Singamas Container Holdings Limited

(incorporated in HK with Limited Liability)
Website: www.singamas.com
(Stock Code: 00716.hk)

DIVERSIFIED BUSINESS STREAMS TO CAPTURE MARKET OPPORTUNITIES

2014 Interim Results Announcement

21 August 2014

Disclaimer

SINGAMAS

The information contained in this presentation is for information purposes only and does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for any ordinary shares (“Shares”) or rights to purchase Shares in Singamas Container Holdings Limited (“Singamas” or the “Company”); nor does the information contained in this presentation constitute or form part of (and should not be construed as constituting or forming part of) an inducement to enter into any investment activity involving Singamas in any jurisdiction.

This presentation should not, nor should anything contained in it, form the basis of or be relied upon in any connection with any contract, investment decision or commitment whatsoever; nor does it constitute a recommendation regarding the securities of Singamas. This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions.

Although Singamas believes that such forward-looking statements are based on reasonable assumptions, it can give no assurance that such expectations will be met. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current views of the management regarding future events.

In addition, certain information in this presentation, including but not limited to information concerning strategic decisions, corporate principles and information relating to the Company's competitors in the shipping container industry, is not based on published statistical data or information obtained from independent third parties. Such information and statements reflect the Singamas directors' belief and best estimates based upon internal Company information and information obtained from trade and business organizations and associations and other contacts within the industry in which it competes, as well as information published by its competitors.

This presentation has been prepared by Singamas. The information in this presentation has not been independently verified. The provision of the information in this presentation should not be treated as giving investment advice. No representation, warranty, express or implied, is made as to, and no reliance should be placed for any purpose whatsoever on, the fairness, accuracy, completeness or correctness of the information and opinions in this presentation. The information and opinions contained in this presentation are provided only as at the date of this presentation and are subject to change without notice. None of Singamas or its agents or advisers, or any of their respective affiliates, advisers or representatives, undertakes to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, and none of them shall have any liability (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation.

This presentation is given to you solely for your own use and information, and no part of this presentation may be copied or reproduced, or redistributed or passed on, directly or indirectly, to any other person in any manner or published, in whole or in part, for any purpose.

Corporate Profile

SINGAMAS

- Singamas Container Holdings Limited ("Singamas" or "the Company") is **the world's second largest container manufacturer** and a major operator of container depots and terminals in the Asian-Pacific region
- The Company has been listed on the Hong Kong Stock Exchange since 1993

Manufacture Business

- Singamas manufactures a wide range of products including dry freight containers and specialised containers
- 12 factories are located in the PRC, with a total capacity of 1,030,000 TEUs[1] for dry and specialised containers and 5,000 units for offshore containers
- A new company named Qidong Singamas Offshore Equipment Co., Ltd was formed to manufacture offshore containers and has completed its first batch of production in May 2014

Logistics Business

- Its logistics business includes container depots/terminals and a logistics company
- 11 container depots/terminals, 8 at the major ports in the PRC, 2 in Hong Kong and 1 in Thailand
- 1 logistics company in Xiamen

Notes:
1. TEU stands for Twenty-foot Equivalent Unit, a standard unit of measurement used for container transportation.

Comprehensive Container Factory and Depot Network

SINGAMAS

- **FACTORIES**
  - Currently have 12 factories with 17 production lines
  - Manufacture of dry freight containers, refrigerated containers, 53' US domestic containers, tank containers, offshore containers and other specialised containers
  - Qidong Singamas Offshore Equipment Co. Ltd. ("QSOE") was established for the manufacture of offshore containers and the first batch of offshore containers has been completed in May 2014
  - QSOE has three months' worth of production order on hand, this should bode well for the offshore container business

- **DEPOTS/TERMINALS**
  - Total yard space of approximate 1.2 m^2
  - Total storage capacity of approximate 154,000 TEUs
  - Container storage and handling services, dry & reefer container maintenance and repair, CFS, cargo stuffing and unstuffing and other container related services

- **LOGISTICS**
  - Xiamen

Manufacturing

SINGAMAS

Location	Factories (effective equity stake)	Location	Date of Commercial Operations	No. of Production Lines 2013	No. of Production Lines 2014	Annual Production Capacity TEUs *(Note 1)* 2013	Annual Production Capacity TEUs *(Note 1)* 2014	Products
The PRC	Tianjin Pacific (97%)	Tianjin	2002	1	1	80,000	80,000	■ Dry freight and specialised containers
	Qingdao Pacific (100%)	Qindao	2004	2	2	140,000	140,000	■ Dry freight and US domestic containers
	Singamas Container Industry (75%)	Yixing	1994	2	2	30,000	30,000	■ Flatracks, bitutainers, pallet-wide containers, log carriers, other specialised containers and container components
	Shanghai Pacific (60%)	Shanghai	1990	1	1	10,000	10,000	■ Tank containers
	Shanghai Baoshan (74%)	Shanghai	2003	2	2	175,000	175,000	■ Dry freight and other specialised containers
	Shanghai Reeferco (90.91%)	Shanghai	1996	1	1	35,000	35,000	■ Refrigerated containers
	Xiamen Pacific (100%) *(Note 1)*	Xiamen	1998	1	1	70,000	70,000	■ Dry freight containers
	Hui Zhou Pacific (91%)	Hui Zhou	2006	2	2	120,000	120,000	■ Dry freight and other specialised containers
	Ningbo Pacific (100%)	Ningbo	2006	1	1	110,000	110,000	■ Dry freight containers
	Qidong Singamas (100%)	Qidong	2012	2	2	200,000	200,000	■ Dry freight and other specialised containers
	Qidong Pacific (100%)	Qidong	2013	1	1	30,000	60,000	■ Refrigerated containers
	Total Container Manufacturing (Note 1)			16	16	1,000,000	1,030,000	

Location	Factories (effective equity stake)	Location	Date of Commercial Operations	No. of Production Lines 2013	No. of Production Lines 2014	Annual Production Capacity (units) *(Note 2)* 2013	Annual Production Capacity (units) *(Note 2)* 2014	Products
The PRC	Qidong Offshore (50%)	Qidong	2014	N/A	1	N/A	5,000	■ Offshore containers

Notes:

1. *Annual production capacity is based on extended single shift.*
2. *The production capacity of Qidong Offshore is based on units, not TEUs.*

Container Depots / Terminals

SINGAMAS

Location (Effective Equity Stake)		Date of Commencement	Yard size	Storage Capacity**	Services Provided
The PRC	Dalian(36.84%)	2000	160,000 sq. m	14,000 TEUs	Container Depots / Terminals mainly provide container storage, handling, haulage, dry & reefer container maintenance and repair, hanger equipment installation, C.F.S. and barging, etc.
	Tianjin(100%)	1994	80,000 sq. m	8,000 TEUs	
	Qingdao(60%)	1994	138,340 sq. m	18,000 TEUs	
	Shanghai (40%) (note)	2013	113,000 sq. m	12,600 TEUs	
	Qidong (100%)	2012	124,000 sq. m.	32,000 TEUs	
	Ningbo (40%)	1995	114,000 sq. m	17,500 TEUs	
	Xiamen (28%)	1996	262,000 sq. m	27,000 TEUs	
	Fuzhou (40%)	2003	83,500 sq. m	11,500 TEUs	
Hong Kong	- DY Terminal (100%)	1993	10,500 sq. m	1,575 TEUs	
	- Eng Kong (73.3%)	1994	58,000 sq. m	8,925 TEUs	
Thailand	Laem- Chabang (25%)	2001	38,000 sq. m	3,000 TEUs	
		Total	**1,181,340 sq.m**	**154,100 TEUs**	

*** Container (for both loaded and empty containers) storage only, excluding bulk cargo and other warehousing space.*

INDUSTRY OVERVIEW

Dry Freight Container Industry Dynamics

SINGAMAS

- Dry Freight Container demand is driven by trade / export volumes, not freight rates
- Traditionally, demand is seasonal in line with export and trade pattern, i.e. Q2-Q3 are peak seasons, however, this seasonality trend was not obvious and persistence in these few years, leaving high fluctuation in yearly demand
- Materials cost is the major determinant of container price – use cost-plus pricing model to set selling price
- Corten steel, a high-grade hot-rolled steel product, accounts for 49% of total dry freight container production costs in 1H2014
- Direct labour cost is increasing, it accounts for 6.4% in 1H2014 vs 5.3% in 1H2013
- Size of current container fleet worldwide by end 2013 is estimated to be 34.5 million TEUs, supporting 17.27 million TEUs of shipping capacity
- More orders are placed by container leasing companies since 2010, this trend is expected to continue in the next few years.

Specialised Container Industry Dynamics

- Specialised container industry has higher entry barrier and is less competitive. It normally enjoys higher margins than the standard dry freight container and the demand is less seasonal
- Specialised containers include 53’ US domestic, refrigerated, tank, offshore, open top and other non-dry freight containers
- Increase in demand of 53’ US domestic containers due to the replacement of aluminium made boxes and the steady growth in US economy
- Decrease in refrigerated container price due to lower material cost and increase in market supply

53’ US Domestic Container

Refrigerated Container

Tank Container

Open-top Container

Offshore Container

Manufacturing – Specialised Containers

SINGAMAS

Platform Container

Open-side Container

Log Carriers

Singatech (Flatrack) Container

Bitutainer

Gas Pack Container

General Container

Bulk Container

Offshore Container

Lubentainer

Half-height Container

20' Waste Container

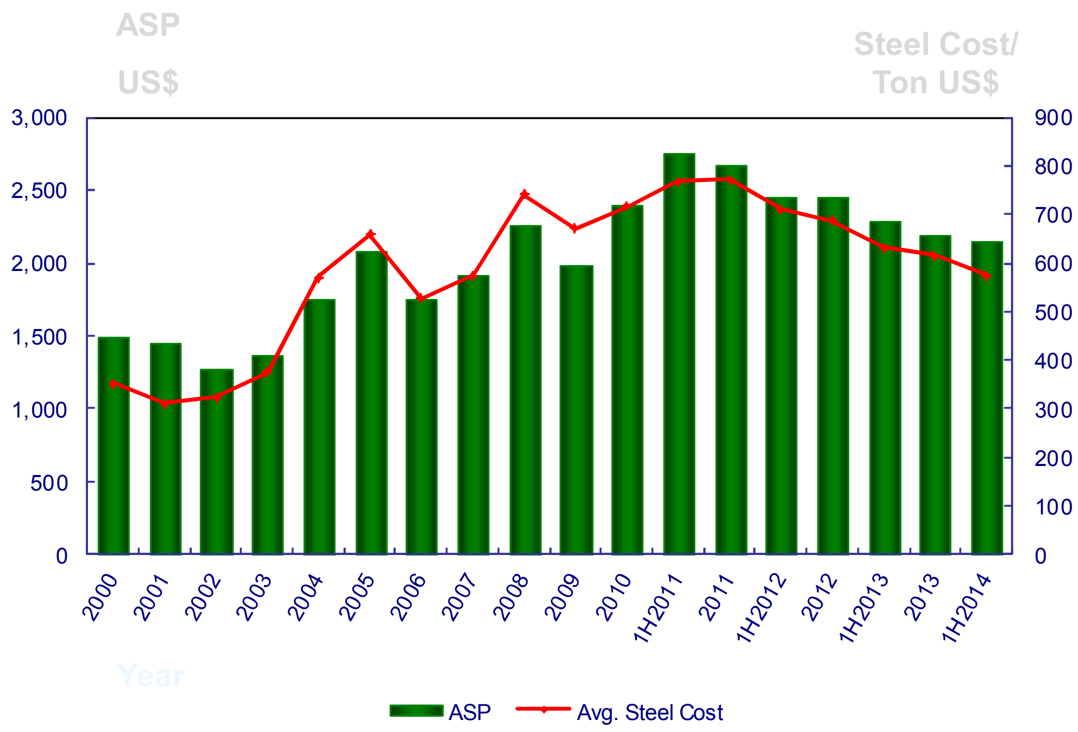
45' Container

53' Container

Container Prices vs. Steel Prices

SINGAMAS

2000 –1H2014 20ft. Dry Freight Container[1] Price (ASP[2]) vs. Average Steel Cost Per Ton



- 1H2014 ASP of 20ft dry freight container fell to US$2,147, 6.1% lower than 1H2013's US$2,287
- Lower ASP in 1H2014 was due to low demand in 1Q2014 and lower corten steel price
- 1H2014 average steel cost was US$574/ton (1H2013: US$633/ton)
- Steel cost is expected to stable in the remaining year of 2014

Note:

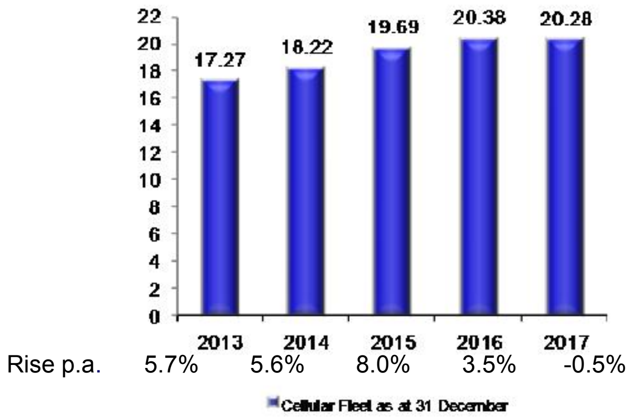
1. *one 20' container normally requires 1.8 tons (including wastage) of steel.*
2. *ASP stands for average selling price of Singamas.*

Container Shipping Fleet Projections 2014-2017

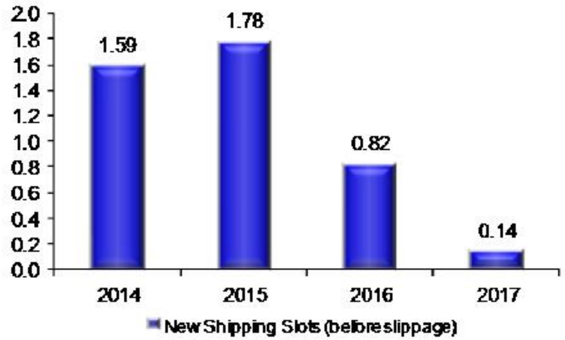
SINGAMAS

- In normal circumstances, the box to TEU slot ratio is 2x
- That is, for every one new shipping slot, approximately 2 TEUs of new containers would be required
- Shipping capacity projected to grow steadily from 17.27 million TEUs in December 2013 to 20.28 million TEUs by 2017 (CAGR: 4.09%)
- New shipping slots are expected to reach the peak of 1.59 million TEUs and 1.78 million TEUs in 2014 and 2015 respectively
- Among 561 new vessels to be delivered in the coming three years, 159 vessels are with capacity of more than 10,000 TEUs, total shipping slots for these 159 vessels reached 2.2 million TEUs, representing around half of the new capacity.

Shipping Capacity (in mil of TEUs)



New Shipping Slots (in mil of TEUs)



Note: Based on order book as at 1 July 2014 and assuming no ships are deleted after that date (other than those planned). Forecast figures take into account delivery deferrals and slippage. Expected fleet size after provision for future scrappings and delivery slippage is based on the following assumptions:

i) Slippage: 24 ships for 135,000 TEUs planned for delivery in 2014 and 25 ships for 120,000 TEUs in 2015 are assumed to be delayed to the following year; and

ii) Scrappings and de-ceilings are estimated to reach 500,000 TEUs in 2014 and 350,000 TEUs in 2015 and 250,000 TEUs in 2016-2017.

Source: AXS-Alphaliner is a worldwide reference in liner shipping intelligence.

World's Second Largest Container Manufacturer

SINGAMAS

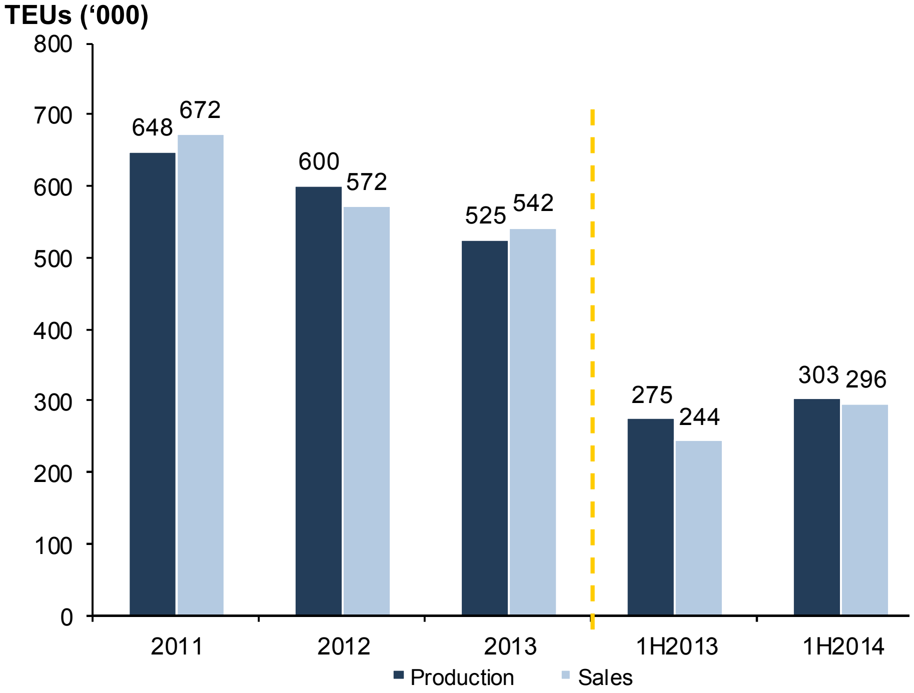
- Singamas is the world's second-largest container manufacturer, estimated market share remain stable at around 21% in 1H2014 (1H2013 : 21%)
- As the world's second-largest manufacturer of containers, Singamas possesses both the expertise and the resources to ride out periods of weaker demand and able to capture opportunities during market recovery.

	Entry Barriers		Singamas' Competitive Positioning
1	**Production network and services** - Production network across the coastal regions - Proximity to ports	✓	12 factories across the coastal region in PRC with multi-location delivery capabilities, able to provide more flexibility to customers 2 eco-friendly container factories with high efficiency in Qidong well-poised to satisfy new demand and replacement demand in the upcoming year
2	- Higher land prices in coastal regions - Difficult to find large area in coastal regions - High environmental protection and energy requirements - Restrictive industry, difficult to get license from Government	✓	Incumbent with well established facilities, strong marketing network and customer relationships Most of its production facilities were established or acquired in the 1990s and early 2000s and are now under continuous improvement and upgrade

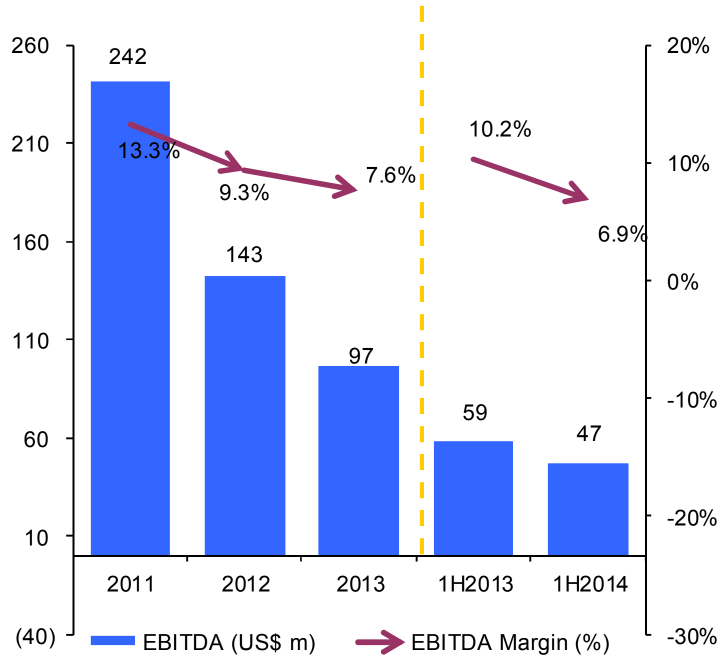
Sustainable Business along the Industry Cycle

- Singamas has weathered various ups and downs along the industry cycle yet still maintained its leading position
- Singamas is in a sufficiently strong financial position to withstand a market downturn while quickly seize opportunities during upturn

Production output and sales volume



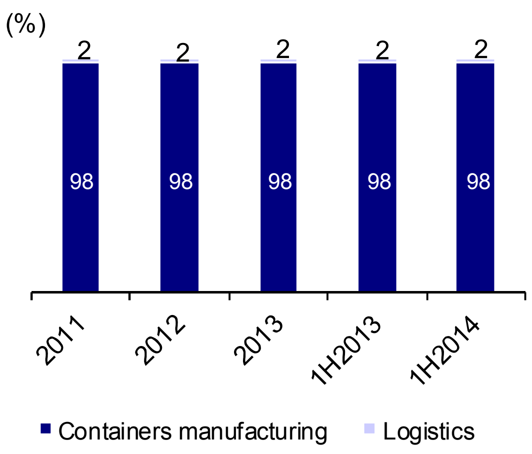
EBITDA and margin



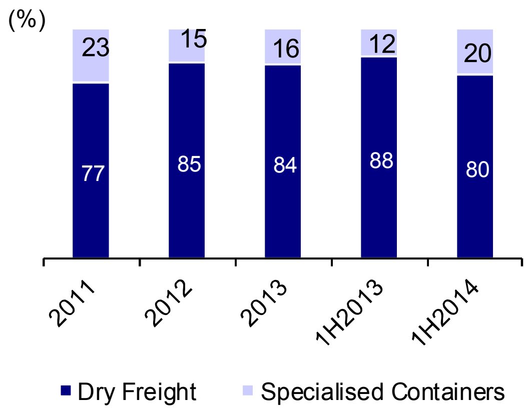
Diversifying Product Mix to Stabilise Income

- To further diversify its businesses as well as providing a buffer against the trade driven volatile market for dry freight containers, Singamas is exploring higher-margin specialised containers with more stable demand
- More resources have been put on developing specialised containers to enhance competitiveness
- Revenue breakdown for dry freight and specialised containers in the reporting period was 72% and 28% respectively

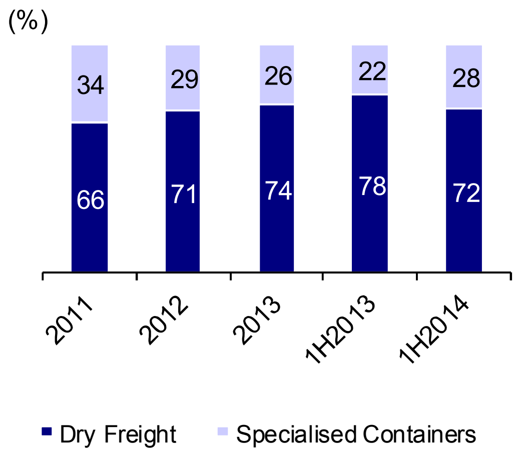
Total Revenue % Breakdown



Manufacturing Volume % Breakdown



Manufacturing Revenue % Breakdown



Qidong Factories Starts Contribution

- Phases I and II of Qidong factory continued to make progressive developments during the review period:
  - Phase I:
    - Dry freight factory already achieved operational breakeven point in 2013
  - Phase II:
    - Refrigerated container factory subsequently completed producing several batches of refrigerated containers from April 2013 onwards
    - Incurred start up losses during the review period but started to achieve breakeven in May-June 2014

- Qidong facilities boost high efficiency with the newly adopted integrated production lines that reduce the need for manpower by 30 % to 40%

- A new production facility in Qidong, namely Qidong Singamas Offshore Equipment Co., Ltd. (“QSOE”) was established in August 2013 to manufacture offshore containers

- A memorandum was signed last year to acquire additional 900 Chinese acres of land which is adjacent to our existing Qidong plant. We planned to set up a Steel Processing Centre, Technical Development & Training Centre and a Logistic Park in this new area in the coming two to three years

Further Headway in Offshore Container Production

SINGAMAS

- In 19 February 2014, entered into a Master Agreement with relevant parties to obtain 26% of the enlarged issued share capital of the newly restructured Modex Group (Euro Offshore and Modex Asia became the wholly owned subsidiary of Modex Group)
- Euro Offshore is principally engaged in the business of selling and leasing cargo and modules for the offshore industry, and the purchase and sale of stocked offshore equipment such as cables, pipes and fitting
- Modex Asia is one of the leading manufacturers and providers of DNV certified cargo carrying units, cabins and equipment for offshore oil and gas operations. Modex has sales offices in Singapore, Indonesia, Brunei, Malaysia, Australia, UAE and Brazil.

Offshore Cabins

Offshore Baskets

Accommodation

Further Headway in Offshore Container Production (con’t)

- QSOE has successfully obtained the DNV certificate in May 2014 and the first batch of offshore containers has been completed in the same month
- QSOE has three months worth of orders on hand, this bode well for the offshore container business
- Singamas’ investment in Modex Group will lead towards further diversification of income streams, greater profitability and bolstering of Singamas’ market position

Offshore Reefer

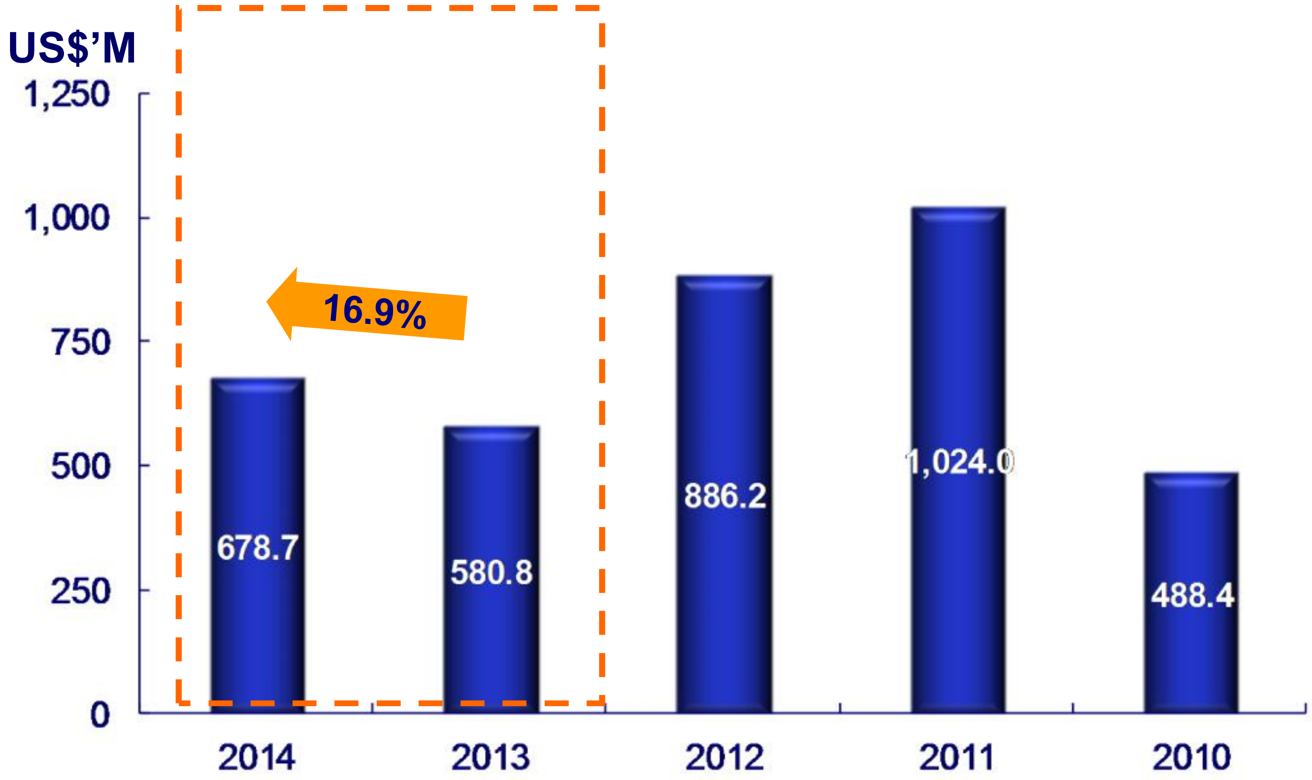
Offshore Tank

2014
INTERIM RESULTS

2014 Interim Results

- Financial Highlights
  - Business Segment Analysis
- Business Review
- Future Plans
- Appendix
  - Consolidated Income Statements

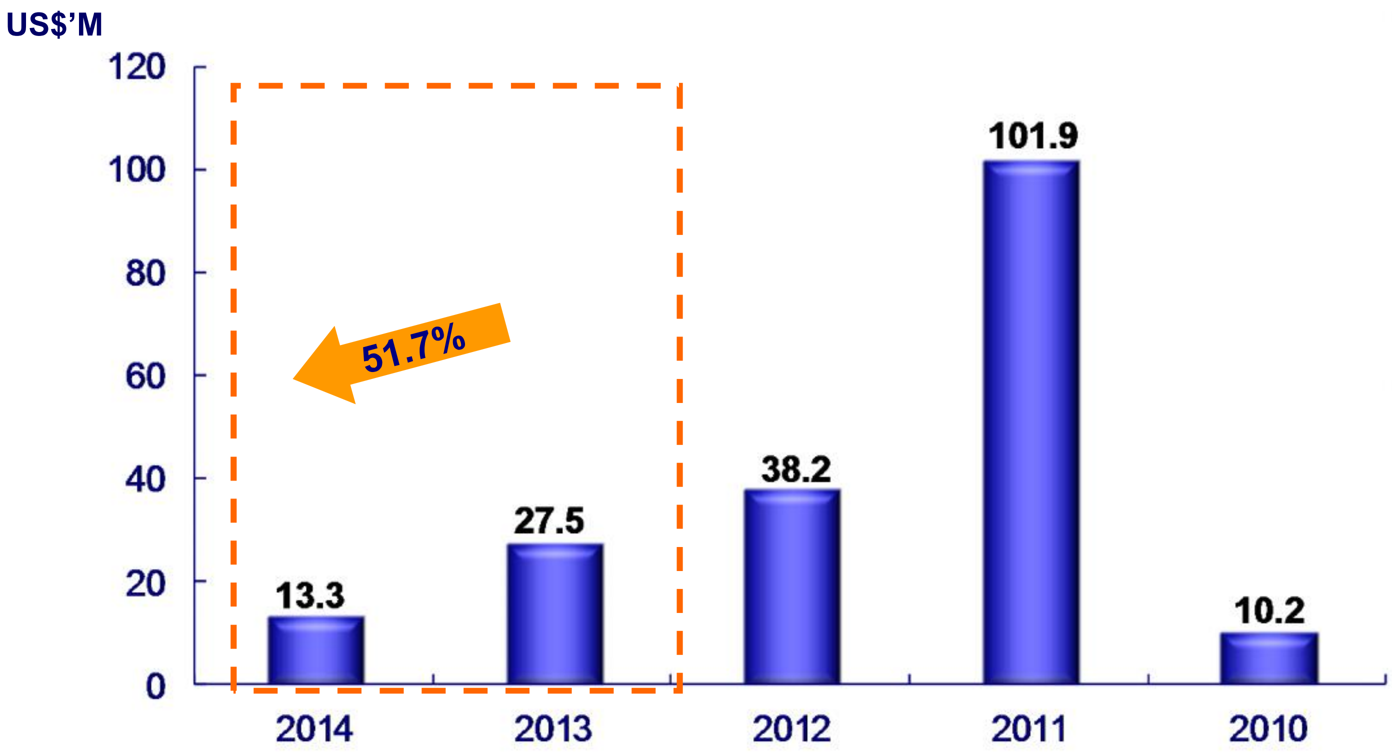
Financial Highlights:
Revenue



For the six months ended 30 June

- Consolidated revenue amounted to US$678.7 million, 16.9% higher than the corresponding last year of US$580.8 million
- Due to lower raw material costs, average selling price ("ASP") was picking up at a slower pace, which moderated the Group's performance
- Demand for new containers experienced notable fluctuations, soft container demand and low production volume in the first quarter with strong pick up in second quarter

Financial Highlights:
Consolidated Net Profit (Loss) Attributable to Owners of the Company

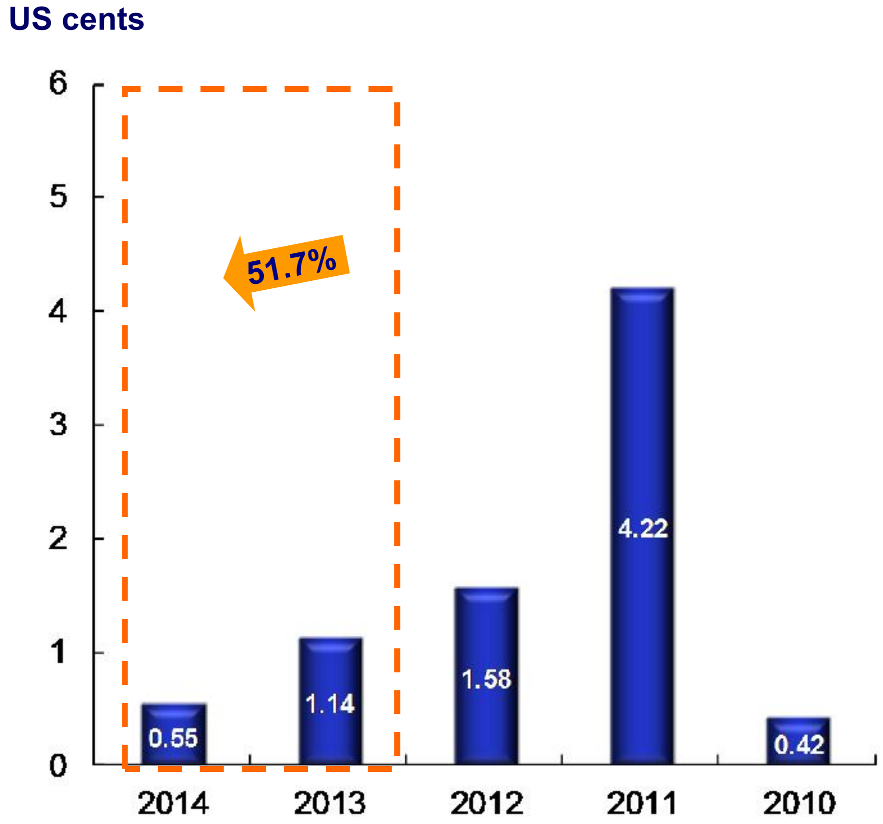


For the six months ended 30 June

- Consolidated net profit attributable to owners of the Company recorded US$13.3 million (1H2013: US$27.5 million)
- The Group had recognised a non-recurring profit of US$11.5 million on disposal of subsidiaries in the corresponding period last year. This affects the basis of comparison between two periods

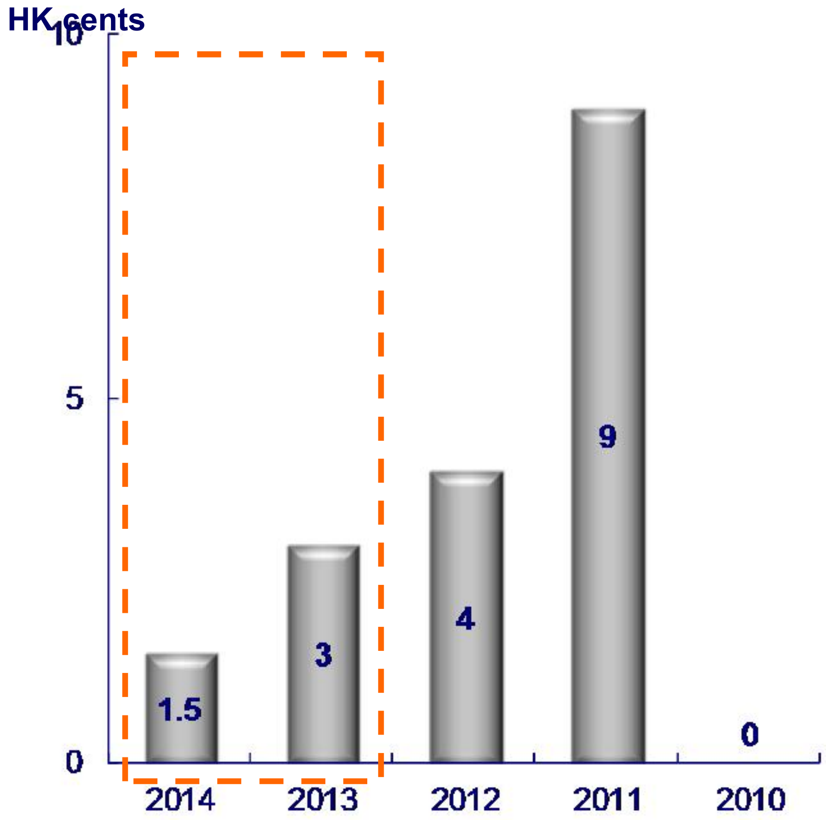
Financial Highlights:

Basic Earnings (Loss) per Share



For the six months ended 30 June

Dividend per Share



For the six months ended 30 June

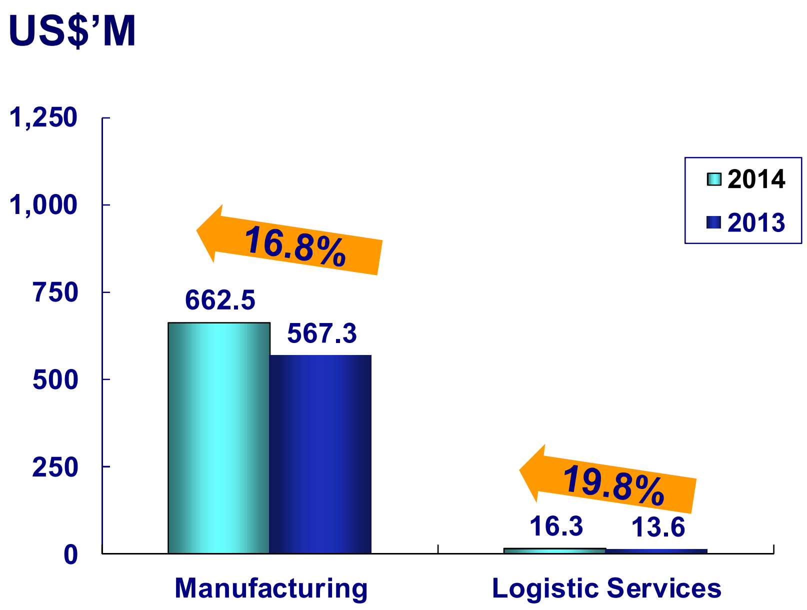
- Basic earnings per share recorded US0.55 cent, compared with US1.14 cents in 1H2013
- Proposed to pay an interim dividend of HK1.5 cents per ordinary share, representing a dividend payout of 35.3%

Financial Highlights:
Net Assets Value per Share

Business Review:
Business Segment Analysis

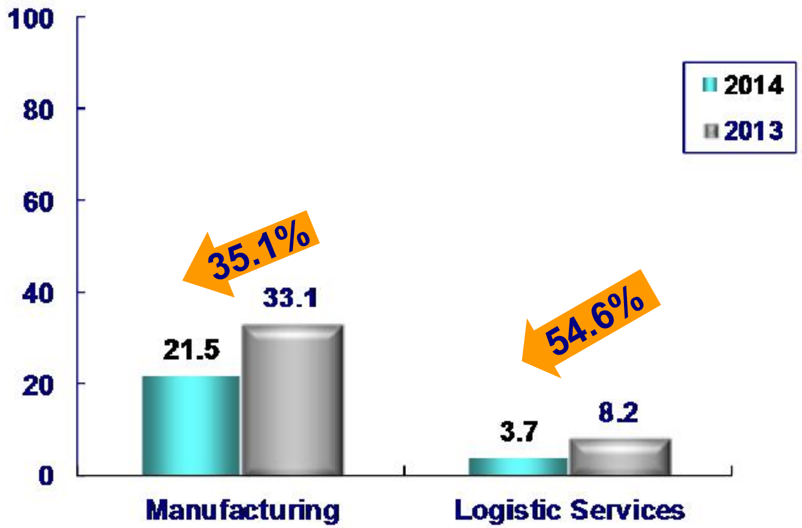
SINGAMAS

Revenue



% of Revenue 98 / 98 2 / 2

Profit Before Taxation



For the six months ended 30 June

Business Review: Manufacturing

SINGAMAS

Revenue and Pretax Profit:

- Revenue from the segment was US$662,475,000 (1H2013: US$567,284,000) due to strong demand pick up in the second quarter
- Pretax profit amounted to US$21,485,000 (1H2013: US$33,090,000, which included US$6,336,000 generated from the disposal of a subsidiary) as a result of decline in average selling price of dry freight containers

Business Performance:

- As at 30 June 2014, the Group produced 302,852 TEUs (1H2013: 274,519TEUs) and sold 296,374TEUs (1H2013: 244,070 TEUs)
- Anti-dumping and countervailing investigations in the United States on the importation of 53' domestic dry containers from China affected the Group's associated business in the short term
- Sales from 53' domestic dry containers account for a modest fraction of the Group's overall revenue. However, management holds the view that the investigation will have no material adverse impact to the Group.

Major Initiative:

- The Group has two to three months worth of orders for both refrigerated containers and 53' US domestic containers on hand
- Made further headway in offshore containers industry
  - Entered into agreements to obtain 26% of the enlarged issued share capital of the newly restructured Modex Group in February 2014
  - QSOE was established for the manufacture of offshore containers. First batch of offshore containers has been completed in May 2014
  - QSOE has three months worth of orders on hand
- Refrigerated container factory in Qidong was still incurring start-up losses, but started to achieve breakeven in the last two months

Business Review:
Logistics Services

SINGAMAS

Container Depots, Terminals and Mid-stream:

Revenue and pretax profit:

- Revenue reached US$16,270,000 (1H2013: US$13,570,000) due to modest growth in global trade
- The Group's new Qidong depot began contributing profits to the segment. Correspondingly, pretax profit was US$3,724,000 (1H2013: US$8,199,000, which included US$5,114,000 gain on disposal of a terminal in Shunde)

Business Performance:

- A total of 1,642,784TEUs were handled during the reporting period (1H2013: 1,505,447 TEUs)
- Average daily container storage reached 127,625 TEUs (1H2013: 97,630 TEUs)

Business Review:
Logistics Services

Container Depots, Terminals and Mid-stream:

Handling, Repair and Storage Volumes

	1H2014			1H2013		
	Total Handling TEUs	Total Repair TEUs	Daily Storage TEUs	Total Handling TEUs	Total Repair TEUs	Daily Storage TEUs
PRC	1,458,993	243,438	114,697	1,321,362	212,016	87,599
Hong Kong	156,026	35,763	12,103	155,845	40,606	9,172
Thailand	27,765	11,923	825	28,240	10,313	859
TOTAL	1,642,784	291,124	127,625	1,505,447	262,935	97,630

Industry Outlook

SINGAMAS

- Major world economies showing modest signs of recovery, global trade volume should increase by 5% in 2014
- New container inventory at a normal level of around 500,000 TEUs, which represents less than two months requirements
- A larger number of new container vessel deliveries will be made in 2014 and 2015, corresponding to an increasing world production in 2014
- Rising need for replacement containers
- New container vessels delivers scheduled between 2014-2016
- Management is cautiously optimistic that the container industry will begin to achieve a turnaround

Future Plans

SINGAMAS

Industry Leadership Capabilities

- Enhanced Competitiveness and Production Efficiency from Qidong Plants
- Strong Financial Position
- Effective Cost-plus Pricing Strategy
- Market Network and Global Reputation
- Maintain High Product Quality

APPENDIX

Consolidated Income Statement I
(Classification Of Expenses By Nature)

SINGAMAS

	Six Months Ended 30 June 2014 US$'000	2013 US$'000
Revenue	**678,745**	580,854
Other income	**1,243**	13,930
Changes in inventories of finished goods and work in progress	**9,535**	70,373
Raw materials and consumables used	**(518,660)**	(494,382)
Staff costs	**(59,608)**	(43,128)
Depreciation and amortisation expense	**(13,044)**	(10,143)
Exchange gain (loss)	**3,835**	(5,940)
Other expenses	**(67,132)**	(69,453)
Finance costs	**(8,775)**	(7,984)
Investment income	**2,508**	2,131
Fair value loss of derivative financial instruments	**(120)**	-
Reclassification of fair value loss of derivative financial instruments designated as hedging instruments from hedge reserve	**(3,701)**	4,614
Share of results of associates	**437**	512
Share of results of joint ventures	**(684)**	(95)
Profit before taxation	**25,209**	41,289
Income tax expense	**(9,980)**	(11,055)
Profit for the period	**15,229**	30,234
Attributable to:		
Owners of the Company	**13,275**	27,492
Non-controlling interests	**1,954**	2,742
	15,229	30,234
Earnings per share		
Basic	**US0.55cent**	US1.14 cents
Diluted	**US0.55cent**	US1.14 cents

Consolidated Income Statement II
(Classification Of Expenses By Function)

SINGAMAS

	Six Months Ended 30 June 2014 US$'000	2013 US$'000
Revenue	**678,745**	580,854
Cost of sales	**(608,075)**	(506,321)
Gross Profit	**70,670**	74,533
Other income	**1,243**	13,930
Selling and distribution expenses	**(18,255)**	(15,707)
General and administrative expenses	**(22,579)**	(24,705)
Exchange gain (loss)	**3,835**	(5,940)
Profit from operations	**34,914**	42,111
Finance costs	**(8,775)**	(7,984)
Investment income	**2,508**	2,131
Fair value loss of derivative financial instruments	**(120)**	-
Reclassification of fair value loss of derivative financial instruments designated as hedging instruments from hedge reserve	**(3,071)**	4,614
Share of results of associates	**437**	512
Share of results of joint ventures	**(684)**	(95)
Profit before taxation	**25,209**	41,289
Income tax expense	**(9,980)**	(11,055)
Profit for the period	**15,229**	30,234
Attributable to:		
Owners of the Company	**13,275**	27,492
Non-controlling interests	**1,954**	2,742
	15,229	30,234
Earnings per share		
Basic	**US0.55cent**	US1.14 cents
Diluted	**US0.55cent**	US1.14 cents