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XINGHUA PORT HOLDINGS LTD.

興華港口控股有限公司*

(Incorporated in the Republic of Singapore with limited liability)

(Stock code: 1990)

UPDATE ANNOUNCEMENT ON THE ACCIDENT AND SUSPENSION

This announcement is published by the board of directors (the “**Board**”) of Xinghua Port Holdings Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 2 April 2018, 4 April 2018 and 22 April 2018 (the “**Announcements**”) regarding the accident that had occurred at CCIP during a cargo unloading operation, the immediate suspension of operations (“**Suspension**”) at both of the Group’s ports (the “**Ports**”) at CCIP and CXP following the receipt of stop work orders (“**Orders**”) from the local authorities (“**Authorities**”) and the subsequent lifting of the stop work order on CXP. Unless the context requires otherwise, capitalized terms used in this announcement have the same meanings given to them in the Announcements.

The Board wishes to provide an update to the shareholders and the public on the development since the lifting of the Order on CXP on 20 April 2018.

Status on the Stop Work Order on CCIP

As of current date, the Order on CCIP has not been lifted by the Authorities. The operations at CCIP had been suspended since the Accident. The Authorities are still continuing with their investigations. The Group has been extending its full co-operation to the Authorities to assist them with their investigations on the Accident.

The Group has worked with the independent safety experts to finalise the necessary safety review report to enhance safety operations at the CCIP Port. However, this report can only be submitted after the issuance of the official investigation reports and is subject to the acceptance by the relevant Authorities before they would confirm lifting the Order.

* *for identification purpose only*

Work safety review measures conducted by the Group

Since the Suspension, the senior management, under the leadership of the Group's Chairman, has been reviewing the whole port operations and logistics of the two ports, particularly on identifying the potential areas to further enhance the mode of operations as well as the port equipment used for the handling of each cargo type, with the main objective to strengthen its operational and safety system and avoid the occurrence of accidents in the future.

During this period, the Group has also stepped up its safety education efforts to all parties involved in its port operations. The Group has been promoting the message that safety is everyone's responsibility, where all employees, subcontractors and workers at the Ports are encouraged to raise their concerns on any operational or safety issue. The management team of the Group is empowered to initiate an immediate stop work review as and when potential issues are noticed and require rectification.

The Group's immediate priority at this stage is to focus on establishing a reinforced operational and safety system. The Group believes that the time and effort taken to strengthen its operational and safety system will serve the Group well in the long-term future and also in its future plans.

Update on the financial impact on the Group

Attention of the shareholders and potential investors is drawn to the Company's preliminary estimate of the financial impact on the Group as a result of the Accident and the Suspension based on the information then available as contained in the Announcement dated 4 April 2018.

Based on the limited information that the management of the Group had at hand at that stage, the Company preliminarily estimated that the Group's consolidated net profit for the year could be negatively affected by an amount in the region of approximately 20% of the Group's net profit for the year ended 31 December 2017 as a result of the Accident.

Basing on the current status, particularly the uncertainty of when the Order on CCIP would be lifted, as well as the prioritized focus of the management team and the planned expenditures to be incurred to strengthen the Group's operational and safety system, the Company expects that the Group's operational results for the financial year ending 31 December 2018 would be adversely affected to a larger extent than the previous estimate and its consolidated net profit for the year could be negatively affected by an amount in the region of approximately 75% of the Group's net profit for the year ended 31 December 2017.

Barring unforeseen circumstances, the Group expects CXP to still perform profitably for the year, though at a lower profit year-on-year, whilst CCIP is expected to suffer a loss for the year as a result of the prolonged Suspension and various expenditures that will be incurred as a result of the Accident.

However it should be noted that this update is still an estimate based on the current status and hence the ultimate financial impact on the Group is largely dependent on the length of the Suspension on CCIP and also the length of time need to put the two ports back to full operations. To the extent that the Group faces any unforeseen claims, the Group may suffer further losses.

The Company will make further announcements to keep shareholders updated on any material developments as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 8 June 2018

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Patrick Ng Bee Soon, Mr. Kor Tor Khoon and Ms. Jane Kimberly Ng Bee Kiok; two non-executive Directors, namely Mr. Alan Chan Hong Joo and Mr. Lee Cheong Seng; and three independent non-executive Directors, namely Mr. Tan Chian Khong, Mr. Soh Ee Beng and Mr. Ting Yian Ann.