STRATEGIC FINANCIAL RELATIONS LIMITED
縱橫財經公關顧問有限公司

[For Immediate Release]

SINGAMAS ANNOUNCES 2017 ANNUAL RESULTS

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IMPROVED MARKET ENVIRONMENT FUELLED GROWTH MOMENTUM
NET PROFIT SURGED TO US$41.5 MILLION

FINANCIAL HIGHLIGHTS

US$'000	Year Ended 31 December	
	2017	2016
Revenue	**1,476,670**	916,433
Profit (loss) attributable to owners of the Company	**41,452**	(59,434)
Earnings (loss) per share (US cents) – Basic and diluted	**US1.72 cents**	US(2.46) cents
Final Dividend per share (HK cents)	**HK2.5 cents**	Nil

(Hong Kong, 28 March 2018) – World-leading container manufacturer and logistics services provider **Singamas Container Holdings Limited** ("Singamas" / the "Group") (stock code: 716) today announced its annual results for the year ended 31 December 2017 (the "review period").

During the review year, the reviving global economy roused international trade and in turn pushed up shipping volume globally and especially that of the PRC. That enabled the Group to turn around its performance during the year and reported consolidated revenue up by 61.1% to US$1,476,670,000 (2016: US$916,433,000) and consolidated profit attributable to owners of the Company was US$41,452,000, as compared to a consolidated loss of US$59,434,000 for the financial year ended 31 December 2016. Basic earnings per share were US1.72 cents versus loss per share of US2.46 cents in 2016.

The Board of Directors proposes to pay a final dividend of HK2.5 cents per ordinary share for the year ended 31 December 2017 (2016: Nil). Together with an interim dividend of HK1.5 cents per ordinary share (2016: nil), total dividend for the year will be HK4 cents per ordinary share (2016: nil). The dividend payout ratio for the year approximates to 29.9% (2016: Nil).

Mr. Teo Siong Seng, **Chairman of Singamas**, said, "We are glad to have maintained profitable growth in the second half of 2017, with demand for new containers increasing since end of 2016. Furthermore, our joint venture with Guangxi and Singapore partners has been providing logistics solutions to customers since November 2017, whereas our liquid tank logistics operation in India commenced operation in January 2018."

MANUFACTURING

With shipping volume picking up fast during the year, demand for new containers also started to gradually rise from end of 2016. Revenue from manufacturing containers amounted to US$1,443,177,000 for the review year, up from US$880,654,000 in 2016, accounting for 97.7% of the Group's total revenue.

In all, the manufacturing operation produced 738,286 twenty-foot equivalent units ("TEUs") for the year ended 31 December 2017, up 41.0% from 523,785 TEUs in the preceding year. The average selling price ("ASP") of a 20' dry freight container rose from US$1,457 in 2016 to US$2,102 in 2017 owed mainly to increase in demand as well as higher cost associated with using waterborne paint in the production process. Total sales volume reached 715,733 TEUs (2016: 543,708 TEUs), giving the Group segmental profit before taxation and non-controlling interests of US$51,655,000, as compared to the segmental loss before taxation and non-controlling interests of US$59,607,000 in 2016.

Although dry freight containers continued to account for the bulk of revenue from manufacturing at 85.5%, specialised containers remained an integral part of the Group's product portfolio (2016: dry freight 66% vs specialised 34%). During the year, the Group also provided a wide range of products to suit different customer requirements, including fish farming containers. Fish farming containers are considered an efficient and environmentally friendly means of breeding fish as they remove the need to clear land or reserve bodies of water. During the review year, the Group delivered fish farming containers to six key provinces in the PRC.

The Group's offshore container business has gradually improved on the back of rising oil prices and increased orders from container leasing operators. Also, Modex Holding Limited, a joint venture of the Group, had completed restructuring and streamlining of its operations in mid-2017, giving it boosted competitiveness for capturing business opportunities when the offshore market picks up.

As for development on the production front, the Group had completed construction of the offshore container factory in Qidong and the facility is used to produce high standard cabins now. In addition, having completed retooling of factories for producing dry freight containers with waterborne paint finishes, the Group is now fully capable of meeting production demands. Construction of the reefer container factory in Qingdao was completed and trial operation is scheduled for the first quarter of 2018. The upgraded factory is all geared up for supporting the Group's refrigerated container business, especially in meeting demands from the northern PRC market.

LOGISTICS SERVICES

Towards the second half year, logistics services business was up against headwinds, resulting in a marginal decline in revenue to US$33,493,000, compared to US$35,779,000 in 2016. The decline was mainly from decrease in the number of containers handled, totalling approximately 3,397,000 TEUs (2016: 3,734,000 TEUs), due to high export demand hence fewer idle containers on the ground. Average daily storage was 88,000 TEUs compared to 138,000 TEUs in 2016.

Despite the soft demand, the Group still sees good prospects for its joint venture with Guangxi Beibu Gulf International Port Group Ltd. and the Port of Singapore, as logistics services is still considered by the Group as an integral and complementary service for customers, as well as a logical and viable means of expanding its revenue streams.

During the review year, reclamation work and depot construction works on a property in the Guangxi Zhuang Autonomous Region is in progress. The property on a strategically significant site is poised to benefit from the PRC Government's "One Belt, One Road" initiative and is scheduled for completion by mid-2019. Nonetheless, the joint venture company has been providing logistics solutions since November 2017 from a rented property in Qinzhou.

As for the Group under its joint venture with Apollo Logisolutions Limited to establish liquid tank logistics operation in India, the Group's tank factory has been receiving container orders from this joint venture company. It has commenced logistics operation of transporting liquid by tanks on railway since January 2018.

PROSPECTS

The global economy has rosy prospects in 2018, with the World Bank forecasting growth of 3.1% for it and the International Monetary Fund even more optimistic at 3.9%. On the shipping front, cellular fleet growth is forecasted to rise by 5.6% in 2018, according to Alphaliner, which should drive container demand. Stimuli are also expected to come from shipping and leasing companies both anticipating bullish prospects in 2018.

Furthermore, Singamas will be introducing a new assembled-on-site refrigerated container system which is jointly developed with Carrier Transicold in the second quarter of 2018. The new product is expected to be well received by the market given its various performance advantages. The Group will continue to bolster R&D capabilities by recruiting the best and brightest, including graduates from prominent universities in the PRC, to help it develop and roll out even more attractive customer-centric solutions.

Paving the way for further growth, the Group has increased equity stake in Modex Holding Limited from 29.9% to 42.9% subsequently in February 2018. The initiative highlights the Group's confidence in the joint venture and offshore container business, as well as its commitment to growing the business in coming years.

Mr. Teo concluded, "Given the developments we managed in the past year or so, we are cautiously optimistic about our performance in 2018. While dry freight containers will continue to be our primary and stable source of revenue, we expect specialised containers, particularly refrigerated containers, to be our growth driver, with the support of the Qingdao production lines that will commence operation in March 2018. We are constantly examining ways to develop our business and improve and expand our product portfolio, as evidenced in the fish farming containers we introduced recently and the assembled-on-site refrigerated containers soon to be launched."

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About Singamas Container Holdings Limited

Singamas is one of the world's leading container manufacturers and logistics services providers. Its manufacturing business covers nine container factories located in the PRC. Its logistics operations include eleven container depots/terminals, nine located in key locations in the PRC – Dalian, Tianjin, Qingdao, Shanghai, Qidong, Ningbo, Fuzhou, Xiamen and Guangxi and two in Hong Kong. It also runs 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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