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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)

**DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF
EQUITY INTEREST IN AN ASSOCIATE COMPANY**

On 28 July 2021, Singamas Subsidiary, a direct wholly-owned subsidiary of the Company, and Other Modex Shareholders (collectively the “Sellers”) and the Purchaser entered into a Share Purchase Agreement, pursuant to which the Sellers agreed to sell the Sale Shares in Modex, an associate company of the Company prior to Completion, and the Purchaser agreed to purchase the Sale Shares (together with the Modex Shareholder Loan) at a total consideration of USD95,068,654.35 in cash. The Company through Singamas Subsidiary indirectly owned 44.57% interest of the Sale Shares prior to Completion.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal reaches or exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

I. SHARE PURCHASE AGREEMENT

Date: 28 July 2021

Parties: Singamas Subsidiary and Other Modex Shareholders,
collectively as the Sellers.

OEG Group Limited as the Purchaser.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, none of the Purchaser and its ultimate beneficial owner is a connected person of the Company under the Listing Rules.

Subject matter to be disposed of

The Purchaser agreed to purchase, and the Sellers agreed to sell, the Sale Shares (together with the Modex Shareholder Loan) at a total consideration of USD95,068,654.35 in cash. The Sale Shares represent 100% of the equity interest of Modex. The Company through Singamas Subsidiary indirectly owned 44.57% interest of the Sale Shares prior to Completion.

Consideration and payment terms

Consideration has been paid in the following manner:-

- (i) USD91,933,540.39 paid by the Purchaser to the Sellers in cash at Completion; and
- (ii) USD3,135,113.96 paid by the Purchaser to the relevant creditors in cash at Completion in full and final settlement of the Modex Shareholder Loan.

The Consideration was determined on arm's length negotiations between the Sellers and the Purchaser on normal commercial terms with reference to (i) the value of Modex as at 31 December 2020 and (ii) the reasons for the Disposal as mentioned in the section headed "Reasons for and Benefits of the Disposal".

Among the Consideration, Singamas Subsidiary received a total of USD48,883,232.43 (which formed part of the Consideration as indicated in (i) above), comprising of USD34,978,787.99 for its 44.57% stake in Modex, and USD13,904,444.44 for the loan provided by Singamas Subsidiary to Modex together with deferred loan interest, which have accordingly been waived at Completion.

Completion of the Disposal

Completion has already taken place as of the date of the Share Purchase Agreement.

Others

On the date of the Share Purchase Agreement, the Sellers and the parent companies or ultimate beneficial owners of certain corporate Sellers (including the Company, being the parent company of Singamas Subsidiary) also entered into a contribution deed to set out the rights and obligations of the Sellers under the Share Purchase Agreement on a fair and pro-rata basis.

II. INFORMATION OF MODEX, THE COMPANY AND THE PURCHASER

Modex

Modex, a company established in the British Virgin Islands with limited liability, is one of the largest offshore container leasing company in the world and an investment holding company. Prior to Completion, Modex was owned as to 44.57%, 24.95%, 14.04%, 4.04%, 4.02%, 3.41%, 1.57%, 0.19%, 2.26%, 0.36%, 0.23%, 0.14%, 0.17% & 0.06% by Singamas Subsidiary, Berbu AS, Petopa Holding Limited, Clou Container Leasing GmbH, Eric Marius Snellen, G9, L.L.C., Adeste AS, Spiros Limited, Nicolaas Blaauwendraad, Edwin Erik Gelbert Jager, Jan Andries Blaak, Cornelis Egbert Kamphof, Wen Sun and Vibeke Fosse, respectively.

The activities of the subsidiaries of Modex are principally engaged in the business of trading and

leasing of containers, cabins and equipment for the offshore oil and gas industry.

Set out below is certain financial information of Modex for the two years ended 31 December 2019 and 2020:

	For the years ended 31 December (audited)	
	2019 (USD)	2020 (USD)
Revenue	43,995,415	38,519,917
Net (loss) profit before tax	(10,277,819)	292,654
Net (loss) profit after tax	(8,730,668)	193,189

The audited net asset value of Modex as at 31 December 2020 was USD62,546,350.

The Company

The Company is an investment holding company incorporated in Hong Kong with limited liabilities and the activities of the Group include manufacturing of dry freight containers, collapsible flatrack containers, open top containers, bitutainers, tank containers, offshore containers, customised specialised containers and other specialised containers and container parts; provision of logistics services, including operating container depots and container logistics. Singamas Subsidiary is a wholly-owned subsidiary of the Company and an investment holding company incorporated in the British Virgin Islands with limited liabilities.

The Purchaser

Based on the information available to the Company, the Purchaser is a company incorporated under the laws of England and Wales with company number 12134998 and is an investment holding company of one of the largest offshore container leasing groups in the world. The activities of the subsidiaries of the Purchaser are principally engaged in the business of trading and leasing of containers, cabins and equipment for the offshore energy industry. The ultimate beneficial owner of the Purchaser is Verinato Limited, a company incorporated in Cyprus.

III. REASONS FOR AND BENEFITS OF THE DISPOSAL

Modex was operating in net loss for several years, until the year 2020 when it managed to have marginal net profit after tax. Due to the substantial drop of leasing rate in the weak offshore container market and severe competitions among industry players, there is no certainty for Modex to guarantee stable returns to the shareholders in its original structure (shareholding and otherwise) prior to the Disposal. The Company considered that the Disposal represents a good opportunity for the Group to exit from the offshore container leasing market and to generate additional cash flow for the Group. The net proceeds from the Disposal will be applied for other operating and / or capital investment (if any) and for general working capital purposes.

The Directors (including the independent non-executive Directors) are of the opinion that the Disposal is on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IV. FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion of the Disposal, it is estimated that the Company would recognise a gain on the Disposal of approximately USD7,000,000. The actual gain as a result of the Disposal to be recorded by the Company will be subject to audit and hence the aforesaid figure is only indicative in nature and is not yet finalised.

V. LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal reaches or exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

VI. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Company”	Singamas Container Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 716)
“Completion”	Completion of the Disposal in accordance with the terms and conditions of the Share Purchase Agreement
“Consideration”	the amount of USD95,068,654.35 in cash
“Director(s)”	director(s) of the Company
“Disposal”	the sale of the Sale Shares and Modex Shareholder Loan by Singamas Subsidiary and Other Modex Shareholders to the Purchaser pursuant to the Share Purchase Agreement
“Group”	the Company together with its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Modex”	Modex Holding Limited, a company incorporated in the British Virgin Islands with limited liability and is an associate company of the Company prior to Completion
“Modex Shareholder Loan”	certain shareholder loan together with deferred loan interest, provided by Adeste AS, PerInvest AS, Bjerva AS and Berbu AS to Modex for its operating purpose in an aggregate amount of USD3,135,113.96

“Other Modex Shareholders”	Berbu AS, Petopa Holding Limited, Clou Container Leasing GmbH, Eric Marius Snellen, G9, L.L.C., Adeste AS, Spiros Limited, Nicolaas Blaauwendraad, Edwin Erik Gelbert Jager, Jan Andries Blaak, Cornelis Egbert Kamphof, Wen Sun and Vibeke Fosse which respectively hold as to 24.95%, 14.04%, 4.04%, 4.02%, 3.41%, 1.57%, 0.19%, 2.26%, 0.36%, 0.23%, 0.14%, 0.17% & 0.06% shareholdings in Modex prior to Completion
“Purchaser”	OEG Group Limited, a company incorporated under the laws of England and Wales with company number 12134998
“Sale Shares”	an aggregate of 42,961 shares issued by Modex, representing 100% of the equity interest in Modex
“Share Purchase Agreement”	the agreement dated 28 July 2021 entered into among Singamas Subsidiary and Other Modex Shareholders, as the Sellers and OEG Group Limited, as the Purchaser in relation to the Sale Shares and assignment of Modex Shareholder Loan to the Purchaser
“Shareholders”	shareholder(s) of the Company
“Singamas Subsidiary”	Teamwill International Limited, a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	United States dollars, the lawful currency of United States of America

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

Hong Kong, 28 July 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.