

SINGAMAS

Singamas Container Holdings Limited

(incorporated in HK with Limited Liability)
(HKEx stock code: 00716)

2021 Annual Results Announcement
29 March 2022

www.singamas.com



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- Corporate Profile
- Industry Dynamics
- Financial Review
- Business Review
- Prospects
- Appendices
 - Consolidated income statements
 - Singamas' comprehensive factory & depot network – post transaction





CORPORATE PROFILE

- Singamas is a **Renowned Container Manufacturer** and **Logistics Services Provider** which listed on the Hong Kong Stock Exchange **since 1993**.
- the investment by **Heliconia Capital Management Pte. Ltd.**, (an independently managed wholly-owned subsidiary of Temasek Holdings (Private) Limited) to PIL Pte. Ltd., the holding company of Pacific International Lines (Private) Limited, the controlling shareholder of Singamas, has been completed.

Manufacturing Business

- manufactures a wide range of products including **Dry Freight Containers** and **ISO Specialised Containers** for shipping industry, as well as **Customised Containers** for various industries.
- operates **4 factories** in China, with a **new facility** adjacent to the Shanghai Baoshan plant being in operation since the fourth quarter of 2021.
- has a total annual capacity of approximately **320,000 TEUs¹** of dry freight and ISO specialised containers (based on one extended shift), and **5,000 units** of offshore containers and customised containers.

Logistics Services Business

- has **8 Container Depots** at the major ports in Dalian, Fuzhou, Shanghai, Ningbo, Qingdao, Tianjin and Xiamen of China².
- has **1 Logistics Company** in Xiamen of China.

Notes:

1. *TEU stands for Twenty-foot Equivalent Unit, a standard unit of measurement used for container transportation.*
2. *The one located in Shanghai is the branch of Xiamen depot. The Group's depots in Hong Kong ceased operation in June 2021 due to a land reclamation exercise conducted by the local authorities.*

Core Competence of Dry Freight Containers



- Dry Freight Containers is the major product of Singamas over the years.
 - Singamas' Dry Freight Containers is strong, durable and easy to repair. They conform to ISO standard and are used for the road, rail and sea transportation.
 - a dry freight container is built for use for up to 15 years but major refurbishment is required in year 9 or 10.

Strong Branding Effect

- veteran of Dry Freight Container manufacturing industry since 1988

Good Reputation

- expertise in producing Dry Freight Containers, with:
 - ✓ ISO standard
 - ✓ good quality
 - ✓ good before and after sales services

Advanced Robotics & Automation Applications

- strengthen R&D capabilities & engineering excellence
- automate manufacturing activities & upgrade systems



Agile & Efficient Operations

- adopt asset-light strategy for effective cost management
- focus on operation excellence & continuous improvements



Established Customer Base

- leverage on the network of our largest shareholder
- strengthen the bonding with our customer by providing complementary expertise, know-how & industry networks
- expand into emerging markets & growth potential regions



- Specialised Containers including **ISO Specialised Containers** and Customised Containers.
 - ISO specialised containers are mainly for **marine transportation**, including ISO tanks, open top & open sides containers, flat racks, bulk containers, bitutainers, etc.

Singamas ISO Specialised Containers



Tank Containers



Flat Rack Containers



Bulk (Food) Containers



Platform Containers



Bitutainers



Open sides Containers

- Specialised Containers including ISO Specialised Containers and **Customised Containers**.
 - Singamas cooperates with customers to develop **tailor-made container designs** and offer **container solutions**.
 - with its **innovative designs with innovative solutions**, Singamas attracts customers in various sectors, e.g., energy, environmental protection, telecommunication, information technology, data network infrastructure, medical, engineering, housing, aquafarming and breeding etc.

Singamas Customised Containers



CT Scans Containers



Aquafarming Containers



Automotive Racks Containers



Terminal Electrical Equipment Containers



Offshore Containers



Housing Containers

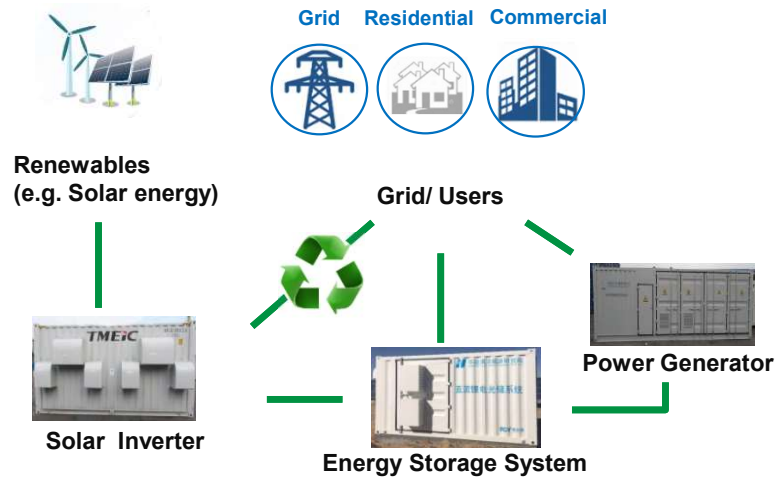


Bitcoin Mining Container



Breeding and Farming Containers

Containerised Renewable Energy



For illustration purpose only

Key Features

- ✓ Modular “**plug & play**” enable fast deployment and increase transportability
- ✓ **reliable, cost effective & efficient** energy supply with **scalable** storage capacity
- ✓ generate & store electricity from clean renewable sources and bring green solutions to where you need
- ✓ Singamas has a department dedicated to the **R&D of containers** that advance **solar, wind and hydro** power generation

Major Customers

- Utility sectors, Infrastructure sectors and Energy enterprises



renewable energy inside containers



Containerised Environmental Protection Solutions

- various countries have put more **emphasis on environmental protection solutions** and thus, environmental protection related, including sewage treatment containers, are developed and customised to **address current market demand**.

Various Types and Scales of Water Treatment Containers



Containerised Technology and Digital Data

- container is used for **data network** and **infrastructure support**.

Key Features

- ✓ flexible power & cooling system
- ✓ scalable capacity with quick deployment
- ✓ reliable, cost effective & energy efficient
- ✓ integrated - fully configured & tested for safe and continuous operation

Applications

- telecommunication
- cloud computing
- edge computing
- content delivery network

Customers

- telecommunication companies
- big data focused technology companies



Other Applications

- product applications extend to **various industries** for specify purposes.

Staircase Container

Staircase Container enables easy construction of outdoor staircase attached to different kind of buildings



Shock Absorbing Container

Shock Absorbing Container protects products/instruments with care during transportation with its shock absorbing design

Firefighting Container

Firefighting Container provides mobility for firefighting equipment



Train Maintenance Container

Train Maintenance container is placed on the train deck, which integrates the generator set and the workshop, as a mobile maintenance station for trains

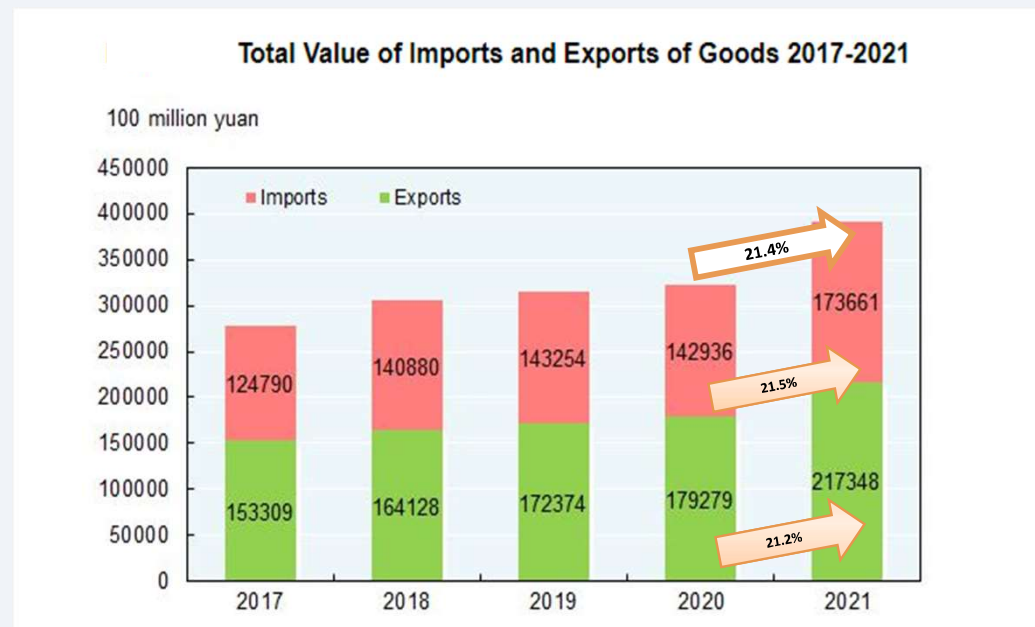


INDUSTRY DYNAMICS

Container Industry Dynamics – Dry Freight Container

➤ Singamas leveraged on the **strong demand for Dry Freight Containers** in China.

- the total value of imports and exports of goods in 2021 reached 39,100.9 billion yuan, up by 21.4% yoy. China ranked No. 1 in global trade in goods for 5 consecutive years.

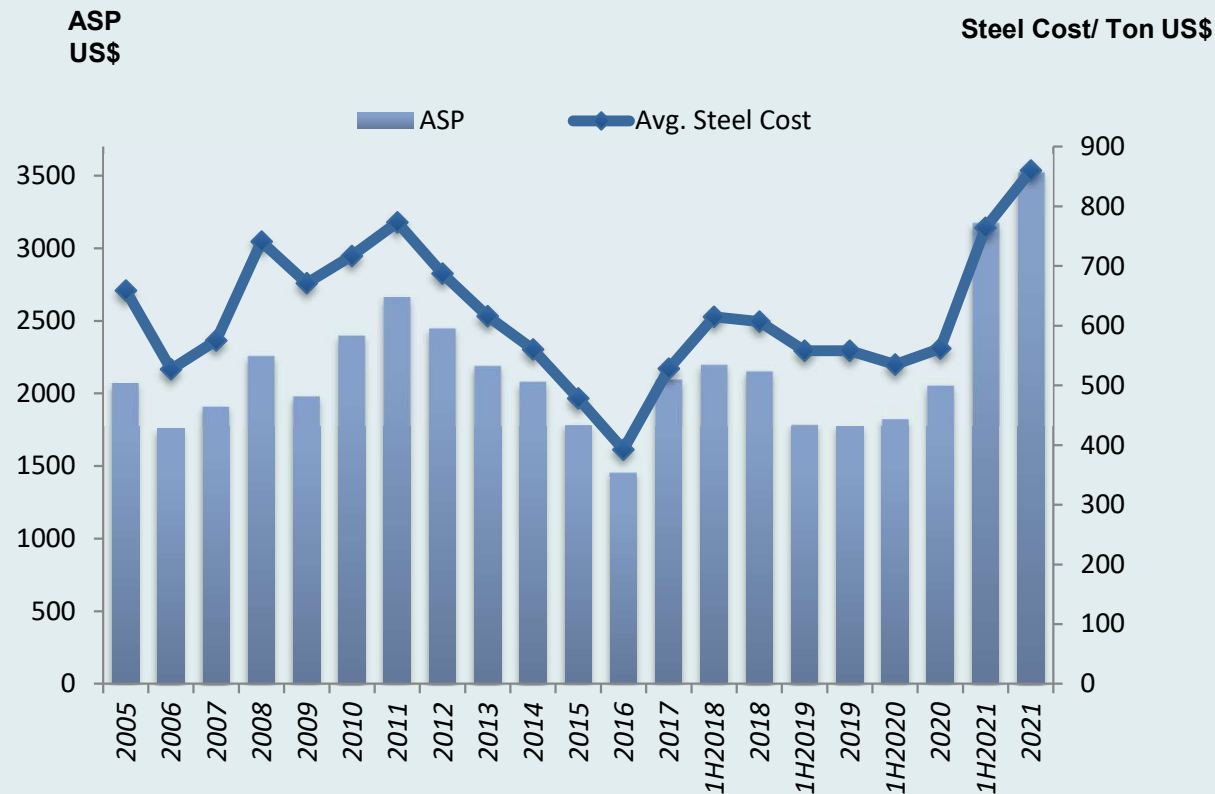


sources: National Bureau of Statistics of China

Container Industry Dynamics – Dry Freight Container

- Singamas leveraged on the **Cost-Plus Pricing Model** to set selling price of Dry Freight Containers.

2005 – 2021 20ft. Dry Freight Container¹ Price (ASP²) vs. Average Steel Cost Per Ton



- FY2021 ASP of 20ft dry freight container increased to US\$3,521, 71% higher than FY2020's US\$2,059.
- FY2021 average steel cost was US\$860/ton, 53% higher than FY2020's US\$562/ton.
- Increased in ASP as a reflection of the increase in container demand and material cost.

Note:

1. one 20' container normally requires 1.7 tons (including wastage) of steel.
2. ASP stands for average selling price of Singamas for 20ft dry freight container.

Container Industry Dynamics – Customised Container

- market demand for Renewable Energy Containers and Green Solution Containers has increased.
- in 2021, the consumption of coal accounted for 56.0% of the **total energy consumption**, 0.9 percentage point lower yoy, while clean energy consumption, such as **hydropower, nuclear power, wind power** and **solar power** accounted for **25.5%**, **1.2 percentage points higher yoy**.

The Proportion of Clean Energy Consumption in the Total Energy Consumption 2017-2021

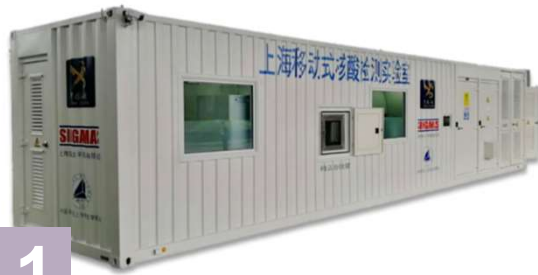


Source: National Bureau of Statistics of China

❖ *Singamas' R&D and Marketing expertise continues to produce tailor-made containers to address environmental protection issues. With the operation of a new facility specialising in producing customised containers in 4Q21, Singamas' production capacity of customised containers has further increased.*

Container Industry Dynamics – Customised Container

- quick response and flexibility in producing **Containerised Medical Facilities** during COVID-19 pandemic.
 - **mobile laboratories** with medical capabilities for functions such as COVID-19 Testing, CT Scan and Negative Pressure Isolation, enabling rapid response from frontline medical staff.
 - **Covid-19 Quarantine Container Units** enables construction of huge magnitude of quarantine camp and temporary hospital at speed.



1

collaborate with a medical equipment company to build the first **Mobile Nucleic Acid Detection Laboratory Container** in China

collaborate with a construction company to build **Covid-19 Quarantine Container Units** for the quarantine camps and temporary hospitals in Hong Kong



2



3

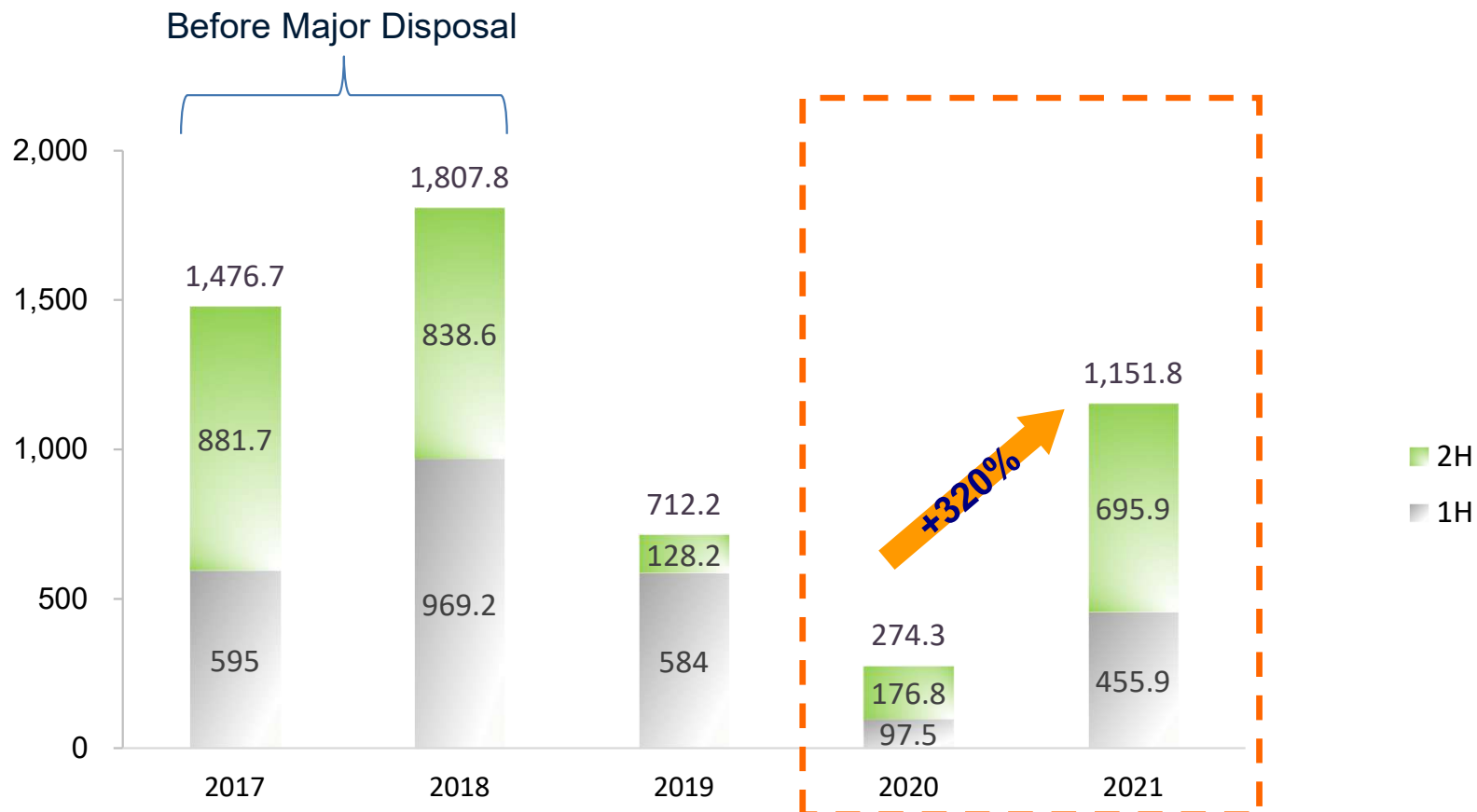
develop and commercialise **CT Scan Container** for hospitals



FINANCIAL REVIEW

Consolidated Revenue

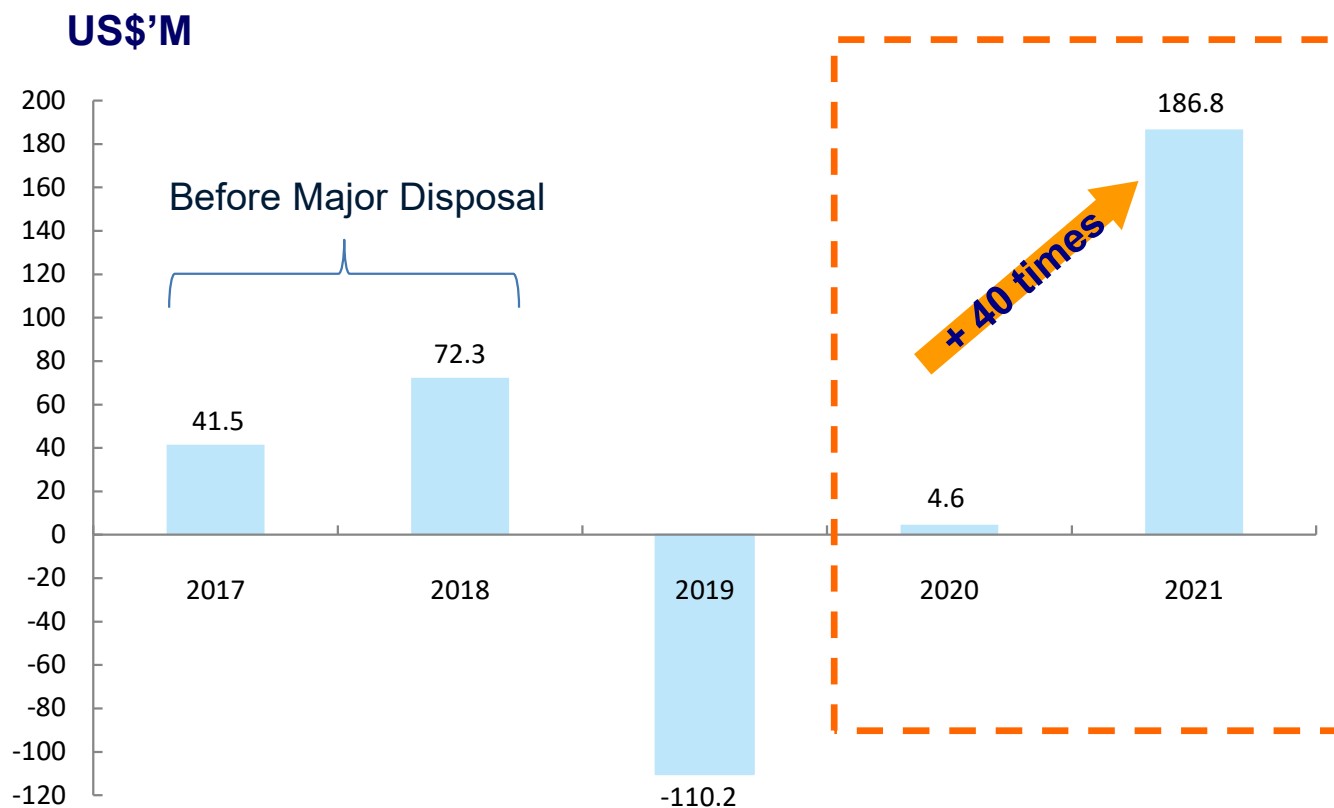
US\$'M



For the year ended 31 December

- We recorded consolidated revenue of US\$1,152 million in FY2021, an increase of 320% over the revenue of US\$274 million in FY2020.
- The increase in revenue is mainly attributable to the increase in the sales of dry freight containers.

Consolidated Net Profit / Loss Attributable to Owners of the Company

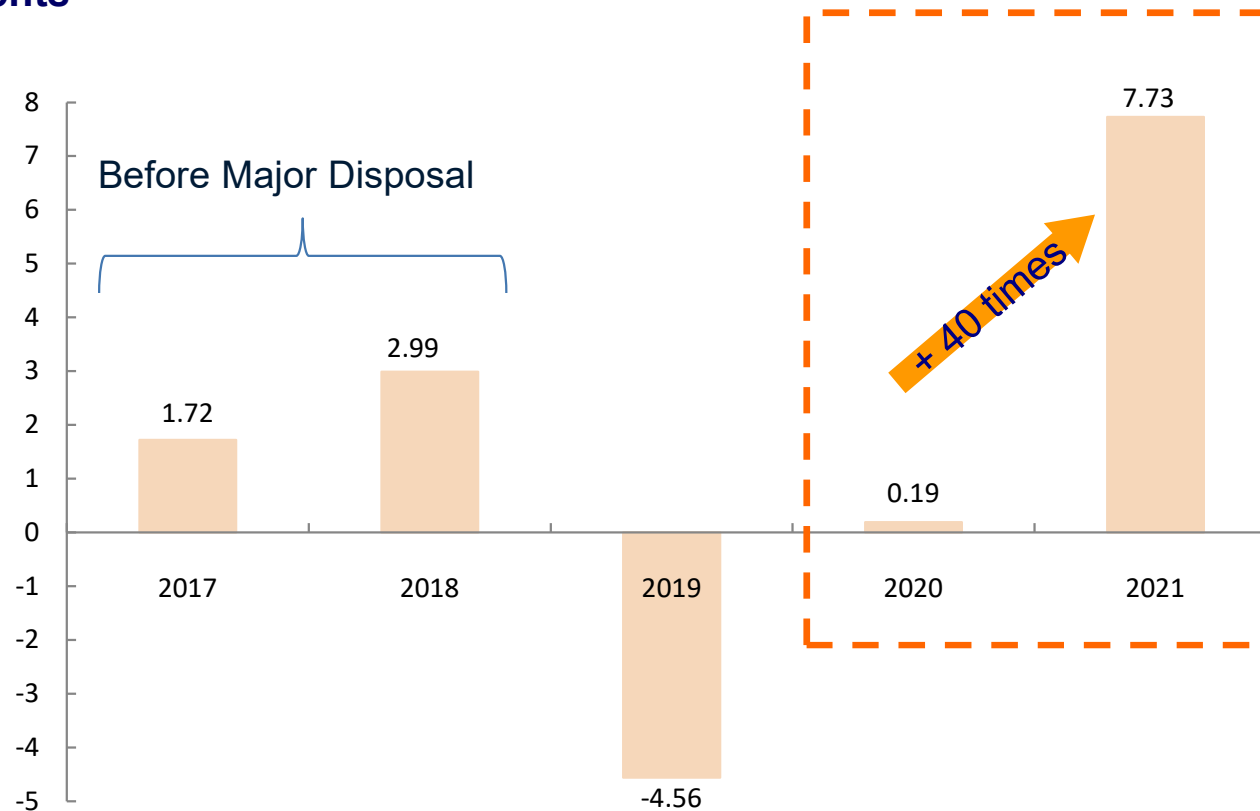


For the year ended 31 December

- Consolidated net profit attributable to owners of the Company totalled US\$186.8 million (FY2020: net profit of US\$4.6 million).
- Excluding the gain on derecognition of financial assets of US\$27,001,000, net profit from ordinary course of business amounts to US\$159,800,000.

Basic Earnings / Loss per Share

US cents

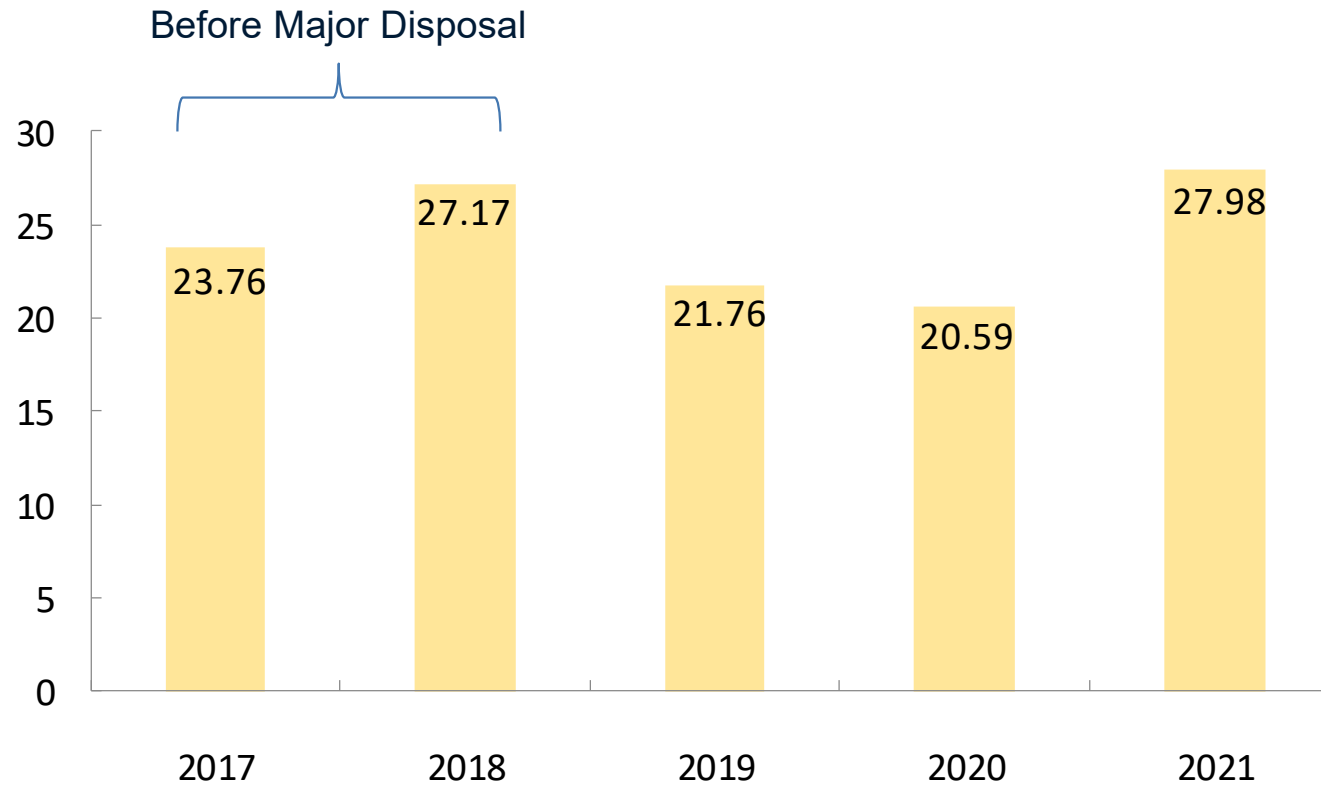


For the year ended 31 December

- Basic earnings per share was US7.73 cents, compared with basic earnings per share of US0.19 cent in FY2020.

Net Assets Value per Share

US cents



As at 31 December

- Net assets value per share increased from US20.59 cents as at 31 December 2020 to US27.98 cents as at 31 December 2021.

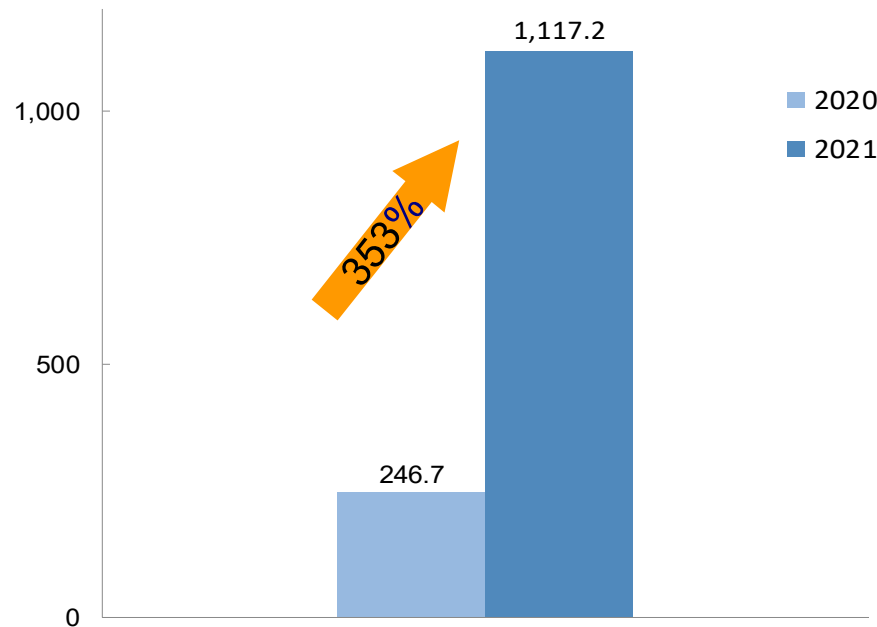


BUSINESS REVIEW

Manufacturing Business – Revenue and Profit Analysis

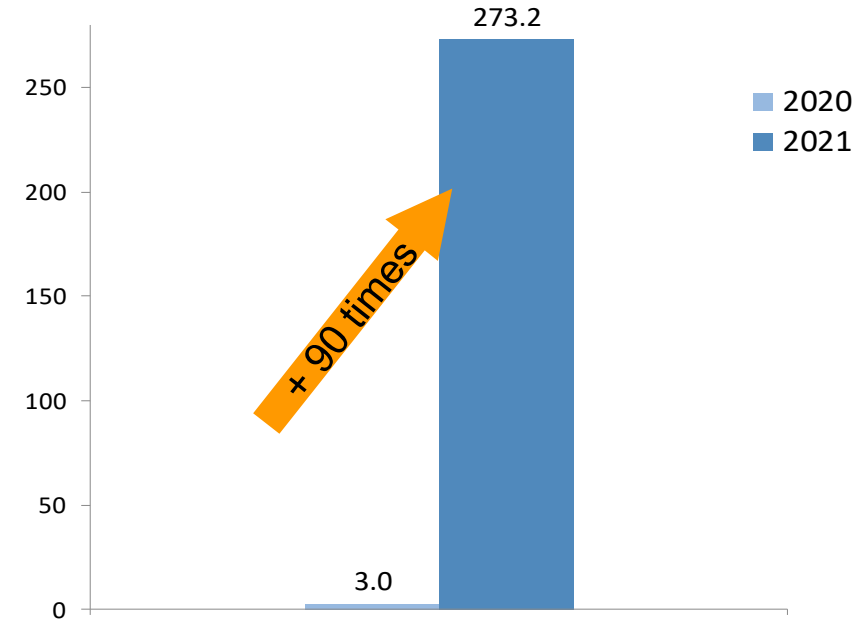
Revenue

US\$'M



Loss / Profit Before Taxation

US\$'M



For the year ended 31 December

- Manufacturing segment achieved revenue of US\$1,117,195,000 (FY2020: US\$246,677,000), hence accounted for 97% of the Group's total revenue.
- Pretax earnings and non-controlling interests for this segment reached US\$273,220,000 (FY2020: US\$3,009,000).

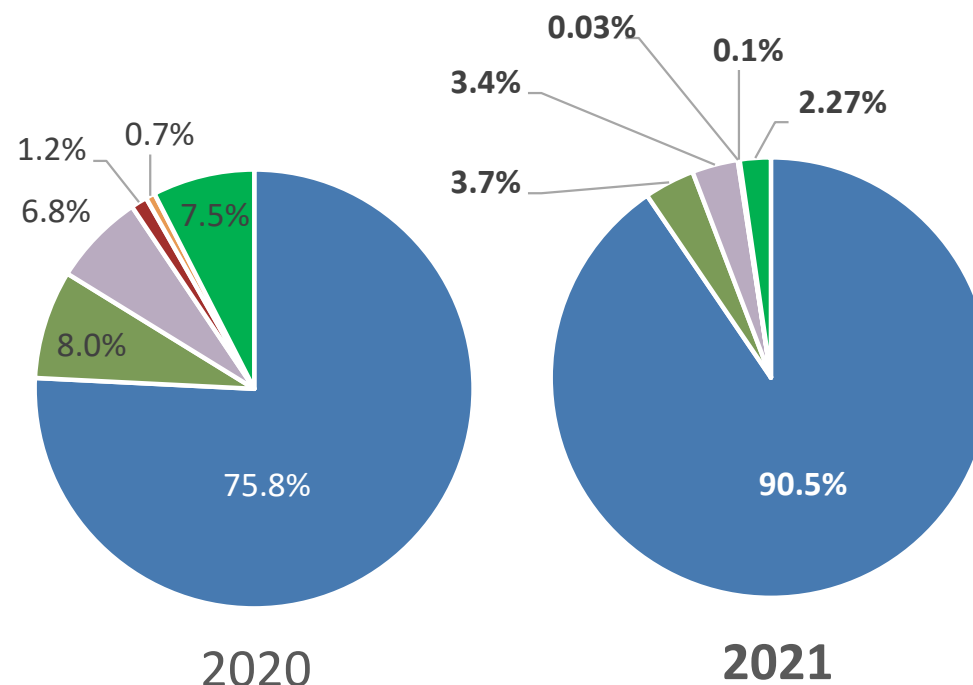
Manufacturing Business – Sales Volume and Sales Revenue Breakdown



Sales Volume (Product Types)

For the year ended 31 December	2020	2021
Dry freight (TEU)	102,112	331,389
ISO Special (TEU)	8,629	13,565
Tank (Unit)	823	1,897
Car Rack (Unit)	5,526	449
Customised – Offshore (Unit)	185	115
Customised – Others (Unit)	2,030	1,568

Revenue Breakdown (Product Types)



For the year ended 31 December

- Dry freight
- ISO Special
- Tank
- Car Rack
- Customised Special - offshore
- Customised Special - others

Logistics Services Business – Overview

➤ Singamas is a **Major Operator of Container Depots** in China with over **30 years of Industry Experience**.

- **Network** with key port operators in China.
- **Customer relationships** with global major shipping companies and leasing companies:

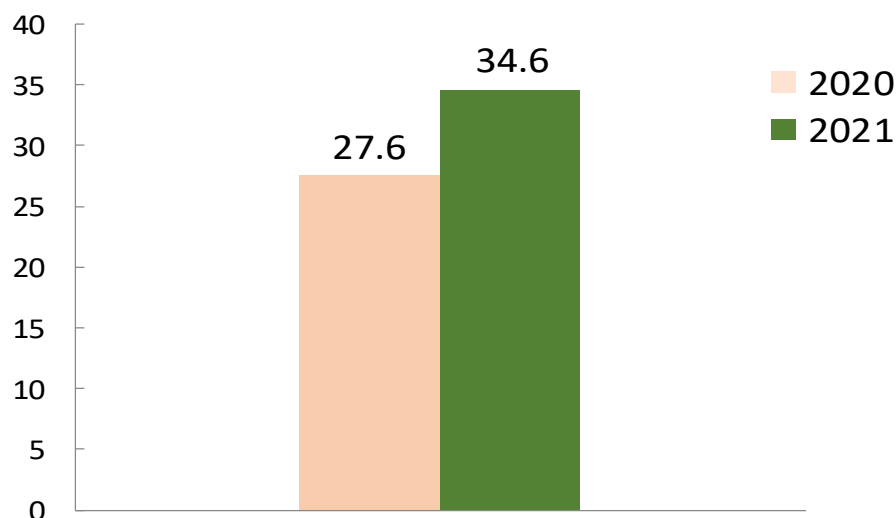


➤ **Logistics Services Business** performed steadily and continued to **deliver stable returns** to the Group.

Logistics Services Business – Revenue and Profit Analysis

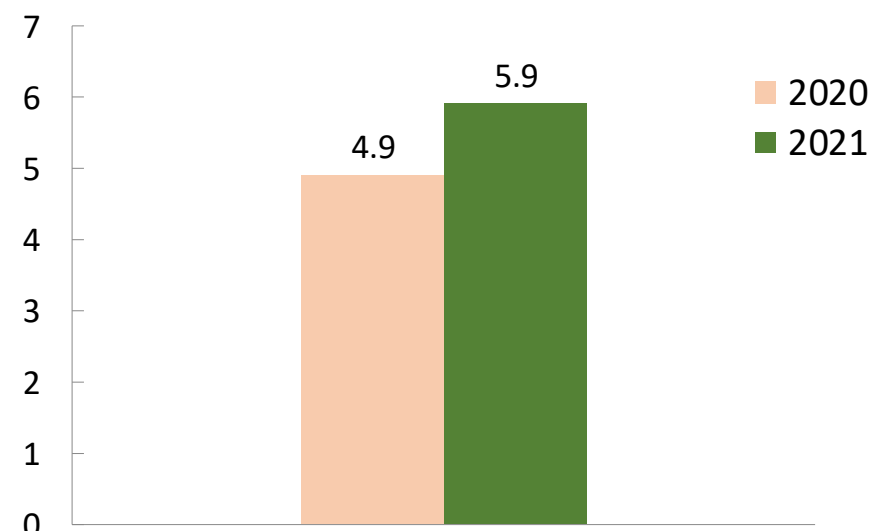
Revenue

US\$'M



Profit / Loss Before Tax

US\$'M



Revenue and Pretax Profit

- The segment revenue amounted to US\$34,569,000, remained stable as compare with the previous year (FY2020: US\$27,628,000). Pretax profit and non-controlling interests for the segment amounted to US\$5,851,000, compared with US\$4,861,000 recorded in FY2020.
- Logistics company in Xiamen has continued to deliver stable returns, with dividends of US\$1,864,000 in 2021 (2020: US\$ 1,817,000).



PROSPECTS

Growth Strategies – The “New Singamas”



1 Resources put on developing specialised container sector

- Used in a wide-range of industries and less driven by trade volumes.
- Tailor-made products to attract and retain customers.
- Environmentally friendly and efficient power generator containers through the use of “green” energy.
- Dedicated department for the research and development of renewable energy containers.



Power Generator Container



Arctic Expenditure Container



Breeding and Farming Container

2 Offers tailor-made sophisticated products and services to customers through technological upgrade

- Continue to bolster R&D capabilities.
- Automation of manufacturing activities and system upgrade.
- Establishing new facility for producing customised containers.
- Strategic cooperation.



Remote Monitoring Technology



Portable Medical Container

4 Build on expertise on logistic, depot businesses and expand presence in high growth regions

- Over 30 years of experience in the container depot business.
- Extensive client base built from container manufacturing business.
- High growth potentials in Southeast Asia regions.



3 Nimble, efficient operations focusing on margins and returns to shareholders

- Improve cost structure and implement stringent cost controls.
- Streamline operations to improve efficiency.
- Higher margins and returns to shareholders.



➤ Dry Freight / ISO Specialised Container Market

- **High trade volumes** and **supply chain disruptions** are expected to **continue into 1H22**. This is driven by high consumption and low level of inventory restocking in the USA, ports and inland infrastructure bottlenecks worldwide.
- Shipping lines are cash rich and have plans to increase CAPEX on their container fleets' growth. It is expected that a total fleet size of over 4.8 million TEUs **new container vessel deliveries** around 2023 and 2024, and hence it is believed that the **market demand for Dry Freight / ISO Specialised Container shall go up again** thereafter.
- On the supply side, container price has eased 10%-12% to US\$3,300-3,400 / 20' from its peak, but still at a high historical level.



➤ Customised Container Market

- With **195 countries** entered into the **Paris Agreement**, there is higher demand for green energy, hence the **market demand for Renewable Energy Containers**.
- Market demand for Customised Container is also boosted by the increasing use of **Modular Integrated Construction (MiC)** technology, which makes the construction process more safe, environmental friendly and cost effective, and is more popular in the construction industry.
- **Container solutions** become widely adopted in different industries which enable **fast deployment with lower costs**.



APPENDICES

Consolidated Income Statement I

(Classification Of Expenses By Nature)



For the year ended 31 December

	2021 US\$'000	2020 US\$'000
Revenue	1,151,764	274,305
Other income	4,747	3,420
Changes in inventories of finished goods and work in progress	65,358	(4,827)
Raw materials and consumables used	(733,946)	(166,342)
Staff costs	(125,700)	(41,963)
Depreciation expense	(11,087)	(12,814)
Impairment losses under expected credit loss model, net of reversal	136	(17,407)
Impairment loss on property, plant and equipment	(2,000)	(2,400)
Other expenses	(101,920)	(43,943)
Finance costs	(1,083)	(799)
Investment income	5,738	7,381
Other gains and losses	(1,306)	2,743
Gain from derecognition of financial assets measured at amortised cost	27,001	
Gain on disposal of subsidiaries	412	8,457
Share of results of associates	761	1,651
Share of results of joint ventures	196	408
Profit before taxation	279,071	7,870
Income tax expense	(70,606)	(3,120)
Profit for the year	208,465	4,750
Attributable to:		
Owners of the Company	186,802	4,576
Non-controlling interests	21,663	174
	208,465	4,750
Earnings per share		
Basic	US7.73 cents	US0.19 cent
Diluted	N/A	US0.19 cent

Consolidated Income Statement II

(Classification Of Expenses By Function)

(For Reference Only)



For the year ended 31 December

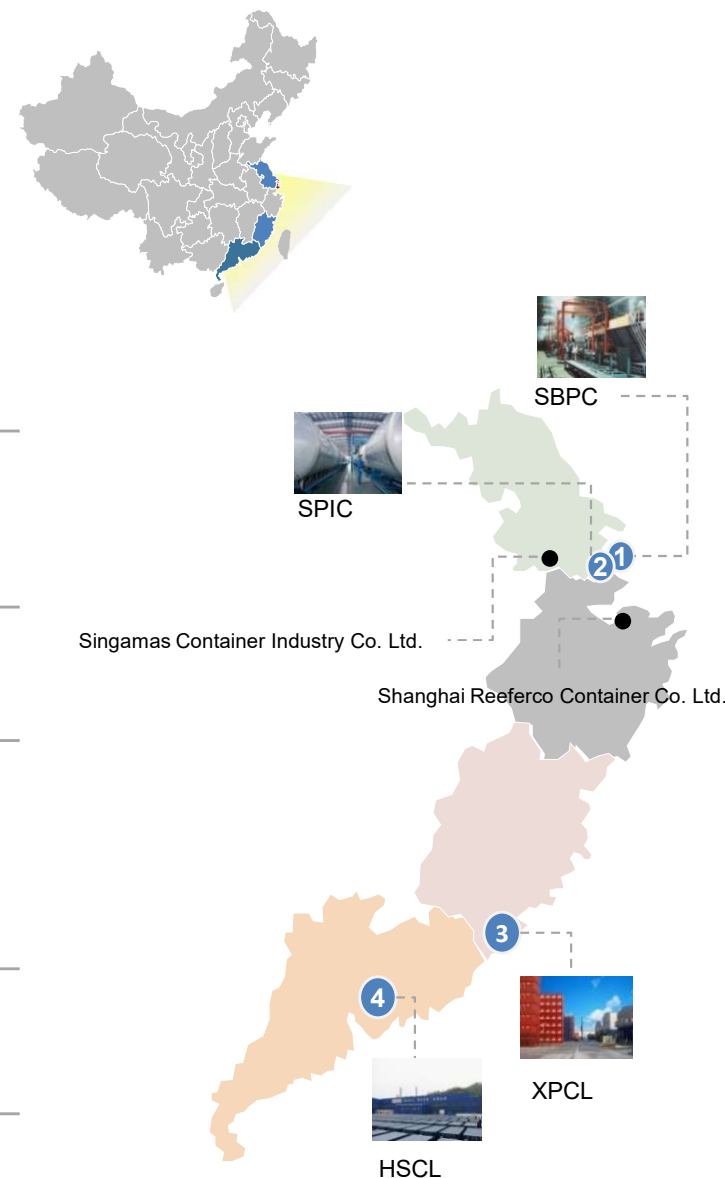
	2021	2020
	US\$'000	US\$'000
Revenue	1,151,764	274,305
Cost of sales	(825,034)	(237,113)
Gross Profit	326,730	37,192
Other income	4,747	3,420
Selling and distribution expenses	(24,841)	(8,874)
General and administrative expenses	(59,284)	(43,709)
Finance costs	(1,083)	(799)
Investment income	5,738	7,381
Other gains and losses	(1,306)	2,743
Gain from derecognition of financial assets measured at amortised cost	27,001	-
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Manufacturing Facilities - Container Factories (After The Disposal)



- Following the disposal transaction, Singamas will have five manufacturing facilities in China with total annual capacity of **320,000 TEUs** of dry and specialised containers and **5,000 units** of offshore and customised specialised containers.

No.	Factories	Area (m ²)	Annual capacity	Description
1	Shanghai Baoshan Pacific Container Co. Ltd. ("SBPC")	93,891	150,000 TEUs 3,000 units	<ul style="list-style-type: none"> Main products: 20', 20'HC, 40', 40'HC & 45' ISO dry freight containers, flatrack container, open top, open-side and other specialised containers Offshore & customized containers
2	Shanghai Pacific International Container Co. Ltd. ("SPIC")	79,407	10,000 TEUs	<ul style="list-style-type: none"> Main products: standard tank containers ranging from 16,200 litres to 26,000 litres, and specialized tank containers
3	Xiamen Pacific Container Manufacturing Co. Ltd. ("XPCL")	83,523	100,000 TEUs	<ul style="list-style-type: none"> Main products: ISO standard and specialised marine containers and related components
4	Huizhou Singamas Energy Equipment Co. Ltd. ("HSCL")	300,000	60,000 TEUs 2,000 units	<ul style="list-style-type: none"> New factory commenced operations in mid-2020 Focus on manufacturing of specialised containers Customized containers
	Shanghai Reeferco Container Co. Ltd.	73,256	N/A	<ul style="list-style-type: none"> Currently as investment property
	Singamas Container Industry Co. Ltd. ("SCIC")	63,069	N/A	<ul style="list-style-type: none"> Currently dormant



➤ Singamas will continue to operate its **8 container depots** in at key coastal regions in China.

No.	Depots	Area (m ²)	Storage Capacity (TEU)	Average Turnaround Time of Truck Repair (minute)	Allocated Repair Area (m ²)	Repair Capacity per Day (unit)
1	Dalian Singamas International Container Co. Ltd. ("DSIC")	160,000	16,000	30	10,000	120
2	Fuzhou Singamas Container Co. Ltd. ("FSCL")					
	- Mawei Depot	25,400	3,500	15	1,500	50
	- Jiangyin Depot	66,100	8,000	15	1,800	80
3	Ningbo Victory Container Co. Ltd. ("NVCL")	173,420	28,000	20	10,000	200-250
4	Qingdao Singamas International Logistics Co. Ltd. ("QSIL")	64,695	8,300	15	8,640	150
5	Singamas Logistics (Qingdao) Co. Ltd. ("SLQC")	128,000	12,000	15	9,000	150
6	Tianjin Singamas Container Co. Ltd. / Singamas Logistics (Tianjin) Co. Ltd. ("TSCL & SLTC")	83,000	8,000	10	8,000	200
7	Xiamen Xiangyu Singamas Container Co. Ltd. ("XSCL")					
	- Depot I (Island Depot)	115,200	11,000	10	9,000	250
	- Depot II (Haicang Depot)	120,000	24,000	15-30	11,000	350
8	Xiamen Xiangyu Singamas Container Co. Ltd. – Shanghai Branch ("XHYP")					
	- Luchaogang Depot	32,000	5,300	10-15	2,000	200
	- Waigaoqiao Depot	41,000	5,700	15-30	1,000	150

