



Hutchison Ports BEST in Spain breaks historical records of moves per call to almost 8,500 moves.

Ports and Related Services



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1. In Mainland China, Hutchison Ports Yantian achieves new monthly throughput record of over 1.46 million TEU.
2. Six electricity-powered autonomous trucks equipped with smart operating system are taking on-site testing at Hutchison Ports Thailand's Terminal D.
3. Hutchison Ports Stockholm's new container terminal at Norvik Port in Sweden commences operations.
4. The Roll-on/Roll-off ("Ro/Ro") facilities upgrade enables the Ports of Felixstowe in the UK to accommodate larger Ro/Ro vessels and improve operational efficiency.
5. Upon completion of Phase II development, Hutchison Ports Pakistan is expected to achieve a handling capacity of 3.2 million TEU.

Operations Review – Ports and Related Services

This division is the world's leading port network, and has interests in 52 ports comprising 283 operational berths in 26 countries.

Group Performance

The Group operates container terminals in six 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 83.7 million twenty-foot equivalent units ("TEU") in 2020.

	2020 HK\$ million	2019 HK\$ million	Change	Local currencies change
Total Revenue ⁽¹⁾	32,865	35,375	-7%	-5%
EBITDA ^{(1) (2)}	10,914	13,405	-19%	-17%
EBIT ^{(1) (2)}	6,717	9,061	-26%	-24%
Throughput (million TEU)	83.7	86.0	-3%	
Number of berths	283	290	-7 berths	

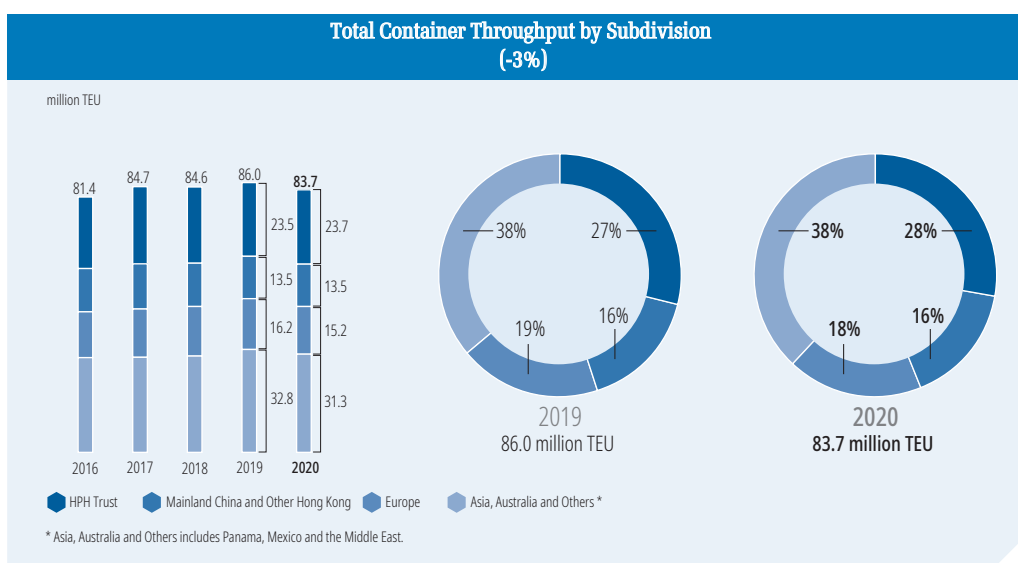
Note 1: Total revenue, EBITDA and EBIT have been adjusted to exclude non-controlling interests' share of results of HPH Trust.

Note 2: Under Post-IFRS 16 basis, EBITDA was HK\$13,748 million; EBIT was HK\$8,055 million.

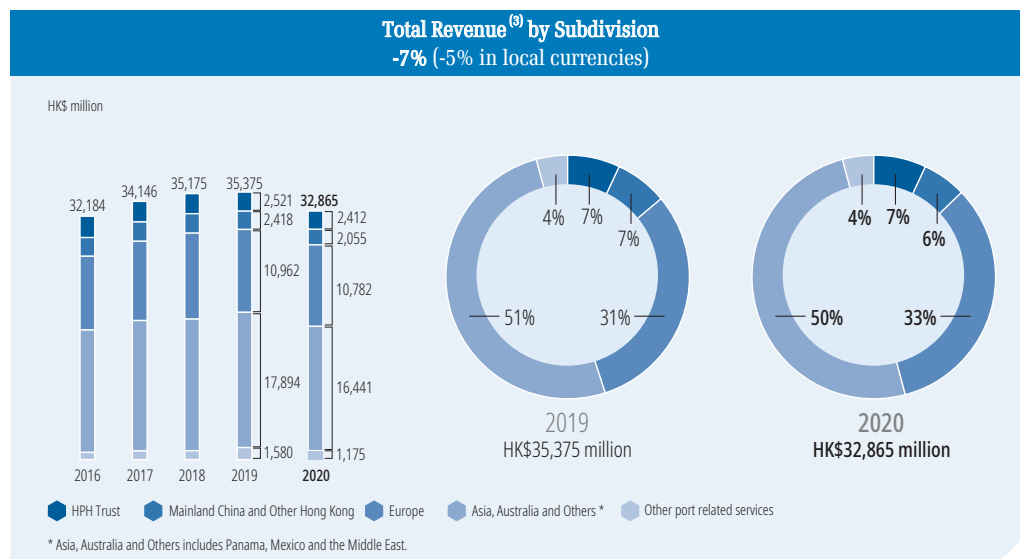
Overall throughput decreased 3% to 83.7 million TEU in 2020, primarily due to supply chain disruption as a result of the global pandemic with lower throughput across major ports in Europe (mainly UK, Barcelona and Rotterdam in the Netherlands), Klang in Malaysia and Jakarta, as well as lower throughput at Laem Chabang in Thailand due to intense competition and at Dammam in Saudi Arabia due to concession expiry at the end of September 2020.

The division's throughput in the second half of 2020 increased 16% against the first half of 2020. Gradual recovery was seen in throughput volumes across all regions especially in HPH Trust, Mainland China and other Hong Kong, as well as Europe.

Comparing second half of 2020 against same period last year, throughput increased by 2% as trade volumes started to stabilise. Significant recovery was seen in HPH Trust and Mainland China and other Hong Kong where trade volumes have outperformed second half of last year.

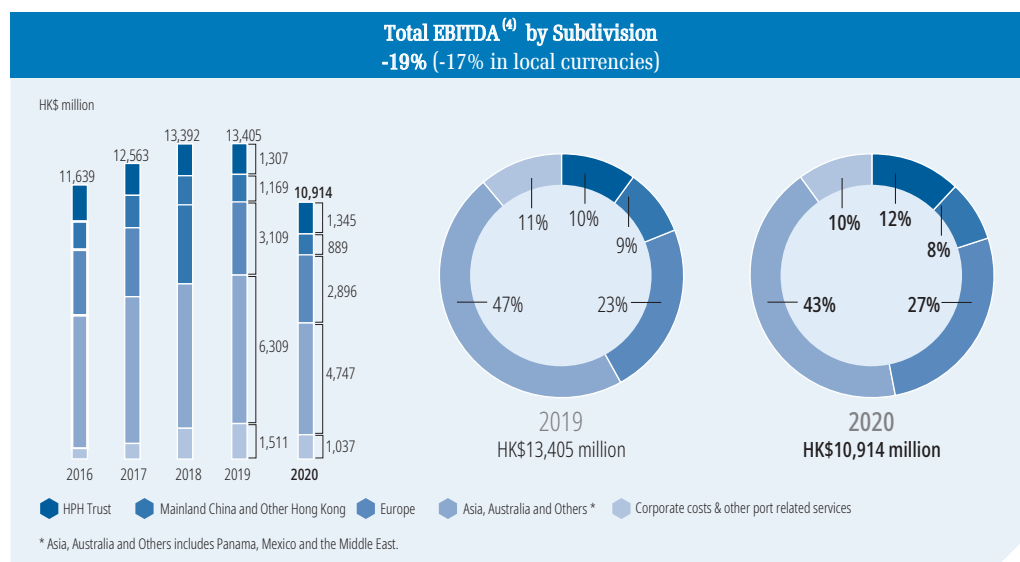


Total reported revenue decreased 7% to HK\$32,865 million in 2020 mainly due to decline in throughput, lower contribution from Shanghai resulting from the division's partial disposal of 20% interest in Shanghai Mingdong Container Terminals during the year and weaker performances in Mexico from lower storage income, lower contribution from Dammam due to concession expiry and higher mix of transhipment throughput.



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

In reported currency, EBITDA decreased 19% to HK\$10,914 million and EBIT decreased 26% to HK\$6,717 million against 2019, mainly due to lower revenue as mentioned above, port closure costs at Dammam, impairment provision on certain non-performing ports and adverse foreign currency translation impacts, partly offset by continued cost management across all business units.



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

As at 31 December 2020, the division had 283 operating berths⁽⁵⁾, a reduction of seven berths compared to 2019, as a result of closure of berths at Dammam (-8 berths) and new berths commencing operations in Stockholm (+2 berths at new Norvik terminal, offset by closure of 1 berth at old Container Terminal Frihamnen).

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

Operations Review – Ports and Related Services

Segment Performance

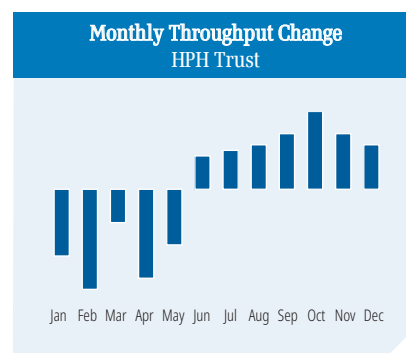
HPH Trust

	2020 HK\$ million	2019 HK\$ million	Change
Total Revenue ⁽⁶⁾	2,412	2,521	-4%
EBITDA ⁽⁶⁾	1,345	1,307	+3%
EBIT ⁽⁶⁾	638	589	+8%
Throughput (million TEU)	23.7	23.5	+1%
Number of berths	52	52	–

Note 6: Total revenue, EBITDA and EBIT have been adjusted to exclude non-controlling interests' share of results of HPH Trust.

Although overall throughput increased 1%, total revenue of the ports operated by HPH Trust decreased 4%. This was mainly attributable to higher mix of low-tariff transshipment volume in Hong Kong and Mainland China. Despite the reduction in revenue, the Group's share of EBITDA and EBIT were 3% and 8% higher respectively due to cost control initiatives and higher synergies arising from the Hong Kong Seaport Joint Operating Alliance arrangement.

In the second half of 2020, HPH Trust throughput increased by 30% and 10% against first half of 2020 and second half of last year respectively. Following lockdowns in the first half of 2020, global trade rebounded from the increase in demand from the US and Europe, driving recovery of exports in Yantian. Transshipment throughput at Kwai Tsing also outperformed the first half of 2020 and same period last year. As a result, EBITDA increased 23% and 12% against first half of 2020 and second half of last year respectively.

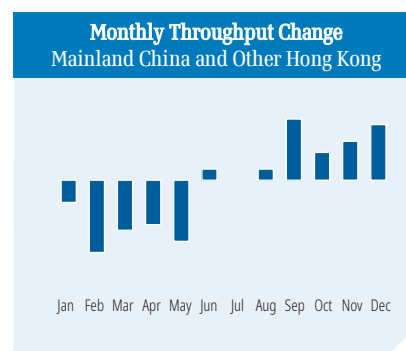


Mainland China and Other Hong Kong

	2020 HK\$ million	2019 HK\$ million	Change	Local currencies change
Total Revenue	2,055	2,418	-15%	-14%
EBITDA	889	1,169	-24%	-24%
EBIT	646	908	-29%	-29%
Throughput (million TEU)	13.5	13.5	–	
Number of berths	42	42	–	

The Mainland China and other Hong Kong segment's revenue, EBITDA and EBIT decline was mainly attributable to the lower contribution from Shanghai due to the division's partial disposal of 20% interest in Shanghai Mingdong Container Terminals and higher mix of low margin throughput.

Throughput in second half of 2020 increased by 21% and 6% against first half of 2020 and second half of last year respectively mainly from recovery in Shanghai, Ningbo, Xiamen and River Trade Terminal in Hong Kong. Despite the improvements in throughput volume, second half EBITDA remained flat against first half of 2020 and decreased by 33% year-on-year due to lower contribution from Shanghai Mingdong Container Terminals following the partial disposal.

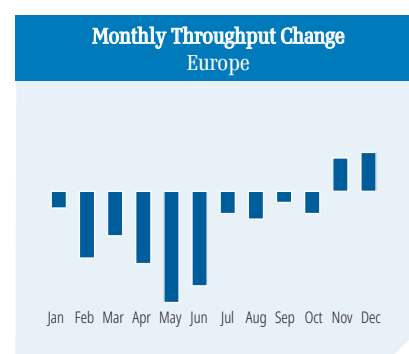


Europe

	2020 HK\$ million	2019 HK\$ million	Change	Local currencies change
Total Revenue	10,782	10,962	-2%	-2%
EBITDA	2,896	3,109	-7%	-7%
EBIT	1,874	2,098	-11%	-11%
Throughput (million TEU)	15.2	16.2	-6%	
Number of berths	62	61	+1 berth	

Weaker performance in the Europe segment during the year was due to lower throughput in the region primarily from trade disruption caused by the pandemic resulting in 9% lower throughput in the UK and 3% lower throughput at Rotterdam in the Netherlands. During the year, Hutchison Ports Stockholm's new container terminal Phase 1 at the Stockholm Norvik Port commenced operations, and Container Terminal Frihamnen which was previously operated by the division has closed.

Comparing second half of 2020 against first half of 2020, throughput, EBITDA and EBIT increased by 11%, 40% and 63% respectively, primarily from the UK, Rotterdam in the Netherlands and Barcelona from the gradual recovery from the pandemic trade disruption. Although the second half's year-on-year throughput remained flat, EBITDA and EBIT increased by 7% and 9% respectively primarily due to improved margin.

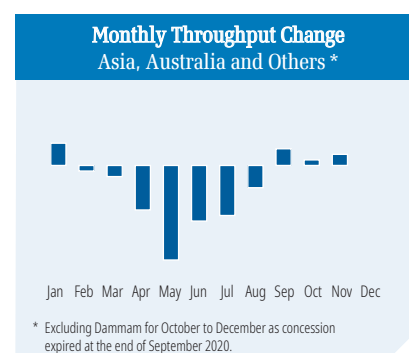


Asia, Australia and Others

	2020 HK\$ million	2019 HK\$ million	Change	Local currencies change
Total Revenue	16,441	17,894	-8%	-4%
EBITDA	4,747	6,309	-25%	-21%
EBIT	2,690	4,117	-35%	-30%
Throughput (million TEU)	31.3	32.8	-5%	
Number of berths	127	135	-8 berths	

The decline in total revenue, EBITDA and EBIT was mainly driven by lower throughput in Jakarta and Thailand, lower contribution and port closure costs at Dammam as the concession ended in September 2020, lower storage income in Mexico, as well as the recognition of certain impairment charges of non-performing ports in this segment.

Excluding Dammam, second half EBITDA and EBIT were 22% and 32% lower against same period last year mainly due to 1% lower throughput particularly in Jakarta and Thailand, as well as the abovementioned impairment charges of non-performing ports. Despite 10% growth in throughput excluding Dammam in second half against first half of 2020, EBITDA and EBIT were 11% and 18% lower mainly due to impairment charges of non-performing ports as mentioned above and lower margin mix in Panama.



In August 2020, this division entered into an agreement to develop and operate a new container terminal in Abu Qir, Egypt, with a total quay length of 1,200 metres and a 60-hectare terminal yard, with an additional 100 hectares of land exclusively reserved for yard expansion. This division holds 61% interest in the new terminal which has a concession period of 38 years and the first phase is expected to commence operations in 2022.

In February 2021, this division has agreed with the Royal Commission in Jubail and Yanbu, to invest and operate multipurpose terminals within the Jazan City for Primary and Downstream Industries in Saudi Arabia which will be developed in two phases. Commercial operations of general cargo and dry-bulk terminal is expected to be launched in 2021 and container terminal to follow in early 2022, offering a combined total of 1,270 metres of berth length in Phase 1.