[For Immediate Release]

SINGAMAS ANNOUNCES 2022 ANNUAL RESULTS

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ECONOMIC SLOWDOWN AND RISE IN INVENTORY IMPACTED OVERALL PERFORMANCE

FLEXIBLE PRODUCTION TO ADDRESS RISING DEMAND FOR SPECIALISED AND CUSTOMISED CONTAINERS

(Hong Kong, 15 March 2023) – A renowned container manufacturer and logistics services provider **Singamas Container Holdings Limited** ("Singamas" / the "Group") (stock code: 716) has today announced its audited annual results for the year ended 31 December 2022 (the "review year").

During the review year, the Group's performance was significantly impacted by changing market dynamics, the catalysts of which included the Russia-Ukraine war, slowdown in the global economy resulting from weak consumer sentiment, decline in global trade volume and the overproduction of containers by the industry in 2021. In response, the Group had taken actions to reduce operating costs by intermittently closing its dry freight container production facilities from the fourth quarter of 2022, as well as expanded its specialised container operation in Shanghai in the second half of the year to better address demand, particularly for energy storage and equipment containers.

For the year ended 31 December 2022, the Group posted total consolidated revenue of US$775,983,000 (2021: US$1,151,764,000) and consolidated profit attributable to owners of the Company of US$46,340,000 (2021: US$186,802,000). Erosion in gross profit margin was driven by the drop in average selling price ("ASP") of dry freight containers, lower production volume and higher overhead costs per unit. Basic earnings per share was US1.92 cents (2021: US7.73 cents). The Group's financial position remains solid, with cash and deposits with banks amounting to US$369,770,000 as at year end 2022 (2021: US$438,171,000).

MANUFACTURING

With the rise in empty container inventories, there was a decline in demand for new dry freight containers and drop in their ASP during the review year. As at 31 December 2022, the manufacturing segment recorded revenue of US$748,375,000 (2021: US$1,117,195,000), which accounted for 96% (2021: 97%) of the Group's total revenue. Segment profit before taxation and non-controlling interests amounted to US$84,272,000 (2021: US$273,220,000). The manufacturing operation achieved a total sales volume of approximately 242,000 twenty-foot equivalent units ("TEUs") (2021: approximately 347,000 TEUs) of dry freight and ISO specialised containers. ASP of a 20' dry freight container fell to US$2,836 (2021: US$3,521), due in part to the drop in steel cost resulting from a slowdown in the Mainland China's property sector.

During the year, the Group leveraged its flexible production to increase output of customised and specialised containers as their demand rose appreciably in the second half year. Such demand was driven both locally and abroad, and particularly by renewable energy storage and equipment containers. The Group sees tremendous potential in renewable energy storage containers given the current environmental protection and renewable energy trends.

Other customised containers that the Group views favourably include 5G equipment and digital-data-related containers and modular integrated construction ("MIC") containers.

Both the Group's Huizhou factory and Shanghai factory recently earned the title of "2022 'Specialised and

New' SMEs", and Huizhou factory earned the title of "Innovative SMEs in Guangdong Province" as well, it demonstrates the Group's remarkable ability in product innovation and technical skills.

LOGISTICS SERVICES

The logistics operation continued to be a stable and solid segment, generating revenue of US$27,608,000 (2021: US$34,569,000), with segment profit before taxation and non-controlling interests of US$5,653,000 (2021: US$5,851,000). As at 31 December 2022, the operation handled approximately 703,000 TEUs (2021: 538,000 TEUs) of containers and repaired 119,000 TEUs (2021: 117,000 TEUs). As port congestion has eased, a large number of containers have returned to Mainland China, thus boosting revenue from storage and container handling. Average daily container storage reached 21,000 TEUs (2021: 18,000 TEUs).

The Group's investment in Xiamen Logistics generated dividend income of US$1,926,000 (2021: US$1,864,000) during the review year. The operations there will continue to be closely reviewed to ensure they achieve high efficiency and maintain a robust business portfolio to deliver a steady performance.

PROSPECTS

Stepping into 2023, the Group expects global growth to further weaken and challenges to remain. Nevertheless, the demand for containers is anticipated to improve during the second half of 2023 as new cargo vessels are launched and replacement containers are sought.

Given the tremendous potential that the energy storage and equipment containers hold, the Group will dedicate more resources to capitalise on relevant opportunities and will remain vigilant against cost pressures in face of steel price fluctuation brought by the ups and downs of China's property sector and automobile manufacturing sector.

Mr Teo Siong Seng, Chairman of Singamas, said: "The unpredictable macroeconomic conditions we faced over the past year have highlighted the importance of maintaining agility in our business. By leveraging the Group's expansion in Shanghai and flexible production, we were able to timely address the increase in demand for customised and specialised containers and the decline in dry freight container demand. Forging ahead, our focus on non-shipping related containers will allow us to be more resilient and less vulnerable to volatility in global trade. To ensure that the Group remains highly agile, we will continue to bolster our research and development capability, focusing on engineering and product development, and invest in automation to improve efficiency. We are also in a healthy financial position to actively seek new M&A opportunities to create new synergies."

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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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