

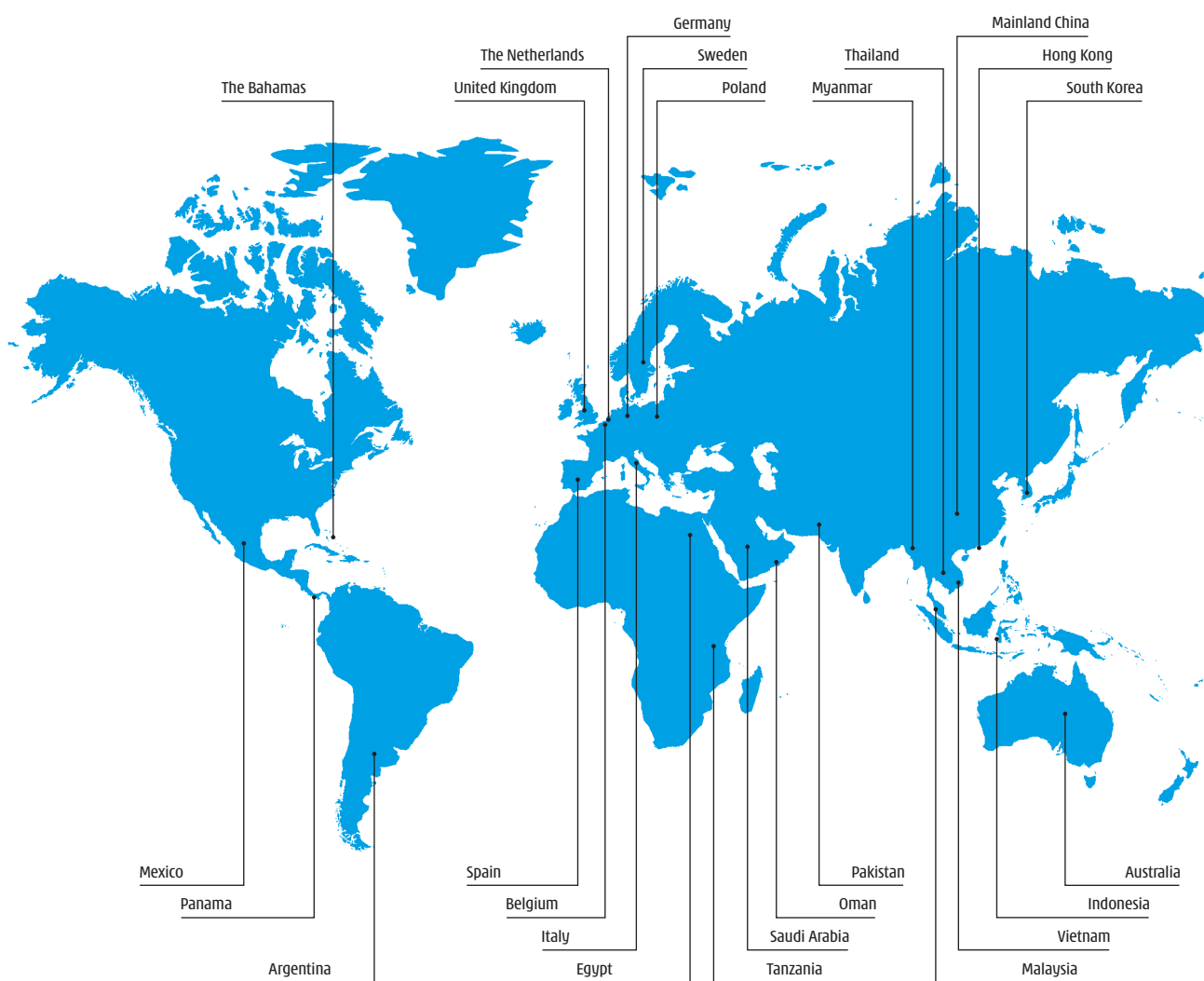


P

orts and Related Services

The Group is one of the world's leading port investors, developers and operators with interests in a total of 49 ports comprising 300 berths in 25 countries. The Group operates container terminals in six of the nine busiest container ports in the world.

- Total revenue grew 4% to HK\$39,594 million.
- EBIT increased 3% to HK\$13,236 million.
- Total throughput increased 2% to 67.6 million TEUs.

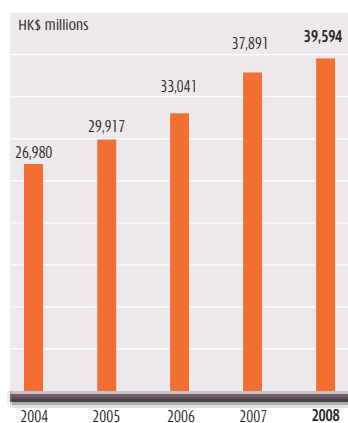


Operations Review – Ports and Related Services

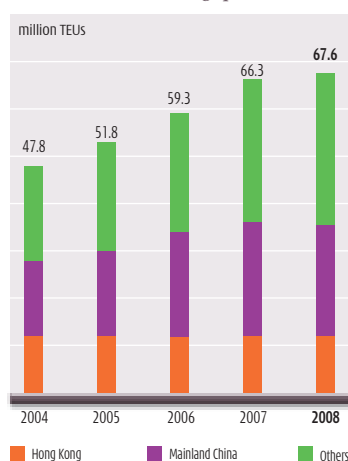
The ports and related services division reported total revenue of HK\$39,594 million, a growth of 4%, reflecting a 2% increase in annual throughput to reach 67.6 million TEUs. The throughput increase arose mainly from the existing ports in Westports in Klang, Malaysia; Panama Ports container terminal in Panama; Jakarta port container terminals in Indonesia; International Ports Services (“IPS”) in Saudi Arabia; and also from the first full year contribution from the two container facilities of Alexandria International Container Terminals (“AICT”) in Egypt, which commenced operations in the first half of 2007, and the first full year contribution from the Phase IA at the port of Lazaro Cardenas in Mexico. This throughput growth was partially offset by declining exports from the Mainland in the latter part of 2008, as well as competition for customers in a slowing global trade environment. EBIT from this division increased 3% to HK\$13,236 million, mainly reflecting growth in throughput. This division continues to provide the Group with a steady income stream, contributing 14% and 24% respectively to the Group's total revenue and EBIT from its established businesses.

	2008 HK\$ millions	2007 HK\$ millions	Change
Total Revenue	39,594	37,891	+4%
EBIT	13,236	12,849	+3%

Total Revenue



Total Container Throughput



Hong Kong and Yantian

The Group's Hong Kong and Yantian deep-water port operations serve the Shenzhen and Southern China manufacturing basin. Combined throughput in these operations decreased 2% and EBIT was 8% lower than last year, reflecting reduced export volumes in the fourth quarter to the United States and Europe as these economies and consumer demand slowed significantly.

Yantian ports include Yantian International Container Terminals Phases I to III and Shenzhen Yantian West Port Terminals (“Yantian West Port”). Throughput and EBIT were 3% and 9% below last year respectively, mainly due to declining exports to the United States and the demand-driven slowdown of manufacturing activities in Southern China in the fourth quarter of the year. The Yantian Port Phase III expansion project comprises six deep-water container berths adjacent to the Group's existing facilities. The first four berths have commenced operations and the remaining two berths are expected to be completed in stages by 2010. In August, this division obtained approval on the Phase II expansion project for Yantian West Port, which will comprise three container berths with a total quay length of 1,142 metres upon completion. In December, the division signed a Heads of Agreement for the joint construction and development of the Shenzhen Yantian East Port Phase I Container Terminal Project to develop over time a total area of 138.56 hectares with a total quay length of 1,442 metres comprising four deep-water berths.



• The quayside and yard operations of Hongkong International Terminals.

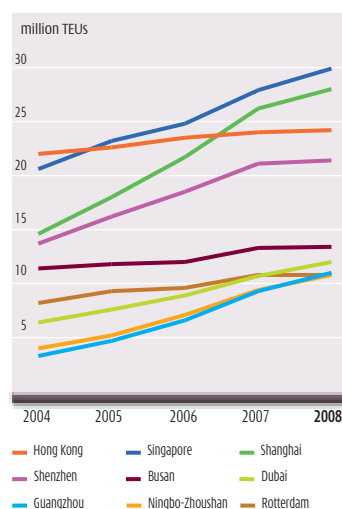
Name	Location	Ports Division's Interest	2008 Throughput (thousand TEUs)
Yantian International Container Terminals / Yantian International Container Terminals (Phase III) / Shenzhen Yantian West Port Terminals	Yantian, Mainland China	48% / 42.74% / 42.74%	9,684
Hongkong International Terminals / COSCO-HIT Terminals	Kwai Tsing, Hong Kong	66.5% / 33.25%	9,092 (Note)
River Trade Terminal	Tuen Mun, Hong Kong	50%	2,055

Note: The published statistics from the Hong Kong Marine Department for the total of local and transshipment 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. The published statistics are not directly comparable to throughput figures of HIT and COSCO-HIT shown in the above table, which exclude this water-borne traffic, in order to be consistent with the treatment of containers transported to or from locations within the river trade zone by trucks.

In Hong Kong, Hongkong International Terminals ("HIT") operates Terminals 4, 6, 7 and two berths in Terminal 9 at Kwai Tsing and COSCO-HIT Terminals ("COSCO-HIT"), a joint venture company, operates Terminal 8 East. Combined throughput at HIT and COSCO-HIT increased 1%, mainly due to an increase in transshipment activities. EBIT was 8% below last year, mainly due to continued tariff pressure from increased capacity in the region.

Other operations in Hong Kong include the midstream and river trade businesses. River Trade Terminal ("RTT"), a 50% owned joint venture that principally serves the water-borne trade between the Pearl River Delta region and Hong Kong, reported 6% lower throughput than last year.

Comparison of Throughput at World's Busiest Container Ports



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Europe

Name	Location	Ports Division's Interest	2008 Throughput (thousand TEUs)
Europe Container Terminals	The Netherlands	93.5%	6,316
Hutchison Ports (UK) - Felixstowe / Harwich / London Thamesport	UK	100% / 100% / 80%	3,811
Terminal Catalunya	Spain	70%	1,082
Gdynia Container Terminal	Poland	99.15%	167
Amsterdam Container Terminals	The Netherlands	70.08%	N/A
Taranto Container Terminal	Italy	50%	N/A



● Amsterdam Container Terminals is one of the latest additions to HPH's presence in Europe.

The European port operations include Europe Container Terminals ("ECT") in the Netherlands, the UK ports, Terminal Catalunya ("TERCAT") in Spain, Gdynia Container Terminal ("GCT") in Poland and the Group's recently acquired interests in Amsterdam, the Netherlands and Taranto, Italy. All European ports reported improved EBIT compared to last year.

ECT, principally operating in Rotterdam, the Netherlands, reported throughput growth of 2%. EBIT increased by 21% from last year, mainly driven by increased throughput and tariffs, and also due to favourable foreign currency translation into the Group's reporting currency. In local currency, EBIT increased by 14%.

The Group's UK port operations, consisting of Felixstowe, Harwich and London Thamesport, reported a combined throughput decrease of 1% compared to last year, partly affected by the bad weather in the UK in the first few months of 2008. EBIT was 1% higher, mainly due to higher tariffs and cost control, offset by unfavourable foreign currency

translation into the Group's reporting currency. In local currency, EBIT increased by 10%. In May, the construction work of Phase 1 of the Felixstowe South Reconfiguration scheme for an additional deep-water container terminal facility commenced.

TERCAT, a four-berth container terminal in Barcelona, reported throughput in line with last year. EBIT increased by 44% from last year, mainly due to higher tariffs and favourable foreign currency translation into the Group's reporting currency. In local currency, EBIT increased by 34%.

GCT at the Port of Gdynia in Poland continued to perform satisfactorily, reporting throughput growth of 45% and an increase in EBIT of 281% from last year.

In December, the division acquired a 70% interest in Amsterdam Container Terminals ("ACT"), which is based in Amsterdam, the Netherlands and a joint-ownership of Taranto Container Terminal ("TCTI") in Italy, in separate share-swap arrangements for minority equity interests in certain of this division's existing European ports. ACT is an existing three-berth container terminal with a combined quay length of 1,015 metres. TCTI is an existing container terminal with a total quay length of 2,050 metres and a land area of 102 hectares. As mentioned earlier, the Group recognised a gain on disposal of HK\$2,037 million from these share for share exchange transactions. In December, the division signed a concession agreement jointly with the Ports of Stockholm that grants the division the right to operate the existing Container Terminal Frihamnen in Stockholm, Sweden from March 2009. In addition, the division was granted a 25-year concession to operate a new container terminal at the Port of Nynäshamn, Norvikudden, Sweden.

The Mainland

Name	Ports Division's Interest	2008 Throughput (thousand TEUs)
Shanghai Container Terminals / Shanghai Mingdong Container Terminals (Waigaoqiao Phase V) / Shanghai Pudong International Container Terminals (Waigaoqiao Phase I)	37% / 50% / 30%	9,453
Ningbo Beilun International Container Terminals	49%	1,949
Pearl River Delta Ports in Southern China - Jiuzhou, Nanhai, Gaolan and Jiangmen / Shantou International Container Terminals	50% / 70%	1,222
Xiamen International Container Terminals / Xiamen Haicang International Container Terminals	49%	968
Huizhou Port Industrial Corporation	33.59%	73

These operations include interests in three Shanghai area ports, Ningbo, Jiuzhou, Nanhai, Gaolan, Jiangmen, Shantou, Xiamen and Huizhou.

Although the ports in Shanghai experienced an overall slower volume growth as compared to previous years, Shanghai continued to be the second busiest port in the world in terms of throughput handling. The combined throughput of the division's Shanghai area ports decreased 2% but EBIT increased 11% compared to last year, mainly due to an increase in tariffs.

In Ningbo, Ningbo Beilun International Container Terminals reported a 1% decrease in throughput but an EBIT increase of 9% compared to last year, mainly from tariff increases.

Hutchison Delta Ports' operations include six joint venture river and coastal ports in Jiuzhou, Nanhai, Gaolan, Jiangmen, Shantou and Xiamen. Combined container throughput and general cargo handling throughput decreased 7% and 2% respectively. In particular, the container throughput in Xiamen decreased by 17%. The combined EBIT decreased 7% compared to last year, mainly due to increased capacity and competition in the region. The Phase II development at Gaolan, Zhuhai, which comprises two 50,000-tonne container berths with a total quay length of 824 metres and a depth alongside of 15.8 metres, commenced trial operations in December. This new facility is expected to be fully operational in the second half of 2009.

In Huizhou, the construction of two 50,000-tonne container berths by Huizhou Quanwan International Container Terminals commenced in the first quarter this year. This facility will have a total berth length of 800 metres, an area of 60 hectares, and a depth alongside and approaching channel of 15.2 metres upon completion.



- Phase III of Yantian International Container Terminals in Shenzhen, China is awarded the Tien-Yow Jeme Prize, one of China's highest awards for civil engineering and construction.

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North & South Asia and Australia

Name	Location	Ports Division's Interest	2008 Throughput (thousand TEUs)
Westports Malaysia	Malaysia	31.5%	4,631
Hutchison Korea Terminals / Korea International Terminals	South Korea	100% / 88.9%	3,236
Jakarta International Container Terminal / Koja Container Terminal	Indonesia	51% / 44.7%	2,701
Hutchison Laemchabang Terminal / Thai Laemchabang Terminal / Laemchabang International Ro-Ro Terminal	Thailand	80% / 87.5% / 80%	1,122
Karachi International Container Terminal	Pakistan	100%	658
Karachi New Port Container Terminals	Pakistan	90%	N/A
Saigon International Terminals Vietnam	Vietnam	70%	N/A
Brisbane Container Terminals	Australia	100%	N/A



● The quayside operations at Karachi International Container Terminal.



● The quayside and yard operations at Westports Malaysia.

These operations comprise container terminals in Westports in Klang, Malaysia; Busan and Gwangyang in South Korea; Jakarta in Indonesia; Laemchabang in Thailand; Karachi in Pakistan and the new developments in Pakistan, Vietnam and Australia.

In Malaysia, Westports in Klang reported throughput growth of 16% and EBIT increased 24% compared to last year, mainly due to higher throughput.

In South Korea, the Group's operations in Busan and Gwangyang continued to face strong competition. Combined throughput and EBIT decreased 5% and 77% respectively compared to last year.

In Indonesia, Jakarta International Container Terminal and the adjacent Koja Container Terminal reported a combined throughput and EBIT growth of 7% and 13% respectively.

In Thailand, the Laemchabang container terminals and ro-ro facility reported combined throughput 2% below last year. EBIT increased 14%, mainly due to increased tariffs.

In Pakistan, Karachi International Container Terminal reported 16% higher throughput compared to last year. EBIT increased 30%, mainly due to increased throughput. Phase III extension will commence commercial operation in 2009, which will provide additional capacity.

The development of new concessions in Pakistan, Vietnam and Australia is in progress in accordance with demand and market conditions.

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● Panama Ports Company – Port of Cristobal.

The Americas and The Caribbean

Name	Location	Ports Division's Interest	2008 Throughput (thousand TEUs)
Panama Ports Company	Panama	90%	2,417
Freeport Container Port	The Bahamas	51%	1,698
Internacional de Contenedores Asociados de Veracruz / L. C. Terminal Portuaria de Contenedores / Ensenada International Terminal	Mexico	100%	1,499
Buenos Aires Container Terminal Services	Argentina	100%	395

These operations comprise container terminals in Balboa and Cristobal in Panama; Freeport in the Bahamas; Veracruz, Lazaro Cardenas and Ensenada in Mexico; as well as in Buenos Aires, Argentina.

In Panama, the Group operates the ports of Balboa and Cristobal located near both ends of the Panama Canal. The combined throughput of this transshipment hub increased 21% and EBIT was 36% above last year. Further expansion and facilities upgrades at Balboa and Cristobal are underway to meet additional demand.

Freeport Container Port, on Grand Bahama Island, reported

throughput growth of 4% although EBIT decreased by 8%, mainly due to higher operating costs incurred to ease congestion at peak times. The expansion project to relieve this congestion is progressing satisfactorily.

The Group's ports operations in Mexico achieved improved overall results, reporting combined throughput and EBIT growth of 14% and 12% on last year respectively, including a full year contribution from the Port of Lazaro Cardenas following the opening of Phase IA in November 2007. The other phases of this terminal will be completed according to demand.

Middle East and Africa

Name	Location	Ports Division's Interest	2008 Throughput (thousand TEUs)
International Ports Services	Saudi Arabia	51%	1,264
Alexandria International Container Terminals	Egypt	50%	381
Tanzania International Container Terminal Services	Tanzania	70%	357
Oman International Container Terminal	Oman	65%	59

These operations comprise container terminals in Dammam in Saudi Arabia, Alexandria and El Dekheila in Egypt, Dar es Salaam in Tanzania and Sohar in Oman.

In Saudi Arabia, IPS reported throughput and EBIT growth of 16% and 5% respectively.

In Egypt, the container handling operations at Alexandria and El Dekheila terminals contributed their first full year throughput and EBIT to the division in 2008 following the completion of the conversion from general cargo facilities to container terminals in the first half of 2007. In December, the division acquired an additional interest in AICT from one of its joint venture partners, increasing its shareholding from 38% to 50%.

Tanzania International Container Terminal Services reported throughput growth of 4%, although EBIT was 49% lower than last year, mainly due to higher operating costs in relation to certain new local regulations imposed during the year.

Oman International Container Terminal is being developed on a greenfield site in the Port of Sohar, and its first berth commenced operations in 2007. This facility recorded throughput growth and reduced losses in 2008.



● International Ports Services in Dammam, Saudi Arabia.