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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 of equal length.

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 marginal loss for the six months ended 30 June 2018, as compared to the consolidated net profit of US\$16,597,000 attributable to owners of the Company for the same period last year, or the consolidated net profit of US\$41,452,000 attributable to owners of the Company for the year ended 31 December 2017.

The expected decline in performance for the six months ended 30 June 2018 is primarily attributable to the increase in material costs, especially corten steel, despite the strong demand in dry freight containers. With intense competition in the market, the Group was not able to pass the entire increased material costs to the customers, which affected the gross profit margin of the Group. Besides, rapid appreciation of the Renminbi against USD in the first few months of the year further depressed the profit margin.

With trade tensions between the United States of America (“**US**”) and the People’s Republic of China (“**PRC**”), economic downside risk is therefore expected to increase. This may affect the trade volume between US and the PRC in the second half of 2018, which may in turn affect the demand in, and the average selling price of, new dry freight containers. Although the Group expects the upcoming financial period to become increasingly challenging due to the aforementioned developments, the Group’s container orders are full up to August 2018. Moreover, material price trend becomes stable and the weakening in the Renminbi leading to the moderation of production cost.

Subsequent to the review period, on 3 July 2018, the Company has entered into a sales and purchase agreement with an independent third party to dispose the entire interest of Hui

Zhou Pacific Container Co., Ltd., a wholly-owned subsidiary of the Company. Subject to the shareholders' approval, the Company expects the transaction to be completed within this year and the expected gain on disposal will be recognised in the second half of 2018. Please refer to the announcement of the Company dated 3 July 2018 for details.

Notwithstanding the Group's expected report of a marginal loss for the six months ended 30 June 2018 as aforesaid, the Board considers that the Group's financial situation as a whole is sound with its gearing ratio maintaining at a reasonable level. 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 interim results of the Group for the six months ended 30 June 2018 are expected to be announced in August 2018.

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, 20 July 2018

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. Kuan Kim Kin and Mr. Tan Chor Kee as non-executive Directors and Mr. Cheng Fu Kwok, David, Mr. Lau Ho Kit, Ivan and Mr. Yang, Victor as independent non-executive Directors.