[For Immediate Release]

SINGAMAS ANNOUNCES 2019 ANNUAL RESULTS

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FULLY COMMITTED TO THE "NEW SINGAMAS" TRANSFORMATION
FUELLED UP FOR TAPPING OPPORTUNITIES DESPITE CHALLENGING ENVIRONMENT
PROPOSES TO PAY A SPECIAL DIVIDEND OF HK13 CENTS PER ORDINARY SHARE

(Hong Kong, 26 March 2020) – World-leading container manufacturer and logistics services provider **Singamas Container Holdings Limited** ("Singamas" / the "Group") (stock code: 716) has today announced its annual results for the year ended 31 December 2019 (the "review year").

Over the past twelve months, the Group has transformed into the "New Singamas", a leading manufacturer of specialised containers, through embracing an enterprising view of its operation and transforming the Group's traditional business by disposing several companies. Towards achieving the goal, the Group entered into an agreement in 1H 2019 which resulted in the very substantial disposal of several companies (the "Disposal"). Management believed that the Disposal would pave the way to de-risk the Group from the volatile and trade-driven nature of the market, while at the same time enabling it to adjust the Group's business model in line with the transformative process underway.

During the review year, the Group's consolidated revenue was US$712,209,000 (2018: US$1,807,819,000), the result of a substantial drop in revenue is due to the Disposal compounded by the general soft demand for dry freight containers. The consolidated net loss attributable to owners of the Company amounted to US$110,230,000 – including non-recurring losses of approximately US$28,900,000 in relation to gain on the disposal of subsidiaries net of correlated capital gain tax, write down of right-of-use assets and property, plant and equipment and other fixed assets related expenses (2018: consolidated profit of US$72,252,000, including a one-time gain of approximately US$65,604,000 from the disposal of Hui Zhou Pacific Container Co., Ltd. ("HPCL")). Basic loss per share was US4.56 cents, versus basic earnings per share of US2.99 cents in 2018.

Based on the operating results of the Group, the Board did not recommend the payment of a final dividend for the year ended 31 December 2019 (2018:HK7 cents per ordinary share). Subject to approval by the shareholders of the Company at the forthcoming annual general meeting, the Board proposes to pay a special dividend of HK13 cents per ordinary share for the year ended 31 December 2019 (2018: nil) in respect of the disposal of subsidiaries during the year 2019, total dividend for the year would be HK13 cents per ordinary share (2018: HK7 cents per ordinary share).

MANUFACTURING

During the review year, the Group sought to pare down its workforce while concurrently retain individuals with the skills required for working on specialised containers in order to align with its goal to transform into the "New Singamas". As efforts progressed towards expediting the Group's transition into a leading specialised container manufacturer, dry freight manufacturing operation continued to deliver revenue to the Group. As at the year ended 31 December 2019, the segment's business recorded revenue of US$683,925,000 (2018: US$1,780,404,000), which accounted for 96.0% of the Group's total revenue (2018: 98.5%). The operation produced 352,166 twenty-foot equivalent units ("TEUs") during the review year (2018: 835,920 TEUs). The average selling price ("ASP") of a 20' dry freight container fluctuated; further dropped from US$1,791 in 1H 2019, yearly average approximately at US$1,779 (2018: US$2,157) a reflection of a decline in material costs and soft market demand. During the review year, total sales volume amounted to 340,304 TEUs (2018: 841,615 TEUs), recording a segment loss before taxation and non-controlling interests of US$99,622,000 (2018: segment profit before taxation and non-controlling interests, excluding one-off gain on disposal of HPCL, of US$17,911,000).

Production of specialised containers is expected to be enhanced significantly by the second quarter of 2020, when the new factory in Huizhou commences operation. Prior to such time, the existing production operations in Shanghai, Yixing and Xiamen have been able to address demand. It is worth noting that a number of customised specialised containers enjoyed noticeable pickup during the review year, including energy storage containers, power generator containers and electrical equipment containers.

LOGISTICS SERVICES

With regard to the logistics service business, the segment continued to contribute stable revenue of US$28,284,000 to the Group during the review year. With respect to the number of containers handled, approximately 660,000 TEUs (2018: 669,000 TEUs) were shifted during the review year, while average daily storage reached 25,000 TEUs versus 24,000 TEUs in 2018. Furthermore, the number of containers repaired totalled 147,000 TEUs (2018: 160,000 TEUs). The modest though favourable performance of the logistics services business reflects the rise in cargo traffic in the PRC, with cargo throughput increasing by 8.8% year-on-year to 13.95 billion tonnes in 2019, while foreign trade cargo throughput amounted to 4.32 billion tonnes during the same period, a year-on-year increase of 4.8%[1].

Certain areas of the logistics services business that have made significant progress include the container freight station business that helps combine shipments for its clients. In addition, the investment in Xiamen logistics has also delivered good returns, with dividends of approximately US$1,872,000 in 2019 (2018: US$956,000).

PROSPECTS

As the Group gears towards the manufacturing of specialised containers, its manufacturing capacity for dry freight containers will invariably be affected (present capacity at approx. 160,000 TEUs per annum for dry freight containers). In order to mitigate such impact, the Group will shift its customer focus from traditional shipping and leasing companies to container trading companies that require higher flexibility production requirements. Furthermore, the Group will leverage its knowhow and production expertise in specialised containers to capitalise on products that inherently possess higher unit prices and margins owing to the customisable nature, while at the same time deriving benefit from the wide range of industries that employ specialised containers, which make such products less driven by trade volume and less affected by the volatile market.

Mr Teo Siong Seng, Chairman of Singamas, said: "To better tap the specialised container market, the Group will bolster all areas of operation, with particular focus on product development. We will draw on the young, creative minds working at our R&D department to create more innovative products, and are confident that the "New Singamas" will become a reality, the benefits of which will include greater value creation for all our stakeholders."

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About Singamas Container Holdings Limited

Singamas is one of the world's major container manufacturers and logistics services providers. 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 and in Hong Kong, 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.

For press enquiries

Strategic Financial Relations Limited

Cindy Lung	+852 2864 4867	cindy.lung@sprg.com.hk
Desiree Shung	+852 2114 2200	desiree.shung@sprg.com.hk
Andrea Huang	+852 2864 4870	andrea.huang@sprg.com.hk

http://www.sprg.com.hk

[1] http://www.china.org.cn/china/Off_the_Wire/2020-01/27/content_75652012.htm