

# SINGAMAS

## Singamas Container Holdings Limited

(Incorporated in HK with Limited Liability)

(HKEx stock code: 00716)

## 2023 Interim Results Announcement

17 August 2023

[www.singamas.com](http://www.singamas.com)



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# Agenda

- Corporate Profile
- Industry Dynamics
- Financial Review
- Business Review
- Appendices
  - Consolidated income statement
  - Singamas' comprehensive factory & depot network



# CORPORATE PROFILE



## MANUFACTURING

- **Manufactures** a wide range of products:
  - ✓ **ISO Dry Standard & ISO Dry Special Containers**
    - 20'GP, 40'HC, 20'FR, 40'DD, 40'OT...
    - annual capacity: **222,000 TEUs**<sup>1</sup>
  - ✓ **Specialised & Customised Containers**
    - Offshore, Car Rack, Tank...
    - storage for Energy Storage System ("ESS"), Water Treatment System, Modular Integrated Construction, Electrical Equipment, ...
    - annual capacity: **10,000 units of tanks and 10,000 units of others**
- **Operates 5 Factories** in Shanghai, Xiamen and Huizhou, China:
  - ✓ **Expansion Plans** for producing **customised containers** being in operation starting from 2022

## LOGISTICS & DEPOTS

- **Operates 8 Container Depots** at the major ports in China<sup>2</sup>:
  - ✓ Dalian
  - ✓ Fuzhou
  - ✓ Shanghai
  - ✓ Ningbo
  - ✓ Qingdao
  - ✓ Tianjin
  - ✓ Xiamen
- **Has 1 Logistics Company** in Xiamen, China

*Notes:*

*1. TEU stands for Twenty-foot Equivalent Unit, a standard unit of measurement used for container transportation.*

*2. The one located in Shanghai is the branch of Xiamen depot.*

*3. Please see Appendices for more details.*

# INDUSTRY DYNAMICS

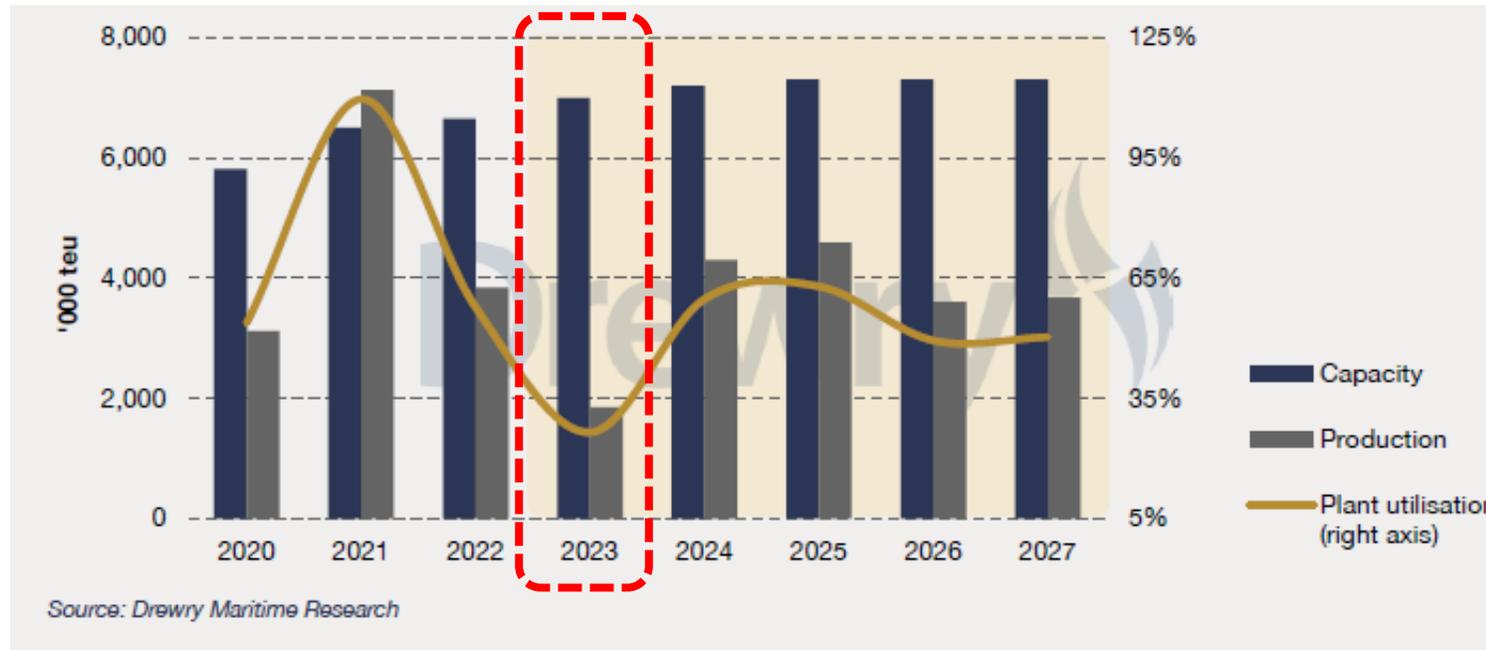


# Container Industry Dynamics – Dry Freight Container

## Worldwide Dry Freight Production:

- In 1H2023, global production declined by 60% yoy (1H2023:0.85 mteu vs 1H2022:2.14 mteu);
- with global economy suffering from slow recovery from COVID-19, and suppressing consumer spending and investment due to high interest rate, it is expected that the worldwide dry freight production will not exceed 1.85 mteu for FY2023;

## Worldwide Manufacturing Capacity, Production and Plant Utilization



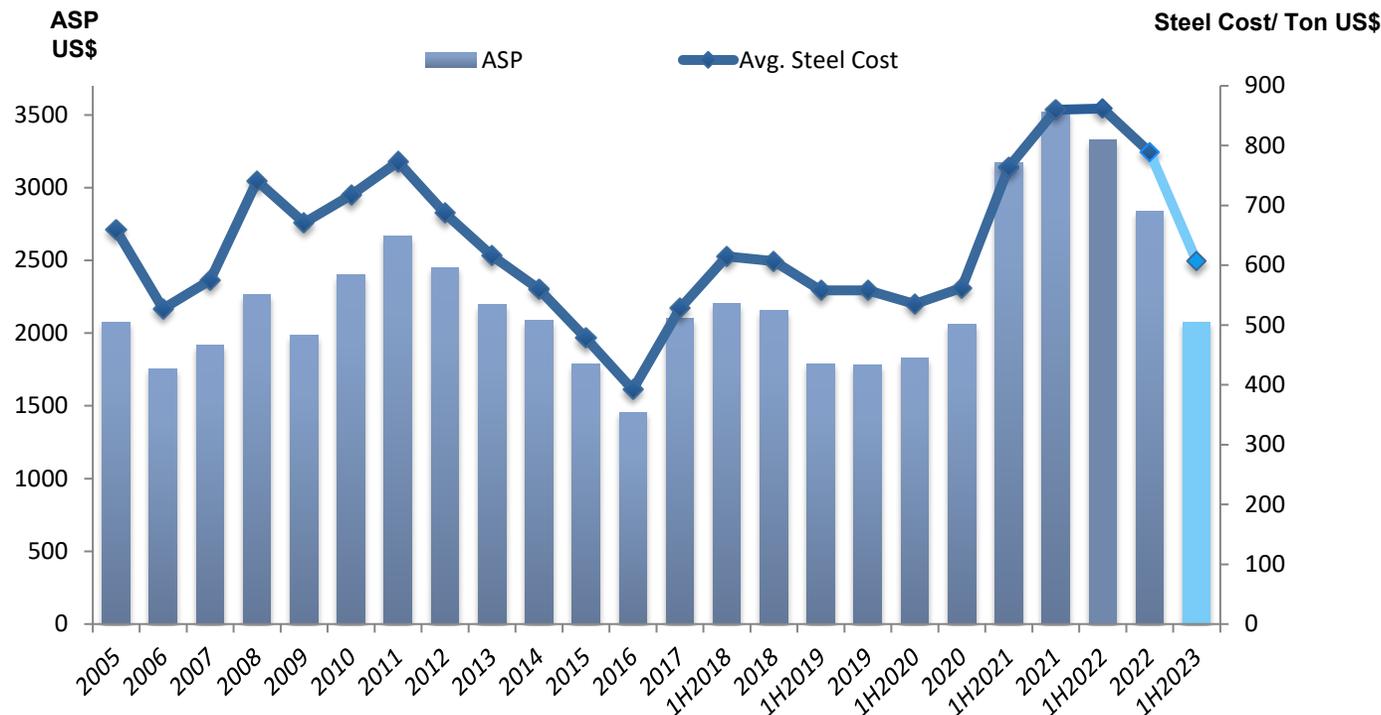
Source:  
Drewry Container Equipment  
Forecaster Q2 2023

# Container Industry Dynamics – Dry Freight Container

## Singamas Dry Freight Production:

- Due to the over-supply of Dry Freight Containers in the market, ASP for 1H2023 hence was dropped by 37.6% yoy, while average steel cost for 1H2023 decreased at a relatively less extent of 29.6% yoy. In addition, low production volume resulted in high overhead cost per unit. As a result, profit margin of Dry Freight Container had declined in 1H2023.

2005 – 1H2023 20ft. Dry Freight Container<sup>1</sup> Price (ASP<sup>2</sup>) vs. Average Steel Cost Per Ton



- 1H2023 ASP of 20ft dry freight container dropped 37.6% to **US\$2,078** (1H2022: US\$3,330).
- 1H2023 average steel cost was **US\$607/ton**, 29.6% lower than 1H2022's US\$862/ton.
- Corten steel accounted for 51% of total dry freight container production costs in 1H2023.

Note:

1. one 20' container normally requires 1.7 tons (including wastage) of steel.
2. ASP stands for average selling price of Singamas for 20ft dry freight container.

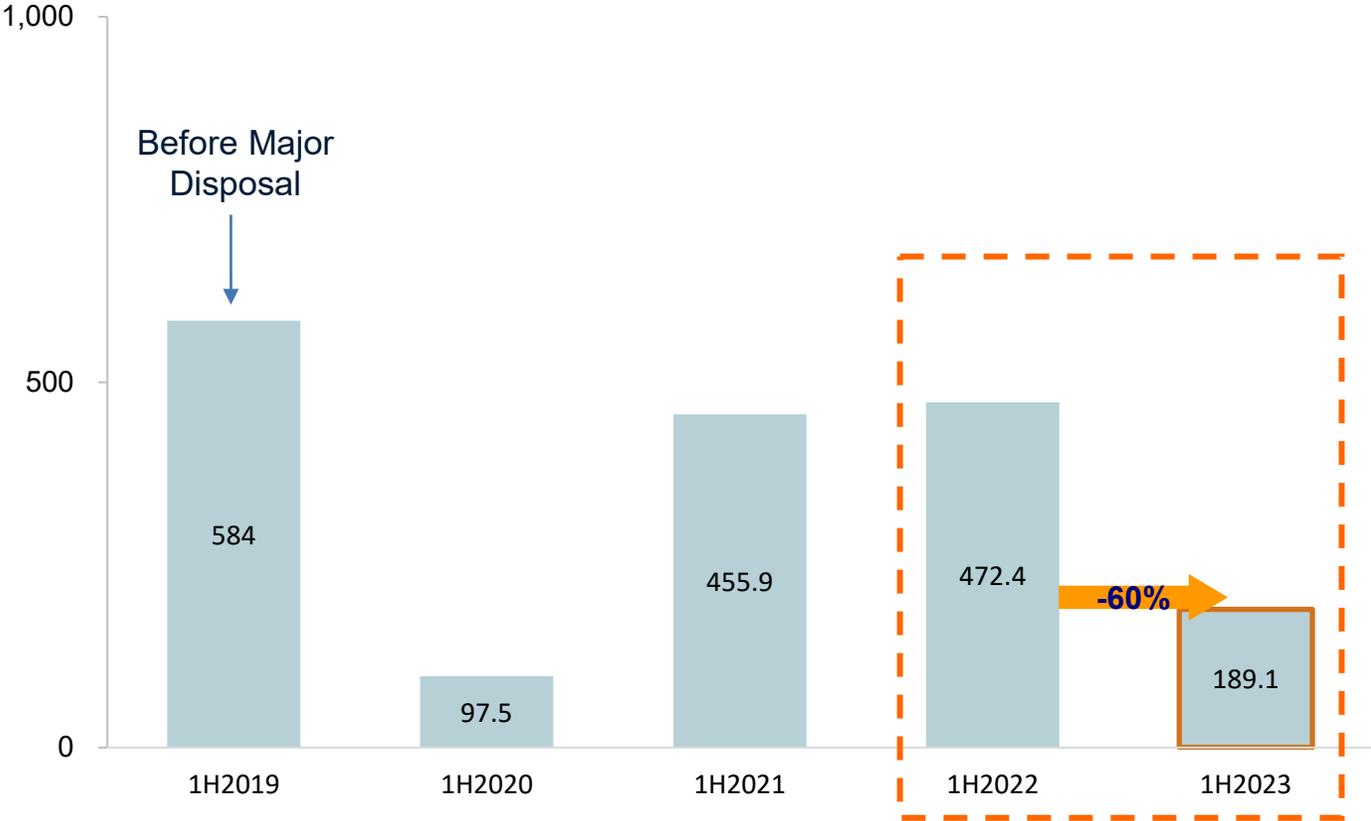
# FINANCIAL REVIEW



# Consolidated Revenue



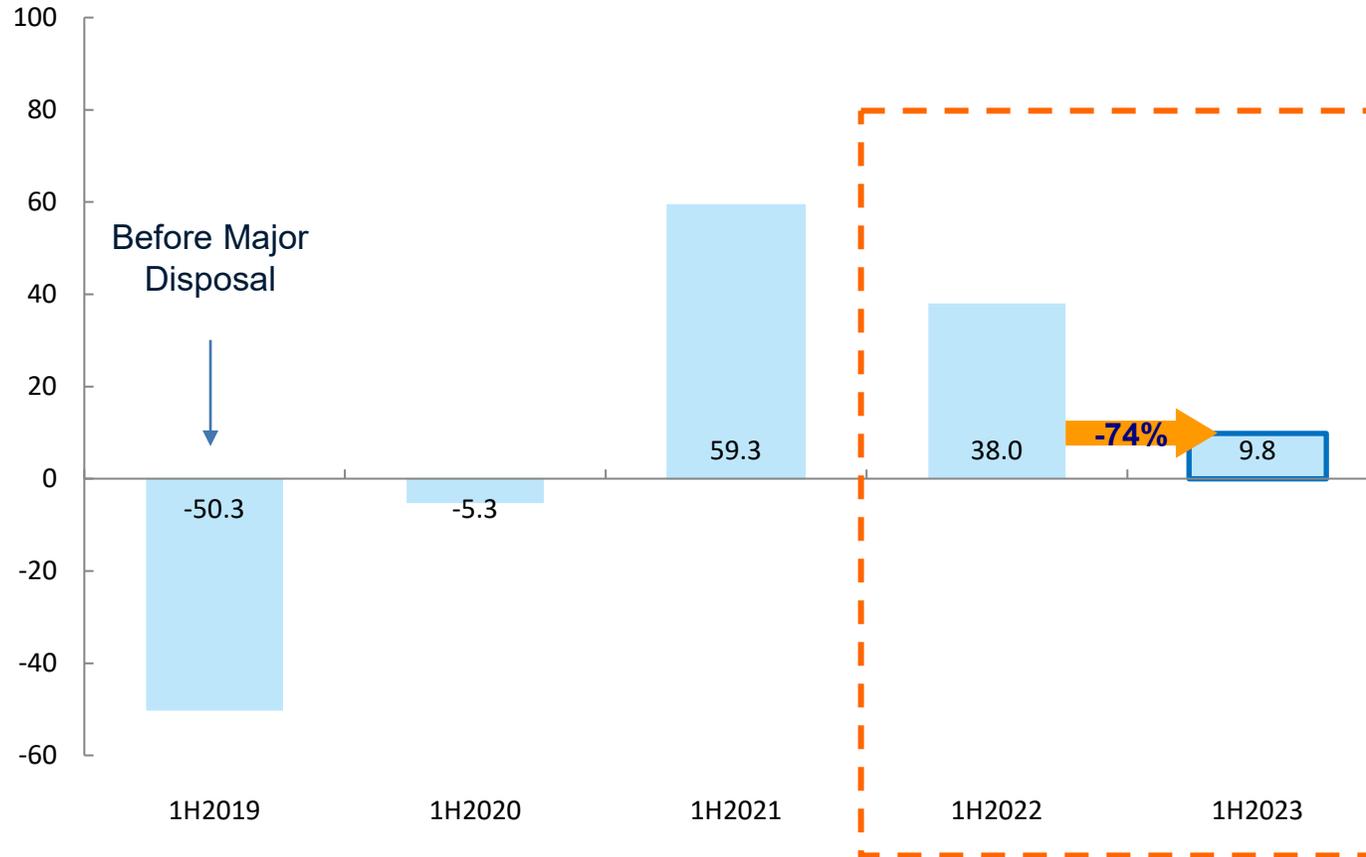
US\$'M



- Singamas recorded consolidated revenue of US\$189.1 million in 1H2023, a decrease of 60% over the revenue of US\$472.4 million in 1H2022.
- The decrease was mainly due to the slowdown in the global economy and overproduction of containers by the industry in FY2021 and FY2022.

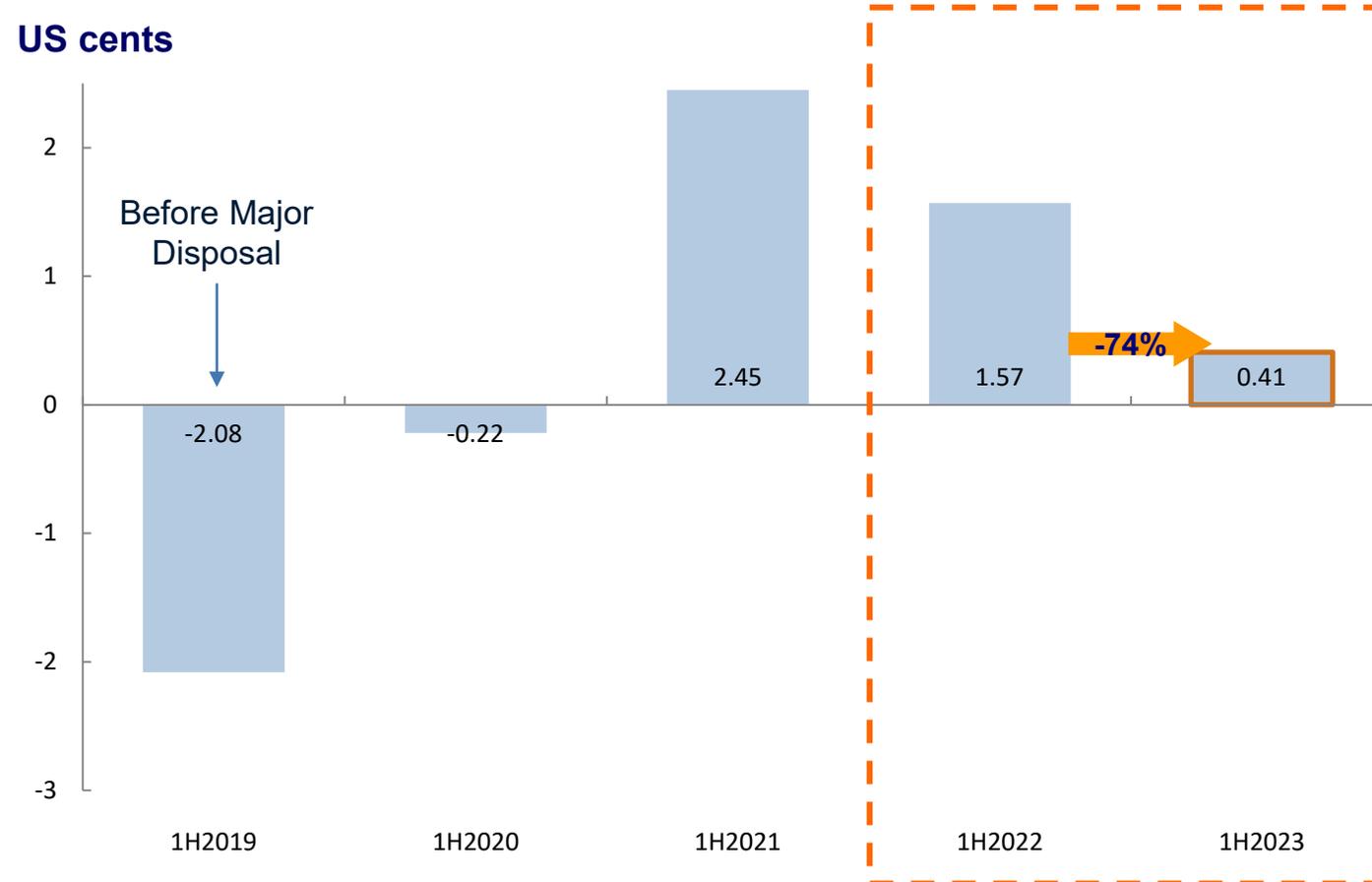
# Consolidated Net Profit / Loss

US\$'M



- Consolidated net profit attributable to owners of the Company was US\$9.8 million (1H2022: net profit of US\$38.0 million), including interest earned on bank deposits of US\$6,781,000 (1H2022: interest income of US\$1,391,000).

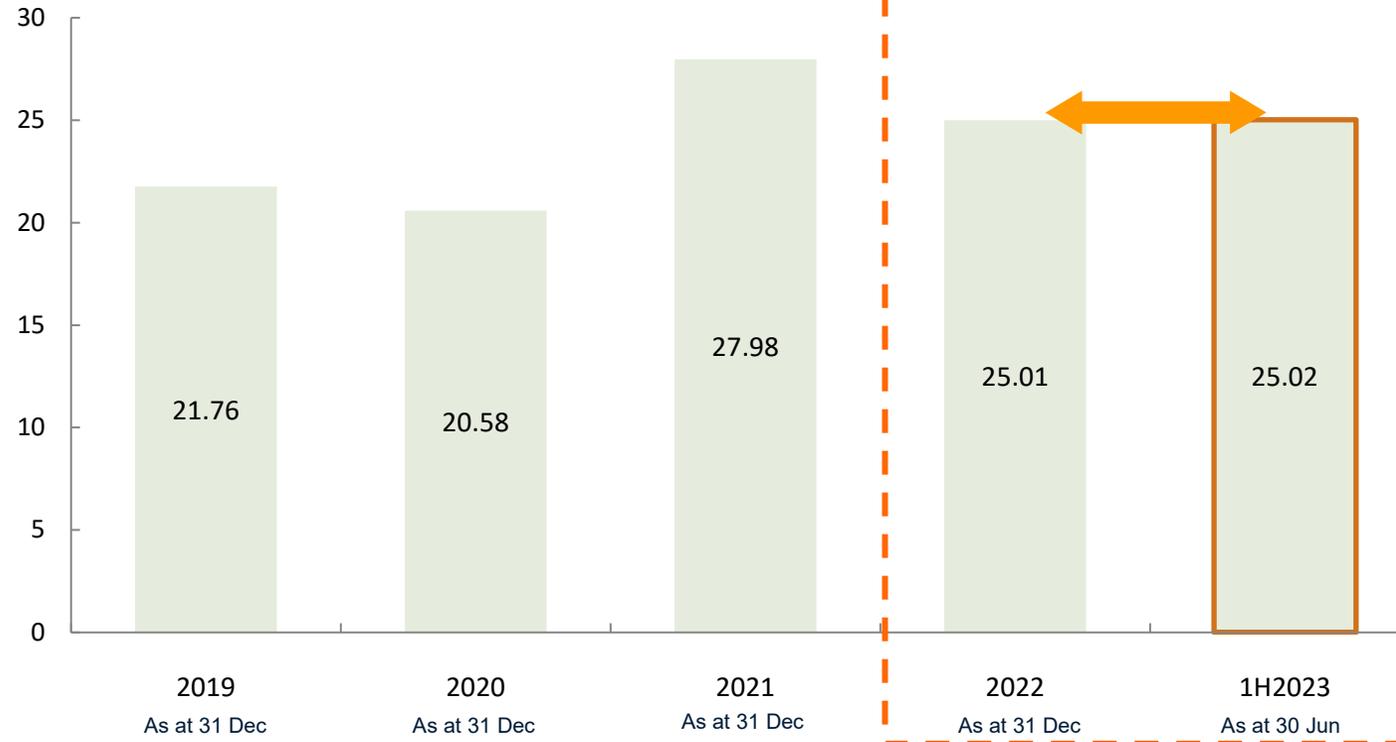
# Basic Earnings/ Loss per Share



- Basic earnings per share was US0.41 cent, compared with US1.57 cents in 1H2022.

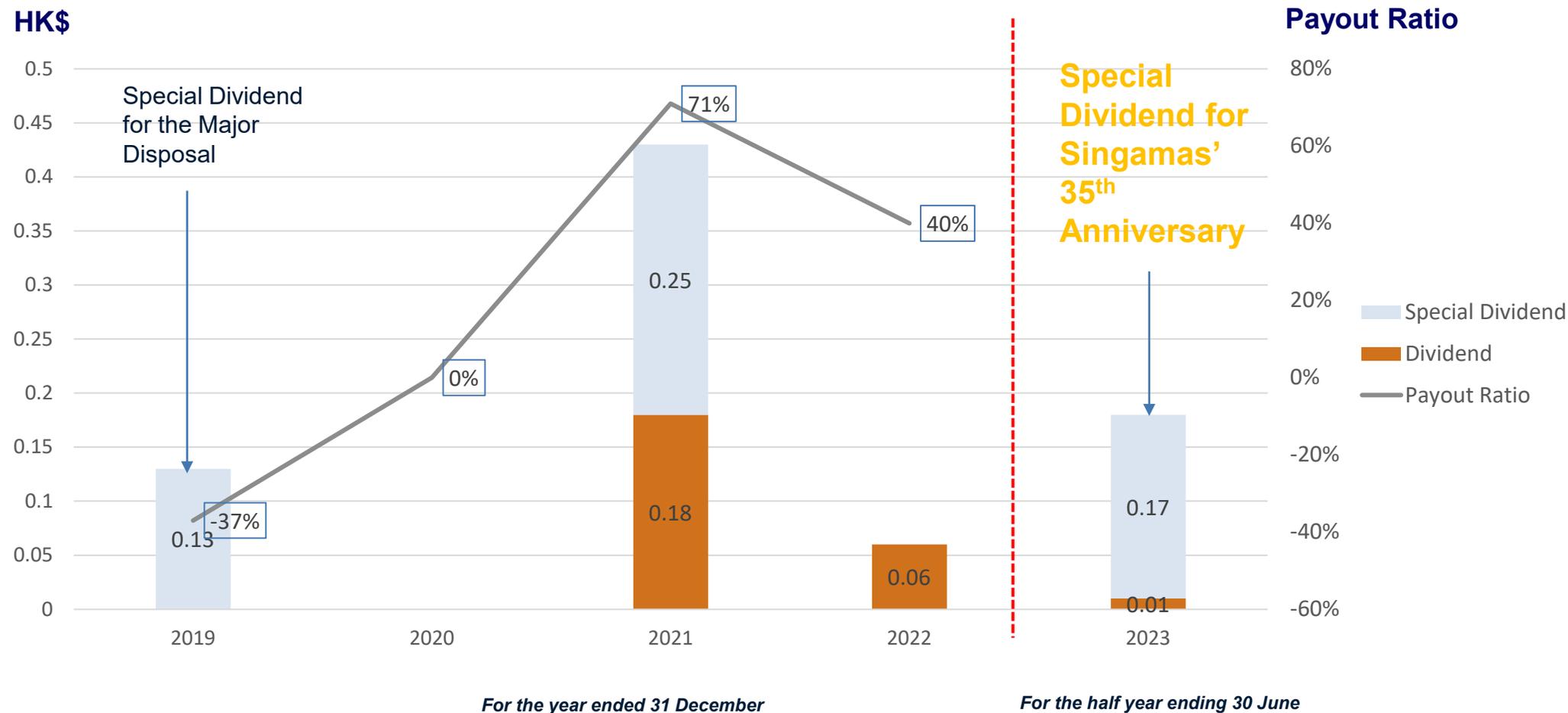
# Net Asset Value per Share

US cents



- Net asset value per share slightly increased from US25.01 cents as at 31 December 2022 to US25.02 cents as at 30 June 2023.

# Dividend

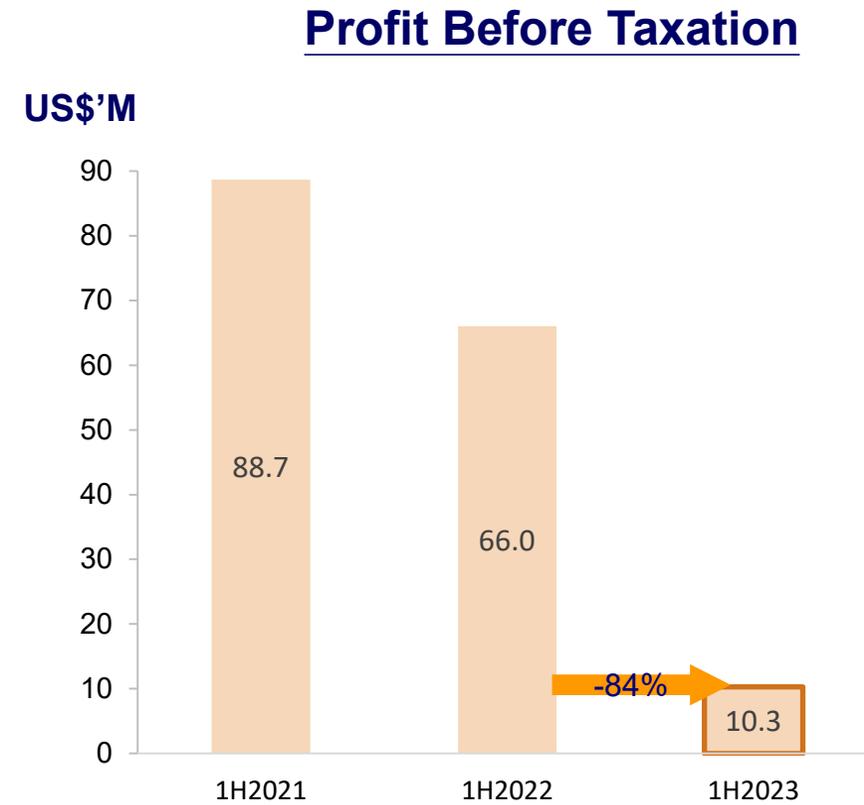
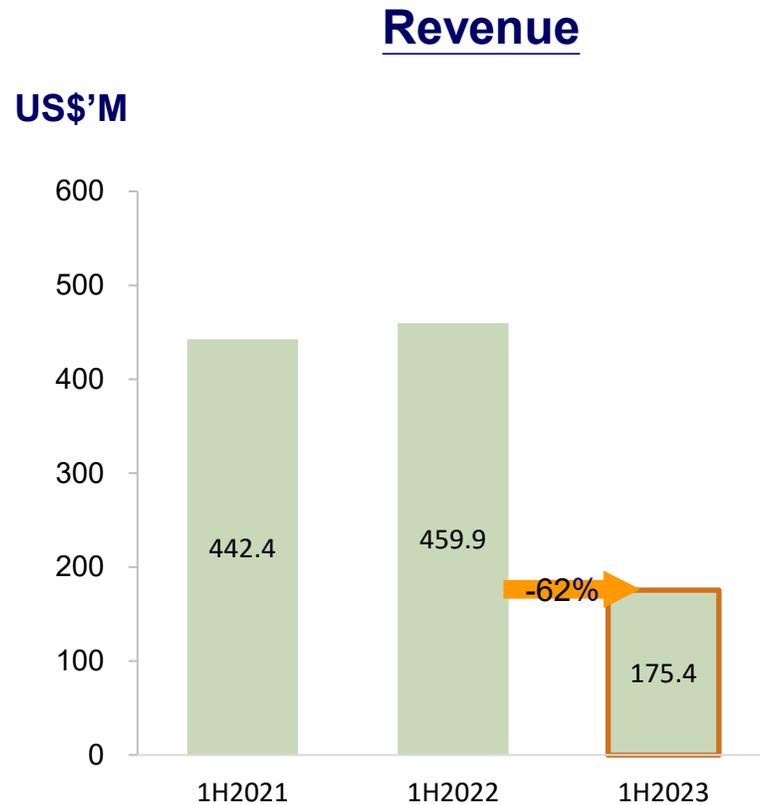


- An interim dividend of HK1 cent for the period ended 30 June 2023 per ordinary share has been determined by the board of directors. It represents a payout of 31.2%.
- An interim special dividend of HK17 cents per ordinary share was declared to celebrate the Company's 35<sup>th</sup> Anniversary.

# BUSINESS REVIEW



# Manufacturing Business – Revenue and Profit Analysis



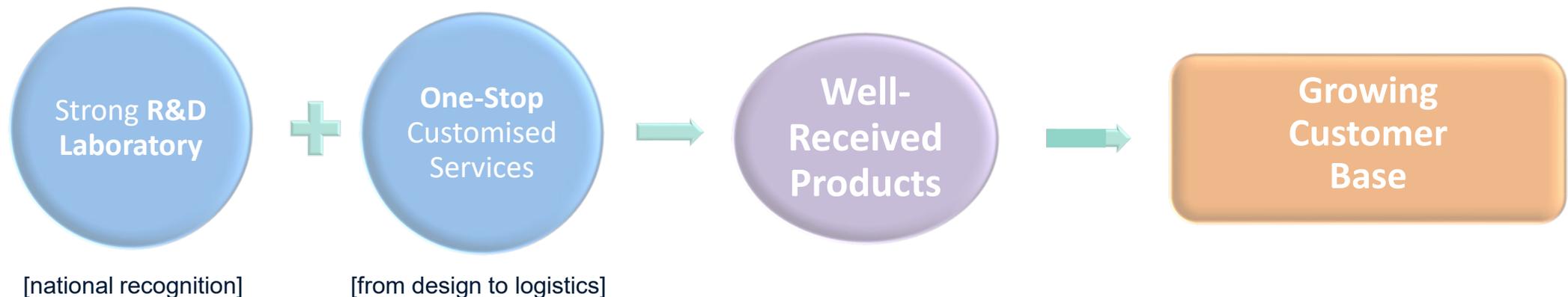
- Manufacturing segment achieved revenue of US\$175,436,000 (1H2022: US\$459,885,000), hence accounted for 92.7% of the Group's total revenue.
- Profit before taxation and non-controlling interests for this segment was US\$10,332,000 (1H2022: US\$66,016,000).

## Improve Cost Structure and Implement Cost Control

- In face of low dry freight market demand, Singamas applied strict cost control and **suspend all capital expenditures** unless for those necessary for maintaining production efficiency, improving environmental protection and safety purposes since 2H2022. In 2023, Singamas will continue to prioritize the following CAPEX:
  - On the **maintenance** side:
    - ✓ Safety; and
    - ✓ Environmental protection.
  - On the **growth** side:
    - ✓ Customized container projects with high growth potentials; and
    - ✓ Automation projects with short payback period.
- Renewable Green Energy applied in Singamas' plants for **environmental friendly** and **cost saving** purposes.

## Improve Product Mix via Various Customised Containers

- With R&D and craftsmanship advancement, many traditional facilities have been containerised due to lower cost, higher mobility and faster deployment. In Singamas, customised containers such as Energy Storage System (“ESS”), Water Treatment System, Server Farm, and Building Units for Modular Integrated Construction are well-received by the market.

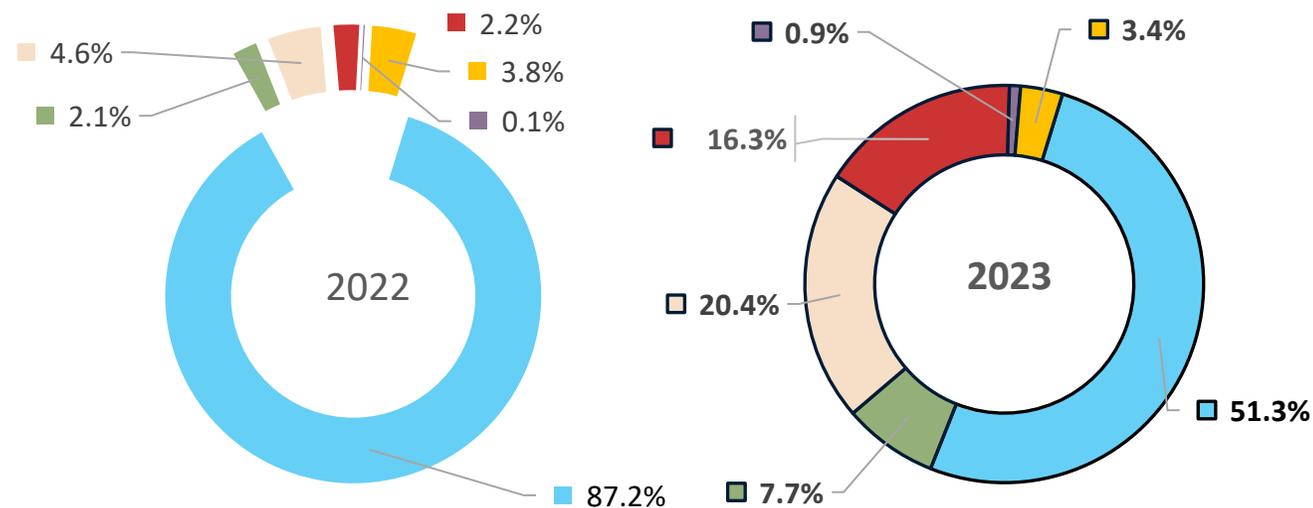


## Sales Volume (By Unit)

Improving Product Mix

For the six months ended 30 June	2022	2023
Dry freight (TEU)	138,141	45,482
ISO Special (TEU)	2,700	3,530
Tank (Unit)	997	1,682
Customised – ESS (Unit)	527	1,207
Customised – Offshore (Unit)	22	265
Customised – Others (Unit)	5,018	2,314

## Revenue Breakdown (By Amount)



For the six months ended 30 June

- Dry freight
- Tank
- Customised Special - Offshore
- ISO Special
- Customised Special - ESS
- Customised Special - Others

# Manufacturing - Customised Container Projects in 1H2023

## ESS Container Manufacturing and Integration

- **Xinjiang Atushi 100MW/400MWh New Energy Storage Project** aims to increase the efficiency of Atushi’s new energy usage.
- Our Shanghai factory has undertaken **manufacturing work and integration work on 80 sets of 100MW/400MWh Energy Storage System (“ESS”)**. The products were delivered in June 2023.

<b>Manufacturing</b>	✓ 45’ Energy Storage System
<b>Integration</b>	✓ Installed heating, ventilation and air conditioning
	✓ Installed alternating and direct current cabinets
	✓ Integrated and Installed lighting circuit
	✓ Integrated and Installed battery rack
	✓ Wired power cables and communication cables



# Logistics Services Business – Overview and Strategy

➤ Singamas is a **Major Operator of 8 Container Depots** in China with over **30 years of Industry Experience**.

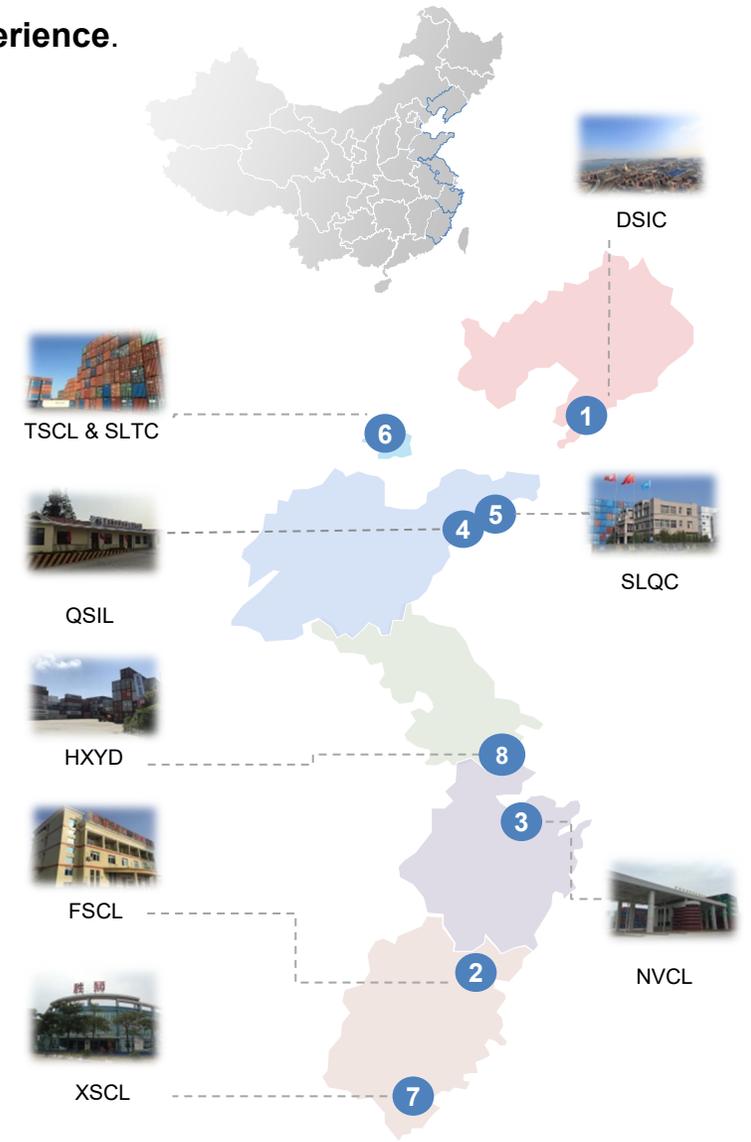
- **Network** with key port operators in China.
- **Customer Relationships** with global major shipping companies and leasing companies:



➤ Logistics Services Business strive to:

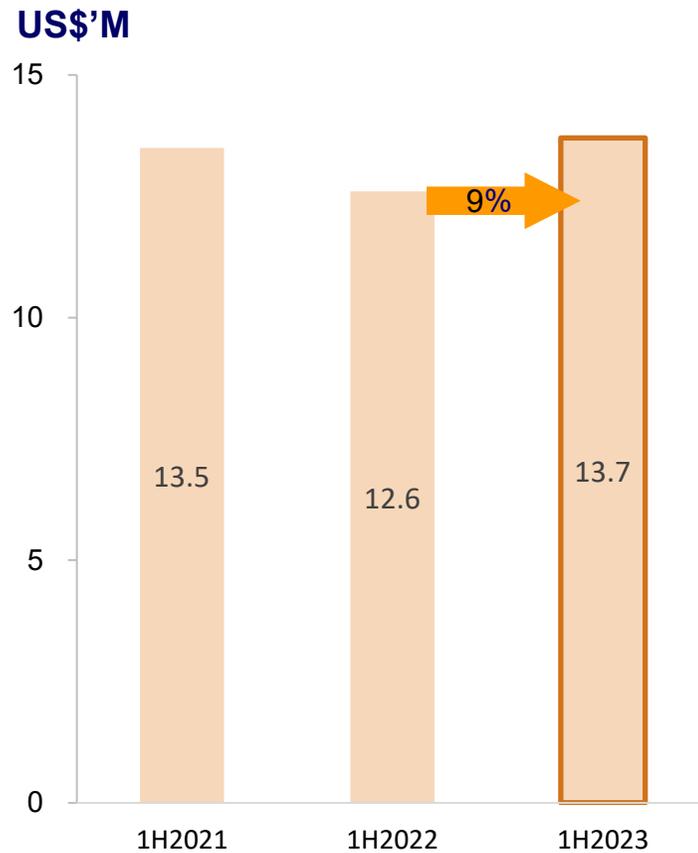
- strengthen its **Warehousing Capacity** and integrate its **Multimodal Transport Resources**;
- Improve the **Digital Operation** capability to enhance operation efficiency;
- Cooperate with other services providers to improve / increase the **Network Coverage**.

➤ Logistics Services Business performed steadily and continued to **Deliver Stable Returns** to the Group.

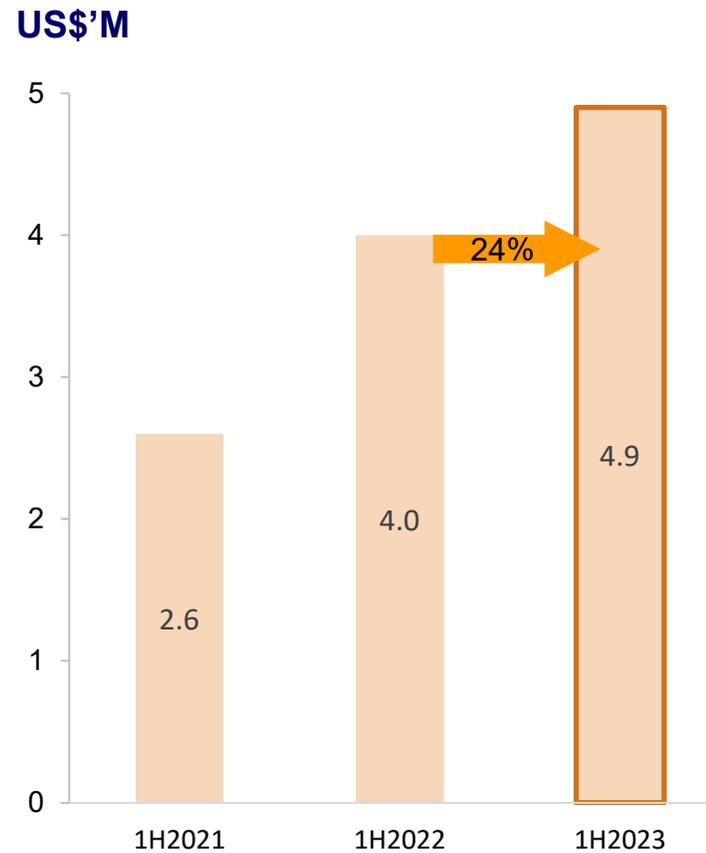


# Logistics Services Business – Revenue and Profit Analysis

## Revenue



## Profit Before Taxation



- Segment revenue amounted to US\$13,689,000 (1H2022: US\$12,564,000).
- Profit before taxation and non-controlling interests totaled US\$4,918,000 (1H2022: US\$3,960,000).
- Logistics company in Xiamen continued to deliver stable returns, with dividends of US\$1,831,000 in 1H2023 (1H2022: US\$1,926,000).

# APPENDICES



# Consolidated Income Statement

	For the six months ended 30 June	
	2023	2022
	US\$'000	US\$'000
Revenue	189,125	472,449
Cost of sales	(163,003)	(369,147)
Gross profit	26,122	103,302
Other income	11,389	5,289
Distribution expenses	(5,013)	(12,536)
Administrative expenses	(14,868)	(22,522)
Finance costs	(168)	(193)
Other gains and losses	(2,996)	(4,008)
Share of results of associates	708	733
Share of results of joint ventures	76	(89)
Profit before taxation	15,250	69,976
Income tax expense	(3,660)	(24,679)
Profit for the year	11,590	45,297
Profit for the year attributable to:		
Owners of the Company	9,776	38,002
Non-controlling interests	1,814	7,295
Profit for the year	11,590	45,297
Basic earnings per share	US0.41 cent	US1.57 cents

# Manufacturing Facilities

- Singamas has five manufacturing facilities in China with total annual capacity of **222,000 TEUs** of dry and ISO specialised containers, **10,000 units** of tank containers and **10,000 units** of offshore and customised special containers.

No.	Factories	Area (m <sup>2</sup> )	Annual capacity	Description
1	Shanghai Baoshan Pacific Container Co. Ltd. ("SBPC")	93,891	108,000 TEUs	<ul style="list-style-type: none"> <li>Main products: 20', 20'HC, 40', 40'HC &amp; 45' ISO dry freight containers, flatrack container, open top, open-side and other specialised containers</li> </ul>
2	Shanghai Singamas Container Integration Co., Ltd. ("SSCI")	25,000	3,000 units	<ul style="list-style-type: none"> <li>Offshore &amp; customized containers</li> </ul>
3	Shanghai Pacific International Container Co. Ltd. ("SPIC")	73,323	10,000 units	<ul style="list-style-type: none"> <li>Main products: standard tank containers ranging from 16,200 litres to 26,000 litres, and specialized tank containers</li> </ul>
4	Xiamen Pacific Container Manufacturing Co. Ltd. ("XPCL")	83,523	66,000 TEUs 2,000 units	<ul style="list-style-type: none"> <li>Main products: ISO standard and specialised marine containers and related components</li> <li>Customized containers</li> </ul>
5	Huizhou Singamas Energy Equipment Co. Ltd. ("HSCL")	306,999	48,000 TEUs 5,000 units	<ul style="list-style-type: none"> <li>New factory commenced operations in mid-2020</li> <li>Focus on manufacturing of specialised containers</li> <li>Customized containers</li> </ul>
	Shanghai Reeferco Container Co. Ltd. ("SRCC")	73,256	N/A	<ul style="list-style-type: none"> <li>Currently as investment property</li> </ul>
	Singamas Container Industry Co. Ltd. ("SCIC")	63,069	N/A	<ul style="list-style-type: none"> <li>Currently dormant for future development</li> </ul>



# Container Depot / Terminals

➤ Singamas operates **8 container depots** in key coastal regions in China.

No. Depots		Area (m <sup>2</sup> )	Storage Capacity (TEU)	Average Turnaround Time of Truck (minute)	Allocated Repair Area (m <sup>2</sup> )	Repair Capacity per Day (unit)
1	Dalian Singamas International Container Co. Ltd. ("DSIC")	160,000	16,000	30	10,000	120
2	Fuzhou Singamas Container Co. Ltd. ("FSCL")					
	- Mawei Depot	25,400	3,500	15	1,500	50
	- Jiangyin Depot	66,100	8,000	15	1,800	80
3	Ningbo Victory Container Co. Ltd. ("NVCL")	173,420	20,000	20	10,000	200-250
4	Qingdao Singamas International Logistics Co. Ltd. ("QSIL")	64,695	8,300	15	8,640	150
5	Singamas Logistics (Qingdao) Co. Ltd. ("SLQC")	128,000	12,000	15	9,000	150
6	Tianjin Singamas Container Co. Ltd. / Singamas Logistics (Tianjin) Co. Ltd. ("TSC & SLTC")	83,000	8,000	10	8,000	200
7	Xiamen Xiangyu Singamas Container Co. Ltd. ("XSCL")					
	- Depot I (Island Depot)	115,200	11,000	10	9,000	250
	- Depot II (Haicang Depot)	101,800	20,500	15-30	11,000	350
8	Xiamen Xiangyu Singamas Container Co. Ltd. – Shanghai Branch ("HXYP")					
	- Luchaogang Depot	32,000	5,300	10-15	2,000	200
	- Waigaoqiao Depot	41,000	5,700	15-30	1,000	150

