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SINGAMAS

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 the orders currently on hand, the Group is currently expected to report a consolidated profit attributable to owners of the Company of not more than US\$60,000,000 for the year ending 31 December 2022 (“**FY 2022**”), as compared to the consolidated profit of US\$186,802,000 (including a one-time gain of US\$27,001,000 from the derecognition of financial assets) attributable to owners of the Company for the year ended 31 December 2021 (“**FY 2021**”).

The record strong demand for dry freight containers in 2021 was mainly due to strong export from China and global supply chain disruption, which resulted in both the production volume and the average selling price of containers reaching record high in 2021. Following the slowdown in global economy and the easing of disruption to the global supply chain, which rendered a rise in container inventories, the demand for new dry freight containers began to decline in the second quarter of 2022. Furthermore, the recent geopolitical tensions and the associated surge in energy cost, as well as the uncertainties in global economy as a whole affected consumption sentiment which in turn affects the global trade volume.

As a consequence of reduced demand for new containers, the dry freight container production facilities of the Group are expected to close intermittently until the end of the year 2022 in order to minimise the operating cost of the factories. As a result, the financial performance of the Group for FY 2022 is expected to decrease as compared with that of FY 2021.

Although the Group expects challenges to remain in the upcoming financial year, the Company believes that its new business focus on non-shipping related containers,

especially for those relating to green energy, environmental protection and modular integrated construction, will allow the Group to be more resilient and less vulnerable to the highs and lows in global trade volume in the future.

In spite of the expected decrease in the Group's consolidated profit attributable to owners of the Company for FY 2022 as mentioned above, based on the current situation and barring unforeseeable circumstances, the Board currently considers that the Group's current financial position as a whole is sound with net cash on hand. The Board believes that the Group has strong fundamentals to cope with future challenges.

As the financial year has yet to come to an end, the information contained in this announcement is only based on the Board's preliminary assessment 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 or the audit committee of the Company and are subject to possible adjustments arising from further review. The annual results announcement of the Group for FY 2022 is expected to be published in March 2023.

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, 4 November 2022

The Directors as at the date of this announcement are Mr. Teo Siong Seng and Ms. Chung Pui King, Rebecca as executive Directors, Mr. Kwa Wee Keng and Mr. Chan Kwok Leung 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.