STRATEGIC FINANCIAL RELATIONS LIMITED
縱橫財經公關顧問有限公司

[For Immediate Release]

SINGAMAS ANNOUNCES 2015 INTERIM RESULTS

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FORGING LINKS AND FOUNDATION TO CAPTURE GROWTH OPPORTUNITIES IN SPECIALISED CONTAINER AND LOGISTICS SERVICES BUSINESSES

(Hong Kong, 18 August 2015) – World-leading container manufacturer and logistics services provider **Singamas Container Holdings Limited** ("Singamas" / the "Group") (stock code: 716) has today announced its unaudited interim results for the six months ended 30 June 2015.

The consolidated revenue of the Group climbed by 3.7% year-on-year to US$704,029,000 (1H2014: US$678,745,000). Consolidated net profit attributable to owners of the Company totalled US$10,079,000 (1H2014: US$13,275,000), while basic earnings per share amounted to US0.42 cent (1H2014: US0.55 cent).

The Group declares an interim dividend of HK1.5 cents per ordinary share for the six months ended 30 June 2015 (1H2014: HK1.5 cents), representing a payout ratio of 46.4%.

Mr. Teo Siong Seng, **Chairman of Singamas**, said, "In the first half of 2015, demand for containers rose modestly as the further decline in material costs, especially corten steel, placed pressure on the selling price of containers. The low selling price consequently attracted orders from customers despite the slow trading environment in China. The Group has thus recorded slight improvement on the revenue during the review period."

MANUFACTURING

The manufacturing segment remains the principal business of the Group, accounting for 97.7% of total revenue (1H2014: 97.6%). With container demand remaining stable, the manufacturing operation generated revenue of US$688,161,000 in the first half of the year (1H2014: US$662,475,000). As at the review period, the Group produced 336,581 twenty-foot equivalent units ("TEUs"), which was higher than the corresponding period of last year of 302,852 TEUs. However, the Average Selling Price ("ASP") of a 20' dry freight container fell from US$2,147 to US$1,880 year-on-year. A total of 331,449 TEUs were sold (1H2014: 296,374 TEUs), with segment profit before taxation and non-controlling interests amounting to US$12,373,000, or a decline of 42.4% when compared with US$21,485,000 recorded for the same time last year.

In respect of specialised containers, a positive development that will benefit the Group and other container manufacturers in China has been the ruling in May 2015 by the US International Trade

Commission ("USITC"), which unanimously voted against a petition that had thus far led to the suspension of entry of domestic containers from China into the United States. The ruling by the USITC will open the way for the unobstructed delivery of 53' domestic dry containers, an area of business that has enjoyed a steady rise in demand. The demand for such containers is expected to further rise as the economic recovery in the United States gathers momentum.

With regards to offshore containers, the Group's co-investment with Modex Asia Limited in a production facility in Qidong, known as Qidong Singamas Offshore Equipment Co., Ltd., has achieved a production ramp up, increasing from 1,400 units in 2014 (May to December) to 1,800 units within the review period. Furthermore, the restructured Modex Group, which specialises in the manufacturing, trading and leasing of offshore containers, has enabled it to be in a favourable position to capitalise on the trend by certain oil companies continuing to widen its geographical coverage, extending its sales and leasing network to high-potential markets, for capturing growth opportunities.

The Group also holds keen interest in refrigerated containers, as substantiated by the operation of a refrigerated container factory in Qidong that achieved operational breakeven point in the second half of 2014, and produced 6,700 units during the review period.

With significant effort placed on increasing the production and sale of specialised containers over the last few years, dry freight containers and specialised containers accounted for 67.0% and 33.0% of revenue respectively, compared with 72.4% and 27.6% for the same period last year.

LOGISTICS SERVICES

The logistics services business remained stable within the review period as reflected by revenue of US$15,868,000 generated, decreased by 2.5% from US$16,270,000 for the corresponding period last year. Segment profit before taxation and non-controlling interests rose slightly to US$3,829,000 (1H2014: US$3,724,000). The Group handled a total of approximately 1,568,000 TEUs compared with around 1,643,000 TEUs for the same time last year. Average daily container storage reached 114,000 TEUs (1H2014: 127,000 TEUs).

To further strengthen the logistics services business, the Group signed a Strategic Cooperation Framework Agreement with Guangxi Beibu Gulf International Port Group Ltd. ("Guangxi Beibu Gulf") on 21 March 2015, which involves developing a container freight station in Guangxi and exploring opportunities relating with container manufacturing and the cold chain logistics business.

PROSPECTS

The outlook for the second half year of 2015 is expected to be lacklustre for the container industry as China's export growth will continue to be slow and the volume of world merchandise trade will rise only modestly over the next two years. Despite the flaccid outlook, the container industry will benefit from the significant number of ULTRA large container vessel deliveries that are scheduled from 2015

through to 2017. Moreover, the replacement cycle of old containers must be addressed by shipping companies, thus warranting the order of new containers in the near future.

Indicative of its commitment to tap the refrigerated container segment, the Group will build a new refrigerated container factory in Qingdao to capture the unique opportunities generated from this segment. A parcel of land has already been secured for the factory, which is expected to commence operation by the end of 2016. Management believes that the Qingdao factory will help increase the Group's competitiveness in the long term. In respect of the logistics services business, the cooperation with Guangxi Beibu Gulf International will bolster the Group's presence in Guangxi, which will be among the provinces that will benefit from the "One Belt, One Road" development strategy and the region will act as the catalyst for the growth of the Group's logistics business.

Though dedicated to the constant development of the Group, the management is well aware that such progress requires both enhancing the skills of its people and the professionalism of the industry as a whole. Consequently, the Group is planning to build a Technical and Training Centre in Qidong which, initially, will serve as a training and research platform for its technicians. Such a platform will eventually be open to qualified technicians outside of the Group.

Mr. Teo concluded, "Being fully committed to satisfying the demand for dry freight containers and specialised containers, Singamas is well positioned to capture the unique growth opportunities provided by the latter with both our production ramp up, and the expected economic recovery in the United States. In order to sustain a long-term development of the Group, we will continue to invest in automation, environmental protection and workplace safety so as to serve as a role model for peers, as well as those outside of the container industry."

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About Singamas Container Holdings Limited

Singamas is one of the world's leading container manufacturers and logistics services providers. Its manufacturing business covers twelve container factories located in the PRC. Its logistics operations include eleven container depots/ terminals, eight located in key locations in the PRC – Dalian, Tianjin, Qingdao, Shanghai, Qidong, Ningbo, Fuzhou and Xiamen, two in Hong Kong and one in Laemchabang, Thailand. It also runs 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

Joanne Lam	+852 2864 4816	joanne.lam@sprg.com.hk
Caley Chan	+852 2114 4950	caley.chan@sprg.com.hk
Hawaii He	+852 2864 4847	hawaii.he@sprg.com.hk

http://www.sprg.com.hk