



The Port of Felixstowe, together with Harwich, is granted the Freeport status by the UK government that would further strengthen its position as the country's major trade hub.

Ports and Related Services



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1. In Mainland China, Hutchison Ports Yantian achieves 200 million TEU milestone.

2. Hutchison Ports HIT launches remote reefer container monitoring system.

3. The new terminal of ICAVE breaks a monthly productivity record in June by handling a total of 50 container ships with a combined throughput of over 100,000 TEU.

4. The Ministry of Transport of Egypt and Hutchison Ports sign a Memorandum of Understanding to examine the feasibility of investment in, and operation of, El-Dekheila Port and Sokhna Port.

Operations Review – Ports and Related Services

This division is the world's leading port network, and has interests in 52 ports comprising 291 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 88.0 million twenty-foot equivalent units ("TEU") in 2021.

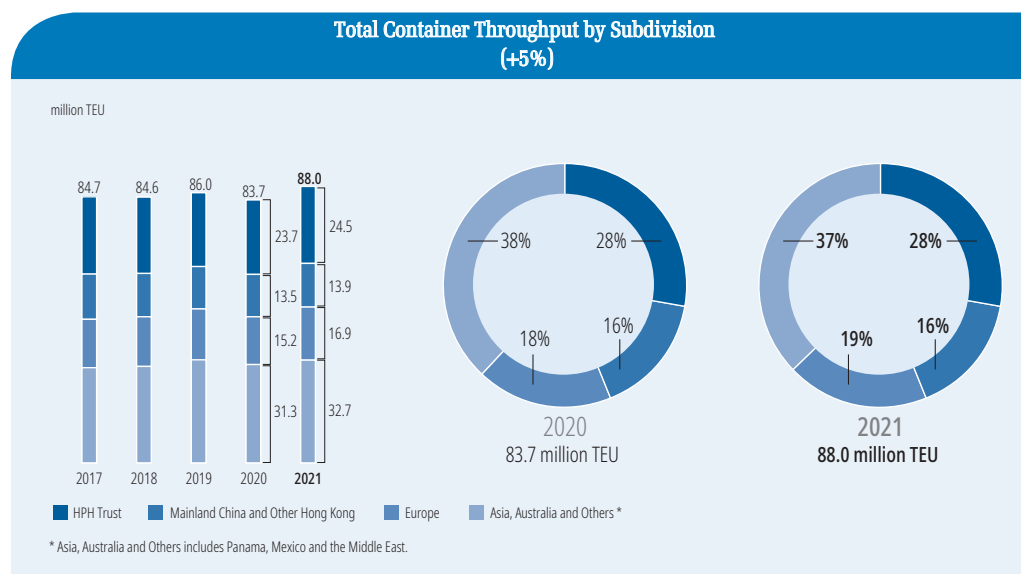
| | 2021 HK\$ million | 2020 HK\$ million | Change | Local currencies change |
|------------------------------|----------------------|----------------------|-----------|----------------------------|
| Total Revenue ⁽¹⁾ | 42,285 | 32,865 | +29% | +26% |
| EBITDA ^{(1) (2)} | 15,157 | 10,914 | +39% | +35% |
| EBIT ^{(1) (2)} | 10,737 | 6,717 | +60% | +55% |
| Throughput (million TEU) | 88.0 | 83.7 | +5% | |
| Number of berths | 291 | 283 | +8 berths | |

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

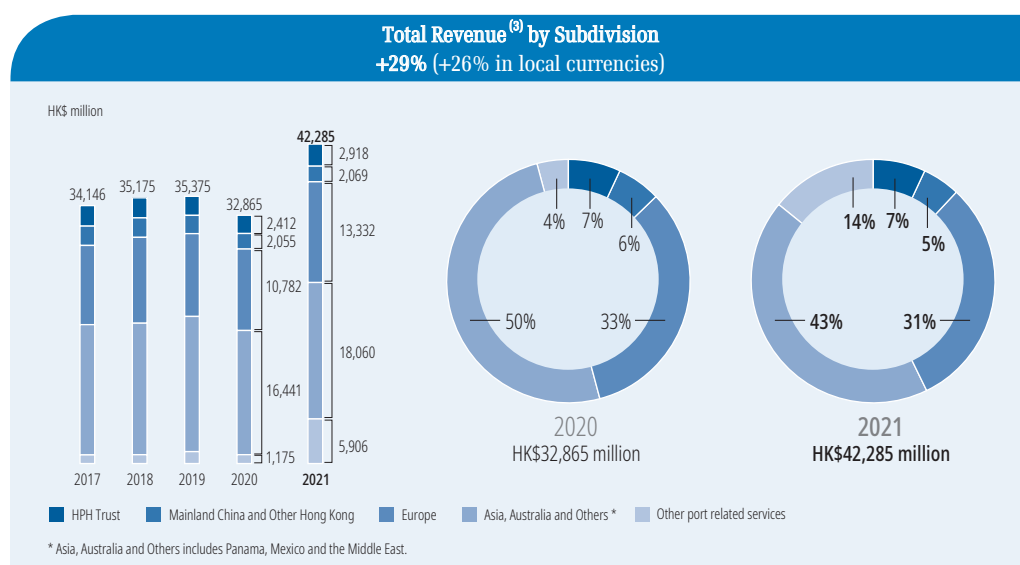
Note 2: Under Post-IFRS 16 basis, EBITDA was HK\$18,008 million (2020: HK\$13,748 million); EBIT was HK\$11,946 million (2020: HK\$8,055 million).

Overall throughput increased 5% to 88.0 million TEU in 2021, primarily due to strong global consumer demand recoveries across all regions of this division, with growth in HPH Trust, major ports in Europe (mainly in the UK, Barcelona in Spain and Rotterdam in the Netherlands), and Asia, Australia and Others (mainly Laem Chabang in Thailand, Jakarta in Indonesia, Mexico, Freeport in Bahamas and Panama), partly offset by the loss of throughput contribution from Dammam in Saudi Arabia as the concession expired at the end of September 2020.

The division's throughput in 2021 increased 2% against pre-pandemic levels in 2019. Throughput volumes have exceeded or on par with pre-pandemic levels across majority of the ports operations due to strong recoveries in global trade volumes.

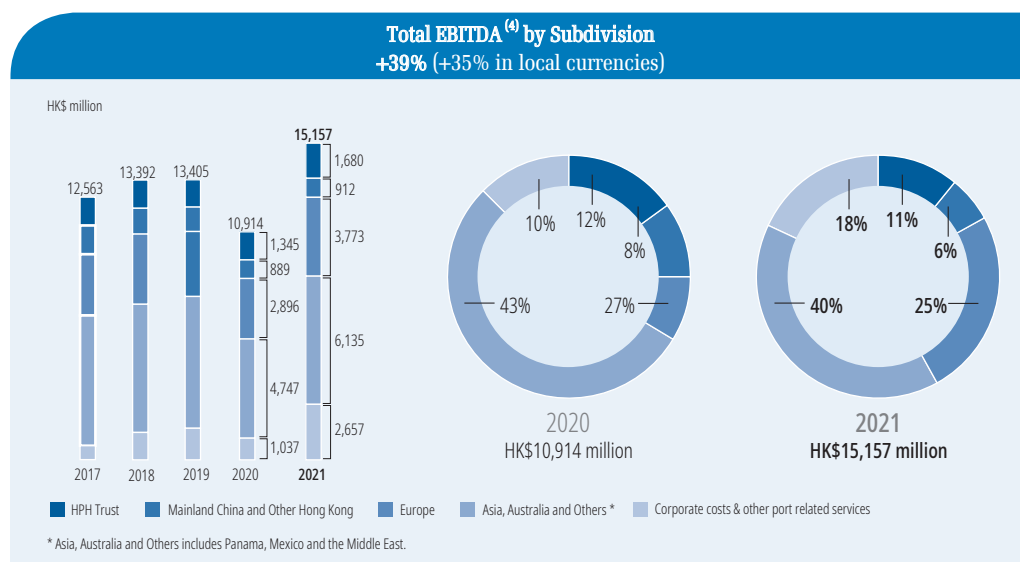


Total reported revenue increased 29% to HK\$42,285 million in 2021 mainly due to throughput growth, higher storage income in the UK, Rotterdam in the Netherlands and Mexico, strong performance of an associated company in the container shipping business, as well as contribution from the newly acquired Delta II terminal in the Netherlands. The favourable revenue growth was partly offset by lower contribution from Shanghai following the division's partial disposal of 20% interest in Shanghai Mingdong Container Terminals in 2020 and loss of contribution from Dammam in Saudi Arabia as mentioned above.



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

In reported currency, EBITDA increased 39% to HK\$15,157 million and EBIT increased 60% to HK\$10,737 million against 2020, mainly due to higher revenue as mentioned above, improved margins and continued efforts on overall cost containment across all the regions.



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

As at 31 December 2021, the division had 291 operating berths⁽⁵⁾, eight berths more than 2020, with new berths in Rotterdam (+5 berths at Delta II terminal) and Pakistan (+3 berths).

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

| | 2021 HK\$ million | 2020 HK\$ million | Change |
|------------------------------|----------------------|----------------------|--------|
| Total Revenue ⁽⁶⁾ | 2,918 | 2,412 | +21% |
| EBITDA ⁽⁶⁾ | 1,680 | 1,345 | +25% |
| EBIT ⁽⁶⁾ | 975 | 638 | +53% |
| Throughput (million TEU) | 24.5 | 23.7 | +3% |
| 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 3%, HPH Trust's total revenue, EBITDA and EBIT increased by 21%, 25% and 53% respectively. Favourable performance was attributable to higher storage income in Hong Kong and Yantian, overall throughput growth of 3% as a result of increase in US, European and empty cargoes in Yantian, as well as higher average revenue per TEU for Yantian and Hong Kong. Despite throughput growth was 13% in first half of 2021, this growth momentum eased in the second half of 2021 as a result of high yard density and pandemic preventive measures in place in Hong Kong and the Mainland.

During the year, a joint venture agreement was signed with Shenzhen Yantian Port Group Company Limited to develop Yantian East Port Phase I with an approximate size of 120 hectares.

Mainland China and Other Hong Kong

| | 2021 HK\$ million | 2020 HK\$ million | Change | Local currencies change |
|--------------------------|----------------------|----------------------|--------|----------------------------|
| Total Revenue | 2,069 | 2,055 | +1% | -5% |
| EBITDA | 912 | 889 | +3% | -3% |
| EBIT | 672 | 646 | +4% | -2% |
| Throughput (million TEU) | 13.9 | 13.5 | +3% | |
| Number of berths | 42 | 42 | – | |

The Mainland China and other Hong Kong segment's revenue, EBITDA and EBIT growth was mainly attributable to favourable currency translation. In local currencies, total revenue, EBITDA and EBIT declined by 5%, 3% and 2% respectively mainly attributable to the lower contribution from Shanghai due to the division's partial disposal of 20% interest in Shanghai Mingdong Container Terminals in 2020, partly offset by throughput growth and favourable margin mix. Excluding the impact of shareholding change, the growth in total revenue, EBITDA and EBIT corresponds with throughput growth.

Europe

| | 2021 HK\$ million | 2020 HK\$ million | Change | Local currencies change |
|--------------------------|----------------------|----------------------|-----------|----------------------------|
| Total Revenue | 13,332 | 10,782 | +24% | +18% |
| EBITDA | 3,773 | 2,896 | +30% | +24% |
| EBIT | 2,623 | 1,874 | +40% | +33% |
| Throughput (million TEU) | 16.9 | 15.2 | +11% | |
| Number of berths | 67 | 62 | +5 berths | |

Favourable performance in the Europe segment during the year was mainly attributable to higher throughput from strong trade growth primarily in the UK, Barcelona in Spain, Rotterdam and Amsterdam in the Netherlands and Gdynia in Poland, higher storage income, as well as favourable contribution from the newly acquired Delta II terminal in the Netherlands in June 2021.

Asia, Australia and Others

| | 2021 HK\$ million | 2020 HK\$ million | Change | Local currencies change |
|--------------------------|----------------------|----------------------|-----------|----------------------------|
| Total Revenue | 18,060 | 16,441 | +10% | +9% |
| EBITDA | 6,135 | 4,747 | +29% | +25% |
| EBIT | 4,135 | 2,690 | +54% | +47% |
| Throughput (million TEU) | 32.7 | 31.3 | +4% | |
| Number of berths | 130 | 127 | +3 berths | |

Asia, Australia and Others' total revenue, EBITDA and EBIT grew by 10%, 29% and 54% respectively mainly driven by higher throughput in Laem Chabang in Thailand, Jakarta in Indonesia, Mexico, Freeport in Bahamas and Panama, as well as favourable variance attributable to impairment provision on certain non-performing ports recognised last year. The favourable performance is partly offset by loss of contribution as a result of concession expiry at Dammam in Saudi Arabia last year.

This division has signed an agreement to invest and operate multipurpose terminals within the Jazan City for Primary and Downstream Industries in Saudi Arabia in February 2021. In September 2021, the division has signed an agreement to manage and operate the dry port and bonded logistics zone in the King Salman Energy Park in Saudi Arabia.