公司)
Trust Deed	:	The trust deed dated 25 February 2011 constituting HPH Trust
Trust Property	:	All property and rights of any kind whatsoever that are held on trust for the Unitholders, in accordance with the terms of the Trust Deed, including: (i) contributions of money or any other assets to HPH Trust; (ii) property that forms part of the assets of HPH Trust under the provisions of the BTA; (iii) property arising in relation to any contract, agreement or arrangement entered into by or on behalf of the Trustee-Manager; (iv) property arising in relation to any claims or rights held by or on behalf of the Trustee-Manager; (v) proceeds from money borrowed or raised by the Trustee-Manager for the purposes of HPH Trust; (vi) property acquired, directly or indirectly, with the contributions or money referred to in paragraph (i), (ii), (iii), (iv) or (v) or with the proceeds thereof; and (vii) profits, income and property derived, directly or indirectly, from contributions, money or property referred to in paragraph (i), (ii), (iii), (iv) or (v).

Trustee-Manager	:	Hutchison Port Holdings Management Pte. Limited, as the trustee-manager of HPH Trust
Unclaimed Monies Account	:	A special account where any monies payable to Unitholders that remain unclaimed after a period of 12 months will be accumulated, and from which the Trustee-Manager may, from time to time, make payments to Unitholders claiming any such monies
Underwriters	:	The Joint Bookrunners and the Co-Lead Managers
Underwriting Agreements	:	The International Purchase Agreement and the Singapore Offer Agreement
Underwriting, Selling and Management Commission	:	The underwriting, selling and management commission payable to the Joint Bookrunners and the Underwriters, respectively, for their services in connection with the Offering
Unit	:	An undivided interest in HPH Trust
United States or US	:	United States of America, its territories and possessions and any state of the United States and the District of Columbia
Unitholder(s)	:	The registered holder for the time being of a Unit including persons so registered as joint holders, except that where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the depositor whose Securities Account with CDP is credited with Units
Unit Issue Mandate	:	The authority deemed to be given by Unitholders to the Trustee-Manager, pursuant to Section 36 of the BTA, to: (a) issue Units whether by way of rights, bonus or otherwise; and/or (b) make or grant 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 and for such purposes and to such persons as the Trustee-Manager may, in its absolute discretion, deem fit
Unit Lending Agreement	:	The unit lending agreement expected to be entered into on or about the Price Determination Date between the Stabilising Manager and the Sponsor in relation to the Over-Allotment Option
Upfront Debt Transaction Costs	:	Certain upfront debt transaction costs incurred in connection with the New Debt Facility

Upstream Distribution	:	The distribution by HPH of Units upstream to its ultimate shareholders, as described in "Information Concerning the Units – Upstream Distribution of Units by HPH"
US$ or US dollar	:	US dollar, the lawful currency of the United States
US GAAP	:	The accounting principles generally accepted in the United States
US Securities Act	:	US Securities Act of 1933, as amended
Valuation Report	:	The valuation report issued by the Independent Valuer setting out its opinion as to the valuation range of the Portfolio Container Terminals
VAT	:	Value-Added Tax
West Port	:	West Port Phase I and West Port Phase II
West Port Phase I	:	Shenzhen Yantian West Port Terminals Phase I
West Port Phase II	:	Shenzhen Yantian West Port Terminals Phase II
Yantian	:	Yantian International Container Terminals, which comprises Yantian Phases I & II, Yantian Phase III, Yantian Phase III Expansion, West Port Phase I and West Port Phase II
Yantian Phase III	:	Yantian International Container Terminals Phase III
Yantian Phase III Expansion	:	Yantian International Container Terminals Phase III expansion project
Yantian Phases I & II	:	Yantian International Container Terminals Phases I and II
YICT	:	Yantian International Container Terminals Ltd. (盐田国际集装箱码头有限公司)
YICTP3	:	Yantian International Container Terminals (Phase III) Ltd. (盐田三期国际集装箱码头有限公司)
YPG	:	Shenzhen Yantian Port Group Company Limited (深圳市盐田港集团有限公司)
YPH	:	Shenzhen Yantian Port Holdings Co., Ltd. (深圳市盐田港股份有限公司)
Zhuhai Jiuzhou Terminal	:	Zhuhai International Container Terminals (Jiuzhou)

Words importing the singular include, where applicable, the plural and vice versa. Words importing the masculine gender include, where applicable, the feminine and neuter genders. References to persons include corporations.

Any reference in this document to any enactment is a reference to that enactment for the time being amended or re-acted.

Any reference to a time of day in this document is made by reference to Singapore time unless otherwise stated.

The exchange rates used in this document are for reference only. No representation is made that any Hong Kong dollar or Renminbi amounts were, could have been, will be or could be converted into Singapore dollar amounts at any of the exchange rates used in this document, at any other rate or at all.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding.

Information contained in the Trustee-Manager's website and the Sponsor's website does not constitute part of this document.

APPENDIX A

REPORTING AUDITOR'S REPORT ON EXAMINATION OF THE UNAUDITED PRO FORMA FINANCIAL STATEMENTS OF HUTCHISON PORT HOLDINGS TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

The Board of Directors
Hutchison Port Holdings Management Pte. Limited
(in its capacity as Trustee-Manager of Hutchison Port Holdings Trust)
50 Raffles Place
#30-01 Singapore Land Tower
Singapore 048623

28 February 2011

Dear Sirs

This report has been prepared for inclusion in the prospectus (the "**Prospectus**") of Hutchison Port Holdings Trust in connection with the invitation in respect of the initial public offering of units and listing on the Singapore Exchange Securities Trading Limited.

We report on the unaudited pro forma financial statements (the "**Pro Forma Financial Statements**") of Hutchison Port Holdings Trust and its subsidiaries (collectively referred to as the "Group") set out on pages A-3 to A-55 of the Prospectus, which have been prepared for illustrative purposes only, in accordance with the provision set out in the Securities and Futures (Offers of Investment) (Business Trust) (No. 2) Regulation 2005 and are based on certain assumptions after making adjustments to show what:-

(i) the financial results of the Group for the year ended 31 December 2010 would have been if the restructuring, new debt facility, acquisitions and disposal of equity interests in subsidiary companies and settlement of loans from non-controlling interests, and dividends payment as described in Note 2 to the Pro Forma Financial Statements (the "**Significant Events**") had occurred at 1 January 2010;

(ii) the financial position of the Group as at 31 December 2010 would have been if the Significant Events had occurred at 31 December 2010; and

(iii) the cash flows of the Group for the year ended 31 December 2010 would have been if the Significant Events had occurred at 1 January 2010.

The Pro Forma Financial Statements of the Group, because of their nature, may not give a true picture of the Group's actual financial results, financial position and cash flows.

The Pro Forma Financial Statements are the responsibility of the directors of Hutchison Port Holdings Management Pte. Limited in its capacity as Trustee-Manager of Hutchison Port Holdings Trust. Our responsibility is to express an opinion on the Pro Forma Financial Statements based on our work.

We carried out procedures in accordance with Singapore Statement of Auditing Practice 24 "Auditors and Public Offering Documents". Our work, which involved no independent examination of the underlying financial statements, consisted primarily of comparing the Pro Forma Financial Statements to the Group's financial statements (or where statements is not available in the financial statements of these entities, to accounting records), considering the evidence supporting the adjustments and discussing the Pro Forma Financial Statements with the management of the Group.

In our opinion:

(a) the Pro Forma Financial Statements have been properly prepared:

    (i) in a manner consistent with the accounting policies adopted by the Group;

    (ii) on the basis set out in Notes 3 to 5 to the Pro Forma Financial Statements of the Group;

(b) each material adjustment made to the information used in the preparation of the Pro Forma Financial Statements is appropriate for the purpose of preparing such Pro Forma Financial Statements.

Yours faithfully,

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants
Singapore

Partner-in-charge: Soh Kok Leong

HUTCHISON PORT HOLDINGS TRUST AND ITS SUBSIDIARIES
PRO FORMA INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	HK$'000
Revenue and other income	7	11,408,009
Cost of services rendered		(3,691,461)
Staff costs		(280,027)
Depreciation and amortisation		(2,772,256)
Other operating income		132,816
Other operating expenses		(722,997)
Total operating expenses		(7,333,925)
Operating profit	8	4,074,084
Interest and other finance costs	9	(648,516)
Share of profits less losses after tax of associated companies	16	17,827
Share of profits less losses after tax of jointly controlled entities	17	148,805
Profit before tax		3,592,200
Tax	10	(253,125)
Profit for the year		3,339,075
Allocated as: Profit attributable to non-controlling interests		(1,208,192)
Profit attributable to unitholders of HPH Trust		2,130,883
Earnings per unit attributable to unitholders of HPH Trust	11	HK$0.245

HUTCHISON PORT HOLDINGS TRUST AND ITS SUBSIDIARIES
PRO FORMA STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

		HK$'000
Profit for the year		3,339,075
Other comprehensive income:		
Available-for-sale investments		
Valuation gains taken to reserves		1,013
Currency translation differences		52,181
Actuarial gains of defined benefit plans		32,280
Others		67
Total comprehensive income for the year		3,424,616
Allocated as:	Attributable to non-controlling interests	(1,229,158)
	Attributable to unitholders of HPH Trust	2,195,458

HUTCHISON PORT HOLDINGS TRUST AND ITS SUBSIDIARIES
PRO FORMA STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2010

	Note	HK$'000
ASSETS		
Non-current assets		
Fixed assets	12	27,062,558
Projects under development	13	944,179
Leasehold land and land use rights	14	50,348,892
Railway usage rights	15	16,159
Intangible assets	19	8,563,430
Associated companies	16	116,316
Jointly controlled entities	17	2,833,871
Available-for-sale investments	18	806,579
Goodwill	19	45,869,284
		136,561,268
Current assets		
Cash and cash equivalents	21	4,571,274
Trade and other receivables	22	2,576,155
Tax recoverable		2,875
Inventories		140,890
		7,291,194
Current liabilities		
Trade and other payables	23	8,221,883
Bank loans	24	2,774,680
Current tax liabilities		265,731
		11,262,294
Net current liabilities		(3,971,100)
Total assets less current liabilities		132,590,168
Non-current liabilities		
Bank loans	24	26,125,856
Pension obligations	25	112,772
Deferred tax liabilities	20	13,545,986
		39,784,614
Net assets		92,805,554
UNITHOLDERS' FUNDS		
Units in issue	26	73,184,966
Non-controlling interests		19,620,588
Total unitholders' funds		92,805,554

HUTCHISON PORT HOLDINGS TRUST AND ITS SUBSIDIARIES
PRO FORMA STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	HK$'000
Operating activities		
Cash generated from operations	27	6,915,757
Interest and other finance costs paid		(410,984)
Tax paid		(507,612)
Net cash from operating activities		5,997,161
Investing activities		
Payment for acquisition of HPH Trust Business Portfolio	19(b)	(64,452,728)
Purchase of fixed assets, additions to projects under development and leasehold land and land use rights		(959,676)
Proceeds on disposal of fixed assets and leasehold land and land use rights		30,234
Proceed on redemption of available-for-sale investments		935,555
Proceeds on liquidation of an associated company		5
Dividends received from available-for-sale investments		73,098
Dividends received from associated companies and jointly controlled entities		197,028
Interest received		125,408
Net cash used in investing activities		(64,051,076)
Financing activities		
Issuance of units		45,374,674
Drawdown of bank loans		22,992,855
Drawdown of loans from non-controlling interests		246,880
Repayment of bank loans		(5,002,330)
Repayment of loan from a former holding company		(4,692)
Facilities fee of bank loans		(13,914)
Dividends paid to a former holding company		(30,000)
Dividends paid to non-controlling interests		(908,476)
Net cash from financing activities		62,654,997
Net change in cash and cash equivalents		4,601,082
Effects on pro forma adjustments arising from the different basis of preparation of the pro forma statement of financial position and income statement		(29,808)
Cash and cash equivalents at 31 December		4,571,274

HUTCHISON PORT HOLDINGS TRUST AND ITS SUBSIDIARIES
NOTES TO THE PRO FORMA FINANCIAL STATEMENTS

1 INTRODUCTION

The unaudited pro forma financial statements of Hutchison Port Holdings Trust ("**HPH Trust**") and its subsidiaries (collectively the "**Group**"), which comprise the pro forma statement of financial position of the Group as at 31 December 2010, and the pro forma income statement, the pro forma statement of comprehensive income and the pro forma statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (the "**Pro Forma Financial Statements**"). The Pro Forma Financial Statements have been prepared for inclusion in the prospectus to be issued in connection with the proposed listing (the "**Listing**") of HPH Trust on the Singapore Exchange Securities Trading Limited (the "**Prospectus**").

HPH Trust is a business trust constituted by a trust deed dated 25 February 2011 and registered with the Monetary Authority of Singapore. HPH Trust is principally regulated by the Business Trusts Act and Securities and Futures Act. 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 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

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 the People's Republic of China ("**PRC**"), 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, feedering, freight-forwarding, supply chain management, warehousing and distribution services.

HPH Trust's initial portfolio ("**HPH Trust Business Portfolio**") will comprise:

- 100% interest in Hongkong International Terminals Limited ("**HITL**"), the owner and operator of Terminals 4, 6, 7 and two berths in Terminal 9 at Kwai Tsing, Hong Kong;
- 50% interest in COSCO-HIT Terminals (Hong Kong) Limited, the owner and operator of Terminal 8 East at Kwai Tsing, Hong Kong;
- 56.41% interest in Yantian International Container Terminals Limited, the operator of Yantian International Container Terminals Phases I and II at Yantian district, Shenzhen, in the Guangdong Province of the PRC;
- 51.64% interest in Yantian International Container Terminals (Phase III) Limited, the operator of Yantian International Container Terminals Phase III and its expansion project, which is being developed;
- 51.64% interest in Shenzhen Yantian West Port Terminals Limited, the operator of Shenzhen Yantian West Port Terminals Phase I and Shenzhen Yantian West Port Terminals Phase II which is being developed;

(collectively the "**Portfolio Container Terminals**")

1 INTRODUCTION (CONT'D)

- 100% interest in Asia Port Services Limited, which is mainly engaged in providing port ancillary services including mid-stream services (which are vessel-handling services in the harbour involving the lifting and discharging of containers from barge alongside the vessel);

- 77.7% interest in Shenzhen Hutchison Inland Container Depots Co., Limited, which operates the inland container depot and warehouse in Shenzhen, PRC; and

- 100% interest in HPH E. Commerce Limited, which provides logistic services; and

(collectively the "**Portfolio Ancillary Services**")

- the economic benefits in the river ports in Nanhai, Jiangmen and Jiuzhou in Zhuhai, the PRC (together the "**River Ports**"), which serve predominantly as feeder ports to the deep-water facilities referred to above and hence are complementary to the operation of these deep-water ports.

(the "**River Ports Economic Benefits**")

2 SIGNIFICANT EVENTS

(a) Restructuring exercise

Overview

In preparation for the Listing of the units of HPH Trust, a restructuring exercise (the "**Restructuring**") is being implemented by Hutchison Port Holdings Limited (the "**Sponsor**") to establish HPH Trust and the ownership structure of the HPH Trust Business Portfolio. The Restructuring is being implemented in the manner described below.

Details of the Restructuring

On 28 February 2011, the Sponsor and HPHT Limited ("**HPH Trust HoldCo**"), a wholly-owned subsidiary of HPH Trust, entered into the Sale and Purchase Agreement pursuant to which:

(i) the Sponsor agreed to sell, or procure the sale of, and HPH Trust HoldCo agreed to acquire, the entire issued share capital of Giantfield Resources Limited, Patton Profits Limited, More Choice Resources Limited, Hutchison Shenzhen East Investments Limited, Orient-Triumph Investments Limited, Global Voyage Limited and Hutchison E. Commerce Limited (collectively the "**Holding Companies**") and the River Ports Economic Benefits. The Holding Companies together indirectly own the interests in the operators of Portfolio Container Terminals and the Portfolio Ancillary Services; and

2 SIGNIFICANT EVENTS (CONT'D)

(a) Restructuring exercise (cont'd)

Details of the Restructuring (cont'd)

(ii) the Sponsor agreed to assign, or procure the assignment of, and HPH Trust HoldCo agreed to accept, or procure the acceptance of the assignment of, certain related party and shareholders' loans in the aggregate principal amount of HK$24,125,365,000 together with the accrued interest thereon.

The consideration for the acquisition and the loan assignments was HK$102,878,707,000 (the "**Initial Consideration**") and is subject to an adjustment calculated in the manner described below (the "**IPO Adjustment**"). The purpose of the IPO Adjustment is to ensure that the consideration for the acquisition of the Holding Companies and the River Ports Economic Benefits and the loan assignments reflect the value of the underlying assets of HPH Trust implied by the final Offering Price. The Initial Consideration was determined based on the estimated fair value of the HPH Trust Business Portfolio as at 25 February 2011.

The Initial Consideration will be satisfied on completion of the acquisition and the loan assignments by the issue of promissory notes by HPH Trust HoldCo and one of its subsidiaries to the Sponsor (or as it may direct) with an aggregate principal amount equal to the Initial Consideration (the "**Promissory Notes**").

The IPO Adjustment will be calculated as follows:

$$\text{IPO Adjustment} = A - B$$

where:

(1) "A" is the enterprise value of HPH Trust as at the date of the Listing ("**Listing Date**"), being the aggregate of:

(i) the value of the outstanding units as at the Listing Date based on the subscription price of each unit under the offering ("**Offering Price**");

(ii) the amount of the outstanding debt financing that is attributable to HPH Trust as at the Listing Date; and

(iii) the principal amount of the new debt facility of US$3,000,000,000 (equivalent to HK$23,343,000,000) ("**New Debt Facility**") to be drawn down by HITL on or after the Listing Date;

less

(iv) the amount of the outstanding debt financing to be repaid by HITL from the proceeds of the New Debt Facility on or after the Listing Date;

(v) upfront debt transaction costs; and

2 SIGNIFICANT EVENTS (CONT'D)

(a) Restructuring exercise (cont'd)

Details of the Restructuring (cont'd)

(2) "B" is the enterprise value of HPH Trust prior to the Listing Date, being the aggregate of:

(i) the Initial Consideration of HK$102,878,707,000; and

(ii) the amount of the outstanding debt financing which is attributable to HPH Trust prior to the Listing Date. The outstanding debt financing that is attributable to HPH Trust prior to the Listing Date includes HK$117,810,000 from Shenzhen Hutchison Inland Container Depots Co., Limited, HK$3,003,483,000 from Yantian International Container Terminals Limited and Yantian International Container Terminals (Phase III) Limited and HK$3,000,000,000 from HITL, totalling HK$6,121,293,000.

For the purpose of calculating the IPO Adjustment, any amount in US dollars shall be converted into Hong Kong dollars at the US dollar to Hong Kong dollar exchange rate agreed between the parties.

Where the amount of the IPO Adjustment is a positive figure, the amount of the IPO Adjustment will be payable by HPH Trust HoldCo to the Sponsor on the Listing Date and will be effected by increasing the aggregate principal amount of the Promissory Notes.

Where the amount of the IPO Adjustment is a negative figure, the amount of the IPO Adjustment will be payable by the Sponsor to HPH Trust HoldCo on the Listing Date and will be effected by setting off the amount of the IPO Adjustment against the aggregate principal amount of the Promissory Notes.

The Promissory Notes will be settled as follows:

(1) by the issue of an aggregate of 3,309,377,999 units of HPH Trust at the Offering Price to the Sponsor (or as it may direct) (the "**Consideration Units**") on the Listing Date; and

(2) by the payment of cash to the Sponsor (or as it may direct), a portion of which will be paid on the Listing Date using the net proceeds from the offering and the issue of the cornerstone units and the balance being paid on or before the fifth Business Day following the Listing Date (the "**Final Payment Date**") using the proceeds from the New Debt Facility.

2 SIGNIFICANT EVENTS (CONT'D)

(a) Restructuring exercise (cont'd)

Details of the Restructuring (cont'd)

The Promissory Notes do not bear any interest, provided that in the event the proceeds from the New Debt Facility are not available on or before the Final Payment Date, the outstanding principal amount of the Promissory Notes will bear interest from the Final Payment Date until the date of payment of such outstanding principal amount at the rate of interest up to that charged to HITL for the New Debt Facility and HPH Trust shall provide such security as the Sponsor may require up to that required under the New Debt Facility. Such security, if required by the Sponsor to be provided by HPH Trust, may consist of the same security provided by HITL under the terms of the New Debt Facility, that is, the borrower's obligations under the New Debt Facility are secured by a first priority charge over all of the shares in HITL, a first priority fixed and floating charge over certain assets of the HITL and guaranteed by HPH Trust HoldCo and the Trustee-Manager. HPH Trust HoldCo has undertaken to the Sponsor to use its best endeavours to procure the drawdown of the New Debt Facility or to obtain alternative sources of financing and to pay the outstanding principal amount and accrued interest of the Promissory Notes.

The Sale and Purchase Agreement further provides that if the Listing Date does not occur on or before 31 December 2011, the parties to such agreement shall rescind the sale and purchase of the shares in the Holding Companies and the River Ports Economic Benefits and the loan assignments. HPH Trust HoldCo will then transfer such shares and economic benefits back to the Sponsor (or as it may direct) and assign or procure the assignment of the loans back to the Sponsor (or as it may direct) and will cancel or procure the cancellation of the Promissory Notes.

(b) New Debt Facility

HITL entered into a three-year US dollar term loan facility for the amount of US$3,000,000,000 (equivalent to HK$23,343,000,000) on 18 February 2011 with a syndicate of lenders. The borrower's obligations under the New Debt Facility are secured by a first priority charge over all of the shares in HITL, a first priority fixed and floating charge over certain assets of the HITL and guaranteed by HPH Trust HoldCo and the Trustee-Manager. The interest margin of the New Debt Facility is 1.2% per annum and the interest rate is the interest margin plus London Interbank Offered Rate.

(c) Acquisitions and disposal of equity interests in certain subsidiary companies and settlement of loans from non-controlling interests

In January and February 2011, the Historical Portfolio Business acquired equity interests in certain subsidiary companies from non-controlling interests and settled the loans from respective non-controlling interests.

2 SIGNIFICANT EVENTS (CONT'D)

(c) Acquisitions and disposal of equity interests in certain subsidiary companies and settlement of loans from non-controlling interests (cont'd)

In February 2011, the Historical Portfolio Business disposed of certain equity interest in a subsidiary company to a non-controlling interest.

These transactions resulted in a net cash payable of HK$8,517,863,000.

(d) Dividends payment

Dividends, net of withholding tax, of HK$9,481,386,000 were paid or will be declared and paid to shareholders of the Holding Companies and non-controlling interests prior to the Listing Date.

3 BASIS OF PRESENTATION AND COMPILATION OF THE PRO FORMA FINANCIAL STATEMENTS

(a) The Pro Forma Financial Statements have been prepared for illustrative purposes only and are based on certain assumptions after making certain adjustments to show what:

(i) the financial results of the Group for the year ended 31 December 2010 would have been if the Restructuring, New Debt Facility, acquisitions and disposal of equity interests in subsidiary companies and settlement of loan from non-controlling interests, and dividends payment as described in note 2 to the Pro Forma Financial Statements (the "**Significant Events**") had occurred at 1 January 2010;

(ii) the financial position of the Group as at 31 December 2010 would have been if the Significant Events had occurred at 31 December 2010; and

(iii) the cash flows of the Group for the year ended 31 December 2010 would have been if the Significant Events had occurred at 1 January 2010.

The Pro Forma Financial Statements of the Group, because of their nature, may not give a true picture of the Group's actual financial results, financial position and cash flows.

(b) The Pro Forma Financial Statements for the year ended 31 December 2010 have been compiled based on the combined financial statements of the business comprising the deep-water container ports in Hong Kong and Guangdong province and port ancillary services (the "**Combined Financial Statements**") for the year ended 31 December 2010 which were prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") and audited by PricewaterhouseCoopers, Certified Public Accountants, in accordance with International Standards on Auditing. There is no material difference between HKFRS and International Financial Reporting Standards ("**IFRS**") in relation to the preparation of the Pro Forma Financial Statements. The independent auditor's report on the Combined Financial Statements does not contain any qualification.

3 BASIS OF PRESENTATION AND COMPILATION OF THE PRO FORMA FINANCIAL STATEMENTS (CONT'D)

(c) In arriving at the Pro Forma Financial Statements, certain adjustments and assumptions, as set out in notes 3(d) and 4, have been made. The Pro Forma Financial Statements have been compiled from the Combined Financial Statements stated in note 3(b) and are based on accounting policies adopted by the Group.

(d) The following key adjustments and assumptions were made for the preparation of the Pro Forma Financial Statements:

(i) 5,399,510,000 units are assumed to be issued at the Offering Price of US$1.08 (equivalent to HK$8.40) per unit. Proceeds from the offering and the issue of cornerstone units are assumed to be HK$45,374,674,000 (based on the maximum offering price). The Sponsor has agreed to pay all equity issue expenses;

(ii) New Debt Facility net of upfront debt transaction costs amounting to HK$22,992,855,000, which shall be drawn down on or after the Listing Date, is assumed to be drawn down at 1 January 2010 for the purpose of pro forma income statement and pro forma statement of cash flows or at 31 December 2010 for the purpose of pro forma statement of financial position. The interest expense is based on an effective interest rate of approximately 2.5% per annum. The interest shall be payable quarterly in arrears. The proceeds of the New Debt Facility shall be used to refinance the bank loan of HK$3,000,000,000 and to settle the Promissory Notes;

(iii) In January and February 2011, the Sponsor acquired equity interests in certain subsidiary companies of the Holding Companies from non-controlling interests. These acquisitions, together with any loan assignments, are assumed to be occurred immediately prior to the acquisitions as set out in note 3(d)(v) below;

(iv) In February 2011, the Sponsor disposed of certain equity interest in a subsidiary company to a non-controlling interest. The disposal is assumed to be occurred immediately prior to the acquisitions as set out in note 3(d)(v) below;

(v) The acquisitions of the Holding Companies and the River Ports Economic Benefits and the loan assignments are assumed to be occurred at 1 January 2010 for the purpose of pro forma income statement and pro forma statement of cash flows or at 31 December 2010 for the purpose of pro forma statement of financial position. The Promissory Notes issued for the settlement of the Initial Consideration, after setting off the IPO Adjustment of HK$9,700,886,000, shall be settled by the issue of 3,309,377,999 Consideration Units (based on the maximum offering price) and payment of cash of HK$65,367,529,000 to the Sponsor, which is funded by the proceeds from the offering, the issue of cornerstone units and the New Debt Facility;

3 BASIS OF PRESENTATION AND COMPILATION OF THE PRO FORMA FINANCIAL STATEMENTS (CONT'D)

(d) (cont'd)

(vi) In accounting for the acquisition of the Holding Companies and the River Ports Economic Benefits, identifiable assets acquired and liabilities and contingent liabilities assumed in the acquisitions are measured at their fair values, which are based on their fair values as at 25 February 2011. The Group recognises any non-controlling interests at the non-controlling interest's proportionate share of the identifiable net assets. The excess of the Initial Consideration and the amount of any non-controlling interests in the Holding Companies and the River Ports Economic Benefits over the fair values of the identifiable net assets acquired is recorded as goodwill;

(vii) Dividends, net of withholding tax, of HK$9,481,386,000 paid or to be declared and paid to shareholders of the Holding Companies and non-controlling interests in 2011 prior to the Listing Date are adjusted to reflect the cash position of the Group after payment of such dividends;

(viii) Available-for-sale investments of HK$2,917,989,000 are assumed to be distributed in specie to shareholders of the Holding Companies prior to the completion of the acquisitions as set out in note 3(d)(v);

(ix) Trustee-Manager's fee is assumed to be charged at the base fee of US$2,500,000 (equivalent to HK$19,452,500) per annum and no performance and other fees are payable. Reimbursement of HPH Trust's expenses is assumed to be US$500,000 (equivalent to HK$3,890,500);

(x) Global Support Services fees are assumed to be charged at US$15,000,000 (equivalent to HK$116,715,000) per annum in respect of administration services, licence on certain intellectual property rights and IT services provided by the Sponsor and its subsidiary companies;

(xi) IT support and maintenance services is assumed to be charged at US$3,000,000 (equivalent to HK$23,343,000) per annum in respect of the support and maintenance of IT systems provided by the Sponsor and its subsidiary companies;

(xii) Services fee is assumed to be charged at HK$30,000,000 per annum in respect of the share of office premises, facilities, utilities, maintenance and other infrastructural costs and non-executive or non-management support services provided to the Sponsor and its subsidiary companies; and

(xiii) Management fees and other service fees of HK$221,658,000 paid to and HK$21,353,000 received from the Sponsor and its subsidiary companies in respect of the services previously provided to the Historical Portfolio Business are eliminated.

4 STATEMENT OF ADJUSTMENTS

(a) Pro forma income statement of the Group for the year ended 31 December 2010

The following adjustments have been made in arriving at the pro forma income statement of the Group for the year ended 31 December 2010:

	Per Combined Financial Statements	Pro forma adjustments							Pro forma income statement
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		Note (i)	Note (ii)	Note (iii)	Note (iv)	Note (v)	Note (vi)	Note (vii)	
Revenue and other income	11,561,999	–	(153,990)	–	–	–	–	–	11,408,009
Cost of services rendered	(3,691,461)	–	–	–	–	–	–	–	(3,691,461)
Staff costs	(280,027)	–	–	–	–	–	–	–	(280,027)
Depreciation and amortisation	(1,015,540)	–	–	–	–	–	–	(1,756,716)	(2,772,256)
Other operating income	61,912	–	–	–	70,904	–	–	–	132,816
Other operating expenses	(789,901)	–	–	66,904	–	–	–	–	(722,997)
Operating profit	5,846,982	–	(153,990)	66,904	70,904	–	–	(1,756,716)	4,074,084
Interest and other finance costs	(345,529)	–	278,254	–	–	–	(581,241)	–	(648,516)
Share of profits less losses after tax of associated companies	17,827	–	–	–	–	–	–	–	17,827
Share of profits less losses after tax of jointly controlled entities	197,441	–	–	–	–	–	–	(48,636)	148,805
Profit before tax	5,716,721	–	124,264	66,904	70,904	–	(581,241)	(1,805,352)	3,592,200
Tax	(619,386)	–	(45,912)	(27,044)	–	(17,417)	75,459	381,175	(253,125)
Profit for the year	5,097,335	–	78,352	39,860	70,904	(17,417)	(505,782)	(1,424,177)	3,339,075
Allocated as:									
Profit attributable to non-controlling interests	(2,108,821)	538,799	–	(4,932)	–	(11,034)	–	377,796	(1,208,192)
Profit attributable to unitholders of HPH Trust	2,988,514	538,799	78,352	34,928	70,904	(28,451)	(505,782)	(1,046,381)	2,130,883

4 STATEMENT OF ADJUSTMENTS (CONT'D)

(a) Pro forma income statement of the Group for the year ended 31 December 2010 (cont'd)

Notes:

(i) Being adjustments to effect the acquisitions of equity interests in certain subsidiary companies from non-controlling interests, as disclosed in note 3(d)(iii).

(ii) Being adjustments to effect the reversal of interest income from available-for-sale investments, interest and other finance costs on loans from group companies, related companies and non-controlling interests under loan assignments and interest on bank loans, as disclosed in notes 3(d)(ii), (v) and (viii).

(iii) Being adjustments to effect the Trustee-Manager fee payable to the Trustee-Manager, various services fees payable to or receivable from the Sponsor and its subsidiary companies and the reversal of management and other services fees previously paid to or received from the Sponsor and its subsidiary companies, as disclosed in notes 3(d)(ix) to (xiii).

(iv) Being adjustments to reflect the dividend income from the River Ports Economic Benefits, as disclosed in note 3(d)(v).

(v) Being adjustments to reflect the tax expense and profit attributable to non-controlling interests as a result of the disposal of certain equity interest in a subsidiary company, as disclosed in note 3(d)(iv).

(vi) Being adjustments to effect the interest expenses of HK$464,526,000 and other finance costs of HK$116,715,000 on the New Debt Facility drawdown, as disclosed in note 3(d)(ii).

(vii) Being adjustments to effect the depreciation and amortisation of fixed assets, project under development, leasehold land and land use right and intangible assets on the fair value adjustments arising from acquisition, as disclosed in note 3(d)(vi).

4 STATEMENT OF ADJUSTMENTS (CONT'D)

(b) Pro forma statement of financial position of the Group as at 31 December 2010

The following adjustments have been made in arriving at the pro forma statement of financial position of the Group as at 31 December 2010:

	Per Combined Financial Statements	Pro forma adjustments								Pro forma statement of financial position
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		Note (i)	Note (ii)	Note (iii)	Note (iv)	Note (v)	Note (vi)	Note (vii)	Note (viii)	
Non-current assets										
Fixed assets	16,591,878	–	–	–	–	10,470,680	–	–	–	27,062,558
Projects under development	944,823	–	–	–	–	(644)	–	–	–	944,179
Leasehold land and land use rights	11,529,254	–	–	–	–	38,819,638	–	–	–	50,348,892
Railway usage rights	16,159	–	–	–	–	–	–	–	–	16,159
Intangible assets	–	–	–	–	–	8,563,430	–	–	–	8,563,430
Associated companies	116,316	–	–	–	–	–	–	–	–	116,316
Jointly controlled entities	237,698	–	–	–	–	2,596,173	–	–	–	2,833,871
Available-for-sale investments	2,949,568	–	(2,917,989)	–	–	775,000	–	–	–	806,579
Goodwill	–	–	–	–	–	45,869,284	–	–	–	45,869,284
	32,385,696	–	(2,917,989)	–	–	107,093,561	–	–	–	136,561,268
Current assets										
Cash and cash equivalents	10,438,988	–	(6,054,089)	202,198	(15,823)	–	19,992,855	45,374,674	(65,367,529)	4,571,274
Trade and other receivables	3,527,985	–	(951,830)	–	–	–	–	–	–	2,576,155
Tax recoverable	2,875	–	–	–	–	–	–	–	–	2,875
Inventories	140,890	–	–	–	–	–	–	–	–	140,890
	14,110,738	–	(7,005,919)	202,198	(15,823)	–	19,992,855	45,374,674	(65,367,529)	7,291,194

4 STATEMENT OF ADJUSTMENTS (CONT'D)

(b) Pro forma statement of financial position of the Group as at 31 December 2010 (cont'd)

	Per Combined Financial Statements	Pro forma adjustments								Pro forma statement of financial position
	HK$'000	HK$'000 Note (i)	HK$'000 Note (ii)	HK$'000 Note (iii)	HK$'000 Note (iv)	HK$'000 Note (v)	HK$'000 Note (vi)	HK$'000 Note (vii)	HK$'000 Note (viii)	HK$'000
Current liabilities										
Trade and other payables	10,457,215	8,373,877	(392,641)	–	(10,216,568)	–	–	–	–	8,221,883
Loans from non-controlling interests	882,180	(882,180)	–	–	–	–	–	–	–	–
Bank loans	2,774,680	–	–	–	–	–	–	–	–	2,774,680
Current tax liabilities	248,314	–	–	17,417	–	–	–	–	–	265,731
Promissory notes	–	–	–	–	24,125,365	69,052,456	–	(27,810,292)	(65,367,529)	–
	14,362,389	7,491,697	(392,641)	17,417	13,908,797	69,052,456	–	(27,810,292)	(65,367,529)	11,262,294
Net current liabilities	(251,651)	(7,491,697)	(6,613,278)	184,781	(13,924,620)	(69,052,456)	19,992,855	73,184,966	–	(3,971,100)
Total assets less current liabilities	32,134,045	(7,491,697)	(9,531,267)	184,781	(13,924,620)	38,041,105	19,992,855	73,184,966	–	132,590,168
Non-current liabilities										
Loans from a fellow subsidiary	8,664,208	–	–	–	(8,664,208)	–	–	–	–	–
Loans from non-controlling interests	665,000	(665,000)	–	–	–	–	–	–	–	–
Loans from related companies	5,260,412	–	–	–	(5,260,412)	–	–	–	–	–
Bank loans	6,119,711	–	–	–	–	13,290	19,992,855	–	–	26,125,856
Pension obligations	112,772	–	–	–	–	–	–	–	–	112,772
Deferred tax liabilities	643,117	–	(49,881)	–	–	12,952,750	–	–	–	13,545,986
	21,465,220	(665,000)	(49,881)	–	(13,924,620)	12,966,040	19,992,855	–	–	39,784,614
Net assets attributable to unitholders	10,668,825	(6,826,697)	(9,481,386)	184,781	–	25,075,065	–	73,184,966	–	92,805,554

4 STATEMENT OF ADJUSTMENTS (CONT'D)

(b) Pro forma statement of financial position of the Group as at 31 December 2010 (cont'd)

Notes:

(i) Being adjustments to effect the acquisitions of equity interests in certain subsidiary companies from non-controlling interests and settlements of loans from non-controlling interests, as disclosed in note 3(d)(iii).

(ii) Being adjustments to effect the payment of dividends and distribution in specie of available-for-sale investments to the shareholders of the Holding Companies and non-controlling interests, as disclosed in notes 3(d)(vii) and (viii), and settlement of balances with non-controlling interests and a fellow subsidiary.

(iii) Being adjustments to reflect the disposal of certain equity interest in a subsidiary company to a non-controlling interest as disclosed in note 3(d)(iv).

(iv) Being adjustments to effect the loan assignments and the issue of Promissory Notes for the acquisition, as disclosed in note 3(d)(v).

(v) Being adjustments to effect the acquisitions of the Holding Companies and the River Ports Economic Benefits and the revaluation of assets and liabilities based on their fair values, as disclosed in notes 3(d)(v) and (vi).

(vi) Being adjustments to effect the drawdown of the New Debt Facility net of up-front debt transaction costs amounting to HK$22,992,855,000 and the settlement of bank loans of HK$3,000,000,000 as disclosed in note 3(d)(ii).

(vii) Being adjustments to effect the proceeds from the issuance of 5,399,510,000 units from the offering and the issue of cornerstone units, and the issuance of 3,309,377,999 Consideration Units for the partial settlement of the Promissory Notes, as disclosed in note 3(d)(i) and (v).

(viii) Being adjustments to settle the remaining Promissory Notes by cash, as disclosed in note 3(d)(v).

5 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Group, which are consistent to the significant accounting policies adopted in preparing the Combined Financial Statements except that the Group adopts acquisition method in accounting for the acquisitions as set out in note 3(d)(vi) above, are as follows:

The Pro Forma Financial Statements have been prepared in accordance with the basis set out in note 3 and are drawn up in accordance with HKFRS. The Pro Forma Financial Statements have been prepared under the historical cost convention except for certain financial instruments which are stated at fair values, as explained in the significant accounting policies set out below.

(a) Basis of consolidation

The Pro Forma Financial Statements include the financial statements of HPH Trust and its subsidiary companies for the year ended 31 December 2010, which include all its direct and indirect subsidiary companies and also incorporate the interest in associated companies and jointly controlled entities on the basis set out in notes 5(c) and 5(d) below. Results of subsidiary companies and associated companies and jointly controlled entities acquired or disposed of during the year are included as from their effective dates of acquisition to 31 December 2010 or up to the dates of disposal as the case may be. The acquisition of subsidiary companies is accounted for using the acquisition method.

5 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Subsidiary companies

A subsidiary is an entity in which the Group has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred 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.

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 pro forma income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Associated companies

An associate is an entity, other than a subsidiary company or a jointly controlled entity, in which the Group has a long-term equity interest and over which the Group is in a position to exercise significant influence over its management, include participation in the financial and operating policy decisions.

The results and assets and liabilities of associates are incorporated in the Pro Forma 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.

5 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Joint ventures

A joint venture is a contractual arrangement whereby the venturers undertake an economic activity which is subject to joint control and over which none of the participating parties has unilateral control.

Jointly controlled entities are joint ventures which involve the establishment of separate entities. The results and assets and liabilities of jointly controlled entities are incorporated in the Pro Forma 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 fifty years, or the remainder thereof, or over the remaining period of the lease of the underlying leasehold land and land use rights, whichever is less. The period of the lease includes the period for which a right of renewal is attached. Other assets comprised 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 terminal equipment	10 – 35 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 pro forma income statement.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each end of reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 5(s)).

5 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 the leasehold land and land use rights are presented on the face of the pro forma statement of financial position as leasehold land and land use rights and expensed in the pro forma income statement on a straight-line basis over the period of the lease/rights.

(h) Intangible assets

Intangible assets represent customer relationships, which are acquired in a business combination and are recognised at fair value at the acquisition date. The customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationships.

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary company, associated company or jointly controlled entity at the date of acquisition. Goodwill on acquisition of a foreign operation is treated as an asset of the foreign operation.

Goodwill arising on acquisition of subsidiary companies is retained at the carrying amount as an intangible asset. Goodwill arising on acquisition of associated companies and jointly controlled entities is included within investments in associated companies and jointly controlled entities respectively and is tested for impairment as part of overall balance. Separately recognised goodwill is subject to impairment review 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 in the pro forma income statement.

The profit or loss on disposal of subsidiary company, associated company or jointly controlled entity 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.

5 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(k) Deferred tax

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 Pro Forma 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.

(l) Investments

Investments (other than investments in subsidiary companies, associated companies or jointly controlled entities) are recognised and derecognised on the date the Group commits to purchase or sell the investments or when they expire. These investments are classified and accounted for as follows:

Available-for-sale investments

"Available-for-sale investments" are non-derivative financial assets that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. At the end of the reporting period subsequent to initial recognition, these financial assets are carried at fair value and changes in fair value are recognised in other comprehensive income and accumulated under the heading of revaluation reserve except for impairment losses which are charged to the pro forma income statement. Where these investments are interest bearing, interest calculated using the effective interest method is recognised in the pro forma income statement. Dividends from available-for-sale investments are recognised when the right to receive payment is established. When available-for-sale investments are sold, the cumulative fair value gains or losses previously recognised in revaluation reserve is removed from revaluation reserve and recognised in the pro forma income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of the reporting period subsequent to initial recognition, loans and receivables are carried at amortised cost using effective interest method less impairment. Interest calculated using the effective interest method is recognised in the pro forma income statement.

5 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) 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 pro forma income statement when there is objective evidence that the asset is impaired.

(n) 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.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits, and bank overdrafts.

(p) Borrowings and borrowing costs

The borrowings and debt instruments 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 and debt instruments 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 pro forma income statement in the period in which they are incurred.

(q) 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.

(r) 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.

5 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Asset impairment

Assets that have an indefinite useful life are tested for impairment annually. 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 profit or loss 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.

(t) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period.

(ii) Bonus plan

The expected cost of bonus payments are recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(iii) 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 profit or loss 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 reporting period based on high quality corporate bonds with currency and term similar to the estimated term of benefit obligations. All actuarial gains and losses are recognised in full, in the year in which they occur, in other comprehensive income.

The contributions to the defined contribution plans are charged to the pro forma income statement in the year incurred.

5 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Employee benefits (cont'd)

(iii) Pension plans (cont'd)

Pension costs are charged against the pro forma 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.

(u) Foreign exchange

(i) Functional and presentation currency

The Pro Forma Financial Statements are presented in Hong Kong dollar, which is the same as the functional currency of HPH Trust.

(ii) Transactions and balances

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 reporting period. Exchange differences are included in the determination of profit or loss.

(iii) Group companies

The results and financial position of all the group entities are translated into Hong Kong dollars using the year end rates of exchange for the pro forma statement of financial position items and the average rates of exchange for the year for the pro forma income statement items. Exchange difference are recognised in other comprehensive income and accumulated under the heading of exchange reserve. On disposal of the net investment in a foreign entity, such exchange gains and losses are transferred out of the exchange reserve and are recognised in the pro forma income statement. Exchange differences arising from translation of inter-company loan balances between the group entities are recognised in other comprehensive income and accumulated under the heading of exchange reserve when such loans from part of the Group's investment in a foreign entity. When such loans are repaid, the related exchange gains and losses are transferred out of the exchange reserve and are recognised in the pro forma income statement.

(v) Distribution

Distribution to unitholders is recorded as a liability on the date of declaration.

5 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Operating leases

Leases in which a significant portion of the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the pro forma income statement on a straight-line basis over the lease periods.

(x) Revenue recognition

Revenue is recognised:

(i) for ports and related services and transportation and logistics solutions, when the service is rendered;

(ii) for system development and support fees, when the service is rendered;

(iii) for management fee income, when the service is rendered;

(iv) for licence fee, on an accrual basis; and

(v) for dividend income, when the right to receive payment is established.

(y) Standards, amendments and interpretations which are not yet effective

The following standards, amendments and interpretation, which are relevant to the Group's operations, were in issue but not yet effective and have not been early adopted by the Group.

HKAS 32 Amendments[(1)]	Hong Kong Accounting Standard ("**HKAS**") 32 Financial Instruments: Presentation – Classification of Rights Issues
HK (IFRIC) – Int 19[(2)]	Extinguishing Financial Liabilities with Equity Instruments
HKAS 24 (Revised)[(3)]	Related Party Disclosures
HK(IFRIC) – Int 14 (Amendments)[(3)]	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
HKFRS 7 Amendments[(4)]	HKFRS 7 Disclosures – Transfer of Financial Assets
HKFRS 9[(5)]	Financial Instruments

(1) Effective for annual periods beginning 1 February 2010
(2) Effective for annual periods beginning 1 July 2010
(3) Effective for annual periods beginning 1 January 2011
(4) Effective for annual periods beginning 1 July 2011
(5) Effective for annual periods beginning 1 January 2013

The Group is in the process of assessing the impact of these new or revised standards, amendments and interpretations. The Group considers these new and revised HKFRS are unlikely to result in a substantial change to the Group's accounting policies and presentation of the financial statements.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Note 5 includes a summary of the significant accounting policies used in the preparation of the Pro Forma Financial Statements. The preparation of Pro Forma 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 Pro Forma 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 Pro Forma Financial Statements.

(a) Long lived assets

The Group has made substantial investments in tangible and intangible long-lived assets in its container terminal operating business. Changes in technology or changes in 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.

Assets that are subject to depreciation and 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 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 pro forma income statement.

Management judgement is 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; (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.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary company, associated company or jointly controlled entity at the date of acquisition. Goodwill is also subject to the annual impairment test described above.

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 budgets approved by management. There are a number of assumptions and estimates involved for the preparation of cash flow projections for the period covered by the approved budget. Key assumptions include the expected growth in revenues and gross margin, timing of future capital expenditures, growth rates and selection of discount rate, which approximately reflect the risks involved. Management prepared the financial budgets reflecting actual and prior year performance and market development expectations. Judgement is required to determine key assumptions adopted in the cash flow projections and changes to key assumptions can significantly affect these cash flow projections and therefore the results of the impairment tests.

(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 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 pro forma income statement.

Management judgement is 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; (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.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(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

Accrual of revenue was made with reference to the throughput handling and the terms of agreements of 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 the management. This estimate is based on the latest tariff and other industry consideration as appropriate. If the actual revenue differs from the estimated accrual, this will have an impact on revenue in future periods.

(f) Pension costs

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, Employee Benefits. Under this method, the cost of providing pensions is charged to pro forma 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 at the present value of the estimated future cash outflows using interest rates determined by reference to market yields at the end of reporting period based on high quality corporate bonds with currency and term similar to the estimated term of benefit obligations. All actuarial gains and losses are recognised in full, in the year in which they occur, in the pro forma statement of other comprehensive income.

Management appointed actuaries to carry out a full valuation of these pension plans to determine the pension obligations that are required to be disclosed and accounted for in the Pro Forma Financial Statements in accordance with the HKFRS requirements.

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. Judgement is 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.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(g) Tax

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 Pro Forma 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 judgement 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 pro forma income statement.

7 REVENUE AND OTHER INCOME AND SEGMENT INFORMATION

(a) Revenue and other income

	HK$'000
Revenue	
Rendering of port and related services	10,997,780
Rendering of transportation and logistics solutions	242,179
System development and support fees	79,376
Management fee income	15,410
Licence fee	1,749
Dividend income from available-for-sale investments	2,194
	11,338,688
Other income	
Interest income	69,321
	11,408,009

(b) Segment information

The chief operating decision maker has been determined as the Executive Committee of HPH Trust. The Executive Committee reviews the internal reporting in order to assess performance and allocate resources. Management has determined the operating segment based on these reports.

7 REVENUE AND OTHER INCOME AND SEGMENT INFORMATION (CONT'D)

(b) Segment information (cont'd)

HPH Trust is principally engaged in the Portfolio Container Terminals and Portfolio Ancillary Services and therefore management considers that HPH Trust operates in one single business segment.

Disclosures by geographical location are shown below:

	Revenue	Non-current assets
	HK$'000	**HK$'000**
Hong Kong	5,433,729	46,272,122
PRC	5,904,959	90,289,146
	11,338,688	136,561,268

8 OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

	HK$'000
Crediting	
Dividend income from River Ports Economic Benefits	70,904
Net gain on disposal of fixed assets	2,910
Net exchange gain	49,749
Write back of provision for impairment of trade receivables	6,023
Charging	
Amortisation	
– leasehold land and land use rights	1,250,695
– railway usage rights	520
– intangible assets	416,285
Depreciation of fixed assets	1,104,756
Operating lease rentals	
– office premises and port facilities	73,318
– container handling equipment	18,014
Provision for impairment of trade receivables	6,651
Staff costs included in cost of services rendered	891,799

9 INTEREST AND OTHER FINANCE COSTS

	HK$'000
Interest and other finance costs on:	
Bank loans and overdrafts	519,289
Less: interest capitalised in projects under development	(3,023)
Loans from non-controlling interests	1,519
Amounts due to associated companies	133
Other finance costs	130,598
	648,516

The capitalisation rates applied to funds borrowed and used for the development of container terminals and related facilities are at 0.60% per annum for the year ended 31 December 2010.

10 TAX

	HK$'000
Current tax	638,624
Deferred tax	(385,499)
	253,125

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:

	HK$'000
Profit before tax excluding share of profits less losses after tax of jointly controlled entities and associated companies	3,425,568
Tax calculated at weighted average tax rate of 19.7%	674,289
Tax exemption in PRC	(543,725)
Income not subject to tax	(24,713)
Expenses not deductible for tax purposes	80,603
Temporary differences not recognised	(3)
Over-provision in prior years	(1,207)
Withholding tax on unremitted earnings	52,406
Capital gain tax	17,417
Utilisation of previously unrecognised tax losses	(2,558)
Tax loss not recognised	616
Total tax	253,125

11 EARNINGS PER UNIT

The calculation of earnings per unit is based on profit attributable to unitholders of HPH Trust of HK$2,130,883,000 and 8,708,888,000 units in issue.

12 FIXED ASSETS

	Properties	Container handling equipment	Barges	Other assets	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Acquisition of subsidiary companies and as at 31 December 2010	17,918,517	8,842,206	23,453	278,382	27,062,558

13 PROJECTS UNDER DEVELOPMENT

	HK$'000
Acquisition of subsidiary companies and as at 31 December 2010	944,179

Projects under development mainly represent the cost of construction of port facilities and railways in the PRC incurred by subsidiary companies.

14 LEASEHOLD LAND AND LAND USE RIGHTS

	HK$'000
Acquisition of subsidiary companies and as at 31 December 2010	50,348,892

15 RAILWAY USAGE RIGHTS

	HK$'000
Acquisition of subsidiary companies and as at 31 December 2010	16,159

16 ASSOCIATED COMPANIES

	HK$'000
Share of net assets	116,316

16 ASSOCIATED COMPANIES (CONT'D)

Details of the principal associated company at 31 December 2010 are as follows:

Name	Place of establishment	Principal activities	Interest held
Shenzhen Yantian Tugboat Company Ltd.	PRC	Provision of tugboat services in the PRC	23.84%

The aggregate amounts of revenue, results, assets and liabilities of the associated companies are as follows:

	HK$'000
Revenue	228,055
Profits and losses for the year, net	59,663
Total assets	569,218
Total liabilities	198,236

The Group's share of revenue and results of associated companies are as follows:

	HK$'000
Share of revenue	70,502
Share of results	17,827

17 JOINTLY CONTROLLED ENTITIES

	HK$'000
Share of net assets	2,803,371
Loan to a jointly controlled entity	30,500
	2,833,871

The loan to a jointly controlled entity is unsecured, interest free and not expected to be repayable within one year.

17 JOINTLY CONTROLLED ENTITIES (CONT'D)

Details of principal jointly controlled entities as at 31 December 2010 are as follows:

Name	Place of establishment	Principal activities	Interest held
COSCO-HIT Terminals (Hong Kong) Limited	Hong Kong	Container terminal operation	50.00%
Beijing Leading Edge Container Services Co. Limited	PRC	Provision of logistic services	50.00%
Mercury Sky Group Limited	British Virgin Islands	Investment holding	50.00%
Shenzhen Leading Edge Port Services Co. Limited	PRC	Provision of port agency services	49.00%
Yantian Port International Information Co. Limited	PRC	Provision of electronic port community system	28.21%

The aggregate amounts of revenue, results, assets and liabilities of the jointly controlled entities are as follows:

	HK$'000
Revenue	927,903
Profits and losses for the year, net	298,142

	HK$'000
Non-current assets	8,178,033
Current assets	1,348,995
Total assets	9,527,028
Non-current liabilities	3,078,177
Current liabilities	925,040
Total liabilities	4,003,217

17 JOINTLY CONTROLLED ENTITIES (CONT'D)

The Group's share of the total revenue and results of jointly controlled entities are as follows:

	HK$'000
Share of revenue	462,436
Share of results	148,805

18 AVAILABLE-FOR-SALE INVESTMENTS

	HK$'000
Acquisition of subsidiaries and as at 31 December 2010	806,579
Representing:	
Listed equity security	31,050
Unlisted equity security (note a)	529
River Ports Economic Benefits (note b)	775,000
	806,579

Notes:

(a) The unlisted equity security represents 5% equity interest in Shenzhen Hutchison Whampoa Logistics Limited.

(b) The River Ports Economic Benefits represent the economic interest and benefits of the Sponsor and its subsidiary companies attributable to the business of the river ports in Nanhai, Jiangmen and Jiuzhou in Zhuhai, the PRC (together the "**River Ports**"), including all dividends and any other distributions or other monies payable to any member of the Sponsor or its subsidiary companies (excluding the Group) 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 the Sponsor and its subsidiary companies (excluding the Group).

18 AVAILABLE-FOR-SALE INVESTMENTS (CONT'D)

As at 31 December 2010, the available-for-sale investments are denominated in the following currencies:

	Percentage
HK dollar	4%
Renminbi	96%
	100%

The maximum exposure of credit risk is the carrying amounts of the available-for-sale investments.

19 INTANGIBLE ASSETS AND GOODWILL

(a) Intangible assets

	Customer relationships
	HK$'000
Acquisition of subsidiary companies and as at 31 December 2010	8,563,430

19 INTANGIBLE ASSETS AND GOODWILL (CONT'D)

(b) Goodwill

The acquisition of the Holding Companies and the River Ports Economic Benefits and loan assignments at a consideration of HK$93,177,821,000, being the Initial Consideration of HK$102,878,707,000 after setting off the IPO Adjustment of HK$9,700,886,000, as set out in note 3(d)(v) is assumed to be occurred at 31 December 2010 for the purpose of pro forma statement of financial position. The recognised amounts of identifiable assets acquired and liabilities assumed at the date of acquisition are as follows:

	HK$'000
Fixed assets	27,062,558
Projects under development	944,179
Leasehold land and land use rights	50,348,892
Railway usage rights	16,159
Intangible assets	8,563,430
Associated companies	116,316
Jointly controlled entities	2,833,871
Available-for-sale investments	806,579
Cash and cash equivalents	4,571,274
Trade and other receivables	2,576,155
Tax recoverable	2,875
Inventories	140,890
Trade and other payables	(8,221,883)
Bank loans	(8,907,681)
Current tax liabilities	(265,731)
Pension obligations	(112,772)
Deferred tax liabilities	(13,545,986)
Total identifiable net assets	66,929,125
Non-controlling interests	(19,620,588)
Goodwill	45,869,284
Purchase consideration for the acquisition and loan assignments, as adjusted by IPO Adjustment	93,177,821
Less: settlement by issuance of Consideration Units	(27,810,292)
	65,367,529
Less: cash and cash equivalents acquired	(4,571,274)
Net cash outflow for the acquisition	60,796,255
Effects on pro forma adjustments arising from the different basis of preparation of the pro forma statement of financial position and income statement	3,656,473
	64,452,728

20 DEFERRED TAX

	HK$'000
Deferred tax assets	(9,000)
Deferred tax liabilities	13,554,986
Net deferred tax liabilities	13,545,986

Movements in net deferred tax liabilities are as follows:

	HK$'000
Acquisition of subsidiary companies and as at 31 December 2010	13,545,986

Analysis of net deferred tax liabilities:	
Unused tax losses	(14,671)
Accelerated depreciation allowances	491,411
Fair value adjustments arising from acquisitions	13,004,152
Withholding tax on unremitted earnings	65,276
Other temporary differences	(182)
	13,545,986

Notes:

(a) The deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when the deferred income taxes relate to the same fiscal authority. The amounts shown in the pro forma statement of financial position are determined after appropriate offset.

(b) Note 6(g) contains information about the estimates, assumptions and judgements relating to the recognition of deferred tax assets for unused tax losses carried forward.

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$604,331,000 as at 31 December 2010 to carry forward against future taxable income. These tax losses have no expiry date.

(c) Deferred tax liabilities is calculated in full on temporary differences under the liabilities method using a tax rate of the countries in which the Group operated for temporary differences from fair value adjustments arising from acquisition and applicable withholding tax rate for those arising from unremitted earnings.

21 CASH AND CASH EQUIVALENTS

	HK$'000
Cash at bank and in hand	298,327
Short-term bank deposits	4,272,947
Cash and cash equivalents	4,571,274

Cash and cash equivalents are denominated in the following currencies:

	Percentage
HK dollar	16%
Renminbi	62%
US dollar	22%
	100%

The carrying amounts of cash and cash equivalents approximate their fair values. The maximum exposure of credit risk is the carrying amounts of the cash and cash equivalents.

22 TRADE AND OTHER RECEIVABLES

	HK$'000
Trade receivables	1,911,141
Other receivables and prepayments	337,289
Amounts due from related companies	49,664
Amounts due from jointly controlled entities	265,789
Amounts due from associated companies	12,272
	2,576,155

Notes:

(a) The trade and other receivables are mainly denominated in Hong Kong dollar and the carrying amounts approximate their fair values.

(b) The amounts due from related companies, jointly controlled entities and associated companies are unsecured, interest free and have no fixed terms of repayment.

22 TRADE AND OTHER RECEIVABLES (CONT'D)

(c) As of 31 December 2010, trade receivables of HK$864,986,000 were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	HK$'000
Up to 2 months	562,848
2 to 3 months	95,074
Over 3 months	207,064
	864,986

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

23 TRADE AND OTHER PAYABLES

	HK$'000
Trade payables, other payables and accruals	6,640,857
Loans from non-controlling interests (note b)	1,351,129
Amounts due to:	
– related companies (note c)	215,758
– jointly controlled entities (note c)	9,977
– associated companies (note d)	3,104
Dividend payable to non-controlling interests	1,058
	8,221,883

Notes:

(a) The balances are denominated in the following currencies:

	Percentage
HK dollar	49%
Renminbi	51%
	100%

(b) The loans from non-controlling interests are unsecured, interest free except for an amount of HK$30,380,000 which bears interest at Hong Kong Dollar Prime Rate and has no fixed terms of repayment.

(c) Amounts due to a related companies and jointly controlled entities are unsecured, interest free and have no fixed terms of repayment.

(d) The amounts due to associated companies are unsecured, interest bearing at Hong Kong Dollar Prime Rate plus 0.05% except for an amount of HK$30,000 which is interest free and have no fixed terms of repayment.

23 TRADE AND OTHER PAYABLES (CONT'D)

Notes: (cont'd)

(e) The carrying amounts of trade and other payables approximate their fair values.

24 BANK LOANS

	HK$'000
Total bank loans	28,900,536
Less: current portion of bank loans	(2,774,680)
	26,125,856

The carrying amounts and fair values of the Group's bank loans are as follows:

	Carrying amounts	Fair values
	HK$'000	HK$'000
Bank loans	28,900,536	28,900,536

The carrying amounts approximates their fair values as the bank loans bear floating interest rate and are repriced within six months at the prevailing market interest rates. The loan is fully repayable from November 2011 to July 2015.

As at 31 December 2010, certain current assets and non-current assets with carrying amounts of HK$25,830,622,000 were pledged as securities of the Group's bank loan.

The effective interest rate of the Group's bank loans at 31 December 2010 is 1.8%.

At 31 December 2010, nearly all bank loans are denominated in Hong Kong dollar and United States dollar.

25 PENSION OBLIGATIONS

	HK$'000
Defined benefit plans	
Plan obligations	112,772

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.

25 PENSION OBLIGATIONS (CONT'D)

(a) Defined benefit plans

The Group's defined benefit plans in Hong Kong are contributory final salary pension plan or non-contributory guaranteed return defined contribution plan of the Group. The Group's plans were valued by Towers Watson Hong Kong Limited, qualified actuaries as at 31 December 2010 using the projected unit credit method to account for the pension accounting costs in accordance with HKAS 19 "Employee Benefits".

The principal actuarial assumptions used for accounting purposes are as follows:

	%
Discount rate applied to the defined benefit plan obligations	2.20 – 2.80
Expected rate of return on plan assets	7.00
Future salary increases	3.00
Interest credited on plan accounts	5.00 – 6.00

The amounts recognised in the pro forma statement of financial position are determined as follows:

	HK$'000
Present value of defined benefit obligations	1,279,589
Fair value of plan assets	(1,166,817)
Net defined benefit plan obligations	112,772

25 PENSION OBLIGATIONS (CONT'D)

(a) Defined benefit plans (cont'd)

Fair value of the plan assets are analysed as follows:

	HK$'000
Equity instruments	801,949
Debt instruments	275,895
Other assets	88,973
At 31 December	1,166,817

The experience adjustments are as follows:

	HK$'000
Present value of defined benefit obligations	1,279,589
Fair value of plan assets	(1,166,817)
Deficit	112,772
Experience adjustments on defined benefit obligations losses	(4,091)
Experience adjustments on plan assets gains	34,897

There is no immediate requirement for the Group to fund the deficit between the fair value of defined benefit plan assets and the present value of the defined benefit plan obligations disclosed as at 31 December 2010. 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.

25 PENSION OBLIGATIONS (CONT'D)

(a) Defined benefit plans (cont'd)

The Group operates two principal plans in Hong Kong. One plan, which has been closed to new entrants since 1994, provides 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 a benefit derived by a formula based on the final salary and years of service. A formal independent actuarial valuation, undertaken for funding purposes under the provision of Hong Kong's Occupational Retirement Schemes Ordinance ("**ORSO**"), at 31 May 2009 reported a funding level of 99.8% 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 6.0% per annum and salary increases of 4.0%. The valuation was performed by Tian Keat Aun, a Fellow of The Institute of Actuaries, 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 2010, this plan is fully funded for the funding of vested benefits in accordance with the ORSO funding requirements. During the year ended 31 December 2010, forfeited contributions totaling HK$2,506,000 were used to reduce the level of contributions of the year ended 31 December 2010 and no forfeited contribution was available at 31 December 2010 to reduce future year's contributions.

(b) Defined contribution plans

The Group's cost in respect of defined contribution plans for the year ended 31 December 2010 amounted to HK$36,402,000.

26 UNITS IN ISSUE

	Number of units	HK$'000
Unit issued at registration	1	–
Units issued under the offering and as cornerstone units	5,399,510,000	45,374,674
Units issued as Consideration Units	3,309,377,999	27,810,292
	8,708,888,000	73,184,966

27 NOTE TO THE PRO FORMA STATEMENT OF CASH FLOWS

Cash generated from operations

	HK$'000
Operating profit	4,074,084
Depreciation and amortisation	2,772,256
Net gain on disposal of fixed assets	(2,910)
Dividend income	(73,098)
Interest income	(69,321)
Operating profit before working capital changes	6,701,011
Decrease in inventories	1,288
Decrease in trade and other receivables	72,524
Increase in amounts due from related companies, associated companies and jointly controlled entities	(916,553)
Increase in trade payables, other payables and accruals	996,178
Increase in amounts due to related companies, associated companies and jointly controlled entities	82,312
Decrease in pension obligations	(39,719)
Exchange difference	13,891
Other non-cash items	4,825
Net cash from operations	6,915,757

28 COMMITMENTS

(a) The Group's capital commitments for fixed assets and projects under development are as follows:

	HK$'000
Contracted but not provided for	401,177
Authorised but not contracted for (note)	778,409
	1,179,586

The Group's share of capital commitments of the jointly controlled entities are as follows:

	HK$'000
Contracted but not provided for	–
Authorised but not contracted for (note)	46,706
	46,706

Note:

The capital commitments were budgeted amounts estimated for the future capital expenditures of the Group, as part of its annual budget process. These estimates are subject to a rigorous authorisation process before the expenditure is committed.

(b) Operating leases commitments

At 31 December 2010, the Group had future aggregate minimum lease payments under non-cancellable operating leases for office premises and port facilities as follows:

	HK$'000
Not later than one year	37,693
Later than one year and not later than five years	33,382
	71,075

29 RELATED PARTIES TRANSACTIONS

Transactions between the group companies have been eliminated on consolidation. Significant transactions between the Group and other related parties during the year ended 31 December 2010 that are carried out in the normal course of business are disclosed below. The amount of outstanding balances with associated companies, jointly controlled entities and related companies are disclosed in notes 22 and 23.

(i) Income from and expenses to related parties

	HK$'000
Income:	
Container handling fees from a jointly controlled entity (note d)	30,707
Management fee from a jointly controlled entity (note a)	20,000
Transportation management services fee income from a related company (note b)	59,040
Services fee from a related company (note c)	30,000
Expenses:	
Container handling charges to a jointly controlled entity (note d)	424,146
Operating lease rentals on premises to a related company (note d)	17,006
Interest on loans from non-controlling interests (note e)	1,519
Trustee-Manager management fees (note f)	19,453
Global Support Services fees to the Sponsor and its subsidiary companies (note g)	116,715
IT support and maintenance service fees to the Sponsor and its subsidiary companies (note h)	23,343

Notes:

(a) The Group received management fee from a jointly controlled entity for provision of general advisory and management services. The amounts are included in note 7.

(b) Revenue from a related company for the provision of transport management services is conducted in normal course of business at prices and terms mutually agreed.

(c) Service fee from a related company for the share of office premises, facilities, utilities, maintenance and other infrastructural costs and non-executive or non-management support services at prices and terms mutually agreed.

(d) Container handling charges and operating lease rentals received from/paid to a jointly controlled entity and a related company were charged at terms pursuant to relevant agreements.

(e) Interest expenses paid to non-controlling interest were charged at the agreed interest rates on the outstanding loan balances.

29 RELATED PARTIES TRANSACTIONS (CONT'D)

(i) Income from and expenses to related parties (cont'd)

(f) Trustee-Manager management fees were charged at US$2,500,000 (equivalent to HK$19,452,500) per annum pursuant to the Trust Deed. No performance and other fees were paid during the year ended 31 December 2010.

(g) Global Support Services fees in respect of administration services, licence on certain intellectual property rights and IT paid to the Sponsor and its subsidiaries 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 paid to the Sponsor and its subsidiaries were charged at prices and terms mutually agreed.

(ii) Key management compensations

Key management includes Chief Executive Officer, Chief Financial Officer, Deputy Chief Financial Officer and Head of Human Resources. The compensation paid or payable to key management for employee services is shown below:

	HK$'000
Salaries and employee benefits	14,224,000

(iii) For the year ended 31 December 2010, the Group disposed of certain container handling equipment with carrying value of HK$19,745,000 to Thai Laemchabang Terminal Co. Ltd. and Saigon International Terminals Vietnam Limited, related companies, at an aggregate consideration of HK$23,580,000. The disposal resulted in gain of HK$3,835,000.

30 LIST OF SUBSIDIARY COMPANIES OF THE GROUP

Details of subsidiary companies of the Group as at 31 December 2010 are as follows:

Name	Place of incorporation/ establishment	Principal activities	Particulars of issued share capital	Interest held
HPHT Limited	Hong Kong	Investment holding	1 ordinary share of HK$1	100%
Giantfield Resources Limited	British Virgin Islands	Investment holding	2 ordinary shares of US$1 each	100%
Classic Outlook Investments Limited	British Virgin Islands	Investment holding	100,000 ordinary shares of US$0.1 each	100%
HIT Investments Limited	British Virgin Islands	Investment holding	200 ordinary "A" shares of US$1 each 800 non-voting preferred "B" shares of US$1 each	100%
HIT Holdings Limited	Hong Kong	Investment holding	50,000 "A" shares of HK$0.25 each 240,000 "B" shares of HK$0.25 each 400 "P" shares of HK$0.25 each	100%
Pearl Spirit Limited	British Virgin Islands	Investment holding	1 ordinary share of US$1	100%
Hongkong International Terminals Limited	Hong Kong	Container terminals operation	2 ordinary shares of HK$10 each	100%
Yantian International Container Terminals Limited	PRC	Development and operation of container terminals	HK$2,400,000,000	56.41%

30 LIST OF SUBSIDIARY COMPANIES OF THE GROUP (CONT'D)

Name	Place of incorporation/ establishment	Principal activities	Particulars of issued share capital	Interest held
Yantian International Container Terminals (Phase III) Limited	PRC	Development and operation of container terminals	HK$6,056,960,000	51.64%
Shenzhen Pingyan Railway Company Limited	PRC	Provision of railway services	RMB150,000,000	51.64%
Shenzhen Yantian West Port Terminals Limited	PRC	Development and operation of container terminals	RMB1,000,000,000	51.64%
Hutchison Ports Yantian Limited	Hong Kong	Investment holding	2 ordinary shares of HK$1 each	79.45%
Wattrus Limited	British Virgin Islands	Investment holding	32 "A" shares of US$1 each 593 "B" shares of US$1 each	94.88%
Sigma Enterprises Limited	British Virgin Islands	Investment holding	2,005 "A" shares of US$1 each 8,424 "B" shares of US$1 each	79.45%
Hutchison Ports Yantian Investments Limited	British Virgin Islands	Investment holding	200 ordinary shares of US$1 each	100%
Birrong Limited	British Virgin Islands	Investment holding	10,000 ordinary shares of US$1 each	100%
Hutchison Shenzhen East Investments Limited	British Virgin Islands	Investment holding	1 ordinary share of US$1	100%

31 FINANCIAL RISK AND CAPITAL MANAGEMENT

The major financial instruments of the Group include liquid funds, available-for-sales investments, trade and other receivables, trade and other payables and borrowings. Details of these financial instruments are disclosed in the respective notes to the Pro Forma Financial Statements. The risk management programme of the Group is designed to minimise the financial risks of the Group. These risks include liquidity risk, credit risk and interest rate risk.

(a) Cash management and funding

The Group generally obtains long-term financing to meet their funding requirements. The 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.

(c) Credit exposure

The Group's holdings of cash and cash equivalents expose the Group to credit risk of the counterparty. The Group controls its credit risk to non-performance by its counterparties through regular review and monitoring their credit ratings.

The receivables from customers and other counterparties also expose the Group to the credit risk. The Group controls the 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.

(d) Interest rate exposure

The Group's main interest risk exposures relate to cash and cash equivalents, loans from non-controlling interests and bank borrowings. 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 100 basis points increase in market interest rate at the end of reporting period would reduce the Group's profit and unitholders' equity by HK$243,596,000.

31 FINANCIAL RISK AND CAPITAL MANAGEMENT (CONT'D)

(e) Foreign currency exposure

For overseas subsidiaries, associated company and jointly controlled entity, which consist of non-Hong Kong dollar assets, the Group generally monitor the development of the Group's cash flow 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 being denominated in a currency that is not the functional currency and being of a monetary nature. Differences resulting from the translation of accounts 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.

Assume the mix of currency remains constant, the significant impact of a hypothetical 10% weakening of the functional currencies of the overseas subsidiaries against all exchange rates at the end of reporting period on the Group's profit is set out in the table below.

	Hypothetical increase in profit
	HK$'000
Renminbi	41,974
US dollar	102,073
	144,047

31 FINANCIAL RISK AND CAPITAL MANAGEMENT (CONT'D)

(f) Liquidity exposure

The following tables detail the remaining contractual maturities at the end of reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group can be required to pay:

	Contractual maturities			
	Carrying amounts	**Within 1 year**	**Within 2 to 5 years**	**Total undiscounted cash flows**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
Trade and other payables	8,221,883	8,221,883	–	8,221,883
Bank loans	28,900,536	2,774,680	26,476,001	29,250,681
	37,122,419	10,996,563	26,476,001	37,472,564

The table above excludes interest cash flows estimated to be HK$519,912,000 in "within 1 year" maturity band, HK$1,029,906,000 in "within 2 to 5 years" maturity band, and after assuming effect of interest rates with respect to variable rate financial liabilities remain constant and there is no change in aggregate principal amount of financial liabilities other than repayment at scheduled maturity as reflected in the table.

(g) Fair value estimation

The financial instruments of the Group that are measured at fair value at 31 December 2010 were the available-for-sale investments. The available-for-sale investments mainly represented the River Ports Economic benefits, in which the fair value measurement is classified as Level 3 of the fair value measurement hierarchy (inputs for the assets that are not based on observable market date (i.e. unobservable inputs). The fair value is determined by using valuation techniques. Specific valuation techniques used to value financial instruments included discounted cash flow analysis, are used to determine the fair value of the financial instruments.

32 APPROVAL OF THE PRO FORMA FINANCIAL STATEMENTS

The Pro Forma Financial Statements set out on pages A-3 to A-55 of the Prospectus were approved by the Board of Directors of the Trustee-Manager on 28 February 2011.

APPENDIX B

REPORTING AUDITOR'S REPORT ON
THE PROFIT AND CASH FLOW FORECAST AND PROFIT AND CASH FLOW PROJECTION
OF HUTCHISON PORT HOLDINGS TRUST AND ITS SUBSIDIARIES
FOR THE PERIOD FROM 16 MARCH 2011 TO 31 DECEMBER 2011
AND FOR THE YEAR ENDING 31 DECEMBER 2012

The Board of Directors
Hutchison Port Holdings Management Pte. Limited
(In its capacity as Trustee-Manager of Hutchison Port Holdings Trust)
50 Raffles Place
#30-01 Singapore Land Tower
Singapore 048623

28 February 2011

Dear Sirs

Letter from the Reporting Auditor on the Profit and Cash Flow Forecast and Profit and Cash Flow Projection of Hutchison Port Holdings Trust and its subsidiaries for the period from 16 March 2011 to 31 December 2011 and for the year ending 31 December 2012

This letter has been prepared for inclusion in the prospectus (the "**Prospectus**") of Hutchison Port Holdings Trust in connection with the invitation in respect of the initial public offering of units and listing on the Singapore Exchange Securities Trading Limited (the "**Offering**").

The directors of Hutchison Port Holdings Management Pte. Limited (the "**Directors**"), in its capacity as Trustee-Manager of Hutchison Port Holdings Trust, are responsible for the preparation and presentation of the forecast and projected income statements and statements of cash flows of Hutchison Port Holdings Trust and its subsidiaries (the "**Group**") for the period from 16 March 2011 to 31 December 2011 (the "**Profit and Cash Flow Forecast**") and for the year ending 31 December 2012 (the "**Profit and Cash Flow Projection**"), as set out on pages 146 to 147 of the Prospectus, which have been prepared on the basis of the assumptions as set out on pages 150 to 164 of the Prospectus.

We have examined the Profit and Cash Flow Forecast and the Profit and Cash Flow Projection as set out on pages 146 to 147 of the Prospectus in accordance with Singapore Standard on Assurance Engagements 3400 "Examination of Prospective Financial Information" applicable to the examination of prospective financial information. The Directors are solely responsible for the Profit and Cash Flow Forecast and Profit and Cash Flow Projections including the assumptions set out on pages 150 to 164 of the Prospectus on which they are based.

Profit and Cash Flow Forecast

In our opinion, the Profit and Cash Flow Forecast is properly prepared on the basis of the assumptions, is consistent with the accounting policies set out on pages A-19 to A-27 of the Prospectus, and is presented in accordance with Hong Kong Financial Reporting Standards (but not all the required disclosures) which is the accounting framework to be adopted by Hutchison Port Holdings Trust in the preparation of the consolidated financial statements of the Group and financial statements of Hutchison

Port Holdings Trust. Further, based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit and Cash Flow Forecast.

Profit and Cash Flow Projection

The Profit and Cash Flow Projection is intended to show a possible outcome based on the stated assumptions. As the length of the period covered by the Profit and Cash Flow Projection extends beyond the period covered by the Profit and Cash Flow Forecast, the assumptions used in the Profit and Cash Flow Projection (which included hypothetical assumptions about future events which may not necessarily occur) are more subjective than would be appropriate for the Project and Cash Flow Forecast. The Profit and Cash Flow Projection does not therefore constitute a Profit and Cash Flow Forecast.

In our opinion, the Profit and Cash Flow Projection is properly prepared on the basis of the assumptions, is consistent with the accounting policies set out on pages A-19 to A-27 of the Prospectus, and is presented in accordance with Hong Kong Financial Reporting Standards (but not all required disclosures) which is the accounting framework to be adopted by Hutchison Port Holdings Trust in the preparation of the consolidated financial statements of the Group and financial statements of Hutchison Port Holdings Trust. Further, based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit and Cash Flow Projection.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the assumptions set out on pages 150 and 164 of the Prospectus, actual results are still likely to be different from the Profit and Cash Flow Forecast and Profit and Cash Flow Projection since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those forecast and projected. For these reasons, we do not express any opinion as to the possibility of achievement of the Profit and Cash Flow Forecast and Profit and Cash Flow Projection.

Attention is drawn, in particular, to the risk factors set out on pages 47 to 75 of the Prospectus which describe the principal risks associated with the Offering, to which the Profit and Cash Flow Forecast and Profit and Cash Flow Projection relate and the sensitivity analysis of the Profit and Cash Flow Forecast and Profit and Cash Flow Projection as set out on pages 166 to 169 of the Prospectus.

Yours faithfully,

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants
Singapore

Partner-in-charge: Soh Kok Leong

APPENDIX C

INDEPENDENT AUDITOR'S REPORT ON THE COMBINED FINANCIAL STATEMENTS OF THE BUSINESS COMPRISING THE DEEP-WATER CONTAINER PORTS IN HONG KONG AND GUANGDONG PROVINCE AND PORT ANCILLARY SERVICES FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2008, 2009 AND 2010

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF HUTCHISON PORT HOLDINGS MANAGEMENT PTE. LIMITED

We have audited the accompanying combined financial statements of the business comprising the deep-water container ports in Hong Kong and Guangdong Province and port ancillary services of Hutchison Port Holdings Limited set out in note 1 to the combined financial statements ("**Historical Portfolio Business**"), which comprise the combined statements of financial position as at 31 December 2008, 2009 and 2010, and the combined income statements, the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information. The combined financial statements were prepared solely to assist the board of directors of Hutchison Port Holdings Management Pte. Limited (the "**Trustee-Manager**") in connection with the proposed divesting of Historical Portfolio Business into Hutchison Port Holdings Trust by Hutchison Port Holdings Limited described in note 1 to the combined financial statements.

Directors' responsibility for the combined financial statements

The directors of the Trustee-Manager are responsible for the preparation of combined financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and for such internal control as the directors determine is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of combined financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the combined financial statements.

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

Opinion

In our opinion, the accompanying combined financial statements give a true and fair view of the financial position of Historical Portfolio Business as at 31 December 2008, 2009 and 2010, and of the financial performance and cash flows of Historical Portfolio Business for each of the three years ended 31 December 2008, 2009 and 2010 in accordance with Hong Kong Financial Reporting Standards.

Other matters

This report, including the opinion, has been prepared for and only for you, as a body, and no other purpose. We do not assume any responsibility towards or accept liability to any other person for the contents of this report.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 February 2011

BUSINESS COMPRISING THE DEEP-WATER CONTAINER PORTS IN HONG KONG AND GUANGDONG PROVINCE AND PORT ANCILLARY SERVICES
COMBINED INCOME STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2008, 2009 AND 2010

	Note	2008	2009	2010
		HK$'000	HK$'000	HK$'000
Revenue and other income	4	12,246,879	10,262,842	11,561,999
Cost of services rendered		(3,754,886)	(3,023,463)	(3,691,461)
Staff costs		(312,762)	(250,506)	(280,027)
Depreciation and amortisation		(1,050,072)	(978,659)	(1,015,540)
Other operating income		306,498	84,144	61,912
Other operating expenses		(976,741)	(821,985)	(789,901)
Total operating expenses		(5,787,963)	(4,990,469)	(5,715,017)
Operating profit	5	6,458,916	5,272,373	5,846,982
Interest and other finance costs	6	(948,065)	(406,835)	(345,529)
Share of profits less losses after tax of associated companies	14	13,634	14,092	17,827
Share of profits less losses after tax of jointly controlled entities	15	224,190	144,339	197,441
Profit before tax		5,748,675	5,023,969	5,716,721
Tax	7	(521,790)	(541,905)	(619,386)
Profit for the year		5,226,885	4,482,064	5,097,335
Allocated as: Profit attributable to non-controlling interests		(2,262,614)	(1,892,089)	(2,108,821)
Profit attributable to holding companies of the Historical Portfolio Business		2,964,271	2,589,975	2,988,514
Earnings per share of profit attributable to the holding companies of the Historical Portfolio Business	8	N/A	N/A	N/A

BUSINESS COMPRISING THE DEEP-WATER CONTAINER PORTS IN HONG KONG AND GUANGDONG PROVINCE AND PORT ANCILLARY SERVICES
COMBINED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2008, 2009 AND 2010

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Profit for the year	5,226,885	4,482,064	5,097,335
Other comprehensive income:			
Available-for-sale investments			
Valuation (losses)/gains taken to reserves	(16,875)	135,253	46,120
Realisation of valuation gains on redemption	–	–	(3,971)
Currency translation differences	110,277	7,156	52,181
Revaluation surplus arising from acquisition of interests in subsidiaries	2,433	–	–
Realisation of exchange reserve upon disposal of a subsidiary	–	–	(2,490)
Actuarial (losses)/gains of defined benefit plans	(479,011)	155,957	32,280
Others	–	(597)	67
Total comprehensive income for the year	4,843,709	4,779,833	5,221,522
Allocated as: Attributable to non-controlling interests	(2,241,115)	(1,939,116)	(2,144,336)
Attributable to holding companies of the Historical Portfolio Business	2,602,594	2,840,717	3,077,186

BUSINESS COMPRISING THE DEEP-WATER CONTAINER PORTS IN HONG KONG AND GUANGDONG PROVINCE AND PORT ANCILLARY SERVICES
COMBINED STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2008, 2009 AND 2010

	Note	2008	2009	2010
		HK$'000	HK$'000	HK$'000
ASSETS				
Non-current assets				
Fixed assets	10	16,198,075	16,383,148	16,591,878
Projects under development	11	1,495,956	1,034,850	944,823
Leasehold land and land use rights	12	11,966,362	11,737,590	11,529,254
Railway usage rights	13	16,628	16,260	16,159
Associated companies	14	94,863	102,895	116,316
Jointly controlled entities	15	263,819	242,757	237,698
Available-for-sale investments	17	21,278	2,939,341	2,949,568
		30,056,981	32,456,841	32,385,696
Current assets				
Cash and cash equivalents	18	7,357,877	6,782,515	10,438,988
Trade and other receivables	19	6,326,736	2,671,680	3,527,985
Tax recoverable		308	413	2,875
Available-for-sale investments	17	–	969,786	–
Inventories		153,646	142,178	140,890
		13,838,567	10,566,572	14,110,738
Current liabilities				
Trade and other payables	20	11,208,291	9,914,830	10,457,215
Loans from non-controlling interest	23	–	–	882,180
Bank loans	21	5,049,600	136,800	2,774,680
Current tax liabilities		135,675	129,588	248,314
		16,393,566	10,181,218	14,362,389
Net current (liabilities)/assets		(2,554,999)	385,354	(251,651)
Total assets less current liabilities		27,501,982	32,842,195	32,134,045
Non-current liabilities				
Loans from a fellow subsidiary	22	8,664,208	8,664,208	8,664,208
Loans from non-controlling interests	23	1,547,180	1,547,180	665,000
Loans from related companies	24	5,260,412	5,260,412	5,260,412
Bank loans	21	7,984,839	10,756,159	6,119,711
Pension obligations	25	405,754	184,772	112,772
Deferred tax liabilities	16	628,983	647,659	643,117
		24,491,376	27,060,390	21,465,220
Net assets		3,010,606	5,781,805	10,668,825
CAPITAL AND RESERVES				
Combined capital	26	–	–	–
Reserves		(2,465,775)	(166,548)	3,669,950
		(2,465,775)	(166,548)	3,669,950
Non-controlling interests		5,476,381	5,948,353	6,998,875
Total equity		3,010,606	5,781,805	10,668,825

BUSINESS COMPRISING THE DEEP-WATER CONTAINER PORTS IN HONG KONG AND GUANGDONG PROVINCE AND PORT ANCILLARY SERVICES

COMBINED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2008, 2009 AND 2010

	Note	2008 HK$'000	2009 HK$'000	2010 HK$'000
Operating activities				
Cash generated from operations	27(a)	7,753,314	7,867,410	6,732,723
Interest and other finance costs paid		(979,657)	(432,606)	(340,844)
Tax paid		(1,022,629)	(529,421)	(507,612)
Net cash from operating activities		5,751,028	6,905,383	5,884,267
Investing activities				
Purchase of fixed assets, additions to projects under development and leasehold land and land use rights		(2,382,974)	(493,689)	(959,676)
Investment in a jointly controlled entity		–	(28,250)	–
Purchase of available-for-sale investments		–	(4,072,161)	–
Advance to a fellow subsidiary		(1,377,557)	(618)	–
Repayment of loan advanced to a fellow subsidiary		–	1,378,175	–
Proceeds on disposal of fixed assets and leasehold land and land use rights		127,375	92,568	30,234
Proceed on redemption of available-for-sale investments		–	–	935,555
Proceed on reduction of capital of available-for-sale investments		–	2,879	–
Refund of value-added tax for fixed assets purchases		222,512	–	–
Proceeds on liquidation of an associated company		–	–	5
Dividends received from available-for-sale investments		3,304	2,454	2,194
Dividends received from associated companies and jointly controlled entities		233,776	200,611	197,028
Interest received		221,484	186,272	279,398
Net cash (used in)/from investing activities		(2,952,080)	(2,731,759)	484,738
Financing activities				
Drawdown of bank loans		5,000,000	3,005,650	–
Drawdown of loans from non-controlling interests		493,761	493,761	246,880
Repayment of bank loans		(5,000,000)	(5,156,760)	(2,002,330)
Repayment of loans from non-controlling interests		(136,800)	(1,000,627)	–
Repayment of loan from a holding company of the Historical Portfolio Business		(35,000)	–	(4,692)
Facilities fee of bank loan		(22,498)	–	(13,914)
Dividends paid to holding companies of the Historical Portfolio Business		(1,378,675)	(613,285)	(30,000)
Dividends paid to non-controlling interests		(1,559,773)	(1,477,725)	(908,476)
Net cash used in financing activities		(2,638,985)	(4,748,986)	(2,712,532)
Net change in cash and cash equivalents		159,963	(575,362)	3,656,473
Cash and cash equivalents at 1 January		7,197,914	7,357,877	6,782,515
Cash and cash equivalents at 31 December		7,357,877	6,782,515	10,438,988

BUSINESS COMPRISING THE DEEP-WATER CONTAINER PORTS IN HONG KONG AND GUANGDONG PROVINCE AND PORT ANCILLARY SERVICES
COMBINED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008

	Attributable to holding companies of the Historical Portfolio Business									
	Combined capital	Share premium	Statutory reserve	Exchange reserve	Other capital reserve	Revaluation reserve	Accumulated losses	Pension reserve	Non-controlling interests	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2008	–	3	11,310	29,094	58,711	64,469	(4,320,548)	63,312	3,902,593	(191,056)
Comprehensive income:										
Profit for the year	–	–	–	–	–	–	2,964,271	–	2,262,614	5,226,885
Other comprehensive income:										
Available-for-sale investments valuation loss taken to reserves	–	–	–	–	–	(15,019)	–	–	(1,856)	(16,875)
Currency translation difference	–	–	–	65,783	–	–	–	–	44,494	110,277
Acquisition of interests in subsidiaries	–	–	–	–	–	2,030	–	–	403	2,433
Actuarial losses of defined benefit plans	–	–	–	–	–	–	–	(414,471)	(64,540)	(479,011)
Total comprehensive income	–	–	–	65,783	–	(12,989)	2,964,271	(414,471)	2,241,115	4,843,709
Transactions with owners:										
Dividends (note 9)	–	–	–	–	–	–	(974,720)	–	(667,327)	(1,642,047)
Transfer	–	–	4	–	–	–	(4)	–	–	–
At 31 December 2008	–	3	11,314	94,877	58,711	51,480	(2,331,001)	(351,159)	5,476,381	3,010,606

BUSINESS COMPRISING THE DEEP-WATER CONTAINER PORTS IN HONG KONG AND GUANGDONG PROVINCE AND PORT ANCILLARY SERVICES
COMBINED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

	Attributable to holding companies of the Historical Portfolio Business									
	Combined capital	Share premium	Statutory reserve	Exchange reserve	Other capital reserve	Revaluation reserve	Accumulated losses	Pension reserve	Non-controlling interests	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2009	–	3	11,314	94,877	58,711	51,480	(2,331,001)	(351,159)	5,476,381	3,010,606
Comprehensive income:										
Profit for the year	–	–	–	–	–	–	2,589,975	–	1,892,089	4,482,064
Other comprehensive income:										
Available-for-sale investments valuation gain taken to reserves	–	–	–	–	–	116,141	–	–	19,112	135,253
Currency translation difference	–	–	–	223	–	–	–	–	6,933	7,156
Actuarial gains of defined benefit plans	–	–	–	–	–	–	–	134,975	20,982	155,957
Others	–	–	–	–	–	(597)	–	–	–	(597)
Total comprehensive income	–	–	–	223	–	115,544	2,589,975	134,975	1,939,116	4,779,833
Transactions with owners:										
Dividends (note 9)	–	–	–	–	–	–	(541,490)	–	(1,467,144)	(2,008,634)
Transfer	–	–	37	–	–	–	(37)	–	–	–
At 31 December 2009	–	3	11,351	95,100	58,711	167,024	(282,553)	(216,184)	5,948,353	5,781,805

BUSINESS COMPRISING THE DEEP-WATER CONTAINER PORTS IN HONG KONG AND GUANGDONG PROVINCE AND PORT ANCILLARY SERVICES
COMBINED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

	Attributable to holding companies of the Historical Portfolio Business									
	Combined capital	Share premium	Statutory reserve	Exchange reserve	Other capital reserve	Revaluation reserve	(Accumulated losses)/ retained profits	Pension reserve	Non-controlling interests	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2010	–	3	11,351	95,100	58,711	167,024	(282,553)	(216,184)	5,948,353	5,781,805
Comprehensive income:										
Profit for the year	–	–	–	–	–	–	2,988,514	–	2,108,821	5,097,335
Other comprehensive income:										
Available-for-sale investments valuation gain taken to reserves	–	–	–	–	–	39,752	–	–	6,368	46,120
Realisation of valuation gains on redemption	–	–	–	–	–	(3,314)	–	–	(657)	(3,971)
Disposal of a subsidiary	–	–	–	(2,490)	–	–	–	–	–	(2,490)
Currency translation difference	–	–	–	26,693	–	–	–	–	25,488	52,181
Actuarial gains of defined benefit plans	–	–	–	–	–	–	–	27,964	4,316	32,280
Others	–	–	–	–	–	67	–	–	–	67
Total comprehensive income	–	–	–	24,203	–	36,505	2,988,514	27,964	2,144,336	5,221,522
Transactions with owners:										
Capital contributions (note ii)	–	–	–	–	789,312	–	–	–	–	789,312
Dividends (note 9)	–	–	–	–	–	–	(30,000)	–	(1,093,814)	(1,123,814)
Transfer	–	–	24	–	–	–	(24)	–	–	–
At 31 December 2010	–	3	11,375	119,303	848,023	203,529	2,675,937	(188,220)	6,998,875	10,668,825

Notes:

(i) The statutory reserves are non-distributable and comprise the enterprise expansion and general reserves of companies engaging in the Historical Portfolio Business.

(ii) During the year ended 31 December 2010, a holding company of the Historical Portfolio Business assigned the loans receivable of HK$628,055,000 from the Historical Portfolio Business to an entity engaging in the Historical Portfolio Business at a consideration of HK$3; loans payable of HK$80,557,000 were waived by the holding company and a fellow subsidiary of the Historical Portfolio Business; and certain subsidiary companies were disposed of to the holding company of the Historical Portfolio Business at a gain of HK$80,700,000. These transactions were accounted for as capital contributions by the holding company of the Historical Portfolio Business.

BUSINESS COMPRISING THE DEEP-WATER CONTAINER PORTS IN HONG KONG AND GUANGDONG PROVINCE AND PORT ANCILLARY SERVICES
NOTES TO THE COMBINED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION OF THE COMBINED FINANCIAL STATEMENTS

Hutchison Port Holdings Limited ("**HPH**") plans to divest its deep-water container ports in Hong Kong and the Guangdong province, the People's Republic of China ("**PRC**") and certain port ancillary services, including trucking, barging, feedering, freight-forwarding, supply chain management, warehousing and distribution services (collectively the "**Historical Portfolio Business**") and economic benefits in certain river ports into Hutchison Port Holdings Trust ("**HPH Trust**") to be established as a Singapore-based business trust registered by the Monetary Authority of Singapore.

For the purpose of the divesting of the Historical Portfolio Business and the listing of HPH Trust on Singapore Exchange Securities Trading Limited, these combined financial statements have been prepared by the directors of Hutchison Port Holdings Management Pte. Limited, the Trustee–Manager of HPH Trust, to present the combined results and cash flows of the companies engaging in the Historical Portfolio Business (which does not include the economic benefits in certain river ports), which are under the management of the Sponsor, for each of the three years ended 31 December 2008, 2009 and 2010 (the "**Relevant Periods**"), and the combined financial position of the companies engaging in the Historical Portfolio Business as of 31 December 2008, 2009 and 2010, on the basis as set out in note 2(a) to the combined financial statements.

The Historical Portfolio Business include:

- 86.50% interest in Hongkong International Terminals Limited, the owner and operator of Terminals 4, 6, 7 and two berths in Terminal 9 at Kwai Tsing, Hong Kong;
- 43.25% interest in COSCO-HIT Terminals (Hong Kong) Limited, the owner and operator of Terminal 8 East at Kwai Tsing, Hong Kong;
- 48.00% interest in Yantian International Container Terminals Limited, the operator of Yantian International Container Terminals Phases I and II at Yantian district, Shenzhen, in the Guangdong Province of the PRC;
- 42.74% interest in Yantian International Container Terminals (Phase III) Limited, the operator of Yantian International Container Terminals Phase III and its expansion project, which is being developed;
- 42.74% interest in Shenzhen Yantian West Port Terminals Limited, the operator of Shenzhen Yantian West Port Terminals Phase I and Shenzhen Yantian West Port Terminals Phase II which is being developed;
- 100% interest in Asia Port Services Limited, which is mainly engaged in providing port ancillary services, including mid-stream services (which are vessel-handling services in the harbour involving the lifting and discharging of containers from barge alongside the vessel);
- 70.80% interest in Shenzhen Hutchison Inland Container Depots Co., Limited, which operates the inland container depot and warehouse in Shenzhen, PRC; and

1 BASIS OF PREPARATION OF THE COMBINED FINANCIAL STATEMENTS (CONT'D)

- 100% interest in HPH E. Commerce Limited which provides supply logistic services.

2 SIGNIFICANT ACCOUNTING POLICIES

The combined financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The combined financial statements have been prepared under the historical cost convention except for certain financial instruments which are stated at fair values, as explained in the significant accounting policies set out below.

There is no material difference between HKFRS and International Financial Reporting Standards ("**IFRS**") in relation to the preparation of the combined financial statements for the Relevant Periods. No material adjustments are required to restate the combined financial statements prepared under HKFRS to comply with IFRS.

(a) Business combinations under common control

The Historical Portfolio Business applies the predecessor values accounting to account for business combination of entities or business under common control. The financial statements incorporate the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been obtained from the date when the combining entities or business first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities, contingent liabilities over cost at the time of common control combination, to the extent of the combination of the controlling party's interest. All differences between the cost of acquisition (fair value of consideration paid) and the amounts at which the assets and liabilities are recorded have been recognised directly in equity.

The combined statement of comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when combining entities or businesses first came under common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the combined financial statements are presented as if the entities or businesses had been combined at the earliest date of statement of financial position presented or when they first came under common control, whichever is the later.

Inter-company transactions, balances and unrealised gains on transactions between the combining entities or businesses are eliminated. Unrealised losses are also eliminated but considered as an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Historical Portfolio Business.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Subsidiary companies

A subsidiary is an entity in which the Historical Portfolio Business has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities. Subsidiaries are fully consolidated/combined from the date on which control is transferred to the Historical Portfolio Business. They are deconsolidated from the date that control ceases.

(c) Associated companies

An associate is an entity, other than a subsidiary company or a jointly controlled entity, in which the Historical Portfolio Business has a long-term equity interest and over which the Historical Portfolio Business is in a position to exercise significant influence over its management, include participation in the financial and operating policy decisions.

The results and assets and liabilities of associates are incorporated in the combined 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 ventures

A joint venture is a contractual arrangement whereby the venturers undertake an economic activity which is subject to joint control and over which none of the participating parties has unilateral control.

Jointly controlled entities are joint ventures which involve the establishment of separate entities. The results and assets and liabilities of jointly controlled entities are incorporated in the combined financial statement 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 fifty years, or the remainder thereof, or over the remaining period of the lease of the underlying leasehold land and land use rights, whichever is less. The period of the lease includes the period for which a right of renewal is attached. Other assets comprised motor vehicles, computer equipment and other fixed assets.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Fixed assets (cont'd)

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 terminal equipment	10 – 35 years
Barges	15 years
Motor vehicles	5 years
Computer equipment	5 years
Other fixed assets	5 – 25 years

In years prior to 2009, depreciation of fixed assets other than properties was calculated to write off on a straight-line basis over their estimated useful lives of 3-25 years. With effect from 1 January 2009, depreciation of fixed assets other than properties is calculated to write off their cost over their estimated useful lives of 5-35 years. This represents a change in accounting estimates and is accounted for prospectively in 2009. As a result of this change, the net book value of fixed assets as at 31 December 2009 has been increased by approximately HK$124 million. The profit for the year ended 31 December 2009 has been increased approximately by HK$116 million and the depreciation charge has been decreased by HK$124 million.

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.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each end of reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(r)).

(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 the leasehold land and land use rights are presented on the face of the statement of financial position as leasehold land and land use rights and expensed in the income statement on a straight-line basis over the period of the lease/rights.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Historical Portfolio Business's share of the net identifiable assets of the acquired subsidiary company, associated company or jointly controlled entity at the date of acquisition. Goodwill on acquisition of a foreign operation is treated as an asset of the foreign operation.

Goodwill arising on acquisition of subsidiary companies is retained at the carrying amount as an intangible asset. Goodwill arising on acquisition of associated companies and jointly controlled entities is included within investments in associated companies and jointly controlled entities respectively and is tested for impairment as part of overall balance. Separately recognised goodwill is subject to impairment review 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 Historical Portfolio Business's share of the net identifiable assets of the acquired company, the difference is recognised in the income statement.

The profit or loss on disposal of subsidiary company, associated company or jointly controlled entity 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.

(i) 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.

(j) Deferred tax

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 combined 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Investments

Investments (other than investments in subsidiary companies, associated companies or jointly controlled entities) are recognised and derecognised on the date the Historical Portfolio Business commits to purchase or sell the investments or when they expire. These investments are classified and accounted for as follows:

Available-for-sale investments

"Available-for-sale investments" are non-derivative financial assets that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. At the end of the reporting period subsequent to initial recognition, these financial assets are carried at fair value and changes in fair value are recognised in other comprehensive income and accumulated under the heading of revaluation reserve except for impairment losses which are charged to the income statement. Where these investments are interest bearing, interest calculated using the effective interest method is recognised in the income statement. Dividends from available-for-sale investments are recognised when the right to receive payment is established. When available-for-sale investments are sold, the cumulative fair value gains or losses previously recognised in revaluation reserve is removed from investment revaluation reserve and recognised in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of the reporting period subsequent to initial recognition, loans and receivables are carried at amortised cost using effective interest method less impairment. Interest calculated using the effective interest method is recognised in the income statement.

(l) 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 when there is objective evidence that the asset is impaired.

(m) 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.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits, and bank overdrafts.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Borrowings and borrowing costs

The borrowings and debt instruments 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 and debt instruments 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.

(p) 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.

(q) 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.

(r) Asset impairment

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 profit or loss 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.

(s) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Employee benefits (cont'd)

(ii) Bonus plan

The expected cost of bonus payments are recognised as a liability when the Historical Portfolio Business has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(iii) 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 profit or loss 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 reporting period based on high quality corporate bonds with currency and term similar to the estimated term of benefit obligations. All actuarial gains and losses are recognised in full, in the year in which they occur, in other comprehensive income.

The contributions to the defined contribution plans are charged to the income statement in the year incurred.

Pension costs are charged against the combined 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.

(t) Foreign exchange

(i) Functional and presentation currency

The combined financial statements are presented in Hong Kong dollar, which is the same as the functional currency of the Historical Portfolio Business.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Foreign exchange (cont'd)

(ii) Transactions and balances

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 reporting period. Exchange differences are included in the determination of profit or loss.

(iii) Group companies

The results and financial position of all the group entities are translated into Hong Kong dollars using the year end rates of exchange for the combined statement of financial position items and the average rates of exchange for the year for the combined income statement items. Exchange difference are recognised in other comprehensive income and accumulated under the heading of exchange reserve. On disposal of the net investment in a foreign entity, such exchange gains and losses are transferred out of the exchange reserve and are recognised in the combined income statement. Exchange differences arising from translation of inter-company loan balances between the group entities are recognised in other comprehensive income and accumulated under the heading of exchange reserve when such loans form part of the Historical Portfolio Business's investment in a foreign entity. When such loans are repaid, the related exchange gains and losses are transferred out of the exchange reserve and are recognised in the combined income statement.

(u) Dividends

Dividend distribution is recorded as a liability on the date of declaration.

(v) Operating leases

Leases in which a significant portion of the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the income statement on a straight-line basis over the lease periods.

(w) Revenue recognition

Revenue is recognised:

(i) for ports and related services and transportation and logistics solutions, when the service is rendered;

(ii) for system development and support fees, when the service is rendered;

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Revenue recognition (cont'd)

(iii) for management fee income, when the service is rendered;

(iv) for licence fee, on an accrual basis; and

(v) for dividend income, when the right to receive payment is established.

(x) Standards, amendments and interpretations which are not yet effective

The following standards, amendments and interpretation, which are relevant to the Historical Portfolio Business's operations, were in issue but not yet effective and have not been early adopted by the Historical Portfolio Business.

HKAS 32 Amendments[(1)]	Hong Kong Accounting Standard ("**HKAS**") 32 Financial Instruments: Presentation – Classification of Rights Issues
HK (IFRIC) – Int 19[(2)]	Extinguishing Financial Liabilities with Equity Instruments
HKAS 24 (Revised)[(3)]	Related Party Disclosures
HK(IFRIC) – Int 14 (Amendments)[(3)]	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
HKFRS 7 Amendments[(4)]	HKFRS 7 Disclosures – Transfer of Financial Assets
HKFRS 9[(5)]	Financial Instruments

(1) Effective for annual periods beginning 1 February 2010
(2) Effective for annual periods beginning 1 July 2010
(3) Effective for annual periods beginning 1 January 2011
(4) Effective for annual periods beginning 1 July 2011
(5) Effective for annual periods beginning 1 January 2013

The management of the Historical Portfolio Business is in the process of assessing the impact of these new or revised standards, amendments and interpretations. The management of the Historical Portfolio Business considers these new and revised HKFRS are unlikely to result in a substantial change to the accounting policies and presentation of the financial statements.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Note 2 includes a summary of the significant accounting policies 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 Historical Portfolio Business 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.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

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 combined financial statements.

(a) Long lived assets

The Historical Portfolio Business has made substantial investments in tangible and intangible long-lived assets in its container terminal operating business. Changes in technology or changes in the intended use of these assets may cause the estimated period of use or value of these assets to change.

The Historical Portfolio Business considers its assets impairment accounting policy to be a policy that requires one of the most extensive applications of judgements and estimates by management.

Assets that are subject to depreciation and 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 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 judgement is 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 Historical Portfolio Business; (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 Historical Portfolio Business's financial condition and results of operations.

(b) Depreciation

Depreciation of operating assets constitutes a substantial operating cost for the Historical Portfolio Business. 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 Historical Portfolio Business 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.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Depreciation (cont'd)

During the year ended 31 December 2009, management re-assessed the useful lives of fixed assets. Management concluded that the useful lives of fixed assets other than properties should be extended by 1 to 10 years as it reflects more fairly the estimated useful lives of these assets. This represents a change in accounting estimates and has been accounted for prospectively (note 2(e)).

(c) Accrual of net revenue

Accrual of revenue was made with reference to the throughput handling and the terms of agreements of container handling service. Consequently, recognition of revenues is based on the volume of services rendered as well as the latest tariff agreed with customers or best estimated by the management. This estimate is based on the latest tariff and other industry consideration as appropriate. If the actual revenue differs from the estimated accrual, this will have an impact on revenue in future periods.

(d) Pension costs

The Historical Portfolio Business operates several defined benefit plans. Pension costs for defined benefit plans are assessed using the projected unit credit method in accordance with HKAS 19, Employee Benefits. 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 at the present value of the estimated future cash outflows using interest rates determined by reference to market yields at the end of reporting period based on high quality corporate bonds with currency and term similar to the estimated term of benefit obligations. All actuarial gains and losses are recognised in full, in the year in which they occur, in the statement of other comprehensive income.

Management appointed actuaries to carry out a full valuation of these pension plans to determine the pension obligations that are required to be disclosed and accounted for in the combined financial statements in accordance with the HKFRS requirements.

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. Judgement is 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.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(e) Tax

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 accounts. 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 judgement 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

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Revenue			
Rendering of port and related services	11,717,371	9,860,590	10,997,780
Rendering of transportation and logistics solutions	226,779	171,612	242,179
System development and support fees	43,938	45,482	79,376
Management fee income	16,917	26,559	15,410
Licence fee	3,035	1,966	1,749
Dividend income from available-for-sale investments	3,304	2,454	2,194
	12,011,344	10,108,663	11,338,688
Other income			
Interest income	230,232	151,243	223,311
Sundry income	5,303	2,936	–
	12,246,879	10,262,842	11,561,999

4 REVENUE AND OTHER INCOME AND SEGMENT INFORMATION (CONT'D)

(b) Segment information

The chief operating decision maker has been determined as the Executive Committee of the Historical Portfolio Business. The Executive Committee reviews the internal reporting in order to assess performance and allocate resources. Management has determined the operating segment based on these reports.

The Historical Portfolio Business is principally engaged in the deep-water container ports in Hong Kong and Guangdong Province and port ancillary services and therefore management considers that the Historical Portfolio Business operates in one single business segment.

Disclosures by geographical location are shown below:

	Revenue			Non-current assets		
	2008	2009	2010	2008	2009	2010
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Hong Kong	5,974,157	5,029,123	5,433,729	9,566,761	12,160,383	11,907,032
PRC	6,037,187	5,079,540	5,904,959	20,490,220	20,296,458	20,478,664
	12,011,344	10,108,663	11,338,688	30,056,981	32,456,841	32,385,696

5 OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Crediting			
Incentive on re-investment	556	–	–
Net gain on disposal of available-for-sale investments	–	1,166	–
Net gain on disposal of fixed assets	40,185	34,113	2,910
Net exchange gain	258,713	42,873	49,749
Write back of provision for impairment of trade receivables	–	7,050	6,023
Charging			
Amortisation			
– leasehold land and land use rights	246,306	262,047	271,819
– railway usage rights	507	513	520
Depreciation of fixed assets	803,259	716,099	743,201
Operating lease rentals			
– office premises and port facilities	71,804	92,481	73,318
– container handling equipment	22,392	17,198	18,014
Provision for impairment of trade receivables	5,476	4,641	6,651
Staff costs included in cost of services rendered	882,876	825,010	891,799

6 INTEREST AND OTHER FINANCE COSTS

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Interest and other finance costs on:			
Bank loans and overdrafts	329,557	100,708	92,582
Less: Interest capitalised in projects under development (note 11)	(14,845)	(4,043)	(3,023)
Loans from			
– a holding company of the Historical Portfolio Business	12,075	7,528	7,529
– a fellow subsidiary	324,182	150,661	116,737
– non-controlling interests	59,379	28,326	22,268
– related companies	196,308	91,143	70,547
Amounts due to associated companies	128	139	133
Other finance costs	31,413	7,373	14,093
Loan guarantee fee to a holding company of the Historical Portfolio Business	9,868	25,000	24,663
	948,065	406,835	345,529

The capitalisation rates applied to funds borrowed and used for the development of container terminals and related facilities are at 2.52%, 0.59% and 0.60% per annum, for the years ended 31 December 2008, 2009 and 2010 respectively.

7 TAX

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Current tax	402,949	523,819	623,710
Deferred tax (note 16)	118,841	18,086	(4,324)
	521,790	541,905	619,386

7 TAX (CONT'D)

The tax charge on the Historical Portfolio Business's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate of the Historical Portfolio Business as follows:

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Profit before tax excluding share of profits less losses after tax of jointly controlled entities and associated companies	5,510,851	4,865,538	5,501,453
Tax calculated at weighted average tax rate of 17.6%, 18.8% and 20.1%	967,813	914,124	1,108,126
Tax exemption in PRC	(569,947)	(519,157)	(543,725)
Income not subject to tax	(16,094)	(22,648)	(38,422)
Expenses not deductible for tax purposes	49,343	45,036	44,153
Temporary differences not recognised	1,781	1,019	(3)
Remeasurement of deferred tax – change in Hong Kong tax rate	(25,058)	–	–
Under/(over) provision in prior years	11,364	21,187	(1,207)
Withholding tax on unremitted earnings	103,340	104,735	52,406
Utilisation of previously unrecognised tax losses	(3,294)	(3,461)	(2,558)
Tax loss not recognised	1,191	613	616
Previously recognised tax losses written off	1,351	457	–
Total tax	521,790	541,905	619,386

Note:
During the Relevant Periods, Hongkong International Terminals Limited, a company engaging in the Historical Portfolio Business, resolved a tax case involving a tax assessment by the Inland Revenue Department of Hong Kong on the tax deductibility of certain interest expenses incurred and claimed for the 2001/2002 year of assessment. As a result of the settlement of the tax case, additional tax of HK$4,318,000 and HK$20,837,000 were charged to the combined income statements for the years ended 31 December 2008 and 2009 respectively.

8 EARNINGS PER SHARE

No earnings per share of profit attributable to the holding companies of the Historical Portfolio Business is presented as its inclusion, for the purpose of these combined financial statements, is not considered meaningful.

9 DIVIDENDS

During the years ended 31 December 2008, 2009 and 2010, the companies comprising the Historical Portfolio Business declared dividends to holding companies of the Historical Portfolio Business amounted to HK$974,720,000, HK$541,490,000 and HK$30,000,000 respectively.

In January and February 2011, the companies engaging in the Historical Portfolio Business declared dividends, totalling HK$7,661,695,000 to holding companies of the Historical Portfolio Business.

10 FIXED ASSETS

	Properties	Container handling equipment	Barges	Other assets	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2008					
Cost	11,093,678	10,120,492	123,608	806,164	22,143,942
Accumulated depreciation	(2,055,200)	(3,931,682)	(100,633)	(622,827)	(6,710,342)
Net book amount	9,038,478	6,188,810	22,975	183,337	15,433,600
Year ended 31 December 2008					
Opening net book amount	9,038,478	6,188,810	22,975	183,337	15,433,600
Related to subsidiary companies acquired	–	–	4,900	679	5,579
Additions	11,680	78,400	876	3,754	94,710
Transfer from projects under development (note 11)	1,213,050	371,078	–	127,357	1,711,485
Disposals	(692)	(77,934)	–	(2,077)	(80,703)
Depreciation	(288,777)	(425,979)	(6,360)	(82,143)	(803,259)
Currency translation difference	44,419	13,244	–	1,512	59,175
Value-added tax refund	–	(222,512)	–	–	(222,512)
Closing net book amount	10,018,158	5,925,107	22,391	232,419	16,198,075

10 FIXED ASSETS (CONT'D)

	Properties	Container handling equipment	Barges	Other assets	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 31 December 2008					
Cost	12,368,169	10,236,299	140,753	923,223	23,668,444
Accumulated depreciation	(2,350,011)	(4,311,192)	(118,362)	(690,804)	(7,470,369)
Net book amount	10,018,158	5,925,107	22,391	232,419	16,198,075
Year ended 31 December 2009					
Opening net book amount	10,018,158	5,925,107	22,391	232,419	16,198,075
Additions	13,090	36,194	3,026	2,526	54,836
Transfer from projects under development (note 11)	474,743	330,493	–	90,540	895,776
Disposals	(24)	(50,695)	(2,810)	(5,334)	(58,863)
Depreciation	(314,230)	(336,287)	(5,437)	(60,145)	(716,099)
Currency translation difference	6,969	2,225	–	229	9,423
Closing net book amount	10,198,706	5,907,037	17,170	260,235	16,383,148
At 31 December 2009					
Cost	12,863,267	10,403,045	131,649	971,344	24,369,305
Accumulated depreciation	(2,664,561)	(4,496,008)	(114,479)	(711,109)	(7,986,157)
Net book amount	10,198,706	5,907,037	17,170	260,235	16,383,148

10 FIXED ASSETS (CONT'D)

	Properties	Container handling equipment	Barges	Other assets	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 31 December 2010					
Opening net book amount	10,198,706	5,907,037	17,170	260,235	16,383,148
Additions	31,304	131,817	10,326	2,653	176,100
Transfer from projects under development (note 11)	258,824	506,774	–	83,473	849,071
Disposals	(2,830)	(21,807)	–	(2,784)	(27,421)
Disposal of subsidiary companies	–	(73,441)	–	–	(73,441)
Depreciation	(314,205)	(359,206)	(4,043)	(65,747)	(743,201)
Currency translation difference	20,865	6,205	–	552	27,622
Closing net book amount	10,192,664	6,097,379	23,453	278,382	16,591,878
At 31 December 2010					
Cost	13,153,097	10,725,603	141,683	983,127	25,003,510
Accumulated depreciation	(2,960,433)	(4,628,224)	(118,230)	(704,745)	(8,411,632)
Net book amount	10,192,664	6,097,379	23,453	278,382	16,591,878

11 PROJECTS UNDER DEVELOPMENT

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
At 1 January	1,170,740	1,495,956	1,034,850
Additions	2,013,144	429,882	758,475
Transfer to fixed assets (note 10)	(1,711,485)	(895,776)	(849,071)
Disposal of subsidiary companies	–	–	(5,197)
Currency translation differences	8,712	745	2,743
	1,481,111	1,030,807	941,800
Interest capitalised (note 6)	14,845	4,043	3,023
At 31 December	1,495,956	1,034,850	944,823

Projects under development mainly represent the cost of construction of port facilities and railways in the PRC incurred by companies engaging in the Historical Portfolio Business.

12 LEASEHOLD LAND AND LAND USE RIGHTS

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Net book value			
At 1 January	11,994,374	11,966,362	11,737,590
Additions	199,328	29,856	53,439
Disposals	(6,027)	–	–
Amortisation for the year	(246,306)	(262,047)	(271,819)
Currency translation differences	24,993	3,419	10,044
At 31 December	11,966,362	11,737,590	11,529,254

13 RAILWAY USAGE RIGHTS

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Net book value			
At 1 January	16,077	16,628	16,260
Amortisation for the year	(507)	(513)	(520)
Currency translation differences	1,058	145	419
At 31 December	16,628	16,260	16,159

14 ASSOCIATED COMPANIES

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Unlisted investments	47,481	47,481	47,476
Share of undistributed post acquisition reserves	47,382	55,414	68,840
Share of net assets	94,863	102,895	116,316

14 ASSOCIATED COMPANIES (CONT'D)

Details of the principal associated company at 31 December 2008, 2009 and 2010 are as follows:

Name	Place of incorporation/ establishment	Principal activities	Interest held
Shenzhen Yantian Tugboat Company Ltd.	PRC	Provision of tugboat services in the PRC	19.72%

The aggregate amounts of revenue, results, assets and liabilities of the associated companies are as follows:

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Revenue	211,431	203,117	228,055
Profits and losses for the year, net	47,366	47,790	59,663
Total assets	427,641	449,256	569,218
Total liabilities	113,717	97,656	198,236

The Historical Portfolio Business's share of revenue and results of associated companies are as follows:

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Share of revenue	66,412	62,978	70,502
Share of results	13,634	14,092	17,827

15 JOINTLY CONTROLLED ENTITIES

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Unlisted investments	94,848	123,098	110,070
Share of undistributed post acquisition reserves	138,471	89,159	97,128
Share of net assets	233,319	212,257	207,198
Loan to a jointly controlled entity	30,500	30,500	30,500
	263,819	242,757	237,698

The loan to a jointly controlled entity is unsecured, interest free and not expected to be repayable within one year.

Details of principal jointly controlled entities as at 31 December 2008, 2009 and 2010 are as follows:

Name	Place of incorporation/ establishment	Principal activities	Interest held
COSCO-HIT Terminals (Hong Kong) Limited	Hong Kong	Container terminals operation	43.25%
Beijing Leading Edge Container Services Co. Limited	PRC	Provision of logistic services	50.00%
Mercury Sky Group Limited	British Virgin Islands	Investment holding	43.25%
Shenzhen Leading Edge Port Services Co. Limited	PRC	Provision of port agency services	49.00%
Yantian Port International Information Co. Limited	PRC	Provision of electronic port community system	24.00%

15 JOINTLY CONTROLLED ENTITIES (CONT'D)

The aggregate amounts of revenues, results, assets and liabilities of the jointly controlled entities are as follows:

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Revenue	1,082,758	792,566	927,903
Profits and losses for the year, net	448,144	288,991	395,414

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Non-current assets	2,261,770	2,250,715	2,128,950
Current assets	1,206,198	1,213,102	1,348,995
Total assets	3,467,968	3,463,817	3,477,945
Non-current liabilities	2,061,000	2,221,102	2,221,440
Current liabilities	1,067,801	919,032	925,040
Total liabilities	3,128,801	3,140,134	3,146,480

The Historical Portfolio Business's share of the revenues and results of jointly controlled entities are as follows:

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Share of revenue	540,006	394,889	462,436
Share of results	224,190	144,339	197,441

16 DEFERRED TAX

	2008 HK$'000	2009 HK$'000	2010 HK$'000
Deferred tax assets	(17,764)	(13,414)	(9,000)
Deferred tax liabilities	646,747	661,073	652,117
Net deferred tax liabilities	628,983	647,659	643,117

Movements in net deferred tax liabilities are as follows:

	2008 HK$'000	2009 HK$'000	2010 HK$'000
At 1 January	511,952	628,983	647,659
Net (credit)/charge to reserve	(1,810)	590	(200)
Net charge/(credit) to combined income statement (note 7)	118,841	18,086	(4,324)
Exchange difference	–	–	(18)
At 31 December	628,983	647,659	643,117
Analysis of net deferred tax liabilities/(assets):			
Unused tax losses	(21,334)	(16,551)	(14,671)
Accelerated depreciation allowances	468,438	475,794	491,411
Fair value adjustments arising from acquisitions	53,738	52,581	51,424
Withholding tax on unremitted earnings	128,643	136,195	115,135
Other temporary differences	(502)	(360)	(182)
	628,983	647,659	643,117

Notes:

(a) The deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when the deferred income taxes relate to the same fiscal authority. The amounts shown in the combined statement of financial position are determined after appropriate offset.

(b) Note 3(e) contains information about the estimates, assumptions and judgements relating to the recognition of deferred tax assets for unused tax losses carried forward.

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 Historical Portfolio Business has unrecognised tax losses of HK$613,753,000, HK$610,475,000 and HK$604,331,000 as at 31 December 2008, 2009 and 2010 respectively to carry forward against future taxable income. These tax losses have no expiry date.

16 DEFERRED TAX (CONT'D)

Notes: (cont'd)

(c) In 2007, the National People's Congress of the PRC approved the New Corporate Income Tax Law and its implementation regulations. With effect from 1 January 2008, all enterprises in the PRC are subject to a standard income tax rate of 25%, except for certain particular provisions in respect of progressive tax rates in the coming five years.

Since the deferred tax assets and deferred tax liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, the change in the applicable tax rate will affect the determination of the carrying values of deferred tax liabilities of the Historical Portfolio Business.

(d) Deferred tax liabilities is calculated in full on temporary differences under the liabilities method, using a tax rate of the countries in which the companies engaging in the Historical Portfolio Business operated for temporary differences from fair value adjustments arising from acquisition and applicable withholding tax rate for those arising from unremitted earnings.

17 AVAILABLE-FOR-SALE INVESTMENTS

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Unlisted equity security (note a)	3,390	515	529
Listed equity security	17,888	30,038	31,050
Listed debt securities: Non-current (note b)	–	2,908,788	2,917,989
	21,278	2,939,341	2,949,568
Listed debt securities: Current (note b)	–	969,786	–
	21,278	3,909,127	2,949,568

Notes:

(a) The unlisted equity security represents 5% equity interest in Shenzhen Hutchison Whampoa Logistics Limited, which is a fellow subsidiary of the Historical Portfolio Business. During the year ended 31 December 2009, there was reduction in share capital of Shenzhen Hutchison Whampoa Logistics Limited from RMB 60,000,000 to RMB 9,037,008.

(b) During the year ended 31 December 2009, the Historical Portfolio Business purchased listed debt securities issued by fellow subsidiaries. The listed debt securities are denominated in US dollar and carry interest at fixed rates from 5.45% to 6.5% per-annum. The fair values of the listed debt securities are based on quoted market prices at the end of reporting date.

17 AVAILABLE-FOR-SALE INVESTMENTS (CONT'D)

At 31 December 2008, 2009 and 2010, available-for-sale investments are denominated in the following currencies:

	2008	2009	2010
	Percentage	Percentage	Percentage
US dollar	–	99%	99%
HK dollar	84%	1%	1%
Renminbi	16%	–	–
	100%	100%	100%

The maximum exposure to credit risk at the reporting date is the carrying value of debt securities classified as available-for-sale investments.

18 CASH AND CASH EQUIVALENTS

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Cash at bank and in hand	253,618	292,003	298,327
Short-term bank deposits	7,104,259	6,490,512	10,140,661
Cash and cash equivalents	7,357,877	6,782,515	10,438,988

Cash and cash equivalents are denominated in the following currencies:

	2008	2009	2010
	Percentage	Percentage	Percentage
HK dollar	38%	50%	46%
Renminbi	50%	40%	44%
US dollar	12%	10%	10%
	100%	100%	100%

The carrying amounts of cash and cash equivalents approximate their fair values. The maximum exposure of credit risk is the carrying amounts of the cash and cash equivalents.

19 TRADE AND OTHER RECEIVABLES

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Trade receivables	1,927,415	1,865,632	1,925,344
Less: Provision for impairment of receivables	(16,237)	(13,523)	(14,203)
	1,911,178	1,852,109	1,911,141
Other receivables and prepayments	595,522	390,492	337,289
Amount due from a holding company of the Historical Portfolio Business	82	106	–
Amounts due from fellow subsidiaries	3,489,742	124,144	1,001,465
Amounts due from related companies	206	22	29
Amounts due from jointly controlled entities	319,963	293,357	265,789
Amounts due from associated companies	10,043	11,450	12,272
	6,326,736	2,671,680	3,527,985

Notes:

(a) The trade and other receivables are mainly denominated in Hong Kong dollar and the carrying amounts approximate their fair values.

(b) The amounts due from holding company, fellow subsidiaries, related companies, associated companies and jointly controlled entities are unsecured, interest free and have no fixed terms of repayment except that the amounts due from fellow subsidiaries of HK$3,478,878,000 in 2008 were interest bearing at 0.25% under Hong Kong Inter-bank Offered Rate ("HIBOR") per annum.

(c) As of 31 December 2008, 2009 and 2010, trade receivables of HK$694,400,000, HK$722,882,000 and HK$864,986,000 were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Up to 2 months	403,720	412,260	562,848
2 to 3 months	135,792	183,836	95,074
Over 3 months	154,888	126,786	207,064
	694,400	722,882	864,986

As of 31 December 2008, 2009 and 2010, trade receivables of HK$16,237,000, HK$13,523,000 and HK$14,203,000 were impaired and provided for. The individual impaired receivables related to those balances in dispute with customers, based on management assessment, that only a portion of the receivables is expected to be recovered. The Historical Portfolio Business does not hold any collateral over these balances.

19 TRADE AND OTHER RECEIVABLES (CONT'D)

(c) (cont'd)

Movements on the provision for impairment of trade receivables are as follows:

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
At 1 January	10,660	16,237	13,523
Provision for impairment of trade receivable	5,476	4,641	6,651
Write back of provision for impairment	–	(7,050)	(6,023)
Currency translation differences	101	(305)	52
At 31 December	16,237	13,523	14,203

The creation and release of provision for impaired receivables have been included in profit or loss. Amounts charged to the provision for receivable impairment are generally written off when there is no expectation of recovering additional cash.

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 receivable mentioned above.

20 TRADE AND OTHER PAYABLES

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Trade payables, other payables and accruals	6,224,756	5,749,642	6,642,051
Loans from:			
– a holding company of the Historical Portfolio Business (note b)	2,148,104	2,148,104	1,456,483
– fellow subsidiaries (note c)	44,813	45,776	24,201
– non-controlling interests (note d)	2,451,113	1,654,647	1,903,628
Amounts due to:			
– a holding company of the Historical Portfolio Business (note f)	211,182	195,647	213,239
– fellow subsidiaries (note f)	28,962	70,068	9,386
– related companies (note f)	12,210	4,714	7,762
– associated companies (note e)	2,781	2,562	3,104
– jointly controlled entities (note f)	–	41,676	9,977
Dividend payable to holding companies of the Historical Portfolio Business	71,795	–	–
Dividend payable to non-controlling interests	12,575	1,994	187,384
	11,208,291	9,914,830	10,457,215

20 TRADE AND OTHER PAYABLES (CONT'D)

(a) The balances are denominated in the following currencies:

	2008	2009	2010
	Percentage	Percentage	Percentage
US dollar	1%	1%	0%
HK dollar	15%	22%	67%
Renminbi	84%	77%	33%
	100%	100%	100%

(b) The loans from a holding company of the Historical Portfolio Business are unsecured, interest free except for an amount of HK$150,569,000, HK$150,569,000 and HK$118,949,000 at 31 December 2008, 2009 and 2010 respectively which bear interest at Hong Kong Dollar Prime Rate and has no fixed terms of repayment.

(c) The loans from fellow subsidiaries are unsecured, interest free except for an amount of HK$16,451,000 at 31 December 2008, 2009 and 2010 which bears interest at United States Dollar Prime Rate and has no fixed terms of repayment.

(d) The loans from non-controlling interests are unsecured, interest free except for an amount of HK$30,380,000 at 31 December 2008, 2009 and 2010 which bears interest at Hong Kong Dollar Prime Rate and has no fixed terms of repayment.

(e) The amounts due to associated companies are unsecured, bear interest at Hong Kong Dollar Prime Rate plus 0.05% except for an amount of HK$40,000, HK$40,000 and HK$30,000 at 31 December 2008, 2009 and 2010 respectively which is interest free and have no fixed terms of repayment.

(f) Amounts due to a holding company of the Historical Portfolio Business, fellow subsidiaries, related companies and jointly controlled entities are unsecured, interest free and have no fixed terms of repayment.

(g) The carrying amounts of trade and other payables approximate their fair values.

21 BANK LOANS

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Total bank loans	13,034,439	10,892,959	8,894,391
Less: Current portion of bank loans	(5,049,600)	(136,800)	(2,774,680)
	7,984,839	10,756,159	6,119,711

21 BANK LOANS (CONT'D)

The carrying amounts and fair values of the Historical Portfolio Business's bank loans are as follows:

	Carrying amounts			Fair values		
	2008	2009	2010	2008	2009	2010
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Bank loans	13,034,439	10,892,959	8,894,391	13,034,439	10,892,959	8,894,391

The carrying amount approximates its fair value as the bank loan bears floating interest rate and is repriced within six months at the prevailing market interest rates. The loan is fully repayable from July 2010 to July 2015.

As at 31 December 2008, 2009 and 2010, the land use right with carrying amounts of HK$77,240,000, HK$75,910,000 and HK$75,872,000 were pledged as securities of the Group's bank loan respectively.

The effective interest rates of the Historical Portfolio Business's bank loans at 31 December 2008, 2009 and 2010 are 1.27%, 0.76% and 0.90% respectively.

At 31 December 2008, 2009 and 2010, bank loans are denominated in the following currencies:

	2008	2009	2010
	Percentage	Percentage	Percentage
HK dollar	98%	99%	98%
Renminbi	2%	1%	2%
	100%	100%	100%

22 LOANS FROM A FELLOW SUBSIDIARY

The loans from a fellow subsidiary are unsecured and bear interest at the rate of 1.1% above HIBOR per annum quoted in respect of a three months' period. At 31 December 2008 and 2009, the loan of HK$4,940,208,000 was repayable in November 2011 and the repayment was extended to November 2016 during the year ended 31 December 2010. The remaining loan of HK$3,724,000,000 is repayable in December 2013.

The effective interest rates of the loans from a fellow subsidiary at 31 December 2008, 2009 and 2010 were 2.64%, 1.22% and 1.36% respectively.

The carrying amounts of the loans from a fellow subsidiary are denominated in Hong Kong dollar and approximate their fair values.

23 LOANS FROM NON-CONTROLLING INTERESTS

The loans from non-controlling interests represent loans from group company of non-controlling interests. They are unsecured and bear interest at the rate of 1.1% above HIBOR per annum quoted in respect of a three months' period. At 31 December 2008, 2009 and 2010 the loan of HK$882,180,000 was wholly repayable in November 2011. The remaining loan of HK$665,000,000 is wholly repayable in December 2013.

The effective interest rates of the loans from non-controlling interests at 31 December 2008, 2009 and 2010 were 2.64%, 1.22% and 1.36% respectively.

The carrying amounts of the loans from non-controlling interests are denominated in Hong Kong dollar and approximate their fair values.

24 LOANS FROM RELATED COMPANIES

The loans from related companies are unsecured and bear interest at the rate of 1.1% above HIBOR per annum quoted in respect of a three months' period. At 31 December 2008 and 2009 the loans of HK$2,999,412,000 were repayable in November 2011 and the repayment was extended to November 2016 during the year ended 31 December 2010. The remaining loan of HK$2,261,000,000 is repayable in December 2013.

The effective interest rate of the loans from related companies at 31 December 2008, 2009 and 2010 was 2.64%, 1.22% and 1.36% respectively.

The carrying amounts of the loans from related companies are denominated in Hong Kong dollar and approximate their fair values.

25 PENSION OBLIGATIONS

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Defined benefit plans			
Plan obligations	405,754	184,772	112,772

25 PENSION OBLIGATIONS (CONT'D)

The Historical Portfolio Business operates a number of defined benefit and defined contribution plans, the assets of which are held independently of the Historical Portfolio Business's assets in trustee administered funds.

(a) Defined benefit plans

The Historical Portfolio Business's defined benefit plans in Hong Kong are contributory final salary pension plan or non-contributory guaranteed return defined contribution plan of the Historical Portfolio Business. The Historical Portfolio Business's plans were valued by Towers Watson Hong Kong Limited (formerly known as Watson Wyatt Hong Kong Limited), qualified actuaries as at 31 December 2008, 2009 and 2010 using the projected unit credit method to account for the pension accounting costs in accordance with HKAS 19 "Employee Benefits".

The principal actuarial assumptions used for accounting purposes are as follows:

	2008	2009	2010
	%	%	%
Discount rate applied to the defined benefit plan obligations	1.60 – 1.70	2.20 – 2.30	2.20 – 2.80
Expected rate of return on plan assets	7.00	7.00	7.00
Future salary increases	0 – 3.00	1.50 – 3.00	3.00
Interest credited on plan accounts	5.00 – 6.00	5.00 – 6.00	5.00 – 6.00

The amounts recognised in the combined statement of financial position are determined as follows:

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Present value of defined benefit obligations	1,290,602	1,240,862	1,279,589
Fair value of plan assets	(884,848)	(1,056,090)	(1,166,817)
Net defined benefit plan obligations	405,754	184,772	112,772

25 PENSION OBLIGATIONS (CONT'D)

(a) Defined benefit plans (cont'd)

The amounts recognised in the combined statements of comprehensive income are as follows:

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Current service cost	60,906	69,668	62,447
Interest cost	34,564	21,009	26,662
Expected return on plan assets	(101,729)	(61,294)	(73,684)
Amounts reallocated to group companies (note (iii))	(4,017)	(12,280)	(8,366)
Total, included in staff costs (note (i))	(10,276)	17,103	7,059

Changes in the present value of the defined benefit obligations are as follows:

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
At 1 January	1,105,148	1,290,602	1,240,862
Current service cost net of employee contributions	60,906	69,668	62,447
Actual employee contributions	10,317	9,696	9,246
Interest cost	34,564	21,009	26,662
Actuarial loss/(gain) on obligation	122,300	(65,527)	(11,014)
Actual benefits paid	(38,140)	(87,614)	(48,181)
Net transfer (out)/in	(4,493)	3,028	(433)
At 31 December	1,290,602	1,240,862	1,279,589

25 PENSION OBLIGATIONS (CONT'D)

(a) Defined benefit plans (cont'd)

Changes in the fair value of the plan assets are as follows:

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
At 1 January	1,273,219	884,848	1,056,090
Expected return on plan assets	101,729	61,294	73,684
Actuarial (loss)/gain on plan assets	(503,633)	141,501	34,897
Actual company contributions	45,849	43,337	41,514
Actual employee contributions	10,317	9,696	9,246
Actual benefits paid	(38,140)	(87,614)	(48,181)
Net transfer (out)/in	(4,493)	3,028	(433)
At 31 December	884,848	1,056,090	1,166,817

Cumulative amount of actuarial losses of the plans amounted to HK$537,134,000, HK$330,106,000 and HK$284,195,000 as at 31 December 2008, 2009 and 2010. Of this amount, cumulative amount of actuarial losses of HK$406,292,000, HK$250,335,000 and HK$218,054,000 have been recognised in the combined statement of comprehensive income for the years ended 31 December 2008, 2009 and 2010, while the remaining balance has been reallocated to other group companies (note (iii)).

Notes:

(i) Of the total net charge, credit of HK$10,799,000 and charge of HK$13,549,000 and HK$4,795,000 were included in cost of services rendered; and charge of HK$523,000, HK$3,554,000 and HK$2,264,000 were included in administrative expenses for the years ended 31 December 2008, 2009 and 2010, respectively.

(ii) The actual return on plan assets during the years ended 31 December 2008, 2009 and 2010 were a loss of HK$401,904,000, gains of HK$202,795,000 and HK$108,581,000, respectively.

(iii) Certain employees of the Historical Portfolio Business have been assigned to work for certain group companies. Accordingly, the corresponding staff costs associated with these employees have been reallocated to the group companies and being included as part of their staff costs.

25 PENSION OBLIGATIONS (CONT'D)

(a) Defined benefit plans (cont'd)

Fair value of the plan assets are analysed as follows:

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Equity instruments	510,293	716,005	801,949
Debt instruments	236,401	254,900	275,895
Other assets	138,154	85,185	88,973
At 31 December	884,848	1,056,090	1,166,817

The experience adjustments are as follows:

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Present value of defined benefit obligations	1,290,602	1,240,862	1,279,589
Fair value of plan assets	(884,848)	(1,056,090)	(1,166,817)
Deficit	405,754	184,772	112,772
Experience adjustments on defined benefit obligations losses	(6,805)	(7,996)	(4,091)
Experience adjustments on plan assets (losses)/ gains	(503,633)	141,501	34,897

There is no immediate requirement for the Historical Portfolio Business to fund the deficit between the fair value of defined benefit plan assets and the present value of the defined benefit plan obligations disclosed as at 31 December 2008, 2009 and 2010. Contributions to fund the obligations are based upon the recommendations of independent qualified actuaries for each of the pension plans of the Historical Portfolio Business 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 Historical Portfolio Business are detailed below.

25 PENSION OBLIGATIONS (CONT'D)

(a) Defined benefit plans (cont'd)

The Historical Portfolio Business operates two principal plans in Hong Kong. One plan, which has been closed to new entrants since 1994, provides 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 a benefit derived by a formula based on the final salary and years of service. A formal independent actuarial valuation, undertaken for funding purposes under the provision of Hong Kong's Occupational Retirement Schemes Ordinance ("**ORSO**"), at 31 May 2009 reported a funding level of 99.8% 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 6.0% per annum and salary increases of 4.0%. The valuation was performed by Tian Keat Aun, a Fellow of The Institute of Actuaries, 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 2008, 2009 and 2010, this plan is fully funded for the funding of vested benefits in accordance with the ORSO funding requirements. During the years ended 31 December 2008, 2009 and 2010, forfeited contributions totalling HK$2,830,000, HK$3,970,000 and HK$2,506,000 were used to reduce the level of contributions of the Relevant Periods and no forfeited contribution was available at 31 December 2008, 2009 and 2010 to reduce future year's contributions.

(b) Defined contribution plans

The Historical Portfolio Business's cost in respect of defined contribution plans for the years ended 31 December 2008, 2009 and 2010 amounted to HK$34,555,000, HK$35,856,000 and HK$36,402,000, respectively.

26 COMBINED CAPITAL

Combined capital represents the combined share capital of the investment holding companies holding the companies engaging in the Historical Portfolio Business amounting to HK$56.

27 NOTES TO THE COMBINED STATEMENT OF CASH FLOWS

(a) Cash generated from operations

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Operating profit	6,458,916	5,272,373	5,846,982
Depreciation and amortisation	1,050,072	978,659	1,015,540
Net gain on disposal of available-for-sale investments	–	(1,166)	–
Net gain on disposal of fixed assets	(40,185)	(34,113)	(2,910)
Dividend income	(3,304)	(2,454)	(2,194)
Interest income	(230,232)	(151,243)	(223,311)
Operating profit before working capital changes	7,235,267	6,062,056	6,634,107
(Increase)/decrease in inventories	(5,016)	11,468	1,288
Decrease in trade and other receivables	589,307	256,928	72,524
Decrease/(increase) in amounts due from group companies, related companies, associated companies and jointly controlled entities	386,705	2,013,400	(916,553)
(Decrease)/increase in trade payables, other payables and accruals	(452,441)	(467,102)	880,048
(Decrease)/increase in amounts due to group companies, related companies, associated companies and jointly controlled entities	(122,004)	59,532	82,312
Increase/(decrease) in pension obligations	94,814	(65,025)	(39,719)
Exchange difference	26,477	(4,558)	13,891
Other non-cash items	205	711	4,825
Net cash generated from operations	7,753,314	7,867,410	6,732,723

(b) Major non-cash transactions

During the year ended 31 December 2009, the Historical Portfolio Business settled balances with a fellow subsidiary of HK$289,992,000 through the transfer of available-for-sale investments and recognised gain on disposal of available-for-sale investment of HK$1,166,000.

During the year ended 31 December 2010, a holding company of the Historical Portfolio Business assigned the loans receivable of HK$628,055,000 to an entity engaging in the Historical Portfolio Business at a consideration of HK$3; loans payable of HK$80,557,000 were waived by the holding company and a fellow subsidiary of the Historical Portfolio Business.

27 NOTES TO THE COMBINED STATEMENT OF CASH FLOWS (CONT'D)

(c) Disposal of subsidiary companies

On 31 December 2010, the Historical Portfolio Business disposed of its 100% equity interests in HIT Information Services Limited, HIT Information Services (Hong Kong) Limited and Hongkong IT Consultants Limited, to a holding company of the Historical Portfolio Business for a cash consideration of HK$8.

	HK$'000
Net assets disposed at date of disposal:	
Fixed assets	73,441
Project under development	5,197
Trade and other receivables	93,084
Trade and other payables	(171,722)
	–
Satisfied by:	
Cash and cash equivalents received as consideration	HK$8

28 COMMITMENTS

(a) The Historical Portfolio Business's capital commitments for fixed assets and projects under development are as follows:

	2008	**2009**	**2010**
	HK$'000	**HK$'000**	**HK$'000**
Contracted but not provided for	1,189,169	231,351	401,177
Authorised but not contracted for (note)	–	515,693	778,409
	1,189,169	747,044	1,179,586

28 COMMITMENTS (CONT'D)

(a) (cont'd)

The Historical Portfolio Business's share of capital commitments of the jointly controlled entities are as follows:

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Contracted but not provided for	–	–	–
Authorised but not contracted for (note)	48,466	35,412	46,706
	48,466	35,412	46,706

Note:
The capital commitments were budgeted amounts estimated for the future capital expenditures of the Historical Portfolio Business, as part of its annual budget process. These estimates are subject to a rigorous authorisation process before the expenditure is committed.

(b) Operating leases commitments

At 31 December 2008, 2009 and 2010, the Historical Portfolio Business had future aggregate minimum lease payments under non-cancellable operating leases for office premises and port facilities as follows:

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Not later than one year	33,534	24,248	37,693
Later than one year and not later than five years	23,507	10,678	33,382
Later than five years	–	60	–
	57,041	34,986	71,075

29 RELATED PARTIES TRANSACTIONS

Transactions between the companies comprising the Historical Portfolio Business have been eliminated on combination. Significant transactions between the companies engaging in the Historical Portfolio Business and other related parties during the Relevant Periods that are carried out in the normal course of business are disclosed below. The amount of outstanding balances with associated companies, jointly controlled entities and group companies are disclosed in notes 19 and 20.

29 RELATED PARTIES TRANSACTIONS (CONT'D)

(i) Income from and expenses to related parties

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Income:			
Container handling fees received from a jointly controlled entity (note d)	–	24,780	30,707
System development and support fees received from			
– holding companies of the Historical Portfolio Business (note a)	9,294	5,375	5,070
– fellow subsidiaries (note a)	11,697	19,755	58,288
– a jointly controlled entity (note a)	8,900	6,643	5,375
Management fee received from a jointly controlled entity (note b)	20,000	20,000	20,000
Transportation management services fee income from a fellow subsidiary (note c)	58,009	24,984	59,040
Expenses:			
Container handling charges paid to a jointly controlled entity (note d)	431,130	378,019	424,146
Operating lease rentals on premises paid to a fellow subsidiary (note d)	6,620	6,588	17,006
Management fee paid to			
– holding company of the Historical Portfolio Business (note e)	125,527	95,254	113,297
– a fellow subsidiary (note e)	83,444	82,743	74,580
Interest on loans from			
– a fellow subsidiary (note f)	324,182	150,661	116,737
– non-controlling interests (note f)	59,379	28,326	22,268
– related companies (note f)	196,308	91,143	70,547

Notes:

(a) System development and support services provided to holding companies of the Historical Portfolio Business, fellow subsidiaries, and a jointly controlled entity were charged at terms pursuant to agreements.

(b) The Historical Portfolio Business received management fee from a jointly controlled entity for provision of general advisory and management services. The amounts are included in note 4.

(c) Revenue from a fellow subsidiary for the provision of transport management services is conducted in normal course of business at prices and terms mutually agreed.

(d) Container handling charges and operating lease rentals received from/paid to a jointly controlled entity and a fellow subsidiary were charged at terms pursuant to relevant agreements.

29 RELATED PARTIES TRANSACTIONS (CONT'D)

(i) Income from and expenses to related parties (cont'd)

Notes: (cont'd)

(e) Management fee for management and administrative services provided paid to holding company of the Historical Portfolio Business and a fellow subsidiary were charged at terms pursuant to relevant agreements.

(f) Interest expenses paid to a fellow subsidiary, non-controlling interests and related companies were charged at the agreed interest rates on the outstanding loan balances.

(ii) Key management compensations

Key management includes Heads of business units and Head of Finance of the Historical Portfolio Business. The compensation paid or payable to key management for employee services is shown below:

	2008	2009	2010
	HK$'000	HK$'000	HK$'000
Salaries and employee benefits	29,979	28,009	29,961

(iii) For the year ended 31 December 2009, the Historical Portfolio Business disposed of certain container handling equipment with carrying value of HK$41,067,000 to Thai Laemchabang Terminal Co. Ltd., Saigon International Terminals Vietnam Limited and Hutchison Laemchabang Terminal Limited, fellow subsidiaries of the Historical Portfolio Business, at an aggregate consideration of HK$53,258,000. The disposal resulted in gain of HK$12,191,000.

For the year ended 31 December 2010, the Historical Portfolio Business disposed of certain container handling equipment with carrying value of HK$19,745,000 to Thai Laemchabang Terminal Co. Ltd. and Saigon International Terminals Vietnam Limited, fellow subsidiaries of the Historical Portfolio Business, at an aggregate consideration of HK$23,580,000. The disposal resulted in gain of HK$3,835,000.

30 LIST OF COMPANIES COMPRISING THE HISTORICAL PORTFOLIO BUSINESS

Details of companies comprising the Historical Portfolio Business as at 31 December 2008, 2009 and 2010 are as follows:

Name	Place of incorporation/ establishment	Principal activities	Particulars of issued share capital	Interest held		
				2008	2009	2010
Giantfield Resources Limited	British Virgin Islands	Investment holding	2 ordinary shares of US$1 each	100%	100%	100%
Classic Outlook Investments Limited	British Virgin Islands	Investment holding	100,000 ordinary shares of US$0.1 each	97.19%	97.19%	97.19%
HIT Investments Limited	British Virgin Islands	Investment holding	200 ordinary "A" shares of US$1 each 800 non-voting preferred "B" shares of US$1 each	86.50%	86.50%	86.50%
HIT Holdings Limited	Hong Kong	Investment holding	50,000 "A" shares of HK$0.25 each 240,000 "B" shares of HK$0.25 each 400 "P" shares of HK$0.25 each	86.50%	86.50%	86.50%
Pearl Spirit Limited	British Virgin Islands	Investment holding	1 ordinary share of US$1	86.50%	86.50%	86.50%
Hongkong International Terminals Limited	Hong Kong	Container terminals operation	2 ordinary shares of HK$10 each	86.50%	86.50%	86.50%
Yantian International Container Terminals Limited	PRC	Development and operation of container terminals	HK$2,400,000,000	48.0%	48.0%	48.0%
Yantian International Container Terminals (Phase III) Limited	PRC	Development and operation of container terminals	HK$6,056,960,000	42.74%	42.74%	42.74%
Shenzhen Pingyan Railway Company Limited	PRC	Provision of railway services	RMB150,000,000	42.74%	42.74%	42.74%

30 LIST OF COMPANIES COMPRISING THE HISTORICAL PORTFOLIO BUSINESS (CONT'D)

Name	Place of incorporation/ establishment	Principal activities	Particulars of issued share capital	Interest held 2008	Interest held 2009	Interest held 2010
Shenzhen Yantian West Port Terminals Limited	PRC	Development and operation of container terminals	RMB1,000,000,000	42.74%	42.74%	42.74%
Hutchison Ports Yantian Limited	Hong Kong	Investment holding	2 ordinary shares of HK$1 each	65.75%	65.75%	65.75%
Wattrus Limited	British Virgin Islands	Investment holding	32 "A" shares of US$1 each 593 "B" shares of US$1 each	81.16%	81.16%	81.16%
Sigma Enterprises Limited	British Virgin Islands	Investment holding	2,005 "A" shares of US$1 each 8,424 "B" shares of US$1 each	65.75%	65.75%	65.75%
Hutchison Ports Yantian Investments Limited	British Virgin Islands	Investment holding	200 ordinary shares of US$1 each	85.55%	85.55%	85.55%
Birrong Limited	British Virgin Islands	Investment holding	10,000 ordinary shares of US$1 each	95.05%	95.05%	95.05%
Hutchison Shenzhen East Investments Limited	British Virgin Islands	Investment holding	1 ordinary share of US$1	100%	100%	100%

31 FINANCIAL RISK AND CAPITAL MANAGEMENT

The major financial instruments of the Historical Portfolio Business include liquid funds, available-for-sales investments, trade and other receivables, trade and other payables and borrowings. Details of these financial instruments are disclosed in the respective notes to the combined financial statements. The risk management programme of the Historical Portfolio Business is designed to minimise the financial risks of the Historical Portfolio Business. These risks include liquidity risk, credit risk and interest rate risk.

(a) Cash management and funding

The Historical Portfolio Business generally obtains long-term financing to meet their funding requirements. These borrowings include bank borrowings and loans from group companies, non-controlling interests and related companies. The management of the Historical Portfolio Business regularly and closely monitors its overall net debt position and reviews its needs for funding if intercompany loan is required.

31 FINANCIAL RISK AND CAPITAL MANAGEMENT (CONT'D)

(a) Cash management and funding (cont'd)

The Historical Portfolio Business adopts prudent liquidity risk management which implies maintaining sufficient cash and making available an adequate amount of committed credit facilities from major financial institutions and financial support from holding companies with staggered maturities to reduce refinancing risk in any year and to fund working capital, debt servicing and new investments if required. The Historical Portfolio Business maintains significant flexibility to respond to opportunities and events by ensuring that committed credit lines are available.

(b) Capital management

The primary objectives of the Historical Portfolio Business when managing capital are to safeguard the Historical Portfolio Business's ability to continue to provide returns for holding companies and to support the Historical Portfolio Business's stability and growth.

The Historical Portfolio Business's regularly reviews and manages its capital structure to ensure optimal capital structure to maintain a balance between higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

(c) Credit exposure

The Historical Portfolio Business's holdings of cash and cash equivalents expose the Historical Portfolio Business to credit risk of the counterparty. The Historical Portfolio Business controls its credit risk to non-performance by its counterparties through regular review and monitoring their credit ratings.

The receivables from customers and other counterparties also expose the Historical Portfolio Business to the credit risk. The Historical Portfolio Business controls the 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.

(d) Interest rate exposure

The Historical Portfolio Business's main interest risk exposures relate to cash and cash equivalents, loans from group companies, non-controlling interests and related companies and bank borrowings. The Historical Portfolio Business manages its interest rate exposure with a focus on reducing the Historical Portfolio Business's overall cost of debt and exposure to changes in interest rates.

31 FINANCIAL RISK AND CAPITAL MANAGEMENT (CONT'D)

(d) Interest rate exposure (cont'd)

The impact of a hypothetical 100 basis points increase in market interest rate at the end of reporting period would reduce the Historical Portfolio Business's profit and shareholders' equity by HK$213,396,000, HK$196,618,000 and HK$142,814,000.

(e) Foreign currency exposure

For overseas subsidiaries, associated company and jointly controlled entity, which consist of non-Hong Kong dollar assets, the Historical Portfolio Business generally monitor the development of the Historical Portfolio Business's cash flow 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 being denominated in a currency that is not the functional currency and being of a monetary nature. Differences resulting from the translation of accounts of overseas subsidiaries into the Historical Portfolio Business's presentation currency are therefore not taken into consideration for the purpose of the sensitivity analysis for currency risk.

Assume the mix of currency remains constant, the significant impact of a hypothetical 10% weakening of the functional currencies of the overseas subsidiaries against all exchange rates at the end of reporting period on the Historical Portfolio Business's profit is set out in the table below.

	2008	**2009**	**2010**
	Hypothetical increase in profit	**Hypothetical increase in profit**	**Hypothetical increase in profit**
	HK$'000	**HK$'000**	**HK$'000**
Renminbi	183,859	59,514	217,200
US dollar	55,069	87,706	197,256
	238,928	147,220	414,456

31 FINANCIAL RISK AND CAPITAL MANAGEMENT (CONT'D)

(f) Liquidity exposure

The following tables detail the remaining contractual maturities at the end of reporting period of the Historical Portfolio Business's non-derivative financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Historical Portfolio Business can be required to pay:

	Contractual maturities				
	Carrying amounts	**Total undiscounted cash flows**	**Within 1 year**	**Within 2 to 5 years**	**Over 5 years**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
31 December 2008					
Trade and other payables	11,208,291	11,208,291	11,208,291	–	–
Bank loans	13,034,439	13,055,770	5,049,600	8,006,170	–
Loans from a fellow subsidiary	8,664,208	8,664,208	–	8,664,208	–
Loans from non-controlling interests	1,547,180	1,547,180	–	1,547,180	–
Loans from related companies	5,260,412	5,260,412	–	5,260,412	–
	39,714,530	39,735,861	16,257,891	23,477,970	–

	Contractual maturities				
	Carrying amounts	**Total undiscounted cash flows**	**Within 1 year**	**Within 2 to 5 years**	**Over 5 years**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
31 December 2009					
Trade and other payables	9,914,830	9,914,830	9,914,830	–	–
Bank loans	10,892,959	10,906,800	136,800	10,770,000	–
Loans from a fellow subsidiary	8,664,208	8,664,208	–	8,664,208	–
Loans from non-controlling interests	1,547,180	1,547,180	–	1,547,180	–
Loans from related companies	5,260,412	5,260,412	–	5,260,412	–
	36,279,589	36,293,430	10,051,630	26,241,800	–

31 FINANCIAL RISK AND CAPITAL MANAGEMENT (CONT'D)

(f) Liquidity exposure (cont'd)

	Contractual maturities				
	Carrying amounts	**Total undiscounted cash flows**	**Within 1 year**	**Within 2 to 5 years**	**Over 5 years**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
31 December 2010					
Trade and other payables	10,457,215	10,457,215	10,457,215	–	–
Bank loans	8,894,391	8,907,681	2,774,680	6,133,001	–
Loans from a fellow subsidiary	8,664,208	8,664,208	–	3,724,000	4,940,208
Loans from non-controlling interests	1,547,180	1,547,180	882,180	665,000	–
Loans from related companies	5,260,412	5,260,412	–	2,261,000	2,999,412
	34,823,406	34,836,696	14,114,075	12,783,001	7,939,620

The table above excludes interest cash flows estimated to be HK$518,227,000, HK$255,676,000 and HK$276,656,000 in "within 1 year" maturity band, HK$1,314,133,000, HK$480,462,000 and HK$763,032,000 in "within 2 to 5 years" maturity band, and Nil, Nil and HK$108,034,000 in "over 5 years" maturity band, and after assuming effect of interest rates with respect to variable rate financial liabilities remain constant and there is no change in aggregate principal amount of financial liabilities other than repayment at scheduled maturity as reflected in the table.

(g) Fair value estimation

The financial instruments of the Historical Portfolio Business that are measured at fair value at 31 December 2008, 2009 and 2010 were the available-for-sale investments (note 17). The available-for-sale investments mainly represent listed debt securities traded in active markets. Their fair values were based on the quoted market prices at the end of reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for the available-for-sale investments held by the Historical Portfolio Business is the closing price.

32 SUBSEQUENT EVENTS

In January and February 2011, the Historical Portfolio Business acquired equity interests in certain subsidiary companies from non-controlling interests and settled the loans from respective non-controlling interests.

In February 2011, the Historical Portfolio Business disposed of certain equity interest in a subsidiary company to a non-controlling interest.

33 APPROVAL OF COMBINED FINANCIAL STATEMENTS

The combined financial statements set out on pages C-3 to C-58 were approved by the Board of Directors of Hutchison Port Holdings Management Pte. Limited on 28 February 2011.

APPENDIX D

INDEPENDENT TAXATION REPORT

The Board of Directors
Hutchison Port Holdings Management Pte. Limited
(as Trustee-Manager of Hutchison Port Holdings Trust)
c/o Allen & Gledhill LLP
50 Raffles Place
#30-01 Singapore Land Tower
Singapore 048623

HUTCHISON PORT HOLDINGS TRUST

PROSPECTUS

28 February 2011

Dear Sirs

This letter has been prepared at the request of the Trustee-Manager for inclusion in the prospectus (the "**Prospectus**") to be issued in relation to the initial public offering of the units (the "**Units**") in Hutchison Port Holdings Trust on Singapore Exchange Securities Trading Limited.

The purpose of this letter is to provide prospective purchasers (collectively referred to as "Unitholders") of the Units with an overview of the Singapore income tax consequences of the acquisition, ownership and disposal of the Units. This letter addresses principally purchasers who hold the Units as investment assets. Purchasers who acquire the Units for dealing purposes should consult their own tax advisers concerning the tax consequences of their particular situation.

This letter also provides an overview of the British Virgin Islands (BVI), Cayman Islands, the Bahamas, Hong Kong and People's Republic of China (PRC) tax systems, as they relate to the acquisition, ownership and disposal of the Units.

This letter is not tax advice and does not attempt to describe comprehensively all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Units. Prospective purchasers of the Units should consult their own tax advisers to take into account the tax law applicable to their particular situations. In particular, prospective purchasers who are not Singapore tax residents are advised to consult their own tax advisers to take into account the tax laws of their country of tax residence and the existence of any tax treaty which their country of tax residence might have with Singapore.

This letter is based on the tax laws of the above jurisdictions and relevant interpretations thereof current as at the date of this letter, all of which are subject to change, possibly with retroactive effect.

Words and expressions defined in the Prospectus have the same meaning in this letter. In addition, unless the context requires otherwise, words in the singular include the plural and vice versa and references to one gender include the other gender.

BACKGROUND

Hutchison Port Holdings Trust, a trust registered under the Business Trusts Act 2004, was established with the principal investment strategy of investing in, developing, operating and managing deep-water container ports in the Pearl River Delta. Hutchison Port Holdings Trust may also invest in other types of port assets including river ports which are complementary to the operation of the deep-water container ports owned by it, as well as undertake certain port ancillary services.

In this connection, Hutchison Port Holdings Trust will incorporate a holding company in Hong Kong ("**HPH Trust HoldCo**"), which will in turn acquire and hold seven existing companies in the BVI ("**BVI Holdcos**"). Each of the BVI Holdcos will hold Hutchison Port Holdings Trust's assets through underlying asset-owning companies in Hong Kong, the PRC and the BVI ("**Opcos and Investment Holding Companies**"). The BVI Holdcos may also hold investment holding or dormant companies in the Cayman Islands or The Bahamas.

SINGAPORE TAX OVERVIEW

General Principles of Singapore Taxation of a Trust registered under the Business Trusts Act 2004

A trust registered under the Business Trusts Act 2004 is treated like a company for income tax purposes. This tax treatment is effective from the first year the trust commences operations as a Registered Business Trust. Accordingly, a Registered Business Trust is subject to Singapore income tax in accordance with the provisions of the Singapore Income Tax Act, Chapter 134, 2008 Edition (ITA), and all references to a company in the ITA also include references to a Registered Business Trust unless otherwise provided.

A Registered Business Trust is chargeable to Singapore income tax on income accruing in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed to be received in Singapore.

Singapore income tax is imposed on the chargeable income of the Registered Business Trust after deduction of any allowable expenses incurred and the tax depreciation claimed on assets used in the generation of the taxable income. A Registered Business Trust is assessed to tax in the name of the trustee-manager.

The first S$300,000 of chargeable income of a Registered Business Trust is exempt from tax as follows:

(a) 75% of the first S$10,000 of chargeable income; and

(b) 50% of the next S$290,000 of chargeable income.

The chargeable income, after the above tax exemption, will be taxed at the prevailing corporate tax rate, which is currently at 17%.

Foreign-sourced income in the form of dividends, branch profits or service fees received or deemed to be received in Singapore by Singapore tax resident business trusts are exempt from tax if certain prescribed conditions, including the following, are met:

- The highest corporate tax rate imposed by the foreign jurisdiction on gains or profits from any trade or business, from which the income is received is at least 15%; and

- The foreign income in question is subject to tax of a similar character to income tax in the foreign jurisdiction from which it is received.

Where these conditions are not met, an application for tax exemption may be made under Section 13(12) of the ITA (see below).

Singapore does not impose tax on capital gains. However, gains from the sale of investments are chargeable to tax at the prevailing corporate tax rate if those gains are derived from a trade or business of dealing in investments.

Distributions made by a Registered Business Trust to its unitholders are exempt from Singapore income tax in the hands of the unitholders, and no withholding tax will apply to any such distributions. By the same token, no credit will be allowed to the unitholders for any tax paid by the trustee-manager on the profits of the Registered Business Trust.

Taxation of Hutchison Port Holdings Trust in Singapore

General

The operating profits earned by the Opcos will be passed as dividends through the Investment Holding Companies up to the BVI Holdcos as and when decided by the Investment Holding Companies. The BVI Holdcos will in turn decide whether to declare dividends to be paid to HPH Trust HoldCo or deploy the funds elsewhere within the Group. Hutchison Port Holdings Trust's income will thus comprise, primarily, dividends received from HPH Trust HoldCo which will then be distributed to the Unitholders.

Subject to meeting certain stipulated conditions and reporting obligations, Hutchison Port Holdings Trust has obtained a tax exemption, under Section 13(12) of the ITA, from the Ministry of Finance (MOF) in respect of the dividend income it receives from HPH Trust HoldCo throughout the life of Hutchison Port Holdings Trust.

Specifically, Hutchison Port Holdings Trust will be exempt from tax on dividends from HPH Trust HoldCo that originate from:

(i) profits derived from the operations of the Portfolio Container Terminals, River Ports and Portfolio Ancillary Services; and

(ii) interest and other income including interest rate swap and foreign exchange swap gains derived by HPH Trust HoldCo and Hutchison Logistics Ltd (provided the income derives from activities in connection with or for the operators of the Portfolio Container Terminals and the Portfolio Ancillary Services).

However, where either:

a) the conditions or reporting obligations imposed under the exemption are not met;

b) the dividends do not fall within the scenario and sources described in the exemption application;

c) there are changes in the structures, entities or circumstances which do not fall within the scope of the exemption granted; or

d) there is a change in the tax legislation governing such tax exemptions,

then the dividends received by Hutchison Port Holdings Trust from HPH Trust HoldCo will, if received in Singapore, be subject to tax in Singapore at the prevailing corporate tax rate, which is currently 17%.

Gains or Profits from the Sale of the Shares in HPH Trust HoldCo by Hutchison Port Holdings Trust

Singapore does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains, and hence, gains may be construed to be of an income nature and subject to tax if they arise from activities which the Inland Revenue Authority of Singapore (IRAS) regards as trading in nature.

In the event that Hutchison Port Holdings Trust disposes of its shares in HPH Trust HoldCo, any gains realised from the disposal will not be liable to Singapore income tax unless the gains are considered income of a trade or business.

Taxation of Unitholders

Distributions

Unitholders will not be taxed in Singapore on their share of the income and gains of the Trustee-Manager, whether chargeable to tax or not, and to which they are entitled (whether distributed by Hutchison Port Holdings Trust or not), regardless of whether they are corporate Unitholders or individuals. The distributions are also not subject to Singapore withholding tax. By the same token, the Unitholders are not entitled to a tax credit for any taxes paid by the Trustee-Manager, in respect of the taxable income of Hutchison Port Holdings Trust.

Disposal of Units

Any gains on the disposal of the Units are not liable to Singapore income tax provided they are not held as trading assets. In the event that the Units are held as trading assets, corporate Unitholders who adopt Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement (FRS 39) for accounting purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Units in the profit and loss account in accordance with FRS 39. If so, the gains or losses recognised will be taxed or allowed as a deduction even though they are unrealised. Unitholders who may be subject to this tax treatment should consult their own accounting and tax advisers regarding the Singapore income tax consequences that may apply to their individual circumstances.

Goods and Services Tax ("GST")

The sale of the Units by a GST-registered investor who belongs in Singapore through the Singapore Exchange or to another person belonging in Singapore is an exempt supply that is not subject to GST. Any GST directly or indirectly incurred by the investor in respect of this exempt supply is not recoverable and will become an additional cost to the investor. Where the Units are sold by a GST-registered investor to a person belonging outside Singapore, the sale is a taxable supply subject to GST at a zero rate. Any GST incurred by a GST-registered investor in the making of this supply in the course or furtherance of a business is claimable as an input tax credit from the Comptroller of GST. Services such as brokerage, handling and clearing services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase, sale or holding of the Units will be subject to GST, currently at the rate of 7.0%. Similar services rendered to an investor belonging outside Singapore are generally subject to GST at the zero rate.

Stamp Duty on Transfers of Units

Stamp duty will not be imposed on the transfer of the Units (whether in scripless or confirmation note form) or on the transfer of any property for the purpose of effectuating the appointment of a new trustee-manager of Hutchison Port Holdings Trust.

HONG KONG TAX OVERVIEW

Profits Tax

For Hong Kong profits tax purpose, a person (including a company regardless of its place of incorporation) carrying on a trade, profession or business in Hong Kong is subject to Hong Kong profits tax in respect of assessable profits arising in or derived from Hong Kong from that trade, profession or business. The prevailing profits tax rate for companies is 16.5%.

Gains from the sale of assets acquired and held for trading purposes are taxable in Hong Kong. However, gains from the sale of capital assets are not subject to Hong Kong profits tax.

Dividend income should not be taxable for Hong Kong profits tax purposes. Dividends derived by HPH Trust HoldCo from the BVI HoldCos should thus be exempt from tax in Hong Kong. Similarly, dividends received by the Opcos or Investment Holding Companies that are based in Hong Kong, from their respective investments, should also be tax exempt.

Hong Kong does not impose withholding tax on dividends. Dividend payments made by Hong Kong companies to non-Hong Kong holding companies should therefore not be subject to withholding tax in Hong Kong. Accordingly, HPH Trust HoldCo will not need to withhold Hong Kong tax on dividends paid to Hutchison Port Holdings Trust.

Stamp Duty

The purchase and the sale of shares in Hong Kong incorporated companies will each be subject to Hong Kong stamp duty at 0.1% on the higher of the consideration paid and the fair market value.

BVI TAX OVERVIEW

No taxes are payable in BVI in respect of income or gains of the BVI HoldCos or on distributions from these companies.

CAYMAN ISLANDS TAX OVERVIEW

No taxes are payable in Cayman Islands in respect of income or capital gains or on distributions from the operating, investment holding or inactive companies in Cayman Islands.

THE BAHAMAS TAX OVERVIEW

No taxes are payable in The Bahamas in respect of income or capital gains or on distributions from the operating, investment holding or inactive companies in The Bahamas.

PRC TAX OVERVIEW

Corporate Income Tax ("CIT")

Under the Corporate Income Tax (CIT) Law which became effective on January 1, 2008, foreign investment enterprises and domestic companies are subject to a uniform income tax rate of 25%. The CIT Law provides a five-year transition period commencing from its effective date for those enterprises which were established before the promulgation date of the CIT Law and which were entitled to a preferential lower income tax rate under the then effective tax laws or regulations.

According to a Notice of the State Council on the Implementation of the Transitional Preferential Policies in respect of Corporate Income Tax dated December 26, 2007, the income tax rate of the enterprises which have been entitled to an income tax rate of 15% will be increased to 18% for 2008, 20% for 2009, 22% for 2010, 24% for 2011 and 25% thereafter.

For those enterprises which are enjoying tax holidays, these tax holidays may continue until they expire in accordance with the original tax regulations, but where the tax holiday has not yet started because of losses, the tax holiday will be deemed to commence from the first effective year of the CIT Law.

According to the CIT Law and the Implementation Rules, dividends payable to foreign investors will be subject to PRC withholding tax of 10% unless the foreign investor's country of residence has a tax treaty with the PRC that provides for a different withholding arrangement.

According to the Arrangement between the Mainland and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income signed by the two parties on August 21, 2006, a company incorporated in Hong Kong will be subject to withholding tax of 5% on dividends it receives from a company incorporated in the PRC if the relevant criteria are met.

In addition, the PRC State Administration of Taxation promulgated a Notice of Taxation on "How to Understand and Determine the Beneficial Owners in Tax Agreements" (the "**Circular 601**") on October 27, 2009. This Circular provides that tax treaty benefits will be denied to conduit or shell companies without business substance, and a beneficial ownership analysis will be used based on a "substance-over-form" principle to determine whether or not to grant tax treaty benefits.

The beneficial ownership analysis is undertaken at the local PRC tax authorities level. Due to differing interpretations of Circular 601, the application by the local PRC tax authorities of tax treaty benefits under the DTA to the beneficial owner may result in different outcomes by location.

Capital gains

Capital gains derived from the transfer of the shares of PRC resident companies by non-residents are normally subject to a withholding tax of 10%. In contrast, transfers of shares or equity interests in a non-resident enterprise prima facie do not give rise to any PRC tax implications, if certain criteria are met. This is further discussed in the section "Guoshuihan 2009 No.698" below.

Interest expenses

Interest expense is deductible for CIT purpose provided that certain requirements are met. According to the CIT Law and the Implementation Rules, interest expense payable to a non-resident enterprise will be subject to PRC withholding tax of 10% unless a tax treaty provides differently. In addition, interest income is also subject to Business Tax and surtaxes.

Business Tax ("BT")

In accordance with the Interim Regulation of the People's Republic of China on Business Tax which was promulgated on December 13, 1993 and amended on November 10, 2008 and which came into effect on January 1, 2009, a business that provides services (except an entertainment business), assigns intangible assets or sells immovable property, is liable to BT at rates ranging from 3% to 5% of the charges for the services provided, intangible assets assigned or immovable property sold, as the case may be.

The BT rate of 3% is applicable on taxable services relating to communication and transportation (i.e. loading and unloading of containers, transportation, etc). All other services generally attract a BT rate of 5%.

In addition, business tax is payable on the gross amount of all billings with respect to services rendered within the PRC unless specific rules stipulate the use of a net amount.

An Urban Construction and Maintenance Tax together with Education Surcharge are payable at a rate of 6.0% to 12.0% of the BT.

Value-added Tax ("VAT")

The Provisional Regulations of the People's Republic of China Concerning Value Added Tax promulgated by the State Council came into effect on January 1, 2009. Under these regulations and the Implementing Rules of the Provisional Regulations of the People's Republic of China Concerning Value Added Tax, VAT is imposed on goods sold in or imported into the PRC and on processing, repair and replacement services provided within the PRC.

A VAT rate of 17% is applicable on taxable items encompassing the sale of most tangible goods and the provision of certain labour in respect of processing goods, repair and replacement services undertaken in the PRC. A reduced VAT rate of 3% is applicable to small scale VAT taxpayers.

An Urban Construction and Maintenance Tax together with an Education Surcharge are payable at a rate of 6.0% to 12.0% of the VAT.

Stamp tax

From January 1, 1994, all enterprises became subject to stamp tax on all taxable documents listed in the Stamp Tax Regulations. Stamp tax is levied on the execution or receipt in China of certain documents, including contracts for the sale of goods, the undertaking of processing work, the contracting of construction and engineering projects, leases, loans, and agency and other non-trade contracts. Stamp tax is also levied on documentation effecting the transfer of property, business account books and certification of rights and licences.

The rates of stamp tax vary, but the maximum rate is 0.1%.

Real Estate Tax ("RET")

Properties owned by an enterprise will be subject to RET at variable rates depending on locality. In certain localities, RET is applicable at a rate of 1.2% of the original value of the building less a standard deduction which ranges from 10% to 30% of the original value or 12% of the rental income.

Guoshuihan 2009 No. 698 ("Circular 698")

On 10 December 2009, Circular 698 was issued by the State Administration of Taxation which stipulates the PRC tax treatment and reporting obligations on "indirect" equity transfers undertaken by non-resident enterprises ("**offshore investors**"). Under certain circumstances, specified documentation should be provided to the PRC tax authorities in charge of the PRC enterprise whose equity interests have been indirectly transferred (within 30 days from the date of signing the share transfer agreement).

Circular 698 also introduces anti-abuse and anti-avoidance rules where the dominant purpose of using the offshore entities is to avoid PRC tax obligations. In such a case, the PRC tax authorities can adopt a "look-through" approach and disregard the interposing offshore entities, and consequently apply a 10% withholding tax on capital gains derived by the offshore investor on the indirect transfer. However, Circular 698 does not provide for clear guidance on how the capital gains withholding tax of 10% is to be applied in practice in connection to indirect transfer.

Yours faithfully
For and on behalf of
PricewaterhouseCoopers Services LLP

David Sandison
Partner

APPENDIX E

28 February 2011

The Directors of
Hutchison Port Holdings Management Pte Limited
(As Trustee-Manager of Hutchison Port Holdings Trust)
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Dear Sirs:

(A) THE GLOBAL SUPPORT SERVICES AGREEMENT (THE "GSS") ENTERED INTO BY HUTCHISON PORT HOLDINGS MANAGEMENT PTE. LIMITED ("HPH MANAGEMENT" OR THE "TRUSTEE-MANAGER"), IN ITS CAPACITY AS TRUSTEE-MANAGER OF HUTCHISON PORT HOLDINGS TRUST ("HPH TRUST"), HUTCHISON PORT HOLDINGS TRUST (HK) LIMITED, AS HOLDING COMPANY OF HPH TRUST, ("HK HOLDCO"), AND HUTCHISON PORT HOLDINGS LIMITED ("HPH" OR FOR PURPOSES OF THE GSS, THE "MANAGER");

(B) THE SERVICES AGREEMENT ENTERED INTO BY HONGKONG INTERNATIONAL TERMINALS LIMITED ("HITL") AND HPH (THE "SERVICES AGREEMENT"); AND

(C) THE INTEREST PAYABLE AND SECURITY TO BE GIVEN TO THE SPONSOR UNDER THE PROMISSORY NOTE (THE "PROMISSORY NOTE")

AS INTERESTED PERSON TRANSACTIONS (THE "INTERESTED PERSON TRANSACTIONS")

1 INTRODUCTION

This letter has been prepared for the use of the directors (the "**Directors**") of the Trustee-Manager, as trustee-manager of HPH Trust, to be incorporated into the prospectus dated 28 February 2011 (the "**Prospectus**") issued by HPH Trust in connection with the proposed listing of the units in HPH Trust (the "**HPH Trust Units**") in the form of a business trust established under the laws of Singapore (the "**Listing**") on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Unless otherwise defined, all terms in the Prospectus issued by the Trustee-Manager have the same meaning in this letter.

On 17 January 2011, the board of directors of Hutchison Whampoa Limited ("**HWL**") announced the spin-off of the assets proposed to be held by HPH Trust at the time of the Listing. In connection with the Listing, the Trustee-Manager, as trustee-manager of HPH Trust, has entered into or will enter into the following transactions with certain Interested Persons:

(1) the GSS with HK Holdco and the Manager;

(2) the Services Agreement with HITL and HPH; and

(3) the Promissory Note.

Transactions between (i) the Trustee-Manager (acting in its capacity as trustee-manager of HPH Trust) or any of the subsidiaries or associated companies of HPH Trust, and (ii) any of the Interested Persons (namely the Trustee-Manager (acting in its personal capacity), a related corporation or related entity of the Trustee-Manager (other than a subsidiary or subsidiary entity of HPH Trust), an associated company or associated entity of the Trustee-Manager (other than an associated company or associated entity of HPH Trust), a Director, Chief Executive Officer or controlling shareholder of the Trustee-Manager, a controlling Unitholder or an associate of any such Director, Chief Executive Officer, controlling shareholder or controlling Unitholder), would constitute an interested person transaction for the purposes of Chapter 9 of the SGX-ST Listing Manual (the "**Listing Manual**").

Ernst & Young Corporate Finance Pte Ltd ("**EYCF**") has been appointed as independent financial adviser to advise the Directors on whether the financial terms of each of the Interested Person Transactions are on an arm's length basis, follow general market practice, on normal commercial terms and are not prejudicial to the interests of HPH Trust and the minority unitholders of HPH Trust (the "**Unitholders**").

This letter, which is addressed to the Directors and sets out our evaluation of and our opinion on each of the Interested Person Transactions, will form part of the Prospectus.

2 TERMS OF REFERENCE

EYCF has been appointed to evaluate whether the financial terms of each of the Interested Person Transactions are on an arm's length basis, follow general market practice, on normal commercial terms and are not prejudicial to the interests of HPH Trust and the minority Unitholders.

Our views as set forth in this letter are based on the prevailing market, economic and financial conditions, and our analysis of publicly available information collated by us, the information provided in the Prospectus, as well as information provided to us by the management of the Trustee-Manager (the "**Management**"), as of the Latest Practicable Date (which is defined in the Prospectus). Accordingly, this opinion shall not take into account any event or condition which occur after the Latest Practicable Date.

We are not and were not involved in any aspect of the negotiations pertaining to the Interested Person Transactions, nor were we involved in the deliberations leading up to the decision by the Directors of the Trustee-Manager to enter into the Interested Person Transactions. The scope of our appointment in relation to the Interested Person Transactions does not involve giving an opinion on the merits of having the Interested Person Transactions, as this is the sole responsibility of the directors of the Trustee-Manager. The scope of our appointment also does not require us to express, and we do not express, a view on the future growth prospects, earnings potential or value of HPH Trust. We are, therefore, not expressing any view herein as to the prices at which the HPH Trust Units may trade or on the future value or financial performance of HPH Trust upon entering into the Interested Person Transactions.

In the course of our evaluation of the Interested Person Transactions, we have held discussions with the Directors and the Management. We have not independently verified such information furnished by the Directors and the Management or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. Nevertheless, the Directors and the Management have confirmed to us that to the best of their knowledge and belief, the information provided to us (whether written or verbal) as well as the information contained in the Prospectus constitutes a full and true disclosure, in all material respects, of all material facts and there is no material information the omission of which would make any of the information (in relation to the Interested Person Transactions) contained herein or in the Prospectus inaccurate, incomplete or misleading in any material respect.

We have also made reasonable enquiries and used our judgement in assessing such information and have found no reason to doubt the accuracy and/or reliability of such information. We have further assumed that all statements of fact, belief, opinion and intention made by the Directors and the Trustee-Manager in the Prospectus have been reasonably made after due and careful enquiry.

Our opinion is delivered solely for the use and benefit of the Directors in connection with and for the purpose of their consideration of the Interested Person Transactions. Any views and/or opinions that the Directors may make in relation to the Interested Person Transactions shall remain the responsibility of the Directors. Our opinion should not be relied on as a recommendation to any Unitholder. In preparing this letter, we have not had regard to the general or specific investment objectives, financial situation, tax position, risk profile or unique needs and considerations of any Unitholder. HPH Trust and the Trustee-Manager have been separately advised in the preparation of the Prospectus (other than this letter). We were not involved and have not provided any advice, whether financial or otherwise, in the preparation, review and verification of the Prospectus (other than this letter). Accordingly, we do not take any responsibility for, and express no views on, whether expressed or implied, the contents of the Prospectus (other than this letter).

Our opinion in relation to the Interested Person Transactions should be considered in the context of the entirety of this letter and the Prospectus.

3 THE GSS AND THE SERVICES AGREEMENT

3.1 Principal terms of the GSS and the Services Agreement

The salient terms of the GSS and the Services Agreement are set out in the section entitled "Certain Agreements relating to Hutchison Port Holdings Trust" of the Prospectus. In particular, we note the following key terms:

(a) The GSS

Under the GSS, the Manager will undertake to:

(i) provide or procure the provision by its subsidiaries of certain support services to HPH Trust HoldCo, its subsidiaries, and jointly controlled entities and associated companies of its respective subsidiaries ("**HPH Trust Holdco Group**") as and when reasonably required or requested by the Trustee-Manager, HPH Trust Holdco or any other members of the HPH Trust Holdco Group from time to time;

(ii) procure the entering into of the IP Licence Agreement; and

(iii) procure the entering into of the Master IT Services Agreement.

The support services in the GSS include, without limitation, administrative central support services, port technical and engineering services, and such other additional services as may be added in accordance with the terms of the agreement, but exclude services provided under the IP Licence Agreement and IT services as more particularly defined in the Master IT Services Agreement.

Payment for the services of the Manager shall comprise a base fee, payable in equal semi-annual instalments in advance on or before 10 July and 10 January, the first such payment being made on the Listing Date. The base fee for any financial year of the agreement is US$15 million, which is subject to increase each year by such percentage representing the percentage increase (if any) in the Hong Kong Composite Consumer Price Index. The amount of the base fee is subject to an upward adjustment whenever HPH Trust makes an acquisition which can be classified as a major transaction based on the tests set out in Chapter 10 of the Listing Manual. In the event the HPH Trust Holdco Group makes one or more acquisitions (the "**Subject Acquisitions**") and the cumulative (if applicable) result of which is to increase the value of the total assets of HPH Trust HoldCo as at the Listing Date by more than 20%, the parties shall negotiate in good faith with a view to reaching agreement on a revision in the base fee, failing which the Manager shall be entitled to restrict the services to be provided thereunder to those companies within the HPH Trust Holdco Group which are subject matter of the Subject Acquisitions on the same terms as those prevailing immediately prior to completion of the Subject Acquisitions.

The GSS shall commence on the Listing Date and, unless otherwise terminated earlier, expire on 31 December 2021.

(b) The Services Agreement

Under the Services Agreement, HITL will undertake to provide or procure the provision by its subsidiaries of certain administrative support services to HPH as and when reasonably requested by HPH and agreed between HITL and HPH from time to time.

The administrative support services to be provided include the use of office space, share of office electricity, utilities, share of company bus services and employees facilities (such as canteens and sports centre), share of data centre facilities, supply of computer network and computer support, purchasing and procurement services, accounts payable services, office and corporate administration services (such as internal courier, drivers), book-keeping and accounting services, payroll services and participation in HITL's medical scheme.

Payment for the services shall be by way of a service fee which is charged on a cost basis involving an allocation of costs of the services on a fair and equitable basis and the costs and expenses to be reimbursed by HPH to HITL for the provision of services, and shall be separately determined and agreed between the parties based on the following principles:

(i) any use of space by HPH will be charged at the then prevailing market rent and according to the area occupied by HPH;

(ii) any sharing of facilities, utilities, maintenance and other infrastructural costs will be computed according to headcounts and floor area occupied by HPH; and

(iii) any non-executive or non-management support services will be charged on the then prevailing market manpower cost based on level of service requested and supplied.

The parties acknowledged that applying the above principles, an annual service fee of HKD30.0 million would have been payable in the financial year ended 31 December 2010.

The Services Agreement shall be deemed to have commenced on 1 January 2011 and shall expire on 31 December 2021, unless terminated earlier in accordance with its terms.

3.2 Evaluation of the financial terms of the GSS and the Services Agreement

In evaluating whether the terms of the GSS are on an arm's length basis, follow general market practice, on normal commercial terms and are not prejudicial to the interests of HPH Trust and its Unitholders, we have considered, inter alia, the following pertinent factors:

(a) comparison of the fees to be paid to the Manager with the fees paid by selected business trusts that are listed on the SGX-ST; and

(b) other relevant factors.

3.2.1 Comparison of the fees to be paid to the Manager and HITL under the GSS and the Services Agreement, respectively with the fees payable by selected business trusts that are listed on the SGX-ST

Based on our search for comparable listed business trusts on Bloomberg, on the SGX-ST website and other available databases, we recognise that there is no particular listed business trust that we may consider to be directly comparable to HPH Trust in terms of the composition and types of assets, asset size, risk profile, geographical coverage, accounting standards and policies used, and such other relevant criteria. However, after discussions with the Trustee-Manager, we have selected the business trusts with similar services arrangements that are listed on the SGX-ST (the "**Comparable Trusts**").

The Directors should note that any comparisons made with respect to the Comparable Trusts are for illustrative purposes only as there is no one company that is exactly comparable to HPH Trust. In addition, we wish to highlight that the list of Comparable Trusts is by no means exhaustive.

Accordingly, for the purposes of our evaluation, we have considered the following Comparable Trusts whose property management agreements, in our view (and as explained above), are broadly comparable to the services agreements, namely the GSS and the Services Agreement, of HPH Trust, and have compared the property management fees paid by the Comparable Trusts to the fees to be paid to the Manager and HITL under the GSS and the Services Agreement respectively.

Comparable Trusts	**Description of Comparable Trusts**
Ascendas India Trust ("**AIT**")	Singapore-based business trust established with the principal objective of owning income-producing real estate used primarily as business space in India and real estate-related assets in relation to the foregoing. AIT may acquire, own and develop land or incomplete developments to be used primarily for business space with the objective of holding the properties upon completion.
CapitaRetail China Trust ("**CRCT**")	Singapore-based unit trust established with the objective of investing on a long-term basis in a diversified portfolio of income-producing real estate used primarily for retail purposes and located in China, Hong Kong and Macau.
Indiabulls Properties Investment Trust ("**IPIT**")	Singapore-based business trust established with the principal objectives of (i) investing, either directly or indirectly, primarily in income-producing office space in India, (ii) acquiring and developing primarily office space in India with the intention of holding such properties upon completion, and (iii) investing in real estate-related assets in connection with the foregoing.

We present in the table below, the relevant property management fees paid by the Comparable Trusts compared to the service fees paid to the Manager and HITL under the GSS and Services Agreement, respectively.

Comparable Trusts	**Management Fee**
AIT	● Property management fees: 2.0% per month of the monthly gross revenue of each property plus reimbursement of remuneration costs of the personnel employed by the property manager;
CRCT	● Property and lease management fee: 2.0% per annum of the gross revenue; 2.0% per annum of the net property income
IPIT	● Property management fee: 2.0% per month of the monthly gross revenue of each property

Comparable Trusts	Management Fee
HPH Trust	• **Under the GSS, base fee for any financial year of the GSS of US$15.0 million, which is subject to increase each year by such percentage representing the percentage increase (if any) in the Hong Kong Composite Consumer Price Index. The amount of the base fee is subject to an upward adjustment whenever HPH Trust makes an acquisition which can be classified as a major transaction under Chapter 10 of the Listing Manual. The base fee represents approximately 1.0% of the revenue of HPH Trust for the financial year ended 31 December 2010.** • **Under the Services Agreement, payment for the services shall comprise the service fee which is charged on a cost basis involving an allocation of costs of the services on a fair and equitable basis and the costs and expenses to be reimbursed by HPH to HITL for the provision of services, and shall be separately determined and agreed between the parties based on agreed principles. By applying the principles of the Services Agreement, an annual service fee of HKD30.0 million would have been payable in the financial year ended 31 December 2010. The estimated annual service fee of HKD30.0 million represents less than 0.5% of the revenue of HPH Trust for the financial year ended 31 December 2010.**

Based on the table above, we note that the bases for the calculation of the property management fees of the Comparable Trusts are the gross revenue and/or net property income of the assets, with an average percentage of 2.0% of the gross revenue and/or net property income of the assets. In terms of percentage of revenue, the combined percentage of revenue of the agreed base fee of US$15.0 million under the GSS and the estimated service fee payable of HKD30.0 million (for the financial year ended 31 December 2010) under the Services Agreement is lower than the percentages applied by the Comparable Trusts.

3.2.2 Other relevant factors

(a) Conditions put in place for an upward adjustment of the base fee under the GSS

We note that, under the GSS, the there are conditions put in place for an increase in the base fee, namely:

(i) by such percentage representing the percentage increase (if any) in the Hong Kong Composite Consumer Price Index; or

(ii) when HPH Trust makes an acquisition which can be classified as a major transaction based on the tests set out in Chapter 10 of the Listing Manual.

We also note that in the event the HPH Trust Holdco Group makes Subject Acquisitions and the cumulative (if applicable) result of which is to increase the value of the total assets of HPH Trust HoldCo as at the Listing Date by more than 20%, the parties shall negotiate in good faith with a view to reaching agreement on a revision in the base fee, failing which the Manager shall be entitled to restrict the services to be provided thereunder to those companies within the HPH Trust Holdco Group which are subject matter of the Subject Acquisitions on the same terms as those prevailing immediately prior to completion of the Subject Acquisitions.

(b) Bases agreed for the determination of the service fee under the Services Agreement

We note that, under the Services Agreement, the basis of the service fee is straight-forward as it is charged on a cost basis involving an allocation of costs of the services on a fair and equitable basis and the costs and expenses to be reimbursed by HPH to HITL for the provision of services.

We also note that there are guiding principles agreed between the parties to determine the service fee, which are measureable and verifiable, including the use of the then prevailing market rent for the rent of space by HPH, the use of headcounts of and floor area occupied by HPH for the sharing of facilities, utilities and maintenance and other infrastructural costs and the use of the then prevailing market manpower cost based on level of service requested and supplied.

3.3 Conclusion on the GSS and the Services Agreement

In arriving at our opinion on whether the financial terms of the GSS and the Services Agreements are on normal commercial terms and not prejudicial to the interests of HPH Trust and its minority Unitholders, we have considered, inter alia, the following:

(a) comparison of the fees to be paid to the Manager and HITL under the GSS and the Services Agreement, respectively with the fees payable by selected business trusts that are listed on the SGX-ST;

(b) the conditions put in place for an upward adjustment of the base fee under the GSS; and

(c) the bases agreed for the determination of the service fee under the Services Agreement.

Based on the analysis undertaken and subject to the qualifications and assumptions made herein, EYCF is of the opinion that, on balance, the financial terms of the GSS and the Services Agreement entered into by the Trustee-Manager, on behalf of HPH Trust, are on an arm's length basis, follow general market practice, on normal commercial terms and not prejudicial to the interests of HPH Trust and its minority Unitholders.

This opinion is provided for the benefit of the Directors, in connection with and for the purpose of their consideration of the GSS and the Services Agreement, and should not be relied on by any other party. In addition, we have not regarded the general or specific investment objectives, financial situation, tax position, risk profile or unique needs and considerations of any individual Unitholder.

4 THE PROMISSORY NOTE

4.1 Salient information on the Promissory Note

The salient terms of the Promissory Note are described in the section entitled "The Restructuring Exercise – Details of the Restructuring". We note that the Promissory Notes do not bear any interest, provided that in the event the proceeds from the New Debt Facility are not available on or before the Final Payment Date, the outstanding principal amount of the Promissory Notes will bear interest from the Final Payment Date until the date of payment of such outstanding principal amount at the rate of interest up to that charged to HITL for the New Debt Facility and HPH Trust shall provide such security as the Sponsor may require up to that required under the New Debt Facility.

4.2 Assessment of and conclusion on the Promissory Note

In evaluating whether the financial terms of the Promissory Note are on an arm's length basis, follow general market practice, on normal commercial terms and are not prejudicial to the interests of HPH Trust and its minority Unitholders, we have considered, inter alia, that:

(a) the interest rate to be applied to the outstanding principal amount of the Promissory Note will be at the rate of interest up to that charged to HITL for the New Debt Facility;

(b) the security to be required by the Sponsor is up to that required under the New Debt Facility; and

(c) the interest rate and security for the New Debt Facility have been negotiated and agreed with unrelated third parties.

Based on the analysis undertaken and subject to the qualifications and assumptions made herein, EYCF is of the opinion that, on balance, the financial terms of the Promissory Note are on an arm's length basis, follow general market practice, on normal commercial terms and not prejudicial to the interests of HPH Trust and its minority Unitholders.

This opinion is provided for the benefit of the Directors, in connection with and for the purpose of their consideration of the Promissory Note, and should not be relied on by any other party. In addition, we have not regarded the general or specific investment objectives, financial situation, tax position, risk profile or unique needs and considerations of any individual Unitholder.

The opinions set forth in this letter are based on publicly available information and information provided to us by the Directors and management of the Trustee-Manager, and therefore do not reflect any projections or future financial performance of HPH Trust. This letter may only be reproduced, disseminated or quoted in the form and in the context in which it appears in the Prospectus with the prior written consent of EYCF.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
Ernst & Young Corporate Finance Pte Ltd

Leslie Koh
Executive Director

ERNST & YOUNG

Ernst & Young Solutions LLP
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The Board of Directors
Hutchison Port Holdings Management Pte. Limited
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

28 February 2011

INDEPENDENT VALUATION SUMMARY LETTER

Dear Sirs:

1. Introduction

Ernst & Young Solutions LLP ("**EY**") has been appointed by the Board of Directors ("**Directors**") of Hutchison Port Holdings Management Pte. Limited ("**Trustee-Manager**") in its capacity as Trustee-Manager of Hutchison Port Holdings Trust ("**HPH Trust**"), to undertake an independent, indicative valuation of the future operating cash flows of the portfolio of businesses, which will form part of the initial investments of HPH Trust, in connection with the initial public offering of units in HPH Trust (the "**Offering**"). We have approached the valuation by giving consideration to the sum of parts of the cash flows of the individual, underlying businesses and assuming that such cash flows are free for and not restricted from being distributed or returned to the investors.

The initial portfolio of HPH Trust comprise of the following:

1. the Portfolio Container Terminals which consist of:

    i. 100% interest in Hongkong International Terminals Limited ("**HITL**"), which operates Terminals 4,6,7 and two berths in Terminal 9 at Kwai Tsing, Hong Kong (collectively known as "HIT");

    ii. 50% interest in COSCO-HIT Terminals (Hong Kong) Limited ("**CHT**"), which operates Terminal 8 East at Kwai Tsing, Hong Kong ("**COSCO-HIT**");

    iii. Yantian which comprises of:

        a. 56% interest in Yantian International Container Terminals Ltd ("**YICT**"), which operates Yantian Phases I and II;

        b. 52% interest in Yantian International Container Terminals (Phase III) Ltd ("**YICTP3**"), which operates Yantian Phase III and Yantian Phase III Expansion;

c. 52% interest in Shenzhen Yantian West Port Terminals Ltd ("**SYWPT**"), which operates West Port Phase I and West Port Phase II;

2. the Portfolio Ancillary Services which consist of:

iv. 100% interest in Asia Port Services Limited ("**APS**");

v. 85% interest in Shenzhen Hutchison Inland Contrainer Depots Co., Limited ("**SHICD**");

vi. 51% interest in HPH E.Commerce Limited ("**Hutchison Logistics**");

3. the Rive Port Economic Benefits attributable to the business of:

vii. 50% interest in Jiangmen International Container Terminals ("**Jiangmen Terminal**");

viii. 50% interest in Nanhai International Container Terminals ("**Nanhai Terminal**"); and

ix. 50% interest in Zhuhai International Container Terminals (Jiuzhou) ("**Zhuhai Jiuzhou Terminal**").

The Portfolio Container Terminals, the Portfolio Ancillary and the River Port Economic Benefits collectively, are hereafter referred to as "the Businesses".

Unless otherwise stated, words and expressions defined in the Prospectus registered with the Monetary Authority of Singapore in connection with the Offering (the "**Prospectus**") have the same meaning in this letter.

This letter has been prepared for the purpose of disclosure as an Appendix to the Prospectus to be issued in relation to the initial public offering of HPH Trust and is a summary of the information contained in our Independent Valuation Report dated 28 February 2011 (the "**Report**"). Accordingly, this letter should be read in conjunction with the full text of the Report.

2. Terms of reference

The objective of this letter is to provide an independent view of the fair market value of the future operating cash flows of the Businesses assessed on a stand-alone and going concern basis, as at 25 February 2011 ("**Valuation Date**").

The aggregate valuation range provided in this letter is a simple summation of the valuation of each of the businesses valued separately based on their intended respective proportions of equity ownership.

We are not expressing an opinion on the commercial merits and structure of HPH Trust, and accordingly this letter and the Report do not purport to contain all the information that may be necessary or desirable to fully evaluate the commercial or investment merits of HPH Trust by the current and prospective investors. The assessment of the commercial and investment merits of HPH Trust is solely the responsibility of the Directors of Trustee-Manager. Additionally, our work should not be construed as investment advice to the current and prospective investors of HPH Trust.

We have not conducted a comprehensive review of the business, operational or financial conditions of the Businesses, and accordingly this letter and our Report do not make any representation or warranty, express or implied in this regard.

The scope of our engagement does not require us to express, and we do not express, a view on the future prospects of HPH Trust and the Businesses. We are, therefore not expressing any views on the future trading price of the units or the financial condition of HPH Trust upon its listing.

Our terms of reference do not require us to provide advice on legal, regulatory, accounting, property or taxation matters and where specialist advice has been obtained by the Trustee-Manager or HPH Trust and made available to us, we have considered and where appropriate, relied upon such advice.

Our work is not of the same nature as an audit, and does not constitute an audit. We are not, therefore issuing an audit opinion. Instead, our work is in the nature of a review of the information provided to us, and discussions with members of management.

Use of our letter and the Report

This letter and the Report are addressed solely to, and for the use and benefit of the Directors of the Trustee-Manager for the purpose as set out above, and accordingly neither the Report nor this letter may be used or relied upon by, nor confer any benefit to, any other person (including without limitation, the current and prospective investors of HPH Trust). Any recommendations made by the Directors of the Trustee-Manager to the current and prospective investors shall remain the responsibility of the Directors.

Reliance on information and representation

In the course of our work, we have held discussions with the management of the Trustee-Manager as well as the respective management of the Businesses. We have also examined and relied on information provided by them and reviewed other relevant publicly available information. We have not independently verified all such information provided or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. Nevertheless, the Directors have confirmed to us, upon making all reasonable enquiries and to their best knowledge and belief, that the information provided to us constitute a full and true disclosure, in all material respects, of all material facts relating to the Businesses as required for the purposes of our valuation (and there is no omission of material information, of which if any, would make any of the information considered herein inaccurate, incomplete, or misleading in any material respect).

In no circumstances shall we be liable, other than in the event of our bad faith or wilful default, for any loss or damage, of whatsoever nature arising from information material to our work being withheld or concealed from us or misrepresented to us by the Directors, employees, or agents or any person of whom we may have made inquiries of during the course of our work.

3. Valuation methodology

We have assessed the fair market value of each of the businesses on a stand-alone and going concern basis, by using the discounted cash flows methodology under the income approach. Under this approach and methodology, we have discounted the projected free cash flows of each of the businesses with an appropriate discount rate having considered the relevant risk factors and levels of ownership. Such values were then aggregated to arrive at the sum of parts value of the Businesses.

Fair market value is generally defined as the amount at which an asset could be exchanged between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting in an arm's length transaction, in an open and unrestricted market.

Our valuation is based on various assumptions with respect to the Businesses, including their respective present and future financial condition, business strategies and the environment in which they will operate in the future. These assumptions are based on the information that we have been provided with and our discussions with the management of the Trustee-Manager as well as with the respective management of the Businesses, and reflect current expectations and views regarding future events, and therefore necessarily involve known and unknown risks and uncertainties.

The estimates of earnings and cash flow data, to the extent they relate to the future, reflects the expectations of the management of the Trustee-Manager and the respective management of the underlying businesses, as to the business prospects of the Businesses and are solely for use in our valuation analysis and are not intended for use as forecasts or projections of future operations.

Furthermore, there will usually be differences between estimated and actual results because events and circumstance may, or often do not occur as expected and those differences may be material.

We have set out in the Report the key assumptions used in our valuation as well as risk factors that, in our opinion, may have a material impact on the valuation of the Businesses. It should be noted that it is not an exhaustive list of all risk factors relevant to the Businesses.

4. **Conclusion**

In summary and as detailed in the Report, which should be read in conjunction with this letter to the Directors, as instructed, EY has adopted the Fair Market Value as the standard of value. The indicative equity value of the Businesses that has been arrived on an aggregate basis is in the range of HK$75 billion to HK$95 billion, which implies that the corresponding attributable enterprise value to be in the range of HK$99 billion to HK$119 billion, as at 25 February 2011.

Our views are based on the current economic, market, industry, regulatory, monetary and other conditions and on the information made available to us as of the date of this letter and the Report. Such conditions may change significantly over a relatively short period of time and we assume no responsibility and are not required to update, revise or reaffirm our conclusion set out in this letter to reflect events or developments subsequent to the date of this letter and the Report.

Yours faithfully,
For and on behalf of
Ernst & Young Solutions LLP

Harsha Basnayake
Partner

APPENDIX G

LIST OF PRESENT AND PAST PRINCIPAL DIRECTORSHIPS OF DIRECTORS AND EXECUTIVE OFFICERS

The principal present directorships, other than those held in the Trustee-Manager and the principal past directorships in the last five years of each of the directors and executive officers (named in "The Trustee-Manager") of the Trustee-Manager are as follows:

(A) Directors of the Trustee-Manager

(1) Mr. Canning Fok Kin-ning

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
3 Italia S.p.A.	Bahamas (A) Limited
391687 BC Ltd	Berham Limited
A.S. Watson & Company, Limited	Binion Overseas Investment Limited
Actionfirm Limited	Camaforce Limited
Asian Growth International Limited	Cavendish Property Holdings Limited
Belux Limited	China Provident Company, Limited
Bewhay Holdings Corp.	Cobbleford Limited
Binion Investment Holdings Limited	Dunlo Investments B.V.
Bonda Gold Limited	HT (IH) Ltd.
Bymoon Limited	HTHK Limited
Bysean Limited	Hutchison (Bermuda) Limited
Bysky Limited	Hutchison Cable Vision Holdings Limited
Bytes Investments Limited	Hutchison CAT Wireless MultiMedia Ltd.
Cavendish International Holdings Limited	Hutchison China Infrastructure Management Company Limited
Cavendish Property Development Limited	Hutchison CSI Holdings Limited
Chateau Hill Properties Ltd	Hutchison CSI Limited
Cheung Kong (Holdings) Limited	Hutchison Delta Ports Investment Limited
Cheung Kong Hutchison Highway Investment Limited	Hutchison Delta Ports Limited
Cheung Kong Hutchison Shantou Bay Bridge Limited	Hutchison Satellite Systems Limited
Cheung Kong Infrastructure Holdings Limited	Hutchison Telecommunications (HK) Holdings Limited
China Power Management Services Limited	Hutchison Telecommunications Holdings (USA) Limited
Chung Kiu Telecommunications (China) Holdings Limited	
City Bright Development Ltd	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Classic Diamond Limited	Hutchison Telecommunications International Limited
Collin Ltd	Hutchison Telecommunications PCS (USA) Limited
Colonial Nominees Limited	Hutchison Whampoa Finance (00/03) Limited
Copthorne International Investment Limited	Hutchison Whampoa Finance (99/02) Limited
Dalecourt Investments Limited	Hutchison Whampoa Hongville Finance Limited
Dawning Company Limited	Hutchison Wireless MultiMedia Holdings Limited
Dingford Development Ltd	Idealine Investments Limited
Direct Channel Limited	Jet Leader Ltd
Dragon Holdings Limited	L.F. Special Holdings Limited
Falconwing Ltd	Mercury Enterprises Limited
Flitwick Investments Limited	Partner Communications Company Ltd.
Freeport Container Port Limited	Seastar Development Inc.
Freeport Harbour Company Limited	Shirehampton Limited
Freeport Management Services Limited	Sixpence Holdings Limited
Fruitful Assets Limited	Tecoma International Limited
Full Court Holdings Ltd	Towngas China Company Limited
Full Kind Enterprises Ltd	Union Telecom Limited
Fullfield International Ltd	Vodafone Essar Limited
Fullforce Limited	Woodhall Company Limited
Global Vast Limited	
Gold Palace International Ltd	
Golden Lagoon Inc.	
Grand Bahama General Holdings Limited	
Grand Bahama Realty, Limited	
Great Profits Investments Ltd	
H.F. Holdings Limited	
H3G S.p.A.	
Harbour Plaza Hotel Management (International) Limited	
Harbour Plaza Hotel Management Limited	
Hebo Investment Limited	
Hi3G Access AB	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Hi3G Access Norway AS	
HI3G Denmark ApS	
HI3G Denmark Holdings ApS	
HI3G Enterprise AB	
HI3G Holdings AB	
HIT Enterprises Limited	
HIT Finance Limited	
HIT Holdings Limited	
HIT Investments Limited	
HIT Resources Limited	
Hong Kong Marina (Nominees) Limited	
Hongkong and Whampoa Dock Company, Limited	
Hongkong International Terminals Limited	
Honnet Limited	
Hop Fook Hing Investment Company, Limited	
Hopesource Corporation	
Horizon Ltd	
HPH Domain Names Limited	
HPHT Limited	
Huming Limited	
Husky Energy Inc.	
Hutchison 3G Australia Holdings Pty Limited	
Hutchison 3G Austria GmbH	
Hutchison 3G Austria Holdings GmbH	
Hutchison 3G HK Holdings Limited	
Hutchison 3G HK Limited	
Hutchison 3G Ireland Limited	
Hutchison 3G Services (HK) Limited	
Hutchison 3G UK Holdings Limited	
Hutchison 3G UK Limited	
Hutchison Atlantic Limited	
Hutchison Capital China Fund Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Hutchison Communications (Australia) Pty. Limited	
Hutchison Concord Limited	
Hutchison DBS Card Limited	
Hutchison Energy E-Commerce (China) Limited	
Hutchison Europe Telecommunications S.à r.l.	
Hutchison Freeport Holdings Limited	
Hutchison Global Communications Holdings Limited	
Hutchison Global Communications Limited	
Hutchison Harbour Ring Limited	
Hutchison Harcourt Limited	
Hutchison Hotel Hong Kong Limited	
Hutchison Hotels Holdings (International) Limited	
Hutchison Inland Container Depots Limited	
Hutchison International Finance (01/08) Limited	
Hutchison International Hotels Limited	
Hutchison International Limited	
Hutchison International Pty. Limited	
Hutchison Port Holdings Limited	
Hutchison Ports (Bahamas) Limited	
Hutchison Ports Jiangmen Investment Limited	
Hutchison Ports Jiangmen Limited	
Hutchison Ports Nanhai Investment Limited	
Hutchison Ports Nanhai Limited	
Hutchison Ports Pudong Investment Limited	
Hutchison Ports Pudong Limited	
Hutchison Ports Shanghai Limited	
Hutchison Ports Shantou Limited	
Hutchison Ports Xiamen Investment Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Hutchison Ports Xiamen Limited	
Hutchison Ports Yantian Investments Limited	
Hutchison Ports Yantian Limited	
Hutchison Ports Zhuhai (Gaolan) Investment Limited	
Hutchison Ports Zhuhai (Gaolan) Limited	
Hutchison Ports Zhuhai (Jiuzhou) Port Operations Limited	
Hutchison Ports Zhuhai Limited	
Hutchison Telecommunications (Australia) Limited	
Hutchison Telecommunications Hong Kong Holdings Limited	
Hutchison Telephone (Macau) Company Limited	
Hutchison Telephone Company Limited	
Hutchison Telephone Pty. Limited	
Hutchison Water Holdings Limited	
Hutchison Westports Limited	
Hutchison Whampoa (China) Limited	
Hutchison Whampoa (Europe) Limited	
Hutchison Whampoa Finance (CI) Limited	
Hutchison Whampoa Limited	
Hutchison Whampoa Properties Limited	
Industrial Development Holdings Limited	
INQ Enterprises Limited	
INQ Mobile Limited	
Joachim Ltd	
Key Success Investments Ltd	
KLNH Limited	
L.F. Holdings Limited	
L.F. Luxembourg S.à r.l.	
Leedej Limited	
Logistics Information Network Enterprise Limited	
Lucaya Service Company Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Markskill Limited	
Marunochi N.V.	
Maxport Limited	
Mecon Limited	
Meridian Profits Limited	
Merseyside Limited	
Milispeed Investments Limited	
Modern Profit Property Ltd	
Modern View Resources Ltd	
NETCO 3G GmbH	
New Case Limited	
New Dunlo Limited	
Omaha Investments Limited	
Ommaney Holdings Limited	
Orient-Triumph Investments Limited	
Outram Limited	
Pacific Atlantic Investment Limited	
Pearl Spirit Limited	
Penler Enterprises Limited	
Pinkett Limited	
Pioneer Front International Limited	
Polygain Investments Ltd	
Power Assets Holdings Limited (formerly known as Hongkong Electric Holdings Limited)	
Primetek Holdings Limited	
Promising Land International Inc.	
Quebostar Limited	
Randash Investment Limited	
Ranon Limited	
Resear Ltd	
Ronden Assets Ltd	
Secan Limited	
Shanghai Container Terminals Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Sherrington Development Ltd.	
Sigma Enterprises Limited	
Smart Rainbow Limited	
Splendid Luck Holdings Ltd	
Strategic Gain Limited	
Swingfield Developments Limited	
Tason Limited	
Terry Limited	
The Grand Bahama Development Company Limited	
The Hongkong Electric Company Limited	
The Kowloon Hotel Limited	
Trillium Investment Limited	
Turbo Top Limited	
Union Faith (Lincoln) Ltd.	
Velmax Ltd	
Vodafone Hutchison Australia Pty Limited	
Westley Resources Ltd	
Wilmington Land Company Limited	
World Noble (Cayman Island) Ltd	
World Noble Ltd	
Wormholt Limited	
Yachting Investments Limited	
Yantian International Container Terminals (Phase III) Limited	
Yantian International Container Terminals Limited	
Zeedane Investments Limited	
Zontez Limited	

(2) Dr. John Edward Wenham Meredith

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Abundant Glory Limited	Bajacorp S.A. de C.V.
Actionfirm Limited	Brightease Profits Limited
Alexandria International Container Terminals Company S.A.E.	Harwich International (Holdings) Limited
Amsterdam Container Terminals B.V.	Harwich International Port Limited
Amsterdam Marine Terminals B.V.	Hongkong Technical Services Limited
Amsterdam Port Holdings B.V.	Hutchison CSI Holdings Limited
Amsterdam Port Investments B.V.	Hutchison CSI Limited
APM Terminals Dachan Company Limited	Hutchison Delta Ports Investment Limited
Aqaba Terminal Services Limited	Hutchison Delta Ports Limited
Asia Port Services (HK) Limited	Hutchison Port Investments Limited
Asia Port Services Limited	Hutchison Ports (Europe) Limited
Aztec Villa Resources Limited	Hutchison Ports (UK) Finance Plc
Bahama Reef Limited	Hutchison Ports (UK) Limited
Baobab Investments Limited	Hutchison Ports Baja SA/NV
Best Month Profits Limited	Hutchison Ports Finance Limited
Best Oasis Holdings Limited	Hutchison Ports Management Limited
Best People Resources Limited	Hutchison Ports Netherlands B.V.
Birdwood Developments Limited	Hutchison Ports Saudi Arabia Limited
Birrong Limited	Hutchison Ports Sea-Rail SA/NV
Brilliant Voyage Limited	Hutchison Ports Technical Services Limited
Brisbane Container Terminals Pty Limited	Hutchison Westports Limited
Buenos Aires Container Terminal Services S.A.	Karachi International Container Terminal Limited
China Terminal Services Holding Company Limited	LINE (UK) Limited
Classic Diamond Limited	Logistics Information Network Enterprise (UK) Limited
Classic Outlook Investments Limited	Maritime Transport Services Limited
Clivedon Limited	MTS (Holdings) Limited
CLK Limited	Ocean Deep Investment Holdings Limited
Coastal Work Logistics Limited	Ocean East Investment Holdings Limited
Container Security Inc.	Ocean Vast Investment Holdings Limited
COSCO-HIT Terminals (Hong Kong) Limited	Orient-Triumph Investments Limited
Cultural Mark Limited	Pacific Port Investment Holdings Limited

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Dawning Company Limited	Port of Felixstowe Limited
Deal Magic Inc.	Seaports Management B.V.
Deal Market Resources Limited	South Port Investment Holdings Limited
Dolphin Blue Limited	Terminales Internacionales De Ecuador S.A.
Drew Investments Limited	The Felixstowe Dock and Railway Company
Eckstein Resources Limited	Transport Community Limited
Ensemable Limited	Transportation Community Network Limited
Ensenada Cruiseport Village, S.A. de C.V.	Treelane Limited
Ensenada International Terminal, S.A. de C.V.	Walton Container Terminal Limited
Entreport Holdings Limited	Wide Ocean Limited
Euromax Terminal Rotterdam B.V.	
Europe Container Terminals B.V.	
Everup Profits Limited	
FCP Holdings Limited	
Freeport Container Port Limited	
Freeport Development Company Limited	
Freeport Harbour Company Limited	
Freeport Management Services Limited	
Freeport Maritime Services Limited	
Full Target Limited	
Gdynia Container Terminal S.A.	
Gennimity Limited	
Global Cargo (Thailand) Limited	
Grand Bahama General Holdings Limited	
Grand Bahama Realty, Limited	
Grand Business Management Limited	
HIT Enterprises Limited	
HIT Finance Limited	
HIT Holdings Limited	
HIT Investments Limited	
HIT Resources Limited	
HIT Technical Services Limited	
Hongkong International Terminals Limited	
Hongkong Technical Consulting Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Hongkong United Dockyards Limited	
HPH Corporate Services Sdn Bhd	
HPH Domain Names Limited	
HPH E.Commerce Limited	
HPH Information Services (Hong Kong) Limited	
HPH IT Consultants Limited	
HPH Properties Limited	
HPH Secretarial Services Limited	
HPHT Limited	
Huming Limited	
Hutchison Atlantic Limited	
Hutchison Coöperatief U.A.	
Hutchison Development (Bahamas) Limited	
Hutchison Freeport Holdings Limited	
Hutchison Freeport Investments Limited	
Hutchison Harcourt Limited	
Hutchison Inland Container Depots (HK) Limited	
Hutchison Inland Container Depots Limited	
Hutchison International Ports Enterprises Limited	
Hutchison Korea Terminals Limited	
Hutchison Laemchabang Terminal Limited	
Hutchison Logistics Australia Pty Ltd	
Hutchison Logistics Limited	
Hutchison Lucaya Limited	
Hutchison Port Holdings Limited	
Hutchison Ports (Bahamas) Holdings Limited	
Hutchison Ports (Bahamas) Limited	
Hutchison Ports (Panama), S.A.	
Hutchison Ports (Thailand) Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Hutchison Ports Antilles N.V.	
Hutchison Ports Australia Pty Limited	
Hutchison Ports China Limited	
Hutchison Ports Haicang Limited	
Hutchison Ports Huizhou Land (HK) Limited	
Hutchison Ports Huizhou Limited	
Hutchison Ports Huizhou Phase I (HK) Limited	
Hutchison Ports Indonesia Limited	
Hutchison Ports Indonesia Pte Ltd	
Hutchison Ports Infrastructure Limited	
Hutchison Ports Jiangmen Investment Limited	
Hutchison Ports Jiangmen Limited	
Hutchison Ports Limited	
Hutchison Ports Mexico, S.A. de C.V.	
Hutchison Ports Myanmar Limited	
Hutchison Ports Nanhai Investment Limited	
Hutchison Ports Nanhai Limited	
Hutchison Ports Ningbo Limited	
Hutchison Ports Philippines Limited	
Hutchison Ports Properties Limited	
Hutchison Ports Pudong Investment Limited	
Hutchison Ports Pudong Limited	
Hutchison Ports Shanghai Limited	
Hutchison Ports Shantou Investment Limited	
Hutchison Ports Shantou Limited	
Hutchison Ports Shenzhen East Limited	
Hutchison Ports South China Limited	
Hutchison Ports Sweden AB	
Hutchison Ports Waigaoqiao (HK) Limited	
Hutchison Ports Waigaoqiao Limited	
Hutchison Ports Xiamen Investment Limited	
Hutchison Ports Xiamen Limited	
Hutchison Ports Yantian Investments Limited	
Hutchison Ports Yantian Limited	

Current Directorships	**Past Directorships (for a period of five years preceding the Latest Practicable Date)**
Hutchison Ports Zhuhai (Gaolan) Investment Limited	
Hutchison Ports Zhuhai (Gaolan) Limited	
Hutchison Ports Zhuhai (Jiuzhou) Port Operations Ltd	
Hutchison Ports Zhuhai Gaolan Phase 3 Limited	
Hutchison Ports Zhuhai Limited	
Hutchison Seaports Limited	
Hutchison Westport Investments Limited	
Hutchison Yantian Railway (HK) Limited	
Hutchison Yantian Railway Limited	
IIHC Pakistan Limited	
IIHC South Asia Limited	
Internacional de Contenedores Asociados de Veracruz, S.A. de C.V.	
International Ports Services Co. Ltd.	
Intrawood Limited	
İZMİR LİMAN İŞLETMECİLİĞİ A.Ş.	
Jiangmen International Container Terminals Limited	
Korea International Terminals Limited	
L.C. Terminal Portuaria de Contenedores, S.A. de C.V.	
Laemchabang International Ro-Ro Terminal Limited	
Langer Holdings Ltd.	
Leading Edge Logistics (HK) Limited	
Leedej Limited	
Legend Container Line Limited	
Logistics Information Network Enterprise Limited	
Lucaya Golf Club Limited	
Lucaya Service Company Limited	
Lucrative Paradise Limited	
Macedonia Limited	
Managesmart Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Maple West Limited	
Market Power Limited	
Mayeswood Limited	
Million Choices Limited	
More Choice Resources Limited	
Myanmar International Terminals Thilawa Limited	
Myanmar International Terminals Thilawa Private Limited	
Nanhai International Container Terminals Limited	
Needbury Investments Limited	
NGB Express Lines, S.A.P.I. de C.V.	
Oasis Hope Limited	
Oman International Container Terminal L.L.C.	
OnePort Holdings (BVI) Limited	
OnePort IP (BVI) Limited	
OnePort Limited	
OnePort Systems (BVI) Limited	
Opportunity Window Limited	
Panama Ports Company, S.A.	
Peakview Limited	
Pearl Spirit Limited	
Pocket Angel Limited	
Pointo Enterprises Limited	
Polar Sky Resources Limited	
Portsnportals Enterprises (Bahamas) Limited	
Portsnportals Enterprises Limited	
Purepearl Limited	
Repute International Limited	
Ritello Limited	
River Trade Terminal Co. Ltd.	
River Trade Terminal Holdings Limited	
River Trade Terminal Investment Limited	
PT Hutchison Ports Indonesia	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Saigon International Terminals Vietnam Limited	
Sakoma (HK) Limited	
Savi Networks LLC (In members' voluntary liquidation)	
Seasonal Logistics Limited	
Servicio Material Portuario, S.A.	
Shanghai Container Terminals Limited	
Shanghai Mingdong Container Terminals Limited	
Shantou International Container Terminals Limited	
Shenzhen Yantian West Port Terminals Limited	
Sigma Enterprises Limited	
SJBG (Thailand) Limited	
South Asia Pakistan Terminals Limited	
Step West Resources Limited	
SupplyLINE Logistics (USA) Inc.	
SupplyLINE Logistics Limited	
Sydney International Container Terminals Pty Limited	
Talleres Navales del Golfo, S.A. de C.V.	
Tanzania International Container Terminal Services Limited	
Taranto Container Terminal S.p.A.	
Terminal Catalunya, S.A.	
Terminal Intermodal Logistica de Hidalgo, S.A.P.I. de C.V.	
Terminal Internacional de Manzanillo, S.A. de C.V.	
Tevako Investments Limited	
Thai Laemchabang Terminal Co., Ltd.	
The Grand Bahama Airport Company Limited	
The Grand Bahama Development Company Limited	
TransHub Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
The Hongkong Salvage & Towage Company Limited	
TransPayment Limited	
Umford Limited	
Uskea Limited	
Victory Capital Developments Limited	
Wattrus Limited	
Wealthy Man Profits Limited	
Westports Holdings Sdn Bhd	
Westports Malaysia Sdn Bhd	
Xiamen Haicang International Container Terminals Limited	
Xiamen International Container Terminals Limited	
Yantian International Container Terminals (Phase III) Limited	
Yantian International Container Terminals Limited	
Yarrum Holdings N.V.	
Zhuhai International Container Terminals (Gaolan) Limited	
Zhuhai International Container Terminals (Jiuzhou) Limited	

(3) Mr. Robert Chan Tze Leung

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Chung Khiaw Nominees (HK) Ltd	Singapore Chamber of Commerce (HK)
Haw Par Hong Kong Ltd	Singapore UMB (HK) Ltd
Noble Group Ltd	Sunwise Pte Ltd
Secure Venture Investments Ltd	UOB Finance (HK) Ltd
Sovereign Sports Ltd	UOB Realty (HK) Ltd
United Overseas Bank Nominees (HK) Limited	
UOB Asia (HK) Ltd	

(4) Mr. Ip Sing Chi

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Amsterdam Container Terminals B.V.	Better Bond Limited
Amsterdam Marine Terminals B.V.	Country Ford Limited
Amsterdam Port Holdings B.V.	Country Mode Development Limited
APM Terminals Dachan Company Limited	Country Smart Limited
Asia Port Services (HK) Limited	CT9 Project Management Limited
Asia Port Services Limited	Cultural Mark Limited
Beijing Leading Edge Container Services Company Limited	Hongkong Technical Services Limited
Birdwood Developments Limited	Hutchison Harcourt Limited
Birrong Limited	Hutchison Ports Limited
China Terminal Services Holding Company Limited	Hutchison Ports Yantian Limited
Container Security Inc.	Hutchison Ports Zhuhai Gaolan Phase 3 Limited
COSCO-HIT Terminals (Hong Kong) Limited	Top Full Limited
Country Win Development Limited	Vast Choice Development Limited
Elite New Profits Limited	
Ensemable Limited	
Five Continents Investments Inc.	
Floata Consolidation Limited	
Floata Holdings Limited	
Floata International B.V.I. Limited	
Gobalwide Resources Limited	
Goldtop Associates Limited	
Highcross Limited	
Highscope International Limited	
Hillstar Assets Limited	
HIT Enterprises Limited	
HIT Holdings Limited	
HIT Investments Limited	
HIT Resources Limited	
HIT Technical Services Limited	
Hong Kong Container Terminal Operators Association Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Hongkong International Terminals Limited	
Hongkong Technical Consulting Limited	
Hongkong United Dockyards Limited	
HPH Information Services (Hong Kong) Limited	
HPH IT Consultants Limited	
HPHT Limited	
Hutchison Logistics Limited	
Hutchison Port Holdings Limited	
Hutchison Ports Shenzhen West Limited	
Hutchison Ports South China Limited	
Hutchison Ports Yantian Investments Limited	
Hutchison SupplyLINE Logistics (Shanghai) Co., Ltd.	
Hutchison Yantian Railway (HK) Limited	
Hyundai Merchant Marine Co., Ltd.	
Keen Source Limited	
Keycentral Developments Limited	
Leading Edge Logistic & Cargo Services Limited	
Leading Edge Logistics (HK) Limited	
Legend Container Line Limited	
Lego Consolidator and Warehouse Company Limited	
Lego Shipping Company Limited	
Logistics Information Network Enterprise Limited	
Mercury Sky Group Limited	
Metrotime Profits Limited	
Mid-Stream Container Repair and Servicing Limited	
Mid-Stream Holdings (H.K.) Limited	
Mid-Stream Holdings (HK) Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Often Best Limited	
OnePort Holdings (BVI) Limited	
OnePort IP (BVI) Limited	
OnePort Limited	
OnePort Systems (BVI) Limited	
Orient-Triumph Investments Limited	
Peninsula International Limited	
Plenty Centre Limited	
Polycare Company Limited	
Polyton International Limited	
Power Day Limited	
Richfair Engineering Limited	
River Trade Terminal Co. Ltd.	
River Trade Terminal Holdings Limited	
River Trade Terminal Investment Limited	
Sakoma (HK) Limited	
Senior Win Limited	
Shantou International Container Terminals Limited	
Shenzhen Hutchison Inland Container Depots Co., Ltd.	
Shenzhen Hutchison Whampoa Logistics Limited	
Shenzhen Leading Edge Container Services Company Limited	
Shenzhen Leading Edge Port Services Company Limited	
Shenzhen Pingyan Railway Company Limited	
Shenzhen Yantian Tugboat Company Limited	
Shenzhen Yantian West Port Terminals Limited	
Southocean Resources Limited	
Success Terminals Limited	
SupplyLINE Logistics (USA) Inc.	
SupplyLINE Logistics Limited	
Taranto Container Terminal S.p.A.	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Teamfair Shipping Limited (in Members' Voluntary Liquidation)	
The Hongkong Salvage & Towage Company Limited	
Tonsan Limited	
Tradelink Electronic Commerce Limited	
TransHub Limited	
TransPayment Limited	
Transportation Community Network Limited	
Uni-Energy Limited	
Uni-Season Limited	
Wah Fai Tractors Service Company Limited	
Wattrus Limited	
Welling Shipping Limited	
Winner Shipping Limited	
Yantian International Container Terminals (Phase III) Limited	
Yantian International Container Terminals Limited	
Yantian Port International Information Company Limited	

(5) Mr. Graeme Allan Jack

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
The Greenbrier Companies, Inc	NIL

(6) Prof. Frederick Ma Si-Hang

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
China Resources Land Limited	Airport Authority
China Strategic Holdings Limited	MTR Corporation Limited
Husky Energy Inc.	

(7) Mr. Frank John Sixt

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
3 Italia S.p.A.	3GIS Properties (No. 1) Pty Limited
A.S. Watson & Company, Limited	3GIS Properties (No. 2) Pty Limited
A.S. Watson Group (HK) Limited	3GIS Pty Limited
A.S. Watson (P&C UK) Ltd.	A.S. Watson (Health & Beauty UK) Limited
A.S. Watson Investments S.à r.l.	A-Call Telecom Service GmbH
Accord Venture Limited	Aircel Digilink India Limited
Ace Dimension Limited	Alpha Prime Limited
Acelist Limited	Amber Limited
Actionfirm Limited	ASW Investments 1 S.à r.l.
Advance Horizon Limited	ASW Investments 2 S.à r.l.
Advanced Internet Services Limited	ASW Investments 3 S.à r.l.
Aegean Services Limited	Auditorium Investments 1 S.à r.l.
Alexiou Enterprises Limited	Auditorium Investments 2 S.à r.l.
Alexus Company Limited	Auditorium Investments 3 S.à r.l.
Anne Sixt & Company Limited	Auditorium Investments 4 S.à r.l.
Apex United Developments Limited	Auditorium Investments 5 S.à r.l.
Armery Limited	Bahamas (A) Limited
Asian Growth International Limited	Bahamas Resorts Finance (A) Limited
Asset Spider Limited	Barnston Developments Limited
Associated Technical Services Limited	Baulkham Limited
Autoguide Limited	B-Call Telecom Service GmbH
Bahama Reef Limited	Berham Limited
Baisley Limited	Bernard Hill Limited
Baliwood Limited	Best Praise Investments Limited
Ballston Profits Limited	Big Ben Overseas S.A.
Beautifloral Limited	Binion Overseas Investment Limited
Beijing Super Channel Network Limited	Blue Beard Enterprises Limited
Bell Communications Pty. Ltd	Blue Quartz Limited
Bell Organisation Pty. Ltd	Bright Shine Developments Limited
Bell Paging Pty. Ltd	Browland Limited
Bellard Limited	Camaforce Limited
Best Comfort Investments Limited	Campbelton Limited

Current Directorships

Bestrace Limited

Bewhay Holdings Corp.

Binion Investment Holdings Limited

Birdwood Developments Limited

Birrong Limited

Bookworm Club Co., Ltd.

Brave First Limited

Bright Ample Investments Limited

Bright Thought Limited

Brilliant Design Limited

Broader View Limited

Brytel Investments Limited

BVI Concord Holdings Limited

Bymoon Limited

Bysean Limited

Bysky Limited

Cactus Holdings Limited

Calcraft Limited

Calm Pearl Corporation

Campsie Developments Limited

Caratal Company Limited

Caseright Limited

Castle (DT) Finance Limited

Castle Finance Limited

Cavendish Construction Limited

Cavendish International Holdings Limited

Cavendish Property Development Limited

Cayley Estate Management (China) Limited

Cenwell Limited

Champion Fare Limited

Champion Runner Limited

Charmco Resources Limited

Cherryred Group Limited

Past Directorships (for a period of five years preceding the Latest Practicable Date)

Carmelite Investments Limited

Cavendish Property Holdings Limited

C-Call Telecom Service GmbH

Chaoke Information Technology (BVI) Company Limited

Charming Dragon Limited

Cheung Kong Finance China Limited

China Provident Company, Limited

Chivaland Limited

Choice Brilliant Limited

Choicewell Limited

Chopin International Limited

Cicero Investments Limited

Citimax Limited

City Palace Limited

Cobbleford Limited

Comax Resources Limited

Commercial Computing Limited

Conversant Limited

COSCO-HIT Terminals (Hong Kong) Limited

Cowfold Limited

Daisy Hill Limited

Daisy Wheel Limited

D-Call Telecom Service GmbH

Deep Fortune Limited

Dizin Heights Limited

Domatic International Limited

Dunlo Investments B.V.

EBIS One Enterprises Limited

EBIS Two Enterprises Limited

E-Call Telecom Service GmbH

Effective Developments Limited

Elverston Limited

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Cheung Kong (Holdings) Limited	Energetic Assets Limited
Cheung Kong Finance Cayman Limited	Essar Spacetel Private Limited
Cheung Kong Infrastructure Finance (BVI) Limited	Fairglass Limited
Cheung Kong Infrastructure Finance Company Limited	Fallsgreen Enterprises S.A.
Cheung Kong Infrastructure Holdings Limited	Fascel Limited
Choice Forward Limited	FibreSpeed Limited
Cite Publishing Holding Limited	Forest Sky Limited
Cite Publishing Limited	Forthcoming Era Limited
Citicross Ventures Limited	Fortress Hill Development Company Limited
Citiland Investment Limited	Fortuna City Limited
Classic Diamond Limited	Fulsome Limited
Clayton Power Enterprises Limited	Gateway Direct Limited
Clear Choice Limited	Giant Grace Resources Limited
Clevinger International Limited	Gillespie Limited
Clifton Properties Limited	Good Century Limited
Clivedon Limited	Gravatt Investments Limited
Cluff Oil (Hong Kong) Limited	Great Preston Limited
Colonial Nominees Limited	Great Top International Limited
Commercelink Profits Limited	Gretton Hall Limited
Common Time Limited	Hanaball Limited
Concord Property & Fin Company Limited	Happy Merry Limited
Conwell Action Enterprises Limited	Harbour Plaza Golf Club Limited
Copthorne International Investment Limited	Heather Profits Limited
Cosmos Wide International Limited	Highland Peak Limited
Cottage Enterprises Limited	Holodeck Limited
Creator Limited	Homeland Enterprises Limited
Cycad Investment Corporation	Hongkong Technical Services Limited
Daisyland Investments Limited	Hornington Limited
Dalecourt Investments Limited	HPH Investments (Luxembourg) S.à r.l.
Damita Limited	HPH Investments 1 S.à r.l.
Danbreigh Limited	HPH Investments 2 S.à r.l.
Dawning Company Limited	HPH Investments 3 S.à r.l.
	HTI (1993) Holdings Limited

Current Directorships

Daystep Limited

Deroma Limited

Dessingburn Limited

Diamond Profits Limited

Dishforth Holdings Limited

Domicca Limited

Doncaster International Limited

Donnigton Holdings Limited

Dorgali Corporation N.V.

Dovecote Limited

Dragon Holdings Limited

Drew Investments Limited

Durran International Limited

Eagle Basin Limited

Eagle Reach Limited

Eagle Sky Limited

Easewin Company Limited

Easterhouse Limited

ECLink Electronic Network Systems (Shenzhen) Company Ltd.

Edgeware Services Limited

Elbe Office Investments Limited

Ensemable Limited

Erico Venture Limited

Erlington Pty. Ltd

Evergreen Oak Limited

Extra Glow Limited

Fanster Gain Limited

Fentilla Investments Limited

Firerose Limited

Fortress Advertising Company Limited

Fortune Bright Enterprises Limited

Fruitful Assets Limited

Fullforce Limited

Past Directorships (for a period of five years preceding the Latest Practicable Date)

HTI (BVI) Finance Limited

Husky Oil Holdings Limited

Hutchison (Bermuda) Limited

Hutchison 3 Global Services Private Limited

Hutchison 3G Ireland Limited

Hutchison Asia Telecommunications Finance S.à r.l.

Hutchison Bahamas Capital Limited

Hutchison Biofilm Medical Solutions Limited

Hutchison Biofilm Solutions Limited

Hutchison CAT Wireless MultiMedia Ltd

Hutchison CableVision Holdings Limited

Hutchison China Infrastructure Management Company Limited

Hutchison China MediTech Consumer Products Holding Limited

Hutchison China MediTech Limited

Hutchison Chinese Medicine (Guangzhou) Investment Limited

Hutchison Chinese Medicine (Shanghai) Investment Limited

Hutchison CSI Holdings Limited

Hutchison CSI Limited

Hutchison Delta Ports Investment Limited

Hutchison Delta Ports Limited

Hutchison E-Commerce International Limited

Hutchison E-Commerce Services (International) Limited

Hutchison Enterprises Five Limited

Hutchison Enterprises Four Limited

Hutchison Enterprises One Limited

Hutchison Enterprises Seven Limited

Hutchison Enterprises Six Limited

Hutchison Enterprises Three Limited

Hutchison Enterprises Two Limited

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Galaday Limited	Hutchison Essar Cellular Limited
Geelong International Limited	Hutchison Essar Mobile Services Limited
Gennimity Limited	Hutchison Essar South Limited
Glam Star Investments Limited	Hutchison Global Communications Investment Holding Limited
Glenfer Group Limited	Hutchison International Finance (05) Limited
Gloria Chain Limited	Hutchison International Finance Limited
Golden Beatles Assets Limited	Hutchison Irridium Limited
Golden Flag Investment Company Limited	Hutchison Lambeth Limited
Golden Mind Profits Limited	Hutchison Network Services London Limited
Grande Praya Investments Limited	Hutchison Network Services UK Limited
Grayseal Holdings Inc.	Hutchison Paging Holdings Limited
Great Cosmos International Limited	Hutchison Paging Limited
Greater Options Limited	Hutchison Paging Services Holdings Limited
Greatrait Holdings Limited	Hutchison Port Holdings S.à r.l.
Green Treasure Holdings Limited	Hutchison Ports Management Limited
Grist Limited	Hutchison Ports Netherlands B.V.
H.F. Holdings Limited	Hutchison Satellite Systems Limited
H3G Procurement Services S.à r.l.	Hutchison Telecom (BVI) Limited
H3G S.p.A.	Hutchison Telecom East Limited
H3GA Facilities Pty Limited	Hutchison Telecommunications (China) Limited
Happy Lion Ventures Ltd.	Hutchison Telecommunications (Cyprus) Limited
Happy Magic Enterprises Inc.	Hutchison Telecommunications (Luxembourg) S.à r.l.
Harbour Plaza Hotel Management (International) Limited	Hutchison Telecommunications (Vietnam) S.à r.l.
Harbour Plaza Hotel Management Limited	Hutchison Telecommunications International (Thailand) Holdings Limited
Harley Development Inc.	Hutchison Telecommunications International Limited
Harvest Country Limited	Hutchison Telecommunications Investment Ltd
Heroway Developments Limited	Hutchison Tele-Services (India) Holdings Limited
Hi3G Access AB	Hutchison Whampoa (Canada) Limited
Hi3G Access Norway AS	Hutchison Whampoa Finance (00/03) Limited
HI3G Denmark ApS	
HI3G Denmark Holdings ApS	
HI3G Enterprise AB	
HI3G Holdings AB	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Hillwatch Limited	Hutchison Whampoa Finance (99/02) Limited
Hip Kei Limited	Hutchison Whampoa Hongville Finance Limited
HIT Enterprises Limited	Hutchison Whampoa Project Management Limited
HIT Finance Limited	Hutchison Wireless MultiMedia Holdings Limited
HIT Holdings Limited	HWL Finance (BVI) Limited
HIT Investments Limited	Ideaeline Investments Limited
HIT Resources Limited	Impressions Limited
Hitech Profits Limited	Island Market Limited
Holly Dat Finance S.A.	itravel (HK) Limited
Home Media Group Limited	Joust International Limited
Homeway Company Ltd.	Jupiter Gold Limited
HOMF Europe Limited	Kanab Plains Limited
HOMF UK Limited	Kasapa Telecom Limited
Hongkong and Whampoa Dock Company, Limited	Keensen Limited
Hongkong Electric Fund Management Limited	Keep Honor Investments Limited
Hongkong International Terminals Limited	Kiddins Limited
Hongville Limited	Lahiji Vale Limited
Hopesource Corporation	Lake Dizin Limited
HPH Domain Names Limited	Lalomy Limited
HPH IT Consultants Limited	Lasotage Park Limited
HPHT Limited	Leading Arms Developments Limited
HPL Property Investments Holdings Limited	LF Special Holdings Limited
HTA Investments 1 S.à r.l.	Loch Gal Resources Limited
HTAL Facilities Pty Limited	Lovell Park Limited
HTHK Limited	Lucky Action Enterprises Limited
Huming Limited	Lustrous Pearl Limited
Husky Energy Inc.	Lutwidge Limited
Hutchison (UK Receivables) Holdings Limited	Maissemore Limited
Hutchison 3 Global Services Holdings Limited	Mangere International Limited
Hutchison 3G Australia Holdings Pty Limited	Marketform Limited
Hutchison 3G Austria GmbH	Mayson Pearl Limited
Hutchison 3G Austria Holdings GmbH	Medempire Investments Limited
Hutchison 3G Austria Investments S.à r.l.	

Current Directorships

Hutchison 3G HK Holdings Limited

Hutchison 3G HK Limited

Hutchison 3G Ireland Investments S.à r.l.

Hutchison 3G Ireland Limited

Hutchison 3G Italy Investments 2 S.à r.l.

Hutchison 3G Italy Investments S.à r.l.

Hutchison 3G Services (HK) Limited

Hutchison 3G Sweden Investments S.à r l.

Hutchison 3G UK Holdings Limited

Hutchison 3G UK Investments S.à r.l.

Hutchison 3G UK Limited

Hutchison Asia Telecommunications Limited

Hutchison Atlantic Limited

Hutchison Call Centre Holdings Limited

Hutchison Capital China Fund Limited

Hutchison Capital Holdings Limited

Hutchison CCF Investments Limited

Hutchison Communications (Australia) Pty. Limited

Hutchison Communications Australia (03/08) Pty Ltd

Hutchison Concord Limited

Hutchison Coöperatief U.A.

Hutchison DBS Card Limited

Hutchison Development (Bahamas) Limited

Hutchison E-Commerce Limited

Hutchison Energy (International) Limited

Hutchison Enterprises Limited

Hutchison Europe Telecommunications S.à r.l.

Hutchison Facility Agents Limited

Hutchison G Holdings Limited

Hutchison Gateway Limited

Hutchison Global Communications Holdings Limited

Hutchison Global Communications Limited

Past Directorships (for a period of five years preceding the Latest Practicable Date)

Mercury Enterprises Limited

Merry Maker Limited

Mesas Plains Limited

Mobilfunk-Standorte Nr. 1 Betriebs GmbH

Mobilfunk-Standorte Nr. 2 Betriebs GmbH

Mobilfunk-Standorte Nr. 3 Betriebs GmbH

Mobilfunk-Standorte Nr. 4 Betriebs GmbH

Mobilfunk-Standorte Nr. 5 Betriebs GmbH

Modern Perfect Developments Limited

Mondjay Pty Limited

More Pleasure International Limited

Morgania Wave Limited

Namparter International Limited

New World Associates S.A.

North Cerney Limited

Option Perfect Limited

Orangeville International Limited

Oriental Glass Holdings Limited

Pacific Peacock Limited

Panama Ports Company, S.A.

Pantrasonic Resources Limited

Partner Communications Company Ltd.

Partner Future Communications 2000 Ltd.

Pearl Treasure Limited

Pedder Developments Limited

Perfect Source Limited

Pioneer Leader Limited

Priceline International Limited

Primetronix Limited

PT Hutchison Ports Indonesia

Puccini International Limited

Qualiview Limited

Rainbow Luck Limited

Rallycross Developments Limited

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Hutchison Harcourt Limited	RBS China Investments S.à r.l.
Hutchison Hotel Hong Kong Limited	Rich Wealth Holdings Limited
Hutchison Hotels (Holdings) Limited	Richmark Holdings Limited
Hutchison Hotels Holdings (International) Limited	Right Light Limited
Hutchison Infrastructure Holdings Limited	Risewell Limited
Hutchison Inland Container Depots (HK) Limited	Sandalwood Group Limited
Hutchison Inland Container Depots Limited	Sawston Developments Limited
Hutchison International Finance (01/08) Limited	Sharkwave Asia Limited
Hutchison International Finance (03/08) Limited	Shentong (BVI) Network Technology Company Limited
Hutchison International Finance (BVI) Limited	Silkyway Limited
Hutchison International Hotels Limited	Silver Spread Company Limited
Hutchison International Limited	Sinian Heights Limited
Hutchison International Pty. Limited	Sixpence Holdings Limited
Hutchison Licensing (BVI) Limited	Smart Smith Limited
Hutchison Lucaya Limited	Sparkle Hall Limited
Hutchison MediPharma Investment Limited	Star Advanced Limited
Hutchison Milan Holdings S.à r.l.	Suitland Limited
Hutchison Oil (International) Limited	Sun Castle Investments Limited
Hutchison OMF Finance Limited	Sunmerica Limited
Hutchison OMF Investments Limited	Sunningridge Limited
Hutchison OMF Limited	Sunrise City Limited
Hutchison Port Holdings Limited	Super Books Limited
Hutchison Ports (Panama), S.A.	Super Cool Limited
Hutchison Ports Antilles N.V.	Super Cultural Limited
Hutchison Ports Indonesia Limited	Super Science Limited
Hutchison Ports Jiangmen Investment Limited	Super Spider Limited
Hutchison Ports Jiangmen Limited	Super Stocks Limited
Hutchison Ports Myanmar Limited	Super Travel Limited
Hutchison Ports Nanhai Investment Limited	Super Web Limited
Hutchison Ports Nanhai Limited	Tactwood Investments Limited
Hutchison Ports Properties Limited	Tallulah Belle Limited
	Tecoma International Limited
	Thamesway Investments Limited

Current Directorships	**Past Directorships (for a period of five years preceding the Latest Practicable Date)**
Hutchison Ports Pudong Investment Limited	Tinsel Town Resources Limited
Hutchison Ports Pudong Limited	TOM Entertainment Group Limited
Hutchison Ports Shanghai Limited	Tom Holdings Limited
Hutchison Ports Shantou Investment Limited	TOM International Holdings Limited
Hutchison Ports Shantou Limited	TOM Music Holding Limited
Hutchison Ports Xiamen Investment Limited	TOM Online Games Limited
Hutchison Ports Xiamen Limited	TOM Online Inc.
Hutchison Ports Yantian Investments Limited	TOM Outdoor Media Group Limited
Hutchison Ports Yantian Limited	TOM Outdoor Media Holdings Limited
Hutchison Ports Zhuhai (Gaolan) Investment Limited	Tom Stocks Limited
Hutchison Ports Zhuhai (Gaolan) Limited	tom.com development Limited
Hutchison Ports Zhuhai (Jiuzhou) Port Operations Limited	Tom.com Sports Development Limited
Hutchison Ports Zhuhai Limited	Tovadan Pty Limited
Hutchison Telecom International Services Limited	Trinity Time Investments Limited
Hutchison Telecommunications (Australia) Investments S.à r.l.	Ultimate Pioneer Limited
Hutchison Telecommunications (Australia) Limited	Uni-Super Network Technology (BVI) Company Limited
Hutchison Telecommunications (HK) Holdings Limited	Vodafone Essar Limited
Hutchison Telecommunications (Hong Kong) Limited	Wastell Limited
Hutchison Telecommunications Finance Company Limited	Wattrus Limited
Hutchison Telecommunications Group Holdings Limited	Whampoa Holdings Limited
Hutchison Telecommunications Holdings Limited	Willesden Limited
Hutchison Telecommunications Hong Kong Holdings Limited	Wood Newton Limited
Hutchison Telecommunications Investment Holdings Limited	Woodhall Company Limited
Hutchison Telecommunications Lanka (Private) Limited	Yanlock Limited

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Hutchison Telephone Company Limited	
Hutchison Telephone Pty. Limited	
Hutchison Water Holdings Limited	
Hutchison Water I Limited	
Hutchison Water II Limited	
Hutchison Water International Holdings (BVI) Limited	
Hutchison Water International Holdings Pte. Limited	
Hutchison Water Israel E.P.C Ltd	
Hutchison Water Israel Ltd	
Hutchison Water Netherlands Holdings B.V.	
Hutchison Water Netherlands Investments B.V.	
Hutchison Water USA Holdings Corporation	
Hutchison Westport Investments Limited	
Hutchison Westports Limited	
Hutchison Whampoa (China) Investment Co., Ltd	
Hutchison Whampoa (China) Limited	
Hutchison Whampoa 3G Content S.à r.l.	
Hutchison Whampoa 3G IP S.à r.l.	
Hutchison Whampoa 3G Procurement S.à r.l.	
Hutchison Whampoa Americas Limited	
Hutchison Whampoa Europe Investments S.à r.l.	
Hutchison Whampoa Finance (03/13) Limited	
Hutchison Whampoa Finance (05) Limited	
Hutchison Whampoa Finance (06) Limited	
Hutchison Whampoa Finance (09) Limited	
Hutchison Whampoa Finance (CI) Limited	
Hutchison Whampoa Finance S.à r.l.	
Hutchison Whampoa Finance UK plc	
Hutchison Whampoa International (01/11) Limited	
Hutchison Whampoa International (03/13) Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Hutchison Whampoa International (03/33) Limited	
Hutchison Whampoa International (06) Limited	
Hutchison Whampoa International (09) Limited	
Hutchison Whampoa International (09/16) Limited	
Hutchison Whampoa International (09/19) Limited	
Hutchison Whampoa International (10) Limited	
Hutchison Whampoa IT Services S.à r.l.	
Hutchison Whampoa Limited	
Hutchison Whampoa Luxembourg Holdings S.à r.l.	
Hutchison Whampoa Properties Limited	
Hutchison Whampoa Services Limited	
Hutchison Whampoa Three G Content (Bahamas) Limited	
Hutchison Whampoa Three G Enterprises (Bahamas) Limited	
H-V Holdings Limited	
H-V Investment & Development Company Limited	
HWCL Property Investments Holdings Limited	
HWCL Property Investments Limited	
HWDC Holdings Limited	
HWL Finance (HK) Limited	
HWL Finance 2003 Limited	
HWL Finance Limited	
HWL Milan Holdings S.à r.l.	
HWP Finance (Hong Kong) Limited	
Ideal Zone Limited	
Iestin Limited	
INQ Enterprises Limited	
INQ Mobile (Beijing) Company Limited	
INQ Mobile Holdings Limited	
INQ Mobile Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
International City Holdings Limited	
Intrawood Limited	
itravel Limited	
Jadeteam Investments Limited	
Joinpower Holdings Ltd.	
Kido Profits Limited	
Kin Shing Realty Limited	
Kinderstar Investments Limited	
Kingroy Limited	
Kinmount Investments Limited	
Knebworth Limited	
Konorus Investment Limited	
Krakatoa Limited	
L.F. Holdings Limited	
L.F. Investments (Barbados) Ltd.	
L.F. Luxembourg S.à r.l.	
Lake Haven Limited	
Laurstinus Limited	
Leader Well Investments Limited	
Li Ka Shing (Canada) Foundation	
Li Ka Shing (Overseas) Foundation	
Li Ka Shing Foundation Limited	
Li Ka-Shing Castle Assets Limited	
Li Ka-Shing Castle Capital Limited	
Li Ka-Shing Castle Finance Limited	
Li Ka-Shing Castle Holdings Limited (incorporated in British Virgin Islands)	
Li Ka-Shing Castle Holdings Limited (incorporated in Cayman Islands)	
Li Ka-Shing Castle II Holdings Limited	
Li Ka-Shing Castle Limited	
Li Ka-Shing Castle Trustco Limited	
Li Ka-Shing Castle Trustcorp Limited	
Li Ka-Shing Castle Trustee Company Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Li Ka-Shing Castle Trustee Corporation Limited	
Li Ka-Shing Unity Assets Limited	
Li Ka-Shing Unity Capital Limited	
Li Ka-Shing Unity Finance Limited	
Li Ka-Shing Unity Holdings Limited (incorporated in British Virgin Islands)	
Li Ka-Shing Unity Holdings Limited (incorporated in Cayman Islands)	
Li Ka-Shing Unity II Holdings Limited	
Li Ka-Shing Unity II Trustee Company Limited	
Li Ka-Shing Unity Limited	
Li Ka-Shing Unity Trustco Limited	
Li Ka-Shing Unity Trustcorp Limited	
Li Ka-Shing Unity Trustee Company Limited	
Li Ka-Shing Unity Trustee Corporation Limited	
Lindian Pty. Limited	
Ling Fung Development Limited	
Lucaya Golf Club Limited	
Macedonia Limited	
Mackridge Limited	
Mancetter Limited	
Marble Palace Investments Limited	
Marionnaud Parfumeries SA	
Market Spring Limited	
Marston Enterprise Inc.	
Marunochi N.V.	
Mastercraft Limited	
Max Crystal Limited	
Maya Online Broadband Network (HK) Company Limited	
Mayeswood Limited	
Medismart Limited	
Melksham Enterprises Limited	
Meridian Profits Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Metatron Investments Limited	
Mirellen Investments Limited	
Mollson Limited	
Monta Investments Limited	
Moonstruck Company Limited	
Mosgen Limited	
Motivational Investments Limited	
Mountergate Limited	
Mudari Limited	
Nagano Limited	
Neelagh Limited	
NETCO 3G GmbH	
Network Travel Enterprises Limited	
Network Travel Limited	
New Case Limited	
New Dunlo Limited	
New Essex Limited	
New Millennium Corp.	
New PCGJ Co., Ltd.	
Nikkor Corp.	
NMH Holdings Limited	
Noble Brilliant Limited	
Notavale Investments Limited	
Novel Point Limited	
Omaha Investments Limited	
Ommaney Holdings Limited	
Ommaney Limited	
Orient Classic Investments Limited	
Orient-Triumph Investments Limited	
Ottershaw Limited	
Overath Limited	
Pacific Century (Barbados) Limited	
Pacific Century GC Holdings (Barbados) Limited	

Current Directorships	**Past Directorships (for a period of five years preceding the Latest Practicable Date)**
Pacific Century Group Japan Y.K.	
Pacific Century Hotel Co., Ltd	
Pacific Property Net Limited	
Peakview Limited	
Pearl Spirit Limited	
Penler Enterprises Limited	
Perfect High Holdings Limited	
Perfect Tune Limited	
Perlissa Limited	
Petela Limited	
Pilot Gateway Limited	
Pinkett Limited	
Pixnet Digital Media Corporation Limited	
Plan Bright Limited	
Po Tak Lee Investments Limited	
Portfast Limited	
Portwave Limited	
Potella Limited	
Power Assets Holdings Limited (formerly known as Hongkong Electric Holdings Limited)	
Primetek Holdings Limited	
Princean Investments Limited	
Promising Land International Inc.	
Promotal Limited	
Prostric Limited	
Puccini Network Technology (Beijing) Limited	
Purepearl Limited	
Puttney Investments Limited	
Quebo Limited	
Queensfield Limited	
Radswell Limited	
Ranon Limited	
Retirement Nominees Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Rhine Office Investments Limited	
Rhine Rise Limited	
Rhythm Developments Limited	
Right Charm International Limited	
Ritello Limited	
River Trade Terminal Investment Limited	
Roton Finance Inc.	
Ruotolo Investments Limited	
Rushbrook Limited	
Sanda Investments Limited	
Sandiville Limited	
Sea Crown Investments Limited	
Secan Limited	
Senex Investments Limited	
Shang Ping Investments Limited	
Shanghai Maya Online Broadband Network Company Limited	
Shanghai Super Channel Network Limited	
Shieldfield Limited	
Shine Century Limited	
Shirehampton Limited	
Sigma Enterprises Limited	
Sorek Desalination Limited	
Southern Mount Limited	
Star Lake Property Limited	
Stateshine Investments Limited	
Stephen James Limited	
Strategic Gain Limited	
Success Boom Limited	
Success Horizons Limited	
Sunbliss Limited	
Super Biz Limited	
T Advertising Holdings Limited	
T Advertising Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
T Holdings Development Limited	
T Holdings Limited	
T Sub Limited	
Tacocity Limited	
Tebury Limited	
Tegor Limited	
Terrier International Limited	
The Hongkong Electric Company Limited	
Throughput Investments Limited	
Tifferton Limited	
Tom Centro Limited	
Tom Fashion Limited	
TOM Function Limited	
TOM Global Inc.	
TOM Group International Limited	
TOM Group Limited	
Tom Holdings Limited	
TOM International Outdoor Media Group Company Limited	
TOM Marketing Holdings Limited	
Tom Media Limited	
TOM Mobile Communications Group Limited	
Tom Nominees Limited	
TOM Online (BVI) Limited	
TOM Online (HK) Limited	
TOM Online Games Inc.	
TOM Online Inc.	
TOM Online Media Group Limited (incorporated in British Virgin Islands)	
TOM Online Media Group Limited (incorporated in Hong Kong)	
TOM Online Payment Limited	
TOM Outdoor Advertising Company Limited	
Tom Payment Limited	
TOM Print Media Group Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
TOM Shopping Limited	
Tom Solutions Limited	
TOM Sports Group Limited	
TOM Telecom VAS Group Limited (incorporated in British Virgin Islands)	
TOM Telecom VAS Group Limited (incorporated in Hong Kong)	
TOM Telecommunications Group Limited	
tom.com (china) investment limited	
TOM.COM Group Limited	
TOM.COM INTERNATIONAL LIMITED	
Toolkit Investments Limited	
Total Crown Investments Limited	
Towerich Limited	
Transisland Investments Limited	
Tricon Associates Inc.	
Trilite (Nominees) Limited	
True Bright Inc.	
True Destiny Limited	
True Gate Limited	
Trumpington Limited	
Turbo Top Limited	
U.F. Holdings S.à r.l.	
Ultimate Progress Limited	
Umford Limited	
Unico Resources Limited	
Union Faith (Lincoln) Ltd.	
Union Faith B.V.	
Union Faith Canada Investment Ltd.	
Union Faith Company Limited	
Union Faith Energy (HK) Limited	
Unity (DT) Finance Limited	
Unity Finance Limited	
Uptalent Investments Limited	
Vidiator Technology (US) Inc.	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Vieslaw Limited	
Viewsun Company Limited	
Vizell Equities S.A.	
Vodac Franchising Pty Limited	
Vodac Pty. Limited	
Vodafone Australia Pty Limited	
Vodafone Billing Services Pty Limited	
Vodafone Hutchison Australia Pty Limited	
Vodafone Network Pty Limited	
Vodafone Pty Limited	
Waerdah Limited	
Walcoh Finance Inc.	
Warmglow Limited	
Warrander Insurance Company Limited	
Wealthy Port Enterprises Limited	
Wellprove Limited	
Wellseek Limited	
Whampoa Dock Holdings Limited	
Whampoa Limited	
Wide Option Investments Limited	
Widecon Holdings Limited	
Wilmington Land Company Limited	
Win World Corporation	
Winfast Investments Limited	
Wordflex Limited	
World Focus Developments Limited	
WPCS (UK) Finance Limited	
Yachting Investments Limited	
Yanter Services Limited	
Yarrum Holdings N.V.	
Yue Shun Limited	
Zeedane Investments Limited	
Zimboton Investment Inc.	
Zontez Limited	

(8) Mrs. Sng Sow-Mei (alias Poon Sow Mei)

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
ARA Asset Management (Fortune) Limited (formerly known as ARA Asset Management (Singapore) Limited)	NIL
ARA Asset Management (Prosperity) Limited	
ARA Trust Management (Suntec) Limited	
Cheung Kong Infrastructure Holdings Limited	
InFA Systems Ltd	

(9) Mr. Kevin Anthony Westley

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Beorea Limited	Hutchison Telecommunications International Limited
Interpharma Investments Limited	Ocean Park Corporation Limited

(10) Mrs. Susan Chow Woo Mo Fong

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
3 Enterprises (Thailand) Co., Ltd.	3 Global Services Private Limited
3 Hong Kong Limited	A.S. Watson (Health & Beauty UK) Limited
3 Italia S.p.A.	A.S. Watson (P&C UK) Ltd.
3 Limited	Advanced Technology And Consulting Limited
3UK Retail Limited	Al-Amin Investments Limited
A. S. Watson & Company, Limited	Alpha Prime Limited
A. S. Watson (China) Limited	Amber Limited
A.S. Watson (Europe) Investments S.à r.l.	Array Holdings Limited
A.S. Watson Group Holdings Limited	Asian Telecommunication Investments (Mauritius) Limited
A.S. Watson Investments S.à r.l.	ASW Investments 1 S.à r.l.
A.S. Watson Management Services Limited	ASW Investments 2 S.à r.l.
Access Giant Limited	ASW Investments 3 S.à r.l.
Accord Venture Limited	Auditorium Investments 1 S.à r.l.
Ace Dimension Limited	Auditorium Investments 2 S.à r.l.
Acelist Limited	Auditorium Investments 3 S.à r.l.
Actionfirm Limited	Auditorium Investments 4 S.à r.l.
Advance Horizon Limited	Auditorium Investments 5 S.à r.l.
Advent Investments Pte Ltd	Bahamas (A) Limited
Albion Properties Limited	Barnston Developments Limited
Albion Residential Limited	Baulkham Limited
Albion Riverside Commercial Limited	Berham Limited
Alexiou Enterprises Limited	Bernard Hill Limited
Alexus Company Limited	Best Praise Investments Limited
Amber International Holdings Inc.	BFKT (Thailand) Ltd.
Americas Intermodal Services SA/NV	Big Ben Overseas S.A.
Americas Shipyard SA/NV	Blue Beard Enterprises Limited
Apex United Developments Limited	Blue Quartz Limited
Araski Limited	Bright Shine Developments Limited
Asia Commercial Development Limited	Camaforce Limited
Asian Equities Inc.	Campbelton Limited
Asian Growth International Limited	Carmelite Investments Limited

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Autoguide Limited	Cavendish Property Holdings Limited
Axwood Developments Limited	CCII (Mauritius), Inc.
Bahama Reef Limited	Certwell Limited
Baisley Limited	CGP India Investments Ltd
Baliwood Limited	CGP Investments (Holdings) Limited
Ballston Profits Limited	Chaoke Information Technology (BVI) Company Limited
Bapema Limited	Charming Dragon Limited
Beautifloral Limited	Chemosino Limited
Beijing Oriental Plaza Co., Ltd.	China Provident Company, Limited
Bell Communications Pty. Ltd	Chivaland Limited
Bell Organisation Pty. Ltd	Choice Brilliant Limited
Bell Paging Pty. Ltd	Choicewell Limited
Bellard Limited	Chopin International Limited
Best Comfort Investments Limited	Cicero Investments Limited
Bestrace Limited	Citimax Limited
Bewhay Holdings Corp.	City Palace Limited
BigboXX.com (CI) Limited	Cobbleford Limited
Billion Rise Limited	Comax Resources Limited
Birdwood Developments Limited	Commercial Computing Limited
Birrong Limited	Conversant Limited
Blooming Future Investments Limited	Cowfold Limited
Brave First Limited	Crownity Limited
Bright Ample Investments Limited	Cyber Economy Holdings Ltd
Bright Thought Limited	Daisy Hill Limited
Brilliant Design Limited	Daisy Wheel Limited
Broader View Limited	Deep Fortune Limited
Browland Limited	Domatic International Limited
BVI Concord Holdings Limited	Dontech Limited
Bymoon Limited	DPBB (Thailand) Ltd.
Bysean Limited	Dunlo Investments B.V.
Bysky Limited	East Hover Resources Limited
Bytes Investments Limited	EBIS One Enterprises Limited
CAC Holdings (Netherlands) B.V.	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Calcraft Limited	EBIS Two Enterprises Limited
Campsie Developments Limited	Edgeware Services Limited
Caratal Company Limited	Effective Developments Limited
Caseright Limited	Emma Better Limited
Castlefield International Limited	Energetic Assets Limited
Cavendish Hotels (Holdings) Limited	Euro Pacific Securities Ltd
Cavendish International Holdings Limited	Fallsgreen Enterprises S.A.
Cavendish Property Development Limited	Forest Sky Limited
Cayley Estate Management (China) Limited	Forthcoming Era Limited
Central America Shipyard SA/NV	Fortress Hill Development Company Limited
Cenwell Limited	Fortuna City Limited
Chadfield Limited	Fulsome Limited
Champion Fare Limited	Gateway Direct Limited
Champion Runner Limited	Gillespie Limited
Cherryred Group Limited	Gold Gear Limited
Cheung Kong Hutchison Highway Investment Limited	Good Century Limited
Cheung Kong Hutchison Shantou Bay Bridge Limited	Gravatt Investments Limited
Cheung Kong Infrastructure Holdings Limited	Great Top International Limited
China Champion Investments Limited	Green Treasure Holdings Limited
Choicewide Group Limited	Gretton Hall Limited
Chung Kiu Telecommunications (China) Holdings Limited	Hanaball Limited
Circadian (CH) Limited	Happy Merry Limited
Circadian Limited	Harbour Plaza Purchasing Inc.
Classic Diamond Limited	Heather Profits Limited
Clayton Power Enterprises Limited	Hi3G Access AB
Clear Choice Limited	HI3G Denmark ApS
Clevinger International Limited	Holodeck Limited
Clivedon Limited	Homeland Enterprises Limited
Colonial Nominees (BVI) Limited	Hornington Limited
	HPH Investments 1 S.à r.l.
	HPH Investments 2 S.à r.l.
	HPH Investments 3 S.à r.l.
	HT (IH) Ltd.

Current Directorships	**Past Directorships (for a period of five years preceding the Latest Practicable Date)**
Colonial Nominees Limited	HTI (1993) Holdings Limited
Commercelink Profits Limited	HTI (BVI) Holdings Limited
Common Time Limited	Husky Oil Holdings Limited
Convoys Properties Limited	Hutch 3G Enterprises Sweden AB
Conwell Action Enterprises Limited	Hutchison 3G Ireland Limited
Cosmo Best Limited	Hutchison Bahamas Capital Limited
Cosmos Wide International Limited	Hutchison Biofilm Medical Solutions Limited
Cothill Developments Limited	Hutchison Biofilm Solutions Limited
Cottage Enterprises Limited	Hutchison CableVision Holdings Limited
Coworld Investments Limited	Hutchison China Infrastructure Management Company Limited
Creator Limited	Hutchison China MediTech Consumer Products Holding Limited
Crystal Glass Limited	Hutchison China MediTech Limited
Daisyland Investments Limited	Hutchison Chinese Medicine Investment Limited
Dalecourt Investments Limited	Hutchison Consumer Products Limited
Damita Limited	Hutchison CSI Holdings Limited
Danbreigh Limited	Hutchison CSI Limited
Dawning Company Limited	Hutchison Delta Ports Investment Limited
Daystep Limited	Hutchison Delta Ports Limited
Dessingburn Limited	Hutchison Enterprises Five Limited
Diamond Profits Limited	Hutchison Enterprises One Limited
Dishforth Holdings Limited	Hutchison Enterprises Seven Limited
Dizin Heights Limited	Hutchison Gateway Limited
Domicca Limited	Hutchison International Finance (05) Limited
Doncaster International Limited	Hutchison International Finance Limited
Donnigton Holdings Limited	Hutchison Irridium Limited
Dorgali Corporation N.V.	Hutchison Lambeth Limited
Durran International Limited	Hutchison MultiMedia Services (Thailand) Limited
Eagle Basin Limited	Hutchison Network Services London Limited
Eagle Sky Limited	Hutchison Network Services UK Limited
Earswick Investments Limited	Hutchison Paging Services Holdings Limited
Easterhouse Limited	Hutchison Ports Management Limited
ECLink Electronic Network Systems (Shenzhen) Company Ltd.	
Elegant Wealth Investment Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Erlington Pty. Ltd	Hutchison Satellite Systems Limited
Essex Dragon Limited	Hutchison Telecommunications (India) Limited
Evergreen Oak Limited	Hutchison Telecommunications (Malaysia) Limited
Extra Glow Limited	Hutchison Telecommunications (TH) Limited
Fairglass Limited	Hutchison Telecommunications (Thailand) Co., Ltd.
Fentilla Investments Limited	Hutchison Telecommunications Holdings (USA) Limited
Ferrensby Limited	Hutchison Telecommunications International (Cayman) Holdings Limited
Fine Run Limited	Hutchison Telecommunications International (Thailand) Holdings Limited
Flitwick Investments Limited	Hutchison Telecommunications International Limited
Forecastor Limited	Hutchison Telecommunications PCS (USA) Limited
Fortune Bright Enterprises Limited	Hutchison Tele-Services (India) Holdings Limited
Fullforce Limited	Hutchison Three G (One) Enterprises Limited
Galaday Limited	Hutchison Water International Holdings Pte. Limited
Gamblin Investments Limited	Hutchison Westminster Limited
Gamma Enterprises Limited	Hutchison Whampoa Enterprises (Isle of Man) Limited
GDH (BVI) Limited	Hutchison Whampoa Finance (00/03) Limited
GDH Investments S.à r.l.	Hutchison Whampoa Finance (99/02) Limited
Geelong International Limited	Hutchison Whampoa Hongville Finance Limited
Gennimity Limited	Hutchison Whampoa International (00/03) Limited
Giant Grace Resources Limited	HutchWorld Holdings Limited
Glam Star Investments Limited	HutchWorld Limited
Glenfer Group Limited	HWL Finance (BVI) Limited
Glenfield Investments Pte Ltd	Impressions Limited
Gloria Chain Limited	Island Market Limited
Gold Season Investments Limited	itravel (HK) Limited
Golden Flag Investment Company Limited	
Goldpraise Properties Limited	
Grand Century Investments Limited	
Grand Waterfront Development Pte. Ltd.	
Grande Praya Investments Limited	
Grayseal Holdings Inc.	
Great Choice International Limited	
Great Cosmos International Limited	

Current Directorships

Green Treasure Holdings Limited

Grist Limited

H3G (Thailand) Co., Ltd.

H3G Procurement Services S.à r.l.

H3GA Facilities Pty Limited

Harbour Plaza Hotel Enterprises (Bahamas) Limited

Harbour Plaza Hotel Management (International) Limited

Harbour Plaza Hotel Management Limited

Harbour Plaza Marketing Inc.

Harley Development Inc.

Harvest Country Limited

HCL Partnership Holdings Limited

Heroway Developments Limited

Hester Properties Limited

HGC GlobalCentre Limited

Hi3G Access Norway AS

HI3G Enterprise AB

HI3G Holdings AB

Highland Peak Limited

Hilltop Venture Limited

Hip Kei Limited

HIT Enterprises Limited

HIT Finance Limited

HIT Holdings Limited

HIT Investments Limited

HIT Resources Limited

Hitech Profits Limited

Hoddinott Limited

Holly Dat Finance S.A.

HOMF Europe Limited

HOMF UK Limited

Hong Kong Daily Chemical Industry Products Holdings Limited

Past Directorships (for a period of five years preceding the Latest Practicable Date)

Jupiter Gold Limited

Keensen Limited

Keep Honor Investments Limited

Kiddins Limited

Kuwata Limited

Lake Dizin Limited

Lalomy Limited

Lasotage Park Limited

Leading Arms Developments Limited

Light Power Telecommunications Ltd

Loch Gal Resources Limited

Loudella Limited

Lovell Park Limited

Lucky Action Enterprises Limited

Maissemore Limited

Mangere International Limited

Maraket Limited

Marketform Limited

Mayson Pearl Limited

Medempire Investments Limited

Mercury Enterprises Limited

Merry Maker Limited

Mobilvest

Modern Perfect Developments Limited

More Pleasure International Limited

Namparter International Limited

New World Associates S.A.

NMH Holdings Limited

North Cerney Limited

Option Perfect Limited

Orangeville International Limited

Oriental Glass Holdings Limited

Oxford Palace Limited

Pacific Peacock Limited

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Hongkong and Whampoa Dock Company, Limited	Partner Communications Company Ltd.
Hongkong Electric Fund Management Limited	PCGJ Holdings Pte Ltd
Hongkong International Terminals Limited	Pearl Charm Limited
Hongville Limited	Pedder Developments Limited
Hopesource Corporation	Perfect Source Limited
HPH Domain Names Limited	Port of Felixstowe Pension Trustee Limited
HPH Group Holdings (BVI) Limited	Prime Metals Ltd
HPH Investments (Belgium) SA/NV	Primetronix Limited
HPH Investments (BVI) Limited	Princeline International Limited
HPH Investments (Luxembourg) S.à r.l.	Qualiview Limited
HPL Property Investments Holdings Limited	Right Light Limited
HPL Property Investments Limited	Risdon Limited
HTA Investments 1 S.à r.l.	Risewell Limited
HTAL Facilities Pty Limited	Sandalwood Group Limited
HTIL (Thailand) Co., Ltd.	Sawston Developments Limited
HTIL Info Systems Private Limited	Sharkwave Asia Limited
Hui Xian (B.V.I.) Limited	Shentong (BVI) Network Technology Company Limited
Hui Xian (Cayman Islands) Limited	Silkyway Limited
Hui Xian Holdings Limited	Silver Spread Company Limited
Hui Xian Investment Limited	Sinian Heights Limited
Huming Limited	Sixpence Holdings Limited
Hutch Enterprises (Thailand) Co., Ltd.	Smart Smith Limited
Hutch Enterprises Sdn. Bhd.	Sparkle Hall Limited
Hutch Info Systems Private Limited	Star Advanced Limited
Hutchison – Management of Telecommunication Services, Limited	Suitland Limited
Hutchison (UK Receivables) Holdings Limited	Sun Castle Investments Limited
Hutchison 3 Global Services Holdings Limited	Sunmerica Limited
Hutchison 3 Global Services Private Limited	Sunningridge Limited
Hutchison 3G Australia Holdings Pty Limited	Sunrise City Limited
Hutchison 3G Austria GmbH	Super Books Limited
Hutchison 3G Austria Holdings GmbH	Super Cool Limited
Hutchison 3G Austria Investments S.à r.l.	Super Cultural Limited
	Super Science Limited

Current Directorships	**Past Directorships (for a period of five years preceding the Latest Practicable Date)**
Hutchison 3G Enterprises S.à r.l.	Super Spider Limited
Hutchison 3G Enterprises Sweden AB	Super Stocks Limited
Hutchison 3G HK Holdings Limited	Super Travel Limited
Hutchison 3G HK Limited	Super Web Limited
Hutchison 3G Ireland Investments S.à r.l.	Tactwood Investments Limited
Hutchison 3G Italy Investments 2 S.à r.l.	Tallulah Belle Limited
Hutchison 3G Italy Investments S.à r.l.	Tegor Limited
Hutchison 3G Services (HK) Limited	TOM Entertainment Group Limited
Hutchison 3G Sweden Investments S.a r l.	Tom Holdings Limited
Hutchison 3G UK Holdings Limited	TOM International Holdings Limited
Hutchison 3G UK Investments S.à r.l.	TOM Music Holding Limited
Hutchison 3G UK Limited	TOM Outdoor Media Group Limited
Hutchison Aircraft Maintenance Investment (HK) Limited	TOM Outdoor Media Holdings Limited
Hutchison Aircraft Maintenance Investment Limited	TOM Shopping Limited
Hutchison Asia Telecommunications (Netherlands) B.V.	Tom Stocks Limited
Hutchison Asia Telecommunications Finance S.à r.l.	tom.com development Limited
Hutchison Asia Telecommunications Limited	Tom.com Sports Development Limited
Hutchison Atlantic Limited	Trans Crystal Limited
Hutchison BYS (Guangzhou) Holding Limited	Ultimate Pioneer Limited
Hutchison Call Centre Holdings Limited	Uni-Super Network Technology (BVI) Company Limited
Hutchison Capital China Fund Limited	United Epoch Limited
Hutchison Capital Holdings Limited	Vidiator Enterprises Inc.
Hutchison CCF Investments Limited	Vigour Limited
Hutchison Chinese Medicine (Guangzhou) Investment Limited	Wastell Limited
Hutchison Chinese Medicine (Overseas) Investment Limited	Watson Enterprises (Bahamas) Limited
Hutchison Chinese Medicine (Shanghai) Investment Limited Hutchison Chinese Medicine Holding Limited	Wattrus Limited
Hutchison Commercial Broadcasting Limited	Weeton Investments Limited
Hutchison Communications (Australia) Pty. Limited	Willesden Limited
	Wise Method Limited
	Wood Newton Limited
	Woodhall Company Limited
	WPCS (UK) Finance Limited
	Yanlock Limited

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Hutchison Communications Australia (03/08) Pty Ltd	
Hutchison Concord Limited	
Hutchison DBS Card Limited	
Hutchison E-Commerce International Limited	
Hutchison E-Commerce Limited	
Hutchison E-Commerce Services (International) Limited	
Hutchison Energy (International) Limited	
Hutchison Energy E-Commerce Limited	
Hutchison Enterprises Limited	
Hutchison Europe Telecommunications S.à r.l.	
Hutchison Facility Agents Limited	
Hutchison Freeport Investments Limited	
Hutchison G Holdings Limited	
Hutchison Global Communications (Malaysia) Sdn. Bhd.	
Hutchison Global Communications (UK) Limited	
Hutchison Global Communications (US) Limited	
Hutchison Global Communications Holdings Limited	
Hutchison Global Communications Investment Holding Limited	
Hutchison Global Communications Investments Limited	
Hutchison Global Communications Limited	
Hutchison Global Communications Pte Limited	
Hutchison Hain Organic (Hong Kong) Limited	
Hutchison Harbour Ring Limited	
Hutchison Harcourt Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Hutchison Healthcare Holdings Limited	
Hutchison Hotel Hong Kong Limited	
Hutchison Hotels Holdings (International) Limited	
Hutchison Infrastructure Holdings Limited	
Hutchison Inland Container Depots (HK) Limited	
Hutchison Inland Container Depots Limited	
Hutchison International Finance (01/08) Limited	
Hutchison International Finance (03/08) Limited	
Hutchison International Finance (BVI) Limited	
Hutchison International Hotels Limited	
Hutchison International Limited	
Hutchison International Ports Enterprises (Bahamas) Limited	
Hutchison Licensing (BVI) Limited	
Hutchison Logistics Services (HK) Limited	
Hutchison Logistics Services Limited	
Hutchison LR Development Limited	
Hutchison LR Properties Limited	
Hutchison Lucaya Limited	
Hutchison Mobile Communications Limited	
Hutchison MultiMedia Services Limited	
Hutchison Oil (International) Limited	
Hutchison OMF Finance Limited	
Hutchison OMF Investments Limited	
Hutchison OMF Limited	
Hutchison PC (Japan) Limited	
Hutchison PC (Japan) Pte. Ltd.	
Hutchison Port Group Holdings Limited	
Hutchison Port Holdings (Belgium) SA/NV	
Hutchison Port Holdings (BVI) Limited	
Hutchison Port Holdings (Luxembourg) S.à r.l.	
Hutchison Port Holdings Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Hutchison Port Holdings S.à r.l.	
Hutchison Ports (Belgium) SA/NV	
Hutchison Ports (Europe) Limited	
Hutchison Ports (Panama), S.A.	
Hutchison Ports Baja SA/NV	
Hutchison Ports Indonesia Limited	
Hutchison Ports Investments S.à r.l.	
Hutchison Ports Jiangmen Investment Limited	
Hutchison Ports Jiangmen Limited	
Hutchison Ports Myanmar Limited	
Hutchison Ports Nanhai Investment Limited	
Hutchison Ports Nanhai Limited	
Hutchison Ports Netherlands S.à r.l.	
Hutchison Ports Properties Limited	
Hutchison Ports Pudong Investment Limited	
Hutchison Ports Pudong Limited	
Hutchison Ports Sea-Rail SA/NV	
Hutchison Ports Shanghai Limited	
Hutchison Ports Shantou Investment Limited	
Hutchison Ports Shantou Limited	
Hutchison Ports Xiamen Investment Limited	
Hutchison Ports Xiamen Limited	
Hutchison Ports Yantian Investments Limited	
Hutchison Ports Yantian Limited	
Hutchison Ports Zhuhai (Gaolan) Investment Limited	
Hutchison Ports Zhuhai (Gaolan) Limited	
Hutchison Ports Zhuhai (Jiuzhou) Port Operations Limited	
Hutchison Ports Zhuhai Limited	
Hutchison Telecom (BVI) Limited	
Hutchison Telecom International Services Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Hutchison Telecommunications (Amsterdam) B.V.	
Hutchison Telecommunications (Australia) Investments S.à r.l.	
Hutchison Telecommunications (Australia) Limited	
Hutchison Telecommunications (Cyprus) Limited	
Hutchison Telecommunications (Hong Kong) Limited	
Hutchison Telecommunications (Luxembourg) S.à r.l.	
Hutchison Telecommunications (SL) Limited	
Hutchison Telecommunications (Vietnam) S.à r.l.	
Hutchison Telecommunications Finance Company Limited	
Hutchison Telecommunications Group Holdings Limited	
Hutchison Telecommunications Holdings Limited	
Hutchison Telecommunications Hong Kong Holdings Limited	
Hutchison Telecommunications Investment Holdings Limited	
Hutchison Telecommunications Lanka (Private) Limited	
Hutchison Telephone Company Limited	
Hutchison Telephone Pty. Limited	
Hutchison Teleservices Overseas Limited	
Hutchison Water Finance (Mauritius) Limited	
Hutchison Water Holdings Limited	
Hutchison Water I Limited	
Hutchison Water II Limited	
Hutchison Water International Holdings (BVI) Limited	
Hutchison Water Israel E.P.C Ltd	
Hutchison Water Israel Ltd	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Hutchison Water Netherlands Holdings B.V.	
Hutchison Water Netherlands Investments B.V.	
Hutchison Water USA Holdings Corporation	
Hutchison Westports Limited	
Hutchison Whampoa (China) Investment Co., Ltd.	
Hutchison Whampoa (China) Limited	
Hutchison Whampoa (Europe) Limited	
Hutchison Whampoa (UK) Limited	
Hutchison Whampoa 3G Content S.à r.l.	
Hutchison Whampoa 3G Enterprises (Macau) Limited	
Hutchison Whampoa 3G IP S.à r.l.	
Hutchison Whampoa 3G Procurement S.à r.l.	
Hutchison Whampoa Agents (US) Inc.	
Hutchison Whampoa Agents Limited	
Hutchison Whampoa Americas Limited	
Hutchison Whampoa Enterprises (Bahamas) Limited	
Hutchison Whampoa Enterprises (US) Inc.	
Hutchison Whampoa Enterprises Limited	
Hutchison Whampoa Europe Investments S.à r.l.	
Hutchison Whampoa Finance (03/13) Limited	
Hutchison Whampoa Finance (05) Limited	
Hutchison Whampoa Finance (06) Limited	
Hutchison Whampoa Finance (09) Limited	
Hutchison Whampoa Finance (CI) Limited	
Hutchison Whampoa Finance S.à r.l.	
Hutchison Whampoa Finance UK plc	
Hutchison Whampoa International (01/11) Limited	
Hutchison Whampoa International (03/13) Limited	
Hutchison Whampoa International (03/33) Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Hutchison Whampoa International (06) Limited	
Hutchison Whampoa International (09) Limited	
Hutchison Whampoa International (09/16) Limited	
Hutchison Whampoa International (09/19) Limited	
Hutchison Whampoa International (10) Limited	
Hutchison Whampoa IT Services S.à r.l.	
Hutchison Whampoa Japan K.K.	
Hutchison Whampoa Japan Limited	
Hutchison Whampoa Limited	
Hutchison Whampoa Luxembourg Holdings S.à r.l.	
Hutchison Whampoa Project Management (Livia Winbo) Limited	
Hutchison Whampoa Properties (Europe) Limited	
Hutchison Whampoa Properties Canada (Five) Ltd.	
Hutchison Whampoa Properties Canada (Four) Ltd.	
Hutchison Whampoa Properties Canada (One) Ltd.	
Hutchison Whampoa Properties Canada (Six) Ltd.	
Hutchison Whampoa Properties Canada (Three) Ltd.	
Hutchison Whampoa Properties Canada (Two) Ltd.	
Hutchison Whampoa Properties Limited	
Hutchison Whampoa Services Limited	
Hutchison Whampoa Three G Content (Bahamas) Limited	
Hutchison Whampoa Three G IP (Bahamas) Limited	
Hutchmail Enterprises (Thailand) Co., Ltd	
H-V Holdings Limited	

Current Directorships	**Past Directorships (for a period of five years preceding the Latest Practicable Date)**
HWCL Property Investments Holdings Limited	
HWCL Property Investments Limited	
HWDC Holdings Limited	
HWL Finance (HK) Limited	
HWL Finance 2003 Limited	
HWL Finance Limited	
HWP Finance Marina Bay Limited	
HWP Investment Holdings (India) Limited	
ICAVE Holdings (Belgium) SA/NV	
Ideal Zone Limited	
Iestin Limited	
INQ Mobile (Beijing) Company Limited	
INQ Mobile (Thailand) Co., Ltd.	
INQ Mobile Holdings Limited	
Interman Development Inc.	
International City Holdings Limited	
International Shipyard SA/NV	
Intrawood Limited	
Ipswich Crossing Limited	
itravel Limited	
Jadeteam Investments Limited	
Jingostar Investment Limited	
Kanab Plains Limited	
Kido Profits Limited	
Kin Shing Realty Limited	
Kinderstar Investments Limited	
Kingdom Development S.A.	
Knebworth Limited	
Konorus Investment Limited	
Lake Haven Limited	
Latin America Intermodal Services SA/NV	
Leader Well Investments Limited	
Lindian Pty. Limited	
Ling Fung Development Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Lipton Finance S.A.	
Lucaya Golf Club Limited	
Lutwidge Limited	
Macedonia Limited	
Mackridge Limited	
Mancetter Limited	
Marble Palace Investments Limited	
Market Spring Limited	
Marketon Investment Limited	
Marston Enterprise Inc.	
Marunochi N.V.	
Max Crystal Limited	
Maya Online Broadband Network (HK) Company Limited	
Mayeswood Limited	
Medismart Limited	
Meridian Profits Limited	
Mesas Plains Limited	
Metatron Investments Limited	
Mexico Intermodal Services SA/NV	
Mexico Shipyard SA/NV	
Millen Investment Limited	
Mirellen Investments Limited	
Monitor Equities S.A.	
Monta Investments Limited	
Mosgen Limited	
Motivational Investments (HK) Limited	
Mountergate Limited	
MV Properties Limited	
Neatside Assets Limited	
Neelagh Limited	
Network Travel Enterprises Limited	
Network Travel Limited	
New Case Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
New Dunlo Limited	
New Essex Limited	
New Millennium Corp.	
New PCGJ Co., Ltd.	
Nikkor Corp.	
Noble Brilliant Limited	
Notavale Investments Limited	
Novel Point Limited	
Nzuki Investments Limited	
Omaha Investments Limited	
Ommaney Holdings Limited	
Ommaney Limited	
Oppenheim Limited	
Orient Classic Investments Limited	
Orient-Triumph Investments Limited	
Ottershaw Limited	
Outram Limited	
Pacific Century Group Japan Y.K.	
Pacific Century Hotel Co., Ltd.	
Pacific Property Net Limited	
Palmerston Limited	
Pantrasonic Resources Limited	
PCH (Singapore) Holdings Pte. Ltd.	
Pearl Spirit Limited	
Penler Enterprises Limited	
Perfect High Holdings Limited	
Perfect Tune Limited	
Perlissa Limited	
Petela Limited	
Pinkett Limited	
Pioneer Leader Limited	
PKNS (Thailand) Ltd.	
Plan Bright Limited	
Po Tak Lee Investments Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Port of Felixstowe Limited	
Port of Felixstowe Trustee Limited	
Portfast Limited	
Potella Limited	
Power Assets Holdings Limited (formerly known as Hongkong Electric Holdings Limited)	
Power Communications Limited	
PowerCom Network Hong Kong Limited	
Primetek Holdings Limited	
Princean Investments Limited	
Prostric Limited	
Pure Courage Limited	
Purepearl Limited	
Puttney Investments Limited	
Quebo Limited	
Queensfield Limited	
Radswell Limited	
Rallycross Developments Limited	
Ranon Limited	
Rhine Office Investments Limited	
Rhythm Developments Limited	
Right Charm International Limited	
Ritello Limited	
Robust International Limited	
Roton Finance Inc.	
Ruotolo Investments Limited	
Rushbrook Limited	
Sabara Enterprises Limited	
Sageland Limited	
Sanda Investments Limited	
Sandiville Limited	
Sarm Management (Thailand) Co., Ltd.	
Sea Crown Investments Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Secan Limited	
Sen Medicine Company (Hong Kong) Limited	
Sen Medicine Company Inc.	
Sen Medicine Company Limited	
Senex Investments Limited	
Shanghai Maya Online Broadband Network Company Limited	
Sherrington Development Ltd.	
Shieldfield Limited	
Shine Century Limited	
Shinta Limited	
Shirehampton Limited	
Shrewd Century Limited	
Sialake High Limited	
Sigma Enterprises Limited	
Sky Trinity Investments Limited	
South China International Aircraft Engineering (HK) Company Limited	
South China International Aircraft Engineering Company Limited	
Southern Mount Limited	
Splendid Century Limited	
Stateshine Investments Limited	
Strategic Investments International Limited	
Success Boom Limited	
Success Horizons Limited	
Sunbliss Limited	
Super Biz Limited	
Swayfield Limited	
T Advertising Holdings Limited	
T Advertising Limited	
T Holdings Development Limited	
T Holdings Limited	
T Sub Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Tacocity Limited	
Tebury Limited	
Terrier International Limited	
The Felixstowe Dock and Railway Company	
The Hongkong Electric Company Limited	
Three Enterprises, S.L.	
Three Info Systems Private Limited	
Three Limited (incorporated in Hong Kong)	
Three Limited (incorporated in Macau)	
Three Management (Thailand) Co., Ltd.	
Three Management Pty Ltd	
Tifferton Limited	
Tindor Limited	
Tinsel Town Resources Limited	
Tom Centro Limited	
Tom Fashion Limited	
TOM Group International Limited	
TOM Group Limited	
Tom Holdings Limited	
TOM Marketing Holdings Limited	
Tom Media Limited	
Tom Nominees Limited	
TOM Online Inc.	
TOM Outdoor Advertising Company Limited	
Tom Payment Limited	
TOM Print Media Group Limited	
Tom Solutions Limited	
TOM Sports Group Limited	
tom.com enterprises Limited	
TOM.COM INTERNATIONAL LIMITED	
Top Sails Limited	
Toprow Investment Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Total Crown Investments Limited	
Total Vision Limited	
Towerich Limited	
Transisland Investments Limited	
Tre Management Services AB	
Tricon Associates Inc.	
Trillium Investment Limited	
Tronic Limited	
True Destiny Limited	
True Gate Limited	
Trumpington Limited	
Turbo Top Limited	
U.F. Holdings S.à r.l.	
Umford Limited	
Uni Lite Investment Limited	
Union Faith B.V.	
Union Faith Canada Investment Ltd.	
Union Faith Company Limited	
Union Faith Energy (HK) Limited	
Univest Equity S.A.	
Upper Speed Limited	
Uptalent Investments Limited	
Vember Lord Limited	
Venniton Development Inc.	
Vidiator (Hong Kong) Limited	
Vieslaw Limited	
VIH (BVI) Limited	
Vizell Equities S.A.	
Vodac Franchising Pty Limited	
Vodac Pty. Limited	
Vodafone Australia Pty Limited	
Vodafone Billing Services Pty Limited	
Vodafone Hutchison Australia Pty Limited	

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Vodafone Network Pty Limited	
Vodafone Pty Limited	
Waerdah Limited	
Walcoh Finance Inc.	
Walton Container Terminal Limited	
Walton Estates Limited	
Warmglow Limited	
Warrander Insurance Company Limited	
Wealthy Port Enterprises Limited	
Wellprove Limited	
Wellseek Limited	
Whampoa Dock Holdings Limited	
Whampoa Holdings Limited	
Whampoa Limited	
Whampoaproperty Limited	
Wide Option Investments Limited	
Widecon Holdings Limited	
Wilmington Land Company Limited	
Winfield Profits Limited	
WMM Three Enterprises Sdn. Bhd.	
WMM Three Services AB	
Wonder Pacific Investment Limited	
Wonder Result Limited	
World Diversity Limited	
Wormholt Limited	
Yue Shun Limited	
Zealand Limited	
Zimboton Investment Inc.	
Zontez Limited	
和記環球電訊股份有限公司	

(B) Executive Officers of the Trustee-Manager

(1) Ms. Hai Chi-Yuet

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Beijing Leading Edge Container Services Company Limited	COSCO-HIT Terminals (Hong Kong) Limited
Shenzhen Hutchison Inland Container Depots Co., Ltd.	Hong Kong Container Terminal Operators Association Limited
Shenzhen Leading Edge Container Services Company Limited	OnePort Holdings (BVI) Limited
Shenzhen Pingyan Railway Company Limited	OnePort IP (BVI) Limited
Shenzhen Yantian Tugboat Company Limited	OnePort Limited
Shenzhen Yantian West Port Terminals Limited	OnePort Systems (BVI) Limited
Yantian International Container Terminals (Phase III) Limited	
Yantian International Container Terminals Limited	
Yantian Port International Information Company Limited	

(2) Mr. Ivor Chow

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
APM Terminals Dachan Company Limited	NIL
COSCO-HIT Terminals (Hong Kong) Limited	
Country Win Development Limited	
Hutchison Yantian Railway (HK) Limited	
OnePort Holdings (BVI) Limited	
OnePort IP (BVI) Limited	
OnePort Limited	
OnePort Systems (BVI) Limited	
Power Day Limited	
River Trade Terminal Co. Ltd.	
River Trade Terminal Holdings Limited	
Shenzhen Hutchison Inland Container Depots Co., Ltd.	
Shenzhen Pingyan Railway Company Limited	
Transportation Community Network Limited	
Yantian International Container Terminals Limited	

(3) Ms. Diana Lee Tung-Wan

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Country Top Development Limited	NIL
Shenzhen Leading Edge Container Services Company Limited	
Shenzhen Pingyan Railway Company Limited	
Shenzhen Yantian West Port Terminals Limited	