[For Immediate Release]

SINGAMAS ANNOUNCES 2022 INTERIM RESULTS

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MAINTAINS STEADFAST BUSINESS RESILIENCE WITH DIVERSE PRODUCT PORTFOLIO CONTINUES TO EXPLORE NEW VENTURES IN SUPPORT OF FUTURE GROWTH

(Hong Kong, 24 August 2022) – 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 2022 (the "review period").

After record strong demand in 2021, the market has stabilised in the first six months of 2022. Market demand and the Group's performance were still strong in the first quarter of the year. Operations faced strong headwinds in the second quarter, the consequence of market dynamics brought by overproduction in 2021 which has led to rising inventories of dry freight containers. Although revenue and sales volume of the Group maintained for the period, profitability was affected due to rising raw material costs as well as closure of the Group's factories in Shanghai from April to May 2022 due to COVID lockdown, which in turn resulted in reduced productivity and higher unit cost. Nevertheless, the Group remained in a favourable market position owing to an attractive product mix, comprising both dry freight and specialised containers, which is complemented by flexible production.

For the six months ended 30 June 2022, the Group's consolidated revenue increased by 3.6% to US$472,449,000 (1H2021: US$455,892,000), principally due to strong market demand and high average selling price ("ASP") of dry freight containers in the first quarter of the year. Consolidated net profit attributable to owners of the Company slipped by 35.9% to US$38,002,000 (1H2021:US$59,293,000). Earnings per share were US1.57 cents (1H2021: US2.45 cents). The Group remains in good financial health with bank balances and cash totalling US$374,347,000 as at 30 June 2022 (US$438,171,000 as at 31 December 2021).

MANUFACTURING

In the face of increasingly challenging business conditions, the manufacturing operation performed in a relatively stable manner, generating US$459,885,000 in revenue (1H2021: US$442,418,000), which accounted for 97.3% of the Group's total revenue. Segment profit before taxation and non-controlling interests amounted to US$66,016,000 (1H2021: US$88,748,000). During the review period, the total sales volume of dry freight and ISO specialised containers was approximately 142,000 twenty-foot equivalent units ("TEUs") (1H2021: 150,000 TEUs). The ASP of a 20' dry freight container maintained at around US$3,330 (1H2021: US$3,175), while price of corten steel (being the main raw material of the Group's containers) increased by 12.8% over the same period last year, directly impacting profitability of the manufacturing segment and the Group.

Even though dry freight containers remained the foundation of the manufacturing operation, accounting for 87.2% of revenue of manufacturing segment versus 12.8% for specialised containers, the latter achieved further progress in terms of both production level and revenue contributions. Such progress was due in part to the healthy demand for renewable energy containers from around the world, while in Mainland China and Hong Kong, the demand for isolation modular integrated construction ("MIC") containers for temporary quarantine camps and hospitals was particularly robust.

In its ongoing commitment to developing the specialised container business, the Group has established a department for the research and development of specialised containers, with particular focus on renewable energy containers. Further to the Group's existing R&D centre in Shanghai, it has opened a second R&D centre in Huizhou in October last year, hence it will be able to bring more innovative solutions to the market in a timely manner.

LOGISTICS SERVICES

The logistics services operation continued to perform in a steady manner with revenue decreased slightly to US$12,564,000 (1H2021: US$13,474,000) during the review period and profit before taxation and non-controlling interests rising to US$3,960,000 (1H2021: US$2,614,000). During the review period, the logistics services operation handled approximately 340,000 TEUs (1H2021: 243,000 TEUs) and repaired approximately 53,000 TEUs (1H2021: 61,000 TEUs), with average daily container storage standing at 18,000 TEUs (1H2021: 18,000 TEUs).

PROSPECTS

In the next half year, the demand for dry freight containers is expected to further taper in tandem with waning consumer confidence and rising container inventories. Mindful of this, the Group will observe a cautious strategy in which more high-margin products will be developed, hence specialised containers will be of particular focus. Correspondingly, the Group will direct its R&D efforts towards developing various innovative products, in particular the renewable energy related containers given their favourable prospects. At the same time, to mitigate risks associated with material and labour costs, the Group will further invest in automation and upgrade the Group’s existing facilities, which not only helps to minimise the impact of such cost movements, but also enables it to optimise resources and achieve higher productivity.

Mr Teo Siong Seng, Chairman of Singamas, said: “As global economic growth continues to slow, we will be closely monitoring market developments and take prompt action to protect the Group’s interests. In particular, we will fully leverage the Group’s diverse product portfolio and flexible production to address demand volatility. At the same time, we will proactively examine opportunities relating to green energy and environment protection, among other areas, so as to generate synergies and improve profitability. Moreover, we will explore ventures that go beyond our traditional business scope, yet still offer favourable prospects for expanding revenue streams. Having strengthened our financial position, we will continue to look for new M&A opportunities, all the while consolidating operations so that we not only can overcome challenging times, but also be fully prepared for capitalising on subsequent prospects, and thus create greater value for all shareholders.”

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About Singamas Container Holdings Limited

Singamas is a renowned container manufacturer and logistics services provider in the world. Its manufacturing business covers container factories located in the PRC that focus on the manufacturing, R&D and sale of dry freight and specialised containers, while its logistics operations include container depots located in key locations in the PRC, as well as 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.

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