[For Immediate Release]

兴华港口
XINGHUA PORT

XINGHUA PORT HOLDINGS LTD.

(Incorporated in the Republic of Singapore with limited liability)

(Stock code: 01990)

Xinghua Announces 2019 Annual Results

Hong Kong, 26 March 2020 – Xinghua Port Holdings Ltd. ("**Xinghua**" or the "**Company**", together with subsidiaries, the "**Group**") (stock code: 01990) announced today its consolidated annual results for the year ended 31 December 2019 ("**FY2019**" or the "**Year**"), together with the corresponding comparative figures for the year ended 31 December 2018 ("**FY2018**").

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		
	2019 RMB'000	2018 RMB'000	Variance %
Revenue	**397,096**	404,102	-1.7
Profit before tax	**116,732**	79,413	+47.0
Profit attributable to equity holders of the Company	**78,585**	50,663	+55.1
Earnings per share (RMB cents per share) *	**9.7**	6.2	+56.5

*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 31 December 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**").

Given the relatively stable economy in China in 2019 and the trade flow of the cargo mix, the Group handled a cargo volume of 9.3 million tonnes, down 3.7% from 9.7 million in FY2018 mainly due to lower logs cargo volume handled resulting from a change in the cargo mix. As such, the Group's revenue also decreased by 1.7% to RMB397.1 million for the Year.

The Group continued to reap benefits on strong import of pulp and paper cargo into China and handled 2.5% higher pulp and paper cargo tonnages in FY2019 to 4.8 million tonnes, which was about 17.5% of China's market share.

During the construction of the two new warehouses and the upgrade of the fire system of eight warehouses, storage priority was given to the storage of pulp and paper cargo.

The number of containers handled increased by 16.3% to 116,237 twenty-feet equivalent units ("**TEUs**"). The lower base in FY2018 was due to two quay cranes which had undergone major maintenance in the second quarter of 2018.

Handling of export project equipment cargo decreased by 32.3% to 324,745 cubic metre as the ports were constrained by smaller open stacking yard for storage due to the construction of the two new warehouses completed in December 2019 and the upgrade of the fire system of eight warehouses to meet new fire regulations for storage of pulp and paper cargo.

Handling of other general cargoes increased by 10.4% to 0.26 million tonnes due to an increase in the handling of cargo in the bags like sodium sulfate and fertiliser.

The volume of steel cargo handled decreased by 1.6% to 1.6 million tonnes as overall China export steel cargo plunged by 7.3%. The Group maintained about 2.5% of China's market share for such cargo type. The handling of logs cargo reduced to 0.6 million cubic metre, a drop of 48.1%, even though New Zealand logs imported to China is estimated to be higher at about 17.0 million cubic metres. This was largely due to a change in the Group's focus of cargo mix since FY2018.

On the other hand, storage income increased by 24.8% from RMB63.9 million for FY2018 to RMB79.8 million for the Year mainly due to higher inventory of pulp and paper cargo as a result of the slower turnover of stock.

The average handling fee for pulp and paper cargo improved by 11.1% from RMB47.8 per tonne for FY2018 to RMB53.1 per tonne for the Year, mainly due to higher storage income as the turnover of pulp and paper cargo was slower due to market conditions. The stevedoring fee increased marginally by 2.3%.

The average handling fee for steel cargo was significantly lowered by 19.9% from RMB35.1 per tonne for FY2018 to RMB28.1 per tonne for the Year because of the one-off storage fee collected in February 2018 from the relevant courts for the final settlement and the removal of the court-sealed cargo from three of the warehouses of Changshu Changjiang International Port Co., Ltd. If excluding this one-off storage fee, the average handling fee was lowered by 9.0%.

The average handling fee for logs cargo increased by 11.0% from RMB31.7 per cubic metre for FY2018 to RMB35.2 per cubic metre for the Year mainly due to higher storage income from slower rotation of logs cargo as market price for logs was volatile.

The average handling fee for project equipment cargo increased by 8.3% from RMB25.2 per cubic metre for FY2018 to RMB27.3 per cubic metre for the Year mainly due to higher stevedoring income arising from handling different types of higher value project cargo.

The average handling fee for other general cargo decreased by 26.4% from RMB171.4 per tonne for FY2018 to RMB126.2 per tonne for the Year mainly due to lower storage income as customers distributed its cargo within free storage period.

The distribution costs, consumables and fuel used decreased by 27.6% from RMB39.2 million for FY2018 to RMB28.4 million for the Year. The decreased distribution costs were due to additional logistic costs incurred in FY2018 for moving logs cargo to external storage to create storage space for pulp and paper cargo. Also, the lower distribution costs were because management of the Company (the “Management”) have negotiated a lower subcontracting forklift driver costs from 1 January 2019. The lower consumable costs were due to additional purchase of consumables such as tarpaulin and dunnage in FY2018 for the increased storage of pulp and paper cargo on stacking yard. The lower fuel costs were due to lower total cargo volume handled.

Other expenses decreased by 52.5% from RMB19.0 million for FY2018 to RMB9.0 million for the Year mainly due to lower security costs, administration fees paid to authorities, marketing expenses, settlement of residual value of property, plant and equipment and contribution to the employment security for the disabled. Also, the Group had provided bad debts of RMB707,232 in FY2018.

As a result, profit attributable to equity holders of the Company rose 55.1% year on year to RMB78.6 million. Earnings for share were RMB9.7 cents, up from RMB6.2 cents in FY2018.

The Board has resolved not to recommend a final dividend for the Year (FY2018: HK4.5 cents). Instead, the Board had made an announcement that it had resolved to declare an interim dividend for the year ended 31 December 2019 of HK5.0 cents per share payable to the shareholders of the Company whose names will appear on the register of members of the Company on Friday, 17 April 2020.

Commenting on Xinghua’s performance and future development, Mr Patrick Ng, Chairman of the Company said: “We expect the sentiment of the domestic economy to be difficult due to the on-going lock-down of many Chinese cities. However, the Chinese government has announced its plans to pump in more liquidity into the banking system to help businesses’ cash flows and the Changshu local government is also expected to launch initiatives to help businesses. We are working closely with our bankers and local government to explore the initiatives and assistance. One of the immediate initiatives is to waive three of the five pension funds contributions from February to June 2020 to help the Group’s cash flow. We will focus on the Group’s cash flow management as accounts receivable collection is expected to slow down due to the outbreak of the COVID-19.

“We will also continue our strategy on cargo mix focusing on pulp and paper cargo, project equipment cargo, steel cargo and containers. We endeavour to improve our current market shares or at least to maintain current market shares. We have 16 approved fire-rated warehouses of a total area of 160,000 square meters for the storage of pulp and paper cargo. If necessary, we have a huge stacking yard area for storage of pulp and paper cargo if cargo turnover slows down or volume surges.

“We expect the import of containers to dip as auto industry production is expected to slow down. Containers carrying auto parts importing into China is also expected to decline.

“We expect the export steel cargo volume to be lower because the steel mills in Hubei province, the PRC, are operating at a lower capacity at least for the first half of the Year. Global demand for steel is expected to weaken due to the impact of COVID-19 on the global economy. We also expect the import of logs cargo to be flat as we only handle a small quantity due to change in cargo mix.

"Volume of other general cargo that we handle on a regular basis, is expected to remain steady, thus providing a healthy base load to the ports to enjoy a healthy berth utilization," Mr Ng added.

— *End* —

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.

For further information, please contact:

Unicorn Financial Company Limited
Natalie Tam/ Peter Chan
Tel: (852) 2838 2360 / 2838 2500
Mobile: (852) 9306 7346 / 9459 9778
Email natalietam@unicornfin.com/ peterchan@unicornfin.com