



For Immediate Release

SINGAMAS ANNOUNCES 2023 INTERIM RESULTS

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**GLOBAL SLOWDOWN AND OVERPRODUCTION CONTINUED IMPACTING PERFORMANCE
MAINTAINS RESILIENCE WITH PRODUCT DIVERSIFICATION**

**DECLARATION OF INTERIM SPECIAL DIVIDEND OF HK17 CENTS PER SHARE
FOR CELEBRATING 35TH ANNIVERSARY OF THE COMPANY**

(Hong Kong, 17 August 2023) – 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 2023 (the “review period”).

Over the past six months, the global economy has faced increasingly strong headwinds arising from high inflation, turmoil in the US financial sector, the ongoing Ukraine war and the aftermath of COVID-19. Correspondingly, the volume of world merchandise trade is expected to stay low, according to the World Trade Organization, growth is estimated to fall from 2.7% in 2022 to 1.7% in 2023. With respect to the dry freight container manufacturing industry, it has continued to experience the aftereffects of overproduction over the past years, with demand for dry freight containers slumping appreciably. The Group has invariably felt the effects of the aforementioned developments, with overall sales dropped by more than half in the six months ended 30 June 2023, compared with the same period last year. Nonetheless, the management has implemented strategies including the temporary closure of the Group’s dry freight container production facilities and continuing to develop the specialised container business – particularly renewable energy related containers, for further strengthening the Group in facing an unpredictable market.

For the six months ended 30 June 2023, the Group’s consolidated revenue contracted by 60.0% to US\$189,125,000 (1H2022: US\$472,449,000). Consolidated net profit attributable to owners of the Company fell by 74.3% to US\$9,776,000 (1H2022: US\$38,002,000). Earnings per share were US0.41 cent (1H2022: US1.57 cents). The Group remains in strong financial health with cash and deposits with banks as at 30 June 2023 amounting to US\$330,127,000 (As at 31 December 2022: US\$369,770,000).

The Directors are pleased to declare an interim dividend of HK1 cent per ordinary share for the six months ended 30 June 2023 (six months ended 30 June 2022: HK4 cents per ordinary share). In addition, for celebrating 35th anniversary of the Company, the Directors determined to declare an interim special dividend of HK17 cents per ordinary share for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

MANUFACTURING

The manufacturing operation performed in a manner consistent with market conditions, generating US\$175,436,000 (1H2022: US\$459,885,000) in revenue, which accounted for 92.7% (1H2022: 97.3%) of the Group’s total revenue for the review period. A segment profit before taxation and non-controlling interests of US\$10,332,000 (1H2022: US\$66,016,000) was recorded, with total sales volume of dry freight and ISO specialised containers of approximately 49,000 twenty-foot equivalent units (“TEUs”) (1H2022: 142,000 TEUs). During the review period, the average selling price (“ASP”) of a 20’ dry freight container dropped to US\$2,078

(1H2022: US\$3,330) amid shrinking demand and low steel prices. In order to better control costs, the Group elected to temporarily close some of its dry freight container facilities during the review period.

The decline in the dry freight container segment has emphasized the importance of the Group's specialised container business, which made up 48.7% (1H2022: 12.8%) of manufacturing operation revenue in the review period. The Group has seen an increase in demand for renewable energy-related containers, the environmental protection containers have also shown good potential. The Group is cooperating with different customers in China and overseas to develop more products and create greater opportunities for the specialised container business. Additionally, the Group plans to expand its overseas marketing team to seize opportunities outside of its traditional markets.

LOGISTICS SERVICES

The logistics services business continued to deliver a steady flow of revenue to the Group, which, for the review period, amounted to US\$13,689,000 (1H2022: US\$12,564,000). In addition, profit before taxation and non-controlling interests totalled US\$4,918,000 (1H2022: US\$3,960,000). The operation handled approximately 337,000 TEUs (1H2022: 340,000 TEUs) during the six months ended 30 June 2023, with total number of containers repaired reaching 66,000 TEUs (1H2022: 53,000 TEUs). Furthermore, average daily container storage totalled 24,000 TEUs (1H2022: 18,000 TEUs).

The Group's investment in Xiamen Logistics has continued to perform stably, generating US\$1,831,000 dividend income for the Group (1H2022: US\$1,926,000) during the review period. The Group will maintain the practice of closely monitoring the Xiamen Logistics operation to achieve a higher profitability.

PROSPECTS

Although demand for dry freight containers is expected to remain sluggish, the Group's specialised container business is expected to maintain favourable growth. The Group will dedicate resources to capitalise on opportunities and enhance its portfolio of specialised containers while improving resilience to cost pressures, particularly for materials and labour. Automation will be further invested in to control costs and increase efficiency.

Mr Teo Siong Seng, Chairman of Singamas, said: "While dry freight container manufactures will continue to be confronted with both global and industry related challenges, we firmly believe that our ongoing focus on specialised containers will better insulate us from such challenges. We have also been considering opportunities for acquiring companies that align with our present business model. The primary objectives are to facilitate greater synergies and increase profitability. Ultimately, we are committed to consolidating our businesses so that we will be able to overcome external challenges."

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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. 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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