

[For Immediate Release]



XINGHUA PORT HOLDINGS LTD.

(Incorporated in the Republic of Singapore with limited liability)

(Stock code: 1990)

Xinghua Announces Interim Results for the Six Months ended 30 June, 2018

23 August 2018 – Xinghua Port Holdings Ltd. (“Xinghua” or the “Company”, together with subsidiaries, the “Group”) (stock code: 1990), the operator of two multi-purpose ports in Changshu, Jiangsu Province, the People’s Republic of China (the “PRC”), announced today its consolidated interim results for the six months ended 30 June 2018 (the “Interim Period”), with the relevant comparative figures for the corresponding period in 2017 as follows:

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		Variance %
	2018 RMB'000	2017 RMB'000	
Revenue	212,320	231,559	(8.3)
Profit before tax	41,086	58,296	(29.5)
Profit attributable to equity holders of the Company	24,708	35,704	(30.8)
Earnings per share (RMB cents per share) *	3.0	4.0	(25.0)

*Earnings per ordinary share on existing issued share capital are computed based on 814,412,028 shares in issue as of 30 June 2018.

Xinghua’s financial performance for the Interim Period was adversely affected by an industrial accident (the “Accident”) which happened at the CCIP Port on 31 March 2018. As a result of the Accident, the CCIP Port remains closed, as of current date, pending finalisation of the investigations on the Accident. The CXP Port was also closed for a total of 20 days, from 1 April 2018 to 20 April 2018, and it is now back on track for normal operations.

Given the strong economy in the PRC, Xinghua saw a 5% increase in total cargo volume handled for the first quarter of 2018 compared to the first quarter of 2017. If not for the Accident, the Group would have continued to perform well in the second quarter of 2018.

As a result of fewer operating days and smaller port capacity in the Interim Period, the total cargo volume handled dropped by 18.4% from 6.4 million tonnes to 5.2 million tonnes. The container volume handled was also down by 20% to 48,580 TEUs in the Interim Period, due mainly to maintenance works on the quay cranes in the second quarter of 2018. The container volume handled in the first quarter of 2018 was on par with that in the first quarter of 2017.

With a lower revenue of RMB212.3 million and higher costs incurred mainly for safety rectifications and improvements, the Group's profit before tax for the Interim Period was down by 29.5% to RMB41.1 million.

Profit attributable to equity holders of the Company dropped 30.8% from RMB35.7 million for the first six months ended 30 June 2017 to RMB24.7 million for the Interim Period. While the Group delivered satisfactory performance in the first quarter of 2018, the profit for the second quarter of 2018 was significantly affected by the stop-work orders imposed on both ports after the Accident.

Commenting on the Group's performance and future development, Mr Patrick Ng, Chairman of the Company said: "It is with utmost importance for the Group to learn and to emerge stronger from the consequences of the Accident. As such, we have adopted a new safety slogan 'Safety is Paramount' (生命至上, 安全發展) and designated every 31 March as our 'Xinghua Safety Day'. We have also engaged the local port authority, fire bureau and other local authorities in recent months, particularly in the month of June 2018 which was 'China's Safety Month', to conduct joint exercises, safety training and drills as part of our safety enhancement efforts. I believe that our relationships and communications with these authorities have been strengthened through these efforts. On the ground, I have been working closely with our CEO, Mr Edward Kor, and senior management to review and strengthen our operational systems and strive to get approval from the authorities for resumption of operations for CCIP. We plan to allocate additional resources to implement more stringent safety standards and safety processes in every area of work."

"Through our strong commercial and marketing capabilities, we will continue to diversify the ports' cargo mix to ensure sustainable growth in cargo volume and revenue, and to tap higher margin segments. In the month of June 2018, CXP successfully secured a new customer to import aluminum ingot cargo through our CXP Port into the PRC market. Having been able to satisfy the new customer's requirements for the initial shipments, the Group aims to grow the cargo volume for this new cargo type. In addition, we are aiming at maximising the use of port equipment and facilities and minimizing our dependency on labour for cargo handling. The Group will also capture on the promotion of the PRC's Belt and Road Initiative and align its growth in cargo volume for better returns to shareholders."

Given the current uncertainty as to when the CCIP Port will resume operations, the Group will continue to operate under the constraint of a smaller port capacity in the second half year of 2018. However, we remain optimistic of the long-term prospects of Xinghua. The time and effort taken to strengthen our operational and safety system will serve the Group well in the long-term future. We will explore strategic opportunities and seek to strengthen business relationships with key customers and business partners. We will also continue to identify management talent and enhance its internal training to better prepare the team for its growth strategy."

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ABOUT XINGHUA PORT HOLDINGS LTD.

Xinghua Port Holdings Ltd. has established a sound reputation in providing its customers with a range of port logistics services from its two multi-purpose ports in Changshu, the PRC. Strategically located on the southern bank of the Changjiang River, Xinghua serves as an international port and a cargo transshipment gateway for the eastern and central regions in the PRC. The ports handle a range of cargo types including pulp and paper cargo, steel cargo, logs, project equipment, containers and other general cargo. For further information of the Company, please refer to the official website www.xinghuaport.com.

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