[For Immediate Release]

SINGAMAS ANNOUNCES 2023 ANNUAL RESULTS

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DIVERSIFIED BUSINESS MODEL MITIGATES ECONOMIC SLOWDOWN IMPACT

STRONG GROWTH IN ESS CONTAINERS AND DRY FREIGHT CONTAINER LEASING BUSINESS UNVEILS LONG-TERM POTENTIAL

(Hong Kong, 14 March 2024) – 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 2023 (the "review year").

During the review year, the operating environment has been difficult owing to high inflation, interest rate hikes by the world's central banks, and various geopolitical tensions. However, the specialised container business of Singamas continued to grow healthily, particularly for the energy storage system ("ESS") segment, thus testifying to the effectiveness of their diversified business model in helping mitigate the impact of dry freight container market volatility. In addition, the Group has been expanding the container leasing business to better serve customers by allowing an additional option on top of direct purchase; and to capitalise on synergies with the Group's manufacturing operation.

For the year ended 31 December 2023, the Group posted total consolidated revenue of US$382,470,000 (2022: US$776,455,000) and consolidated profit attributable to owners of the Company of US$19,438,000 (2022: US$46,340,000). The decline in revenue and average selling price (ASP) was attributed to a slump in demand for dry freight containers in the wake of overproduction by the industry in 2021, compounded by the aforementioned weak global trade which directly impacted on gross profit margins. Basic earnings per share was US0.82 cent (2022: US1.92 cents), while cash and bank deposits stood at US$300,963,000 (2022: US$369,770,000).

The Board of directors are pleased to recommend a final dividend of HK4 cents per ordinary share for the year ended 31 December 2023 (2022: HK2 cents per ordinary share). Together with an interim dividend of HK1 cent per ordinary share (1H2022: HK4 cents per ordinary share) and an interim special dividend of HK17 cents per ordinary share (1H2022: nil) for celebrating 35th anniversary of the Company, total dividend for the year would be HK22 cents per ordinary share (2022: HK6 cents per ordinary share).

MANUFACTURING AND LEASING

As a result of overproduction in 2021 and reduced demand, the manufacturing of dry freight containers experienced a significant decline and a drop in their ASP in the review year. The manufacturing and leasing segment recorded revenue of US$354,983,000 as at 31 December 2023 (2022: US$748,847,000), which accounted for 93% (2022: 96%) of the Group's total revenue. Specialised containers have enjoyed healthy uptake both locally and internationally. In particular, ESS containers have outperformed; achieving an increase of over 170% in overall sales revenue compared with 2022. Dry freight containers and specialised containers (including customised containers) accounted for 53% and 47% of segment revenue (2022: 82% dry freight, 18% specialised) respectively. Segment profit before taxation and non-controlling interests was US$19,495,000 (2022: US$84,272,000). The total sales volume of manufacturing operation was approximately 106,000 twenty-foot equivalent units (TEUs) (2022: 242,000 TEUs) of dry freight and ISO specialised containers. The ASP of 20' dry freight containers fell to US$2,075 (2022: US$2,836). Given the lower demand for the former, the Group has directed greater focus on controlling costs at the Group's dry freight container factories.

On the leasing of dry freight container business, Singamas has witnessed healthy and significant growth in 2023. This has helped generate synergy with the manufacturing operation and enhanced overall margin. As the existing manufacturing facilities allow for more flexible production and timely delivery of containers to leasing customers, the Group is capable to better seize relevant opportunities that arise in the market. Consequently, it would generate relatively stable revenue in the future as leasing arrangements with customers are long term, ranging from 3 to over 10 years. The Group believed that the leasing operation will serve as a potential growth driver in the long run, and will invest more resources in developing this business moving forward.

LOGISTICS SERVICES

The logistics services business was performing well during the review year, generating revenue of US$27,487,000 (2022: US$27,608,000) and a segment profit before taxation and non-controlling interests of US$8,147,000 (2022: US$5,653,000). As at 31 December 2023, the logistics operation handled approximately 704,000 TEUs (2022: 703,000 TEUs) of containers and repaired 133,000 TEUs (2022: 119,000 TEUs), with average daily container storage reaching 23,000 TEUs (2022: 21,000 TEUs).

To encourage the ongoing development of the logistics services business, the Group will review its operations with the objective of increasing efficiency and bolstering its business portfolio. The Group has already planned in place for strengthening the management team, optimising its business model and enhancing profitability.

PROSPECTS

With regard to the outlook for the dry freight container industry, its performance will depend in part on the recovery of global trade. Further stimulus will come from new vessel deliveries in 2024, which will spur new container orders. However, overcapacity remains a concern for the dry freight container market. As for specialised containers, demand is anticipated to grow robustly, particularly for ESS containers that are associated with the renewable energy sector.

Singamas will focus on areas pertaining to green energy, data equipment, housing, transportation solutions, etc. In particular, the Group will dedicate greater resources to developing the ESS segment, which will include expanding production capacity and adding more overseas sales offices.

Mr Teo Siong Seng, Chairman of Singamas, said: “The past few years of unpredictable macroeconomic conditions have reminded us of the critical role that maintaining agility plays in our business. In response to market volatility, we have taken steps to diversify the business model by expanding our specialized container business, especially renewable energy sector. Additionally, we have been growing our container leasing operations as a new revenue driver. We will keep exploring business opportunities outside conventional manufacturing so as to diversify the Group’s business operations and expand income streams. With our solid brand presence and foundation, we believe that the Group will be able to maintain its leading position in the industry.”

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About Singamas Container Holdings Limited

Singamas is a renowned container manufacturer and logistics services provider in the world. 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. The Group has started its container leasing business in recent years by allowing an additional option to its customers on top of direct purchase. 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
Maggie Ko	+852 2864 4890	maggie.ko@sprg.com.hk
Linda Kwan	+852 2114 4951	linda.kwan@sprg.com.hk
http://www.sprg.com.hk		