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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)

CONTINUING CONNECTED TRANSACTION

RENEWAL OF TENANCY AGREEMENT

The Board announces that on 29 December 2017, the Renewed Tenancy Agreement was entered into between SCSL, a wholly-owned subsidiary of the Company, as tenant and PIL China, a wholly-owned subsidiary of PIL, the controlling Shareholder, as landlord, for the renewal of the Transactions.

PIL, a company in which Mr. Teo Siong Seng and Mr. Teo Tiou Seng are directors and shareholders, is the controlling Shareholder, as defined under the Listing Rules. Accordingly, PIL is a connected person of the Company and PIL China is an associate of PIL under the Listing Rules.

The Renewed Tenancy Agreement involves transactions which will occur on a recurring basis over a period of time; accordingly, the Transactions constitute a continuing connected transaction of the Company under the Listing Rules.

As one or more of the applicable percentage ratios (other than profit ratio which shall not apply) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Annual Cap for the Transactions is more than 0.1% but all of them are less than 5%, under Rule 14A.76 of the Listing Rules, the Transactions therefore constitute a continuing connected transaction which is only subject to the annual reporting, announcement and annual review requirements and is exempt from the Shareholders' approval requirement under Chapter 14A of the Listing Rules.

RENEWAL OF TENANCY AGREEMENT

Reference is made to the announcement of the Company dated 31 December 2014 in respect of the Existing Tenancy Agreement made between SCSL, a wholly-owned

subsidiary of the Company, as tenant, and PIL China, a wholly-owned subsidiary of PIL, the controlling Shareholder, as landlord, for the leasing of the Old Property which constituted a continuing connected transaction of the Company under the Listing Rules.

The lease under the Existing Tenancy Agreement will expire on 31 December 2017. On 29 December 2017, SCSL entered into the Renewed Tenancy Agreement with PIL China for the renewal of the Existing Tenancy Agreement for a further term of three years commencing from 1 January 2018 to 31 December 2020, both dates inclusive. The details of the Renewed Tenancy Agreement are set out below:

The Principal Terms of the Renewed Tenancy Agreement

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|-----------------|---|
| Date : | 29 December 2017 |
| Landlord : | PIL China |
| Tenant : | SCSL |
| Premises : | 6/F, Block 5, PIL Building, No. 18 Gong Ping Road, Hongkou District, Shanghai 200082, PRC |
| Area : | A total gross floor area of approximately 1,301.43 square metres |
| Term : | Three years commencing from 1 January 2018 to 31 December 2020, both dates inclusive. SCSL is required to serve a written request three months in advance of the expiry date of the Renewed Tenancy Agreement to PIL China requesting for tenancy renewal (if any) |
| Rental: | RMB257,303.56 (equivalent to approximately US\$39,403.30) (exclusive of management fee and all other outgoings) per month (subject to revision according to market level but not more than 10% increment in each of the two years starting 1 January 2019 and 1 January 2020) |
| Management Fee: | RMB42,947.19 (equivalent to approximately US\$6,576.91) per month directly paid to a property management company, an independent third party of the Company |
| Deposit: | RMB386,145.13 (equivalent to approximately US\$59,134.02), (representing one (1) month's rental plus three (3) months' management fee under the Renewed Tenancy Agreement; the deposit paid under the Existing Tenancy Agreement which has been agreed by both parties to be transferred as the payment of the deposit under the Renewed Tenancy Agreement) |

ANNUAL CAP

The Annual Cap of RMB3,087,643, RMB3,396,407 and RMB3,736,048 (equivalent to approximately US\$472,840, US\$520,124 and US\$572,136) for the three financial years ending 31 December 2018, 2019 and 2020 has been determined with reference to the total rental (on the assumption that there will be a 10% increment in the rental in each of the two years starting 1 January 2019 and 1 January 2020) payable by SCSL under the Renewed Tenancy Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED TENANCY AGREEMENT

SCSL has been renting the Old Property from PIL China for use by SCSL as its office space in Shanghai since April 2014. As the Existing Tenancy Agreement shall expire on 31 December 2017 and for cost-saving purposes, the Company considers it to be commercially necessary and beneficial to enter into the Renewed Tenancy Agreement to rent only the Property from PIL China as its office space. It is considered that SCSL will save unnecessary relocation and administration costs and avoid disruption of operation by continuing to rent the Property.

The rental payable under the Renewed Tenancy Agreement was arrived at after arm's length negotiations between SCSL and PIL China with reference to (i) the historical rental paid by SCSL for renting the Old Property under the Existing Tenancy Agreement (which were RMB4,159,818, RMB2,941,927 and RMB3,087,643 (equivalent to approximately US\$637,032 US\$450,525 and US\$472,840) respectively for the three years ended 31 December 2015, 31 December 2016 and 31 December 2017)); (ii) the prevailing market rental at the same building of the Property with similar floor, size and view; and (iii) the appraisal report by an independent property valuer on rental payable in respect of comparable rental transactions and offerings as available in the market with similar age, size, use and attributes.

Based on the above reasons, the Directors (including the independent non-executive Directors) are of the opinion that the terms of the Renewed Tenancy Agreement have been entered into in the ordinary and usual course of business of the Group on normal commercial terms (or terms no less favourable to the Group than terms available to independent third parties) and that the terms of the Renewed Tenancy Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

BOARD APPROVAL

The Board has approved the Renewed Tenancy Agreement. Mr. Teo Siong Seng, Mr. Teo Tiou Seng, Mr. Kuan Kim Kin and Mr. Tan Chor Kee (who are directors of both PIL and the Company) have voluntarily abstained from voting on the Board resolutions approving the Transactions.

LISTING RULES IMPLICATIONS

PIL China is a wholly-owned subsidiary of PIL and SCSL is a wholly-owned subsidiary of the Company. PIL, a company in which Mr. Teo Siong Seng and Mr. Teo Tiou Seng are directors and shareholders, is the controlling Shareholder, as defined under the Listing Rules. Accordingly, PIL is a connected person of the Company and PIL China is an associate of PIL under the Listing Rules.

The Renewed Tenancy Agreement involves transactions which will occur on a recurring basis over a period of time; accordingly, the Transactions constitute a continuing connected transaction of the Company under the Listing Rules.

As one or more of the applicable percentage ratios (other than profit ratio which shall not apply) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Annual Cap for the Transactions is more than 0.1% but all of them are less than 5%, under Rule 14A.76 of the Listing Rules, the Transactions therefore constitute a continuing connected transaction which is only subject to the annual reporting, announcement and annual review requirements and is exempt from the Shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

The Company is an investment holding company incorporated in Hong Kong and the activities of the Group include manufacturing of dry freight containers, collapsible flatrack containers, open top containers, bitutainers, refrigerated containers, 53' US domestic containers, tank containers, offshore containers, other specialised containers and container parts; provision of logistics services, including operating container depots, container terminals and container logistics.

PIL is an operator of container liner services and other logistics related services incorporated in Singapore.

SCSL is a company incorporated in PRC and engages in the provision of technical and development services of container manufacturing.

PIL China is a shipping agent incorporated in PRC.

DEFINITIONS

“associates” has the same meaning as given to it in the Listing Rules

“Annual Cap” the aggregate maximum amount of RMB3,087,643,

RMB3,396,407 and RMB3,736,048 (equivalent to approximately US\$472,840, US\$520,124 and US\$572,136) for the Transactions, being the total rental payable by SCSL for three years commencing from 1 January 2018 to 31 December 2020 pursuant to the Renewed Tenancy Agreement

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| “Board” | the board of Directors |
| “Company” | Singamas Container Holdings Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock code : 716) |
| “connected person” | has the same meaning as given to it in the Listing Rules |
| “continuing connected transaction” | has the same meaning as given to it in the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Existing Tenancy Agreement” | the tenancy agreement dated 31 December 2014 made between SCSL and PIL China in respect of the leasing of the premises at 5/F & 6/F, Block 5, PIL Building, No. 18 Gong Ping Road, Hongkou District, Shanghai 200082 for three years from 1 January 2015 to 31 December 2017 (both days inclusive) |
| “Group” | the Company together with its subsidiaries |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Old Property” | the premises at 5/F & 6/F, Block 5, PIL Building, No. 18 Gong Ping Road, Hongkou District, Shanghai 200082, PRC with a total gross floor area of approximately 2,161.43 square metres held by PIL China |

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| “PIL” | Pacific International Lines (Private) Limited, a company incorporated in the Republic of Singapore and in which Messrs. Teo Siong Seng and Teo Tiou Seng, are directors and shareholders, is the controlling Shareholder, as defined under the Listing Rules |
| “PIL China” | Pacific International Lines (China) Ltd., a company incorporated in the PRC and is a wholly owned-subsiidiary of PIL |
| “PRC” | the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “Property” | the premises located at 6/F, Block 5, PIL Building, No. 18 Gong Ping Road, Hongkou District, Shanghai 200082, PRC with a total gross floor area of approximately 1,301.43 square metres held by PIL China |
| “RMB” | Renminbi, the lawful currency of PRC |
| “SCSL” | Singamas Container Holdings (Shanghai) Limited, a company incorporated in the PRC and is a wholly-owned subsidiary of the Company |
| “Shareholders” | shareholders of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Renewed Tenancy Agreement” | the tenancy agreement dated 29 December 2017 entered into between PIL China and SCSL for a term of three years commencing from 1 January 2018 to 31 December 2020, both dates inclusive |
| “Transactions” | the transactions contemplated under the Renewed Tenancy Agreement |
| “US\$” | United States dollars, the lawful currency of the United States of America |
| “%” | per cent. |

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

Hong Kong, 29 December 2017

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.

For the purposes of illustration only and unless otherwise specified, conversion of RMB into US\$ is based on the exchange rate of US\$1.00 = RMB 6.53. Such conversion should not be construed as a representation that the amounts in question have been, could have been or could be converted at that particular rate or at all.