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

2021 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 2021 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

		Six months ended 30 June	
		2021	2020
		(unaudited)	(unaudited)
	Notes	***US$'000***	US$'000
Revenue	*2*	***455,892***	97,454
Other income		***1,526***	1,756
Changes in inventories of finished goods and work in progress		***3,905***	(8,575)
Raw materials and consumables used		***(276,343)***	(54,315)
Staff costs		***(57,241)***	(16,384)
Depreciation expense		***(5,627)***	(6,082)
Impairment losses under expected credit loss model, net of reversal		***(47)***	(1,258)
Impairment loss on property, plant and equipment		***(2,000)***	-
Other expenses		***(31,198)***	(21,435)
Finance costs		***(655)***	(530)
Investment income		***4,594***	6,133
Other gains and losses		***(1,741)***	(2,321)
Share of results of associates		***196***	934
Share of results of joint ventures		***101***	209
Profit (loss) before taxation		***91,362***	(4,414)
Income tax expense	*4*	***(24,855)***	(1,088)
Profit (loss) for the period		***66,507***	(5,502)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*
For the six months ended 30 June 2021

	Note	Six months ended 30 June	
		2021	2020
		(unaudited)	(unaudited)
	Note	***US$'000***	U$'000
Other comprehensive income (expense)			
Item that will not be reclassified to profit or loss:			
Fair value gain (loss) on equity instrument at fair value through other comprehensive income ("FVTOCI"), net of tax effect		***9,966***	(3,904)
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation		***674***	(628)
Other comprehensive income (expense) for the period		***10,640***	(4,532)
Total comprehensive income (expense) for the period		***77,147***	(10,034)
Profit (loss) for the period attributable to:			
Owners of the Company		***59,293***	(5,331)
Non-controlling interests		***7,214***	(171)
		66,507	(5,502)
Total comprehensive income (expense) attributable to:			
Owners of the Company		***69,881***	(9,836)
Non-controlling interests		***7,266***	(198)
		77,147	(10,034)
Earnings (loss) per share	*6*		
Basic		***US2.45 cents***	US(0.22) cent
Diluted		***N/A***	US(0.22) cent

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	***As at 30 June 2021 (unaudited) US$'000***	As at 31 December 2020 (audited) US$'000
Non-current assets			
Property, plant and equipment	*7*	***70,483***	84,185
Right-of-use assets		***37,806***	38,755
Investment properties		***19,210***	18,866
Interests in associates		***17,893***	44,812
Interests in joint ventures		***7,860***	7,681
Equity instrument at FVTOCI		***37,229***	26,156
Financial asset at fair value through profit and loss ("FVTPL")		***3,153***	3,027
Other receivables	*10*	***15,247***	31,678
Deposits for non-current assets		***903***	299
Amount due from immediate holding company	*11*	***95,870***	91,847
Amounts due from fellow subsidiaries	*12*	***25,625***	28,276
Amount due from an associate		-	13,727
		331,279	389,309
Current assets			
Inventories	*8*	***111,383***	59,907
Trade receivables	*9*	***175,084***	62,624
Prepayments and other receivables	*10*	***77,618***	89,631
Amount due from immediate holding company	*11*	***1,973***	2,500
Amounts due from fellow subsidiaries	*12*	***680***	-
Amounts due from associates	*13*	***3,002***	3,678
Derivative financial instruments		***381***	109
Tax recoverable		***257***	804
Bank balances and cash		***111,855***	48,787
		482,233	268,040
Assets classified as held for sale	*14*	***52,985***	-
		535,218	268,040

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)
As at 30 June 2021

	Notes	***As at 30 June 2021 (unaudited) US$'000***	As at 31 December 2020 (audited) US$'000
Current liabilities			
Trade payables	*15*	***93,079***	50,980
Lease liabilities		***1,447***	1,345
Accruals and other payables		***37,971***	19,364
Advances from customers		***36,809***	11,170
Amount due to immediate holding company		***181***	189
Amount due to a fellow subsidiary		***-***	53
Amounts due to associates		***1,118***	241
Amounts due to joint ventures		***16***	12
Tax payable		***16,574***	3,599
Bank borrowings		***55,691***	27,584
		242,886	114,537
Net current assets		***292,332***	153,503
Total assets less current liabilities		***623,611***	542,812
Capital and reserves			
Share capital	*16*	***268,149***	268,149
Accumulated profits		***242,626***	183,801
Other reserves		***56,698***	45,642
Equity attributable to owners of the Company		***567,473***	497,592
Non-controlling interests		***43,360***	36,094
Total equity		***610,833***	533,686
Non-current liabilities			
Lease liabilities		***874***	1,421
Deferred tax liabilities		***11,904***	7,705
		12,778	9,126
		623,611	542,812

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 2020 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 2020 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 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 2021 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2020.

Accounting policies which became relevant to the Group

<u>*Modification of financial assets*</u>

A modification of a financial asset occurs if the contractual cash flows are renegotiated or otherwise modified.

When the contractual terms of a financial asset are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatory effective for the annual period beginning on or after 1 January 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendment to HKFRS 16	*Covid-19-Related Rent Concessions*
Amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16	*Interest Rate Benchmark Reform – Phase 2*

Except as described below, the application of the amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in the condensed consolidated financial statements.

Impacts and accounting policies on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 Interest Rate Benchmark Reform - Phase 2

Accounting policies

Financial instruments

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform

For changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortised cost measurement applies as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes by updating the effective interest rate, such change in effective interest rate normally has no significant effect on the carrying amount of the relevant financial asset or financial liability.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if and only if, both these conditions are met:

- *the change is necessary as a direct consequence of interest rate benchmark reform; and*
- *the new basis for determining the contractual cash flows is economically equivalent to the previous basis (ie the basis immediately preceding the change).*

For other changes made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first applies the practical expedient to the changes required by interest rate benchmark reform by updating the effective interest rate. The Group then applies the applicable requirements in HKFRS 9 Financial Instrument on modification of a financial asset or a financial liability to the additional changes to which the practical expedient does not apply.

Transition and summary of effects

As at 1 January 2021, the Group has several financial liabilities, the interest of which are indexed to benchmark rates that will or may be subject to interest rate benchmark reform.

The following table shows the total amounts of outstanding contracts. The amounts of financial liabilities are shown at their carrying amounts.

	Hong Kong Interbank Offered Rate US$'000	*London Interbank Offered Rate US$'000*
Financial liabilities		
Bank borrowings	*8,373*	*47,318*

The Group intends to apply the practical expedient in relation to the changes in contractual cash flows resulting from the interest rate benchmark reform for bank loans measured at amortised cost. The amendments have had no impact on the condensed consolidated financial statements as none of the above contracts has been transitioned to the relevant replacement rates during the interim period. The impacts on application of the amendments, if any, including additional disclosures, will be reflected in the Group's consolidated financial statements for the year ending 31 December 2021.

1A. Significant event in the current interim period

On 4 November 2020, the Company and the immediate holding company of the Company, Pacific International Lines (Private) Limited ("PIL") entered into the repayment arrangement under the settlement deed (the "Deed"), pursuant to which the Company and PIL conditionally agreed to the settlement of the trade balances with immediate holding company and fellow subsidiaries in accordance with a repayment schedule over a 10-year period with interest (the "Repayment Proposal"). Details of the Repayment Proposal are disclosed in the Company's circular dated 24 November 2020. The Repayment Proposal was approved by the shareholders of the Company at the extraordinary general meeting on 11 December 2020.

Reference is made to the announcement of the Company dated 31 March 2021, the last condition of the Deed about the investment by one or more entities managed and controlled by Heliconia Capital Management Pte. Ltd. into PIL (directly or indirectly) has been satisfied on 30 March 2021. Accordingly, the then existing trade balances with immediate holding company and fellow subsidiaries have been derecognised, and new financial assets of amounts due from immediate holding company and fellow subsidiaries with the terms and conditions as stipulated in the Repayment Proposal ("Modified Assets") carried at coupon interest rate of 1.5% per annum are recognised at fair value at the date of such asset modification. Thereafter, the Modified Assets are carried at amortised cost.

2. Revenue from contracts with customers

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	
	2021	2020
	US$'000	US$'000
Manufacturing	***442,418***	85,308
Logistics services	***13,474***	12,146
	455,892	97,454

Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2021	2020
	US$'000	US$'000
Types of goods or services		
Manufacturing (recognised at a point in time):		
Dry freight containers	***393,792***	64,343
Tank containers	***13,576***	6,350
Other specialised containers and container parts	***35,050***	14,615
	442,418	85,308
Logistics services (recognised over time):		
Container storage and handling services	***1,883***	2,787
Repair and drayage services	***2,462***	2,580
Container freight station services	***4,892***	3,497
Other container related services	***4,237***	3,282
	13,474	12,146
	455,892	97,454

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:

Segment revenue and results

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

Six months ended 30 June 2021

	Manufacturing US$'000	***Logistics Services US$'000***	***Total US$'000***
REVENUE			
External sales	***442,418***	***13,474***	***455,892***
SEGMENT RESULTS	***86,856***	***(209)***	***86,647***
Finance costs			***(655)***
Investment income			***4,594***
Fair value gain on derivative financial instruments			***381***
Fair value gain on financial asset at FVTPL			***98***
Share of results of associates			***196***
Share of results of joint ventures			***101***
Profit before taxation			***91,362***

Six months ended 30 June 2020

	Manufacturing US$'000	Logistics Services US$'000	Total US$'000
REVENUE			
External sales	85,308	12,146	97,454
SEGMENT RESULTS	(8,707)	350	(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)

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

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	
	2021	2020
	US$'000	US$'000
Current tax:		
PRC Enterprise Income Tax		
- Current period	***21,484***	964
Deferred tax:		
Current period charge	***3,371***	124
	24,855	1,088

5. *Dividends*

No dividend was paid during the six months ended 30 June 2021 and 2020. No final dividend in respect of the year ended 31 December 2020 (six months ended 30 June 2020: nil) was proposed by the directors of the Company.

The directors of the Company have determined that an interim dividend of HK7cents (six months ended 30 June 2020: nil) per ordinary share, total of which equivalent to approximately HK$169,184,000 (equivalent to approximately US$21,794,000) (six months ended 30 June 2020: nil) will be paid to owners of the Company whose names appear in the register of members on 17 September 2021.

6. *Earnings (loss) per share*

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

	Six months ended 30 June	
	2021	2020
	US$'000	US$'000
Earnings (loss):		
Earnings (loss) for the purposes of calculating basic and diluted earnings (loss) per share	***59,293***	(5,331)
Number of shares:		
Number of ordinary shares for the purpose of calculating basic and diluted earnings (loss) per share	***2,416,919,918***	2,416,919,918

No diluted earnings per share for the six months ended 30 June 2021 was presented as the Company has no potential ordinary shares in issue during the period.

The computation of diluted loss per share for the six months ended 30 June 2020 did 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 2021, there was an addition of US$6,430,000 (six months ended 30 June 2020: US$3,782,000) in property, plant and equipment for upgrading existing manufacturing and logistics services facilities of the Group and transfer of an office property with carrying amount of US$12,032,000 from property, plant and equipment to assets held for sale.

8. Inventories

	As at 30 June 2021 US$'000	As at 31 December 2020 US$'000
Raw materials	***82,820***	35,249
Work in progress	***13,002***	11,234
Finished goods	***15,561***	13,424
	111,383	59,907

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 2020: 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 follows:

	As at 30 June 2021 US$'000	As at 31 December 2020 US$'000
0 to 30 days	***99,150***	40,344
31 to 60 days	***56,519***	14,737
61 to 90 days	***15,173***	6,041
91 to 120 days	***2,940***	87
Over 120 days	***1,302***	1,415
	175,084	62,624

10. Prepayments and other receivables

At 30 June 2021, prepayments and other receivables mainly included consideration receivables in connection with disposal of subsidiaries of US$18,506,000 (31 December 2020: US$53,432,000) and advance of US$61,075,000 (31 December 2020: US$47,451,000) to certain suppliers as deposits for raw materials purchases.

11. Amount due from immediate holding company

As at 30 June 2021, there is no trade balance with immediate holding company. As at 31 December 2020, the general credit term for trade balances with immediate holding company was 60 days.

The aged analysis of amount due from immediate holding company, net of allowance for credit losses, which was prepared based on invoice date of each transaction, which approximated the respective revenue recognition dates, at the end of the reporting period was as follows:

	As at 31 December 2020 US$'000
Over 120 days	94,347

12. Amounts due from fellow subsidiaries

The general credit term for trade balances with fellow subsidiaries is 30 to 60 days (31 December 2020: 30 to 60 days).

The aged analysis of trade related amounts due from fellow subsidiaries, 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 2021 US$'000	As at 31 December 2020 US$'000
0 to 30 days	***153***	*196*
31 to 60 days	***-***	*35*
61 to 90 days	***-***	*1*
91 to 120 days	***-***	*1*
Over 120 days	***-***	*28,043*
	153	*28,276*

13. Amounts due from associates

The general credit term for trade balance with associates is 30 to 90 days (31 December 2020: 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 2021 US$'000	As at 31 December 2020 US$'000
0 to 30 days	***89***	310
31 to 60 days	***50***	52
61 to 90 days	**-**	6
91 to 120 days	**-**	14
Over 120 days	***2,863***	3,296
	3,002	3,678

14. Assets held for sale

During the six months ended 30 June 2021, an office property of the Group located in Hong Kong with carrying amount of US$12,032,000 as at 30 June 2021 had ceased to be owner-occupied and is currently held for sale purpose. The directors of the Company assessed whether the held-for-sale criteria set out in HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are met. Taking into account (a) the fact that the subject property is available for immediate sale in its present condition, and (b) the directors of the Company believe that the property is highly probable to be disposed within one year from the date of classification as asset held for sale, the relevant office property was thus classified as held for sale under current assets as at 30 June 2021.

On 13 April 2021, Modex Holding Limited ("Modex"), an associate of the Group, signed an exclusivity agreement with an independent third party, in relation to the potential disposal for its entire share capital, together with the shareholder's loan to Modex, at a total consideration of approximately US$95,069,000 in cash. Among the consideration, the Group will receive a total of approximately US$48,883,000, comprising of US$34,979,000 for its 44.57% equity interest in Modex, and US$13,904,000 for the shareholder's loan to Modex. The transaction has not been completed by the end of the reporting period and accordingly, the investment in Modex of US$27,049,000 and shareholder loan of US$13,904,000 are classified as assets held for sale as at 30 June 2021.

15. Trade payables

Bills payables of US$8,210,000 (31 December 2020: US$5,422,000) was included in the Group's trade payables as at 30 June 2021. The following is an analysis of trade payables by age based on invoice date of each transaction:

	As at 30 June 2021 US$'000	As at 31 December 2020 US$'000
0 to 30 days	***48,997***	24,767
31 to 60 days	***22,413***	12,150
61 to 90 days	***10,082***	4,903
91 to 120 days	***8,579***	2,691
Over 120 days	***3,008***	6,469
	93,079	50,980

16. Share capital

	Number of shares	***Share Capital***	
Issued and fully paid:		***US$'000***	***HK$'000***
At 1 January 2020, 31 December 2020 and 30 June 2021	***2,416,919,918***	***268,149***	***2,078,513***

There was no movement in the Company's share capital during the current period.

Business Review

During the first half of 2021, the Group's performance substantially improved, this was principally due to a surge in demand for dry freight containers, the result of supply chain disruption experienced around the world. Further driving demand has been increased domestic consumption in various countries spurred by government stimulus and relief measures aimed at lessening the impact of the pandemic on households and businesses. Such efforts indirectly led to the increase in demand for imported goods.

For the six months ended 30 June 2021 (the "review period"), the Group's consolidated revenue reached US$455,892,000 (1H2020: US$97,454,000), owing to increased demand for dry freight containers, which contributed to a 73% increase in the average selling price ("ASP") of 20' dry freight container as compared with the last corresponding period. With regard to customised containers, there was particularly robust demand for renewable energy and environmental protection related containers, both of which have been driven with varying degree by government support. Consolidated net profit attributable to owners of the Company amounting to US$59,293,000 (1H2020: consolidated net loss attributable to owners of the Company of US$5,331,000) for the review period. Earnings per share were US2.45 cents (1H2020: basic loss per share of US 0.22 cent). The Group is in sound financial health with bank balances and cash as at 30 June 2021 amounting to US$111,855,000 (As at 31 December 2020: US$48,787,000).

Manufacturing

During the review period, the manufacturing segment performed strongly as reflected by revenue of US$442,418,000 (1H2020: US$85,308,000), accounted for 97% of the Group's total revenue. Segment profit before taxation and non-controlling interests reached US$88,748,000 (1H2020: loss of US$7,093,000). Moreover, total sales volume of approximately 150,000 Twenty-foot equivalent units ("TEUs") for dry freight and ISO specialised containers were recorded. The ASP of a 20' dry freight container rose sharply to US$3,175 against US$1,830 for the corresponding period last year.

Though dry freight containers accounted for a significant share of 89% of manufacturing turnover, the specialised containers operation has continued to make headway. In particular, demand has increased for renewable energy related containers. With the People's Republic of China ("PRC" or "China") committed to becoming carbon neutral by 2060, green-related solutions will be in demand for some time, and from a wide spectrum of industries. To facilitate the development of renewable energy containers, the Group has established a department dedicated to the research and development of containers that advance solar, wind and hydro power generation. Furthermore, the Group is increasing production capacity by establishing a new facility adjacent to its Shanghai plant, which is set for completion by the fourth quarter of 2021. Once fully operational, production of renewable energy containers is expected to further increase. Such capacity will also go towards addressing demand from abroad, as the Group has received orders from countries outside the PRC.

In addition to renewable energy, environmental protection and medical-related containers have continued to perform steadily. Used for various applications including sewage treatment in the case of the former, and CT scans and negative pressure isolation in the case of the latter, both container types perfectly address current market demands. The Group also developed equipment containers for data network and infrastructure support, and thus capitalise on the digitisation trend.

Logistics Services

The logistics services operation remains stable during the review period. Segment revenue amounted to US$13,474,000 (1H2020: US$12,146,000), with segment profit before taxation and non-controlling interests totalling US$2,614,000 (1H2020: US$2,679,000). During the six months ended 30 June 2021, the logistics operation handled approximately 243,000 TEUs (1H2020: 245,000 TEUs) and repaired approximately 61,000 TEUs (1H2020: 52,000 TEUs). Average daily container storage at around 18,000

TEUs (1H2020: 36,000 TEUs).

With regard to the Group's interest in Xiamen Logistics, the investment performed in a consistent manner and delivered dividends totalling US$1,864,000 during the review period. The management will further examine all facets of operation, with the aim of boosting efficiency and enhancing its business portfolio, so that its stable performance can be sustained. Separately, the Group's depot at Hung Shui Kiu, Hong Kong, ceased operation in June 2021. This was due to a land resumption conducted by the local authorities for city development.

Prospects

In the coming half year, the Group anticipates the demand for dry freight containers will remain high. The demand for specialised containers will also remain healthy, spurred by interest from its diverse client base. The Group will therefore continue observing its *containerisation strategy* which is in line with its overall "New Singamas" transformation. Consistent with this strategy, the Group will seek suitable opportunities for expanding its specialised container portfolio as this will lead to the creation of new income streams. At the same time, the Group will reinforce the three pillars that underpin its specialised container operation, namely renewable energy, environmental protection and medical application containers. Towards this objective, it will seek to develop advanced containers that tap the particularly strong demand for green energy solutions; support the PRC Government's waste management strategy; and tackle both immediate and future medical needs.

It is worth noting that during the review period, the investment by Heliconia Capital Management Pte. Ltd. (an independently managed wholly-owned subsidiary of Temasek Holdings (Private) Limited) to PIL Pte. Ltd., the holding company of Pacific International Lines (Private) Limited ("PIL"), the controlling shareholder of Singamas, has been completed. The management team of Singamas has remained the same, and the Group does not anticipate any significant changes in the management and operation of Singamas.

Interim Dividend

The directors of the Company are pleased to declare an interim dividend of HK7 cents per ordinary share for the six months ended 30 June 2021 (six months ended 30 June 2020: nil), payable on Thursday, 30 September 2021 to shareholders whose names appear on the register of members of the Company at the close of business on Friday, 17 September 2021.

Closure of Register of Members

The register of members of the Company will be closed from Wednesday, 15 September 2021 to Friday, 17 September 2021, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for this interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 14 September 2021.

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 reporting matters including a review of the unaudited interim financial statements for the six months ended 30 June 2021 ("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, aggregate amount of US$468,000 have been transferred to PRC statutory reserve of the Group during the period.

Compliance with the Code of Corporate Governance Code

Throughout the period from 1 January 2021 to 30 June 2021, 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, 26 August 2021

The Directors as at the date of this announcement are Mr. Teo Siong Seng, Mr. Chan Kwok Leung 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.