**[For Immediate Release]**

# SINGAMAS ANNOUNCES 2020 INTERIM RESULTS

*** * * * ***

## STRATEGICALLY DIVERSIFIES SPECIALISED CONTAINERS BUSINESSES
## STRIVES TO STRENGTHEN MARKET LEADERSHIP

(Hong Kong, 27 August 2020) – 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 2020 (the "review period").

During the review period, the Group's consolidated revenue was US$97,454,000 (1H2019: US$584,025,000), mainly due to the very substantial disposal of several companies of the Group that was completed on 2 August 2019, decline in global trade volume from the protracted trade dispute between China and the US, and the outbreak of COVID-19 which resulted in production stoppage at factories and the suspension of sales activities for almost two months. Consolidated net loss attributable to owners of the Company narrowed to US$5,331,000 versus US$50,327,000 in 1H2019 due to the streamline of operation resulting in effective cost control and the increase in proportion of customised specialised containers manufactured by the Group. Basic loss per share was US0.22 cent versus loss per share of US2.08 cents in 1H2019.

It is worth noting that the Group announced that it entered into an agreement with two purchasers in June 2020 to dispose 100% of its equity interest in the wholly owned subsidiary Tianjin Pacific Container Co., Ltd ("Tianjin Pacific") at a total consideration of RMB132,000,000 (equivalent to approximately US$18,613,000). Tianjin Pacific has ceased operation for several years and a substantial amount of investment would have been required for restarting the operation. The Company therefore believes that the disposal represents a good opportunity for the Group to realise the investment cost. The net proceeds will be applied for other operating and/ or capital investment(s) and for general working capital purposes.

**MANUFACTURING**

In the wake of COVID-19 and the ongoing Sino-US trade dispute, the demand for dry freight containers has further retreated. What is more, with the Group's Disposal in the preceding year, as well as aforementioned temporary suspension of manufacturing and sales activities resulting from the pandemic, the manufacturing segment has invariably been impacted. During the review period, US$85,308,00 (1H2019: US$570,536,000) in segment revenue was recorded; hence, the manufacturing operation accounted for 87.5% (1H2019: 97.7%) of the Group's total revenue as at the review period. Furthermore, a segment loss before taxation and non-controlling interests of US$7,093,000 (1H2019: loss of US$45,261,000) was booked. Average selling price ("ASP") of a 20' dry freight container has risen to US$1,830 versus US$1,791 for the corresponding period last year, since the pandemic led to tighter supply from the container manufacturer.

The weaker demand for dry freight containers has highlighted the soundness of the Group's strategy to direct greater focus on the manufacturing of specialised containers, which possess higher unit prices and margins. Among the specialised containers that performed particularly well during the review period include energy storage containers, power generator containers and electrical equipment containers. The Group's in-house R&D team, together with experts from Chinese Academy of Sciences (中國科學院) and China Customs, have developed a mobile Polymerase Chain Reaction ("PCR") laboratory for COVID-19 testing that has been delivered to Shanghai Pudong Airport subsequent to the review period. Comprising three functional rooms, i.e. reagent preparation room, specimen room and PCR test room, the laboratory will be able to handle a maximum of 1,500 specimens per day. It benchmarked the Group's success in product innovation and superb manufacturing skills.

## LOGISTICS SERVICES

China's cargo throughput at ports dropped by 4.6% year-on-year to 3.01 billion tonnes in the first quarter of 2020[1]. However, throughput subsequently began to rise during the last ten-day period of May, climbing by 0.9% year-on-year. And overall container throughput and international container cargo volume of eight major Chinese ports increased by 20% and 18% respectively when compared with mid-May, resuming to around 98% and 96% of volume as the same period last year[2]. The stability that gradually returned to the Chinese ports was reflected by the Group's logistics business which recorded revenue of US$12,146,000 (1H2019: US$13,489,000) as at the review period, with profit before taxation and non-controlling interests amounting to US$2,679,000 (1H2019: US$2,448,000). As at 30 June 2020, the logistics operation handled approximately 245,000 twenty-foot equivalent units ("TEUs") (1H2019: 327,000 TEUs) and repaired approximately 52,000 TEUs (1H2019: 70,000 TEUs), with average daily storage reaching 36,000 TEUs (1H2019: 23,000 TEUs).

## PROSPECTS

The second half year is expected to remain highly challenging as the global economy will continue to be impacted by COVID-19. Although shipping demand remains weak, recent data shows gradual pick up of demand in the third quarter of 2020. The Group is well prepared for the demand pick up and at the same time will further transform itself into the "New Singamas". Looking ahead, the Group will direct still greater effort towards three principal areas: i) renewable energy, the Group will be developing solutions that cater for solar, wind and hydroelectric power generation; ii) environmental protection, the Group has sought to address through the development of tailor-made containers in this area; and iii) medical services, which, outside of the current need for specialised containers and mobile laboratories for addressing the COVID-19 crisis, the Group has also been developing movable medical laboratories that can provide CT scans, negative pressure isolation and other functions, thus facilitating rapid response by frontline medical personnel.

**Mr Teo Siong Seng, Chairman of Singamas**, said: "With the ultimate goal of becoming a leading manufacturer of specialised containers, the Group will actively explore suitable business opportunities and collaborative arrangements, particularly with well-established parties in the specialised container ecosystem in addition to the development of the aforementioned three areas. While at the same time, we will continue to leverage our capacity to innovate, so as to introduce truly pioneering developments to the industry. In this way, the Group will not only bolster its market position, but also set the benchmark against which other members of the specialised container industry are measured. We are confident that "New Singamas" is well on position to be a reality and create greater value for all our stakeholders."

*– End –*

**About Singamas Container Holdings Limited**

Singamas is one of the world's major container manufacturers and logistics services providers. Its manufacturing business covers container factories located in the PRC that focus on the manufacturing, R&D and sale of dry freight and specialised containers, while its logistics operations include container depots located in key locations in the PRC and in Hong Kong, as well as 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.

**For press enquiries**

**Strategic Financial Relations Limited**

| | | |
|---|---|---|
| Cindy Lung | +852 2864 4867 | cindy.lung@sprg.com.hk |
| Desiree Shung | +852 2114 2200 | desiree.shung@sprg.com.hk |
| Alvin Tsang | +852 2864 4847 | alvin.tsang@sprg.com.hk |

http://www.sprg.com.hk

1 https://www.hellenicshippingnews.com/china-cargo-throughput-falling-at-ports/

2 http://www.seatrade-maritime.com/ports-logistics/china-port-container-volumes-return-normal-late-may