兴华港口
XINGHUA PORT

XINGHUA PORT HOLDINGS LTD.

興華港口控股有限公司*

(Singapore Company Registration Number: 200514209G)
(Incorporated in the Republic of Singapore with limited liability)
(Stock Code: 01990)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2020

FINANCIAL RESULTS

The board of directors of Xinghua Port Holdings Ltd. (the "**Company**" or "**Xinghua**", the "**Directors**" and the "**Board**", respectively) announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2020 (the "**Period**"), with the relevant comparative figures for the six months ended 30 June 2019 (the "**Corresponding Period**") and certain comparative figures as at 31 December 2019 as follows:

* *For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

For the six months ended 30 June 2020

	Unaudited 2020 *RMB'000*	Unaudited 2019 *RMB'000*
Revenue	**229,212**	194,403
Other income and gains	**9,905**	1,613
Subcontract costs	**(39,582)**	(33,535)
Distribution costs, consumables and fuel used	**(16,305)**	(12,876)
Employee benefit expenses	**(32,660)**	(29,054)
Depreciation and amortisation expenses	**(28,208)**	(29,306)
Leasing costs	**(4,796)**	(5,675)
Other operating expenses	**(20,912)**	(20,228)
Other expenses	**(4,744)**	(4,653)
Finance costs	**(15,093)**	(15,001)
Share of profits of an associate	**6,121**	5,495
Profit before tax	**82,938**	51,183
Income tax expense	**(27,328)**	(14,684)
Profit for the period	**55,610**	36,499
Other comprehensive income representing item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**–**	–
Other comprehensive income for the period, net of tax	**–**	–
Total comprehensive income for the period	**55,610**	36,499
Profit attributable to:		
Equity holders of the Company	**51,768**	34,465
Non-controlling interests	**3,842**	2,034
Profit for the period	**55,610**	36,499
Total comprehensive income attributable to:		
Equity holders of the Company	**51,768**	34,465
Non-controlling interests	**3,842**	2,034
Total comprehensive income for the period	**55,610**	36,499
Earnings per share attributable to equity holders of the Company (RMB cents per share)	**6.4**	4.2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Group		Company	
	30 June 2020	31 December 2019	**30 June 2020**	31 December 2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(unaudited)	(audited)	**(unaudited)**	(audited)
Non-current assets				
Property, plant and equipment	**1,061,290**	1,070,116	**–**	–
Intangible assets	**629**	737	**–**	–
Goodwill	**106,549**	106,549	**–**	–
Investments in subsidiaries	**–**	–	**685,197**	685,197
Investments in associates	**24,841**	24,885	**–**	–
Deferred tax assets	**11,044**	13,228	**–**	–
Prepayment for property, land and equipment	**–**	1,860	**–**	–
Right-of-use assets	**257,408**	261,942	**–**	–
Total non-current assets	**1,461,761**	1,479,317	**685,197**	685,197
Current assets				
Inventories	**1,571**	1,480	**–**	–
Trade and bills receivables	**81,822**	61,991	**–**	–
Prepayments, deposits and other receivables	**3,150**	10,791	**246**	353
Cash and cash equivalents	**161,746**	141,707	**33,831**	20,117
Total current assets	**248,289**	215,969	**34,077**	20,470
Current liabilities				
Trade payables	**42,384**	37,381	**–**	156
Other payables and accruals	**94,400**	103,405	**1,031**	1,129
Deferred income	**429**	858	**–**	–
Loans and borrowings	**23,000**	17,500	**–**	–
Tax payable	**10,189**	3,351	**–**	–
Lease liability	**–**	404	**–**	–
Total current liabilities	**170,402**	162,899	**1,031**	1,285

	Group		Company	
	30 June 2020	31 December 2019	**30 June 2020**	31 December 2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(unaudited)	(audited)	**(unaudited)**	(audited)
Net current assets	**77,887**	53,070	**33,046**	19,186
Non-current liabilities				
Loans and borrowings	**555,823**	563,620	**–**	–
Deferred tax liabilities	**27,813**	27,995	**–**	–
Deferred income	**1,564**	1,586	**–**	–
Lease liability	**–**	110	**–**	–
Amount due to a subsidiary	**–**	–	**53,361**	–
Total non-current liabilities	**585,200**	593,311	**53,361**	–
Net assets	**954,448**	939,076	**664,882**	704,382
Equity attributable to equity holders of the Company				
Share capital	**597,659**	597,659	**597,659**	597,659
Reserves	**272,250**	257,720	**67,223**	106,723
	869,909	855,379	**664,882**	704,382
Non-controlling interests	**84,539**	83,697	**–**	–
Total equity	**954,448**	939,076	**664,882**	704,382

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six months ended 30 June 2020

Group	Share capital RMB'000	Statutory reserve RMB'000	Exchange fluctuation reserve RMB'000	Other reserves RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
	Attributable to equity holders of the Company							
As at 1 January 2020 (audited)	**597,659**	**22,164**	**6,059**	**(376,960)**	**606,457**	**257,720**	**83,697**	**939,076**
Profit for the period	**–**	**–**	**–**	**–**	**51,768**	**51,768**	**3,842**	**55,610**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**51,768**	**51,768**	**3,842**	**55,610**
Dividends paid to Shareholders	**–**	**–**	**–**	**–**	**(37,238)**	**(37,238)**	**–**	**(37,238)**
Dividends paid to non-controlling shareholder of a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**(3,000)**	**(3,000)**
As at 30 June 2020 (unaudited)	**597,659**	**22,164**	**6,059**	**(376,960)**	**620,987**	**272,250**	**84,539**	**954,448**
As at 1 January 2019 (audited)	597,659	22,164	16,838	(376,960)	549,339	211,381	80,510	889,550
Profit for the period	–	–	–	–	34,465	34,465	2,034	36,499
Total comprehensive income for the period	–	–	–	–	34,465	34,465	2,034	36,499
Dividends paid to non-controlling shareholder of a subsidiary	–	–	–	–	–	–	(2,000)	(2,000)
As at 30 June 2019 (unaudited)	597,659	22,164	16,838	(376,960)	583,804	245,846	80,544	924,049

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six months ended 30 June 2020

	Attributable to equity holders of the Company				
Company	**Share capital** *RMB'000*	**Exchange fluctuation reserve** *RMB'000*	**Retained profits** *RMB'000*	**Total** *RMB'000*	**Total equity** *RMB'000*
As at 1 January 2020 (audited)	**597,659**	**6,059**	**100,664**	**106,723**	**704,382**
Loss for the period	**–**	**–**	**(2,262)**	**(2,262)**	**(2,262)**
Total comprehensive loss for the period	**–**	**–**	**(2,262)**	**(2,262)**	**(2,262)**
Dividends paid to Shareholders	**–**	**–**	**(37,238)**	**(37,238)**	**(37,238)**
As at 30 June 2020 (unaudited)	**597,659**	**6,059**	**61,164**	**67,223**	**664,882**
As at 1 January 2019 (audited)	597,659	6,059	108,817	114,876	712,535
Loss for the period	–	–	(2,019)	(2,019)	(2,019)
Total comprehensive loss for the period	–	–	(2,019)	(2,019)	(2,019)
As at 30 June 2019 (unaudited)	597,659	6,059	106,798	112,857	710,516

CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2020

	Note	**Unaudited 2020 RMB'000**	Unaudited 2019 RMB'000
Cash flows from operating activities			
Profit before tax		**82,938**	51,183
Adjustments for:			
Finance costs		**15,128**	15,001
Interest expense on lease liability		**(35)**	–
Share of profits of an associate		**(6,121)**	(5,495)
Investment income		**(190)**	–
Interest income		**(743)**	(297)
Depreciation of property, plant and equipment		**24,538**	25,204
Depreciation of right-of-use assets (Equipment lease)		**(435)**	–
Depreciation of right-of-use assets		**3,990**	–
Amortisation of prepaid land lease payments and other land related costs		**–**	3,992
Amortisation of intangible assets		**115**	112
Reversal of write down of inventories, net		**–**	–
Gain on disposal of property, plant and equipment		**(23)**	(727)
Unrealised foreign exchange differences		**–**	–
		119,162	88,973
Increase in inventories		**(91)**	(185)
Increase in trade and bills receivables		**(19,831)**	(10,707)
Decrease in prepayments, deposits and other receivables		**7,641**	9,690
Increase/(decrease) in trade payables		**5,003**	(5,408)
(Decrease)/increase in other payables and accruals		**(9,005)**	6,954
Decrease in deferred income		**(451)**	(452)
Cash generated from operations		**102,428**	88,865
Interest received		**743**	297
Interest paid on loans and borrowings		**(15,128)**	(15,001)
Interest expense on lease liability		**35**	–
Income tax paid		**(18,486)**	(19,480)
Net cash flows from operating activities		**69,592**	54,681
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	*Note A*	**(13,923)**	(43,901)
Proceeds from disposal of property, plant and equipment		**86**	1,193
Dividend income from an associate		**6,164**	8,156
Investment income		**190**	–
Capital reduction in an associate		**–**	470
Net cash flows used in investing activities		**(7,483)**	(34,082)

	Unaudited 2020 *RMB'000*	Unaudited 2019 *RMB'000*
Cash flows from financing activities		
Proceeds from loans and borrowings	**4,703**	523,375
Repayment of loans and borrowings	**(7,000)**	(555,375)
Proceeds of principal portion of lease liability	**465**	–
Dividend paid to Shareholders	**(37,238)**	–
Dividends paid to non-controlling shareholder of a subsidiary	**(3,000)**	(2,000)
Net cash flows used in financing activities	**(42,070)**	(34,000)
Net increase/(decrease) in cash and cash equivalents	**20,039**	(13,401)
Cash and cash equivalents at beginning of the year	**141,707**	105,068
Effect of foreign exchange rate changes, net	**–**	–
Cash and cash equivalents at end of the period	**161,746**	91,667

Note A: Reconciliation on purchase of property, plant and equipment and intangible assets		
Addition of property, plant and equipment	**15,776**	42,801
Addition of intangible assets	**7**	–
Amount paid for the purchase of property,plant and equipment of prior period	**–**	1,100
Addition of property, plant and equipment which have not been paid during the period	**(1,860)**	–
	13,923	43,901

A. GENERAL INFORMATION

Xinghua Port Holdings Ltd. is a company incorporated in the Republic of Singapore ("**Singapore**"). The registered office of the Company is located at 7 Temasek Boulevard, #16-01, Suntec Tower One, Singapore 038987. The Company was registered in Hong Kong as a non-Hong Kong Company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) on 18 July 2017 and its principal place of business in Hong Kong is at 31/F., 148 Electric Road, North Point, Hong Kong.

The Company completed its listing by way of introduction on 12 February 2018 and the ordinary shares of the Company (the "**Shares**") in issue have been listed on the Main Board of the SEHK since 12 February 2018 (the "**Listing**").

The unaudited consolidated financial statements of the Group as at 30 June 2020 and for the Period (the "**Consolidated Financial Statements**") comprise the financial statements of the Group.

The Company is an investment holding company and its subsidiaries are principally engaged in the operations of two ports and the related services in the People's Republic of China (the "**PRC**" or "**China**").

B. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The Consolidated Financial Statements have been prepared in accordance with the provisions of the Companies Act, Chapter 50 of the laws of Singapore, Singapore Financial Reporting Standards (International) and the International Financial Reporting Standards (the "**IFRSs**"). The Consolidated Financial Statements have been prepared on a historical cost basis except for certain financial assets and liabilities which are carried at fair value. The Consolidated Financial Statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (**RMB'000**), except when otherwise indicated. The Group adopted RMB as its functional currency following the Listing. The accounting policies adopted are consistent with those of the previous financial year except for the Period, the Group has adopted all the new and revised standards applicable to the Group and effective for annual financial periods beginning on or after 1 January 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

C. MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

In the first quarter of 2020, China's economic growth shrank by 6.8% compared to that of the same quarter of the previous year mainly due to the outbreak of the novel coronavirus disease (the "**COVID-19**") where most businesses were closed. Mitigating by the reopening of businesses from mid-April 2020, the Chinese government reported a growth of 3.2% in the gross domestic product (the "**GDP**") in the second quarter of 2020. Overall, China's GDP declined by 1.6% in the first-half of 2020 year on year. (source from: CGTN, 19 July 2020).

Notwithstanding this negative and challenging environment, the Group's financial performance has improved significantly with a 52.4% increase in after-tax profit for the Period.

The Group handled 5.4 million tonnes of total cargo for the Period, which was an increase of 16.3% from that of the Corresponding Period. The increase in cargo tonnages came from all cargo types, except for a decrease in logs cargo mainly due to change in cargo mix. Containers twenty-feet equivalent units ("**TEUs**") remained about the same level as that of the Corresponding Period.

The Group's revenue increased by 17.9% from RMB194.4 million for the Corresponding Period to RMB229.2 million for the Period in line with the higher cargo tonnages. The Group's profit before tax increased by 62.0% from RMB51.2 million for the Corresponding Period to RMB82.9 million for the Period, primarily due to higher revenue, increases in other income and gains, and lower depreciation and amortisation expenses.

As of 30 June 2020, the Group had cash and cash equivalents amounting to RMB161.7 million (31 December 2019: RMB141.7 million), representing an increase of RMB20.0 million, and the Group's bank borrowings decreased by 0.4% to RMB578.8 million (31 December 2019: RMB581.1 million).

Save as disclosed in this interim results announcement, there was no other major event that affected the operations of the Group's business during the Period.

1. REVENUE

Under the IFRSs (IFRS 15 – Revenue from contracts with customers), the Group's revenue is recognised when the Group satisfies a performance obligation by transferring a promised goods or service to the customer. Revenue represents the net invoiced value of services transferred to customers after trade discounts.

An analysis of the Group's revenue is as follows:

	Six months ended 30 June		
	2020	2019	Variance
	RMB'000	*RMB'000*	
	(Unaudited)	(Unaudited)	
Revenue			
Stevedoring income	**182,264**	155,300	17.4%
Storage income	**45,343**	36,904	22.9%
Rental income	**913**	940	(2.9%)
Other	**692**	1,259	(45.1%)
Total	**229,212**	194,403	17.9%

Timing of transfer of goods or services (by revenue type):

– Stevedoring income: is over time.

– Storage and rental income: is over time.

– Others: at a point in time.

The following table sets out the total cargo volume handled by cargo type:

	Six months ended 30 June		
	2020	2019	Variance
Volume handled			
Pulp and paper cargo (tonnes)	**2,747,820**	2,268,456	21.1%
Steel cargo (tonnes)	**1,213,672**	872,878	39.0%
Logs (cubic metres) *(Note 1)*	**146,997**	498,697	(70.5%)
Project equipment (cubic metres) *(Note 1)*	**318,195**	92,443	244.2%
Other general cargo (tonnes)	**182,092**	106,587	70.8%
Containers (TEUs) *(Note 2)*	**52,097**	53,165	(2.0%)
Total volume handled (tonnes)	**5,390,231**	4,636,536	16.3%

Notes:

(1) One cubic metre is approximately equal to one tonne.

(2) One TEU is approximately equal to 15 tonnes.

Total cargo volume handled increased by 16.3% with all cargo types enjoying healthy growth except for further decrease in logs cargo volume by 70.5% due to change in cargo mix.

Steel cargo increased by 39.0% from 0.87 million tonnes for the Corresponding Period to 1.21 million tonnes for the Period mainly due to the new opportunity to handle import steel cargo. Import steel cargo grew to 0.6 million tonnes for Period. Export steel cargo reduced by 22.9% to 0.6 million tonnes for the Period as better domestic steel prices caused overall export steel cargo from China to drop continuously.

Project equipment cargo volume also increased by 244.2% from 92,443 cubic metres for the Corresponding Period to 318,195 cubic metres for the Period. With the completion of two new warehouses and the upgrade of eight warehouses in 2019 which allowed more pulp and paper cargo to be stored indoors, the increase in stacking yard capacity allowed the ports to capture more project equipment cargo volume.

Other general cargo volume increased by 70.8% from 106,587 tonnes for the Corresponding Period to 182,092 tonnes for the Period mainly due to increases in the handling of sodium sulphate and borax cargo tonnages.

Containers TEUs remained firm at about the same level as the Corresponding Period.

As a result of higher cargo volume handled, stevedoring income increased by 17.4% from RMB155.3 million for the Corresponding Period to RMB182.3 million for the Period.

Storage income also increased by 22.9% from RMB36.9 million for the Corresponding Period to RMB45.3 million for the Period mainly due to higher inventory of pulp and paper cargo as a result of the slower turnover of stock.

Rental income for the Period remained at almost the same level as the Corresponding Period.

Other revenue has decreased by 45.1% from RMB1.3 million for the Corresponding Period to RMB0.7 million for the Period mainly due to a reduction in sales of diesel to subcontractors for their equipment handling in tandem with the lower logs cargo volume.

The following table sets out the average handling fee by cargo type:

	Six months ended 30 June		
	2020	2019	Variance
Average handling fee (RMB)			
Pulp and paper cargo (per tonne) *(Note 1)*	**55.1**	52.5	5.0%
Steel cargo (per tonne) *(Note 1)*	**27.3**	27.3	–
Logs (per cubic metre) *(Note 1)*	**38.4**	33.7	13.9%
Project equipment (per cubic metre) *(Note 1)*	**26.0**	28.6	(9.1%)
Other general cargo (per tonne) *(Note 1)*	**84.1**	149.3	(43.7%)
Containers (per TEU) *(Note 1)*	**268.1**	262.2	2.3%
Overall average handling fee (excluding container) (per tonne) *(Note 2)*	**46.7**	47.0	(0.6%)

Notes:

(1) The cargo average handling fee is calculated by dividing the stevedoring and storage revenue from handling the relevant cargo type by the relevant cargo tonnages.

(2) The overall average handling fee (excluding container) is calculated using total revenue (excluding container) divided by the total volume handled (excluding container).

The following table shows that the average handling fee for pulp and paper cargo remained firm and the increase was mainly due to higher storage income as the turnover of pulp and paper cargo was slower due to market conditions. The storage fee for pulp had increased by 24.6%.

	Six months ended 30 June		
	2020	2019	Variance
Pulp average handling fee (RMB per tonne)			
Stevedoring fee	**40.9**	41.1	(0.5%)
Storage fee	**14.2**	11.4	24.6%
Total pulp and paper cargo handling fee	**55.1**	52.5	5.0%

The average handling fee for steel cargo was firm at RMB27.3 per tonne.

The average handling fee for logs cargo increased by 13.9% from RMB33.7 per cubic metre for the Corresponding Period to RMB38.4 per cubic metre for Period mainly due to higher storage income from slower rotation of logs cargo as market prices for logs were volatile.

The average handling fee for project equipment cargo decreased by 9.1% from RMB28.6 per cubic metre for the Corresponding Period to RMB26.0 per cubic metre for the Period mainly due to the handling of different project equipment cargo type.

The average handling fee for other general cargo decreased by 43.7% from RMB149.3 per tonne for the Corresponding Period to RMB84.1 per tonne for the Period mainly due to a 68.6% decrease in storage income as customers mostly distributed their cargo within the free storage periods and also the reduced storage income from a borax cargo's customer who returned about one third of its warehouse space. Stevedoring fee for other general cargo also decreased by 18.2%.

Containers fee for the Period edged slightly higher to RMB268.1 per tonne from the Corresponding Period.

2. OTHER INCOME AND GAINS

Other income and gains increased by 514.1% from RMB1.6 million for the Corresponding Period to RMB9.9 million for the Period mainly attributable to (i) a receipt of RMB6.6 million compensation from one shipowner to Changshu Xinghua Port Co., Ltd. ("**CXP**") for our assistance and efforts made to fight and extinguish a fire onboard their vessel berthed at the CXP Port, (ii) receipts of RMB1.8 million of Chinese government grants (應急穩崗返還) and RMB0.2 million of Singapore government grants to help the Group mitigate our employment costs during the COVID-19 outbreak, and (iii) interest and investment income of total RMB0.9 million.

3. SUBCONTRACT COSTS

Subcontract costs increased by 18.0% from RMB33.5 million for the Corresponding Period to RMB39.6 million for the Period mainly due to an increase in the total cargo volume handled.

4. DISTRIBUTION COSTS, CONSUMABLES AND FUEL USED

The distribution costs, consumables and fuel used increased by 26.6% from RMB12.9 million for the Corresponding Period to RMB16.3 million for the Period mainly due to an increase in the total cargo volume handled.

5. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses increased by 12.4% from RMB29.1 million for Corresponding Period to RMB32.7 million for the Period mainly due to (i) higher bonus accrued in tandem with the better financial performance for the Period and (ii) higher pension and social security contributions in the Period.

6. DEPRECIATION AND AMORTISATION EXPENSES

Depreciation and amortisation expenses decreased by 3.8% from RMB29.3 million for the Corresponding Period to RMB28.2 million for the Period mainly due to the full depreciation of some property, plant and equipment.

7. LEASING COSTS

Leasing costs decreased by 15.5% from RMB5.7 million for the Corresponding Period to RMB4.8 million for the Period mainly due to termination of certain rental equipment that are no longer required.

8. OTHER OPERATING EXPENSES

Other operating expenses increased slightly by 3.4% from RMB20.2 million for the Corresponding Period to RMB20.9 million for the Period mainly due to higher maintenance costs incurred for the jetty.

9. OTHER EXPENSES

Other expenses increased slightly by 2.0% from RMB4.6 million for the Corresponding Period to RMB4.7 million for the Period mainly due to higher marketing expenses incurred.

10. FINANCE COSTS

Bank borrowing interest expenses increased marginally by 0.6% from RMB15.0 million for the Corresponding Period to RMB15.1 million for the Period due to the higher loan balance as CXP took up the new loans for the construction of the two new warehouses in the second-half of 2019.

11. SHARE OF PROFITS OF AN ASSOCIATE

Share of the Group's after-tax profit of an associate increased by 11.4% from RMB5.5 million for the Corresponding Period to RMB6.1 million for the Period as the net profit of Changshu Westerlund Warehouse Co., Ltd. ("**CWW**") increased due to higher pulp cargo tonnages achieved.

12. PROFIT BEFORE TAX

Profit before tax increased by 62.0% from RMB51.2 million for the Corresponding Period to RMB82.9 million for the Period mainly due to the higher revenue, increases in other income and gains, and lower depreciation and amortisation expenses.

13. INCOME TAX EXPENSE

The corporate tax rates in Singapore and the PRC are 17% and 25%, respectively. Due to the existing tax treaty between Singapore and the PRC, the Group currently enjoys a concession withholding tax rate of 5%, instead of the normal tax rate of 10%, for any dividend flow from the Group's PRC subsidiary to the Group's Singapore subsidiary.

The Company applied a 5% withholding tax rate to 95% of CXP's net profit to the Group's income tax expense for the Period.

No provision for Hong Kong profits tax has been made as the Group has no assessable profits derived from or earned in Hong Kong for the Period.

The major components of income tax expenses are as follows:

	Six months ended 30 June		
	2020	2019	Variance
	RMB'000	*RMB'000*	
	(Unaudited)	(Unaudited)	
Current tax	**25,325**	18,740	35.1%
Deferred tax	**2,003**	(4,056)	(149.4%)
Total tax charge for the period	**27,328**	14,684	86.1%

The increase in income tax expense was partly due to the higher profit before tax and partly due to an increase in expenses not qualified for tax deductions.

14. PROFIT FOR THE PERIOD

Accordingly, the Group's after-tax profit increased by 52.4% from RMB36.5 million for Corresponding Period to RMB55.6 million for the Period.

15. EARNINGS PER SHARE

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 2020 and 30 June 2019:

	Six months ended 30 June		
	2020	2019	Variance
	(Unaudited)	(Unaudited)	
Earnings per share (RMB cents per share)			
Attributable to equity holders of the Company	**6.4**	4.2	52.4%

16. PROPERTY, PLANT AND EQUIPMENT

As at 30 June 2020, certain of the Group's property, plant and equipment with a carrying amount of RMB691.6 million (31 December 2019: RMB690.9 million) were pledged to secure the Group's loans and borrowings.

17. RIGHT-OF-USE ASSETS

The Group's land-use rights (classified under right-of-use assets) with a carrying amount of RMB228.3 million as at 30 June 2020 (31 December 2019: RMB231.8 million) are pledged to secure certain loans and borrowings of the Group.

18. GOODWILL

Goodwill amounting to RMB106.5 million as at 30 June 2020 (31 December 2019: RMB106.5 million) arose from the acquisition of a 90% equity interest in Changshu Changjiang International Port Co., Ltd. ("**CCIP**") in 2014.

International Accounting Standard 36 requires an entity to perform impairment tests on goodwill on an annual basis. Management of the Company (the "**Management**") did not identify any significant adverse changes in the future operating results of the ports and has concluded that the carrying value of the goodwill as at 30 June 2020 remained appropriate.

19. TRADE AND BILLS RECEIVABLES

Trade receivables of the Group are non-interest-bearing and are normally settled on credit terms of 30 to 45 days. The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset should be impaired. The Group considered factors such as the probability of insolvency or significant financial difficulties of the debtors and their default or significant delay in payment, historical bad debts and outlook of each industry that used cargo like pulps, steel, project equipment, logs and containers. The average trade receivables turnover day for the Period was 64 days (the year ended 31 December 2019: 60 days).

The ageing analysis of the trade receivables based on the invoice dates and net of provision for doubtful debts is as follows:

	As at 30 June 2020 ***RMB'000*** **(Unaudited)**	As at 31 December 2019 *RMB'000* (Audited)	Variance
Within three months	**74,187**	52,268	41.9%
More than three months to one year	**6,905**	5,509	25.3%
More than one year to two years	**57**	707	(91.9%)
More than two to three years	**650**	–	n.m.
Trade receivables	**81,799**	58,484	39.9%
Less: Provision for doubtful debts	**(707)**	(707)	n.m.
Trade receivables, net	**81,092**	57,777	40.4%

Note: n.m. means not meaningful

The breakdown of the total trade and bill receivables is as follows:

	As at 30 June 2020 ***RMB'000*** **(Unaudited)**	As at 31 December 2019 *RMB'000* (Audited)	Variance
Trade receivables	**81,799**	58,484	39.9%
Less: Allowance for expected credit losses	**(707)**	(707)	n.m.
Bills receivables	**730**	4,214	(82.7%)
Total trade and bills receivables	**81,822**	61,991	32.0%

Note: n.m. means not meaningful

Expected credit losses

The movement in allowance for expected credit losses ("**ECL**") of trade receivables computed based on lifetime ECL is as follows:

	As at 30 June 2020 ***RMB'000*** **(Unaudited)**	As at 31 December 2019 *RMB'000* (Audited)
Movement in allowance account:		
As at 1 January	**707**	707
Charge for the period/year	**–**	–
As at the end of the period/year	**707**	707

20. CASH AND CASH EQUIVALENTS

The Group monitors its risk to a shortage of funds through close monitoring of trade receivables collection, managing payments to vendors and having sufficient banking facilities in place. The objective is to maintain a balance between continuity of cash generated from operations and flexibility through the use of loans and borrowings.

As at 30 June 2020, the cash and cash equivalents of the Group were about RMB161.7 million (31 December 2019: RMB141.7 million), of which, 73% of the cash were denominated in RMB, 6% of the cash were in Singapore dollar ("**S$**"), 20% of the cash were in Hong Kong dollar ("**HK$**") and 1% of the cash were in United States dollar ("**US$**").

The Group's cash and short-term deposits denominated in foreign currencies are as follows:

	As at 30 June 2020 ***RMB'000*** **(Unaudited)**	As at 31 December 2019 *RMB'000* (Audited)	Variance
HK$	**31,310**	14,854	110.8%
S$	**9,793**	22,186	(55.9%)
US$	**1,867**	1,925	(3.0%)

21. TRADE PAYABLES

Trade payables primarily comprise the outstanding amounts payable by the Group to third-party suppliers, such as subcontractors and suppliers. These include payments for purchase of services, consumables and fuel and spare parts for equipment maintenance. The Group's trade payables are non-interest-bearing and are normally settled on a 30 to 90 days' term. The average trade payables turnover day for the Period was 67 days (31 December 2019: 76 days).

The ageing analysis of the trade payables based on the invoices date is as follows:

	As at 30 June 2020	As at 31 December 2019	Variance
	RMB'000	*RMB'000*	%
	(Unaudited)	(Audited)	
Within one year	**34,650**	31,991	8.3%
One year to two years	**5,358**	3,865	38.6%
Over two years	**2,376**	1,525	55.8%
Trade payables	**42,384**	37,381	13.4%

22. LOANS AND BORROWINGS

As at 30 June 2020, the loans and borrowings were denominated in RMB and secured with certain of the Group's property, plant and equipment with a carrying amount of RMB691.6 million and the Group's prepaid land lease payments with a carrying amount of RMB228.3 million.

The effective interest rate for the Period was 5.14% per annum. The interest rate is pegged against the loan prime rate in China with a certain spread.

The maturity profile of the loans and borrowings is as follows:

	As at 30 June 2020	As at 31 December 2019	Variance
	RMB'000	*RMB'000*	%
	(Unaudited)	(Audited)	
Within one year	**23,000**	17,500	31.4%
In the second year	**34,000**	29,500	15.3%
In the third to fifth years, inclusive	**106,000**	105,000	1.0%
Beyond five years	**415,823**	429,120	(3.1%)
Loans and borrowings	**578,823**	581,120	(0.4%)

23. SHARE CAPITAL

The share capital of the Company remained at RMB597.7 million as at 30 June 2020 (31 December 2019: RMB597.7 million).

24. CASH FLOW STATEMENT

Net cash flows from operating activities after changes in working capital for the Period was RMB69.6 million while the profit before income tax was RMB82.9 million. The difference of RMB13.3 million primarily reflected the adjustments by certain income statement items with non-cash effect and non-operating cash items with an increase of RMB21.9 million, income taxes paid of RMB18.5 million, and a decrease in working capital of RMB16.7 million.

Net cash used in investing activities for the Period was RMB7.5 million, which was mainly attributable to purchases of property, plant and equipment of RMB13.9 million, offset by proceeds from the disposal of equipment of RMB0.08 million, dividend income from an associate of RMB6.2 million and investment income of RMB0.19 million.

Net cash used in financing activities for the Period was RMB42.1 million, which was mainly attributable to proceeds from loans and borrowings of RMB4.7 million, repayment of loans and borrowings and lease liability of RMB6.6 million and dividends paid to shareholders of the Company ("**Shareholders**") of RMB37.2 million and a non-controlling shareholder of a subsidiary of RMB3.0 million.

As at 30 June 2020, the Group's cash and cash equivalents was RMB161.7 million (31 December 2019: 141.7 million), of which, 73% was denominated in RMB.

25. CAPITAL STRUCTURE, LIQUIDITY AND GEARING

As at 30 June 2020, the Group's loans and borrowings were denominated in RMB and amounted to RMB578.8 million (31 December 2019: RMB581.1 million).

The net debt to total equity and net debt ratio as at 30 June 2020 was 30% (31 December 2019: 32%).

The Group aims to maintain the net debt to total equity and net debt ratio at a healthy level in order to support its operations. The principal strategies adopted by the Group include, but not limited to, reviewing future cash flow requirements and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment and financing plans.

As at 30 June 2020, the Group has an uncommitted bank facility of S$10.0 million which can be drawdown to support its working capital requirements, and a committed undrawn bank facility of RMB4.5 million which is available after complete payments for the construction of the two new warehouses.

The Group did not breach any borrowing covenants during the Period. The loan agreements did not have any covenants relating to specific performance of the controlling Shareholders (as defined in the Rules Governing the Listing of Securities on SEHK (the "**Listing Rules**")).

26. FOREIGN CURRENCY RISK

The Group's operations and customers are primarily located in the PRC with the majority of the Group's assets, liabilities and transactions denominated and settled in RMB. The Group's foreign currency risk is mainly arising from its cash and cash equivalents held in foreign denominated currencies of HK$, S$ and US$. The Group does not have a foreign currency hedging policy but it continuously monitors its foreign exchange exposure and will apply appropriate measures if necessary.

27. INTEREST RATE RISK

The Group's interest rate risk arises from the changes in interest rates related primarily to its loans and borrowings (including lease liability).

28. CONTINGENT LIABILITIES

As at 30 June 2020, the Group did not have any contingent liabilities (31 December 2019: Nil).

D. FUTURE DEVELOPMENTS OF THE GROUP

The Group expects the trade war between China and the United States of America to persist and the Chinese economy to grow at a slower pace due to the COVID-19 outbreak in 2020. Challenges remain and there are headwinds ahead given the continual spread of the epidemic globally. The external environment in the second-half of 2020 is expected to be more uncertain and market sentiment could be more pessimistic resulting in further downward pressure on the Chinese economy. The Group achieved a strong first-half year performance in 2020 from a strategic focus to maintain an optimum cargo mix. The Group is of the view that our current marketing strategies and focus are still relevant despite the greater risks of a slowing down of domestic and global markets in the second-half of 2020.

For the first five months of 2020, total pulp and paper imported into China was 12.1 million tonnes (source from:東方財富快訊). It is estimated that the total pulp and paper imported into China for the Period would be about 14.0 million. Hence, Management expects the total pulp and paper imports into China for 2020 to be about the same level as that of 2019 at about 27.0 to 28.0 million tonnes.

China's export steel suffered a decline of 7.3% in 2019. Despite the continued rise in steel production, export steel cargo is expected to further reduce in 2020. However, Chinese domestic demand is expected to remain firm in 2020 due to the Chinese government's efforts to stabilise property development and support infrastructure and manufacturing activities. As a result, the domestic market is likely to remain more attractive than overseas markets for steel cargo. In fact, the Group has experienced an increase in the handling of import steel cargo since April 2020. The Group expects to handle the same level of steel cargo volume for 2020 as the expected stronger import steel cargo in the second-half of 2020 should mitigate the lower export steel cargo.

Our focus on New Zealand logs would stay at the same level as that of the first-half of 2020 because stack yard space is expected to be occupied by project equipment cargo and steel cargo.

With a strong performance in project equipment cargo in the first-half of 2020, the Group expects more project equipment cargo to be shipped through our ports via the Belt and Road Initiative in the second-half of 2020.

We expect containers TEUs in the second-half of 2020 to be at the same level as that of the Period.

The Group will also continue to focus on a higher value cargo mix to ensure healthy sustainable growth in cargo volume.

The berth utilisation rate for CXP was 71% for the Period (Corresponding Period: 53%) and for CCIP was 40% for the Period (Corresponding Period: 33%). Management would focus to further improve the berth utilisation rate for the rest of 2020 in order to optimise the return on its assets.

As the Chinese economy as well as the global economy is already slowing down due mainly to the COVID-19 outbreak, Management is mindful of the increased challenges ahead, particularly those relating to international trade flows. Management will endeavour to step up its efforts to secure a good level of cargo throughput and to closely monitor the trade receivables collection.

As safety is the key to the success of the ports operations, Management will continue to educate, document, control and manage every safety process of port operations.

The Group will explore strategic opportunities and seek to strengthen its business relationships with key customers and business partners (both existing and new), most of whom are global and expanding companies.

The Group will also continue to scout for talent and enhance its internal trainings to better prepare the team to embrace its growth strategy.

E. EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2020, the Group had a total of 467 full time employees (31 December 2019: 460). The Group remunerates its employees based on their performance, working experience and the prevailing market condition and the Group's financial results.

The Group provides competitive remuneration packages to retain its employees, which include salaries, discretionary bonuses, medical insurance, different allowances and benefits-in-kind as well as mandatory Central Provident Fund schemes for employees in Singapore and pension schemes for employees in the PRC.

F. DONATIONS

The Group has committed to a five-years donation plan from 2017 to 2021 to make a total contribution of RMB250,000 to the Changshu General Charity (the "**Charity**"). As at 30 June 2020, the Group has already contributed RMB150,000 to this Charity.

On 13 February 2020, the Group donated RMB51,739 (S$10,000) to the Singapore Red Cross in support of their donation drive, the COVID-19 Response 2020.

On 20 February 2020, an associate of the Company, CWW, donated RMB150,000 to the Changshu General Charity for the support of the Changshu medical aid team for the COVID-19 outbreak.

G. CORPORATE GOVERNANCE PRACTICES

The Company is committed to fulfilling its responsibilities to the Shareholders and protecting and enhancing the Shareholders' value through good corporate governance.

The Directors recognise the importance of incorporating elements of good corporate governance in the Management's structures, internal control and risk management procedures of the Company and the Group so as to achieve effective accountability.

Code provision A.2.1 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (the "**CG Code**") stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. On 13 November 2019, the Company announced that the Company's chief executive officer, Mr. Kor Tor Khoon, was re-designated as the Group's chief commercial officer. Since then, there has been no chief executive in the Company but Mr. Patrick Ng Bee Soon, being the chairman of the Board (the "**Chairman**"), has assumed the operational role of the chief executive. The Board believes that vesting the roles of both Chairman and chief executive in the same person is beneficial to the business prospects and management, allowing effective and efficient planning and implementation of business decision and strategies.

The Board does not have the intention to fill the position of chief executive at present and considers that the current structure of vesting the roles of both Chairman and chief executive in the same person will not impair the balance of power and authority between the Board and Management. The Board considers that the balance mechanism could be ensured through the operation of the Board, which includes independent non-executive Directors (the "**INEDs**") and other experienced individuals from our community. The Board will, nevertheless, continue to review this structure from time to time and will consider the need of appointment of a suitable candidate to perform the role of chief executive at the appropriate time, taking into account the circumstance of the Group as a whole.

Save as disclosed, the Company has complied with all code provisions set out in the CG Code) during the Period.

H. SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its own code of conduct governing the securities transactions of the Directors (the "**Xinghua Code of Conduct**"). To ensure Directors' dealings in the securities are conducted in accordance with the Xinghua Code of Conduct, a Director is required to notify a committee comprising three members who are the chairmen of the Board, the Board's audit committee (the "**Audit Committee**") and the remuneration committee, respectively in writing and obtain a written acknowledgement from the committee prior to any dealings in the securities of the Company. In response to a specific enquiry made by the Company, all Directors have confirmed that they had complied with the required standard of dealings as set out in the Model Code and the Xinghua Code of Conduct throughout the Period.

I. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Period and thereafter up to the date of this announcement, the Company did not redeem its listed securities, nor did the Company or any of its subsidiaries purchase or sell such securities.

J. SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

There were no significant investments held or future plans for material investments or capital assets as at 30 June 2020 (31 December 2019: Nil).

K. MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no material acquisitions and disposal of the Company's subsidiaries, associates and joint ventures for the period.

L. DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the Period (30 June 2019: Nil).

M. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2020, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")), which were required to be (a) notified to the Company and the SEHK pursuant to provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, recorded in the register referred to therein; or (c) pursuant to the Model Code, notified to the Company and the SEHK were set out below:

Long Position in the Shares

Names of Directors/Chief executive	Capacity/ Nature of interest	Number of Shares/ underlying Shares interested	Total number of Shares interested	Approximate percentage of the Company's issued Shares[1]
Mr. Patrick Ng Bee Soon	Beneficial owner	47,108,037	47,108,037	5.78%
Mr. Kor Tor Khoon	Beneficial owner	5,133,800	5,158,800	0.63%
	Interest of spouse	25,000		
Ms. Jane Kimberly Ng Bee Kiok	Beneficial owner	10,559,502	408,809,502	50.20%
	Interests held jointly with other persons[2]	191,250,000		
	Beneficiary of a trust (other than a discretionary interest)[3]	207,000,000		
Mr. Lee Cheong Seng	Beneficial owner	3,100,000	3,100,000	0.38%
Mr. Tan Chian Khong	Beneficial owner	100,000	100,000	0.01%

Notes:

1. The percentage represents the total number of the Shares and the number of underlying Shares interested divided by the number of issued Shares of 814,412,028 as at 30 June 2020.

2. 191,250,000 Shares are held by Ms. Jane Kimberly Ng Bee Kiok as beneficial owner jointly with Mr. Ng Han Whatt and Ms. Ng Bee Bee (the "**Joint Names Shares**").

3. 207,000,000 Shares are held by BOS Trustee Limited on trust for Mr. Ng Han Whatt, Ms. Jane Kimberly Ng Bee Kiok and Ms. Ng Bee Bee ("**BOS Trustee**" and the "**BOS Trustee Shares**", respectively).

Save as disclosed above, as at 30 June 2020, none of the Directors nor the chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which (a) notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), (b) pursuant to Section 352 of the SFO, recorded in the register referred to therein, or (c) pursuant to the Model Code, notified to the Company and the SEHK.

N. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2020, so far as is known by the Directors, the following persons or entities, other than the Directors and the chief executive of the Company, had interests or short positions in the Shares and the underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long Position in the Shares

Names of Shareholders	Capacity/ Nature of interest	Number of Shares/ interested	Total number of Shares interested	Approximate percentage of the Company's issued Shares[1]
Mr. Ng Han Whatt	Beneficial owner	29,200,037	427,450,037	52.49%
	Interests held jointly with other persons[2]	191,250,000		
	Beneficiary of a trust (other than a discretionary interest)[3]	207,000,000		
Ms. Ng Bee Bee	Beneficial owner	10,125,002	408,375,002	50.14%
	Interests held jointly with other persons[2]	191,250,000		
	Beneficiary of a trust (other than a discretionary interest)[3]	207,000,000		
Petroships Investment Pte. Ltd. ("**Petroships**")	Beneficial owner	77,876,203	77,876,203	9.56%
Mr. Alan Chan Hong Joo	Interest in a controlled corporation[4]	77,876,203	77,876,203	9.56%

Notes:

1. The percentage represents the number of Shares interested divided by the number of the issued Shares of 814,412,028 as at 30 June 2020.

2. The 191,250,000 Shares refer to the same block of Shares as the Joint Names Shares and are held by Mr. Ng Han Whatt as beneficial owner jointly with Ms. Jane Kimberly Ng Bee Kiok and Ms. Ng Bee Bee.

3. The 207,000,000 Shares refer to the same block of Shares as the BOS Trustee Shares and are held by BOS Trustee on trust for Mr. Ng Han Whatt, Ms. Jane Kimberly Ng Bee Kiok and Ms. Ng Bee Bee.

4. These Shares are held by Petroships, which is owned as to 90% by Mr. Alan Chan Hong Joo. Under the SFO, Mr. Alan Chan Hong Joo is deemed to be interested in the Shares held by Petroships.

Save as disclosed above, as at 30 June 2020, so far as is known by the Directors, no other person or entity (other than a Director or the chief executive of the Company) had interests and short positions in the Shares and the underlying Shares as required to be recorded in the register to be kept by the Company under Section 336 of the SFO.

O. DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the Consolidated Financial Statements. The Audit Committee has reviewed these Consolidated Financial Statements and is of the view that (i) the same have been prepared in accordance with the IFRSs, the Singapore Financial Reporting Standards (International) (the "**SFRS(I)s**"), the Listing Rules and other applicable legal requirements with adequate disclosures, (ii) prudent and reasonable adjustments and estimates have been made and (iii) the Consolidated Financial Statements have been prepared on a going concern basis.

Save as disclosed, the Directors were not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

P. COMPLIANCE WITH LAWS AND REGULATIONS

During the Period and up to the date of this announcement, the Group has complied with all the relevant laws and regulations that have significant impact on the operations of the Group.

Q. PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Constitution and the laws of Singapore, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

R. MAJOR CUSTOMERS AND SUPPLIERS

For the Period, the percentage of revenue attributable to the Group's five largest customers combined was 67.3% (Corresponding Period: 65.8%). Among them, the Group's associate company accounted for 54.4%, which was also the Group's largest customer (Corresponding Period: 51.3%).

Purchases from the Group's five largest suppliers combined accounted for 40.5% of the total purchases for the Period (Corresponding Period: 52.8%) and purchases from the Group's largest supplier included therein amounted to 13.5% (Corresponding Period: 13.0%).

As far as the Directors are aware, neither the Directors, their respective close associates nor any substantial Shareholders (who, to the best knowledge of the Directors, own more than 5% of the Shares in issue) had any beneficial interest in the Group's five largest customers and suppliers.

The Group understands that it is important to maintain good relationship with its customers and suppliers. During the Period, there was no material and significant dispute between the Group and its customers and suppliers. No major supplier cannot be replaced by other appropriate suppliers.

S. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance to which the Company or any of the Company's subsidiaries was a party and in which a Director had a material interest, either directly or indirectly, subsisted as of the end of the reporting period or at any time during the period; and no contracts of significance (whether for the provisions of services to the Group or not) to which the Company or any of the Company's subsidiaries was a party and in which a controlling Shareholder had a material interest, either directly or indirectly, subsisted during Period.

T. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

None of the Directors or the controlling Shareholders or their respective close associates had interests in any business apart from the Group's business which competed or was likely to compete, either directly or indirectly, with the businesses of the Group or had or might have any other conflicts of interest with the Group during the Period.

U. COMPLIANCE ADVISER

China Galaxy International Securities (Hong Kong) Co., Limited's term as the compliance adviser of the Company had expired on 14 April 2020 as the Company has completed one full financial year of Listing in SEHK.

V. MAJOR EVENTS AFTER THE SIX MONTHS ENDED 30 JUNE 2020

Save as disclosed in this interim results announcement, there is no major event that took place after the Period.

W. MANAGEMENT CONTRACTS

No contracts, except for the service contracts of the executive Directors, concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the Period.

X. SHARE OPTION SCHEME

The Company did not have a share option scheme in place as at 30 June 2020.

Y. EQUITY-LINKED AGREEMENT

The Company did not enter into any equity-linked agreement during the Period.

Z. SUFFICIENCY OF PUBLIC FLOAT

Based on the publicly available information to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient public float of more than 25% of the Shares in issue held by the public, as required under the Listing Rules throughout the Period and as at the date of this interim results announcement.

AA. TAX RELIEF

The Company is a Singapore tax resident company and accordingly, under the current Singapore's one-tier corporate tax system, the dividends distributed by the Company will be exempt from Singapore income tax in the hands of the Shareholders, regardless of whether the Shareholder is a company or an individual and whether or not the Shareholder is a Singapore tax resident.

Save as disclosed, the Company is not aware of any other relief on taxation available to the Shareholders by reason of their holding of the Shares.

AB. REVIEW BY AUDIT COMMITTEE

The Audit Committee was established on 1 December 2017 with written terms of reference in compliance with Rule 3.22 of the Listing Rules and code provision C.3 of the CG Code. The primary duties of the Audit Committee are, among other things, to make recommendations to the Board on the appointment, re-appointment and removal of external auditors and to review and monitor the financial reporting process, risk management and internal control systems of the Group. The Audit Committee currently comprises three INEDs, namely Mr. Tan Chian Khong, Mr, Soh Ee Beng and Mr. Ting Yian Ann and one non-executive Director (the "**NED**"), namely Mr. Lee Cheong Seng. Mr. Tan Chian Khong is the chairman of the Audit Committee.

The Audit Committee, together with the external auditor of the Company, have reviewed the Consolidated Financial Statements and this announcement. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters with Management. The Audit Committee is of the view that the Consolidated Financial Statements and this announcement have been prepared in compliance with the IFRSs, the SFRS(I)s, the Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

AC. PUBLICATION OF INFORMATION ON THE WEBSITES OF THE SEHK AND THE COMPANY

The consolidated interim results announcement is published on the website of the SEHK at www.hkexnews.hk and the website of the Company at www.xinghuaport.com. The interim report of the Company for the Period will be dispatched to the Shareholders and published on the respective websites of the SEHK and the Company in due course in the manner as required by the Listing Rules.

By Order of the Board
Xinghua Port Holdings Ltd.
Patrick Ng Bee Soon
Chairman and Executive Director

Singapore, 28 July 2020

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Patrick Ng Bee Soon (Chairman), Mr. Kor Tor Khoon (Chief Commercial Officer) and Ms. Jane Kimberly Ng Bee Kiok; one NED, namely Mr. Lee Cheong Seng; and three INEDs, namely Mr. Tan Chian Khong, Mr. Soh Ee Beng and Mr. Ting Yian Ann.