Singamas Container Holdings Limited

2023 Annual Results (14 March 2024)

Investor Presentation – Actual QAs

1. **How do your current orders on hand look?**
   For dry freight containers, our orders are up to around late April. For ESS containers, our orders are up to around June.

2. **How's the Q1 situation for the industry and Singamas?**
   There is short-term stimulus from the Red Sea Rerouting. Although there's the red sea issue, we see shipping companies' business and freight rates not being affected too much, and have been similar to what the industry expected. As for the container manufacturing side, supply is still more than demand, so we expect operating environment to stay challenging. We should have a better idea of the situation moving forward after knowing the export levels by late March or late April. In any case, our plants are small and are flexible and quick to respond to market changes.

3. **Can you give us some updates on the capacity issue?**
   After Chinese New Year, utilization rate of Mainland China's container manufacturing capacity is around 38-40%. The estimated utilization rate for 2H 2024 is around 45-46%.

4. **What is your dividend policy moving forward?**
   Our long term dividend policy has always been a payout of around 30-50% of our profits. Dividend payout this year is around 78%, and we also paid special dividends for our anniversary, that was because we are currently quite cash-rich, and the last two years' performance has been satisfactory. Moving forward we will likely stick to our 30-50% payout.

5. **Re your inventories, while the company is producing new boxes this year, did it manage to sell existing inventories on hand?**
   Our inventories are all made to order, so those you see on balance sheet are all to be collected by customers. We do not produce and wait for orders to come.

6. **Can you shed some light on the 'New Singamas'?**
   The four areas we focus in building the 'New Singamas':
   - Building our team – Experience talents with raw materials purchasing capability and with customer base for new markets
   - Revenue stream – Increase resilience (product diversity: from 99% ISO containers 5 years

ago to 41% non-ISO containers today)
- Corporate governance and risk management
- Debt structure / financing – Well prepared plans for CAPEX and we expect longer investment return cycle as we enter into leasing business; thus requires better financial planning

7. CAPEX plans?

- ISO container business will need CAPEX for equipment replacements to serve safety and environmental protection purposes
- New product lines will need CAPEX for new equipment (last year, around 40% of CAPEX was for new products)
- For leasing business, we target to obtain 80-85% financing for new boxes. It is expected that we will utilize higher amount of equity with longer payback in future

2024 CAPEX plan:

- Refurbishing of production plants and for new products – USD 25 million to USD 30 million
- Leasing business – USD 70 million to USD 100 million

Conclusion by Mr Teo

Leasing business

We are entering the leasing business as we believe there are great potential and it will diversity our income stream:

- We are more agile as we have our own production plants
- We have connections with the small to mid size shipping companies in Southeast Asia
- Our products are delivered smoothly with the support from Pacific International Lines, our mother company, especially from mainland China to Southeast Asia

Energy Storage System (“ESS”) container business

Our ESS business, has 30-40 customers as of now, with a lot of big names, which have high purchasing standards. We are also developing our ESS business Southeast Asia. We plan to also provide value-added services to our customers such as solving technical issues and purchasing of equipment in China. Besides, we will also consider carrying on some merge and acquisition activities if appropriate.