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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

2020 INTERIM RESULTS ANNOUNCEMENT

INTERIM RESULTS

The Board of Directors (the "Board" / "Directors") of Singamas Container Holdings Limited (the "Company") would like to announce the unaudited consolidated interim results of the Company and its subsidiaries (together the "Group") for the six months ended 30 June 2020 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2020

		Six months ended 30 June	
		2020	2019
		(unaudited)	(unaudited)
	Notes	***US$'000***	US$'000
Revenue	*2*	***97,454***	584,025
Other income		***1,781***	2,549
Changes in inventories of finished goods and work in progress		***(8,575)***	3,541
Raw materials and consumables used		***(54,315)***	(470,921)
Staff costs		***(16,384)***	(70,147)
Depreciation expense		***(6,082)***	(19,446)
Impairment losses under expected credit loss model, net of reversal		***(1,258)***	(23)
Exchange (loss) gain		***(1,446)***	93
Other expenses		***(22,338)***	(66,779)
Finance costs		***(530)***	(10,046)
Investment income		***6,133***	5,178
Fair value loss of derivative financial instruments		***-***	(396)
Fair value gain on financial asset at fair value through profit and loss ("FVTPL")		***3***	-
Share of results of associates		***934***	(510)
Share of results of joint ventures		***209***	69
Loss before taxation		***(4,414)***	(42,813)
Income tax expense	*4*	***(1,088)***	(7,836)
Loss for the period		***(5,502)***	(50,649)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*
For the six months ended 30 June 2020

	Notes	Six months ended 30 June	
		2020	2019
		(unaudited)	(unaudited)
		US$'000	U$'000
Other comprehensive (expense) income			
Item that will not be reclassified to profit or loss:			
Fair value (loss) gain on equity instrument at fair value through other comprehensive income ("FVTOCI")		***(3,904)***	6,423
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation		***(628)***	(1,330)
Other comprehensive (expense) income for the period		***(4,532)***	5,093
Total comprehensive expense for the period		***(10,034)***	(45,556)
Loss for the period attributable to:			
Owners of the Company		***(5,331)***	(50,327)
Non-controlling interests		***(171)***	(322)
		(5,502)	(50,649)
Total comprehensive expenses attributable to:			
Owners of the Company		***(9,836)***	(45,256)
Non-controlling interests		***(198)***	(300)
		(10,034)	(45,556)
Loss per share	*6*		
Basic		***US(0.22) cent***	US(2.08) cents
Diluted		***US(0.22) cent***	US(2.08) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Notes	***As at 30 June 2020 (unaudited) US$'000***	As at 31 December 2019 (audited) US$'000
Non-current assets			
Property, plant and equipment	*7*	***74,977***	84,200
Right-of-use assets		***38,011***	43,986
Investment properties		***17,657***	18,504
Interests in associates		***43,761***	43,782
Interests in joint ventures		***7,456***	7,355
Equity instrument at FVTOCI		***15,093***	18,997
Financial asset at FVTPL		***2,828***	-
Other receivables		***29,169***	29,090
Deposits for non-current assets		***311***	775
Amount due from immediate holding company		***106,833***	105,602
Amounts due from fellow subsidiaries		***32,086***	32,269
Amounts due from associates		***13,347***	13,003
		381,529	397,563
Current assets			
Inventories	*8*	***64,312***	76,136
Trade receivables	*9*	***34,806***	33,350
Prepayments and other receivables	*10*	***30,059***	38,152
Amounts due from associates	*11*	***7,130***	8,421
Amount due from a joint venture		***4***	-
Derivative financial instruments		***-***	41
Tax recoverable		***740***	717
Bank balances and cash		***108,947***	119,032
		245,998	275,849
Assets classified as held for sale	*12*	***13,226***	-
		259,224	275,849

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)
As at 30 June 2020

	Notes	***As at 30 June 2020 (unaudited) US$'000***	As at 31 December 2019 (audited) US$'000
Current liabilities			
Trade and bills payables	*13*	***24,157***	24,848
Lease liabilities		***1,530***	2,270
Accruals and other payables		***20,894***	22,490
Dividend payable		***40,537***	-
Advances from customers		***6,813***	18,259
Amount due to immediate holding company		***18***	103
Amount due to a fellow subsidiary		***73***	14
Amounts due to associates		***427***	265
Amounts due to joint ventures		***42***	76
Tax payable		***10,591***	11,112
Bank borrowings		***15,635***	23,584
		120,717	103,021
Liabilities associated with assets classified as held for sale	*12*	***1,877***	-
		122,594	103,021
Net current assets		***136,630***	172,828
Total assets less current liabilities		***518,159***	570,391
Capital and reserves			
Share capital	*14*	***268,149***	268,149
Accumulated profits		***170,743***	216,655
Other reserves		***36,545***	41,006
Equity attributable to owners of the Company		***475,437***	525,810
Non-controlling interests		***35,626***	36,897
Total equity		***511,063***	562,707
Non-current liabilities			
Lease liabilities		***742***	1,196
Deferred tax liabilities		***6,354***	6,488
		7,096	7,684
		518,159	570,391

Notes:

1. Basis of preparation and principal accounting policies

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information relating to the year ended 31 December 2019 that is included in the condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements is as follows:

The Company has delivered the financial statements for the year ended 31 December 2019 to the Registrar of Companies as required by section 662(3) of and Part 3 of Schedule 6 to the Hong Kong Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; 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 contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties, certain financial assets and certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs") and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2019.

Application of amendments to HKFRSs

The Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA:

Amendments to HKAS 1 and HKAS 8	*Definition of Material*
Amendments to HKFRS 3	*Definition of a Business*
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	*Interest Rate Benchmark Reform*

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current period has had no material impact on the Group's financial position and performance for the current and prior periods and/or on the disclosures.

Impacts of application of Amendments to HKAS 1 and HKAS 8 Definition of Material

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current period had no impact on the condensed consolidated financial statements. Changes in presentation and disclosures on the application of the amendments, if any, will be reflected on the consolidated financial statements for the year ending 31 December 2020.

Accounting policy newly applied by the Group

In addition, the Group has applied the following accounting policy which became relevant to the Group in the current interim period.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

2. Revenue

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

	Six months ended 30 June	
	2020	2019
	US$'000	US$'000
Manufacturing	***85,308***	570,536
Logistics services	***12,146***	13,489
	97,454	584,025

Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2020	2019
Types of goods or services	***US$'000***	US$'000
Manufacturing (recognised at a point in time):		
Dry freight containers	***64,343***	397,519
Refrigerated containers	***-***	74,304
Tank containers	***6,350***	20,298
US domestic containers	***-***	24,760
Other specialised containers and container parts	***14,615***	53,655
	85,308	570,536
Logistics services (recognised over time):		
Container storage and handling services	***2,787***	3,047
Repair and drayage services	***2,580***	3,116
Container freight station services	***3,497***	4,496
Other container related services	***3,282***	2,830
	12,146	13,489
	97,454	584,025

3. Segment information

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

No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Principal activities are as follows:

Manufacturing	-	*manufacturing of dry freight containers, collapsible flatrack containers, tank containers, offshore containers, other specialised containers and container parts.*
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:

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

Six months ended 30 June 2020

	Manufacturing US$'000	***Logistics services US$'000***	***Sub-total US$'000***	***Eliminations US$'000***	***Total US$'000***
REVENUE					
External sales	***85,308***	***12,146***	***97,454***	***-***	***97,454***
Inter-segment sales	***-***	***42***	***42***	***(42)***	***-***
Total	***85,308***	***12,188***	***97,496***	***(42)***	***97,454***
SEGMENT RESULTS	***(8,707)***	***350***	***(8,357)***	***-***	***(8,357)***
Finance costs					***(530)***
Investment income					***3,327***
Fair value gain on financial asset at FVTPL					***3***
Share of results of associates					***934***
Share of results of joint ventures					***209***
Loss before taxation					***(4,414)***

Note: Inter-segment sales are charged at prevailing market prices.

Six months ended 30 June 2019

	Manufacturing US$'000	Logistics services US$'000	Sub-total US$'000	Eliminations US$'000	Total US$'000
REVENUE					
External sales	570,536	13,489	584,025	-	584,025
Inter-segment sales	-	2,713	2,713	(2,713)	-
Total	570,536	16,202	586,738	(2,713)	584,025
SEGMENT RESULTS	(35,558)	778	(34,780)	-	(34,780)
Finance costs					(10,046)
Investment income					2,850
Fair value loss of derivative financial instruments					(396)
Share of results of associates					(510)
Share of results of joint ventures					69
Loss before taxation					(42,813)

Note: Inter-segment sales are charged at prevailing market prices.

Segment results represent the (loss)profits incurred by each segment without allocation of finance costs, certain investment income, fair value gain on financial asset at FVTPL, fair value loss on derivative financial instruments, 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.

No segment assets and liabilities are disclosed because there has not been a material change from the amounts disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2019.

4. Income tax expense

People's Republic of China (the "PRC") Enterprise Income Tax has been calculated at the rates of taxation prevailing in the PRC in which the Group operates.

	Six months ended 30 June	
	2020	2019
	US$'000	US$'000
Current tax:		
PRC Enterprise Income Tax		
- Current period	***964***	307
- Under provision in prior years	***-***	328
Deferred tax:		
Current period charge (Note)	***124***	7,201
	1,088	7,836

Note: For the six months ended 30 June 2019, an additional deferred tax liabilities of US$8,825,000 had been provided in relation to the temporary difference attributable to undistributed profits of certain subsidiaries of the Group based on capital gain tax rate on the basis that the carrying amounts are able to recover entirely through the disposal of subsidiaries. For the six months ended 30 June 2020, no such deferred tax liability has been provided.

5. Dividends

No dividend was paid during the six months ended 30 June 2020 and 2019. No final dividend in respect of the year ended 31 December 2019 (six months ended 30 June 2019: HK7 cents per ordinary share in respect of the year ended 31 December 2018) was proposed by the directors of the Company. A special dividend of HK13 cents (six months ended 30 June 2019: nil) per ordinary share in respect of the year ended 31 December 2019, total of which equivalent to approximately HK$314,200,000 (equivalent to approximately US$40,537,000) in respect of the disposal of subsidiaries during the year ended 31 December 2019 were proposed and approved by the shareholders of the Company in the annual general meeting held on 30 June 2020 and was distributed on 24 July 2020.

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: nil).

6. Loss per share

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

	Six months ended 30 June	
	2020	2019
	US$'000	US$'000
Loss:		
Loss for the purposes of calculating basic and diluted loss per share	***(5,331)***	(50,327)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	***2,416,919,918***	2,416,919,918

The computation of diluted loss per share for the periods ended 30 June 2020 and 30 June 2019 do not assume the exercise of the Company's outstanding share options as the exercise would result in a decrease in loss per share.

7. Movements in property, plant and equipment

During the six months ended 30 June 2020, there was an addition of US$3,782,000 (six months ended 30 June 2019: US$20,297,000) in property, plant and equipment for upgrading existing manufacturing and logistics services facilities of the Group.

8. Inventories

	As at	As at
	30 June	31 December
	2020	2019
	US$'000	US$'000
Raw materials	***43,402***	46,651
Work in progress	***7,977***	8,288
Finished goods	***12,933***	21,197
	64,312	76,136

9. Trade receivables

A defined credit policy is maintained within the Group. The general credit terms are agreed with each of its trade customers depending on the creditworthiness of the customers. The general credit term ranges from 30 days to 120 days (31 December 2019: 30 days to 120 days).

The aged analysis of trade receivables 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 follow:

	As at 30 June 2020 US$'000	As at 31 December 2019 US$'000
0 to 30 days	***13,094***	21,055
31 to 60 days	***7,561***	7,337
61 to 90 days	***6,775***	3,293
91 to 120 days	***3,896***	832
Over 120 days	***3,480***	833
	34,806	33,350

10. Prepayments and other receivables

At 30 June 2020, prepayments and other receivables included advance of US$1,765,000 (31 December 2019: US$8,594,000) to certain suppliers as deposits for raw materials purchases. The remaining balance included in current assets are mainly refundable value added tax and other temporary payments. The entire amount is expected to be recovered within the next twelve months.

11. Amounts due from associates

The general credit terms are 30 to 90 days (31 December 2019: 30 to 90 days).

The aged analysis of trade related amounts due from associates, 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:

	As at 30 June 2020 US$'000	As at 31 December 2019 US$'000
0 to 30 days	***48***	505
31 to 60 days	***127***	69
61 to 90 days	***615***	540
91 to 120 days	***79***	306
Over 120 days	***6,261***	7,001
	7,130	8,421

12. Assets held for sale

On 22 June 2020, the Company and Tianjin Jianghao Logistic Co., Ltd. (the "1st Purchaser") and Tianjin Haisheng Lanrui Iron and Steel Trading Co., Ltd. (the "2nd Purchaser") (together the "Purchasers") entered into an Agreement, pursuant to which the Company agreed to sell the 100% equity interest (the "Sale Interest") in Tianjin Pacific Container Co., Ltd. (the "Target Company"), a wholly-owned subsidiary of the Company, to the Purchasers at a total consideration of RMB132,000,000 in cash (equivalent to approximately US$18,613,000). The Sale Interest is purchased as to 95% by the 1st Purchaser and as to 5% by the 2nd Purchaser. The Target Company is a company established in the PRC with limited liability and is principally engaged in the manufacturing of dry and specialised containers. The management expects such transaction to be completed within twelve months from the end of the current interim reporting period and the Group has reclassified the relevant assets and liabilities of the Target Company as assets held for sale which are separately presented in the condensed consolidated statement of financial position.

13. Trade and bills payables

The following is an analysis of trade payables by age based on invoice date of each transaction and bills payable by age based on issuance date of each bill:

	As at 30 June 2020 US$'000	As at 31 December 2019 US$'000
0 to 30 days	***10,651***	12,667
31 to 60 days	***4,634***	4,455
61 to 90 days	***3,326***	1,851
91 to 120 days	***2,729***	433
Over 120 days	***2,817***	5,442
	24,157	24,848

14. Share capital

	Number of shares	***Share Capital***	
		US$'000	***HK$'000***
Issued and fully paid:			
At 1 January 2019, 31 December 2019 and 30 June 2020	***2,416,919,918***	***268,149***	***2,078,513***

Business Review

A combination of factors impacted on the top-line performance of the Group during the first half of 2020, including the very substantial disposal of several companies of the Group (the "Disposal") that was completed on 2 August 2019, decline in global trade volume from the protracted trade dispute between the People's Republic of China ("PRC" or "China") and the United States of America ("US"), and the outbreak of the novel coronavirus epidemic ("COVID-19") which resulted in production stoppage at factories and the suspension of sales activities for almost two months.

During the six months ended 30 June 2020 (the "review period"), the Group recorded consolidated revenue of US$97,454,000 (1H2019: US$584,025,000). Consolidated net loss attributable to owners of the Company narrowed to US$5,331,000 versus US$50,327,000 in 1H2019 due to the streamline of operation resulting in effective cost control and the increase in proportion of customised specialised containers manufactured by the Group. Basic loss per share was US0.22 cent versus loss per share of US2.08 cents in the first half of 2019.

It is worth noting that the Group announced that it entered into an agreement with two purchasers in June 2020 to dispose 100% of its equity interest in the wholly owned subsidiary Tianjin Pacific Container Co., Ltd ("Tianjin Pacific") at a total consideration of RMB132,000,000 (equivalent to approximately US$18,613,000). Tianjin Pacific has ceased operation for several years and a substantial amount of investment would have been required for restarting the operation. The Company therefore believes that the disposal represents a good opportunity for the Group to realise the investment cost. The net proceeds will be applied for other operating and/ or capital investment(s) and for general working capital purposes.

Manufacturing

In the wake of COVID-19 and the ongoing Sino-US trade dispute, the demand for dry freight containers has further retreated. What is more, with the Group's Disposal in the preceding year, as well as aforementioned temporary suspension of manufacturing and sales activities resulting from the pandemic, the manufacturing segment has invariably been impacted. During the review period, US$85,308,000 (1H2019: US$570,536,000) in segment revenue was recorded; hence, the manufacturing operation accounted for 87.5% (1H2019: 97.7%) of the Group's total revenue as at the review period. Furthermore, a segment loss before taxation and non-controlling interests of US$7,093,000 (1H2019: loss of US$45,261,000) was booked. Average selling price ("ASP") of a 20' dry freight container has risen to US$1,830 versus US$1,791 for the corresponding period last year, since the pandemic led to tighter supply from the container manufacturer.

The weaker demand for dry freight containers has highlighted the soundness of the Group's strategy to direct greater focus on the manufacturing of specialised containers, which possess higher unit prices and margins. Among the specialised containers that performed particularly well during the review period include energy storage containers, power generator containers and electrical equipment containers. The Group's in-house R&D team, together with experts from Chinese Academy of Sciences (中國科學院) and China Customs, have developed a mobile Polymerase Chain Reaction ("PCR") laboratory for COVID-19 testing that has been delivered to Shanghai Pudong Airport subsequent to the review period. Comprising three functional rooms, i.e. reagent preparation room, specimen room and PCR test room, the laboratory will be able to handle a maximum of 1,500 specimens per day. It benchmarked the Group's success in product innovation and superb manufacturing skills.

Logistics Services

China's cargo throughput at ports dropped by 4.6% year-on-year to 3.01 billion tonnes in the first quarter of 2020[1]. However, throughput subsequently began to rise during the last ten-day period of May, climbing by 0.9% year-on-year. And overall container throughput and international container cargo volume of eight major Chinese ports increased by 20% and 18% respectively when compared with mid-May, resuming to around 98% and 96% of volume as the same period last year.[2] The stability that gradually returned to the Chinese ports was reflected by the Group's logistics business which recorded revenue of US$12,146,000 (1H2019: US$13,489,000) as at the review period, with profit before taxation and non-controlling interests amounting to US$2,679,000 (1H2019: US$2,448,000). As at 30 June 2020, the logistics operation handled approximately 245,000 twenty-foot equivalent units ("TEUs") (1H2019: 327,000 TEUs) and repaired approximately 52,000 TEUs (1H2019: 70,000 TEUs), with average daily storage reaching 36,000 TEUs (1H2019: 23,000 TEUs).

Prospects

The second half year is expected to remain highly challenging as the global economy will continue to be impacted by COVID-19. Already, according to International Monetary Fund ("IMF"), global growth is projected at –4.9 % in 2020, 1.9 percentage points below its April 2020 World Economic Outlook forecast[3]. The IMF further noted that the COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, hence the recovery is projected to be more gradual than previously forecasted. Although shipping demand remains weak, recent data shows gradual pick up of demand in the third quarter of 2020. The Group is well prepared for this demand pick up and on the other hand will further transform itself into the "New Singamas". In line with the Group's objective of becoming a leading manufacturer of specialised containers, it will direct still greater effort towards three principal areas: i) renewable energy, which has been gaining increasing acceptance by nations across the globe, hence the Group will be developing solutions that cater for solar, wind and hydroelectric power generation; ii) environmental protection, which has been promoted by the PRC government, and which the Group has sought to address through the development of tailor-made containers in this area; and iii) medical services, which, outside of the current need for specialised containers and mobile laboratories for addressing the COVID-19 crisis, the Group has also been developing movable medical laboratories that can provide CT scans, negative pressure isolation and other functions, thus facilitating rapid response by frontline medical personnel.

While directing energies towards developing the aforementioned three areas, the Group will also actively explore suitable business opportunities and collaborative arrangements, particularly with well-established parties in the specialised container ecosystem. At the same time, the Group will continue to leverage its capacity to innovate, so as to introduce truly pioneering developments to the industry. In this way, the Group will not only bolster its market position, but also set the benchmark against which other members of the specialised container industry are measured.

Interim Dividend

The directors of the Company did not recommend the payment of an interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: nil).

Audit Committee

The Audit Committee of the Company has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls, risk management and financial

[1] https://www.hellenicshippingnews.com/china-cargo-throughput-falling-at-ports/
[2] https://www.seatrade-maritime.com/ports-logistics/china-port-container-volumes-return-normal-late-may
[3] https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020

reporting matters including a review of the unaudited interim financial statements for the six months ended 30 June 2020 (“Interim Report”). At the request of the Directors, the Group’s external auditors have carried out a review of the Interim Report in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

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 period.

Transfer to Reserve

Pursuant to the legal requirements in the PRC and the appropriation agreed in the subsidiaries, associates and joint ventures, an aggregate amount of US$44,000 has been transferred to general reserve of the Group during the period.

Compliance with the Code of Corporate Governance Code

Throughout the period from 1 January 2020 to 30 June 2020, the Company has consistently adopted and complied with the applicable code provisions of the Corporate Governance Code (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as guidelines to reinforce our corporate governance principles, except for the deviation stated below.

Code Provision A.2.1 – As 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 10 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 Interim Report, the required standard 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, 27 August 2020

The Directors as at the date of this announcement are Mr. Teo Siong Seng, Mr. Chan Kwok Leung, Mr. Teo Tiou Seng and Ms. Chung Pui King, Rebecca as executive Directors, Mr. Tan Chor Kee and Mr. Kwa Wee Keng as non-executive Directors and Mr. Cheng Fu Kwok, David, Mr. Lau Ho Kit, Ivan and Mr. Ho Teck Cheong as independent non-executive Directors.