[For Immediate Release]

SINGAMAS ANNOUNCES 2018 INTERIM RESULTS

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OPTIMISATION OF BUSINESS OPERATIONS AND FURTHER DEVELOPMENT OF SPECIALISED CONTAINERS TO ENHANCE COMPETITIVENESS

(Hong Kong, 21 August 2018) – World-leading container manufacturer and logistics services provider **Singamas Container Holdings Limited** ("Singamas" / the "Group") (stock code: 716) has today announced its unaudited interim results for the six months ended 30 June 2018 (the "review period").

During the review period, political instability in Europe and trade war between the United States of America ("US") and the People's Republic of China ("PRC" or "China") have caused uncertainty over the global economy. Although trade has been relatively unscathed, the Group has nonetheless been affected by rising material costs and appreciation of the Renminbi in the first few months of the year. For the six months ended 30 June 2018, the Group's consolidated revenue amounted to US$969,217,000, a rise of 62.9% over the revenue of US$595,042,000 obtained in the corresponding period last year. Consolidated net loss attributable to owners of the Company amounted to US$2,104,000 (1H2017: consolidated net profit of US$16,597,000). Basic loss per share amounted to US0.09 cent, compared with basic earnings per share of US0.69 cent in the first half of 2017.

MANUFACTURING

During the review period, demand for dry freight containers has remained healthy which contributed to the rise in revenue of the Group's manufacturing business. The segment's revenue amounted to US$955,717,000 (1H2017: US$576,566,000), and accounted for 98.6% of the Group's total revenue (1H2017: 96.9%). Production volume reached 458,374 twenty-foot equivalent units ("TEUs") (1H2017: 310,070 TEUs). The ASP of a 20' dry freight container rose from US$1,902 to US$2,203 primarily due to the use of waterborne paint and the ongoing rise of price of corten steel. During the review period, a total of 457,610 TEUs were sold (1H2017: 303,668 TEUs). However, with competition in the market, the increased material costs were not entirely passed to customers, therefore resulting in a segment loss before taxation and non-controlling interest of US$2,043,000 versus a segment profit before taxation and non-controlling interest of US$19,871,000 for the same period last year.

During the review period, demand for dry freight containers has remained firm and accounting for 82.9% of manufacturing revenue (1H2017: 82.1%), while specialised container demand has gradually improved. The Group believes that its ability to produce different types of customised containers (which generally possess better margins) demonstrates its development and production prowess, which is crucial to retaining and attracting customers to the fold. The Group provided a variety of tailor-made specialised container during the review period such as fish farming containers, small containers known as "mini-box" , equipment transportation containers and many others.

Trial production of the Group's new reefer container factory in Qingdao has commenced. Although utilisation rate is expectedly low at present, more favourable development is expected once the facility is fully operational towards the latter half of the financial year. The Group has already received enquiries and will be accepting orders in due course.

LOGISTICS SERVICES

The Group's logistics business continued to depress due to strong export volume in the PRC during the review period. Revenue dropped to US$13,500,000 (1H2017: US$18,476,000). The Group reported a segment profit before taxation and non-controlling interest of US$1,276,000 (1H2017: US$2,261,000). During the review period, a total of approximately 1,738,000 TEUs were handled by the Group (1H2017: 2,078,000 TEUs), while average daily container storage totalled 93,000 TEUs (1H2017: 113,000 TEUs).

With regard to the joint venture established by the Group, Guangxi Beibu Gulf International Port Group Ltd. and Port of Singapore, reclamation work on the property located at the Qinzhou port in the Guangxi Zhuang Autonomous Region ("the property") has been completed and construction of the container depot is scheduled for completion in mid-2019. The joint venture has been providing logistics services since November 2017 via the property rented in Qinzhou. Given the location of the property, the Group has been able to establish a beachhead as it seeks to benefit from the Chinese government's One Belt, One Road initiative.

PROSPECTS

Although the Group expects the upcoming financial period to be challenging, Singamas' container orders are already full up to September 2018. Also, as the Renminbi has weakened in value, the costs of materials such as corten steel are expected to moderate. The Group will seek to overcome the challenges through product development and optimisation of business operations. Consistent to the latter, the Group has entered into share transfer agreement to dispose its entire equity interest in its subsidiary, Hui Zhou Pacific Container Co., Ltd, in July 2018, which is considered by the Group as a good opportunity for realising a gain therefrom and to generate additional cash.

Mr Teo Siong Seng, Chairman of Singamas, said: "With a highly experienced management team, sound business interests, strong fundamentals and ample resources, we are confident that we will overcome the uncertain market ahead and realise growth in the near future."

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About Singamas Container Holdings Limited

Singamas is one of the world's leading container manufacturers and logistics services providers. Its manufacturing business covers nine container factories located in the PRC. Its logistics operations include eleven container depots/terminals, nine located in key locations in the PRC – Dalian, Tianjin, Qingdao, Shanghai, Qidong, Ningbo, Fuzhou, Xiamen and Guangxi and two in Hong Kong. It also runs a logistics company in Xiamen, the PRC. Riding on its comprehensive investment strategies, the Group is consolidating its market leadership in the global container industry. For details, please visit: www.singamas.com.

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