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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Singamas Container Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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 TRANSACTIONS**

**Independent financial adviser to the Independent Board Committee  
and the Shareholders**



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A letter from the Board is set out on pages 4 to 11 of this circular and a letter from the Independent Board Committee is set out on page 12 of this circular. A letter from Lego Corporate Finance, the independent financial adviser to the Independent Board Committee and the Shareholders, containing its advice to the Independent Board Committee and the Shareholders is set out on pages 13 to 23 of this circular.

A notice convening the General Meeting to be held at 24/F., Admiralty Centre 1, 18 Harcourt Road, Hong Kong on Tuesday, 12 December 2017 at 10:00 a.m. is set out on pages 34 to 35 of this circular. Whether or not you are able to attend the General Meeting, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof (as the case may be). Completion and return of proxy form will not preclude you from attending and voting in person at the meeting or any adjourned meeting (as the case may be) should you so wish.

17 November 2017

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## DEFINITIONS

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*In this circular, other than in the notice of General Meeting, the following expressions have the following meanings, unless the context otherwise requires:*

“Annual Caps”	the maximum aggregate sales value in respect of the Transactions for the three financial years ending 31 December 2018, 2019 and 2020 in this circular
“associates”	has the same meaning as given to it in the Listing Rules
“Board”	the board of Directors
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“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 transactions”	has the same meaning as given to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Equipment”	including but not limited to dry freight containers, collapsible flatrack containers, open top containers, bitutainers, refrigerated containers, US domestic containers, tank containers, offshore containers, other specialised containers and other relevant products
“General Meeting”	a general meeting of the Company to be held on 12 December 2017, notice of which is set out on pages 34 to 35 of this circular, including any adjournment thereof for the Shareholders to consider, and if thought fit, passing the resolutions in respect of the Transactions
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Independent Board Committee”	the independent board committee of the Company comprising Messrs. Cheng Fu Kwok, David, Lau Ho Kit, Ivan and Yang, Victor, established for the purpose of advising the Shareholders in respect of the Transactions
“Lego Corporate Finance”	Lego Corporate Finance Limited, a corporation licensed under the SFO to carry out type 6 (advising on corporate finance) regulated activity, being the independent financial adviser to the Independent Board Committee and the Shareholders in respect of the Transactions
“Latest Practicable Date”	14 November 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Purchase Contract 2015”	the master purchase contract dated 6 October 2014, which was approved by the Shareholders on 19 November 2014, and entered into among the Company (for and on behalf of the Group) and PIL (for and on behalf of PIL Group) with a term commencing from 1 January 2015 to 31 December 2017
“Master Purchase Contract 2018”	the conditional master purchase contract dated 30 October 2017, as amended and supplemented, subject to the approval of the Shareholders at the General Meeting and entered into between the Company (for and on behalf of the Group) and PIL (for and on behalf of PIL Group) with a term commencing from 1 January 2018 to 31 December 2020
“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 of the Company, as defined under the Listing Rules
“PIL Group”	PIL together with its subsidiaries
“PRC”	the People’s Republic of China and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

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## DEFINITIONS

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“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the continuing connected transactions between the Group and PIL Group to be occurred on a recurring basis and all the transactions contemplated under the Master Purchase Contract 2018
“US”	United States of America
“US\$”	United States dollars, the lawful currency of US
“%”	per cent.

*For the purposes of illustration in this circular only and unless otherwise specified, conversion of US\$ into HK\$ is based on the exchange rate of US\$1.00 = HK\$7.80.*

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Teo Siong Seng

*(Chairman and Chief Executive Officer)*

Mr. Chan Kwok Leung

*(Chief Operating Officer)*

Mr. Teo Tiou Seng

Ms. Chung Pui King, Rebecca

*(Chief Financial Officer and Company Secretary)*

*Registered Office:*

19th Floor,

Rykadan Capital Tower,

135 Hoi Bun Road,

Kowloon, Hong Kong

*Non-executive Directors:*

Mr. Kuan Kim Kin

Mr. Tan Chor Kee

*Independent Non-executive Directors:*

Mr. Cheng Fu Kwok, David

Mr. Lau Ho Kit, Ivan

Mr. Yang, Victor

17 November 2017

*To the Shareholders*

Dear Sirs or Madams,

### **CONTINUING CONNECTED TRANSACTIONS**

#### **INTRODUCTION**

The Board announced on 30 October 2017 that the Company (for and on behalf of the Group) entered into the Master Purchase Contract 2018 with PIL (for and on behalf of PIL Group) on 30 October 2017 for the sales of Equipment by the Group to PIL Group. The Master Purchase Contract 2018 is subject to the approval of the Shareholders and will take effect from 1 January 2018 and expire on 31 December 2020. The Master Purchase Contract 2018 will replace the Master Purchase Contract 2015 which will expire on 31 December 2017.

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## LETTER FROM THE BOARD

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At the Latest Practicable Date, PIL is the controlling Shareholder of the Company, as defined under the Listing Rules, thus, PIL is a connected person of the Company. The Master Purchase Contract 2018 involves transactions, which will occur on a recurring basis over a period of time; accordingly, the Transactions will constitute continuing connected transactions of the Company. The Transactions are subject to the approval of the Shareholders at the General Meeting. Each of (i) PIL and its associates; and (ii) Messrs. Teo Siong Seng, Teo Tiou Seng, Kuan Kim Kin and Tan Chor Kee (as directors of both PIL and the Company), will abstain from voting on the resolutions in respect of the Transactions at the General Meeting.

The Transactions under the Master Purchase Contract 2018 constitute non-exempt continuing connected transactions of the Company, and the Company is required to comply with the annual review, annual reporting, announcement and Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions. Please refer to the section headed "Listing Rules Implications" below.

The purpose of this circular is to provide Shareholders with relevant information relating to the Transactions as well as the resolutions to be proposed at the General Meeting, notice of which is set out on pages 34 to 35 of this circular. The advice of the Independent Board Committee to the Shareholders regarding their view on the Master Purchase Contract 2018, the Transactions contemplated thereunder as well as the Annual Caps applicable thereto is set out on page 12 of this circular. A copy of the letter from Lego Corporate Finance to the Independent Board Committee and Shareholders containing its advice in relation to the terms of the Master Purchase Contract 2018, the Transactions contemplated thereunder as well as the Annual Caps is set out on pages 13 to 23 of this circular.

### **CONDITIONAL MASTER PURCHASE CONTRACT 2018**

The salient terms and conditions of the Master Purchase Contract 2018 are described below.

**Date:**

30 October 2017

**Parties:**

The Seller:

The Company (on behalf of the Group)

The Buyer:

PIL (on behalf of PIL Group)

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## LETTER FROM THE BOARD

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### Scope/Consideration

Pursuant to the Master Purchase Contract 2018, the Group will enter into individual purchase order agreements with PIL Group for the provision of Equipment by the Group to PIL Group. Each individual purchase order agreement will specify and stipulate the specific terms and the operative provisions, including but not limited to the size and type, unit price, quantity and delivery time and location of the Equipment, which may cover dry freight containers, collapsible flatrack containers, open top containers, bitutainers, refrigerated containers, US domestic containers, tank containers, offshore containers and other specialised containers.

Given that none of the Equipment under the Master Purchase Contract 2018 has a fixed unit price or has a published reference price, the unit price of the Equipment under each individual purchase order agreement will be determined based on, among other things, the market demand and supply dynamics at the time when quotations are made, and the unit price for the Equipment of similar nature, values and quantities sold by the Group to independent third parties. In the absence of any comparable transaction conducted by the Group, the Group will conduct market research of unit price of Equipment of similar nature, values and quantities of recent transactions conducted by other industry players, and will determine the unit price on an arm's length basis between the Group and PIL Group. In any event, in either case, the parties will negotiate on a case-by-case basis, and the unit price of the Equipment under each individual purchase order agreement will be no less favourable to the Group than those offered to independent third party customers of the Group for Equipment of similar nature, values and quantities and in line with general industry practices.

Before determining the unit price for the Equipment under Master Purchase Contract 2018 and signing any individual purchase order agreement, the marketing department of the Group would review the terms and unit prices of the most recent three purchase orders, where available, entered into by independent third party customers for Equipment of similar nature, values and quantities at the relevant time and calculate the unit price based on such purchase orders. The unit price for the sale of Equipment to PIL Group will not be lower than the lowest unit price out of such purchase order(s), to ensure that the unit price from the sale of Equipment to PIL Group is reasonable, no less favourable to the Group than those offered to independent third party customers of the Group, generally in line with market demand and supply dynamics at the time and general industry practices.

The Board considers that the said methods and procedures can ensure that the Transactions be conducted on normal commercial terms and on terms no less favourable to the Group than those offered by the Group to independent third parties for Equipment of similar nature, values and quantities and are not prejudicial to the interests of the Company and the Shareholders.

The payment for the Transactions contemplated under the Master Purchase Contract 2018, unless otherwise stipulated in the relevant individual purchase order agreement, shall be on a deferred basis according to normal credit terms within 60 days.



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## LETTER FROM THE BOARD

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### Term

The Master Purchase Contract 2018 will be in force for a period commencing on 1 January 2018 and expiring on 31 December 2020. During the effective period of the Master Purchase Contract 2018, either the Company (on behalf of the Group) or PIL (on behalf of PIL Group) may terminate the Master Purchase Contract 2018 by giving 30 days' written notice to the other party. In the event that neither party terminates the Master Purchase Contract 2018 early, the Company will comply with the relevant requirements of the Listing Rules upon expiry of the term on 31 December 2020.

### Historical figures, existing annual caps and proposed Annual Caps

The table below sets out the historical figures for each of the two years ended 31 December 2015 and 2016 and the nine months ended 30 September 2017, the existing annual caps in respect of the transactions contemplated under the Master Purchase Contract 2015 for each of financial years ended 31 December 2015, 2016 and 2017 and the proposed Annual Caps.

Year ended 31 December 2015		Year ended 31 December 2016		Year 2017— Based on orders value up to 30 September 2017		Year ending 31 December 2018 Proposed	Year ending 31 December 2019 Proposed	Year ending 31 December 2020 Proposed
Annual Caps	Actual amount	Annual caps	Actual amount	Annual caps	Actual amount	Annual Caps	Annual Caps	Annual caps
US\$100,000,000	US\$65,622,100	US\$125,000,000	US\$27,713,510	US\$150,000,000	US\$46,780,000	US\$145,000,000	US\$150,000,000	US\$155,000,000
(equivalent to approximately HK\$780,000,000)	(equivalent to approximately HK\$511,852,000)	(equivalent to approximately HK\$975,000,000)	(equivalent to approximately HK\$216,165,000)	(equivalent to approximately HK\$1,170,000,000)	(equivalent to approximately HK\$364,884,000)	(equivalent to approximately HK\$1,131,000,000)	(equivalent to approximately HK\$1,170,000,000)	(equivalent to approximately HK\$1,209,000,000)

The proposed Annual Caps of the Transactions during the three financial years ending 31 December 2018, 2019 and 2020 would not exceed US\$145,000,000, US\$150,000,000 and US\$155,000,000 (equivalent to approximately HK\$1,131,000,000, HK\$1,170,000,000 and HK\$1,209,000,000) respectively.

The low aggregate sales value to PIL Group for 2016 was mainly due to the fact that PIL Group made few direct purchases from the Group in 2016 and instead, fulfilled most of its requirements of Equipment indirectly through container leasing or financing companies. Based on the current orders placed by PIL Group, the aggregate sales value for the nine months ended 30 September 2017 have been increased to approximately US\$46,780,000 due to a marked increase in direct purchases made by PIL Group from the Group. PIL Group considers its financial and cash flow position as one of the factors when determining whether to undertake direct purchases of the Equipment from the Group or indirectly through container leasing or financing companies.

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## LETTER FROM THE BOARD

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The Annual Caps are determined after taking into account (i) the historical transaction amounts for each of the two years ended 31 December 2015 and 2016 and for the period from 1 January 2017 to 30 September 2017 as shown in the table above; (ii) existing annual caps in respect of the transactions under the Master Purchase Contract 2015 for each of the financial years ended 31 December 2015, 2016 and 2017 as shown in the table above; (iii) the Group will be PIL Group's sole supplier of Equipment (whether directly or otherwise); (iv) estimated annual Equipment requirements of PIL Group of approximately 46,000 units of containers, including 20,000 units of 20' general purpose containers, 25,000 units of 40' high cube containers and 1,000 units of reefer containers, which will be purchased by PIL Group for each of the years ending 31 December 2018, 2019 and 2020 during the enforcement period of the Master Purchase Contract 2018 as extracted from PIL's planned Equipment purchases from the Group for the next three years. The planned Equipment purchases are calculated based on the new vessels that have been ordered by PIL and will come to delivery in the coming three years which generate new Equipment requirements as well as the replacement demand of PIL's existing Equipment which is based on the historical wear and tear ratio of approximately 4% to 4.5% of existing container fleet size; and (v) the prevailing market prices of Equipment to estimate the projected price for the coming three years.

### **INTERNAL CONTROL FOR THE GROUP'S CONTINUING CONNECTED TRANSACTIONS**

The pricing policy for all the continuing connected transactions of the Group will be supervised and monitored by the finance department and management of the Group in charge to ensure that all the continuing connected transactions are conducted on normal commercial terms and in accordance with the pricing policy of the Group and will not be prejudicial to the interests of the Company and its Shareholders as a whole.

Prior to signing each purchase order with PIL Group, the marketing department will conduct research on the market demand and supply dynamics, and compare the terms and unit prices of the most recent three purchase orders of Equipment with similar nature, values and quantities signed between the Group and independent third parties, where available, against the terms and unit price of a purchase order with PIL Group. In the absence of any comparable transaction, the marketing department will conduct market research of unit price of Equipment of similar nature, values and quantities of recent transactions conducted by other industry players, and review whether the terms and unit price of the purchase order are determined based on an arm's length basis between the Group and PIL Group. The purchase order will then be submitted to the Chief Operating Officer of the Group or his/her delegate for approval. The Chief Operating Officer or his/her delegate will compare the terms and unit price of the purchase order with PIL Group against the terms and unit prices of the most recent three purchase orders of Equipment with similar nature, values and quantities signed between the Group and independent third parties, where available. In the absence of any comparable transaction, the Chief Operating Officer or his/her delegate will review the results of the market research conducted by the marketing department on the unit price of Equipment of similar nature, values and quantities of recent transactions conducted by other industry players to determine whether the terms and unit price of the purchase order are determined based on an arm's length basis between the Group and PIL Group. The Chief Operating Officer or his/her delegate will approve the purchase order if he/she is satisfied that the terms and unit price from the sale of Equipment to PIL Group is reasonable, no less favourable to the Group than those offered to independent third party customers of the Group, generally in line with market demand and supply dynamics at the time and general industry practices.

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## LETTER FROM THE BOARD

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The finance department and management of the Group will conduct half-yearly reviews and assess whether individual transactions contemplated under continuing connected transactions are conducted in accordance with the terms of the Master Purchase Contract 2018 and will also regularly review whether the price charged for a specific transaction is fair and reasonable in accordance with the aforesaid pricing policy and no less favourable to the Group than those offered to independent third party customers of the Group. The finance department will conduct quarterly reviews of the purchase orders with PIL Group to ensure that the aggregate amount of the purchase orders will not exceed the Annual Caps, and will alert the management of the Group if the aggregate amount reaches 80% of the Annual Caps.

The independent non-executive Directors will conduct an annual review of the transactions contemplated under all continuing connected transactions of the Company, and if necessary, recommend proposals to improve the above internal controls to the Group, and the auditors of the Group will also conduct an annual review on the pricing terms and Annual Caps thereof and report its findings to the Directors.

Accordingly, the Directors consider that the internal control mechanism of the Company is effective to ensure that the transactions contemplated under all continuing connected transactions have been and will be conducted on normal commercial terms and in accordance with the pricing policy of the Group and not prejudicial to the interests of the Company and the Shareholders as a whole.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE MASTER PURCHASE CONTRACT 2018**

The Group is principally engaged in the businesses of container manufacturing and provision of logistics services. PIL is an operator of container liner services and other logistics related services.

The Master Purchase Contract 2018 will provide the Group with additional and steady source of revenue. The Directors (including the independent non-executive Directors, having received and considered the advice from Lego Corporate Finance) consider that it is in the interests of the Company and the Shareholders for the Company (on behalf of the Group) to enter into the Master Purchase Contract 2018, which will enable the Group to generate steady revenue from the annual sales of Equipment.

### **BOARD'S APPROVAL**

The Board has approved the Master Purchase Contract 2018 and the Annual Caps. PIL, a company in which Messrs. Teo Siong Seng and Teo Tiou Seng are directors and shareholders have beneficial interests, is also the controlling Shareholder of the Company, as defined under the Listing Rules, and Messrs. Kuan Kim Kin and Tan Chor Kee, who are non-executive directors of the Company, are also directors of PIL. Accordingly, Messrs. Teo Siong Seng, Teo Tiou Seng, Kuan Kim Kin and Tan Chor Kee had abstained from voting in the Board resolutions approving the Master Purchase Contract 2018, the Transactions contemplated thereunder as well as the Annual Caps applicable thereto. Save as disclosed above, none of the Directors has a material interest in the Transactions.

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## LETTER FROM THE BOARD

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### LISTING RULES IMPLICATIONS

PIL, a company in which Messrs. Teo Siong Seng and Teo Tiou Seng are directors and shareholders, is the controlling Shareholder of the Company, as defined under the Listing Rules. Accordingly, PIL is a connected person of the Company under the Listing Rules. The Master Purchase Contract 2018 involves transactions, which will occur on a recurring basis over a period of time; accordingly, the transactions constitute continuing connected transactions of the Company under the Listing Rules.

Each of the applicable percentage ratios (other than profit ratio) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the proposed Annual Caps for the Transactions exceeds 5%. Accordingly, the Transactions contemplated under the Master Purchase Contract 2018 are subject to annual reporting, announcement, annual review and Shareholders' approval under Chapter 14A of the Listing Rules. Each of (i) PIL and its associates; and (ii) Messrs. Teo Siong Seng, Teo Tiou Seng, Kuan Kim Kin and Tan Chor Kee (as directors of both PIL and the Company), will abstain from voting on the resolution in respect of the Transactions at the General Meeting.

The Directors (including the independent non-executive Directors, having received and considered the advice from Lego Corporate Finance) are of the opinion that the Transactions will be entered into: (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms (or on terms no less favourable to the Group than terms available to or from independent third parties); and (iii) on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors, having received and considered the advice from Lego Corporate Finance) are also of the opinion that the Annual Caps are fair and reasonable.

The Company will seek the Shareholders' approval of the Transactions at the General Meeting. As at the Latest Practicable Date, (i) PIL and its associates; and (ii) Messrs. Teo Siong Seng, Teo Tiou Seng, Kuan Kim Kin and Tan Chor Kee (as directors of both PIL and the Company), which hold in aggregate approximately 42.90% shareholding of the Company, will abstain from voting on the resolutions in respect of the Transactions at the General Meeting. The Independent Board Committee has been set up to advise the Shareholders in connection with the Transactions. The independent financial adviser, Lego Corporate Finance has been appointed for the purpose of providing independent advice to the Independent Board Committee and the Shareholders, on whether the Transactions are expected to be entered into in the ordinary and usual course of business of the Group and the Master Purchase Contract 2018 together with the Annual Caps are agreed on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### GENERAL MEETING

A notice convening the General Meeting to be held at 24/F., Admiralty Centre 1, 18 Harcourt Road, Hong Kong on Tuesday, 12 December 2017 at 10:00 a.m., at which an ordinary resolution will be proposed to approve Master Purchase Contract 2018 and the Transactions contemplated thereunder as well as the Annual Caps applicable thereto as set out on pages 34 to 35 of this circular.

A proxy form for use at the General Meeting is enclosed. Whether or not you are able to attend the General Meeting, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof (as the case may be). Completion and return of proxy form will not preclude you from attending and voting in person at the meeting or any adjourned meeting (as the case may be) should you so wish.

### RECOMMENDATION

The Independent Board Committee comprising all independent non-executive Directors has been set up to advise the Shareholders in connection with the Transactions. The independent financial adviser, Lego Corporate Finance has been appointed for the purpose of providing independent advice to the Independent Board Committee and the Shareholders in respect of the Master Purchase Contract 2018, the Transactions contemplated thereunder as well as the Annual Caps applicable thereto.

Your attention is drawn to the letter from the Independent Board Committee set out on page 12 of this circular which contains its recommendations to the Shareholders as to voting at the General Meeting. Your attention is also drawn to the letter of advice received from Lego Corporate Finance which contains its advice to the Independent Board Committee and the Shareholders in relation to the Master Purchase Contract 2018, the Transactions contemplated thereunder as well as the Annual Caps applicable thereto. The letter from Lego Corporate Finance is set out on pages 13 to 23 of this circular.

The Directors (including the independent non-executive Directors, having received and considered the advice from Lego Corporate Finance) consider that the Transactions are expected to be entered into in the ordinary and usual course of business of the Group and the Master Purchase Contract 2018 together with the Annual Caps are agreed on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, they recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the General Meeting to approve the Master Purchase Contract 2018 and the Transactions contemplated thereunder as well as the Annual Caps applicable thereto.

Your attention is also drawn to the general information set out in the Appendix I of this circular.

On behalf of the Board  
**Singamas Container Holdings Limited**  
**Teo Siong Seng**  
*Chairman and Chief Executive Officer*

**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)**

To the Shareholders

17 November 2017

Dear Sirs or Madams,

**CONTINUING CONNECTED TRANSACTIONS**

We refer to the circular dated 17 November 2017 of the Company (the “Circular”) of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise the Shareholders in respect of the Transactions and the Master Purchase Contract 2018 together with the Annual Caps, details of which are set out in the “Letter from the Board” in the Circular to the Shareholders.

Having taken into account of the advice of Lego Corporate Finance, we consider that the Transactions are expected to be entered into in the ordinary and usual course of business of the Group and the Master Purchase Contract 2018 together with the Annual Caps are agreed on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Shareholders to vote in favour of the ordinary resolution to approve the Master Purchase Contract 2018 and the Transactions contemplated thereunder and the Annual Caps as set out in the notice of the General Meeting to be held on 12 December 2017.

Yours faithfully,

For and on behalf of

**Independent Board Committee of  
Singamas Container Holdings Limited**

**Cheng Fu Kwok, David**  
*Independent  
Non-executive  
Director*

**Lau Ho Kit, Ivan**  
*Independent  
Non-executive  
Director*

**Yang, Victor**  
*Independent  
Non-executive  
Director*

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## LETTER FROM LEGO CORPORATE FINANCE

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*The following is the full text of a letter of advice from Lego Corporate Finance, the independent financial adviser to the Independent Board Committee and the Shareholders, which has been prepared for the purpose of incorporation into this circular, setting out its advice to the Independent Board Committee and the Shareholders in respect of the terms of the Master Purchase Contract 2018 and the transactions contemplated thereunder (including the Annual Caps).*



17 November 2017

*To the Independent Board Committee  
and the Shareholders*

Dear Sirs or Madams,

### CONTINUING CONNECTED TRANSACTIONS

#### INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Shareholders in respect of the terms of the Master Purchase Contract 2018 and the transactions contemplated thereunder (including the Annual Caps), details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular dated 17 November 2017 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

The Group has been selling the Equipment to PIL Group under the Master Purchase Contract 2015. The Master Purchase Contract 2015 will expire on 31 December 2017. On 30 October 2017, the Company (for and on behalf of the Group) entered into the Master Purchase Contract 2018 with PIL (for and on behalf of the PIL Group), pursuant to which the Group will continue to sell the Equipment to PIL Group for the three years ending 31 December 2020.

As PIL is the controlling shareholder of the Company and in which Messrs. Teo Siong Seng and Teo Tiou Seng are directors and shareholders, PIL is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Master Purchase Contract 2018 constitute continuing connected transactions of the Company. Given that each of the applicable percentage ratios (other than profit ratio) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Annual Caps for the Transactions exceeds 5%, the Transactions contemplated under the Master Purchase Contract 2018 are subject to annual reporting, announcement, annual review and Shareholders’ approval under Chapter 14A of the Listing Rules. The Company will seek the Shareholders’ approval of the Transactions at the General Meeting, in which each of (i) PIL and its associates; and (ii) Messrs. Teo Siong Seng, Teo Tiou Seng, Kuan Kim Kin and Tan Chor Kee (as directors of both PIL and the Company) will abstain from voting on the resolution in respect of the Transactions at the General Meeting.

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## LETTER FROM LEGO CORPORATE FINANCE

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The Independent Board Committee, comprising all the independent non-executive Directors, namely Messrs. Cheng Fu Kwok, David, Lau Ho Kit, Ivan and Yang, Victor, has been established to advise the Shareholders as to whether the terms of the Master Purchase Contract 2018 were entered into on normal commercial terms, whether the terms of the Master Purchase Contract 2018 and the transactions contemplated thereunder (including the Annual Caps) are fair and reasonable so far as the Company and Shareholders are concerned and whether such terms are in the interests of the Company and the Shareholders as a whole, and to advise the Shareholders (save for (i) PIL and its associates; and (ii) Messrs. Teo Siong Seng, Teo Tiou Seng, Kuan Kim Kin and Tan Chor Kee who will abstain from voting) as to whether to vote in favour of the relevant resolutions to be proposed at the General Meeting to approve the Master Purchase Contract 2018 and the transactions contemplated thereunder (including the Annual Caps). As the independent financial adviser, our role is to give an independent opinion to the Independent Board Committee and the Shareholders in such regard.

As at the Latest Practicable Date, Lego Corporate Finance did not have any relationships or interests with the Company or PIL that could reasonably be regarded as relevant to the independence of Lego Corporate Finance. In the last two years, there was no engagement between the Group and Lego Corporate Finance. Apart from normal professional fees paid or payable to us in connection with this appointment as the independent financial adviser, no arrangements exist whereby we have received or will receive any fees or benefits from the Company or PIL. Accordingly, we are qualified to give independent advice in respect of the Master Purchase Contract 2018 and the transactions contemplated thereunder (including the Annual Caps).

### **BASIS OF OUR OPINION**

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the date of the Circular and all such statements of belief, opinions and intention of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors, the management of the Group, and/or the advisers of the Company. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the General Meeting.



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## LETTER FROM LEGO CORPORATE FINANCE

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We consider that we have reviewed the relevant information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or PIL or any of their respective subsidiaries or associates.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation, we have considered the following principal factors and reasons:

**1. Background to and reasons for and benefits of entering into the Master Purchase Contract 2018**

*Information on the Group*

The Group is principally engaged in the businesses of container manufacturing and provision of logistics services. The principal activities of the Group include the manufacturing of dry freight containers, collapsible flatrack containers, open top containers, bitainers, refrigerated containers, 53' US domestic containers, tank containers, offshore containers and other specialised containers and container parts; provision of logistics services, including operating container depots, container terminals and container logistics.

According to the annual report of the Company for the year ended 31 December 2016, the Group recorded revenue of approximately US\$916,433,000 for the year, among which approximately US\$880,654,000 were generated from the segment of manufacturing of containers, representing approximately 96.1% of the total revenue of the Group. The segment on manufacturing of containers recorded an operating loss of approximately US\$50,545,000 for the year, which was primarily resulted from the weak global economy and decline in exports, as well as the decrease in average selling price of certain containers. Nevertheless, the financial performance of the Group recovered for the six months ended 30 June 2017. According to the interim report of the Company for the six months ended 30 June 2017 (the “**2017 Interim Report**”), the Group recorded total revenue and revenue generated from the manufacturing of containers of approximately US\$595,042,000 and US\$576,566,000, respectively, and a segment operating profit of approximately US\$26,539,000 from the manufacturing of containers. The turnaround in segment profit was mainly driven by the gradual improvement in global economy and liner shipping business, part of the advanced orders from companies seeking to avoid shortages ahead of the temporary closure of production lines for conversion work from applying solvent-based coatings to using waterborne paints on containers in accordance with the self-disciplined convention signed among the industry players in the PRC.

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## LETTER FROM LEGO CORPORATE FINANCE

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As noted from the 2017 Interim Report, the Group's wholly-owned subsidiary Qidong Singamas Offshore Equipment Co., Ltd (“**QSOE**”) which specialises in offshore containers, has continued to develop other high-specification containers. Such efforts will enable QSOE to effectively utilise the offshore container factory that is under construction in Qidong and is on schedule to start production in the second half of 2017. In Qingdao, the Group's reefer container factory remains on schedule to commence trial production by the end of 2017, and would support the Group's refrigerated container business in northern China.

### *Information on PIL*

PIL is an operator of container liner services and other logistics related services. According to the website and the press release for the six months ended 30 June 2017 of PIL, PIL is one of the largest ship-owners in Southeast Asia with a focus on Asia-Africa and the Middle East. In addition, PIL is ranked 12th amongst the top containership operators in the world, offering container liner services and multi-purpose services at over 500 locations in 100 countries worldwide. As at September 2017, PIL owned and operated a fleet of 161 modern vessels. As part of PIL newbuilding programme, 13 new container vessels will be delivered by 2019.

### *Reasons for and benefits of entering into the Master Purchase Contract 2018*

The Group has been selling the Equipment to PIL Group under the Master Purchase Contract 2015. The Master Purchase Contract 2015 will expire on 31 December 2017. On 30 October 2017, the Company (for and on behalf of the Group) entered into the Master Purchase Contract 2018 with PIL (for and on behalf of the PIL Group), pursuant to which the Group will continue to sell the Equipment to PIL Group for the three years ending 31 December 2020. The Master Purchase Contract 2018 is subject to the approval of the Shareholders in the General Meeting.

According to the Letter from the Board, the Master Purchase Contract 2018 will provide the Group with an additional and steady source of revenue. The executive Directors consider that it is in the interests of the Company and the Shareholders for the Company (on behalf of the Group) to enter into the Master Purchase Contract 2018, which will enable the Group to generate steady revenue from the annual sales of Equipment.

As referred to the paragraph headed “Information on the Group” above, the Group primarily generated its revenue from the segment of container manufacturing. According, the sale of Equipment to PIL Group under the Master Purchase Contract 2018 are in the ordinary and usual course of business of the Group. Having also reviewed the background information of PIL Group, we are of the view that it is reasonable and is in the interest of the Company and the Shareholders as a whole to continue the sale of Equipment to PIL Group under the Master Purchase Contract 2018 so as to assure steady revenue stream for the Group.

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## LETTER FROM LEGO CORPORATE FINANCE

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### 2. Principal terms of the Master Purchase Contract 2018

The salient terms and conditions of the Master Purchase Contract 2018 are described below.

***Date:***

30 October 2017

***Parties:***

The Seller: The Company (on behalf of the Group)

The Buyer: PIL (on behalf of PIL Group)

***Scope/Consideration***

Pursuant to the Master Purchase Contract 2018, the Group will enter into individual purchase order agreements with PIL Group for the provision of Equipment by the Group to PIL Group. Each individual purchase order agreement will specify and stipulate the specific terms and the operative provisions, including but not limited to the size and type, unit price, quantity and delivery time and location of the Equipment, which may cover dry freight containers, collapsible flatrack containers, open top containers, bitutainers, refrigerated containers, US domestic containers, tank containers, offshore containers and other specialised containers.

As stated in the Letter from the Board, given that none of the Equipment under the Master Purchase Contract 2018 has a fixed unit price or has a published reference price, the unit price of the Equipment under each individual purchase order agreement will be determined based on, among other things, the market demand and supply dynamics at the time when quotations are made, and the unit price for the Equipment of similar nature, values and quantities sold by the Group to independent third parties. In the absence of any comparable transaction conducted by the Group, the Group will conduct market research of unit price of Equipment of similar nature, values and quantities of recent transactions conducted by other industry players, and will determine the unit price on an arm's length basis between the Group and PIL Group. In any event, in either case, the parties will negotiate on a case-by-case basis, and the unit price of the Equipment under each individual purchase order agreement will be no less favourable to the Group than those offered to independent third party customers of the Group for Equipment of the similar nature, values and quantities and in line with general industry practices.

Before determining the unit price for the Equipment under Master Purchase Contract 2018 and signing any individual purchase order agreement, the marketing department of the Group would review the terms and unit prices of the most recent three purchase orders, where available, entered into by independent third party customers for Equipment of similar nature, values and quantities at the relevant time and calculate the unit price based on such purchase orders. The unit price for the sale of Equipment to PIL Group will not be lower than the lowest unit price out of such purchase order(s), to ensure that the unit price from

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## LETTER FROM LEGO CORPORATE FINANCE

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the sale of Equipment to PIL Group is reasonable, no less favourable to the Group than those offered to independent third party customers of the Group, generally in line with market demand and supply dynamics at the time and general industry practices.

The Board considers that the said methods and procedures can ensure that the Transactions be conducted on normal commercial terms and on terms no less favourable to the Group than those offered by the Group to independent third parties for Equipment of similar nature, values and quantities and are not prejudicial to the interests of the Company and the Shareholders.

The payment for the Transactions contemplated under the Master Purchase Contract 2018, unless otherwise stipulated in the relevant individual purchase order agreement, shall be on a deferred basis according to normal credit terms within 60 days.

In order to assess the fairness and reasonableness of the terms of the Master Purchase Contract 2018, we have obtained and reviewed sample copies of relevant individual purchase order agreements in respect of the historical transactions between the Group and the PIL Group under the Master Purchase Contract 2015 and sample copies of individual purchase order agreements entered into between the Group and other independent third parties during the term of the Master Purchase Contract 2015 with Equipment of similar nature, values and quantities for each of the two years ended 31 December 2015 and 2016 and the nine months ended 30 September 2017. Based on our review of the sample purchase order agreements, we noted that the unit prices of the Equipment paid by the PIL Group to the Group were no less favourable to the Group than unit prices paid by independent third parties, and were hence in line with the pricing basis under the Master Purchase Contract 2018. We also noted that the payment terms under the Master Purchase Contract 2018 are no less favourable to the Group than those under the aforesaid sample relevant individual purchase order agreements entered into with other independent third parties. We have further reviewed other major terms of the Master Purchase Contract 2018 and are not aware of any terms which are exceptional to normal market practice.

Given that the terms provided by PIL in relation to the purchase of Equipment under the Master Purchase contract 2018 will be no less favourable than terms from independent third parties with Equipment of similar nature, values and quantities, and the other terms are not exceptional to normal market practice, we are of the opinion that the terms of the Master Purchase Contract 2018 are on normal commercial terms, fair and reasonable so far as the Company and the Shareholders are concerned.

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**LETTER FROM LEGO CORPORATE FINANCE**

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**3. Proposed Annual Caps under the Master Purchase Contract 2018**

*Review of historical transaction amount*

Set out below are the historical transaction amounts under the Master Purchase Contract 2015 for the two years ended 31 December 2016 and the nine months ended 30 September 2017, and the existing annual caps under the Master Purchase Contract 2015 for the three years ending 31 December 2017:

	Year ended 31 December 2015		Year ended 31 December 2016		Year ending 31 December 2017	
	Annual cap	Actual amount	Annual cap	Actual amount	Annual cap	Actual amount (Based on orders value up to 30 September 2017)
Purchase of Equipment under the Master Purchase Contract 2015 (US\$)	100,000,000	65,622,100	125,000,000	27,713,510	150,000,000	46,780,000

As illustrated in the above table, the transaction amount under the Master Purchase Contract 2015 decreased significantly from approximately US\$65,622,100 for the year ended 31 December 2015 to approximately US\$27,713,510 for the year ended 31 December 2016. According to the Letter from the Board, the low aggregate sales value to PIL Group for 2016 was mainly due to the fact that PIL Group made few direct purchases from the Group in 2016 and instead, fulfilled most of its requirements of Equipment indirectly through container leasing or financing companies. Based on the current orders placed by PIL Group, the aggregate sales value to PIL Group for the nine months ended 30 September 2017 increased to approximately US\$46,780,000 due to a marked increase in direct purchases made by PIL Group from the Group. PIL Group considers its financial and cash flow position as one of the factors when determining whether to undertake direct purchases of the Equipment from the Group or indirectly through container leasing or financing companies.

*Assessment of the Annual Caps*

Set out below are the proposed Annual Caps under the Master Purchase Contract 2018 for the three years ending 31 December 2020:

	Year ending 31 December 2018	Year ending 31 December 2019	Year ending 31 December 2020
Proposed Annual Caps under the Master Purchase Contract 2018 (US\$)	145,000,000	150,000,000	155,000,000

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## LETTER FROM LEGO CORPORATE FINANCE

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According to the Letter from the Board, the Annual Caps are determined after taking into account (i) the historical transaction amounts for each of the two years ended 31 December 2015 and 2016 and for the period from 1 January 2017 to 30 September 2017; (ii) existing annual caps in respect of the transactions under the Master Purchase Contract 2015 for each of the financial years ended 31 December 2015, 2016 and 2017; (iii) the Group will be PIL Group's sole supplier of Equipment (whether directly or otherwise); (iv) the estimated annual Equipment requirements of PIL Group of approximately 46,000 units of containers, including 20,000 units of 20' general purpose containers, 25,000 units of 40' high cube containers and 1,000 units of reefer containers, which will be purchased by PIL Group for each of the years ending 31 December 2018, 2019 and 2020 during the enforcement period of the Master Purchase Contract 2018 as extracted from PIL's planned Equipment purchases from the Group for the next three years. The planned Equipment purchases are calculated based on the new vessels that have been ordered by PIL and will come to delivery in the coming three years which generate new Equipment requirements as well as the replacement demand of PIL's existing Equipment which is based on the historical wear and tear ratio of approximately 4% to 4.5% of existing container fleet size; and (v) the prevailing market prices of Equipment to estimate the projected price for the coming three years.

As stated in the paragraph headed "Information on the Group" above, the Group recorded a segment operating loss of approximately US\$50,545,000 in the segment of containers manufacturing for the year ended 31 December 2016, which was primarily resulted from the weak global economy and decline in exports, as well as the decrease in average selling price of certain containers. Nevertheless, the segment financial performance of the Group recovered for the six months ended 30 June 2017 improved and recorded a turnaround to a segment operating profit of approximately US\$26,539,000. The financial performance of the container manufacturing segment of the Group was in line with the utilisation amount of the annual caps under the Master Purchase Contract 2015. For the nine months ended 30 September 2017, the total sales amount amounted to approximately US\$46,780,000, representing a significant recovery as compared to the prior year.

According to the 2017 Interim Report, driven by the gradual improvement in global economy and liner shipping business, container demand has been rising during the six months ended 30 June 2017. In addition, the business of the liner shipping companies and container leasing companies has also improved, which allows them to invest in new containers. On the other hand, the new offshore container factory of the Group in Qidong is under construction and is on schedule to start production in the second half of 2017. In Qingdao, the Group's reefer container factory remains on schedule to commence trial production by the end of 2017, and would support the Group's refrigerated container business in northern China. According, the Directors are of the view that the production capacity of the Group will increase following the commencement of production of the aforementioned factories and accordingly enable the Group to benefit from the improvement in global economy and liner shipping business. Moreover, we have also researched and noted from the publications of International Monetary Fund ("IMF"), including the World Economic Outlook published in April 2017, that the world trade volume in goods recorded lower growth of 2.2% for each of the year of 2015 and 2016. In 2017, the global growth has strengthened and IMF projected that the world trade volume will growth at 3.9% and 4.0% for the two years ending 31 December 2017 and 2018, respectively.

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## LETTER FROM LEGO CORPORATE FINANCE

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We have discussed with the management of the Group on the bases and assumptions adopted in determining the Annual Caps. We were advised that the proposed Annual Caps for the three years ending 31 December 2020 were primarily based on the number of new vessels expected to be purchased by PIL in the coming years and the fleet size (in terms of twenty-foot equivalent units (“TEUs”)) of such new vessels. In this regard, we also noted that PIL has stated in its website and press release that it is expected to have 13 new container vessels delivered by 2019. In assessing the fair and reasonableness of the Equipment purchase plan of PIL for the three years ending 31 December 2020, we have further discussed with the Company on the existing fleet size and the expected fleet size of PIL Group following the delivering of the new vessels for PIL, and the number of containers required by each fleet size. We noted that the Company has also taken into account factors including useful life and replacement rate of containers and adjustments taking into consideration that PIL shall fulfill part of its requirement for Equipment through container leasing or financing companies. Based on the information provided by the Company, PIL has existing fleet size of 530,000 TEUs in 2017 and expected to reach fleet size of 664,000 TEUs in 2020 due to purchases of the new vessels. Accordingly, it is estimated that 46,000 units of containers, including 20,000 units of 20’ general purpose containers, 25,000 units of 40’ high cube containers and 1,000 units of reefer container, will be purchased by PIL Group for each of the year ending 31 December 2018, 2019 and 2020. The annual cap for the year ending 31 December 2018 was then arrived after taking into account the aforementioned expected quantity and the estimated unit price based on the existing prices of the Equipment. The annual caps for each of the year ending 31 December 2019 and 2020 were further derived after taken into account a general inflation in prices of the Equipment over the years.

Having considered (i) the gradual improvement in global economy and liner shipping business which drives the demand for containers; (ii) the expected increase in purchase of Equipment by PIL Group in accordance with their purchasing plan of new vessels; (iii) the transactions contemplated under the Master Purchase Contract 2018 will continue to be conducted in the ordinary and usual course of business of the Company and on terms no less favourable to the Group than terms available to independent third party customers; and (iv) the transactions contemplated under the Master Purchase Contract 2018 will enable the Group to generate steady revenue from the annual sales of Equipment, we consider the Annual Caps are acceptable.

#### **4. Annual review of the continuing connected transactions**

According to the Letter from the Board, the pricing policy for all the continuing connected transactions of the Group will be supervised and monitored by the finance department and management of the Group in charge to ensure that all the continuing connected transactions are conducted on normal commercial terms and in accordance with the pricing policy of the Group and will not be prejudicial to the interests of the Company and its Shareholders as a whole. The finance department and management of the Group will conduct half-yearly reviews and assess whether individual transactions contemplated under continuing connected transactions are conducted in accordance with the terms of the Master Purchase Contract 2018 and will also regularly review whether the price charged for a specific transaction is fair and reasonable, in accordance with the

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## LETTER FROM LEGO CORPORATE FINANCE

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aforesaid pricing policy and no less favourable to the Group than those offered to independent third party customers of the Group. The finance department will conduct quarterly reviews of the purchase orders with PIL Group to ensure that the aggregate amount of the purchase orders will not exceed the Annual Caps, and will alert the management of the Group if the aggregate amount reaches 80% of the Annual Caps.

Pursuant to Rules 14A.55 and 14A.56 of the Listing Rules, the transactions contemplated under the Master Purchase Contract 2018 are subject to the following requirements:

- (i) the independent non-executive Directors must confirm in the annual reports and accounts whether the continuing connected transaction has been entered into:
  - in the ordinary and usual course of business of the Group;
  - on normal commercial terms or better; and
  - according to the agreement governing it on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole;
  
- (ii) the Company must engage its auditors to report on the continuing connected transaction for each financial year of the Company and that the Company's auditors must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the continuing connected transaction:
  - has not been approved by the Board;
  - was not, in all material respects, in accordance with the pricing policy of the Group if the transactions involve the provision of goods or services by the Group;
  - were not entered into, in all material respects, in accordance with the relevant agreement governing the transaction; and
  - has exceeded the Annual Caps.

In view of the continuing connection transactions under the Master Purchase Contract 2018 will be subject to annual review of the independent non-executive Directors and the auditors of the Company, we are of the view that appropriate measures will be in place to govern the conduct of the continuing connected transactions and safeguard the interests of the Shareholders.



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## LETTER FROM LEGO CORPORATE FINANCE

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### RECOMMENDATION

Having considered the principal factors and reasons as discussed above, we are of the view that the Master Purchase Contract 2018 have been entered into within the ordinary and usual course of the Group's business based on normal commercial terms, and the terms thereof together with the Annual Caps are fair and reasonable so far as the Company and the Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Shareholders (save for (i) PIL and its associates; and (ii) Messrs. Teo Siong Seng, Teo Tiou Seng, Kuan Kim Kin and Tan Chor Kee who will abstain from voting) to vote in favour of the ordinary resolution to approve the Master Purchase Contract 2018 and the transactions contemplated thereunder (including the Annual Caps) at the General Meeting.

Yours faithfully,  
For and on behalf of  
**Lego Corporate Finance Limited**  
**Gary Mui**  
*Chief Executive Officer*

*Mr. Gary Mui is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). He has over 18 years of experience in the finance and investment banking industry.*

**1) RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

**2) SHARE CAPITAL**

As at the Latest Practicable Date, the total number of Shares of the Company comprised 2,416,919,918 Shares, all of which are fully paid-up.

All the Shares currently in issue rank pari passu in all respects with each other, including in particular, as to dividends, voting rights and capital.

Save as disclosed herein, no part of the share capital of the Company is listed or dealt in on stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares to be listed in or on any other stock exchange.

**3) DISCLOSURE OF DIRECTORS' INTERESTS**

As at the Latest Practicable Date, the interests or short positions of the Directors in the Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director is taken or deemed to have under such provisions of the SFO); or which (b) were required pursuant to Section 352 of the SFO to be entered into the register maintained by the Company; or which (c) were required, pursuant to Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

## (a) Ordinary Shares of the Company

Name	Capacity	Number of Shares/ Underlying Shares Held			Total Interest	Percentage of Issued Shares
		Personal Interest	Corporate Interest	Other		
Mr. Teo Siong Seng (Note 1)	Beneficial Owner	44,045,250	–	–	44,045,250	1.82
Mr. Chan Kwok Leung (Note 2)	Beneficial Owner	719,250	–	–	719,250	0.03
Mr. Teo Tiou Seng (Note 3)	Beneficial Owner	276,780	–	–	276,780	0.01
Ms. Chung Pui King, Rebecca (Note 4)	Beneficial Owner	278,625	–	–	278,625	0.01
Mr. Kuan Kim Kin (Note 5)	Beneficial Owner	172,780	–	–	172,780	0.01
Mr. Tan Chor Kee (Note 6)	Spouse Interest	–	–	6,000	6,000	0.00
Mr. Yang, Victor (Note 7)	Beneficial Owner	120,000	–	–	120,000	0.00

## Notes:

- (1) The personal interest of Mr. Teo Siong Seng represents the interest in 42,377,250 Shares and interest in 1,668,000 underlying Shares in respect of the share options granted by the Company, the details of which are stated in the following section "Share Options".
- (2) The personal interest of Mr. Chan Kwok Leung represents the interest in 719,250 underlying Shares in respect of the share options granted by the Company, the details of which are stated in the following section "Share Options".
- (3) The personal interest of Mr. Teo Tiou Seng represents the interest in 196,780 Shares and interest in 80,000 underlying Shares in respect of the share options granted by the Company, the details of which are stated in the following section "Share Options".
- (4) The personal interest of Ms. Chung Pui, King, Rebecca represents the interest in 195,291 Shares and interest in 83,334 underlying Shares in respect of the share options granted by the Company, the details of which are stated in the following section "Share Options".
- (5) The personal interest of Mr. Kuan Kim Kin represents the interest in 172,780 underlying Shares in respect of the share options granted by the Company, the details of which are stated in the following section "Share Options".

- (6) Ms. Lee Tew Guan, spouse of Mr. Tan Chor Kee held 6,000 Shares. Mr. Tan Chor Kee is deemed to be interested in 6,000 Shares held by Ms. Lee Tew Guan.
- (7) The personal interest of Mr. Yang, Victor represents the interest in 120,000 underlying Shares in respect of the share options granted by the Company, the details of which are stated in the following section "Share Options".

All the interest disclosed above represent long position in the Shares and underlying Shares.

### (b) Share Options

Details of outstanding options for the underlying shares of the Company as at the Latest Practicable Date which have been granted under the share option scheme adopted by the Company on 1 June 2007 ("Share Option Scheme") are as follows:

Name/Category of Participants	Number of Share Options				Outstanding options as at the Latest Practicable Date	Grant Date	Exercisable Period (Notes a, b & c)	Exercise Price HK\$
	As at 1 January 2017	Granted	Exercised	Lapsed				
<b>Directors</b>								
Teo Siang Seng	2,613,000	-	-	(2,613,000)	-	28/6/2007	28/6/2008-27/6/2017	3.93
	2,613,000	-	-	(2,613,000)	-	28/6/2007	28/6/2009-27/6/2017	3.93
	2,613,000	-	-	(2,613,000)	-	28/6/2007	28/6/2010-27/6/2017	3.93
	1,333	-	-	-	1,333	1/7/2010	1/7/2011-30/6/2020	1.38
	833,333	-	-	-	833,333	1/7/2010	1/7/2012-30/6/2020	1.38
	833,334	-	-	-	833,334	1/7/2010	1/7/2013-30/6/2020	1.38
	<u>9,507,000</u>	<u>-</u>	<u>-</u>	<u>(7,839,000)</u>	<u>1,668,000</u>			
Chan Kwok Leung	522,600	-	-	(522,600)	-	28/6/2007	28/6/2008-27/6/2017	3.93
	522,600	-	-	(522,600)	-	28/6/2007	28/6/2009-27/6/2017	3.93
	522,600	-	-	(522,600)	-	28/6/2007	28/6/2010-27/6/2017	3.93
	750	-	-	-	750	6/8/2008	6/8/2009-5/8/2018	1.48
	750	-	-	-	750	6/8/2008	6/8/2010-5/8/2018	1.48
	217,750	-	-	-	217,750	6/8/2008	6/8/2011-5/8/2018	1.48
	166,666	-	-	-	166,666	1/7/2010	1/7/2011-30/6/2020	1.38
	166,667	-	-	-	166,667	1/7/2010	1/7/2012-30/6/2020	1.38
	166,667	-	-	-	166,667	1/7/2010	1/7/2013-30/6/2020	1.38
	<u>2,287,050</u>	<u>-</u>	<u>-</u>	<u>(1,567,800)</u>	<u>719,250</u>			
Teo Tiou Seng	130,650	-	-	(130,650)	-	28/6/2007	28/6/2008-27/6/2017	3.93
	130,650	-	-	(130,650)	-	28/6/2007	28/6/2009-27/6/2017	3.93
	130,650	-	-	(130,650)	-	28/6/2007	28/6/2010-27/6/2017	3.93
	40,000	-	-	-	40,000	1/7/2010	1/7/2012-30/6/2020	1.38
	40,000	-	-	-	40,000	1/7/2010	1/7/2013-30/6/2020	1.38
		<u>471,950</u>	<u>-</u>	<u>-</u>	<u>(391,950)</u>	<u>80,000</u>		

Name/Category of Participants	Number of Share Options				Outstanding options as at the Latest Practicable Date	Grant Date	Exercisable Period <i>(Notes a, b &amp; c)</i>	Exercise Price <i>HK\$</i>
	As at 1 January 2017	Granted	Exercised	Lapsed				
Chung Pui King, Rebecca	261,300	-	-	(261,300)	-	28/6/2007	28/6/2008-27/6/2017	3.93
	261,300	-	-	(261,300)	-	28/6/2007	28/6/2009-27/6/2017	3.93
	261,300	-	-	(261,300)	-	28/6/2007	28/6/2010-27/6/2017	3.93
	1	-	-	-	1	1/7/2010	1/7/2012-30/6/2020	1.38
	83,333	-	-	-	83,333	1/7/2010	1/7/2013-30/6/2020	1.38
	<u>867,234</u>	<u>-</u>	<u>-</u>	<u>(783,900)</u>	<u>83,334</u>			
Kuan Kim Kin	130,650	-	-	(130,650)	-	28/6/2007	28/6/2008-27/6/2017	3.93
	130,650	-	-	(130,650)	-	28/6/2007	28/6/2009-27/6/2017	3.93
	130,650	-	-	(130,650)	-	28/6/2007	28/6/2010-27/6/2017	3.93
	260	-	-	-	260	6/8/2008	6/8/2009-5/8/2018	1.48
	260	-	-	-	260	6/8/2008	6/8/2010-5/8/2018	1.48
	52,260	-	-	-	52,260	6/8/2008	6/8/2011-5/8/2018	1.48
	40,000	-	-	-	40,000	1/7/2010	1/7/2011-30/6/2020	1.38
	40,000	-	-	-	40,000	1/7/2010	1/7/2012-30/6/2020	1.38
	40,000	-	-	-	40,000	1/7/2010	1/7/2013-30/6/2020	1.38
	<u>564,730</u>	<u>-</u>	<u>-</u>	<u>(391,950)</u>	<u>172,780</u>			
Ong Ka Thai <i>(Note d)</i>	130,650	-	-	(130,650)	-	28/6/2007	28/6/2008-27/6/2017	3.93
	130,650	-	-	(130,650)	-	28/6/2007	28/6/2009-27/6/2017	3.93
	130,650	-	-	(130,650)	-	28/6/2007	28/6/2010-27/6/2017	3.93
	260	-	-	(260)	-	6/8/2008	6/8/2009-5/8/2018	1.48
	52,260	-	-	(52,260)	-	6/8/2008	6/8/2010-5/8/2018	1.48
	52,260	-	-	(52,260)	-	6/8/2008	6/8/2011-5/8/2018	1.48
	40,000	-	-	(40,000)	-	1/7/2010	1/7/2011-30/6/2020	1.38
	40,000	-	-	(40,000)	-	1/7/2010	1/7/2012-30/6/2020	1.38
	40,000	-	-	(40,000)	-	1/7/2010	1/7/2013-30/6/2020	1.38
	<u>616,730</u>	<u>-</u>	<u>-</u>	<u>(616,730)</u>	<u>-</u>			

Name/Category of Participants	Number of Share Options				Outstanding options as at the Latest Practicable Date	Grant Date	Exercisable Period <i>(Notes a, b &amp; c)</i>	Exercise Price <i>HK\$</i>
	As at 1 January 2017	Granted	Exercised	Lapsed				
Yang, Victor	40,000	-	-	-	40,000	1/7/2010	1/7/2011-30/6/2020	1.38
	40,000	-	-	-	40,000	1/7/2010	1/7/2012-30/6/2020	1.38
	40,000	-	-	-	40,000	1/7/2010	1/7/2013-30/6/2020	1.38
	<u>120,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,000</u>			
<b>Sub-total</b>	<u>14,434,694</u>	<u>-</u>	<u>-</u>	<u>(11,591,330)</u>	<u>2,843,364</u>			
<b>Employees in aggregate</b> <i>(Note e)</i>	391,950	-	-	(391,950)	-	28/6/2007	28/6/2008-27/6/2017	3.93
	391,950	-	-	(391,950)	-	28/6/2007	28/6/2009-27/6/2017	3.93
	391,950	-	-	(391,950)	-	28/6/2007	28/6/2010-27/6/2017	3.93
	147,925	-	-	-	147,925	6/8/2008	6/8/2011-5/8/2018	1.48
	84,668	-	-	-	84,668	1/7/2010	1/7/2011-30/6/2020	1.38
	136,667	-	-	-	136,667	1/7/2010	1/7/2012-30/6/2020	1.38
	136,665	-	-	-	136,665	1/7/2010	1/7/2013-30/6/2020	1.38
<b>Sub-total</b>	<u>1,681,775</u>	<u>-</u>	<u>-</u>	<u>(1,175,850)</u>	<u>505,925</u>			
<b>All other employees in aggregate</b>	348,400	-	-	(348,400)	-	28/6/2007	28/6/2008-27/6/2017	3.93
	348,400	-	-	(348,400)	-	28/6/2007	28/6/2009-27/6/2017	3.93
	348,400	-	-	(348,400)	-	28/6/2007	28/6/2010-27/6/2017	3.93
	118,954	-	-	-	118,954	6/8/2008	6/8/2009-5/8/2018	1.48
	118,953	-	-	-	118,953	6/8/2008	6/8/2010-5/8/2018	1.48
	202,953	-	-	-	202,953	6/8/2008	6/8/2011-5/8/2018	1.48
<b>Sub-total</b>	<u>1,486,060</u>	<u>-</u>	<u>-</u>	<u>(1,045,200)</u>	<u>440,860</u>			
<b>Total</b>	<u>17,602,529</u>	<u>-</u>	<u>-</u>	<u>(13,812,380)</u>	<u>3,790,149</u>			

*Notes:*

- (a) The share options with the exercise price of HK\$3.93 are vested and exercisable in three tranches on 28 June 2008, 2009 and 2010 respectively and up to 27 June 2017. Pursuant to the Share Option Scheme, the share options with the exercise price of HK\$3.93 had lapsed on 28 June 2017.
- (b) The share options with the exercise price of HK\$1.48 are vested and exercisable in three tranches on 6 August 2009, 2010 and 2011 respectively and up to 5 August 2018.
- (c) The share options with the exercise price of HK\$1.38 are vested and exercisable in three tranches on 1 July 2011, 2012 and 2013 respectively and up to 30 June 2020.

- (d) *Mr. Ong Ka Thai (“Mr. Ong”), a former Director, retired from office at the Company’s 2017 annual general meeting held on 22 June 2017 and did not offer himself for re-election. Pursuant to the Share Option Scheme, the 391,950 underlying Shares and 224,780 underlying Shares held by Mr. Ong were lapsed on 28 June 2017 and 23 July 2017 respectively.*
- (e) *Employees are working under employment contracts that are regarded as “continuous contracts” for the purposes of the Employment Ordinance.*

Save as disclosed above, as at the Latest Practicable Date, none of Directors, nor their associates, had any other interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive is taken or deemed to have under such provisions of the SFO); or which (b) were required pursuant to Section 352 of the SFO to be entered into the register maintained by the Company; or which (c) were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company or the Stock Exchange and none of the Directors, nor their spouse or children under the age of 18, had any right to subscribe for securities of the Company, or had exercised any such right since 31 December 2016 (being the date of the Company’s latest published audited accounts).

As at the Latest Practicable Date, none of the Directors or the chief executive of the Company and their respective associates had any interest in a business which competes or may compete, either directly or indirectly, with the businesses of the Group pursuant to Rule 8.10 of the Listing Rules.

There is no contract or arrangement subsisting at the Latest Practicable Date, in which any of the Directors is materially interested and which is significant in relation to the businesses of the Group.

Save as disclosed herein, none of the Directors, directly or indirectly, has had any interest in any assets which had been, since 31 December 2016 (being the date to which the latest published audited financial statements of the Company were made up) acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

## 4) DISCLOSURE OF SUBSTANTIAL SHAREHOLDERS' INTEREST

- (a) As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO, and so far as was known to any Director or chief executive of the Company, the following persons (other than the interests of certain Directors disclosed under the section headed "Disclosure of Directors' Interests" above), had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Notes	Number of Ordinary Shares of		Percentage of Total Issued Shares
		Direct Interest	Indirect Interest	
Mr. Chang Yun Chung	(1)	493,291 (L)#	993,825,345 (L)#	41.14
Madam Lee Kheng Wah	(2)	–	994,318,636 (L)#	41.14
PIL	(1)	993,825,345 (L)#	–	41.12
PIL Holdings Pte. Ltd.	(1)	–	993,825,345 (L)#	41.12
Y.C. Chang & Sons Private Limited	(3)	–	993,825,345(L)#	41.12
Prime Capital Management (Cayman) Limited		166,061,336 (L)#	–	6.87

(L)# – Long Position

Notes:

- (1) A total of 993,825,345 Shares are directly held by PIL. PIL is 100% owned by PIL Holdings Pte. Ltd. and Mr. Chang Yun Chung is interested, in aggregate, in 496,800,000 shares representing 89.61% of the issued share capital of PIL Holdings Pte. Ltd.. Mr. Chang Yun Chung's interest in shares of PIL Holdings Pte. Ltd. comprises a personal interest in 79,275,000 shares and corporate interests in 175,500,000 shares through South Pacific International Holdings Limited, a company in which he holds 2.02% of the issued share capital and 242,025,000 shares through Y.C. Chang & Sons Private Limited, a company in which he holds 5.71% of the issued share capital. Messrs. Teo Siong Seng and Teo Tiou Seng, Directors, both of their interests in shares of PIL Holdings Pte. Ltd. comprise personal interests in 3,600,000 shares and 2,400,000 shares respectively and representing 0.65% and 0.43% of the issued share capital of PIL Holdings Pte. Ltd..
- (2) Madam Lee Kheng Wah, as the spouse of Mr. Chang Yun Chung, is deemed to be interested in these Shares.
- (3) PIL is a wholly-owned subsidiary of PIL Holdings Pte. Ltd. in which Y.C. Chang & Sons Private Limited holds more than one-third of interests in PIL Holdings Pte. Ltd.. Accordingly, Y.C. Chang & Sons Private Limited indirectly controls one-third or more of the voting rights in the shareholders' meeting of PIL, in accordance with SFO, Y.C. Chang & Sons Private Limited is deemed to be interested in PIL's interests in the Company's issued shares.

Save as disclosed above, as at the Latest Practicable Date, there was no other person known to the Directors or chief executive of the Company, other than the Directors or chief executive of the Company, who had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.



- (b) As at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company, the following persons (other than a Director or chief executive of the Company), who was, directly or indirectly, interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group (other than the Company) and the amount of such persons' interests in such securities were:

Name of subsidiary of the Company	Name of substantial shareholder	Interest in the share capital/equity interest	Percentage of total issued share capital
Eng Kong Container & Warehousing Limited	Mr. Li Hung	(Note)	13.33%
	Mr. Ng Kam Ming	(Note)	13.33%
Eng Kong Container Services Limited	Mr. Li Hung	(Note)	13.33%
	Mr. Ng Kam Ming	(Note)	13.33%
Singamas Logistics (Qingdao) Co., Ltd.	SITC Logistics (HK) Limited	Registered paid-up capital of US\$2,312,000 (equivalent to approximately HK\$18,033,600)	40%
Shanghai Pacific International Container Co., Ltd.	Shanghai Jia Bao Industry and Commerce (Group) Co., Ltd	Registered paid-up capital of US\$3,936,400 (equivalent to approximately HK\$30,703,920)	15.14%
	Shanghai Jinjiang Shipping (Group) Co., Ltd	Registered paid-up capital of US\$2,600,000 (equivalent to approximately HK\$20,280,000)	10%
	Sinotrans Shanghai (Group) Co., Ltd.	Registered paid-up capital of US\$2,600,000 (equivalent to approximately HK\$20,280,000)	10%
Singamas Container Industry Co., Ltd.	PIL	Registered paid-up capital of US\$1,020,000 (equivalent to approximately HK\$7,956,000)	20%
Wellmass Group Limited	Mr. Li Hung	2,000 ordinary shares	20%
	Mr. Ng Kam Ming	2,000 ordinary shares	20%

*Note: Each of Messrs. Li Hung and Ng Kam Ming was indirectly interested in approximately 13.33% equity interest of Eng Kong Container Services Limited through his respective 20% interest in Wellmass Group Limited, which holds approximately 66.67% interest in Eng Kong Container & Warehousing Limited, a substantial shareholder of Eng Kong Container Services Limited.*

Save as disclosed above, as at the Latest Practicable Date, there was no person known to the Directors or the chief executive of the Company, other than Directors or the chief executive of the Company, who was, directly or indirectly, interested in 10% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or any options in respect of such capital.

**5) SERVICE CONTRACT**

As at the Latest Practicable Date, no Directors or proposed directors had any existing service contract or proposed service contract with the Company or any of its subsidiaries which is not terminable by the Company within one year without payment of compensation.

**6) MATERIAL ADVERSE CHANGE**

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2016 (being the date to which the latest published financial statements of the Company have been made up) and up to the Latest Practicable Date.

**7) INDEPENDENT FINANCIAL ADVISER**

The qualification of the independent financial adviser who has given advice contained in this circular is set out as follows:

<b>Name</b>	<b>Qualification</b>
Lego Corporate Finance	a corporation licensed under the SFO to carry out type 6 (advising on corporate finance) regulated activity

Lego Corporate Finance has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, Lego Corporate Finance has no direct or indirect interest in any asset which has been since 31 December 2016, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by, or leased to, any member of the Group, or was proposed to be acquired or disposed of by, or leased to, any member of the Group.

As at the Latest Practicable Date, Lego Corporate Finance was not beneficially interested in the share capital of any member of the Group nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

**8) LITIGATION**

As at the Latest Practicable Date, none of the members of the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

**9) MISCELLANEOUS**

- a) The registered office of the Company is at 19th Floor, Rykadan Capital Tower, 135 Hoi Bun Road, Kowloon, Hong Kong.
- b) The share registrar of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- c) The secretary and the qualified accountant of the Company is Ms. Chung Pui King, Rebecca, who is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.
- d) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

**10) DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during business hours at the registered office of the Company at 19th Floor, Rykadan Capital Tower, 135 Hoi Bun Road, Kowloon, Hong Kong from the date of this circular up to and including 12 December 2017:

- a) the "Letter from the Independent Board Committee" as set out in this circular;
- b) the "Letter from Lego Corporate Finance" as set out in this circular;
- c) the Master Purchase Contract 2018;
- d) the written consent of Lego Corporate Finance referred to under the section headed "Independent Financial Adviser" in this appendix;
- e) the latest annual report of the Company for the financial year ended 31 December 2016; and
- f) this circular.

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## NOTICE OF GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN** that a general meeting of Singamas Container Holdings Limited (the “Company”) will be held at 24/F., Admiralty Centre 1, 18 Harcourt Road, Hong Kong on Tuesday, 12 December 2017 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution as an ordinary resolution of the Company:

### ORDINARY RESOLUTION

**1. “THAT**

- (a) the Transactions (as defined in the circular of the Company dated 17 November 2017) (the “Circular”) contemplated therein the Master Purchase Contract 2018 (as defined in the Circular) (a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purposes) be and are hereby generally and unconditionally approved;
- (b) the Annual Caps (as defined in the Circular) for the three financial years ending 31 December 2020 be and are hereby approved; and
- (c) any director of the Company be and is hereby authorised as he considers necessary, to execute for and on behalf of the Company all other documents, instruments, notices or agreements to be incidental to, or ancillary to or in connection with the matters contemplated in the Master Purchase Contract 2018 and, to do all such other acts, matters or things for and on behalf of the Company, as may deem necessary or desirable to perfect, give effect to or implement any terms of the Transactions.”

By Order of the Board

**Chung Pui King, Rebecca**

*Company Secretary*

Hong Kong, 17 November 2017

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## NOTICE OF GENERAL MEETING

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*Registered office:*

19th Floor,  
Rykadan Capital Tower,  
135 Hoi Bun Road,  
Kowloon, Hong Kong

*Notes:*

- 1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. **Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting or any adjourned meeting should he so wish.***
- 2. In order to be valid, the form of proxy, together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that authority must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.*
- 3. For the purpose of ascertaining shareholders' entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Thursday, 7 December 2017 to Tuesday, 12 December 2017, both days inclusive, and no transfer of the shares of the Company will be effected during such period. In order to be entitled to attend and vote at the meeting, all transfers of shares of the Company, duly accompanied by the completed transfer forms and all relevant share certificates, must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Wednesday, 6 December 2017. The shareholders whose names appear on the register of members of the Company on Thursday, 7 December 2017, the record date of the meeting, will be entitled to attend and vote at the meeting.*