[For Immediate Release]

SINGAMAS ANNOUNCES 2024 INTERIM RESULTS

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STRONG DRY FREIGHT DEMAND PROPELS PERFORMANCE SURGE
EMPHASIZING ON DIFFERENTIATION TO ACHIEVE HIGHER PROFITABILITY

(Hong Kong, 23 August 2024) – 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 2024 (the "review period").

Over the past six months, the demand for dry freight containers experienced an upsurge when compared with the same period in 2023. This increase was due to The Red Sea crisis. Vessels were rerouted to the Cape of Good Hope starting in December 2023, resulting in an increase in travel distances. Aside from the aforementioned, another catalyst for dry freight demand has been the uptick in restocking activities in the US, and increasing exports to Africa and Latin America from China, driving higher trade volume and increasing container demand. Separately, new vessel delivered as scheduled in the first half of 2024, which also contributed to the strong demand for containers during the review period.

Customised container business continued to grow healthily, especially the Energy Storage System ("ESS") containers for tapping the green energy sector. The Group continued to focus on developing products with higher technological requirements which, along with ESS, include data equipment and Modular Integrated Construction ("MIC") containers. This allows the Group to benefit from market differentiation, higher entry barriers and greater resilience against seasonality and demand volatility with higher margins. Aside from bolstering the manufacturing operation, the management also sought to expand the leasing business arm of the Group.

During the review period, the Group's consolidated revenue increased by 28.2% to US$242,864,000 (1H2023: US$189,391,000). Consolidated net profit attributable to owners of the Company rose by 75.9% to US$17,199,000 (1H2023: US$9,776,000). Earnings per share were US0.72 cent (1H2023: US0.41 cent).

The Directors are pleased to declare an interim dividend of HK3 cents per ordinary share for the six months ended 30 June 2024 (six months ended 30 June 2023: HK1 cent per ordinary share).

MANUFACTURING AND LEASING

The manufacturing and leasing business generated US$228,730,000 (1H2023: US$175,702,000) in revenue, which accounted for 94.2% (1H2023: 92.8%) of the Group's total revenue for the review period. A segment profit before taxation and non-controlling interests of US$18,169,000 (1H2023: US$10,332,000) was recorded. The total sales volume of dry freight and ISO specialised containers was approximately 93,000 twenty-foot equivalent units ("TEUs") (1H2023: 49,000 TEUs). During the review period, the average selling price ("ASP") of a 20' dry freight container dropped to US$1,918 (1H2023: US$2,078). However, with increased demand and higher utilization rate of the production facilities, the Group achieved better gross profit margin.

With the increase in demand, revenue derived from dry freight containers accounted for approximately 73.2% of manufacturing segment revenue, with specialised containers taking up approximately 26.8%

(1H2023: Dry freight containers 51.2%; Specialised containers 48.8%). During the review period, revenue generated from the Group's ESS containers rose steadily by 24%. Other customised containers like MIC, car racks and digital-data-related containers have also continued to achieve progress. Recurring orders have been received, especially from the Group's major customers, including a global technology leader, and an international player in the electric vehicle and clean energy segments. However, the demand for tank containers and ISO specialised containers was not satisfactory and recorded a drop in revenue.

As for the leasing business, it has been able to sustain strong growth momentum during the review period. Since leasing agreements involve terms of between 3 and 10 years or more, revenue is also relatively stable. The Group therefore holds a high opinion of the leasing business and envisages its ability to serve as a future growth driver. We plan to increase investment in this business through effective treasury management, like structured financing. The leasing operation also plays an important role in complementing our manufacturing business, helping enhance overall margin and allowing the Group to optimise operations and profitability.

LOGISTICS SERVICES

With containers in high demand and tight supply, depots invariably experienced a decline in container storage days. However, with additional revenue generated from other logistics services, like container freight station services, the Group's logistics business recorded revenue of US$14,134,000 (1H2023: US$13,689,000). Profit before taxation and non-controlling interests was US$4,366,000 (1H2023: US$4,918,000). During the six months ended 30 June 2024, the logistics operation handled approximately 381,000 TEUs (1H2023: 337,000 TEUs), with total number of containers repaired at 59,000 TEUs (1H2023: 66,000 TEUs), and average daily container storage totalling 21,000 TEUs (1H2023: 24,000 TEUs).

PROSPECTS

In the upcoming half year, the Group anticipates demand for dry freight containers to remain strong as the impact of The Red Sea crisis is expected to extend for a period of time. Thus far, orders for the third quarter of 2024 are looking favourable, as retailers in the US stock up on goods ahead of the shopping season. As for the remaining quarter of 2024, demand is less certain as it is traditionally a quieter period. Moreover, the result of the US presidential election in early November holds the potential for affecting Sino-US ties, which in turn could have a knock-on effect on trade. In respect of customised containers, their demand is expected to further rise. ESS containers have particularly strong potential as they are applicable to the renewable energy sector, which itself is a growing market. Other specialised containers, such as digital-data-related containers and MIC containers, are also anticipated to continue enjoying healthy growth.

Mr Teo Siong Seng, Chairman of Singamas, said: "Going forward, we will maintain an open mind, continue exploring fresh opportunities that align with our present business direction. Amid challenging times, we will continue to strengthen our business foundation, be flexible and humble, so that we will be fully prepared to capture opportunities ahead and create greater value for all shareholders."

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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.

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