

[For Immediate Release]



**XINGHUA PORT HOLDINGS LTD.**

*(Incorporated in the Republic of Singapore with limited liability)*

(Stock code: 01990)

**Xinghua Announces 2019 Interim Results**

Hong Kong, 23 August 2019 – Xinghua Port Holdings Ltd. (“Xinghua” or the “Company”, together with subsidiaries, the “Group”) (stock code: 01990) announced today its unaudited consolidated interim results for the six months ended 30 June 2019 (“1H2019”), together with the corresponding comparative figures for the six months ended 30 June 2018 (“1H2018”) and certain comparative figures as at 31 December 2018.

**FINANCIAL HIGHLIGHTS**

	For the six months ended 30 June		Variance %
	2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)	
Revenue	194,403	212,320	(8.4)
Profit before tax	51,183	41,086	24.6
Profit attributable to equity holders of the Company	34,465	24,708	39.5
Earnings per share (RMB cents per share) *	4.2	3.0	40.0

\*Earnings per ordinary share on the existing issued share capital are computed based on the number of shares in issue of 814,412,028 as at 30 June 2019.

Xinghua is the operator of two multi-purpose ports in Changshu, Jiangsu Province, China, namely the Changshu Xinghua Port (the “CXP Port”) and the adjacent Changshu Changjiang International Port (the “CCIP Port”).

Xinghua’s financial performance for 1H2019 was stable after the CCIP Port resumed full operations from 12 September 2018, recovering from a lengthy stop work order from 1 April 2018 to 12 September 2018.

The total volume of cargo handled decreased by 10.6% from 5,186,915 tonnes for 1H2018 to 4,636,536 tonnes for 1H2019, due to the exceptional high total cargo volume registered in first quarter of 2018, prior to the stop work orders imposed on the CXP Port and CCIP Port in April 2018 and the much-weakened sentiment during 1H2019 due to uncertainties of the China-USA trade war.

Revenue also decreased by 8.4% from RMB212.3 million for 1H2019 to RMB194.4 million for 1H2019. Profit before tax, however, increased by 24.6% from RMB41.1 million for 1H2018 to RMB51.2 million for 1H2019, primarily due to lower distribution costs, consumables and fuel used and other expenses.

The higher distribution costs for 1H2018 was mainly due to the additional logistic costs that had been incurred for moving logs cargo to outside of the port storage to create storage space for pulp and paper cargo. For the 1H2019 period, the Group managed to reduce the need for external storage. Also, the Group had negotiated a lowered subcontract forklift driver costs from 1 January 2019.

The lower consumables costs for 1H2019 were due to the higher purchases of tarpaulin and dunnage for the increased storage of pulp and paper on stacking yard for 1H2018. The lower fuel costs were due to lower total cargo volume handled for 1H2019.

The average handling fee for pulp and paper cargo improved by 11.0% from RMB47.3 per tonne for 1H2018 to RMB52.5 per tonne for 1H2019 due to higher storage income from slower moving pulp and paper cargo inventory.

The average handling fee for steel cargo decreased by 26.6% from RMB37.2 per tonne for 1H2018 to RMB27.3 per tonne for 1H2019, mainly due to a one-off fee collected in February 2018 from the relevant courts for the final settlement and removal of the court sealed cargo from three of the CCIP's warehouses. Excluding this one-off fee collected, the average handling fee for steel cargo would have still decreased by 6.8% for 1H2019, in tandem with the average lower international steel price.

The average handling fee for project equipment cargo increased by 29.4% from RMB22.1 per cubic metre for 1H2018 to RMB28.6 per cubic metre for 1H2019 mainly due to longer storage period outside free storage period.

The berth utilisation rate for CXP was 53% for 1H2019 (1H2018: 77%) and for CCIP was 33% for 1H2019 (1H2018: 32%).

Profit attributable to equity holders of the Company increased by 39.5% from RMB24.7 million for 1H2018 to RMB34.5 million for 1H2019. Earnings per share were RMB 4.2 cents, up from RMB 3.0 cents a year ago. The Board has resolved not to declare interim dividend payment for 1H2019 (1H2018: Nil).

Commenting on Xinghua's performance and future development, Mr Patrick Ng, Chairman of the Company said: "We expect the trade war between China and the USA to persist and the Chinese economy is also expected to grow at a slower pace of about 6.2% according to estimates from World Bank. As such, the external environment for the second half of the year is expected to be more uncertain and market sentiment could be more pessimistic resulting in further downward pressure on the Chinese economy. However, the fundamentals for the long-term stable development of the overall Chinese economy is unlikely to change."

The Group aspires to align its growth in cargo volume with China's Belt and Road Initiative (the "BRI") and holds the view that in the longer term, the BRI should benefit the Chinese economy and its ports as more project equipment cargo will be shipped along the Changjiang river. It will also continue to focus on a higher value cargo mix to ensure healthy sustainable growth in cargo volume and improving the berth utilisation rate for the rest of the year in order to optimise the return on its assets.

Mr Ng added “As safety is the key to the success of the port operations, we will continue to educate, document, control and manage every safety process of port operations. We will explore strategic opportunities and seek to strengthen our business relationships with key customers and business partners (both existing and new), most of whom are global and expanding companies.”

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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, China. 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 China. 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](http://www.xinghuaport.com).

For further information, please contact:

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