

SINGAMAS

Singamas Container Holdings Limited

(Incorporated in HK with Limited Liability)
(HKEx stock code: 00716)

2024 Interim Results Announcement

23 August 2024

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





Listed since 1993

MANUFACTURING

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

LEASING

- **Provides Standard 20' & 40' Container Leasing Services**
 - ✓ **Short-term Operating Lease**, from 1 to 3 years
 - ✓ **Long-term Operating Lease**, from 5 to 15 years; with Purchase Option
 - ✓ **Finance Lease**
 - ✓ **Sales and Lease Back**

LOGISTICS & DEPOTS

- **Operates 8 Container Depots** at the major ports in China²
 - ✓ 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.


Manufacturing - Dry Freight Containers

- Dry Freight Container is the major product of Singamas over the years.
 - Dry Freight Containers are essential components of transportation logistics, serving as standardized units for the efficient movement of goods across various modes of transport. They conform to **ISO standard** and are used for the road, rail and sea transportation.
 - A dry freight container is built for use for up to 15 years but major refurbishment is required in year 9 or 10. For some shipping lines, they tend to **retired** containers **between Year 12 and Year 15**.

Core Competence of Singamas' Dry Freight Containers


Strong Brand & Good Reputation

- veteran of Dry Freight Container manufacturing industry since 1988
- expertise in producing Dry Freight Containers, with:
 - ✓ ISO standard
 - ✓ good quality
 - ✓ good before and after sales services



Advanced Robotics & Automation Applications

- strengthen R&D capabilities & engineering excellence
- automate manufacturing activities & upgrade systems



Agile Operations & Strong Marketing

- strong & active marketing team
- focus on operation excellence & continuous improvements



Established Customer Base

- leverage on the network of our largest shareholder
- strengthen the bonding with our customer by providing complementary expertise, know-how & industry networks
- expand into emerging markets & growth potential regions

Shipping



Container Leasing



Manufacturing – ISO Specialised Containers

- ISO specialised containers are mainly for **marine transportation**, including ISO tanks, open top & open sides containers, flat racks, bulk containers, etc.

ISO Specialised Containers



Tank Containers



Flat Rack Containers



Bulk (Food) Containers



Platform Containers



Open Top Container



Open sides Containers

Manufacturing - Customised Containers

- Singamas cooperates with customers to develop **tailor-made container designs** and offer **container solutions**.
- Our customers come from various sectors, e.g., energy, environmental protection, telecommunication, information technology, data network infrastructure, medical, engineering, housing, etc.

Customised Containers



Medical Facilities Containers



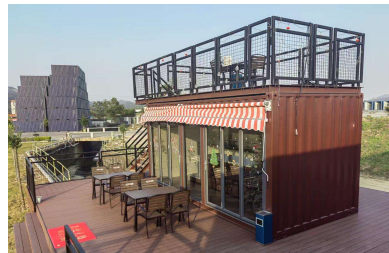
Automotive Racks Containers



Terminal Electrical Equipment Containers



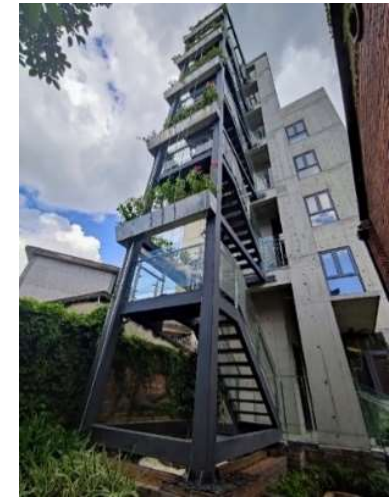
Water Treatment Containers



Housing Containers



Shock Absorbing Containers

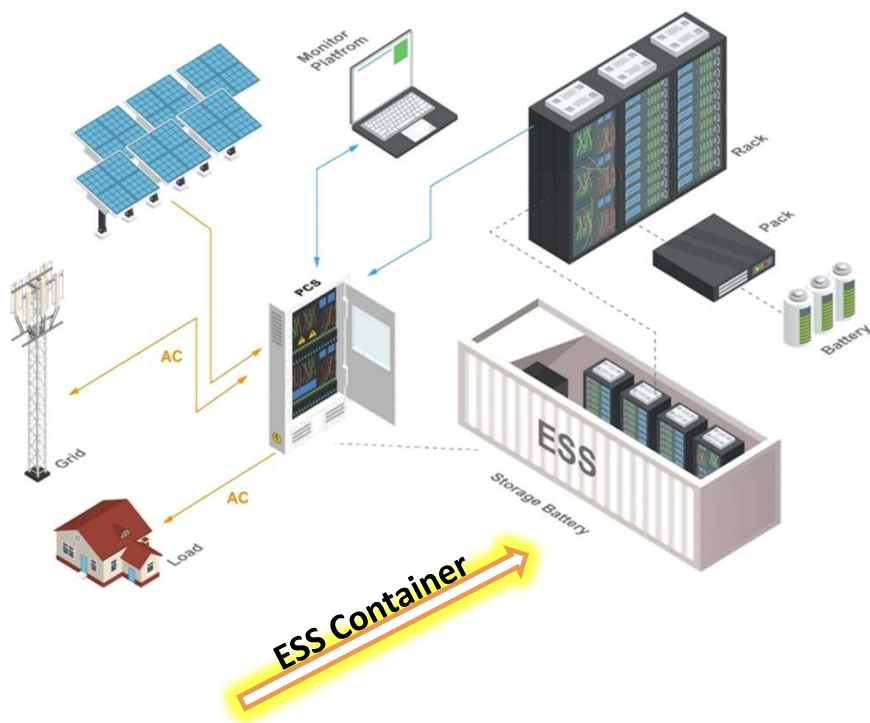


Staircase Containers

Manufacturing - Customised Containers [Energy Storage System (“ESS”)]

Core Product of Singamas’ Customised Containers – ESS Container

For illustration purpose only



- On the **electricity user side**, ESS container stores electricity during periods of low consumption, and then releases electricity during periods of high consumption, thereby **enabling user to use electricity at a lower price**.
- On the **electricity generation side**, ESS container **ensures the stability and continuity of new energy power generation**
- **One-Stop customization services** covering design, manufacturing, integration, current measurement, logistics, on-site installation, etc.
- Singamas has partaken in a number of **large-scale state-level new energy supply side storage projects**, in Xinjiang, Tibet, Ningxia, Anhui, Gansu, among others.
- ESS container are designed for **coping with extreme environments like high altitude, low temperature and pressure, condensation, sandstorm**, etc. Of double-layered thermal insulation design, with exterior thermal insulation enabled by integrated foaming technique, and doors and openings meticulously dust-proved, the container has a sturdy structure, **allowing it to operate normally in extreme environments**.



Background and Development



- We specialize in providing the standard **20-foot** and **40-foot** container leasing services:

Short-term Operating Lease,
from 1 to 3 years

Long-term Operating Lease,
from 5 to 15 years; With Purchase Option

Finance Lease

Sales and Lease Back

- Extensive network of **Drop-off Locations:**



China's Major Ports:

Shanghai, Dalian, Qingdao, Tianjin, Ningbo, Xiamen, Shekou, Yantian, Nansha...



Other Asia Pacific Areas:

Southeast Asia (Thailand, Singapore, Malaysia, Vietnam), **South Korea, Japan, India and Australia**



Europe & America Areas:

Europe (Belgium, Netherlands, Germany, United Kingdom, France), **Middle East, Africa, United States and Canada**

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:

Shipping Clients



Leasing Clients



Reefer Clients



➤ 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**.



INDUSTRY DYNAMICS



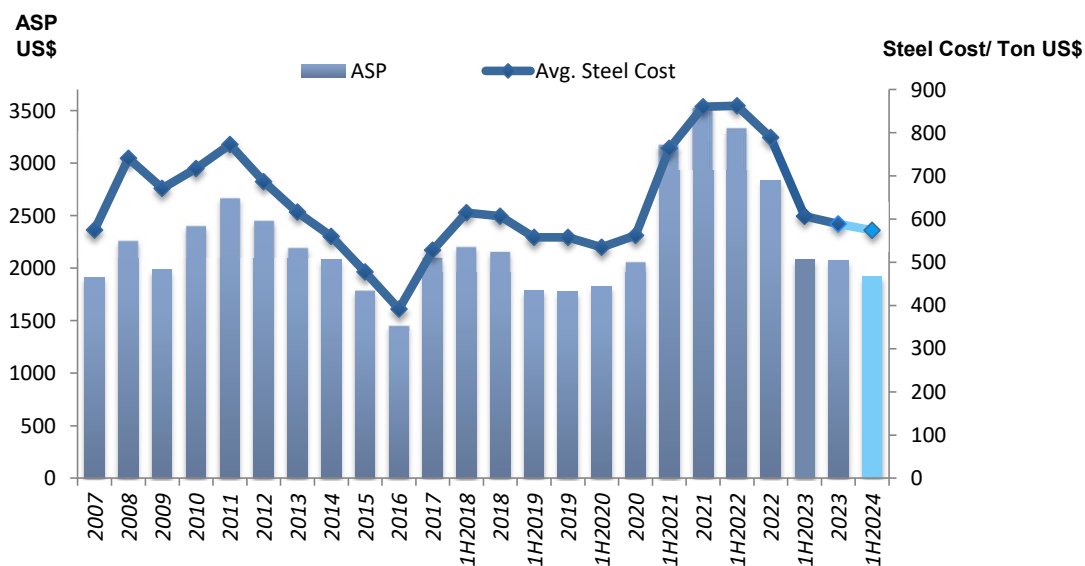
Container Manufacturing Dynamics – Dry Freight Container



Singamas Dry Freight Production:

- During the first half of 2024, the selling price of Dry Freight Container was in a leaping trend. With low selling prices in the first quarter, and sudden uplift of selling prices in the second quarter, the Average Selling Price of Dry Freight Containers turned out to be US\$1,918, slightly decreased by 7.7% year-on-year.
- Meanwhile, the average bamboo floor cost for 1H2024 increased at a large extent of 22.7% yoy; while average steel cost for 1H2024 decreased at a relatively less extent of 5.4% yoy;
- Yet, with the increase in the market demand and in the selling price of Dry Freight Containers in 2Q2024, and thereafter higher utilization rate of the production facilities, profit margin of Dry Freight Container still achieved better gross profit margin yoy.

2007 – 1H2024 20ft. Dry Freight Container¹ Price (ASP)² vs. Average Steel Cost Per Ton



- 1H2024 ASP of 20ft dry freight container dropped 7.7% to **US\$1,918** (1H2023: US\$2,078).
- 1H2024 average steel cost was **US\$574/ton**, 5.4% lower than 1H2023's US\$607/ton.
- Corten steel accounted for 51.0% of total dry freight container production costs in 1H2024.

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.

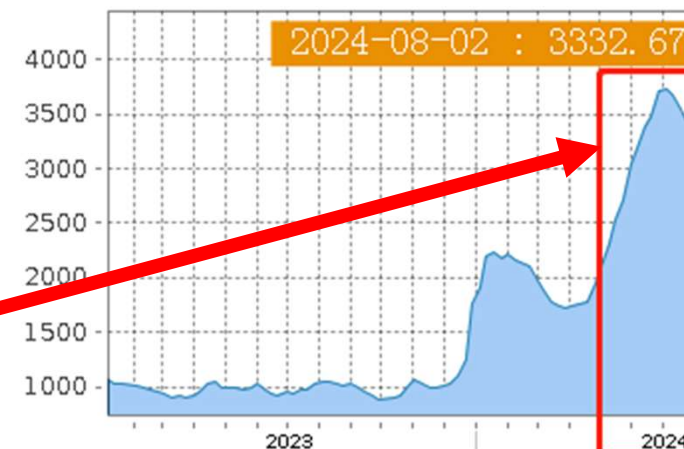
Container Manufacturing Dynamics – Dry Freight Container

Other Indirect Factors :

- The world economy is recovering moderately, and some major economies have entered an inventory replenishment cycle, which is beneficial to shipping demand. **The United Nations Conference on Trade and Development predicts that global trade volume may reach a high level of US\$32 trillion in 2024; the World Bank has raised its global economic growth forecast in 2024 to 2.6% from the previous 2.4%.**
- In the PRC, in the first half year, the total value of imports and exports of goods was 21,168.8 billion yuan, an increase of 6.1% year-on-year. The total value of exports was 12,129.8 billion yuan, up by 6.9%. The total value of imports was 9,039.0 billion yuan, up by 5.2%. The trade balance was 3,090.9 billion yuan in surplus.
- The Shanghai (Export) Containerized Freight Index (SCFI) had been rising since April 2024. However, the increasing momentum **reversed starting from July 2024**. That implied the market rally happened in April may come to an end.

Source:
<https://www.sse.net.cn/home>
<https://www.stats.gov.cn>

上海出口集装箱运价指数



Leasing Industry Dynamics



Leasing Rates and Cash Returns:

➤ **Long-term Lease Rates** are expected to rise in 2024 and adjusted gradually before 2027. From 2027, LTLs are expected to go up again:

- ✓ **20ft standard container** will increase from **\$0.60 in 2023 to \$0.71 in 2024**;
- ✓ **40ft standard container** will increase from **\$0.87 in 2023 to \$1.06 in 2024**;
- ✓ **40ft high-cube container** will increase from **\$0.99 in 2023 to \$1.24 in 2024**.

➤ **Initial Cash Investment Returns** between 2024 and 2028:

- ✓ **20ft standard container** will be in the range of **10.4-10.5%**;
- ✓ **40ft standard container** will be in the range of **9.8-10.3%**;
- ✓ **40ft high-cube container** will be in the range of **10.3-10.7%**.

Annualised newbuild dry freight container price (US\$), long-term lease rate (US\$ per day) and initial cash investment return (%)

Production Year	20ft Standard Unit			40ft Standard Unit			40ft High Cube Unit		
	Newbuild LTL per Diem	Ex-factory Price	Initial Cash Investment Return (%)	Newbuild LTL per Diem	Ex-factory Price	Initial Cash Investment Return (%)	Newbuild LTL per Diem	Ex-factory Price	Initial Cash Investment Return (%)
2019	0.46	1,750	9.6%	0.74	2,800	9.6%	0.79	2,975	9.7%
2020	0.53	2,245	8.7%	0.88	3,610	8.9%	0.95	3,855	9.0%
2021	1.04	3,690	10.3%	1.52	5,940	9.3%	1.72	6,370	9.9%
2022	0.79	2,665	10.8%	1.15	4,300	9.7%	1.28	4,615	10.1%
2023	0.60	2,140	10.2%	0.87	3,470	9.1%	0.99	3,670	9.9%
2024	0.71	2,465	10.5%	1.06	3,955	9.8%	1.24	4,240	10.7%
2025	0.68	2,390	10.4%	1.05	3,820	10.0%	1.17	4,095	10.4%
2026	0.58	2,040	10.4%	0.92	3,285	10.2%	0.99	3,505	10.3%
2027	0.62	2,145	10.5%	0.96	3,450	10.2%	1.06	3,695	10.4%
2028	0.67	2,325	10.5%	1.06	3,740	10.3%	1.16	4,030	10.5%

LTL: long-term operating lease (average eight-year duration)

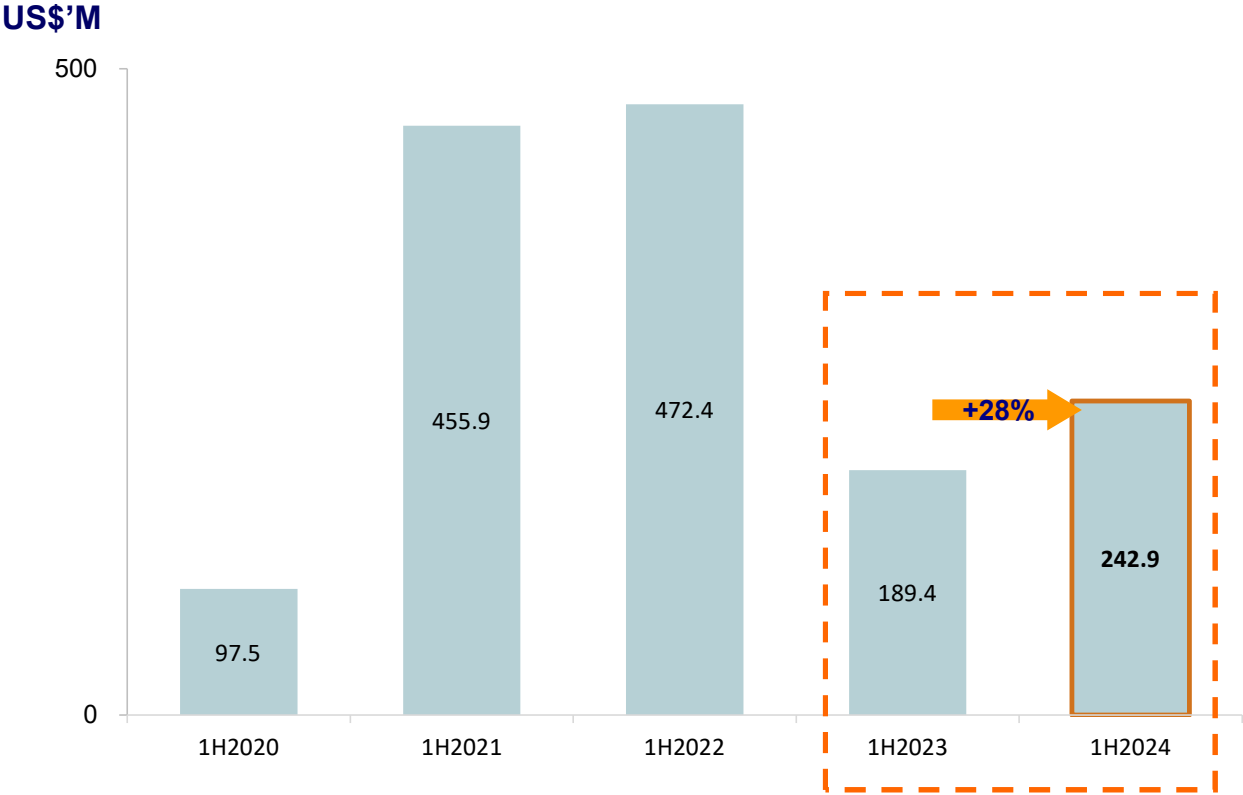
Source:

Drewry: P.81 2024/25 Annual Report, Annual Review and Forecast of the Container Equipment Fleet

FINANCIAL REVIEW



Consolidated Revenue

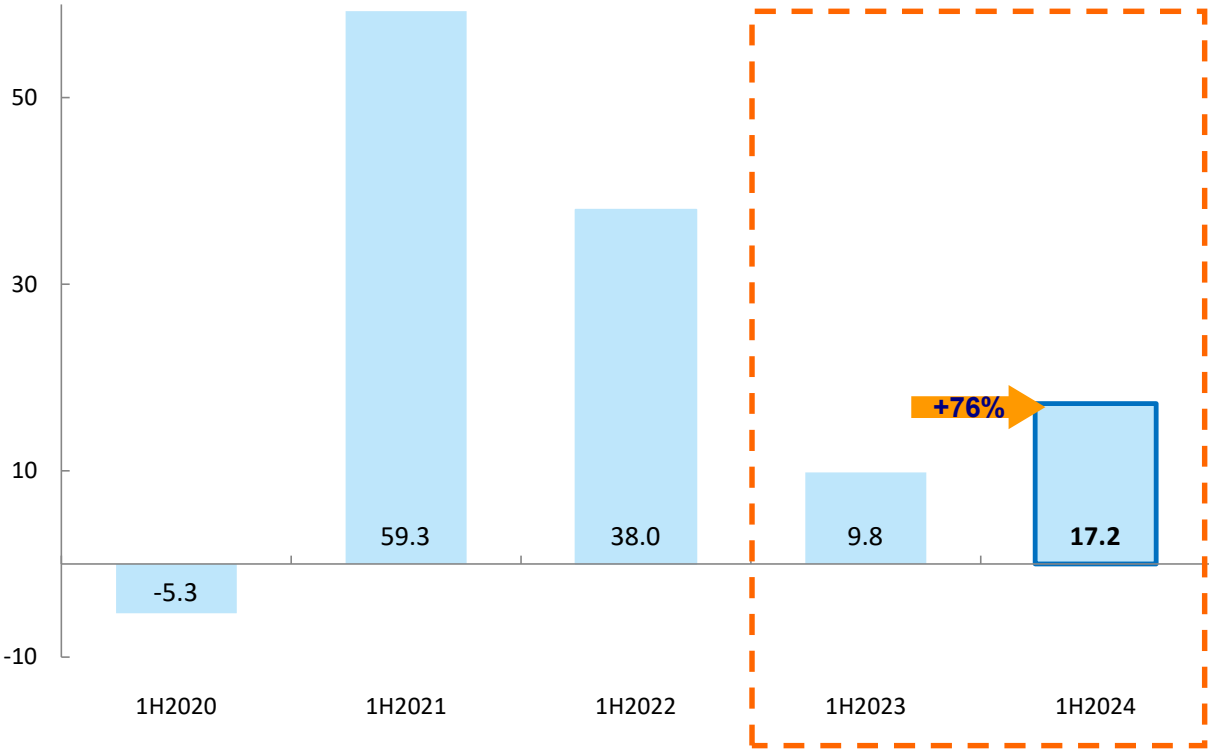


- Singamas recorded consolidated revenue of US\$242.9 million in 1H2024, an increase of 28% over the revenue of US\$189.4 million in 1H2023.
- Mainly due to increase in demand for dry freight containers attributable to the rise in global trade volume and impact of the Red Sea crisis.
- Customised containers and leasing segments also recorded healthy growth.

Consolidated Net Profit / Loss

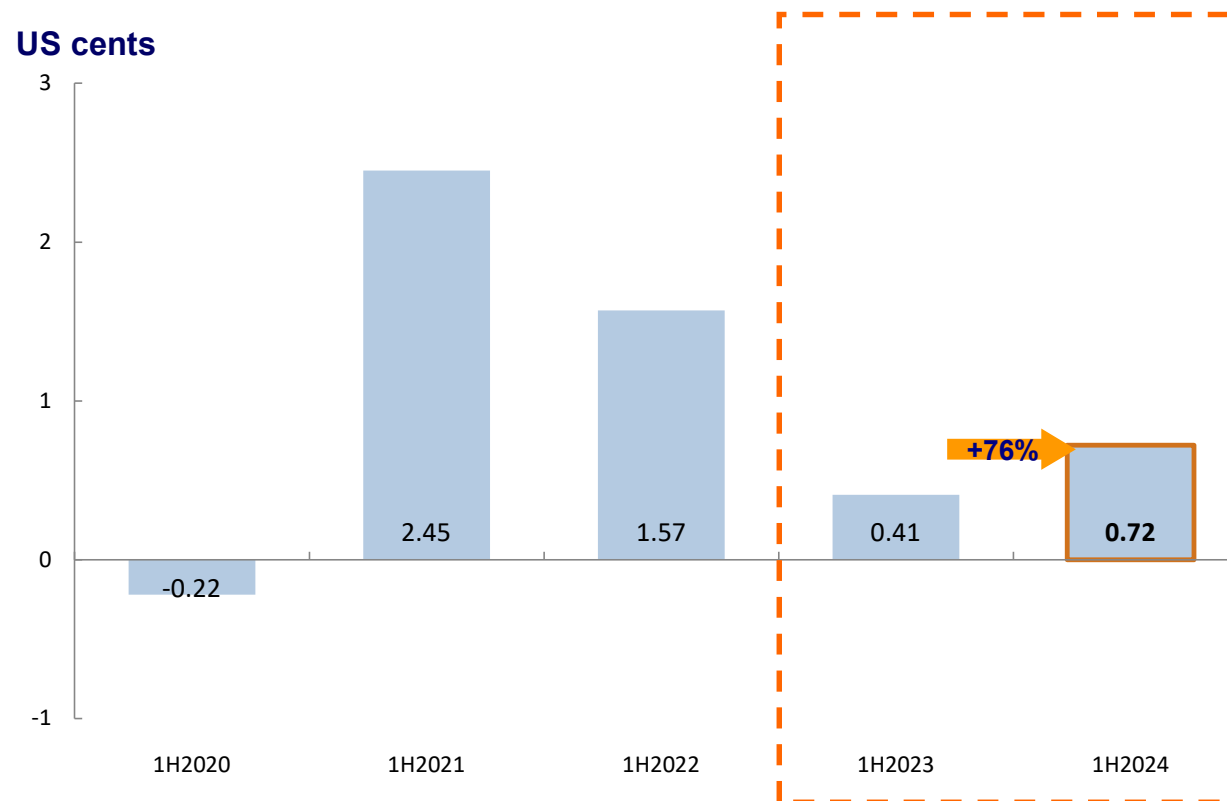


US\$'M



➤ Consolidated net profit attributable to owners of the Company was US\$17.2 million (1H2023: US\$9.8 million), including interest earned on bank deposits of US\$6.7 million (1H2023: US\$6.8 million).

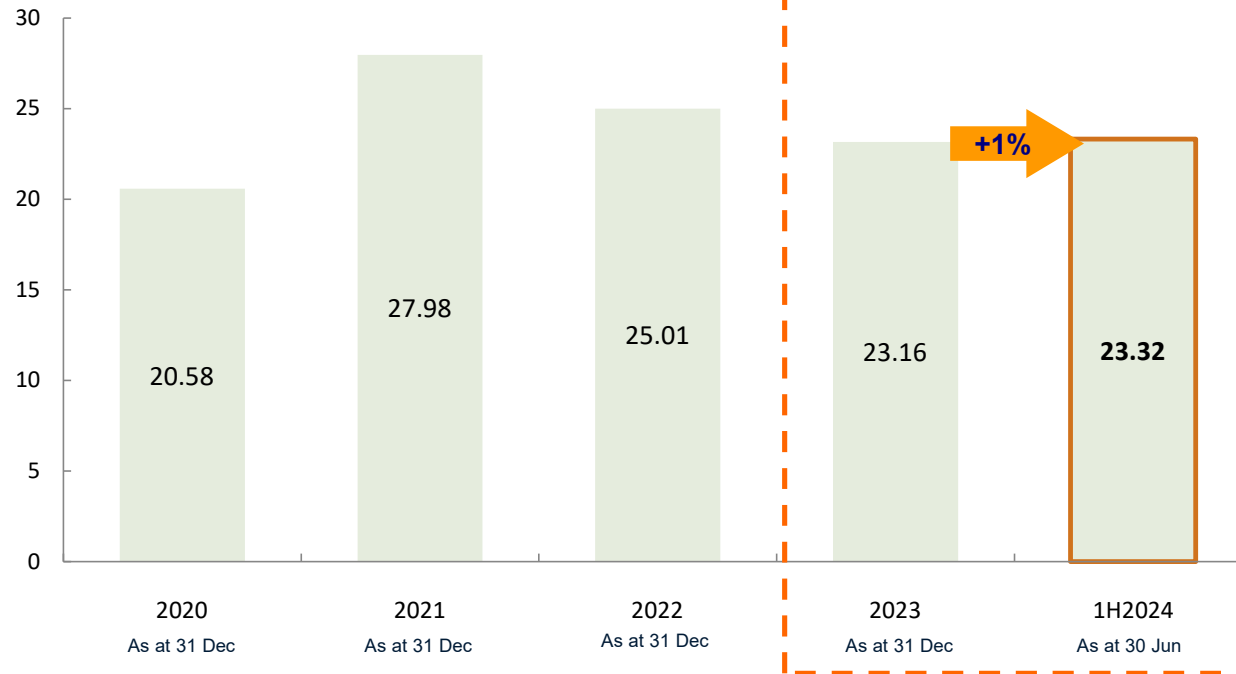
Basic Earnings/ Loss per Share



- Basic earnings per share was US0.72 cent, compared with US0.41 cent in 1H2023.

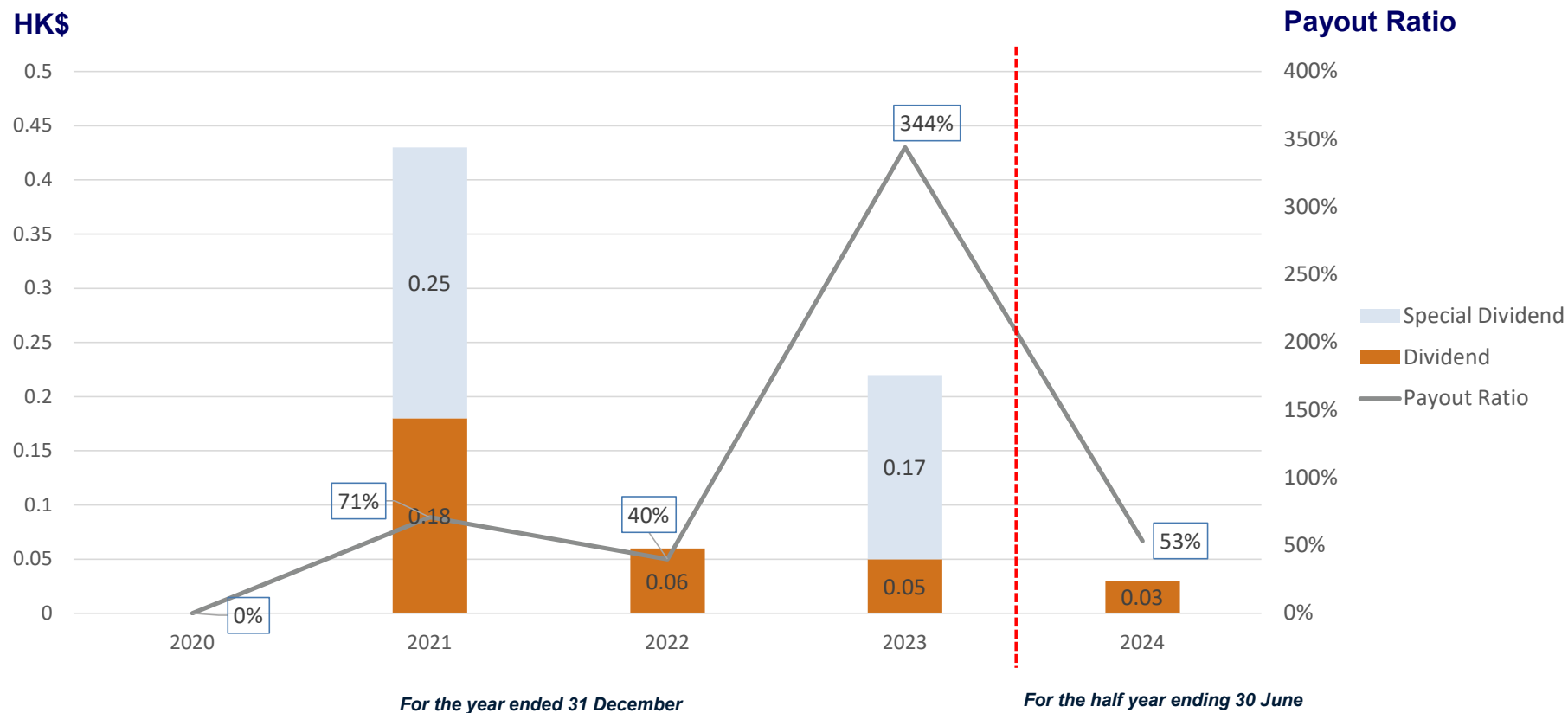
Net Asset Value per Share

US cents



- Net asset value per share slightly increased from US23.16 cents as at 31 December 2023 to US23.32 cents as at 30 June 2024.

Dividend



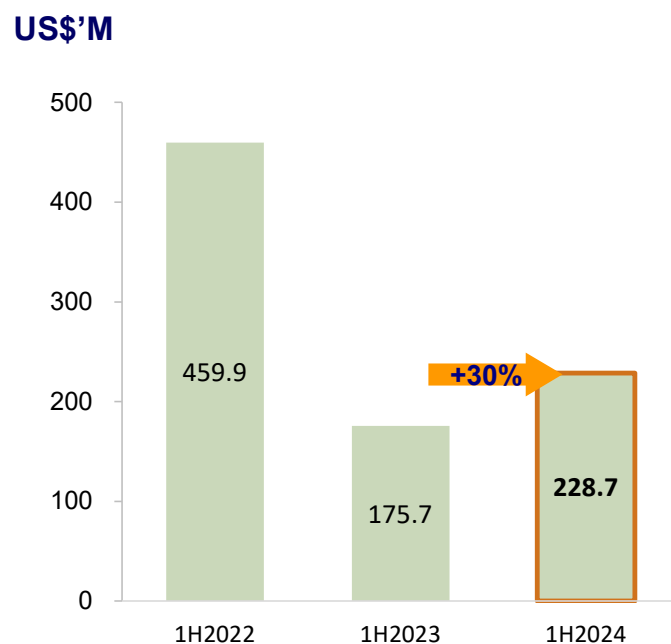
- An interim dividend of HK3 cents for the period ended 30 June 2024 per ordinary share has been determined by the board of directors. It represents a payout of 53%.

BUSINESS REVIEW

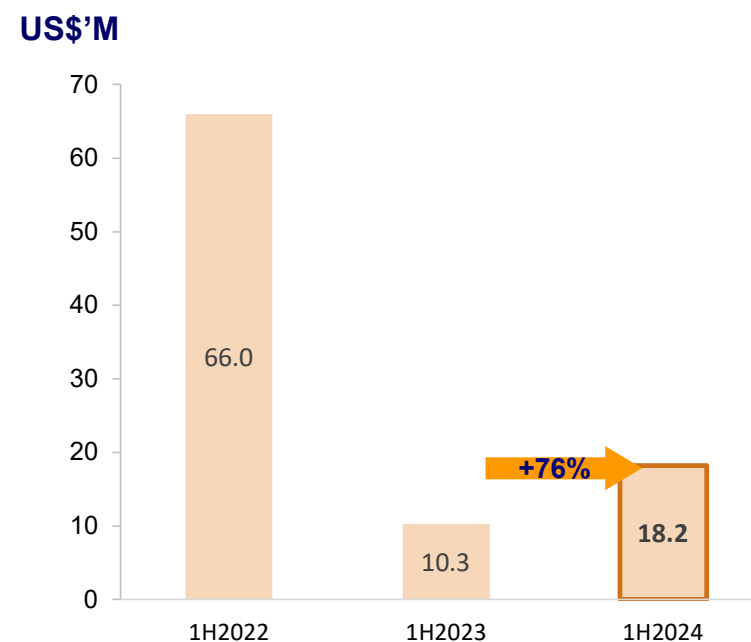


Manufacturing and Leasing Business – Revenue and Profit Analysis

Revenue



Profit Before Taxation



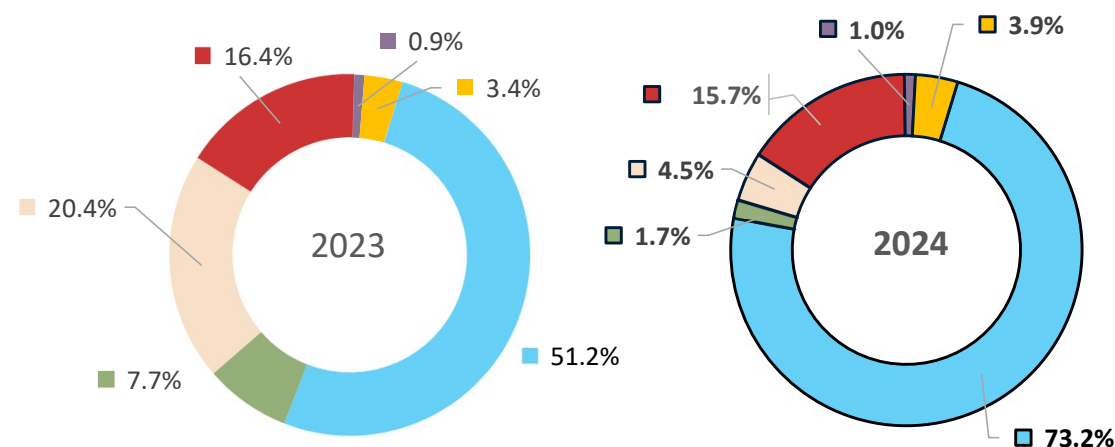
- Manufacturing and leasing segment achieved revenue of US\$228,730,000 (1H2023: US\$175,702,000), hence accounted for 94.2% of the Group's total revenue.
- Profit before taxation and non-controlling interests for this segment was US\$18,169,000 (1H2023: US\$10,332,000).

Manufacturing Business – Sales Volume and Sales Revenue Breakdown

Sales Volume (By Unit)

For the six months ended 30 June	2023	2024
Dry freight (TEU)	45,482	91,175
ISO Special (TEU)	3,530	1,594
Tank (Unit)	1,682	633
Customised – ESS (Unit)	1,207	2,620
Customised – Offshore (Unit)	265	138
Customised – Others (Unit)	2,314	3,038

Revenue Breakdown (By Amount)

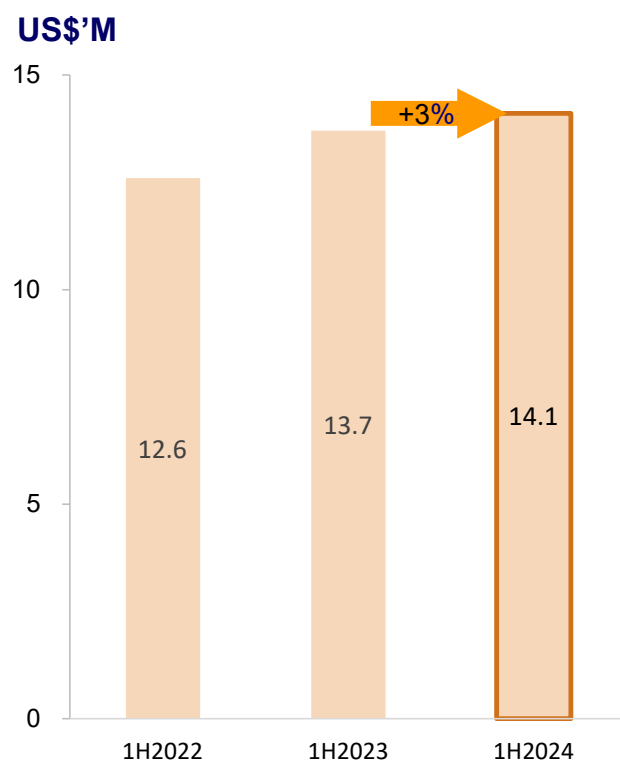


For the six months ended 30 June

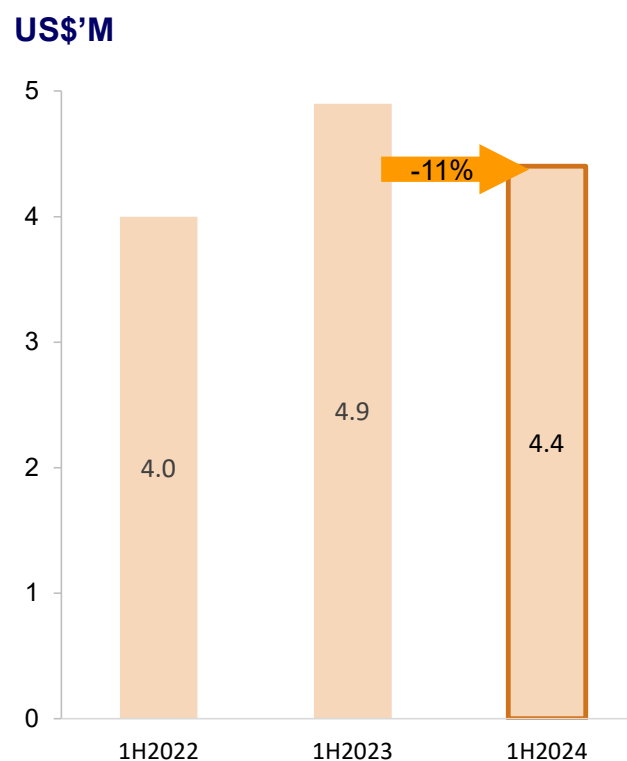
- Dry freight
- Tank
- Customised Special - ESS
- Customised Special - Offshore
- ISO Special
- Customised Special - Others

Logistics Services Business – Revenue and Profit Analysis

Revenue



Profit Before Taxation



- Segment revenue amounted to US\$14,134,000 (1H2023: US\$13,689,000).
- Profit before taxation and non-controlling interests totaled US\$4,366,000 (1H2023: US\$4,918,000).
- The decline was mainly due to the decrease in dividend income generated from logistics company in Xiamen.

Operating Strategies

Deploy Contingency Plans amid Fast Changing Market

- The market has experienced significant ups and downs over the past few years, which has been difficult for factories to cope with. To improvise successfully, we need to **deploy and implement different contingency plans**, including grabbing 4Q2024 market orders in advance, reducing costs, avoiding risks, and most importantly collecting market information to keep up with market changes. Our factories will keep up with the following:
 - Quality Control
 - Time Management
 - Cost Control on Manufacturing Process and on Raw Materials

Improve Cost Structure and be Cautious in Capital Expenditures

- In face of volatile dry freight market demand, Singamas applied strict cost control and **cautious in capital expenditures**. In 2024, 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 **environmentally friendly** and **cost saving** purposes.

APPENDICES



Consolidated Income Statement

	For the six months ended 30 June	
	2024	2023
	US\$'000	US\$'000
Revenue	242,864	189,391
Cost of sales	(206,186)	(163,003)
Gross profit	36,678	26,388
Other income	9,687	11,123
Distribution expenses	(6,809)	(5,013)
Administrative expenses	(17,761)	(14,868)
Finance costs	(520)	(168)
Other gains and losses	489	(2,996)
Share of results of associates	709	708
Share of results of joint ventures	62	76
Profit before taxation	22,535	15,250
Income tax expense	(5,313)	(3,660)
Profit for the period	17,222	11,590
Profit for the period attributable to:		
Owners of the Company	17,199	9,776
Non-controlling interests	23	1,814
Profit for the period	17,222	11,590
Basic earnings per share	US0.72cent	US0.41 cent

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.

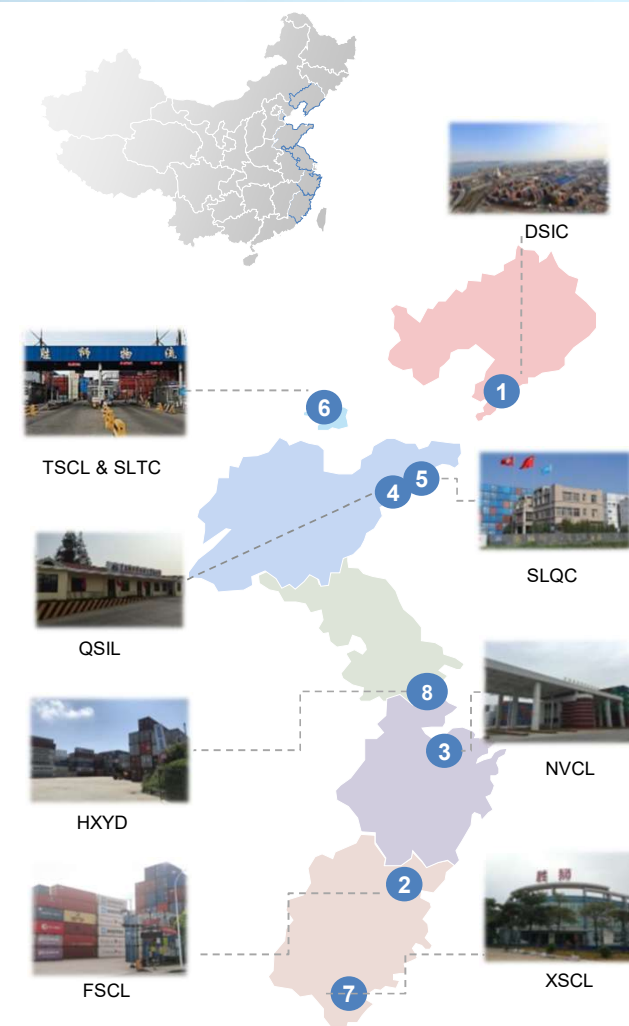
No.	Factories	Area (m ²)	Annual capacity	Description
1	Shanghai Baoshan Pacific Container Co. Ltd. ("SBPC")	93,891	108,000 TEUs	<ul style="list-style-type: none"> Main products: 20', 20'HC, 40', 40'HC & 45' ISO dry freight containers, flatrack container, open top, open-side and other specialised containers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



Container Depot / Terminals

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

No. Depots		Area (m ²)	Storage Capacity (TEU)	Average Turnaround Time of Truck (minute)	Allocated Repair Area (m ²)	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. ("TSCL & 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")					
	- Luhaogang Depot	32,000	5,300	10-15	2,000	200
	- Waigaoqiao Depot	41,000	5,700	15-30	1,000	150



THANK YOU



Singamas' WeChat
Investor Relations Mini-Program



Singamas' WeChat
Official Account