

SINGAMAS

Singamas Container Holdings Limited

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

2022 Interim Results Announcement
24 August 2022

www.singamas.com



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Agenda

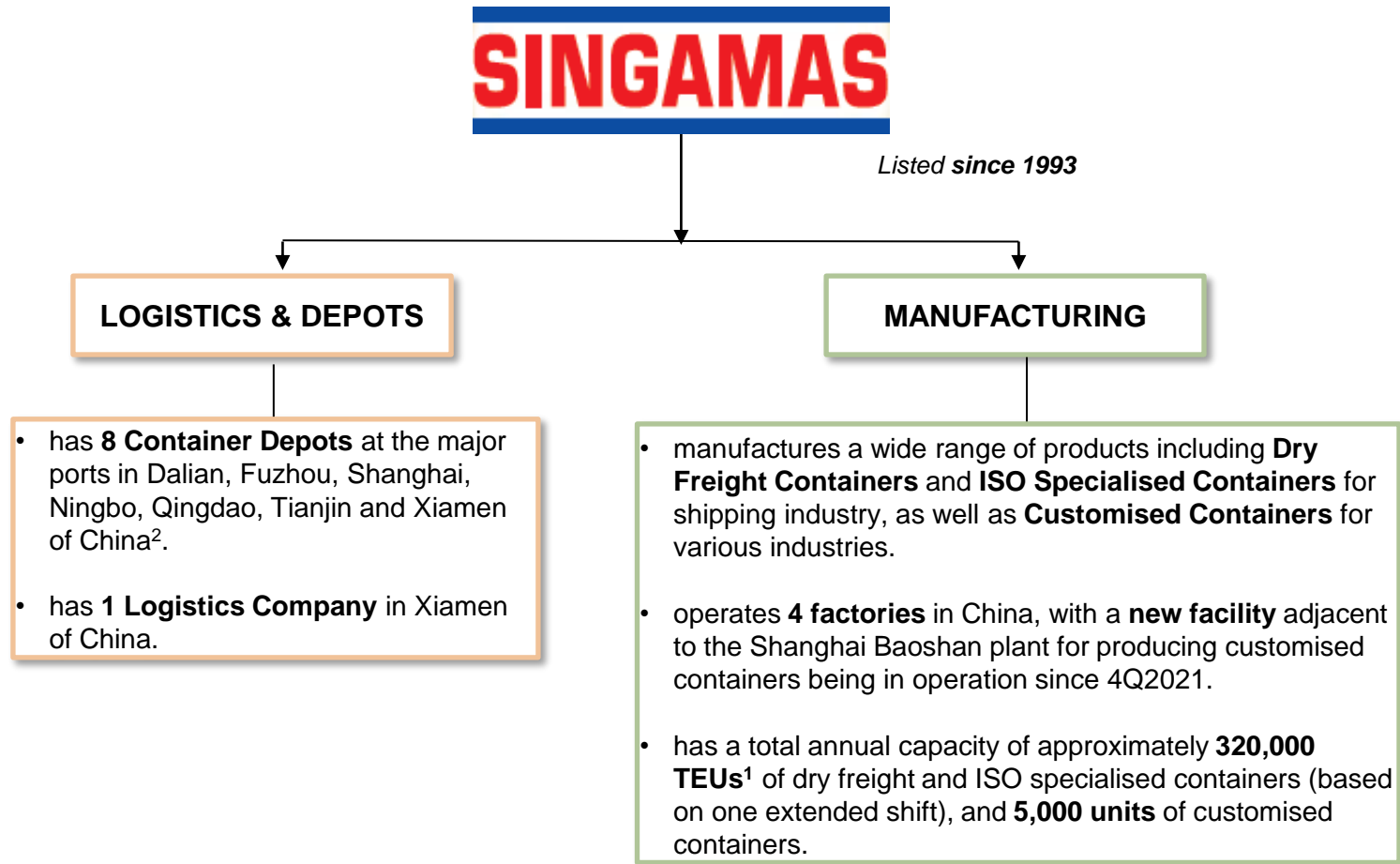
- Corporate Profile
- Industry Dynamics
- Financial Review
- Business Review
- Prospects
- Appendices
 - Consolidated income statements
 - Singamas' comprehensive factory & depot network



CORPORATE PROFILE



About Singamas



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

Singamas Dry Freight Containers

- Dry Freight Containers is the major product of Singamas over the years.
 - Singamas' Dry Freight Containers are **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.

<h3>Strong Brand</h3>	<h3>Advanced Robotics & Automation Applications</h3>	<h3>Agile Operations & Strong Marketing</h3>	<h3>Established Customer Base</h3>
<ul style="list-style-type: none"> • veteran of Dry Freight Container manufacturing industry since 1988 	<ul style="list-style-type: none"> • strengthen R&D capabilities & engineering excellence • automate manufacturing activities & upgrade systems 	<ul style="list-style-type: none"> • strong & active marketing team • adopt asset-light strategy for effective cost management • focus on operation excellence & continuous improvements 	<ul style="list-style-type: none"> • 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
<h3>Good Reputation</h3>			<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Shipping</p>  </div> <div style="text-align: center;"> <p>Container Leasing</p>  </div> </div>
<ul style="list-style-type: none"> • expertise in producing Dry Freight Containers, with: ✓ ISO standard ✓ good quality ✓ good before and after sales services 			

Diverse Portfolio of Specialised Containers

Singamas ISO Specialised Containers

- Specialised Containers include **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.



Tank Container



Flat Rack Container



Bulk (Food) Container



Platform Container



Bitutainer



Open Sides Container

Diverse Portfolio of Specialised Containers

Singamas Customised Containers

- Specialised Containers include 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., aquafarming, breeding, manufacturing, housing, technology and infrastructure, etc.



Breeding and Farming Containers



Aquafarming Containers



Automotive Racks Containers



Terminal Electrical Equipment Containers



Offshore Containers



Shock Absorbing Container



Firefighting Container



Train Maintenance Containers

Containerised Application in 1H2022

Containerised Quarantine Camp

- Singamas response quickly and flexibly in producing **Containerised Quarantine Camp** during COVID-19 pandemic.
 - **Covid-19 Quarantine Container Units** enables construction of quarantine camp at speed.
 - In February 2022, Hong Kong was hit with the fifth wave of the pandemic and faced acute shortages in quarantine facilities, our Huizhou Factory hence took on the task to produce **2,000 quarantine container units**.
 - In March 2022, the Shanghai government needed quarantine container units to fight against the pandemic. Such rush order was overtaken by our Shanghai Baoshan Factory and **550 quarantine container units with 1,100 rooms equipped were delivered within 2 1/2 days**.

1

Covid-19 Quarantine Container Units are highly recognised and appreciated by the Hong Kong Architectural Department as a **practical solution** that *“enhanced efficiency, shortened the construction period and improved site safety and building quality...Construction of this magnitude at such a speed is first of its kind”*



SUSTAINABILITY REPORT 2021

The COVID-19 outbreak spread rapidly in the world in 2020. The compulsory quarantine demands far outnumbered the available quarantine facilities at the time. There was an urgent need to increase quarantine facilities to avoid widespread of virus in the local community. To tackle this, we have applied an innovative construction method, MIC, contributing to the fast-track completion of the project.

The quarantine units are standardised for off-site fabrication. Fully furnished volumetric MIC units, prefabricated stairs, corridors, mechanical, electrical and plumbing modules were delivered directly to the site from factories and were ready to use after simple installation.

This method enhanced efficiency, shortened the construction period and improved site safety and building quality. With innovating and caring in mind, we also utilised easy-to-clean materials and enhanced drainage design to lower the risk of possible spread of viruses and germs.

Construction of this magnitude at such a speed is first of its kind. The project has turned risks into opportunities and we have witnessed the passion for innovation through joining hands with the whole construction industry.

2



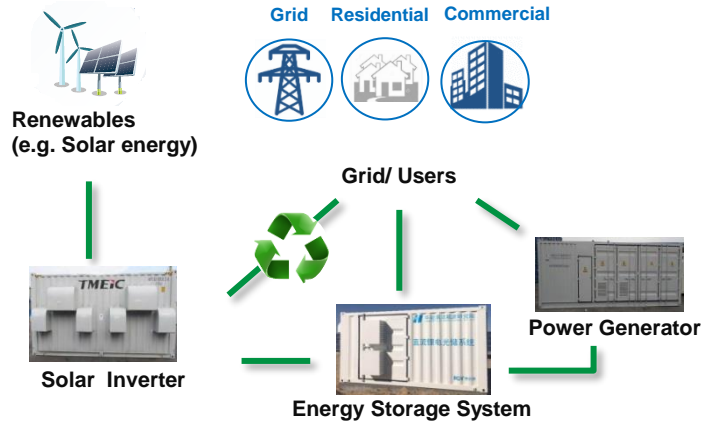
3



Covid-19 Quarantine Container Units for Hong Kong and Shanghai

Containerised Application in 1H2022

Containerised Renewable Energy Equipment



For illustration purpose only

- Singamas' R&D department dedicates to containers that advance solar, wind and hydro power generation, so as to meet the market demand on Containerised Renewable Energy Equipment brought by **China's 2060 Carbon Neutral Campaign**.
- Containerised Renewable Energy Equipment:
 - reduces dust and noise nuisance;
 - increases mobility;
 - minimizes construction waste;
 - shortens project construction time by 30% on average;which promote a **decarbonized** and **sustainable** environment.

Containerised Equipment in Taiwan

- In 1H2022, our Huizhou Factory completed a project in Taiwan which included the production of **2.58MWh lithium ion cells group, battery cabinet, battery management system, 500kW intermeshed power conversion system, dispatch terminal control cabinet, gas extinguishing system and environmental control system**.
- The completion of this project will prevent scenarios like battery failure, direct current grid-connection imbalance, off-grid, energy-storage converter failure and ensure the long-term operation safety of the power system.



Containerised Renewable Energy Equipment

Containerised Equipment in Anhui

- In June 2022, our Shanghai Baoshan Factory and Xiamen Factory delivered 41 units and 40 units of **100MWh/200MWh energy storage containers** for the **Jinzhai Intelligent Storage Demonstration Project** respectively. This project has played an **active role** in exploring the development and construction of **100-megawatt energy storage power stations** across China.
- The completion of this project will help to **improve the peak regulation and frequency regulation capabilities** of the power grid system in Jinzhai County, Lu'an City, Anhui Province.



INDUSTRY DYNAMICS



Container Industry Dynamics – Dry Freight Container

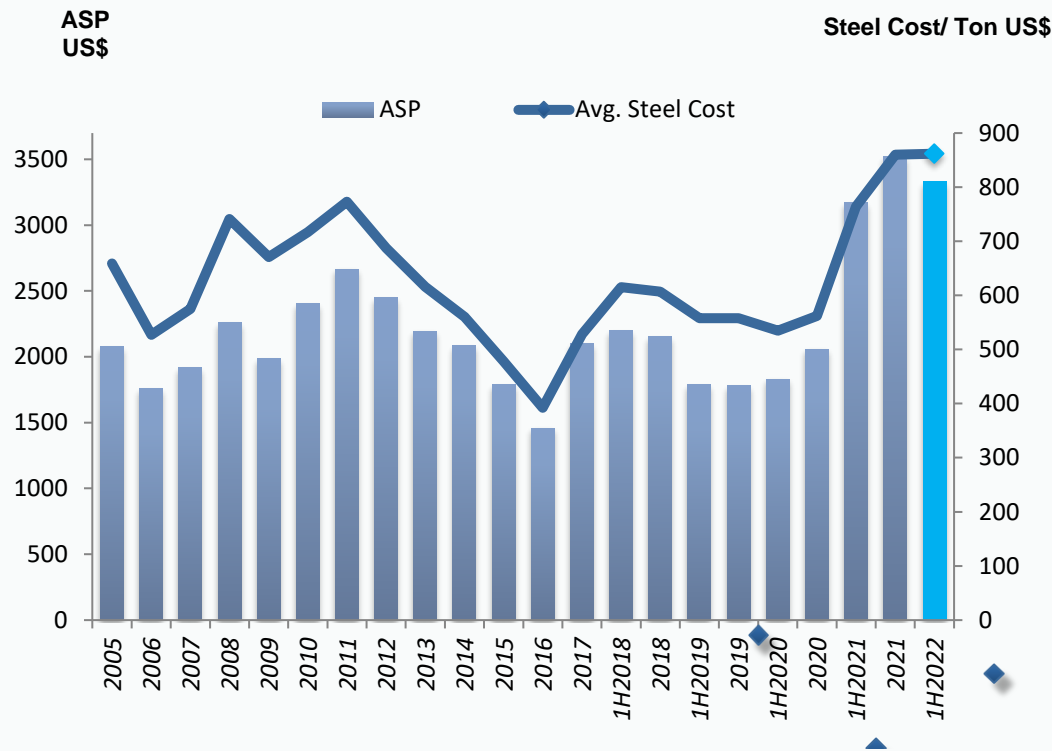
- After recording strong demand in 2021, the market has stabilised in 1H2022.
 - Market demand and the Group's performance were still strong in 1H2022 with **favourable export performance** in China:
 1. In 1H2022, China's total import and export of goods was 19,802.2 billion yuan, a year-on-year increase of 9.4%. Among them, exports were 11,141.7 billion yuan, an increase of 13.2%; imports were 8,660.5 billion yuan, an increase of 4.8%. A **trade surplus** of 2,481.2 billion yuan was recorded.
 - Market demand started to show **downward adjustment** starting from **2Q2022**, due to:
 1. **overproduction** in 2021 which has led to rising **inventories** of dry freight containers; and
 2. **lower consumption** in Europe and poorer **consumer confidence** in the US.
 - According to Drewry, the **total industry production** decreased by **37%** in 1H2022. Yet, Singamas is one of the players that decreased in a lesser extent and showed its resilient in face of headwind.

sources: National Bureau of Statistics of China; Drewry Maritime Research

Container Industry Dynamics – Dry Freight Container

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

2005 – 1H2022 20ft. Dry Freight Container¹ Price (ASP²) vs. Average Steel Cost Per Ton



- 1H2022 ASP of 20ft dry freight container maintained at around **US\$3,330** (1H2021: US\$3,175).
- 1H2022 average steel cost was **US\$862/ton**, 12.8% higher than 1H2021's US\$764/ton.
- Corten steel accounted for 55.5% of total dry freight container production costs in 1H2022.

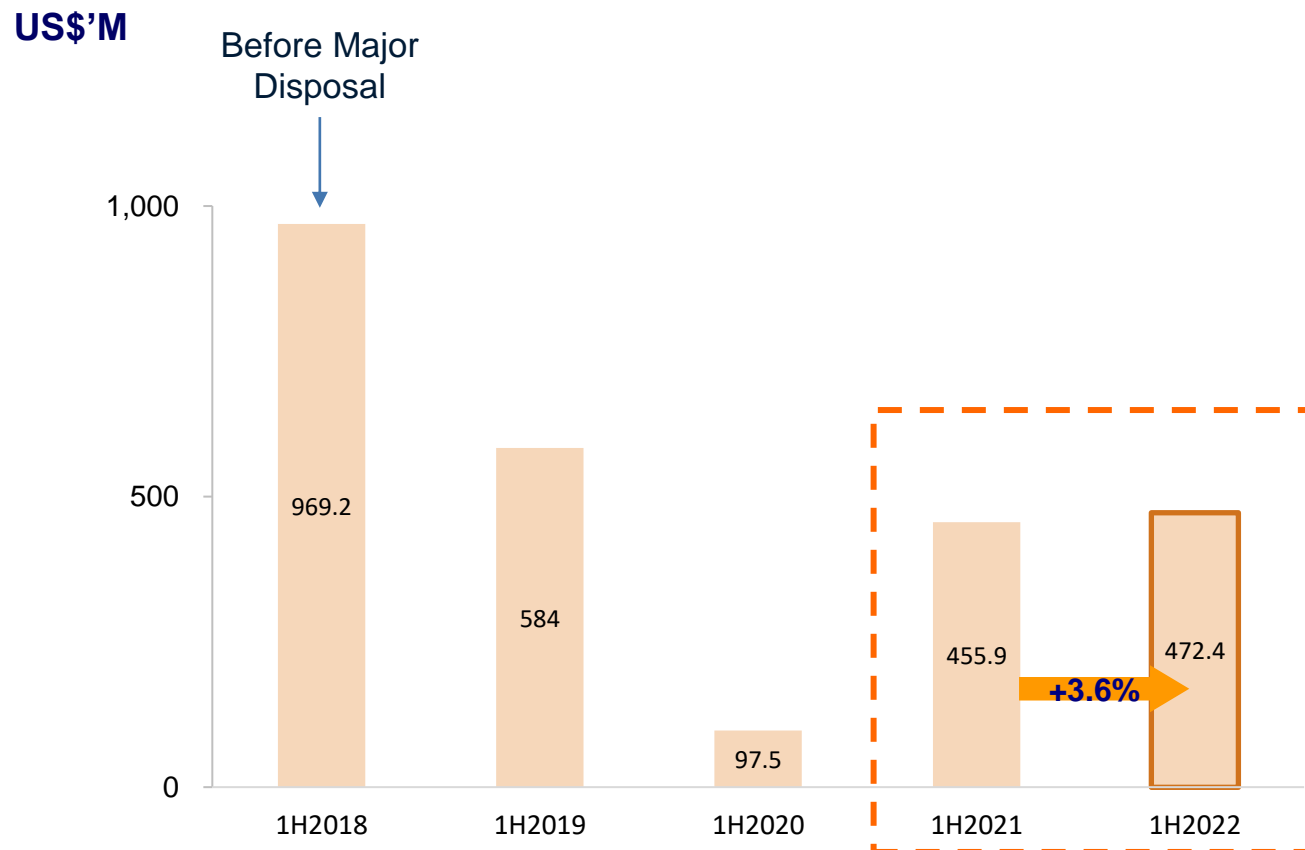
Note:

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.

FINANCIAL REVIEW

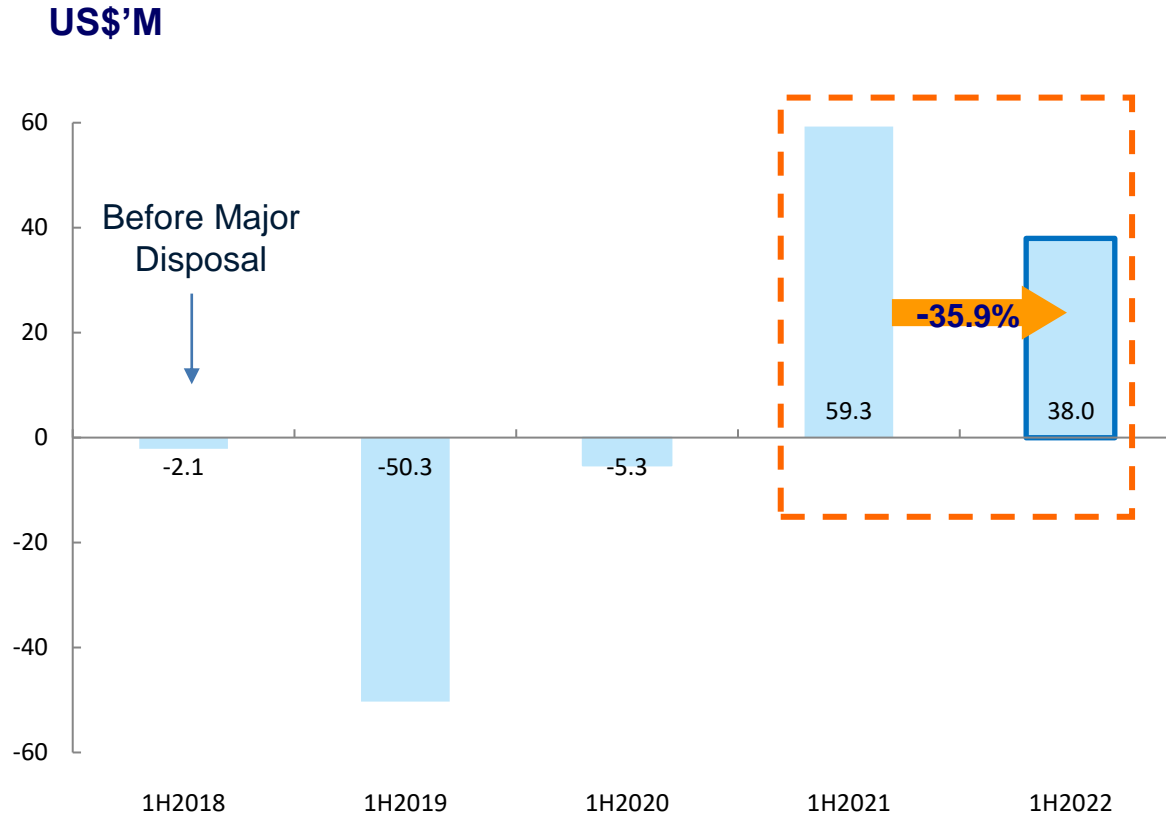


Consolidated Revenue



- We recorded consolidated revenue of US\$472.4 million in 1H2022, an increase of 3.6% over the revenue of US\$455.9 million in 1H2021.

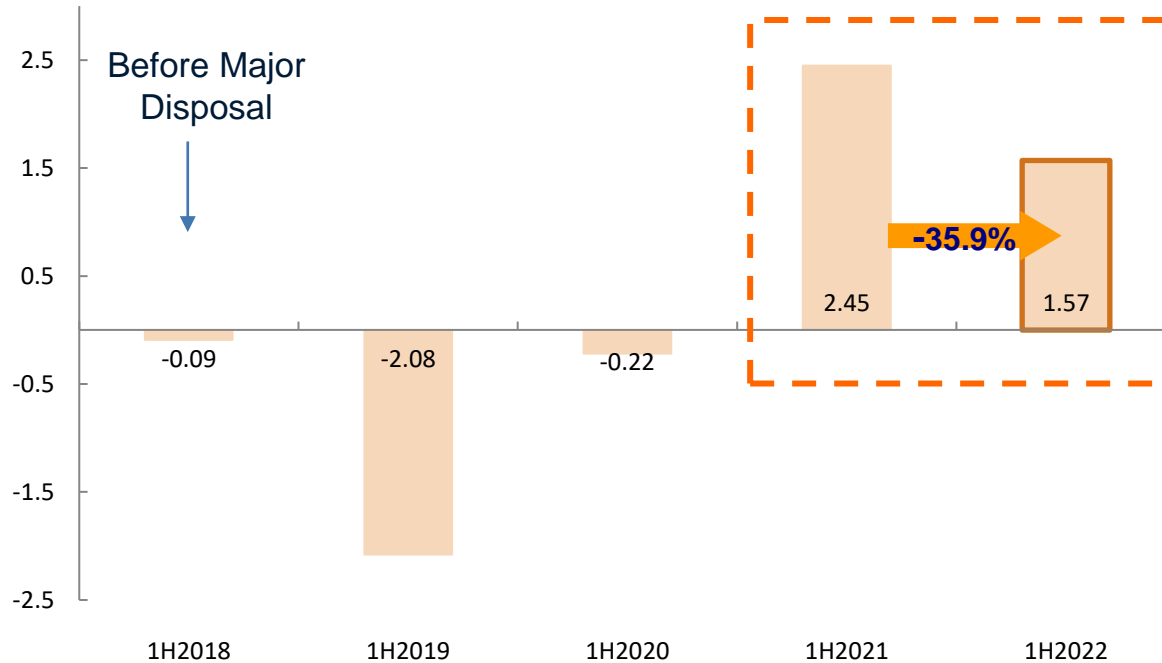
Consolidated Net Profit / Loss Attributable to Owners of the Company



- Consolidated net profit attributable to owners of the Company totalled US\$38.0 million (1H2021: net profit of US\$59.3 million).

Basic Earnings / Loss per Share

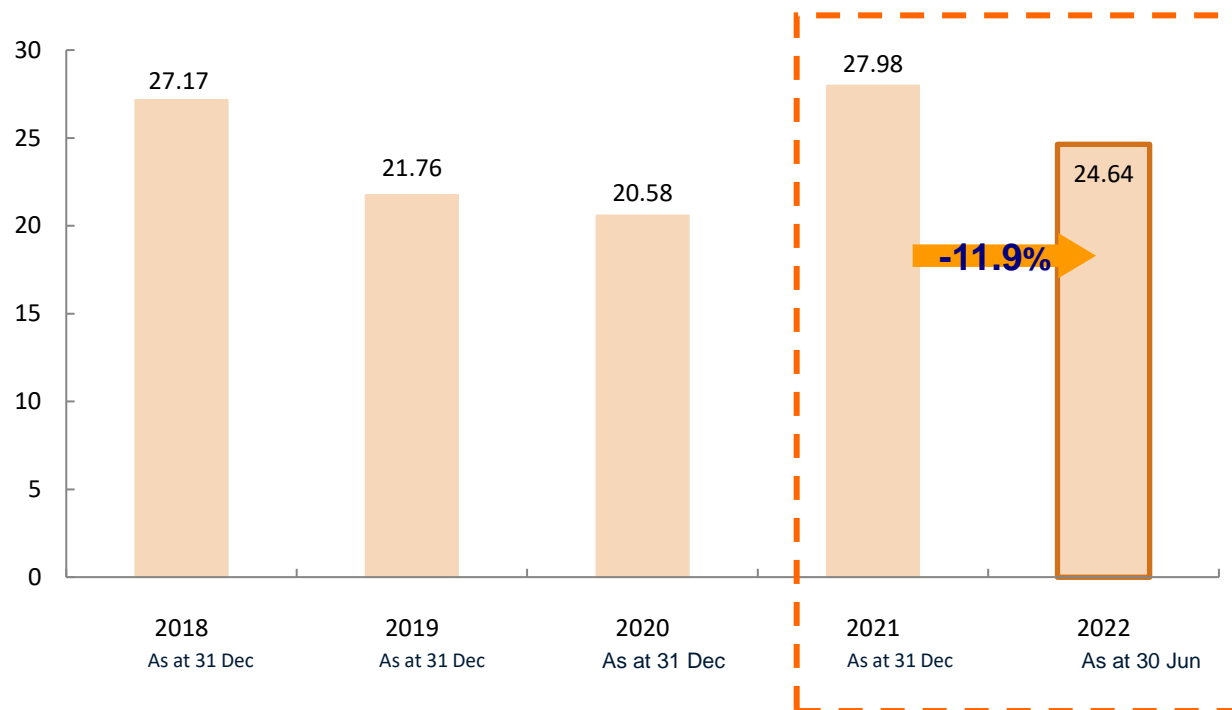
US cents



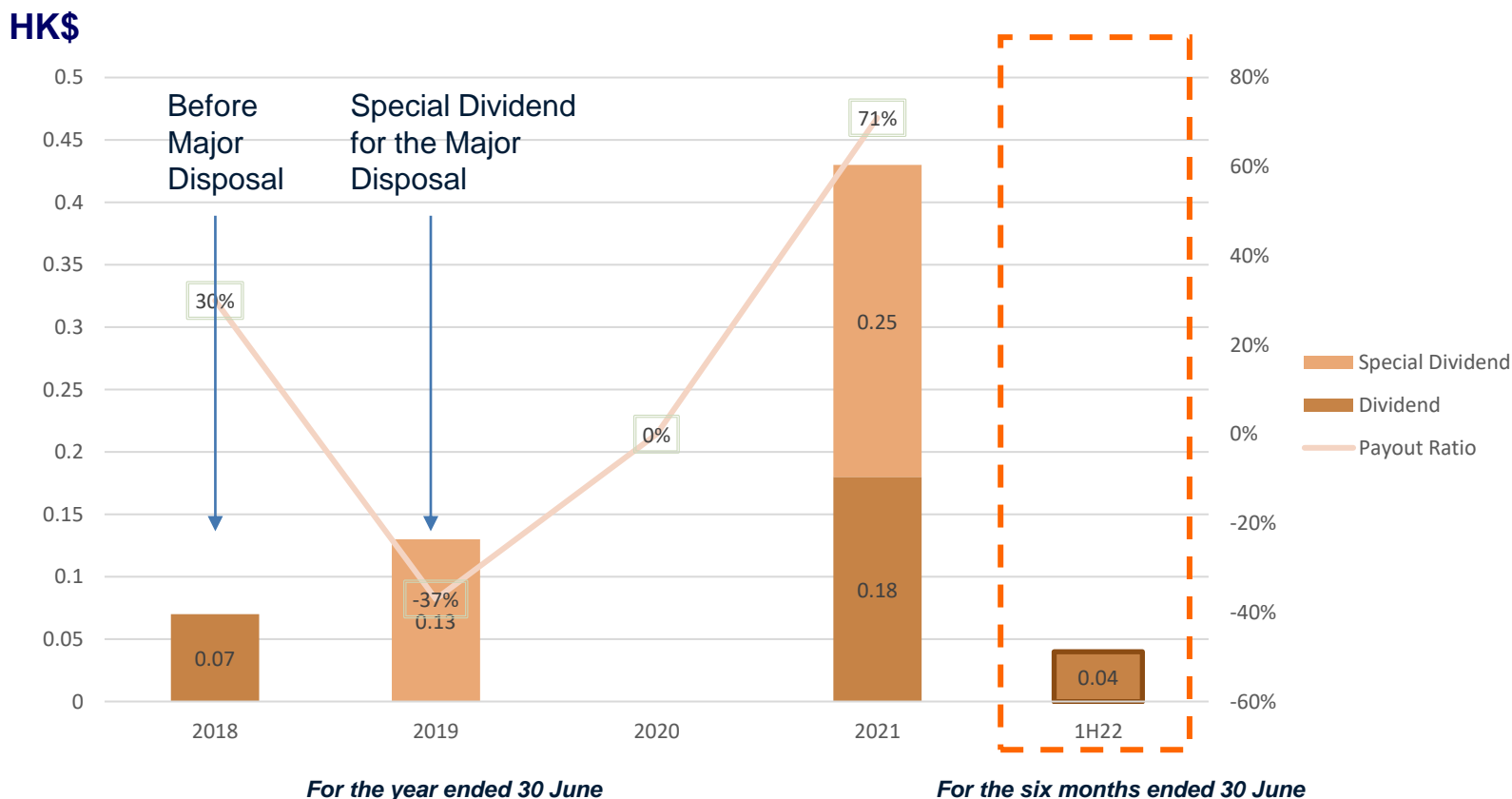
- Basic earnings per share was US1.57 cents, compared with basic earnings per share of US2.45 cent in 1H2021.

Net Assets Value per Share

US cents



- Net assets value per share decreased from US27.98 cents as at 31 December 2021 to US24.64 cents as at 30 June 2022 mainly due to the distribution of dividend.



- The interim dividend of HK4 cents in respect of the six months ended 30 June 2022 per ordinary share has been proposed by the board of directors.
- An interim dividend of HK7 cents per ordinary share was declared and paid during the year ended 31 December 2021. An interim special dividend of HK20 cents per ordinary share was declared on 10 December 2021. The amount was subsequently paid on 27 January 2022.

BUSINESS REVIEW

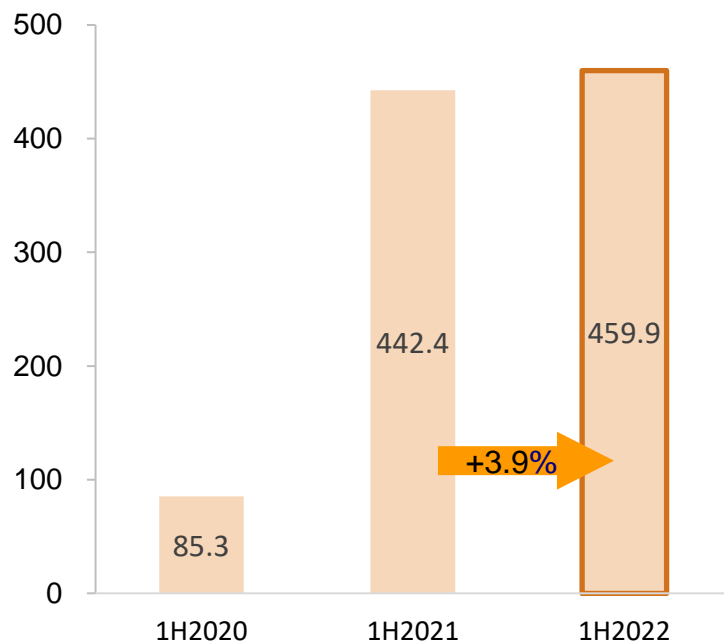


Manufacturing Business – Revenue and Profit Analysis



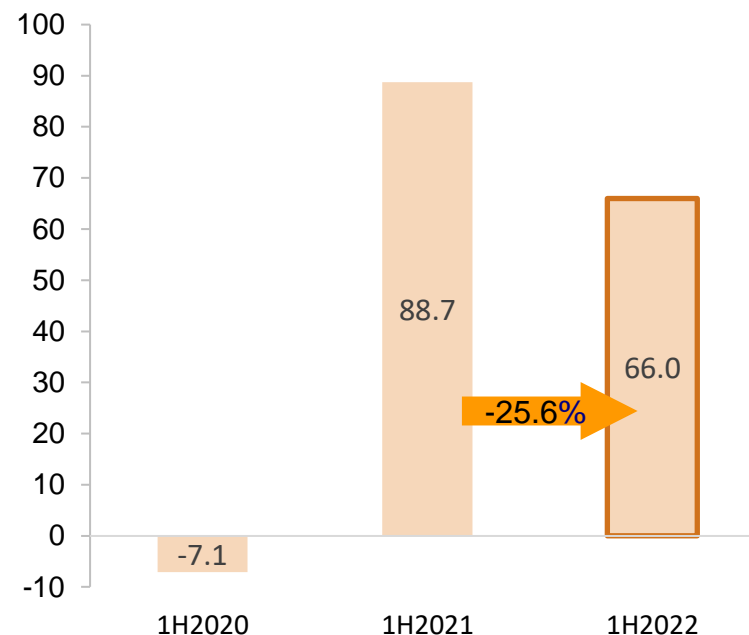
Revenue

US\$'M



Loss / Profit Before Taxation

US\$'M



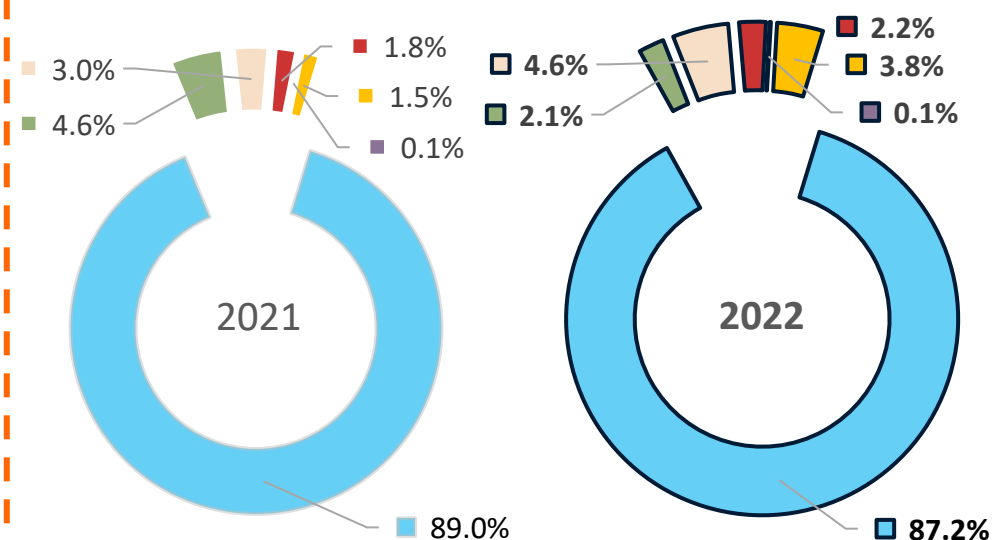
- Manufacturing segment achieved revenue of US\$459,885,000 (1H2021: US\$442,418,000), hence accounted for 97.3% of the Group's total revenue.
- Profit before taxation and non-controlling interests for this segment was US\$66,016,000 (1H2021: US\$88,748,000).

Manufacturing Business – Sales Volume and Sales Revenue Breakdown

Sales Volume (By Unit)

For the six months ended 30 June	2021	2022
Dry freight (TEU)	142,658	138,141
ISO Special (TEU)	7,062	2,700
Tank (Unit)	705	997
Customised – ESS (Unit)	255	527
Customised – Offshore (Unit)	40	22
Customised – Others (Unit)	971	5,018

Revenue Breakdown (By Amount)



For the six months ended 30 June

- Dry freight
- ISO Special
- Tank
- Customised Special - ESS
- 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:



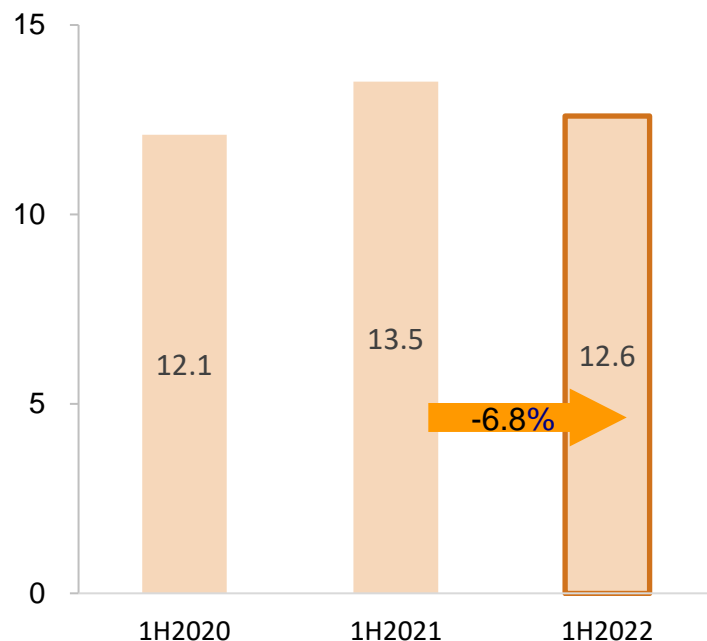
➤ **Logistics Services Business** performed steadily and continued to **deliver stable returns** to the Group.

Logistics Services Business – Revenue and Profit Analysis



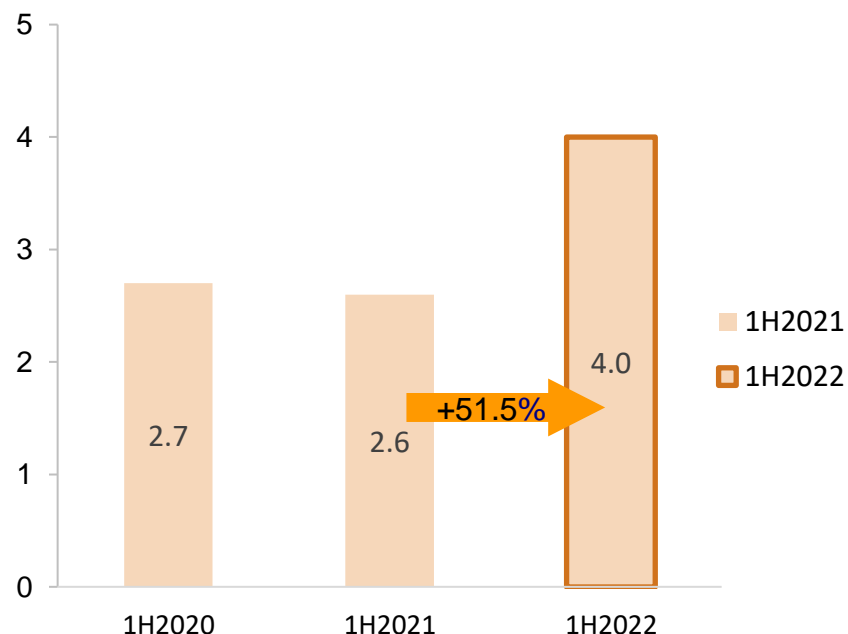
Revenue

US\$'M



Loss / Profit Before Taxation

US\$'M



- The segment revenue decreased slightly to US\$12,564,000 (1H2021: US\$13,474,000). Profit before taxation and non-controlling interests for the segment increased to US\$3,960,000, compared with US\$2,614,000 recorded in 1H2021.
- Logistics company in Xiamen has continued to deliver stable returns, with dividends of US\$1,926,000 in 1H2022 (1H2021: US\$1,864,000).

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.



➤ 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**.
- **Container solutions** become widely adopted in different industries which enable **fast deployment with lower costs**.
- With R&D and craftsmanship advancement, more and more traditional facilities are ready to be containerised and are well-received by the market. We will keep looking for opportunity to **cooperate** with local **China and overseas in R&D**, so as to strengthen our craftsmanship and broaden our product range.



➤ Dry Freight / ISO Specialised Container Market

- Drewry now expects:
 - world container throughput to **increase** by just **2.3%** in 2022 and **2.9%** in 2023;
 - vessel slot capacity projected to increase by 1.8 mteu in 2023 and 2.3 mteu in 2024;
 - some slowing of vessels expected from the **IMO's new emissions regulations** that come into force later 2022, much of the **surplus** dry containers will be **absorbed**;
 - **replacement needs** will drive the market over the next **5 years**.

sources: Drewry Q2 2022 Container Equipment Forecast

APPENDICES



Consolidated Income Statement I

(Classification Of Expenses By Nature)



Six months ended 30 June

	2022	2021
	US\$'000	US\$'000
Revenue	472,449	455,892
Other income	1,822	1,526
Changes in inventories of finished goods and work in progress	(24,047)	3,905
Raw materials and consumables used	(278,200)	(276,343)
Staff costs	(50,530)	(57,241)
Depreciation expense	(5,735)	(5,627)
Impairment losses under expected credit loss model, net of reversal	(92)	(47)
Impairment loss on property, plant and equipment	-	(2,000)
Other expenses	(45,663)	(31,198)
Finance costs	(193)	(655)
Investment income	3,467	4,594
Other gains and losses	(3,946)	(1,741)
Share of results of associates	733	196
Share of results of joint ventures	(89)	101
Profit before taxation	69,976	91,362
Income tax expense	(24,679)	(24,855)
Profit for the year	45,297	66,507
Attributable to:		
Owners of the Company	38,002	59,293
Non-controlling interests	7,295	7,214
	45,297	66,507
Basic earnings per share	US1.57 cents	US2.45 cent

Consolidated Income Statement II

(Classification Of Expenses By Function) (For Reference Only)



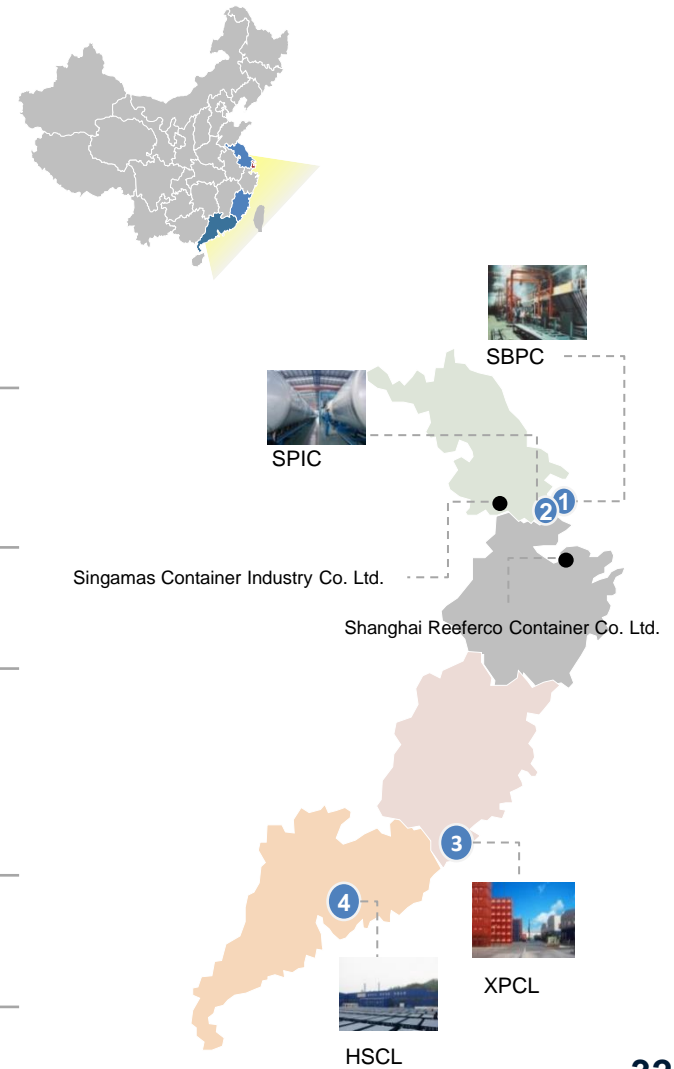
Six months ended 30 June

	2022 US\$'000	2021 US\$'000
Revenue	472,449	455,892
Cost of sales	(369,146)	(334,349)
Gross Profit	103,303	121,543
Other income	1,822	1,526
Selling and distribution expenses	(12,536)	(10,751)
General and administrative expenses	(22,585)	(23,451)
Finance costs	(193)	(655)
Investment income	3,467	4,594
Other gains and losses	(3,946)	(1,741)
Share of results of associates	733	196
Share of results of joint ventures	(89)	101
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Manufacturing Facilities

➤ Following the disposal transaction, Singamas will have four 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")	73,323	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")	306,999	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



Container Depot / Terminals

➤ 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 (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

