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# SINGAMAS

## 勝獅貨櫃企業有限公司 SINGAMAS CONTAINER HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

**Stock code: 716**

Websites: <http://www.singamas.com> and <http://www.irasia.com/listco/hk/singamas>

### 2023 ANNUAL RESULTS ANNOUNCEMENT

#### ANNUAL RESULTS

The Board of Directors (the “Board”/ “Directors”) of Singamas Container Holdings Limited (the “Company”) would like to announce the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2023 as follows:

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	<i>Notes</i>	<b>2023</b> <i>US\$'000</i>	2022 <i>US\$'000</i>
<b>Revenue</b>	2	<b>382,470</b>	776,455
Cost of sales		<b>(325,942)</b>	(629,324)
<b>Gross profit</b>		<b>56,528</b>	147,131
Other income	4	<b>20,608</b>	12,209
Distribution expenses		<b>(10,938)</b>	(18,361)
Administrative expenses		<b>(32,657)</b>	(34,215)
Finance costs		<b>(343)</b>	(366)
Other gains and losses	5	<b>(7,076)</b>	(17,687)
Share of results of associates		<b>1,316</b>	1,349
Share of results of joint ventures		<b>204</b>	(135)
<b>Profit before taxation</b>	6	<b>27,642</b>	89,925
Income tax expense	7	<b>(5,149)</b>	(33,360)
<b>Profit for the year</b>		<b>22,493</b>	56,565
<b>Profit for the year attributable to:</b>			
Owners of the Company		<b>19,438</b>	46,340
Non-controlling interests		<b>3,055</b>	10,225
		<b>22,493</b>	56,565

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)**

For the year ended 31 December 2023

	<i>Note</i>	<b>2023</b> <b>US\$'000</b>	2022 US\$'000
<b>Other comprehensive (expense) income</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value (loss) gain on equity instrument at fair value through other comprehensive income ("FVTOCI"), net of tax effect		<b>(1,983)</b>	2,677
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation		<b>(468)</b>	(4,190)
<b>Other comprehensive expense for the year</b>		<b>(2,451)</b>	(1,513)
<b>Total comprehensive income for the year</b>		<b>20,042</b>	55,052
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>17,021</b>	45,365
Non-controlling interests		<b>3,021</b>	9,687
		<b>20,042</b>	55,052
<b>Basic earnings per share</b>	<b>9</b>	<b>US0.82 cent</b>	US1.92 cents

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	<i>Notes</i>	<b>2023</b> <b>US\$'000</b>	2022 US\$'000
<b>Non-current assets</b>			
Property, plant and equipment	10	<b>97,641</b>	86,991
Right-of-use assets		<b>35,582</b>	39,130
Investment properties		<b>32,380</b>	35,330
Interests in associates		<b>15,569</b>	15,768
Interests in joint ventures		<b>6,353</b>	6,302
Equity instrument at FVTOCI		<b>26,163</b>	28,367
Financial asset at fair value through profit and loss ("FVTPL")		<b>3,052</b>	3,044
Other receivables	13	-	4,842
Trade receivables	12	<b>30,092</b>	10,798
Deposits for non-current assets		<b>72</b>	94
		<hr/> <b>246,904</b>	<hr/> 230,666
<b>Current assets</b>			
Inventories	11	<b>106,593</b>	105,662
Trade receivables	12	<b>71,124</b>	80,136
Prepayments and other receivables	13	<b>30,032</b>	24,324
Amounts due from associates		<b>276</b>	424
Amounts due from joint ventures		<b>415</b>	995
Tax recoverable		<b>160</b>	276
Bank deposits with original maturity over 3 months		<b>173,130</b>	40,000
Cash and cash equivalents		<b>127,833</b>	329,770
		<hr/> <b>509,563</b>	<hr/> 581,587

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)***As at 31 December 2023*

	<i>Notes</i>	<b>2023</b> <b>US\$'000</b>	2022 US\$'000
<b>Current liabilities</b>			
Trade payables	14	<b>34,990</b>	40,230
Lease liabilities		<b>2,099</b>	2,664
Accruals and other payables		<b>45,968</b>	50,367
Advances from customers		<b>36,525</b>	37,704
Amount due to immediate holding company		<b>75</b>	62
Amounts due to associates		<b>370</b>	473
Amounts due to joint ventures		<b>8</b>	7
Derivative financial instruments		<b>-</b>	461
Tax payable		<b>1,261</b>	3,161
Bank and other borrowings		<b>1,246</b>	-
		<b>122,542</b>	135,129
<b>Net current assets</b>		<b>387,021</b>	446,458
<b>Total assets less current liabilities</b>		<b>633,925</b>	677,124
<b>Capital and reserves</b>			
Share capital	15	<b>268,149</b>	268,149
Accumulated profits		<b>201,672</b>	248,584
Other reserves		<b>81,959</b>	79,093
Equity attributable to owners of the Company		<b>551,780</b>	595,826
Non-controlling interests		<b>62,855</b>	63,051
<b>Total equity</b>		<b>614,635</b>	658,877
<b>Non-current liabilities</b>			
Lease liabilities		<b>1,787</b>	3,473
Deferred tax liabilities		<b>11,914</b>	14,774
Bank and other borrowings		<b>5,589</b>	-
		<b>19,290</b>	18,247
		<b>633,925</b>	677,124

Notes:

## 1. Basis of preparation and accounting policies

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for equity instrument at FVTOCI, financial asset at FVTPL, investment properties and derivative financial instruments, that are measured at fair values at the end of each reporting period.

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform - Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

### Impacts on application of Amendments to HKAS 8 Definition of Accounting Estimates

The Group has applied the amendments for the first time in the current year. The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

### Impacts on application of Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

In accordance with the transition provision:

- (i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 January 2022;
- (ii) the Group also, as at 1 January 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

*The application of the amendments has had no material impact on the Group's financial position and performance, except that the Group disclose the related deferred tax assets of US\$976,000 and deferred tax liabilities of US\$852,000 on a gross basis but it has no impact on the accumulated profits at the earliest period presented.*

*Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies*

*The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.*

*The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.*

*HKFRS Practice Statement 2 Making Materiality Judgements (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.*

*The application of the amendments has had no material impact on the Group's financial positions and performance.*

## 2. Revenue

Revenue represents sales of goods from manufacturing, containers leasing and services income from logistics services operations, less sales related taxes, and is analysed as follows:

	2023 US\$'000	2022 US\$'000
Manufacturing and leasing	354,983	748,847
Logistics services	27,487	27,608
	<b>382,470</b>	<b>776,455</b>

### Disaggregation of revenue from contracts with customers

	2023 US\$'000	2022 US\$'000
<b>Types of goods or services</b>		
<b>Manufacturing</b>		
Sales of dry freight containers	187,115	609,012
Sales of tank containers	61,236	59,639
Sales of other specialised containers and container parts	103,843	78,645
	<b>352,194</b>	<b>747,296</b>
<b>Logistics services</b>		
Container storage and handling services	4,075	4,084
Repair and drayage services	4,510	5,269
Container freight station services	15,983	15,214
Other container related services	2,919	3,041
	<b>27,487</b>	<b>27,608</b>
<b>Revenue from contracts with customers</b>	<b>379,681</b>	<b>774,904</b>
<b>Leasing</b>		
Finance leases interest income	1,102	472
Operating leases income	1,687	1,079
<b>Total revenue arising from leases (note)</b>	<b>2,789</b>	<b>1,551</b>
<b>Total revenue</b>	<b>382,470</b>	<b>776,455</b>

Note: During the year 2023, the management of the Group considered leasing of containers as ordinary course of business of the Group and accordingly has classified leases interest income as the Group's revenue, accordingly, the corresponding comparative figures have been reclassified from "other income" to "revenue" to conform with current year's presentation.

### 3. Segment information

Information reported to the Group's chief operating decision maker (i.e. Chief Executive Officer) for the purpose of resource allocation and assessment of segment performance are organised into two operating divisions – manufacturing and leasing and logistics services. These divisions are the basis on which the Group reports its segment information under HKFRS 8 Operating Segments.

Principal activities are as follows:

- Manufacturing and leasing* - manufacturing of dry freight containers, tank containers, other specialised containers (including but not limited to collapsible flatrack containers and offshore containers) and container parts and leasing of dry freight containers.
- Logistics services* - provision of container storage, repair and trucking services, serving as a freight station, container / cargo handling and other container related services.

Information regarding these segments is presented below:

#### **Segment revenue and results**

The following is an analysis of the Group's revenue and results by operating and reportable segment:

**Year ended 31 December 2023**

	<b>Manufacturing and leasing US\$'000</b>	<b>Logistics services US\$'000</b>	<b>Total US\$'000</b>
<b>REVENUE</b>			
<i>External sales</i>	354,983	27,487	382,470
<b>SEGMENT RESULTS</b>	6,555	3,648	10,203
<i>Finance costs</i>			(343)
<i>Investment income</i>			16,569
<i>Fair value loss on derivative financial instruments</i>			(365)
<i>Fair value gain on financial asset at FVTPL</i>			58
<i>Share of results of associates</i>			1,316
<i>Share of results of joint ventures</i>			204
<i>Profit before taxation</i>			27,642



Year ended 31 December 2022

	<i>Manufacturing and leasing US\$ '000</i>	<i>Logistics services US\$ '000</i>	<i>Total US\$ '000</i>
<b>REVENUE</b>			
<i>External sales</i>	748,847	27,608	776,455
<b>SEGMENT RESULTS</b>	84,597	2,288	86,885
<i>Finance costs</i>			(366)
<i>Investment income</i>			7,804
<i>Fair value loss on derivative financial instruments</i>			(5,686)
<i>Fair value gain on financial asset at FVTPL</i>			74
<i>Share of results of associates</i>			1,349
<i>Share of results of joint ventures</i>			(135)
<i>Profit before taxation</i>			89,925

*Segment results represent the profit earned by each segment without allocation of finance costs, investment income (including interest or dividend income), fair value loss on derivative financial instruments, fair value gain on financial asset at FVTPL, share of results of associates and share of results of joint ventures. This is the measure reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of segment performance.*

## Geographical information

The Group's operations, including both the manufacturing and logistics services division, are located in the People's Republic of China (the "PRC"); while the leasing division is operated in Hong Kong.

The following table provides an analysis of the Group's revenue by geographical market, based on the location of customers for manufacturing and leasing segment and based on the origin of the goods/services for logistics services segment:

	<u>Year ended 31 December 2023</u>			<u>Year ended 31 December 2022</u>		
	<i>Manufacturing and leasing</i> US\$'000	<i>Logistics services</i> US\$'000	<i>Total</i> US\$'000	<i>Manufacturing and leasing</i> US\$'000	<i>Logistics services</i> US\$'000	<i>Total</i> US\$'000
Europe	88,058	-	88,058	107,114	-	107,114
PRC	84,711	27,487	112,198	64,949	27,608	92,557
Hong Kong	60,598	-	60,598	230,358	-	230,358
Taiwan	50,223	-	50,223	29,015	-	29,015
United States of America	25,265	-	25,265	46,936	-	46,936
Middle East	18,965	-	18,965	78,663	-	78,663
Singapore	11,843	-	11,843	144,882	-	144,882
Malaysia	3,554	-	3,554	4,269	-	4,269
Korea	625	-	625	9,196	-	9,196
Indonesia	381	-	381	10,543	-	10,543
India	269	-	269	6,992	-	6,992
Others	10,491	-	10,491	15,930	-	15,930
<b>Total</b>	<b>354,983</b>	<b>27,487</b>	<b>382,470</b>	<b>748,847</b>	<b>27,608</b>	<b>776,455</b>

The following is an analysis of the carrying amount of non-current assets (other than financial instruments, other receivables and trade receivables), analysed by the geographical area in which the assets are located:

	<i>As at 31 December 2023</i> US\$'000	<i>As at 31 December 2022</i> US\$'000
PRC	139,739	147,083
Hong Kong	46,741	35,154
Others	1,117	1,378
	<b>187,597</b>	<b>183,615</b>

## Information about major customers

During the year 2023, there is one customer (2022: one customer) contribute over 10% of the total sale. The customer contributes over 10% of the total sales amounted to US\$38,850,000 (2022: US\$106,915,000) in aggregate.

#### 4. Other income

	2023 US\$'000	2022 US\$'000
<i>Interest earned on bank deposits</i>	6,527	5,056
<i>Interest earned on bank deposits with original maturity over 3 months</i>	7,889	218
<i>Imputed interest income from consideration receivable</i>	322	604
<i>Dividend income from equity instrument at FVTOCI</i>	1,831	1,926
<i>Governments grants</i>	829	1,432
<i>Rental income from leased properties</i>	1,990	1,989
<i>Others</i>	1,220	984
	<u>20,608</u>	<u>12,209</u>

During the year 2023, the Group received US\$829,000 (2022: US\$1,432,000) from the local government authorities for the encouragement on economic contribution to the industry development with no specific conditions attached.

#### 5. Other gains and losses

	2023 US\$'000	2022 US\$'000
<i>Net exchange loss</i>	(502)	(8,122)
<i>Fair value loss on derivative financial instruments</i>	(365)	(5,686)
<i>Fair value gain on financial assets at FVTPL</i>	58	74
<i>Fair value loss on investment properties</i>	(2,647)	(909)
<i>Adjustment to consideration receivables</i>	(3,676)	(3,360)
<i>Impairment losses under expected credit loss model, net of reversal</i>	43	22
<i>Gain on disposal of property, plant and equipment</i>	54	525
<i>Loss on property, plant and equipment written off</i>	(41)	(231)
	<u>(7,076)</u>	<u>(17,687)</u>

## 6. Profit before taxation

	2023 US\$'000	2022 US\$'000
<i>Profit before taxation has been arrived at after charging (crediting) the following:</i>		
<i>Auditors' remuneration</i>	<u>564</u>	447
<i>Research and development costs</i>		
- <i>Included in cost of sales</i>	3,344	4,597
- <i>Included in administrative expenses</i>	<u>2,112</u>	1,861
	<u>5,456</u>	6,458
<i>Staff costs, including directors' emoluments</i>		
- <i>Salaries and other benefits</i>	71,808	89,019
- <i>Retirement benefit costs</i>	<u>2,899</u>	2,805
	<u>74,707</u>	91,824
<i>Depreciation expense</i>		
- <i>Depreciation of property, plant and equipment</i>	8,459	7,780
- <i>Depreciation of right-of-use assets</i>	<u>4,405</u>	3,912
	<u>12,864</u>	11,692
<i>Share of taxation charge of associates</i>	413	366
<i>Share of taxation charge of joint ventures</i>	<u>53</u>	4
	<u>466</u>	370
<i>Gross rental income from investment properties</i>	(1,877)	(1,871)
<i>Less: direct operating expenses incurred for investment properties that generated rental income during the year</i>	304	305
	<u>(1,573)</u>	(1,566)
<i>Cost of inventories recognised as expense (including reversal of provision of inventories US\$426,000 (2022: provision of inventories US\$1,633,000))</i>	<u>325,942</u>	629,324

## 7. Income tax expense

No Hong Kong Profits Tax has been provided as there was no taxable profit during both years.

PRC Enterprise Income Tax has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the PRC in which the Group operates.

	2023 US\$'000	2022 US\$'000
Current tax:		
PRC Enterprise Income Tax		
- Current year	4,875	29,818
- Overprovision in prior years	(91)	(8)
	<u>4,784</u>	<u>29,810</u>
Deferred tax:		
- Current year credit	(353)	(208)
- Withholding tax on undistributed profits	718	3,758
	<u>365</u>	<u>3,550</u>
Income tax expense for the year	<u><u>5,149</u></u>	<u><u>33,360</u></u>

Pursuant to the relevant law and regulations in the PRC, PRC subsidiaries qualified as Hi-Tech Enterprise are entitled to a favorable tax rate of 15% for PRC enterprise income tax. The tax rate of the other PRC subsidiaries is 25%.

## 8. Dividends

Dividends recognised as distributions during the year:

	2023 US\$'000	2022 US\$'000
Interim dividend in respect of the current financial year		
- HK1 cent (2022: HK4 cents) per ordinary share	<u>3,055</u>	<u>12,317</u>
Final dividend in respect of the previous financial year		
- HK2 cents (2022: HK11 cents) per ordinary share	<u>6,079</u>	<u>33,881</u>
Special dividend in respect of the current and previous financial year - HK17 cents (2022: HK25 cents) per ordinary share	<u>51,933</u>	<u>77,396</u>

An interim dividend of HK1 cent per ordinary share, total of which equivalent to approximately HK\$ 23,822,000 (equivalent to approximately US\$3,055,000) was declared and paid during the year ended 31 December 2023.

An interim special dividend of HK17 cents per ordinary share, total of which equivalent to approximately HK\$404,975,000 (equivalent to approximately US\$51,933,000) was declared and paid during the year ended 31 December 2023.

The final dividend of HK2 cents in respect of the year ended 31 December 2022 per ordinary share, total of which equivalent to approximately HK\$47,644,000 (equivalent to approximately US\$6,079,000) were approved by the shareholders in the annual general meeting held on 23 June 2023 and was distributed on 21 July 2023.

The final dividend of HK4 cents in respect of the year ended 31 December 2023 per ordinary share, total of which equivalent to approximately HK\$95,288,000 (equivalent to approximately US\$12,216,000) has been proposed by the board of directors and is subject to approval by the shareholders in forthcoming annual general meeting.

## 9. Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the following data:

	2023 US\$'000	2022 US\$'000
<i>Earnings:</i>		
<i>Profit for the purposes of calculating basic earnings per share</i>	<u>19,438</u>	<u>46,340</u>
<i>Number of shares:</i>		
<i>Weighted average number of ordinary shares for the purpose of calculating basic earnings per share</i>	<u>2,382,205,918</u>	<u>2,411,359,693</u>

No diluted earnings per share was presented as the Company has no potential ordinary shares in issue in both years.

## 10. Movements in property, plant and equipment

During the year, there was an addition of US\$19,645,000 (2022: US\$19,388,000) in property, plant and equipment for upgrading existing manufacturing and logistics services facilities of the Group, including transfer of leased assets from inventories amounted to US\$14,138,000 (2022: US\$8,891,000).

## 11. Inventories

	2023 US\$'000	2022 US\$'000
<i>Raw materials</i>	38,160	45,303
<i>Work in progress</i>	22,827	23,210
<i>Finished goods</i>	45,606	37,149
	<u>106,593</u>	<u>105,662</u>

## 12. Trade receivables

	2023 US\$'000	2022 US\$'000
Trade receivables from third parties	65,964	76,697
Trade receivables from fellow subsidiaries	385	219
Operating lease receivables from immediate holding company	233	195
Finance lease receivables from third parties	34,739	13,971
Less : allowance for credit losses	(105)	(148)
Net trade receivables	<u>101,216</u>	<u>90,934</u>
Analysed for reporting purpose of:		
Amount shown under non-current assets	30,092	10,798
Amount shown under current assets	<u>71,124</u>	<u>80,136</u>
	<u>101,216</u>	<u>90,934</u>

### Trade receivables from third parties

A defined credit policy is maintained within the Group. The credit terms are agreed with each of its trade customers depending on the creditworthiness of the customers ranging from 30 days to 120 days (2022: 30 days to 120 days).

The aged analysis of trade receivables from third parties, net of allowance for credit losses, which is prepared based on invoice date of each transaction which approximated the respective revenue recognition dates or date of rendering of services, at the end of the reporting period is as follows:

	2023 US\$'000	2022 US\$'000
0 to 30 days	34,711	46,637
31 to 60 days	19,052	11,288
61 to 90 days	7,309	7,132
91 to 120 days	471	6,812
Over 120 days	4,326	4,682
Classified as current asset	<u>65,869</u>	<u>76,551</u>

### Trade receivables from fellow subsidiaries

The payment term with fellow subsidiaries is that the transaction amount shall be settled within 60 days (2022: 10 days) from the invoice date.

The aged analysis of trade receivables from fellow subsidiaries, net of allowance for credit losses, which is prepared based on invoice date of each transaction, which approximated the respective revenue recognition dates, at the end of the reporting period is as follows:

	2023 US\$'000	2022 US\$'000
0 to 30 days	175	200
31 to 60 days	178	19
61 to 90 days	32	-
	<u>385</u>	<u>219</u>

Operating lease receivables from immediate holding company

For lease receivables from immediate holding company, the lease rental shall be settled within 45 days (2022: 45 days) from the invoice date.

The aged analysis of lease receivables from immediate holding company, net of allowance for credit losses, which is prepared based on invoice date of each transaction, which approximated the respective revenue recognition dates, at the end of the reporting period is as follows:

	2023 US\$'000	2022 US\$'000
0 to 30 days	137	99
31 to 60 days	96	96
	<u>233</u>	<u>195</u>

Finance lease receivables from third parties

	2023 US\$'000	2022 US\$'000
<i>Finance lease receivables comprise:</i>		
<i>Within one year</i>	6,168	3,672
<i>In the second year</i>	3,793	3,682
<i>In the third year</i>	2,654	1,583
<i>In the fourth year</i>	2,654	443
<i>In the fifth year</i>	2,627	443
<i>After five years</i>	22,196	4,531
	<u>40,092</u>	<u>14,354</u>
<i>Unguaranteed residual values</i>	7,746	2,996
<i>Gross investment in the lease</i>	<u>47,838</u>	<u>17,350</u>
<i>Less: unearned finance income</i>	(13,109)	(3,381)
<i>Present value of minimum lease payments</i>	<u>34,729</u>	<u>13,969</u>
<i>Analysed as</i>		
<i>Current</i>	4,637	3,171
<i>Non-current</i>	30,092	10,798
	<u>34,729</u>	<u>13,969</u>

**13. Prepayments and other receivables**

As at 31 December 2023, prepayments and other receivables included consideration receivables in connection with disposal of subsidiaries of US\$4,753,000 (2022: US\$9,848,000), and advanced to suppliers of US\$15,920,000 (2022: US\$6,833,000) as deposits for raw materials purchases. The remaining balances mainly included refundable value added tax and other advance payments.



#### 14. Trade payables

Included in the Group's trade payables as at 31 December 2023 are bills presented by the Group to relevant creditors of US\$8,611,000 (2022: US\$350,000) which are for future settlement. All bills presented by the Group are aged within 365 days and not yet due at the end of the reporting period. The Group continues to recognise these trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. The following is an analysis of trade payables by age based on invoice date of each transaction.

	2023 US\$'000	2022 US\$'000
0 to 30 days	20,528	20,245
31 to 60 days	6,182	10,224
61 to 90 days	6,175	4,890
91 to 120 days	305	2,741
Over 120 days	1,800	2,130
	<b>34,990</b>	<b>40,230</b>

The average credit period on purchases of materials is 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

#### 15. Share capital

	Number of shares		Share Capital			
	2023	2022	2023 US\$'000	2023 HK\$'000	2022 US\$'000	2022 HK\$'000
Issued and fully paid:						
At beginning of the year	2,382,205,918	2,416,919,918	268,149	2,078,513	268,149	2,078,513
Share repurchased and cancelled	-	(34,714,000)	-	-	-	-
At end of the year	<b>2,382,205,918</b>	<b>2,382,205,918</b>	<b>268,149</b>	<b>2,078,513</b>	<b>268,149</b>	<b>2,078,513</b>

### BUSINESS REVIEW

During the latest financial year, the operating environment has been difficult owing to high inflation, interest rate hikes by the world's central banks, and various geopolitical tensions. With global trade volume underperforming, the demand for dry freight containers was affected, with average selling price ("ASP") maintaining a downward trajectory.

For the Group, our specialised container business continued to grow healthily, particularly for the energy storage system ("ESS") segment, thus testifying to the effectiveness of our diversified business model in helping mitigate the impact of dry freight container market volatility. In addition, we have been expanding the container leasing business to better serve our customers – allowing them to have the additional option of leasing on top of direct purchasing, and to capitalise on synergies with the Group's manufacturing operation. While fully prepared to face market challenges in an adaptive and flexible manner, we will be proactively enhancing our business model with the aim of boosting profitability.

For the year ended 31 December 2023, the Group's total consolidated revenue was US\$382,470,000 (2022: US\$776,455,000). Consolidated profit attributable to owners of the Company was US\$19,438,000 (2022: US\$46,340,000). The decline in revenue and ASP was attributed to a slump in demand for dry freight containers in the wake of overproduction by the industry in 2021, compounded by the aforementioned weak global trade which directly impacted on gross profit margins. Basic earnings per share was US0.82 cent (2022: US1.92 cents), while cash and bank deposits stood at US\$300,963,000 (2022: US\$369,770,000).

### ***Manufacturing and Leasing***

The manufacturing and leasing operation recorded revenue of US\$354,983,000 as at 31 December 2023 (2022: US\$ 748,847,000), which accounted for 93% (2022: 96%) of the Group's total revenue. Segment profit before taxation and non-controlling interests was US\$19,495,000 (2022: US\$84,272,000).

During the review year, the total sales volume of our manufacturing operation was approximately 106,000 twenty-foot equivalent units (TEUs) (2022: 242,000 TEUs) of dry freight and ISO specialised containers. The ASP of 20' dry freight containers fell to US\$2,075 (2022: US\$2,836).

On dry freight containers, total production volume was dropped by approximately 50%. Dry freight containers and specialised containers (including customised containers) accounted for 53% and 47% of segment revenue (2022: 82% dry freight, 18% specialised) respectively. Given the lower demand for the former, we have directed greater focus on controlling costs at the Group's dry freight container factories. Specialised containers have enjoyed healthy uptake both locally and internationally. In particular, ESS containers have outperformed; achieving an increase of over 170% in overall sales revenue compared with 2022.

On the leasing of dry freight container business, we have witnessed healthy and significant growth in 2023. This has helped generate synergy with the manufacturing operation and enhanced overall margin. As our existing manufacturing facilities allow for more flexible production and timely delivery of containers to our leasing customers, the Group is able to better seize relevant opportunities that arise in the market. Consequently, we will be able to derive relatively stable revenue in the future as leasing arrangements with customers are long term, ranging from three to over 10 years. We believe that the leasing operation will serve as a potential growth driver in the long run, we will invest more resources in developing this business moving forward.

### ***Logistics Services***

Our logistics services was performing well during the review year, generating revenue of US\$27,487,000 (2022: US\$27,608,000) and a segment profit before taxation and non-controlling interests of US\$8,147,000 (2022: US\$5,653,000). As at 31 December 2023, the logistics operation handled approximately 704,000 TEUs (2022: 703,000 TEUs) of containers and repaired 133,000 TEUs (2022: 119,000 TEUs), with average daily container storage reaching 23,000 TEUs (2022: 21,000 TEUs).

To encourage the ongoing development of the logistics services business, we will review its operations with the objective of increasing efficiency and bolstering its business portfolio. Already, we have plans in place for strengthening the management team, optimising its business model and enhancing profitability.

## **PROSPECTS**

According to the World Bank, global growth is projected to slow for the third consecutive year, falling from 2.6% in 2023 to 2.4% in 2024. With regard to the outlook for the dry freight container industry, its performance will depend in part on the recovery of global trade. Further stimulus will come from new vessel deliveries in 2024, which will spur new container orders. However, overcapacity remains a concern for the dry freight container market. As for specialised containers, demand is anticipated to grow robustly, particularly for ESS containers that are associated with the renewable energy sector.

As for the Group, our focus will be on areas pertaining to green energy, data equipment, housing, transportation solutions, etc. In particular, we will dedicate greater resources to developing the ESS segment, which will include expanding production capacity and adding more overseas sales offices. We will continue exploring business opportunities outside conventional manufacturing so as to diversify the Group's business operations and expand income streams.

## **DIVIDENDS**

Based on the operating results of the Group, the Board recommended the payment of a final dividend of HK4 cents per ordinary share (2022: HK2 cents per ordinary share) for the year ended 31 December 2023. Together with an interim dividend and interim special dividend of HK1 and HK17 cents per ordinary share respectively (2022: interim dividend of HK4 cents per ordinary share), total dividend for the year would be HK22 cents per ordinary share (2022: HK6 cents per ordinary share).

## **CLOSURE OF THE REGISTER OF MEMBERS**

To determine the eligibility of the shareholders of the Company to attend the annual general meeting to be held on Wednesday, 26 June 2024 ("2024 AGM"), the Company's register of members will be closed from Friday, 21 June 2024 to Wednesday, 26 June 2024 (both days inclusive), during which period no transfer of shares will be effected. In order to be entitled to attend and vote at 2024 AGM, all transfers of shares of the Company, duly accompanied by the completed transfer forms and all relevant share certificates, must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Thursday, 20 June 2024. The shareholders whose names appear on the register of members of the Company on Wednesday, 26 June 2024, the record date of 2024 AGM, will be entitled to attend and vote at 2024 AGM.

For determining the shareholders' entitlement to the proposed final dividend for the year ended 31 December 2023, the register of members of the Company will be closed from Wednesday, 3 July 2024 to Friday, 5 July 2024, both days inclusive, and no transfer of the shares of the Company will be effected during such period. In order for a shareholder of the Company to qualify for the proposed final dividend, all transfers of shares of the Company, duly accompanied by the completed transfer forms and all relevant share certificates, must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Tuesday, 2 July 2024. Subject to the approval by the Company's shareholders at the 2024 AGM, the proposed final dividend is payable on Friday, 19 July 2024 to those shareholders whose names appear on the register of members of the Company on Friday, 5 July 2024 (the record date).

## **AUDIT COMMITTEE**

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal controls and financial reporting matters including a review of the annual financial statements for the year ended 31 December 2023 ("Annual Report").

During the year under review, the Audit Committee met three times.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year.

## **TRANSFER TO RESERVES**

Pursuant to the legal requirements in the PRC and the appropriation agreed in the subsidiaries, associates and joint ventures, aggregate amount of US\$5,283,000 has been transferred to PRC statutory reserve of the Group during the year.

## **FINANCIAL INFORMATION**

The financial information relating to the years ended 31 December 2022 and 2023 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. The financial statements for the year ended 31 December 2023 have yet to be reported by the Company's auditor and will be delivered to the Registrar of Companies in due course. The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by the Hong Kong Companies Ordinance. The Company's auditor has reported on the financial statements of the Group for the year ended 31 December 2022. The auditor's report was unqualified and did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report, and did not include a statement under section 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap 622).

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 14 March 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

For the year ended 31 December 2023, the Company has consistently adopted and complied with the applicable code provisions of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on SEHK (the "Listing Rules") as guidelines to reinforce our corporate governance principles, except for the deviation stated below:

### Code provision C.2.1

Mr. Teo Siong Seng took up both roles as the Chairman of the Board and the Chief Executive Officer of the Company, the roles of Chairman and Chief Executive Officer are not separated. The Board considers that this structure has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions efficiently and consistently.

## **COMPLIANCE WITH THE MODEL CODE**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as the code of conduct regarding directors’ securities transactions. Having made specific enquiry of the directors, all of the directors have complied with, for any part of the accounting period covered by the Annual Report, the required standard as set out in the Model Code.

By Order of the Board  
**Singamas Container Holdings Limited**  
**Teo Siong Seng**  
*Chairman and Chief Executive Officer*

Hong Kong, 14 March 2024

*The Directors as at the date of this announcement are Mr. Teo Siong Seng, Ms. Siu Wai Yee, Winnie and Ms. Chung Pui King, Rebecca as executive Directors, Ms. Lau Man Yee, Vanessa as non-executive Director and Mr. Cheng Fu Kwok, David, Mr. Lau Ho Kit, Ivan and Mr. Ho Teck Cheong as independent non-executive Directors.*