

SINGAMAS ANNOUNCES 2020 ANNUAL RESULTS

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“NEW SINGAMAS” BUSINESS MODEL PROVEN SUCCESSFUL WITH TURNAROUND ACHIEVED STRONG MARKET DEMAND TO CONTINUE IN SUPPORT OF A FAVOURABLE 2021

(Hong Kong, 26 March 2021) – World-leading container manufacturer and logistics services provider **Singamas Container Holdings Limited** (“Singamas” / the “Group”) (stock code: 716) has today announced its audited annual results for the year ended 31 December 2020 (the “review year”).

The last twelve months have been truly transformative for Singamas. Following the very substantial disposal in mid-2019 (the "Disposal"), the Group saw a turnaround during 2020, a reflection of the Group’s successful shift towards the "New Singamas". While the Disposal inevitably led to revenue drops year-on-year, solid performance during the second half of 2020 compensated for losses during the first half, and overall, the Group has been able to achieve a positive bottom line result for the whole year despite the COVID pandemic.

For the year ended 31 December 2020, the Group recorded total consolidated revenue of US\$274,305,000 (2019: US\$712,209,000). This significant decrease was the result of the aforementioned Disposal, along with a production suspension early this year owing to the outbreak of COVID-19. Consolidated profit attributable to owners of the Company totalled US\$4,576,000 (2019: loss of US\$110,230,000). Excluding the extraordinary items recorded during the year, namely a gain on disposal of US\$8,457,000 related to the disposal of Tianjin Pacific Container Company Limited in mid-2020 and an expected credit loss of US\$17,450,000 in relation to the receivables from immediate holding company and its subsidiaries, net profit from core operations amounted to US\$13,569,000, reflecting the positive impact of the ‘New Singamas’ business model on the Group’s business operations. Basic earnings per share was US0.19 cent, compared with basic loss per share of US4.56 cents in 2019.

MANUFACTURING

The second half of 2020 brought a stronger demand for dry freight containers. This, along with the promising growth from the specialised container business, including product diversification and a rise in demand in clean energy, modular housing, medical and health related products, resulted in a turnaround in the latter half year. For the year ended 31 December 2020, manufacturing business recorded revenue of US\$246,677,000 (2019: US\$683,925,000), accounting for 89.9% of the Group’s total revenue (2019: 96.0%). Segment profit before taxation and non-controlling interests amounted to US\$3,009,000 (2019: Segment loss of US\$99,622,000). The average selling price of a 20' dry freight container increased to US\$2,059 (2019: US\$1,779); a reflection of the increase in market demand, which have also led to an increase in the costs of raw materials such as corten steel and floorboard. Although the "New Singamas" business model centres around the specialised container segment, the Group has taken advantage of the extraordinarily strong demand for dry freight containers during the year, and therefore the majority of revenue was still derived from this segment (75.8% dry freight vs 24.2% specialised).

The Group’s specialised container business continues to improve. Demand has continued to show healthy growth as more customers become aware of the versatility that the Group can offer. Among the most popular conventional products are energy storage containers, power generator containers and electrical equipment containers. The Group’s in-house R&D team remains committed to innovation and in 2020, together with experts from the Chinese Academy of Sciences and China Customs, developed a mobile Polymerase Chain Reaction (“PCR”) laboratory for COVID-19 testing. A total of ten laboratories have already been produced and delivered to hospitals and customs in Shanghai and Qingdao. Other recently developed specialised containers include 5G equipment containers created to support data network infrastructure, environmental

containers for sewage treatment, and different types of modular housing products which are able to serve specific purposes.

LOGISTICS SERVICES

The logistics services business performed relatively stable during the review year. Although throughput remained robust, strong exports in China resulted in fast turnaround in boxes and less repair items performed. Revenue amounted to US\$27,628,000, representing a decline of 2.3% from the previous year (2019: US\$28,284,000). Segment profit before taxation and non-controlling interests amounted to US\$4,861,000 (2019: US\$5,463,000). In regard to the number of containers handled, approximately 510,000 TEUs were handled (2019: 660,000 TEUs), while repairs totalled 112,000 TEUs (2019: 147,000 TEUs) and average daily storage was 32,000 TEUs (2019: 25,000 TEUs).

The Group's investment in Xiamen logistics, meanwhile, continued to deliver stable returns, with dividends of US\$1,817,000 in 2020 (2019: US\$1,872,000). The Group will continue to review its operations and streamline the business in order to maximise efficiency and enhance its business portfolio, with the aim of maintaining stable revenues in this segment.

PROSPECTS

Entering the new year, Singamas will continue to seize opportunities based on the surge in demand for dry freight and specialised containers, particularly in relation to dry freight containers owing to continued port congestion issues. The Group remains committed to fully realising its transformation into the "New Singamas", leveraging its knowledge and expertise in the production of specialised containers in order to create a more robust business. With container usage becoming more widespread across a variety of sectors, the Group will continue to diversify its products and customer base, with a particular focus on three key areas: i) renewable energy; creating solutions for solar, wind and hydro power generation, ii) environmental protection; as an area that has seen much encouragement from the PRC government, the Group has endeavoured to develop containers addressing these concerns, and iii) medical application; as well as providing mobile laboratories for use in the COVID-19 pandemic, the Group has been developing mobile laboratories with medical capabilities for functions such as CT scans and negative pressure isolation, enabling rapid response from frontline medical staff.

Alongside the development of its three principal areas of interest, the Group will further enhance its specialised containers business by actively seeking out new avenues for collaboration. Such arrangements will primarily see the involvement of well-established industry partners and will allow us to further enhance our product offerings and capacity to innovate.

Mr Teo Siong Seng, Chairman of Singamas, said: "Impacted by the COVID-19 pandemic, year 2020 had been a challenging one causing production to temporarily suspend in early 2020. Nevertheless, China recovered relatively quickly from the outbreak, and we were able to resume production as quickly as possible in order to satisfy the strong export demand. It is very encouraging that we achieved a turnaround in 2020, which is also a testament of our successful transformation into the 'New Singamas'. With the strong domestic demand for new boxes increasing significantly and is expected to continue through to the latter part of the year, along with the advantages of the streamlined business model, the Group is looking forward to a favourable 2021."

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About Singamas Container Holdings Limited

Singamas is one of the world's major container manufacturers and logistics services providers. 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 and in Hong Kong, 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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