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The logo for SINGAMAS, featuring the word "SINGAMAS" in a bold, red, sans-serif font. The text is centered between two horizontal blue bars, one above and one below.

勝獅貨櫃企業有限公司
SINGAMAS CONTAINER HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

Stock code: 716

PROFIT WARNING

This announcement is made pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of Singamas Container Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to inform shareholders of the Company and potential investors that, based on preliminary assessment of the unaudited consolidated management accounts of the Group and information currently available to the Board, the Group is currently expected to report a consolidated net loss of at least US\$95,000,000 for the year ended 31 December 2019 (including non-recurring losses of at least US\$25,000,000), compare to the consolidated net profit of US\$72,252,000 (including a one-time gain of approximately US\$65,604,000 from the disposal of Hui Zhou Pacific Container Co., Ltd.) attributable to owners of the Company for the year ended 31 December 2018.

The expected decline in performance for the year ended 31 December 2019 is primarily attributable to the trade tension between the United States of America and the People’s Republic of China which affects the global trade volume. With a soft demand in new container and an intense competition in the market, the average selling price of a 20’ dry freight container dropped substantially as compared with the preceding year, which affected the performance of the Group.

As announced by the Company on 6 May 2019, the Company entered into a sale and purchase agreement with an independent third party in relation to the disposal of the entire interest of the Target Companies (as defined in the circular of the Company dated 31 May 2019). The transaction has been completed on 2 August 2019 and the loss on disposal, after tax and transaction cost, has been recognised in the second half of 2019. Depreciation of Renminbi (“RMB”) against United States Dollars (“USD”) in the second half of 2019 increased the loss on disposal since the consideration was denominated in RMB and has been converted into USD for reporting, it further affected the results of the Group for the year. Please refer to the announcement and the circular of the Company dated 6 May 2019, 31 May 2019 and 2 August 2019, respectively, for details.

Although the Group expects the upcoming financial year remains challenging, the Company believes that the Group's focus on specialised container, especially the customised specialised container after the aforesaid disposal transaction, would be proved to be correct, taking into account that specialised container demand is in the increasing trend which allows the Group to be less affected by the global trade in the future.

Despite the Group is expected to report a loss for the year ended 31 December 2019 as aforesaid, as at the date of this announcement the Board considers that the Group's current financial situation as a whole is sound with net cash on hand. The Board believes that the Group has strong fundamental to cope with the upcoming challenges.

The information contained in this announcement is only based on a preliminary assessment by the management of the Company with reference to the information currently available including the unaudited consolidated management accounts of the Group, which have not been reviewed or audited by the Company's auditors and are subject to possible adjustments arising from further review. The annual results of the Group for the year ended 31 December 2019 are expected to be announced in March 2020.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

By order of the Board
Singamas Container Holdings Limited
Teo Siong Seng
Chairman and Chief Executive Officer

Hong Kong, 22 January 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.