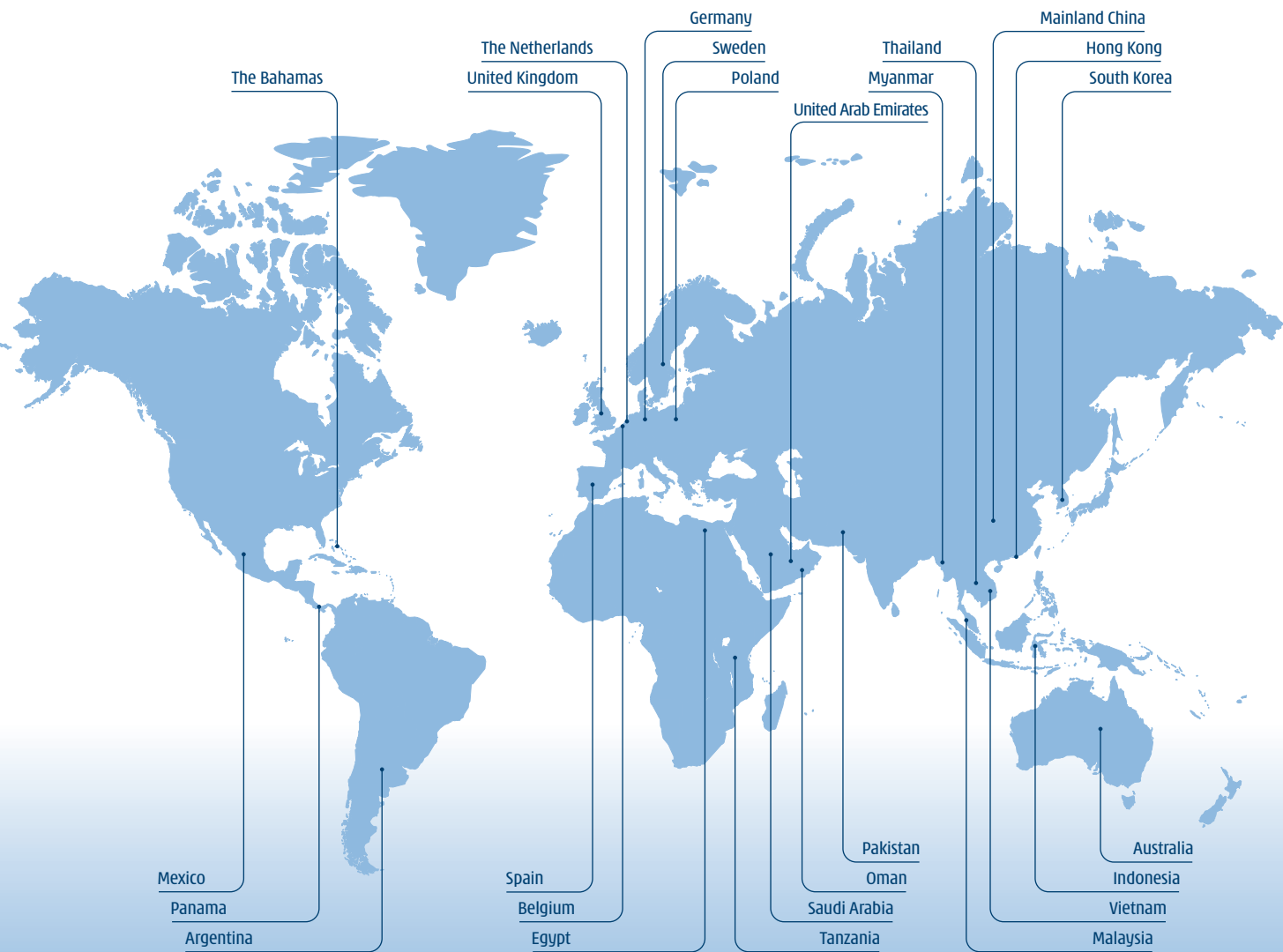




Europe Container Terminals ("ECT"), in the Netherlands, marks its 50th anniversary.

Ports and Related Services





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1. ECT Euromax is one of the most advanced and environmentally-friendly container terminals in the world.
2. Hutchison Ports Sohar is the first operator in Oman to use remote controlled container cranes.
3. BEST in Spain deploys a total of eight ship-to-shore gantry cranes simultaneously for a single operation and achieves a new record of peak Vessel Operating Rate of 221.3 moves per hour.



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- 4. Yantian Phase III Expansion South Berth, in the Mainland, becomes fully operational in May.
- 5. PPC (Balboa), in Panama, achieves a new milestone by involving over 900 vehicles in a Ro-Ro operation.
- 6. A 33rd daily rail freight service has been introduced at UK's Port of Felixstowe in July.

This division is one of the world's leading port investors, developers and operators, and has interests in 48 ports comprising 275 operational berths in 25 countries.

Group Performance

The Group operates container terminals in five of the 10 busiest container ports in the world. The division comprises the Group's 80% interest in the Hutchison Ports group of companies and its 30.07% interest in the HPH Trust, which together handled a total of 81.4 million twenty-foot equivalent units ("TEU") in 2016.

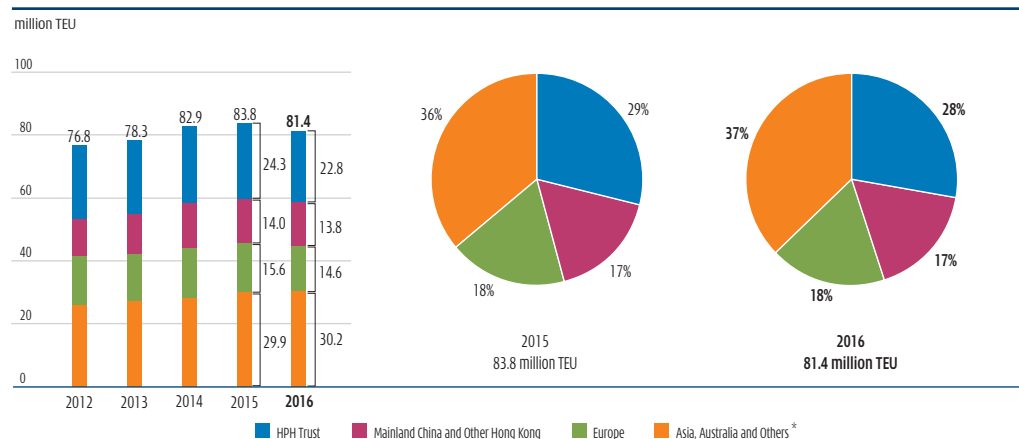
	2016 HK\$ millions	2015 ⁽¹⁾ HK\$ millions	Change	Change in Local Currency
Total Revenue ⁽²⁾	32,184	34,009	-5%	—
EBITDA ⁽²⁾	11,639	11,964	-3%	+2%
EBIT ⁽²⁾	7,567	7,957	-5%	—
Throughput (million TEU)	81.4	83.8	-3%	

Note 1: 2015 pro forma total revenue, EBITDA, and EBIT assumed that the Reorganisation was effective on 1 January 2015.

Note 2: Total revenue, EBITDA and EBIT have been adjusted to exclude non-controlling interests' share of results of HPH Trust.

Overall throughput decreased 3% to 81.4 million TEU in 2016, primarily reflecting Hong Kong's weaker Intra-Asia and transshipment cargoes and competitions in Rotterdam.

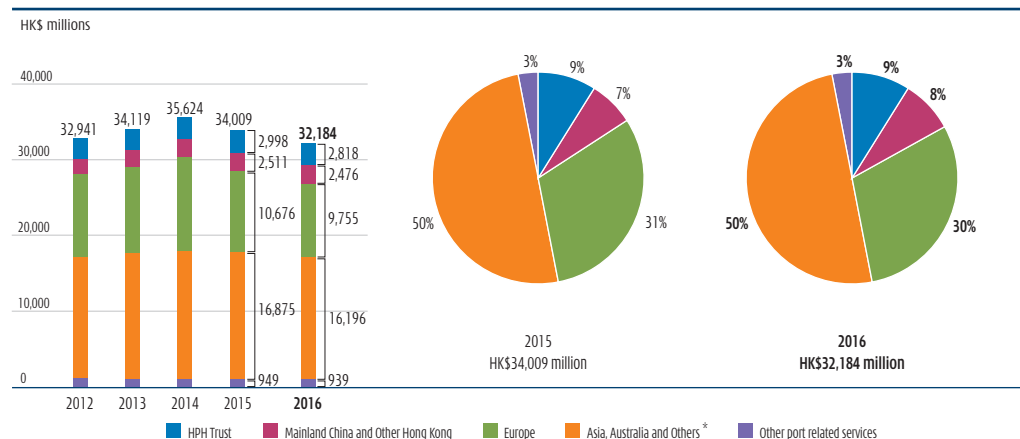
Total Container Throughput (-3%) by Subdivision



* Asia, Australia and Others includes Panama, Mexico and the Middle East.

Total revenue decreased 5% to HK\$32,184 million in 2016 principally due to the adverse foreign currency translation to Hong Kong dollars. In local currencies, total revenue is flat against last year primarily due to lower throughput from Europe Container Terminals (“ECT”) in Rotterdam and International Ports Services (“IPS”) in Dammam, Saudi Arabia from new competitions were offset by the better performances in Alexandria Port in Egypt and in the American region.

Total Revenue⁽³⁾ by Subdivision

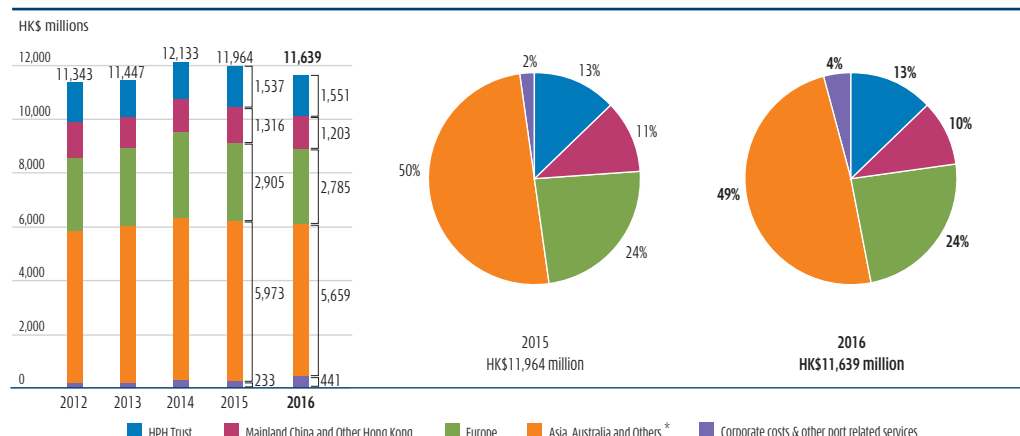


* Asia, Australia and Others includes Panama, Mexico and the Middle East.

Note 3: Total revenue has been adjusted to exclude non-controlling interests' share of revenue of HPH Trust.

EBITDA and EBIT for the division decreased 3% and 5% to HK\$11,639 million and HK\$7,567 million respectively in 2016. In local currencies, EBITDA increased 2% and EBIT remained flat, primarily due to better performances in Alexandria Port in Egypt and the Mexican Ports, and a gain on disposal of the Huizhou's operation, together with lower power and fuel costs, and the continued focus on better cost management through improvements in productivity and efficiency. These improvements however, were partly offset by the deconsolidation impact of the Jakarta operations, which ceased to be a subsidiary and is accounted for as a joint venture following the dilution of interests in 2015, as well as the lower profitability in ECT and IPS due to the factors mentioned previously.

Total EBITDA⁽⁴⁾ by Subdivision



* Asia, Australia and Others includes Panama, Mexico and the Middle East.

Note 4: Total EBITDA has been adjusted to exclude non-controlling interests' share of EBITDA of HPH Trust.

The division had 275 operating berths⁽⁵⁾ as at 31 December 2016, representing an increase of 6 berths during the year due to the new berths commencing operations in Yantian, Malaysia and Pakistan.

Note 5: Based on 300 metres per berth and is computed by dividing the total berth length by 300 metres.

Segment Performance

HPH Trust

	2016 HK\$ millions	2015 HK\$ millions	Change
Total Revenue ⁽⁶⁾	2,818	2,998	-6%
EBITDA ⁽⁶⁾	1,551	1,537	+1%
EBIT ⁽⁶⁾	873	878	-1%
Throughput (million TEU)	22.8	24.3	-6%

Note 6: Total revenue, EBITDA and EBIT have been adjusted to exclude non-controlling interests' share of results of HPH Trust. 2015 pro forma total revenue, EBITDA, and EBIT assumed that the Reorganisation was effective on 1 January 2015.

Overall, throughput and total revenue of the ports operated by HPH Trust both decreased 6% during 2016, mainly attributable to weaker transshipment and intra-Asia cargoes in Hong Kong. Despite the lower revenue, the Group's share of EBITDA and EBIT was broadly in line with the results reported for 2015 due to a rent and rates refund in Hong Kong during the year which offsets the drop in revenue.

Mainland China and Other Hong Kong

	2016 HK\$ millions	2015 HK\$ millions	Change	Change in Local Currency
Total Revenue	2,476	2,511	-1%	+4%
EBITDA	1,203	1,316	-9%	-3%
EBIT	902	980	-8%	-3%
Throughput (million TEU)	13.8	14.0	-1%	

The Mainland China and other Hong Kong segment's revenue growth in local currency was contributed by the increase in revenue and throughput in Shanghai ports, partly offset by the impact on the disposal of the port operations in Gaolan and Jiuzhou during the second half of 2015. Lower EBITDA and EBIT contributions was also due to cessation of value added tax refund for Shanghai Ports during 2016.

Europe

	2016 HK\$ millions	2015 HK\$ millions	Change	Change in Local Currency
Total Revenue	9,755	10,676	-9%	-4%
EBITDA	2,785	2,905	-4%	+2%
EBIT	1,828	1,846	-1%	+6%
Throughput (million TEU)	14.6	15.6	-6%	

The decline in performance in the Europe segment during the year is attributable to the adverse foreign currency translation impact to Hong Kong dollars and the impact of the intense competition in Rotterdam. In local currencies, the growth in EBITDA and EBIT is mainly due to the contributions from the ports in the UK and Barcelona, while ECT partly compensated the lower revenue through cost control measures.

Asia, Australia and Others

	2016 HK\$ millions	2015 HK\$ millions	Change	Change in Local Currency
Total Revenue	16,196	16,875	-4%	+2%
EBITDA	5,659	5,973	-5%	—
EBIT	3,774	4,262	-11%	-6%
Throughput (million TEU)	30.2	29.9	+1%	

The adverse impact of exchange rate movements resulted in a decline in the contribution from the Asia, Australia and others segment during 2016. In local currencies, total revenue increased by 2%, mainly due to throughput-driven growth of the port operations in most countries; except for Jakarta ports in Indonesia which was affected by the deconsolidation impact and slow economy, the fierce competition experienced by IPS and weaker transshipment cargoes in Panama, as well as the impact of the hurricane at the Bahamas operations.