[For Immediate Release]

SINGAMAS ANNOUNCES 2021 ANNUAL RESULTS

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REVENUE UP 320% AND PROFIT SURGED BY 40 TIMES
INCREASED INVESTMENTS IN AUTOMATION SUSTAINS FUTURE BUSINESS GROWTH

(Hong Kong, 29 March 2022) – World-leading container manufacturer and logistics services provider **Singamas Container Holdings Limited** ("Singamas" / the "Group") (stock code: 716) has today announced its audited annual results for the year ended 31 December 2021 (the "review year").

During the year, the Group's performance improved significantly, particularly in the second half year. This improvement was largely driven by an upsurge in demand for dry freight containers and the increase in average selling price ("ASP"), the consequence of supply chain disruption globally. At the same time, another catalyst was robust consumption in the United States, which included the strong demand for imported goods as reflected by a record-high trade deficit of US$861.4 billion in 2021. With regard to the Group, apart from dry freight containers, the specialised container operation has also been going well. Strategic plans to diversify business and improve product mix have enabled the Group to benefit from production flexibility, and thus allow the Group to better weather whatever market challenges that may arise.

For the year ended 31 December 2021, the Group posted total consolidated revenue of US$1,151,764,000 (2020: US$274,305,000) and consolidated profit attributable to owners of the Company of US$186,802,000 (2020: US$4,576,000). Excluding the gain on derecognition of financial assets of US$27,001,000, net profit from ordinary course of business amounts to US$159,801,000 (Excluding the extraordinary items, net profits from ordinary course of business in 2020 was US$13,569,000). Basic earnings per share was US7.73 cents (2020: US 0.19 cent). The Group continues to be in sound financial health, with bank balances and cash amounting to US$438,171,000 as at year end 2021 (2020: US$48,787,000).

MANUFACTURING

The strong demand for dry freight containers combined with encouraging uptake of customised containers, particularly energy storage containers, enabled the manufacturing segment to record revenue of US$1,117,195,000 for the review year (2020: US$246,677,000), which accounted for 97% (2020: 89.9%) of the Group's total revenue. Segment profit before taxation and non-controlling interests amounted to US$273,220,000 (2020: US$3,009,000).

As at 31 December 2021, the manufacturing operation achieved a total sales volume of approximately 347,000 twenty-foot equivalent units ("TEUs") (2020: approximately 112,000 TEUs) for dry freight and ISO specialised containers. ASP of a 20' dry freight container rose sharply to US$ 3,521, or approximately 1.71 times of the ASP in the preceding year. The price increase can also be attributed partly to an appreciable rise in material costs, including corten steel and plywood as used for container floors. However, such prices began to moderate by the fourth quarter of the financial year in line with slower container demand. Still, labour cost has remained high as the skilled labour pool continues to be limited.

The customised container business continued to grow healthily in 2021, driven largely by the demand for renewable energy related containers. To facilitate this segment's ongoing development, the Group will tap its newly established research and development ("R&D") department to develop more container solutions that capitalise on the environmental protection and renewable energy trends. Other customised containers that the Group has developed include medical-related containers which supported the country greatly especially during the early days of the COVID-19 outbreak; 5G equipment containers for data network and infrastructure support, as well as other digital-data-related containers.

In addition to allocating resources to the research of customised containers, the Group sees the need to increase production capacity given the rising demand, the new facility in Shanghai has been in operation since the fourth quarter of 2021.

LOGISTICS SERVICES

Continuing to be a stable source of income, the logistics operation recorded revenue of US$34,569,000 (2020: US$27,628,000), with segment profit before taxation and non-controlling interests amounting to US$5,851,000 (2020: US$4,861,000) as at 31 December 2021. During the review year, approximately 538,000 TEUs (2020: 510,000 TEUs) of containers were handled and 117,000 TEUs (2020: 112,000 TEUs) of containers were repaired by the operation. Given strong export demands, average daily container storage dropped to 18,000 TEUs (2020: 32,000 TEUs).

With respect to the Group's interest in Xiamen Logistics, the investment generated dividend income totalling US$1,864,000 (2020: US$1,817,000) during the review year. The Group remains confident in Xiamen Logistics and its ability to perform in a stable manner going forward.

PROSPECTS

In 2022, the Group anticipates dry freight container demand to remain stable as global supply chain disruption gradually eases and container production is able to satisfy demand. However, with new container vessel deliveries expected around 2023 and 2024, the management believes container demand shall go up again thereafter.

While the management remains cautiously optimistic about the Group's performance, the management will continue to actively optimise and bolster all facets of operation. With respect to customised containers in particular, and specifically renewable energy related containers, the management remains bullish about their prospects, hence greater resources will be dedicated to both R&D and business development to seize relevant opportunities. With a strengthened financial position, the Group will internally further develop new products for various applications, and externally seeking new business development opportunities, with the objective of creating synergies and improving overall profitability.

Mr Teo Siong Seng, Chairman of Singamas, said: "To address the strong demand for dry freight containers amid the global supply chain disruption, we have increased our investment in automation as well as efficiency enhancement. Thus, our manufacturing operation exceeded its original design capacity during the year. While production capacity was dedicated largely to the manufacturing of dry freight containers, such capacity is highly flexible and can be adjusted to meet specialised container demand should the market dictates in the future. Capitalising on the environmental protection and renewable energy trends, we remain optimistic for our future business growth."

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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, 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.

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