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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution 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 accompanying with the form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the 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

**CONNECTED TRANSACTION
IN RELATION TO
A PROPOSED REPAYMENT PROPOSAL
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



PLATINUM
Securities

A letter from the Board is set out on pages 5 to 19 of this circular. A letter from the Independent Board Committee is set out on pages 20 to 21 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 22 to 41 of this circular. A notice convening the EGM to be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Friday, 11 December 2020 at 11:30 a.m. is set out on pages EGM-1 to EGM-2 of this circular.

A form of proxy for the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the share registrar of the Company in Hong Kong, 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 the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish and in such event, this form shall be deemed to be revoked.

PRECAUTIONARY MEASURES AT THE EGM

Taking into account the recent development of the COVID-19 coronavirus, the Company will implement prevention and control measures at the EGM as the Company may consider necessary or desirable to protect Shareholders from the risk of infection, including:

- (i) compulsory body temperature check will be conducted for all Shareholders, proxies and other attendees at the entrance of the venue. Any person with a body temperature of over 37.5 degrees Celsius will not be admitted to the venue;
- (ii) all Shareholders, proxies and other attendees are required to wear surgical mask before they are permitted to attend, and during their attendance of the EGM; and
- (iii) no distribution of gift and no refreshment will be served.

Attendees who do not comply with the precautionary measures or are subject to any Hong Kong Government prescribed quarantine may be denied entry into the venue.

The Company would like to encourage Shareholders to exercise their right to vote at the EGM by appointing the Chairman of the EGM as their proxy to vote according to their indicated voting instructions instead of attending the EGM in person.

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“Announcements”	the announcements of the Company dated 22 March 2020 and 28 September 2020
“Board”	the board of Directors
“Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
“Company”	Singamas Container Holdings Limited
“Container Depot and Logistics Services”	including but not limited to container handling, container storage, interchanging, inspection, repair, maintenance, refurbishment, trucking, cleaning, refrigerated machinery attendance and other services in relation to the containers managed and/or owned by PIL Group
“Deed”	the settlement deed dated 4 November 2020 between the Company and PIL in relation to the repayment schedule for the Outstanding Amount and interests
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held on 11 December 2020 to consider and, if thought fit, approve the Deed and the transactions and arrangements contemplated thereunder
“Equipment”	including but not limited to dry freight containers, collapsible flat rack containers, open top containers, bitutainers, refrigerated containers, US domestic containers, tank containers, other specialised containers and other relevant products
“Excluded Amount”	any amount due and/or owing from any member of the Group to any member of the PIL Group and any claim that any entity within the Group have or may have against any entity within the PIL Group under the Master Services Contract 2020
“Group”	the Company and its subsidiaries
“Heliconia”	Heliconia Capital Management Pte. Ltd.

DEFINITIONS

“Heliconia Agreement”	an agreement that may be entered into between PIL and one or more entities managed and controlled by Heliconia pursuant to which it is contemplated that further financing by way of an investment by one or more of those entities will be made into PIL directly or indirectly
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	the independent board committee of the Company comprising Mr. Cheng Fu Kwok, David, Mr. Lau Ho Kit, Ivan and Mr. Ho Teck Cheong, being all the independent non-executive Directors, which is formed to advise the Independent Shareholders on the Deed and the transactions and arrangements contemplated thereunder
“Independent Financial Adviser”	Platinum Securities Company Limited, an independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Deed and the transactions and arrangements contemplated thereunder
“Independent Shareholders”	the Shareholders who are not required to be abstained to vote at the EGM
“Latest Practicable Date”	20 November 2020
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Master Purchase Contract 2015”	the master purchase contract dated 6 October 2014 entered into between the Company (for and on behalf of the Group) and PIL (for and on behalf of the PIL Group) for the provision of the Equipment from the Group to PIL Group, further details of which are disclosed in the Company’s announcement dated 6 October 2014
“Master Purchase Contract 2018”	the master purchase contract dated 30 October 2017 entered into between the Company (for and on behalf of the Group) and PIL (for and on behalf of the PIL Group) for the provision of the Equipment from the Group to PIL Group, further details of which are disclosed in the Company’s announcement dated 30 October 2017

DEFINITIONS

“Master Services Contract 2017”	the master services contract dated 14 December 2016 entered into between the Company (for and on behalf of the Group) and PIL (for and on behalf of the PIL Group) for the provision of Container Depot and Logistics Services from the Group to PIL Group, further details of which are disclosed in the Company’s announcements dated 14 December 2016 and 23 December 2016
“Master Services Contract 2020”	the master services contract dated 14 August 2020 entered into between the Company (for and on behalf of the Group) and PIL (for and on behalf of the PIL Group) for the provision of Container Depot and Logistics Services from the Group to PIL Group, further details of which are disclosed in the Company’s announcement dated 14 August 2020
“NewCo Group”	NewCo and its subsidiaries
“Outstanding Amount”	any amount due and/or owing under all and any of Master Purchase Contract 2015, the Master Purchase Contract 2018 (including certain late interest and payment charges) and the Purchase Order Agreements as referred to in the aforesaid contracts, and the Container Depot and Logistics Services (which, for the avoidance of doubt, include both such services provided under the Master Services Contract 2017 or otherwise provided from 1 January 2020 onwards), and any claim that any entity within the Group have or may have against any entity within the PIL Group as of 30 June 2020 in respect of the aforesaid, other than in respect of the Excluded Amounts
“PIL”	Pacific International Lines (Private) Limited
“PIL Announcements”	the announcements and publications of PIL made available on the website of the SGX-ST on 10 November 2020, 11 November 2020 and 17 November 2020 for the information of the holders of the PIL Notes (the contents of which, for the avoidance of doubt, do not form part of this circular)
“PIL Debt Re-profiling”	the debt re-profiling by PIL with its creditors, including by way of the PIL Scheme of Arrangement and the arrangements contemplated under the Deed, among other things
“PIL Group”	PIL and its subsidiaries
“PIL Notes”	the S\$60,000,000 8.50 per cent. fixed rate notes due 2020 issued by PIL

DEFINITIONS

“PIL Perps”	the perpetual securities to be issued by PIL as part of the PIL Debt Re-profiling pursuant to which the relevant claims will be converted into such perpetual securities
“PIL Scheme of Arrangement”	a scheme of arrangement proposed to be implemented by PIL pursuant to Section 210 of the Companies Act (Chapter 50) of Singapore as part of the PIL Debt Re-profiling
“Relevant Amount”	US\$149,696,984
“S\$”	Singapore dollars, the lawful currency of Singapore
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Temasek”	Temasek Holdings (Private) Limited
“US\$”	United States dollars, the lawful currency of United States of America

In this circular, the terms “associate”, “connected person”, “connected transaction”, “controlling shareholder” and “subsidiary” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

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\$7.75.

LETTER FROM THE BOARD

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. Tan Chor Kee

Mr. Kwa Wee Keng

Independent Non-Executive Directors:

Mr. Cheng Fu Kwok, David

Mr. Lau Ho Kit, Ivan

Mr. Ho Teck Cheong

24 November 2020

To the Shareholders

Dear Sir/Madam,

**CONNECTED TRANSACTION
IN RELATION TO
A PROPOSED REPAYMENT PROPOSAL
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 4 November 2020 in respect of the Deed.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things:

- (i) details about the Deed;
- (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Deed and the transactions and arrangements contemplated thereunder;
- (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its recommendation in respect of the Deed and the transactions and arrangements contemplated thereunder; and
- (iv) the notice of EGM.

At the EGM, an ordinary resolution will be proposed to approve, among other things, the Deed and the transactions and arrangements contemplated thereunder.

THE REPAYMENT PROPOSAL

Reference is made to the Announcements pursuant to which it was disclosed, among other things, that the PIL Group was in discussion with its creditors (including the Group) on the proposed repayment arrangements, as well as with Heliconia (an independently managed wholly-owned subsidiary of Temasek) on the proposed provision of a financing package to the PIL Group.

PIL (which holds 41.12% of the total issued share capital of the Company as at the Latest Practicable Date) is the controlling shareholder of the Company. The PIL Group is a containership operator headquartered in Singapore which offers container liner services and other logistics related services globally and operates a fleet of vessels.

POTENTIAL INVESTMENT BY HELICONIA ENTITY(IES) INTO THE CONTROLLING SHAREHOLDER OF THE COMPANY

The Board was informed by PIL that, further to the interim funding already provided by Ivy 1 Investments VCC (an entity managed and controlled by Heliconia, which in turn is an independently managed wholly-owned subsidiary of Temasek) to PIL, PIL and Heliconia are in discussion in relation to a proposed further financing by way of an investment by one or more entities managed and controlled by Heliconia into PIL directly or indirectly (through a newly-incorporated holding company (“NewCo”) which will hold shares in PIL and certain sister companies of PIL). According to PIL, no definitive agreement had been entered into between PIL and Heliconia in relation to such investment as at the Latest Practicable Date and if the Heliconia Agreement is entered into, the consummation of the transactions contemplated thereunder will be subject to conditions precedent including the inter-conditionality with the Deed and the PIL Debt Re-profiling. Further announcement(s) in relation to the aforesaid proposed investment by one or more entities managed and controlled by Heliconia into PIL directly or indirectly will be made as and when appropriate.

LETTER FROM THE BOARD

In furtherance of the PIL Debt Re-profiling, PIL filed an application on 10 November 2020 pursuant to Section 210 of the Companies Act (Chapter 50) of Singapore for leave to convene a meeting of creditors to consider the PIL Scheme of Arrangement. According to PIL, PIL is seeking to hold the relevant scheme meeting by January 2021 and obtain the Singapore court's sanction of the PIL Scheme of Arrangement thereafter. PIL further advises that if the PIL Scheme of Arrangement is sanctioned by the Singapore court, PIL anticipates to have access to financing of up to US\$600 million from entities managed and controlled by Heliconia.

The Board further wishes to update the Shareholders that it has been informed by PIL that Heliconia has confirmed that no obligation to make an offer to the Shareholders in accordance with Note 8 to Rule 26.1 of the Code will be triggered on completion of the investment by Heliconia into the NewCo Group.

DEED BETWEEN THE COMPANY AND PIL

As disclosed in the Announcements, the Group was in discussion with PIL on a proposed agreement on the repayment of certain trade receivables payable by PIL Group to the Group arising from the historical provision of container depot services and Equipment to the PIL Group as part of the ordinary course of business of the Group. Those provision of services and Equipment constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

On 4 November 2020 (before trading hours), the Company and PIL entered into the Deed, pursuant to which the Company and PIL conditionally agreed to the settlement of the Outstanding Amount by way of payment of the Relevant Amount in accordance with a repayment schedule. Both the Outstanding Amount and the Relevant Amount are of the same amount, namely US\$149,696,984. Pursuant to the Deed, the Relevant Amount shall be repaid over a 10-year period with interest. Consummation and completion of the transactions and arrangements contemplated under the Deed are subject to conditions precedent, including approval from the Independent Shareholders.

PRINCIPAL TERMS AND CONDITIONS OF THE DEED

Date: 4 November 2020 (before trading hours)

Parties: (i) PIL; and
(ii) the Company

LETTER FROM THE BOARD

Repayment schedule of
the Relevant Amount:

PIL (on behalf of the PIL Group) shall pay to the Company (on behalf of the Group) the Relevant Amount by repaying on each repayment date the repayment instalments as set out below:

No.	Due date for payment (each a “Repayment Date”)	Amount to be paid (US\$)
1.	31 December 2021	2,500,000
2.	31 December 2022	2,500,000
3.	31 December 2023	5,000,000
4.	31 December 2024	5,000,000
5.	31 December 2025	7,500,000
6.	31 December 2026	7,500,000
7.	31 December 2027	10,000,000
8.	31 December 2028	10,000,000
9.	31 December 2029	15,000,000
10.	31 December 2030	84,696,984
Total		149,696,984

Note: The Capitalised Amount (as defined below) shall be paid on the 10th Repayment Date, namely 31 December 2030, in addition to the repayment of US\$84,696,984.

Interest:

Interest shall accrue on the unpaid portions of the Relevant Amount from time to time, at the rate of 1.5% per annum (the “**Ordinary Interest**”), and shall be paid by PIL to the Company as follows:

- (a) All Ordinary Interest accruing on the unpaid Relevant Amount up to and including each Repayment Date falling on or before 31 December 2023 shall be capitalised on such Repayment Date (such capitalised amount being the “**Capitalised Amount**”) and shall form part of the Relevant Amount and shall itself accrue Ordinary Interest.
- (b) After 31 December 2023, all Ordinary Interest accruing from time to time on the unpaid Relevant Amount (including Capitalised Amount) up to (and including) a Repayment Date falling after 1 January 2024 shall be paid by PIL on such Repayment Date.

The Capitalised Amount shall be paid on 31 December 2030.

Default interest:

If PIL fails to pay any amount payable by it under the Deed on its due date, default interest shall accrue (in addition to the Ordinary Interest) on the overdue amount from the due date up to the date of actual payment at a rate of 2.5% per annum. Any such interest shall be immediately payable by PIL on demand by the Company.

LETTER FROM THE BOARD

Conditions precedent:

The aforesaid repayment arrangement shall be effective on and from the date on which certain conditions are satisfied, including (among other things):

- (i) the sanction of the PIL Scheme of Arrangement by the High Court of the Republic of Singapore pursuant to Section 210 of the Companies Act (Chapter 50) or Section 70 or 71 of the Insolvency, Restructuring and Dissolution Act 2018;
- (ii) the completion of the investment by one or more entities managed and controlled by Heliconia into PIL (directly or indirectly) on terms to be agreed between those entities and PIL; and
- (iii) approval of the Deed and the transactions and arrangements contemplated hereunder by the Independent Shareholders.

The effective date cannot occur later than 5:00 pm (Singapore time) on 31 March 2021 or such later time as the Company and PIL may agree in writing. If the effective date has not occurred on or before such long stop date, the Deed shall terminate and cease to have any further force and effect, the terms of and the obligations of the parties under the Deed shall lapse, all the compromises and arrangements provided by the Deed shall be of no effect and shall be construed as if it had never become effective, and the rights and obligations of the Group in respect of the Outstanding Amount shall not be affected and shall remain in full force and effect.

Events of default:

An event of default occurs if, after the effective date of the Deed:

- (i) PIL fails to pay when due and payable any sum payable under the relevant payment clause of the Deed unless such payment is made within 60 days from the date on which such sum is due under the Deed, subject to the set-off provision of the Deed;
- (ii) any order is made by any competent court, or any resolution is passed by PIL, for the appointment of a liquidator or judicial manager over PIL; or
- (iii) it becomes unlawful for PIL to perform any of its obligations under the Deed and such unlawfulness materially and adversely affects the interests of the Company under the Deed.

LETTER FROM THE BOARD

On or at any time following the occurrence of any event of default which is continuing the Company may, among other things, serve on PIL a notice stating that the Relevant Amount, any accrued interest and all other amounts accrued or owing under the Deed are immediately due and payable.

Set-off:

Subject to the consent as described in the next paragraph having been obtained, in addition to any rights and remedies of the Company provided by the Deed and by law, the Company shall have the right in its sole discretion, without prior notice to PIL, any such notice being expressly waived by PIL to the extent permitted by applicable law, to set-off any due but unpaid obligation owed by PIL under the Deed against any dividends that may be declared by the Company for the Shareholders from time to time (including entity(ies) within PIL Group which is/are or otherwise will be Shareholder(s) (including by way of holding the Shares through nominee(s) of the Company)). In the event that any such set-off occurs within 60 days from the date on which any sum becomes due and payable under the Deed, any amount so set-off shall be deemed to have been made in satisfaction of the same amount due and payable by PIL under the Deed.

If PIL is prohibited from agreeing to grant the rights of set-off to the Company under any of its financing arrangements entered into prior to the date of the Deed, PIL shall use reasonable endeavours to obtain the necessary consents from its counterparties to allow for this set-off provision. Until such time as such consent has been obtained by PIL, the Company agrees not to exercise its contractual rights to set-off but shall not be precluded from exercising any rights of set-off permitted under any applicable law. As advised by PIL, as at the Latest Practicable Date, such consent had not yet been obtained by PIL from the relevant lenders.

INFORMATION ON THE GROUP AND THE OTHER PARTIES

The Group

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

The PIL Group

PIL is a company incorporated in Singapore with limited liability. Headquartered in Singapore and founded in 1967, the PIL Group is a containership operator which offers container liner services and other logistics related services globally and operates a fleet of vessels.

LETTER FROM THE BOARD

Heliconia

Heliconia is an investment company incorporated in Singapore and a wholly owned subsidiary of Temasek. Heliconia provides capital to Singapore headquartered companies, helping them become globally competitive companies. Heliconia is an independently-managed Temasek portfolio company. Temasek is not involved in Heliconia's business or operational decisions.

Temasek is an investment company headquartered in Singapore.

REASONS FOR AND BENEFITS OF THE DEED

The PIL Group

Set out below is a summary about the PIL Group's updated situation and information as extracted from the PIL Announcements and as advised by PIL:

General overview

- The years 2018 to 2020 have been challenging years for the container shipping industry in which the PIL Group is engaged, with the downturn further exacerbated by the prolonged impact of the COVID-19 pandemic.
- During the period, PIL has undertaken a review to explore available solutions to enhance business prospects, improve liquidity and optimise its capital structure. It has also been in discussions with financial lenders on a debt re-profiling plan and entered into a principal and interest moratorium in Q2 2020.
- However, the global economy and market volatility continued to deteriorate amidst a COVID-19 induced recession. As such, PIL is facing tremendous strain on its liquidity, which threatens its ability to operate as a going concern.
- In order to recapitalise its business, PIL eventually entered into exclusive discussions with Heliconia (a wholly-owned subsidiary of Temasek), in May 2020, for a potential investment into PIL, as part of a broader, holistic comprehensive financing package.

The PIL Debt Re-profiling

- Since then, PIL has exerted its utmost efforts over the past months to negotiate a final restructuring package with Heliconia and PIL's creditors, in order to reach a consensus on key terms. The final restructuring package, where implemented, will include an investment from one or more entities managed and controlled by Heliconia, which will be undertaken in conjunction with the restructuring of PIL's existing debt obligations in order to right size PIL's capital structure to a sustainable level.
- PIL has substantially completed the negotiations with Heliconia and its financial lenders and has commenced the process to implement the PIL Debt Re-profiling via a scheme of arrangement pursuant to Section 210 of the Companies Act (Chapter 50).

LETTER FROM THE BOARD

- The PIL Scheme of Arrangement is a statutory procedure in Singapore which allows a company to agree on a compromise or arrangement with parties to whom it owes obligations towards and for the terms of that compromise or arrangement to bind any non-consenting minority parties.
- For the purpose of the PIL Scheme of Arrangement, an application has been filed with the Singapore court on 10 November 2020 for convening the scheme meeting.

Potential comprehensive financing package from Heliconia

- As at the Latest Practicable Date, an entity managed and controlled by Heliconia had already provided a US\$112 million emergency credit facility to PIL on an interim basis.
- The aforesaid emergency credit facility only provides temporary reprieve on cash flow constraints, while PIL's capital structure requires a holistic restructuring solution. Therefore, with a view to provide a holistic resolution for PIL's long term sustainability, PIL endeavours to agree on a comprehensive financing package (which will also be applied to repay the aforesaid emergency credit facility), comprising a mix of debt and equity investment. PIL expects that upon completion, an entity managed and controlled by Heliconia will own a major economic interest in PIL directly or indirectly.

Major terms of the PIL Debt Re-profiling

PIL contemplates that under the PIL Debt Re-profiling:

- **Secured claims:**

The debt facilities provided by the secured lenders will be re-sized to 100% of the collateral value. Debt service will be subject to debt service waterfall.

- **Unsecured and under-secured claims:**

This includes claims by (i) holders of the PIL Notes which are listed on SGX-ST; (ii) secured lenders in respect of their under-secured claims; and (iii) unsecured creditors.

PIL expects that, unless otherwise pursuant to bilateral agreements (e.g. the Deed), the unsecured and under-secured claims will be converted into perpetual securities of PIL (the "**PIL Perps**") under two options (namely Option A and Option B). The PIL Perps will not be subject to any fixed maturity date, i.e. no definitive repayment date. The PIL Perps are redeemable with accrued and cumulated distribution at PIL's election. Cash distribution is deferred for at least 6 years (for Option A) or at least 5 years (for Option B) (unless a public offering of the ordinary shares of PIL for the purpose of and in connection with the admission of PIL on any securities exchange is completed at an earlier date) and the payment of each annual cash distribution (if any) will be subject to debt service waterfall. The PIL Perps are senior to, *inter alia*, equity (including Heliconia's equity, if the investment is implemented) but are junior to all financial indebtedness of PIL.

LETTER FROM THE BOARD

Set out below is an overview of the two options of the PIL Perps for election by the holders of unsecured and under-secured claims who will receive the PIL Perps (and they can choose a combination of both options):

Allocation	Option A US\$1 of PIL Perps issued for every US\$1 of claim	Option B US\$1 of PIL Perps issued for every US\$2 of claim
Year 1 distribution	1% non-cash	5% non-cash
Year 2 distribution	1% non-cash	5% non-cash
Year 3 distribution	2% non-cash	5% non-cash
Year 4 distribution	2% non-cash	5% non-cash
Year 5 distribution	3% non-cash	5% non-cash
Year 6 distribution	3% non-cash	6% cash
Year 7 distribution	3% cash	6% cash
Year 8 distribution	5% cash	6% cash
Year 9 distribution	5% cash	7% cash
Year 10 distribution and onwards	5% cash	8% cash

Notes:

- (1) Non-cash distribution (as well as cash distribution that PIL has elected not to pay on the relevant distribution payment date by giving notice in accordance with the terms and conditions of the PIL Perps) will be added to the principal amount and shall bear interest as if it is constituted part of the principal amount of the PIL Perps as from the relevant distribution payment date. For the avoidance of doubt, even where a distribution is described as a cash distribution, it is deferrable at the option of PIL.
- (2) In the event that an unsecured or under-secured creditor fails to elect to receive any of the PIL Perps (Option A), PIL Perps (Option B) or a combination thereof on or before the date of the meeting to be convened in respect of the PIL Scheme of Arrangement, he or she shall be deemed to have elected to receive the PIL Perps (Option B).
- (3) PIL contemplates that the PIL Perps will be tradable over-the-counter, which refers to the process of how the securities are traded via a broker-dealer network, as opposed to being listed on and traded via a formal exchange.

The PIL Scheme of Arrangement

- The PIL Scheme of Arrangement is a statutory procedure in Singapore under the Singapore laws which allows a company to agree on a compromise or arrangement with parties to whom it owes obligations towards and for the terms of that compromise or arrangement to bind any non-consenting minority parties.
- According to the approval threshold, the PIL Scheme of Arrangement is subject to: (i) approval by a majority in number representing at least 75% in value of each class of scheme creditors present and voting at each scheme meeting and sanction by the Singapore court; and if not approved pursuant to (i), it shall be subject to: (ii) approval by a majority in number representing at least 75% in value of at least one class of scheme creditors and approved by a majority in number representing at least 75% in value of all scheme creditors

LETTER FROM THE BOARD

and sanction by the Singapore court. In the case of (ii), the Singapore court must also be satisfied that the PIL Scheme of Arrangement does not unfairly discriminate between the classes of scheme creditors and is fair and equitable to each dissenting class.

- PIL expects that, subsequent to the application that has been filed with the Singapore court on 10 November 2020 for convening the scheme meeting for the PIL Scheme of Arrangement, the notice for such scheme meeting will be issued in December 2020 for the meeting to be convened in January 2021. If the relevant approval threshold is met, PIL endeavours that there will be a Singapore court hearing to sanction the PIL Scheme of Arrangement in February 2021. The above timetable and procedures are indicative only and subject to such modification as the Singapore court may, in its discretion, determine. Any court hearing date will also be subject to the court's availability.
- PIL has currently obtained the in-principle support of majority of the creditors who it envisages to be parties to the PIL Scheme of Arrangement for the filing of the application that was filed on 10 November 2020.

PIL's view and urge for support for the PIL Debt Re-profiling in the interests of the stakeholders as a whole

- In light of the pressures facing the container shipping industry, PIL considers that in the absence of a comprehensive restructuring under the PIL Debt Re-profiling (including a comprehensive financing package from Heliconia), liquidation may ensue. In a liquidation scenario, any value to unsecured claim holders will be based on any surplus after secured creditors' claim. In light of the current circumstances, under a liquidation scenario, the amount of recovery (if any) is likely to be significantly depressed and even if any recovery is possible, the timing of such recovery would be highly uncertain.
- PIL also considers that the additional financing which one or more entities managed and controlled by Heliconia can provide and a recalibration of PIL's capital structure is necessary for PIL to continue operating as a going concern, which will as a whole allow it to emerge as a stronger and better-capitalised enterprise.
- In addition, PIL believes that, if the investment by one or more entities managed and controlled by Heliconia into PIL is implemented, it will benefit from having such entity or entities as a significant stakeholder of PIL.

The view from the Company's perspective

According to the Deed which is a bilateral agreement between the Company and PIL, the Group is entitled to recover the full amount of the Outstanding Amount, together with interest, arising from the relevant outstanding receivables with a specified repayment schedule, without the need to convert such amount or any part thereof into PIL Perps without any specified repayment schedule. In the absence of such repayment proposal, under the PIL Scheme of Arrangement as part of the PIL Debt Re-profiling, the claims of the Company (as one of the unsecured/under-secured creditors under such scheme) will be converted into PIL Perps. In this respect, the Company considers that, as a vendor of the PIL Group (as contrast from an investor or financier of the PIL Group), it is relatively desirable for the Outstanding Amount (with interest) to be repaid in full by way of a fixed repayment schedule as contemplated under

LETTER FROM THE BOARD

the Deed, as compared to the conversion of such amount (either in full or reduced by half under the different options) into PIL Perps, taking into account the Deed provides certainty on the future cash flows to the Company with interest income, the Outstanding Amount under the Deed is senior to the PIL Perps and the amounts owed to the Company under the Deed will be fixed payments not subject to the debt service waterfall or PIL's election to defer distribution. As such, the amounts owed to the Company under the Deed shall be treated in priority in right of payment vis-à-vis the PIL Perps.

According to PIL, the PIL Debt Re-profiling coupled with a financing by a reputable investor, if consummated as contemplated, will strengthen PIL's financial position and be beneficial to its stakeholders as a whole. PIL is also of the view that such a debt profiling and financing will also provide certainty to the Group in the recovery of the Outstanding Amount under a repayment schedule at a level sustainable to the PIL Group.

The interest rate of the Ordinary Interest was negotiated by the parties on an arm's length basis taking into account factors including global business environment, the yield on long-term US Treasury note, the rate of return to the Company and the Company's cost of fund, as well as the terms and conditions under and circumstances surrounding the PIL Debt Re-profiling as a whole. The Directors consider the rate of the Ordinary Interest is fair and reasonable and in the interests of the Company and the Shareholders as a whole as the Ordinary Interest represents a stable income for the Company, in particular taking into account the fact that the current benchmark yield rate on 10-year US Treasury note is less than 1.0% and the fluctuating business performance of the Company.

Taking into account relevant factors including the above considerations, as well as the global COVID-19 pandemic and the outlook of the global economy as a whole, the Directors (including the independent non-executive Directors whose views have been set out in this circular after taking into consideration the advice of the Independent Financial Adviser) consider that the terms of the Deed are fair and reasonable and on normal commercial terms, and the transactions and arrangements contemplated under the Deed are in the interests of the Company and the Shareholders as a whole.

According to the Deed, the Outstanding Amount does not include the Excluded Amount which, in respect of any claims that the Group have or may have against the PIL Group, refers to the amount receivable by the Group from the PIL Group under the Master Services Contract 2020. The parties to the Deed did not include the Excluded Amount as part of the repayment arrangement under the Deed having considered that pursuant to the Master Services Contract 2020, PIL shall provide a deposit of HK\$2,500,000 as security money for the settlement of the fees for the Container Depot and Logistics Services to be provided by the Group to the PIL Group pursuant to the Master Services Contract 2020 and such deposit has been provided by PIL accordingly. In respect of the Excluded Amount, as at 30 September 2020, an amount of approximately US\$498,000 was payable by the PIL Group to the Group under the Master Services Contract 2020 and such amount was not overdue at the time and had been subsequently settled. Under the Master Services Contract 2020, the Group would invoice the PIL Group for the Container Depot and Logistics Services on a monthly basis and the PIL Group shall pay the invoices within ten days of the day of the issuance of such invoice. The Company will monitor the amount payable by the PIL Group to the Group under the Master Services Contract 2020 from time to time (including the overdue amount, if any) and take into account the deposit provided by PIL in reviewing the credit risks arising from the on-going transactions with the PIL Group under such contract.

LETTER FROM THE BOARD

The Excluded Amount also includes any amount due and/or owing from the Group to the PIL Group, which essentially refers to any warranty claims that the PIL Group may have against the Group in respect of the Equipment supplied by the Group to the PIL Group. As at the date of the Deed and the Latest Practicable Date, there was no such claim by the PIL Group against the Group.

FINANCIAL IMPACT FROM AN ACCOUNTING PERSPECTIVE

The Company currently expects that, from an accounting perspective, the transactions and arrangements contemplated under the Deed will constitute a modification of financial assets, pursuant to which the existing trade receivables would be derecognised and a new financial asset in respect of the Outstanding Amount would be recognised at fair value at the date of modification, where the difference would be recognised in profit or loss. Based on the information available so far and subject to finalisation, the Company currently expects that such de-recognition of trade receivables will cause a loss of not less than US\$10 million to the Group. However, the actual amount of such loss can only be fully ascertained at the date of modification. The actual loss may vary from the current estimation since the effective interest rate of such new financial asset at the date of modification is dependent on a number of factors, including the global interest rate environment, credit rating and business performance of PIL after the proposed debt restructuring and other factors that may prevail at the date of the modification. For the purpose of the aforesaid, the date of modification shall be the date on which the Deed having become unconditional in all respects. Depending on the date of such modification, the loss arising from the de-recognition of trade receivables would be reflected (and may have a material adverse effect) on the financial results of the Company for the year ending 31 December 2020 or the year ending 31 December 2021.

The Company emphasizes that the aforementioned loss shall be non-cash in nature accordance with the Hong Kong Financial Reporting Standards. As such, the Company currently does not expect that the entering into of the Deed would result in any material adverse effect on the cash flow of the Group.

IMPLICATIONS UNDER THE LISTING RULES

PIL 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. Accordingly, the Deed and the transactions and arrangements contemplated thereunder constitute an amendment to the terms of the continuing connected transactions of the Company and hence constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. The Deed and the transactions and arrangements contemplated thereunder are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Each of Mr. Teo Siong Seng, Mr. Teo Tiou Seng, Mr. Tan Chor Kee and Mr. Kwa Wee Keng (by virtue of being directors of both PIL and the Company and, in respect of Mr. Teo Siong Seng and Mr. Teo Tiou Seng, their indirect interest in PIL), has abstained from voting on the resolutions of the Board approving the Deed and the transactions and arrangements contemplated thereunder.

LETTER FROM THE BOARD

EXTRAORDINARY GENERAL MEETING

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the entry into of the Deed and the transactions and arrangements contemplated thereunder. Any shareholder who has a material interest in the transaction must abstain from voting on the resolutions at the EGM. Accordingly, PIL and its associates (as well as each of Mr. Teo Siong Seng, Mr. Teo Tiou Seng, Mr. Tan Chor Kee and Mr. Kwa Wee Keng (to the extent they have interests in Shares)) shall abstain from voting at the EGM. Save for the above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no other Shareholders or any of their respective associates have any interests in the transactions and arrangements contemplated under the Deed and are required to abstain from voting at the EGM in relation to the resolutions regarding the Deed and the transactions and arrangements contemplated thereunder.

The notice convening the EGM to be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Friday, 11 December 2020 at 11:30 a.m. is set out on pages EGM-1 to EGM-2 of this circular. Ordinary resolution will be proposed at the EGM to approve, among other things, the Deed and the transactions and arrangements contemplated thereunder. The resolution proposed to be approved at the EGM will be taken by poll and an announcement will be made by the Company after the EGM on the result of the EGM.

A proxy form for use at the EGM is enclosed. Whether or not you are able to attend the EGM in person, 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 EGM 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 EGM or any adjourned meeting (as the case may be) should you so wish.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the Deed and the transactions and arrangements contemplated thereunder.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the Deed and the transactions and arrangements contemplated thereunder.

LETTER FROM THE BOARD

RECOMMENDATIONS

The Board (including the independent non-executive Directors whose views have been set out in this circular after taking into consideration the advice of the Independent Financial Adviser) considers that the terms of the Deed and the transactions and arrangements contemplated thereunder are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the resolution for approving, among other things, the Deed and the transactions and arrangements contemplated thereunder at the EGM.

GENERAL

Your attention is also drawn to the letter from the Independent Board Committee, the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders and the additional information as set out in the appendix to this circular.

This circular, including the letter from the Independent Board Committee to the Independent Shareholders and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, contains information related to the PIL Group and forward-looking statements regarding, among other things, the financial performance and conditions, business plans, business outlook, strategies, future events, as well as forecast and estimates of financial or other performance and prospects (together, “**PIL Information**”). In making the disclosure, the Company and the Board have relied on the provision of the PIL Information from the PIL Group for the purpose of evaluating and assessing the Deed and the transactions and arrangements contemplated therein. Some PIL Information is based on, among other things, plans, forecasts, proposals, expectations, assumptions, projections, objectives and/or premises that are subjective and beyond the control of PIL, the Company and the Board. The Company and the Board may not be able to independently verify the PIL Information provided by the PIL Group or the accuracy or completeness thereof, and such information, including but not limited to the forward-looking statements, may prove to be incorrect and may not be realised in the future as contemplated or at all. Underlying the PIL Information, including but not limited to the forward-looking statements, are certain known and unknown risks, uncertainties and other factors which may render the actual achievements, results or performance of the PIL Group materially differ from any expected achievements, results or performance of the PIL Group as depicted, expressed, implied or foreseen based on such PIL Information. The aforesaid risks, uncertainties and other factors include but are not limited to circumstances, changes, or developments in or affecting general political, social, economic or other conditions (including but not limited to conditions due to any pandemic such as COVID-19 or events of a force majeure or similar to a force majeure nature), interest rates, currency exchange rates, fiscal and monetary policies by the relevant governments and circumstances, occurrences or developments in or affecting in the competitive conditions surrounding the PIL Group which are beyond the control of PIL, the Company and the Board. In light of the risks and uncertainties, the inclusion of the PIL Information, including but not limited to the forward-looking statements in this circular, should not be regarded as representations by the Company or the Board that the plans, forecasts, proposals, expectations, assumptions, projections, objectives and/or premises envisaged by the PIL Group could be achieved as contemplated or at all. Furthermore, this circular also contains certain statements based on or otherwise with reference to the financial statements of the PIL Group or any member thereof and disclosed by the PIL Group, which have not been verified by the Company or the Board. Shareholders and potential investors of the

LETTER FROM THE BOARD

Company should therefore not place undue reliance on the PIL Information when evaluating and assessing the Deed and the transactions and arrangements contemplated therein and the recoverability of the Outstanding Amount and interests due from the PIL Group to the Group.

It should be noted that the consummation of the transactions and arrangements contemplated under the Deed is subject to a number of conditions precedent which may or may not be fulfilled. Therefore, these transactions and arrangements may or may not proceed as contemplated or at all. Also, as at the Latest Practicable Date, according to PIL, the Heliconia Agreement had not yet been entered into and the PIL Debt Re-profiling (including the PIL Scheme of Arrangement) had not yet been completed, and hence there is no assurance that the transactions and arrangements contemplated thereunder will proceed as contemplated or at all. Also, there is no assurance that the PIL Debt Re-profiling (including the transactions and arrangements contemplated under the Deed, among other things) and the PIL Scheme of Arrangement and Heliconia's investment into PIL, even when implemented, would result in financial sustainability of PIL including its ability to repay the indebtedness under the PIL Debt Re-profiling. Shareholders and potential investors are reminded to conduct their own analysis and consult their advisers where appropriate. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the shares or any other securities of the Company.

By order of the Board
Singamas Container Holdings Limited
Chung Pui King, Rebecca
Executive Director and Company Secretary

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation, prepared for the purpose of incorporation in the circular, from the Independent Board Committee to the Independent Shareholders in relation to the Deed and the transactions and arrangements contemplated thereunder.

The logo for SINGAMAS features the word "SINGAMAS" in a bold, red, sans-serif font. It is centered between two thick, horizontal blue bars.

勝獅貨櫃企業有限公司

SINGAMAS CONTAINER HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 716

24 November 2020

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION IN RELATION TO A PROPOSED REPAYMENT PROPOSAL

We refer to the circular (the “**Circular**”) dated 24 November 2020 issued by the Company of which this letter forms a part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless specified otherwise.

We have been formed to advise the Independent Shareholders in relation to the terms of the Deed and the transactions and arrangements contemplated thereunder. Platinum Securities Company Limited has been appointed by the Company as the Independent Financial Adviser to advise us in these regards. Details of its advice, together with the principal factors and reasons it has taken into consideration in giving its advice, are contained in its letter set out on pages 22 to 41 of the Circular. Your attention is also drawn to the letter from the Board and the additional information set out in the appendix to the Circular.

After taking into account the factors and reasons considered by the Independent Financial Adviser and its conclusion and advice, we concur with its views and consider that the terms of the Deed and the transactions and arrangements contemplated thereunder are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, are fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend that the Independent Shareholders should vote in favour of the resolutions to be proposed at the EGM to approve, among other things, the Deed and the transactions and arrangements contemplated thereunder.

Yours faithfully,

For and on behalf of the

Independent Board Committee

Mr. Cheng Fu Kwok, David

Mr. Lau Ho Kit, Ivan

Mr. Ho Teck Cheong

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders for the purpose of incorporation into this circular.



PLATINUM
Securities

24 November 2020

*To the Independent Board Committee
and the Independent Shareholders*

Dear Sirs,

CONNECTED TRANSACTION IN RELATION TO THE PROPOSED REPAYMENT PROPOSAL

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders regarding to the Deed in relation to certain trade receivables owed by PIL Group to the Group arising from the historical provision of container depot services and Equipment to the PIL Group as part of the ordinary course of business of the Group. Details are contained in the circular of the Company dated 24 November 2020 (the “**Circular**”). Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

In our capacity as the Independent Financial Adviser, our role is to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Deed are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole; and to give independent advice to the Independent Board Committee and the Independent Shareholders.

In formulating our opinion, we have relied on the information and facts supplied to us by the Directors and/or management of the Company. We have reviewed, among other things: (i) the Circular dated 24 November 2020, (ii) the Deed dated 4 November 2020; (iii) the announcements of the Company dated 4 November 2020, 28 September 2020 and 22 March 2020 (the “**Announcements**”); (iv) the announcements made available to the public noteholders of PIL dated 11 November 2020, 16 November 2020 and 17 November 2020 (the “**Noteholder Announcements**”); (v) the unaudited interim report of the Company for the six months ended 30 June 2020 (the “**2020 Interim Report**”); and (vi) the annual report of the Company for the year ended 31 December 2019 (the “**2019 Annual Report**”) and the annual report of the Company for the year ended 31 December 2018 (the “**2018 Annual Report**”).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have assumed that all information, facts, opinions and representations contained in the Circular are true, complete and accurate in all material respects and we have relied on the same. The Directors have confirmed that they take full responsibility for the contents of the Circular and have made all reasonable inquiries that no material facts have been omitted from the information supplied to us.

We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy or completeness of the information of all facts as set out in the Circular and of the information and representations provided to us by the Directors and/or management of the Company. Furthermore, we have no reason to suspect the reasonableness of the opinions and representations expressed by the Directors and/or management of the Company which have been provided to us. In line with normal practice, we have not, however, conducted a verification process of the information supplied to us, nor have we conducted any independent in-depth investigation into the business and affairs of the Company. We consider that we have reviewed sufficient information to enable us to reach an informed view and to provide a reasonable basis for our opinion regarding the Deed.

As at the Latest Practicable Date, we were independent from, and were not associated with the Company or any other party to the Deed, or their respective substantial shareholder(s) or connected person(s), as defined under the Listing Rules and accordingly, are considered eligible to give independent advice on the Deed. We will receive a fee from the Company for our role as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Deed. Apart from this normal professional fee payable to us in connection with this appointment, no arrangements exist whereby we will receive any fees or benefits from the Company or any other party to the Deed or their respective substantial shareholder(s) or connected person(s), as defined under the Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors, including Mr. CHENG Fu Kwok, David, Mr. LAU Ho Kit, Ivan and Mr. HO Teck Cheong, has been established to advise the Independent Shareholders as to whether the terms of the Deed are fair and reasonable and on normal commercial terms and whether the transactions and arrangements contemplated under the Deed are in the interests of the Company and the Shareholders as a whole.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating and giving our independent financial advice to the Independent Board Committee and the Independent Shareholders, we have considered the following principal factors:

1. Background of the Deed between the Company and PIL

As disclosed in the Announcements, the Group was in discussion with PIL on a proposed agreement on the repayment of certain trade receivables payable by PIL Group to the Group arising from the historical provision of container depot services and Equipment to the PIL Group as part of the ordinary course of business of the Group. Those provision of services and Equipment constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

On 4 November 2020 (before trading hours), the Company and PIL entered into the Deed, pursuant to which the Company and PIL conditionally agreed to the settlement of the Outstanding Amount by way of payment of the Relevant Amount in accordance with a repayment schedule. Both the Outstanding Amount and the Relevant Amount are of the same amount, namely US\$149,696,984. Pursuant to the Deed, the Relevant Amount shall be repaid over a 10-year period with interest. Consummation and completion of the transactions and arrangements contemplated under the Deed are subject to conditions precedent, including approval from the Independent Shareholders.

1.1 Information on the Company and the Group

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

Set out below are the financial highlights of the Company's consolidated financial statements in accordance with the Hong Kong Financial Reporting Standards:

Table 1: Financial highlights of the Company

<i>US\$ in thousands ('000)</i>	2017	2018	2019	1H20
	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Unaudited</i>
Revenue	1,476,670	1,807,819	712,209	97,454
<i>% Change</i>	<i>61%</i>	<i>22%</i>	<i>(61%)</i>	
Profit (loss) attributable to Shareholders	41,452	72,252	(110,230)	(5,331)
<i>% Change</i>	<i>(170%)</i>	<i>74%</i>	<i>(253%)</i>	
<i>US\$ in thousands ('000)</i>	2017	2018	2019	1H20
	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Unaudited</i>
Cash and bank balances	234,774	119,879	119,032	109,065
Total assets	1,634,455	1,399,983	673,412	640,753
Total borrowings	427,760	380,436	23,584	15,635
Total equity attributable to Shareholders of the Company	574,199	656,697	525,810	475,437

We note the following points in relation to the data presented above in Table 1:

- (i) Decrease in revenue

Revenue represents sales generated from the Company's operations from the manufacturing of containers and the provision of logistics services. The reduction of revenue from approximately US\$1,808 million (as of 31 December 2018) to approximately US\$712

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

million (as of 31 December 2019) was mainly due to a substantial disposal of the Company's various subsidiaries which mainly produced dry freight containers and refrigerated containers, in line with the Company's strategy to de-risk the Company and pivot towards manufacturing specialised containers. The Company's revenue declined by approximately 61% for the year ended 31 December 2019, as compared to a year-on-year increase of approximately 61% and approximately 22% for the year ended 31 December 2017 and 31 December 2018 respectively. The Company also saw a decline in average selling prices ("ASP") of container sold due to a combination of drop in material costs, soft demand due to trade tensions between the PRC and the USA, as well as intense competition. This resulted in the reduction of the ASP of a twenty-foot dry freight container from US\$2,157 in 2018 to US\$1,779 in 2019, as well as the decline of total sales volume from 841,615 twenty-foot equivalent units ("TEUs") in 2018 to 340,304 TEUs in 2019. For the six months ended 30 June 2020, the total revenue amounted to approximately US\$97 million under the current COVID-19 situation and the ongoing Sino-US trade dispute.

(ii) Net (loss)/profit attributable to Shareholders

Net loss attributable to Shareholders of approximately US\$110 million was recorded for the year ended 31 December 2019, comparing to a net profit attributable to Shareholders of approximately US\$72 million for the year ended 31 December 2018. The net loss in 2019 was mainly due to an approximately US\$29 million non-recurring loss in relation to the gain on disposal of subsidiaries net of correlated capital gain tax, write-down of right-of-use assets and property, plant and equipment and other fixed assets related expenses, as well as the lack of gain on disposal of subsidiaries experienced in 2018. Net loss attributable to Shareholders for the six months ended 30 June 2020 was approximately US\$5 million, which was mainly due to a narrower loss from operations and lower finance costs.

(iii) Decrease in total borrowings in 2019

The decrease in total borrowings from approximately US\$380 million (as of 31 December 2018) to approximately US\$24 million (as of 31 December 2019) was mainly due to the net cash inflow from the aforementioned substantial disposal being applied to the repayment of borrowings.

(iv) Decrease in total assets and total equity attributable to Shareholders of the Company

The decrease in total assets from approximately US\$1,400 million (as of 31 December 2018) to approximately US\$673 million (as of 31 December 2019) was mainly due to the aforementioned substantial disposal, as well as a related decrease in inventories from approximately US\$222 million in 2018 to approximately US\$76 million in 2019.

The decrease in total equity attributable to Shareholders of the Company from approximately US\$657 million (as of 31 December 2018) to approximately US\$526 million (as of 31 December 2019) and approximately US\$475 million (as of 30 June 2020) was mainly due to the net losses to Shareholders for the year ended 31 December 2019 and the six months ended 30 June 2020, as well as the increase in dividends paid to Shareholders of the Company from approximately US\$7.7 million (for the year ended 31 December 2018) to

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approximately US\$21.7 million (for the year ended 31 December 2019). Dividends declared and approved for the first half of 2020 amounted to approximately US\$40.5 million, relating to a special dividend in respect of the aforementioned substantial disposal in 2019.

In conclusion, we concur that the difficulties faced in the container shipping industry, ongoing economic headwinds and the evolving global trade complexity have put significant pressure on the business of container manufacturing, and thus negatively impacted the Company's overall financial results in the past few years. In addition, we also concur that the increasingly complex global trade environment, supply chain localisation due to political or economic factors, escalating US-China tensions and the COVID-19 pandemic have caused and may continue to cause disruptions to the global container shipping industry, which may further affect the Company's financial performance in future.

1.2 Information on the PIL Group

PIL is a company incorporated in Singapore with limited liability. Headquartered in Singapore and founded in 1967, the PIL Group is a containership operator which offers container liner services and other logistics related services globally and operates a fleet of vessels.

Based on the unaudited consolidated financial information of PIL Group prepared in accordance with Singapore Financial Reporting Standards (International) as of 30 June 2020, the cash and short-term deposits amounted to approximately US\$159 million. Set out below are the key unaudited consolidated financial information of PIL Group for the six months ended 30 June 2020 and for the year ended 31 December 2019 according to the Noteholder Announcements.

Table 2: Financial highlights of the PIL Group

	For the financial year/period ended,	
	31 December 2019	30 June 2020
	<i>(US\$'000)</i>	<i>(US\$'000)</i>
Cash and short-term deposits	218,718	159,045
Current Assets	1,399,796	587,743
Current Liabilities	2,288,268	2,526,044
Net loss after tax	850,079	119,913
Net cash outflow	9,806	59,642

From the summary financial information of PIL Group shown above, it is clear that there had been a significant deterioration in PIL Group's liquidity. The net current liabilities of PIL Group increased from approximately US\$888 million as at 31 December 2019 to approximately US\$1,938 million as at 30 June 2020, indicating that PIL Group may not be able to meet its immediate liabilities with its current assets. Also, we note that there has been a net cash outflow for PIL Group for the six months ended 30 June 2020 and for the year ended 31 December 2019, demonstrating a historical trend of diminishing cash. The consolidated net loss of PIL Group has been recurring for the six months ended 30 June 2020 and for the year ended 31 December 2019, showing that PIL Group is suffering from losses in its operation for the two periods. According to

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the Noteholder Announcements, PIL has determined that it is not commercially feasible to make payments under its notes in November 2020. In summary, we are of the view that PIL Group is suffering from financial distress currently.

According to the Noteholder Announcements, the Company could expect to recover approximately 2% of the principal amount of the trade receivables owed by PIL in the event of PIL being liquidated, according to analysis provided by a third-party advisor.

In conclusion, we are of the view that PIL is currently in financial distress and the Company would be likely to recover approximately 2% of the principal amount of approximately US\$149.7 million of receivables in the case of PIL's liquidation.

1.3 Information on Heliconia

Heliconia is an investment company incorporated in Singapore and a wholly owned subsidiary of Temasek. Heliconia provides capital to Singapore headquartered companies, helping them become globally competitive companies. Heliconia is an independently-managed Temasek portfolio company. Temasek is not involved in Heliconia's business or operational decisions.

Temasek is an investment company headquartered in Singapore.

2. Potential Investment by Heliconia entity(ies) into the controlling shareholder of the Company

The Board was informed by PIL that, further to the interim funding already provided by Ivy 1 Investments VCC (an entity managed and controlled by Heliconia, which in turn is an independently managed wholly-owned subsidiary of Temasek) to PIL, PIL and Heliconia are in discussion in relation to a proposed further financing by way of an investment by one or more entities managed and controlled by Heliconia into PIL directly or indirectly (through a newly-incorporated holding company ("NewCo") which will hold shares in PIL and certain sister companies of PIL). According to PIL, no definitive agreement had been entered into between PIL and Heliconia in relation to such investment as at the Latest Practicable Date and if the Heliconia Agreement is entered into, the consummation of the transactions contemplated thereunder will be subject to conditions precedent including the inter-conditionality with the Deed and the PIL Debt Re-profiling. Further announcement(s) in relation to the aforesaid proposed investment by one or more entities managed and controlled by Heliconia into PIL directly or indirectly will be made as and when appropriate.

In furtherance of the PIL Debt Re-profiling, PIL filed an application on 10 November 2020 pursuant to Section 210 of the Companies Act (Chapter 50) of Singapore for leave to convene a meeting of creditors to consider the PIL Scheme of Arrangement. According to PIL, PIL is seeking to hold the relevant scheme meeting by January 2021 and obtain the Singapore court's sanction of the PIL Scheme of Arrangement thereafter. PIL further advises that if the PIL Scheme of Arrangement is sanctioned by the Singapore court, PIL anticipates to have access to financing of up to US\$600 million from entities managed and controlled by Heliconia.

The Board further wishes to update Shareholders that it has confirmed that no obligation to make an offer to the Shareholders in accordance with Note 8 to Rule 26.1 of the Code will be triggered on completion of the investment by Heliconia into the NewCo Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Overview of the container shipping industry

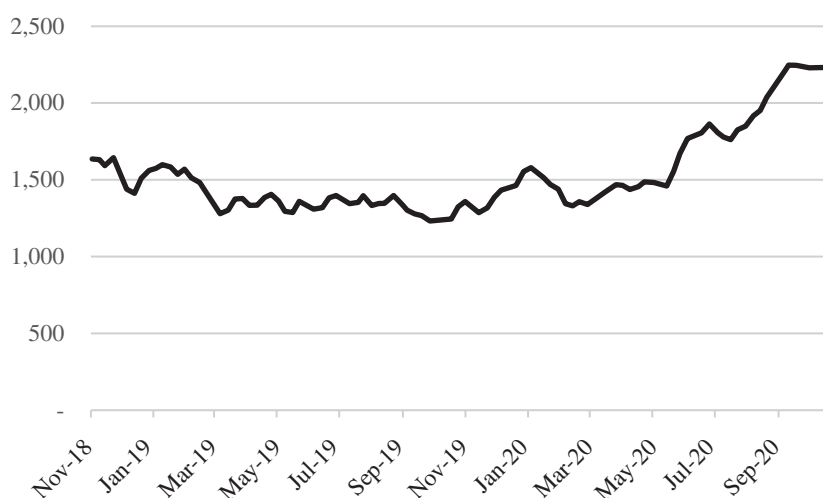
3.1 Overview of macro-economy and risks

The container shipping industry has often been referred to as the backbone of modern international trade. Its intermodal and standardised nature allows for transportation on different modes such as ships, trains and trucks, resulting in cost efficiency. Given that PIL and the Company are primarily engaged in the provision of container shipping and container manufacturing respectively, we herewith set out certain background information on global trade and container freight rates.

According to the United Nations Conference on Trade and Development¹ (“UNCTAD”), global trade is expected to fall by 7% in 2020 due to economic and social disruptions brought about by COVID-19. Although global trade in the third quarter of 2020 has rebounded significantly from the second quarter’s bottom of a 19% contraction year-on-year, growth has remained negative at about -4.5% year-on-year. UNCTAD also highlighted China’s diverging trade patterns from the rest of the world, with the first nine months exports in 2020 being comparable to the same period in 2019. However, freight rates have increased significantly over 2020, driven by a reacceleration of trade volumes and proactive supply discipline by large players.

While we acknowledge the impact of COVID-19 on the global economy, we note that there are several mitigating factors, such as the recovery currently under way. We also note that a China-led Asia recovery would benefit both PIL and the Company, as Asia is the primary geographical contributor of their total revenues at approximately 38% and 59% respectively². Significant risks include a resurgence of COVID-19 cases, a delay in the approval and distribution of COVID-19 vaccines, supply chain localisation from trade tensions and deterioration of freight rates due to oversupply.

Exhibit 1: Global container freight rate index³



¹ Source: https://unctad.org/system/files/official-document/ditcinf2020d4_en.pdf

² According to the latest publicly available audited financial statements, being FY18 for PIL and FY19 for the Company

³ Source: <https://fbx.freightos.com/>

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4. Reasons for, and benefits of, the Deed stated by the management

4.1 *The PIL Group*

Set out below is a summary about the PIL Group's updated situation and information as extract from the PIL Announcements and as advised by PIL:

General overview

- The years 2018 to 2020 have been challenging for the container shipping industry in which the PIL Group is engaged, with the downturn further exacerbated by the prolonged impact of the COVID-19 pandemic.
- During the period, PIL has undertaken a review to explore available solutions to enhance business prospects, improve liquidity and optimise its capital structure. It has also been in discussions with financial lenders on a debt re-profiling plan and entered into a principal and interest moratorium in the second quarter of 2020.
- However, the global economy and market volatility continued to deteriorate amidst a COVID-19 induced recession. As such, PIL is facing tremendous strain on its liquidity, which threatens its ability to operate as a going concern.
- In order to recapitalise its business, PIL entered into exclusive discussions with Heliconia (a wholly-owned subsidiary of Temasek) in May 2020 for its potential investment into PIL, as part of a broader, holistic comprehensive financing package.

The PIL Debt Re-profiling

- Since then, PIL has exerted its utmost efforts over the past months to negotiate a final restructuring package with Heliconia and PIL's creditors, in order to reach a consensus on key terms. The final restructuring package, where implemented, will include an investment from one or more entities managed and controlled by Heliconia, which will be undertaken in conjunction with the PIL Debt Re-profiling in order to right size PIL's capital structure to a sustainable level.
- PIL has substantially completed the negotiations with Heliconia and its financial lenders and has commenced the process to implement the PIL Debt Re-profiling via PIL Scheme of Arrangement.
- The PIL Scheme of Arrangement is a statutory procedure in Singapore which allows a company to agree on a compromise or arrangement with parties to whom it owes obligations towards and for the terms of that compromise or arrangement to bind any non-consenting minority parties.
- For the purpose of the PIL Scheme of Arrangement, an application has been filed with the Singapore court on 10 November 2020 for convening the scheme meeting.

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Potential comprehensive financing package from Heliconia

- As at the Latest Practicable Date, an entity managed and controlled by Heliconia had already provided a US\$112 million emergency credit facility to PIL on an interim basis.
- The aforesaid emergency credit facility only provides temporary reprieve on cash flow constraints, while PIL's capital structure requires a holistic restructuring solution. Therefore, with a view to provide a holistic resolution for PIL's long term sustainability, PIL endeavours to agree on a comprehensive financing package (which will also be applied to repay the aforesaid emergency credit facility), comprising a mix of debt and equity investment. PIL expects that upon completion, an entity managed and controlled by Heliconia will own a major economic interest in PIL directly or indirectly.

Major terms of the PIL Debt Re-profiling

PIL contemplates that under the PIL Debt Re-profiling:

- **Secured claims**

The debt facilities provided by the secured lenders will be re-sized to 100% of the collateral value. Debt service will be subject to debt service waterfall.

- **Unsecured/under-secured claims**

This includes claims by (i) holders of the PIL Notes which are listed on SGX-ST; (ii) secured lenders in respect of their under-secured claims; and (iii) unsecured creditors.

PIL expects that, unless otherwise pursuant to bilateral agreements (e.g. the Deed), the unsecured/under-secured claims will be converted into perpetual securities of PIL (the "**PIL Perps**") under two options (namely Option A and Option B). The PIL Perps will not be subject to any fixed maturity date, i.e. no definitive repayment date. The PIL Perps are redeemable with accrued and cumulated distribution at PIL's election. Cash distribution is deferred for at least 6 years (for Option A) or at least 5 years (for Option B) (unless a public offering of the ordinary shares of PIL for the purpose of and in connection with the admission of PIL on any securities exchange is completed at an earlier date) and the payment of each annual cash distribution (if any) will be subject to debt service waterfall. The PIL Perps are senior to, *inter alia*, equity (including Heliconia's equity, if the investment is implemented) but is junior to all financial indebtedness of PIL.

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Here is an overview of the two options of the PIL Perps for election by the holders of unsecured/under-secured claims who will receive the PIL Perps (and they can choose a combination of both options):

Allocation	Option A US\$1 of PIL Perps issued for every US\$1 of claim	Option B US\$1 of PIL Perps issued for every US\$2 of claim
Year 1 distribution	1% non-cash	5% non-cash
Year 2 distribution	1% non-cash	5% non-cash
Year 3 distribution	2% non-cash	5% non-cash
Year 4 distribution	2% non-cash	5% non-cash
Year 5 distribution	3% non-cash	5% non-cash
Year 6 distribution	3% non-cash	6% cash
Year 7 distribution	3% cash	6% cash
Year 8 distribution	5% cash	6% cash
Year 9 distribution	5% cash	7% cash
Year 10 distribution and onwards	5% cash	8% cash

Notes:

- (1) Non-cash distribution (as well as cash distribution that PIL has elected not to pay on the relevant distribution payment date by giving notice in accordance with the terms and conditions of the PIL Perps) will be added to the principal amount and shall bear interest as if it is constituted part of the principal amount of the PIL Perps as from the relevant distribution payment date. For the avoidance of doubt, even where a distribution is described as a cash distribution, it is deferrable at the option of PIL.
- (2) In the event that an unsecured/under-secured creditor fails to elect to receive any of the PIL Perps (Option A), PIL Perps (Option B) or a combination thereof on or before the date of the meeting to be convened in respect of the PIL Scheme of Arrangement, he or she shall be deemed to have elected to receive the PIL Perps (Option B).
- (3) PIL contemplates that the PIL Perps will be tradable over-the-counter, which means the securities are traded via a broker-dealer network, as opposed to being listed on and traded via a formal exchange.

The PIL Scheme of Arrangement

- The PIL Scheme of Arrangement is a statutory procedure in Singapore under the Singapore laws which allows a company to agree on a compromise or arrangement with parties to whom it owes obligations towards and for the terms of that compromise or arrangement to bind any non-consenting minority parties.

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- According to the approval threshold, the PIL Scheme of Arrangement is subject to: (i) approval by a majority in number representing at least 75% in value of each class of scheme creditors present and voting at each scheme meeting and sanction by the Singapore court; and if not approved pursuant to (i), it shall be subject to: (ii) approval by a majority in number representing at least 75% in value of at least one class of scheme creditors and approved by a majority in number representing at least 75% in value of all scheme creditors and sanction by the Singapore court. In the case of (ii), the Singapore court must also be satisfied that the PIL Scheme of Arrangement does not unfairly discriminate between the classes of scheme creditors and is fair and equitable to each dissenting class.
- PIL expects that, subsequent to the application that has been filed with the Singapore court on 10 November 2020 for convening the scheme meeting for the PIL Scheme of Arrangement, the notice for such scheme meeting will be issued in December 2020 for the meeting to be convened in January 2021. If the relevant approval threshold is met, PIL endeavours that there will be a Singapore court hearing to sanction the PIL Scheme of Arrangement in February 2021. The above timetable and procedures are indicative only and subject to such modification as the Singapore court may, in its discretion, determine. Any court hearing date will also be subject to the court's availability.
- PIL has currently obtained the in-principle support of majority of the creditors who it envisages to be parties to the PIL Scheme of Arrangement for the filing of the application that was filed on 10 November 2020.

PIL's view and urge for support for the PIL Debt Re-profiling in the interests of the stakeholders as a whole

- In light of the pressures facing the container shipping industry, PIL considers that in the absence of a comprehensive restructuring under the PIL Debt Re-profiling (including a comprehensive financing package from Heliconia), liquidation may ensue. In a liquidation scenario, any value to unsecured claim holders will be based on any surplus after secured creditors' claim. In light of the current circumstances, under a liquidation scenario, the amount of recovery (if any) is likely to be significantly depressed, and even if any recovery is possible, the timing of such recovery would be highly uncertain.
- PIL also considers that the additional financing which one or more entities managed and controlled by Heliconia can provide and a recalibration of PIL's capital structure is necessary for PIL to continue operating as a going concern, which will as a whole allow it to emerge as a stronger and better-capitalised enterprise.
- In addition, PIL believes that, if the investment by one or more entities managed and controlled by Heliconia into PIL is implemented, it will benefit from having such entity or entities as a significant stakeholder of PIL.

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4.2 The view from the Company's perspective

According to the Deed which is a bilateral agreement between the Company and PIL, the Group is entitled to recover the full amount of the Outstanding Amount, together with interest, arising from the relevant outstanding receivables with a specified repayment schedule, without the need to convert such amount or any part thereof into PIL Perps without any specified repayment schedule. In the absence of such repayment proposal, under the PIL Scheme of Arrangement as part of the PIL Debt Re-profiling, the claims of the Company (as one of the unsecured/under-secured creditors under such scheme) will be converted into PIL Perps. In this respect, the Company considers that, as a vendor of the PIL Group (as contrast from an investor or financier of the PIL Group), it is relatively desirable for the Outstanding Amount (with interest) to be repaid in full by way of a fixed repayment schedule as contemplated under the Deed, as compared to the conversion of such amount (either in full or reduced by half under the different options) into PIL Perps, taking into account the Deed provides certainty on the future cash flows to the Company with interest income; the Outstanding Amount under the Deed is senior to the PIL Perps and the amounts owed to the Company under the Deed will be fixed payments not subject to the debt service waterfall or PIL's election to defer distribution. As such, the amounts owed to the Company under the Deed shall be treated in priority in right of payment vis-à-vis the PIL Perps.

According to PIL the PIL Debt Re-profiling coupled with a financing by a reputable investor, if consummated as contemplated, will strengthen PIL's financial position and be beneficial to its stakeholders as a whole. PIL is also of the view that such a debt profiling and financing will also provide certainty to the Group in the recovery of the Outstanding Amount under a repayment schedule at a level sustainable to the PIL Group.

The interest rate of the Ordinary Interest was negotiated by the parties on an arm's length basis taking into account factors including global business environment, the yield on long-term US Treasury note, the rate of return to the Company and the Company's cost of fund, as well as the terms and conditions under and circumstances surrounding the PIL Debt Re-profiling as a whole. The Directors consider the rate of the Ordinary Interest is fair and reasonable and in the interests of the Company and the Shareholders as a whole as the Ordinary Interest represents a stable income for the Company, in particular taking into account the fact that the current benchmark yield rate on 10-year US Treasury note is less than 1.0% and the fluctuating business performance of the Company.

Taking into account relevant factors including the above considerations, as well as the global COVID-19 pandemic and the outlook of the global economy as a whole, the Directors (including the independent non-executive Directors whose views have been set out in this circular after taking into consideration the advice of the Independent Financial Adviser) consider that the terms of the Deed are fair and reasonable and on normal commercial terms, and the transactions and arrangements contemplated under the Deed are in the interests of the Company and the Shareholders as a whole.

According to the Deed, the Outstanding Amount does not include the Excluded Amount which, in respect of any claims that the Group have or may have against the PIL Group, refers to the amount receivable by the Group from the PIL Group under the Master Services Contract 2020. The parties to the Deed did not include the Excluded Amount as part of the repayment arrangement under the Deed having considered that pursuant to the Master Services Contract 2020, PIL shall provide a deposit of HK\$2,500,000 as security money for the settlement of the fees for the

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Container Depot and Logistics Services to be provided by the Group to the PIL Group pursuant to the Master Services Contract 2020 and such deposit has been provided by PIL accordingly. In respect of the Excluded Amount, as at 30 September 2020, an amount of approximately US\$498,000 was payable by the PIL Group to the Group under the Master Services Contract 2020 and such amount was not overdue at the time and had been subsequently settled. Under the Master Services Contract 2020, the Group would invoice the PIL Group for the Container Depot and Logistics Services on a monthly basis and the PIL Group shall pay the invoices within ten days of the day of the issuance of such invoice. The Company will monitor the amount payable by the PIL Group to the Group under the Master Services Contract 2020 from time to time (including the overdue amount, if any) and take into account the deposit provided by PIL in reviewing the credit risks arising from the on-going transactions with the PIL Group under such contract.

The Excluded Amount also includes any amount due and/or owing from the Group to the PIL Group, which essentially refers to any warranty claims that the PIL Group may have against the Group in respect of the Equipment supplied by the Group to the PIL Group. As at the date of the Deed and the Latest Practicable Date, there was no such claim by the PIL Group against the Group.

5. Principal terms and conditions of the Deed

Date: 4 November 2020 (before trading hours)

Parties: (a) PIL;
(b) the Company;

Repayment schedule of the Relevant Amount: PIL (on behalf of the PIL Group) shall pay to the Company (on behalf of the Group) the Relevant Amount by repaying on each repayment date the repayment instalments as set out below:

No.	Due date for payment (each a "Repayment Date")	Amount to be paid (US\$)
1.	31 December 2021	2,500,000
2.	31 December 2022	2,500,000
3.	31 December 2023	5,000,000
4.	31 December 2024	5,000,000
5.	31 December 2025	7,500,000
6.	31 December 2026	7,500,000
7.	31 December 2027	10,000,000
8.	31 December 2028	10,000,000
9.	31 December 2029	15,000,000
10.	31 December 2030	84,696,984
Total		149,696,984

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Note: The Capitalised Amount (as defined below) shall be paid on the 10th Repayment Date, namely 31 December 2030, in addition to the repayment of US\$84,696,984.

Interest:

Interest shall accrue on the unpaid portions of the Relevant Amount from time to time, at the rate of 1.5% per annum (the “**Ordinary Interest**”), and shall be paid by PIL to the Company as follows:

- (a) All Ordinary Interest accruing on the unpaid Relevant Amount up to and including each Repayment Date falling on or before 31 December 2023 shall be capitalised on such Repayment Date (such capitalised amount being the “Capitalised Amount”) and shall form part of the Relevant Amount and shall itself accrue Ordinary Interest.
- (b) After 31 December 2023, all Ordinary Interest accruing from time to time on the unpaid Relevant Amount (including Capitalised Amount) up to (and including) a Repayment Date falling after 1 January 2024 shall be paid by PIL on such Repayment Date.

The Capitalised Amount shall be paid on 31 December 2030.

Default interest:

If PIL fails to pay any amount payable by it under the Deed on its due date, default interest shall accrue (in addition to the Ordinary Interest) on the overdue amount from the due date up to the date of actual payment at a rate of 2.5% per annum. Any such interest shall be immediately payable by PIL on demand by the Company.

Conditions precedent:

The aforesaid repayment arrangement shall be effective on and from the date on which the certain conditions are satisfied, including (among other things):

- (i) The sanction of the PIL Scheme of Arrangement by the High Court of the Republic of Singapore pursuant to Section 210 of the Companies Act (Chapter 50) or Section 70 or 71 of the Insolvency, Restructuring and Dissolution Act 2018;
- (ii) The completion of the investment by one or more entities managed and controlled by Heliconia into PIL (directly or indirectly) on terms to be agreed between those entities; and
- (iii) Approval of the Deed and the transactions and arrangements contemplated hereunder by the Independent Shareholders.

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The effective date cannot occur later than 5:00 pm (Singapore time) on 31 March 2021 or such later time as the Company and PIL may agree in writing. If the effective date has not occurred on or before such long stop date, the Deed shall terminate and cease to have any further force and effect, the terms of and the obligations of the parties under the Deed shall lapse, all the compromises and arrangements provided by the Deed shall be of no effect and shall be construed as if it had never become effective, and the rights and obligations of the Group in respect of the Outstanding Amount shall not be affected and shall remain in full force and effect.

Events of default:

An event of default occurs if, after the effective date of the Deed:

- (i) PIL fails to pay when due and payable any sum payable under the relevant payment clause of the Deed unless such payment is made within 60 days from the date on which such sum is due under the Deed, subject to the set-off provision of the Deed;
- (ii) any order is made by any competent court, or any resolution is passed by PIL, for the appointment of a liquidator or judicial manager over PIL; or
- (iii) it becomes unlawful for PIL to perform any of its obligations under the Deed and such unlawfulness materially and adversely affects the interests of the Company under the Deed.

On or at any time following the occurrence of any event of default which is continuing the Company may, among other things, serve on PIL a notice stating that the Relevant Amount, any accrued interest and all other amounts accrued or owing under the Deed are immediately due and payable.

Set-off:

Subject to the consent as described in the next paragraph having been obtained, in addition to any rights and remedies of the Company provided by the Deed and by law, the Company shall have the right in its sole discretion, without prior notice to PIL, any such notice being expressly waived by PIL to the extent permitted by applicable law, to set-off any due but unpaid obligation owed by PIL under the Deed against any dividends that may be declared by the Company for the Shareholders from time to time (including entity(ies) within PIL Group which is/are or otherwise will be Shareholder(s) (including by way of holding the Shares through nominee(s) of the Company)). In the event that any such set-off occurs within 60 days from the date on which any sum becomes due and payable under the Deed, any amount so set-off shall be deemed to have been made in satisfaction of the same amount due and payable by PIL under the Deed.

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If PIL is prohibited from agreeing to grant the rights of set-off to the Company under any of its financing arrangements entered into prior to the date of the Deed, PIL shall use reasonable endeavours to obtain the necessary consents from its counterparties to allow for this set-off provision. Until such time as such consent has been obtained by PIL, the Company agrees not to exercise its contractual rights to set-off but shall not be precluded from exercising any rights of set-off permitted under any applicable law. As advised by PIL, as at the Latest Practicable Date, such consent has not yet been obtained by PIL from the relevant lenders.

6. Analysis of the Deed

In order to assess the fairness and reasonableness of the Deed, we have attempted to analyse factors which are related to the current status of the trade receivables owed by PIL to the Company, the terms in the Deed and the alternative outcomes.

The original principal amount of the trade receivables owed by PIL to the Company (the Relevant Amount) as of 30 June 2020 was approximately US\$149.7 million, which is slightly lower than the total market capitalisation of the Company of approximately US\$168.4 million quoted from Bloomberg as at the Latest Practicable Date. According to the Company's financial information, the Company has recently incurred net losses for the year ended 31 December 2019 and the six months ended 30 June 2020 and the cash and cash equivalent as at 30 June 2020 stands at approximately US\$109 million. With these statistics in mind, we are of the opinion that the Deed provides a definitive repayment schedule for the Company to recover the full amount owed by PIL, the recovery of which is important to the continued financial stability of the Company.

We note that the Deed will recover the full amount of approximately US\$149.7 million in contrast to the possibility of only recovering approximately 2% in the case of PIL's liquidation as a result of its financial distress. We also note that the Deed will be interest bearing, with interest of 1.5% p.a. accruing, while the Deed also provides for a default interest rate of 2.5% on overdue amounts according to the repayment schedule. We are in a view that the Deed provides a financially attractive and certain schedule of full recovery of the amount owed by PIL of approximately US\$149.7 million. According to the Management of the Company, the amount owed from PIL was accumulated over the past years and overdue for a period of time. Given the relative low interest rate environment and the recent financial difficulty of PIL, we are of the view that an interest rate of 1.5% p.a. is fair and reasonable and in the interests of the Company and Shareholders as a whole. We would note that the interest accrual of approximately US\$19.7 million will result in a positive impact on the overall net profit or loss being recognized by the Company, and that, in a relatively low interest rate environment, the rate of 1.5% seems both commercial and reasonable. Therefore, we are of the view that the Settlement Deed, which provides a full recovery of the Relevant Amount with an interest rate of 1.5% p.a. is fair and reasonable and in the interests of the Company and Shareholders as a whole.

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We are aware of the PIL Scheme of Arrangement, although the full details of the arrangements have not been announced publicly; however some information has been made available in the Circular and the Noteholder Announcements, to the effect that perpetual securities issued by PIL may be offered to the unsecured and under-secured lenders and creditors of PIL in the event that the PIL Scheme of Arrangement is sanctioned by the Singapore courts, which requires (i) approval by a majority in number representing at least 75% in value of each class of scheme creditors present and voting at each scheme meeting; and if not approved pursuant to (i), it shall be subject to: (ii) approval by a majority in number representing at least 75% in value of at least one class of scheme creditors and approved by a majority in number representing at least 75% in value of all scheme creditors. In the case of (ii), the Singapore court must also be satisfied that the PIL Scheme of Arrangement does not unfairly discriminate between the classes of scheme creditors and is fair and equitable to each dissenting class. According to the Circular, the PIL Perps are senior to equity (including Heliconia's equity, if the investment is implemented) but are junior to all claims of senior creditors of PIL and therefore provides a lower degree of assuredness for the Company to recover the full Relevant Amount compared to the Deed. As this process is still ongoing, and is not expected to be sanctioned by the Singapore Court until February 2021, we would consider that there remains a significant level of uncertainty over the final terms of the Scheme of Arrangement of PIL. We would also observe that, in the event that the Company's independent shareholders determine to vote against the Deed at the EGM, the trade receivables currently owed by PIL to the Company may become a part of the PIL Scheme of Arrangement if it is sanctioned by the majority of PIL's creditors. Therefore, we are of the opinion that the outcome of the PIL Scheme of Arrangement currently contains a significant level of uncertainty for the Company due to the limited details of the Scheme currently in the public domain and that the PIL Perps will provide a lower degree of assuredness for the company to recover the full Relevant Amount due to the lower ranking of PIL Perps compared to the Deed.

We would also note that PIL expects that the PIL Perps will be traded in the over-the-counter market, which might provide an opportunity for recipients of the PIL Perps to liquidate their exposure more rapidly rather than waiting for redemption, which we note is at the option of PIL. We would however be concerned that uncertainty in relation to the likely future liquidity of the PIL Perps would make it difficult for the Company to assess whether the PIL Perps might be a viable alternative to the Deed.

In conclusion, we are of the view that the Deed is fair and reasonable as it provides (i) a definitive repayment schedule, (ii) a relatively financially attractive and predictable schedule for full recovery of the outstanding amount and (iii) enables the Company to reduce the level of uncertainty over the outcome of the PIL Scheme of Arrangement, and the resulted lower degree of assuredness for full recovery of the full Relevant Amount for the Company.

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7. Financial impact of the Deed

7.1 *Effect on the net asset value (“NAV”)*

According to the 2020 Interim Report, the NAV of the Company was approximately US\$475 million as at 30 June 2020. We understand that, from an accounting perspective, the transactions and arrangements contemplated under the Deed will constitute a modification of financial assets, pursuant to which the existing trade receivables would be derecognised and a new financial asset in respect of the Outstanding Amount would be recognised at fair value at the date of modification, where the difference would be recognised in profit or loss. Based on the information available so far and subject to finalisation, the Company currently expects that such de-recognition of trade receivables will cause a loss of not less than US\$10 million to the Company. However, the actual amount of such loss can only be fully ascertained at the date of modification. The actual loss may vary from the current estimation since the effective interest rate of such new financial asset at the date of modification is dependent on a number of factors, including the global interest rate environment, credit rating and business performance of PIL after the proposed debt restructuring and other factors that may prevail at the date of the modification. For the purpose of the aforesaid, the date of modification shall be the date on which the Deed having become unconditional in all respects. Depending on the date of such modification, the loss arising from the de-recognition of trade receivables would be reflected (and may have a material adverse effect) on the financial results of the Company for the year ending 31 December 2020 or the year ending 31 December 2021, resulting in a negative impact to the NAV of the Group.

7.2 *Effect on the earnings*

According to the 2020 Interim Report and 2019 Annual Report, the Group recorded revenue of approximately US\$97 million and a net loss for six months ended 30 June 2020 of approximately US\$5.3 million, and a revenue of approximately US\$712 million and a net loss of approximately US\$110 million for the year ended 31 December 2019, respectively.

We understand that, from an accounting perspective, the transactions and arrangements contemplated under the Deed will constitute a modification of financial assets, pursuant to which the existing trade receivables would be derecognised, and a new financial asset in respect of the Outstanding Amount would be recognised at fair value at the date of modification, where the difference would be recognised in profit or loss. Based on the information available so far and subject to finalisation, the Company currently expects that such de-recognition of trade receivables will cause a loss of not less than US\$10 million to the Company. However, the actual amount of such loss can only be fully ascertained at the date of modification. The actual loss may vary from the current estimation since the effective interest rate of such new financial asset at the date of modification is dependent on a number of factors, including the global interest rate environment, credit rating and business performance of PIL after the PIL Debt Re-profiling and other factors that may prevail at the date of the modification. For the purpose of the aforesaid, the date of modification shall be the date on which the Deed becomes unconditional in all respects. Depending on the date of such modification, the loss arising from the de-recognition of trade receivables would be reflected (and may have a material adverse effect) on the financial results of the Company for the year ending 31 December 2020 or the year ending 31 December 2021, resulting in a negative impact in the consolidated income statement of the Group.

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Following the recognition of the new financial asset in respect of the Relevant Amount, the new financial asset will bear an interest rate of 1.5% per annum until the end of 31 December 2030, where the full original principal amount has been repaid. Such annual interest income will be recognised in the consolidated income statement of the Group for the years ending from 31 December 2021 to 31 December 2030.

Therefore, we are of the view that the Deed will have a material impact on the earnings of the Group for the year ending 31 December 2020 or the year ending 31 December 2021 depending on the date of such modification; however it will not have an overall material impact over the ten-year repayment period of the Deed.

7.3 Effect on the Group's cash and working capital

As disclosed in the 2020 Interim Report, the Group had net current assets of approximately US\$137 million (including cash and cash balances of approximately US\$109 million) as at 30 June 2020. As the Relevant Amount due from PIL is already recognised under non-current assets, there is no expected impact upon the Group's cash and working capital. Hence, we understand from the management of the Company that the loss arising from the de-recognition of trade receivables is non-cash in nature and will not result in any material adverse effect on the cash flows and the working capital of the Group.

In light of:

- (i) a negative impact on the NAV of the Group;
- (ii) no material long term adverse impact on the earnings of the Group;
- (iii) no material adverse impact on the cash position;
- (iv) no material adverse impact on the working capital of the Group,

we are of the view that the Deed will have an overall negative financial effect on the Group, but is nevertheless in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

We have considered the above principal factors and reasons and, in particular, having taken into account the following in arriving at our opinion:

- (i) PIL is currently in financial distress and the Company would be likely to recover approximately 2% of the principal amount of approximately US\$149.7 million in the event of PIL's liquidation.
- (ii) the Deed provides a definitive repayment schedule, which is relatively financially attractive and provides certainty to the Company of full recovery of the outstanding amount, in contrast to the current relatively high level of uncertainty around the outcome of the PIL Scheme of Arrangement, the lower degree of assuredness of recovering the full Relevant Amount from the PIL Perps, and therefore the outstanding amount owed by PIL; and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(iii) the Deed will have an overall negative financial effect on the Group but is nevertheless in the interests of the Company and the Shareholders as a whole.

Having considered the above, we are of the view that the terms of the Deed are on normal commercial terms and in the ordinary course of business of the Group and are fair and reasonable as far as the Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Yours faithfully,
For and on behalf of
Platinum Securities Company Limited
Liu Chee Ming
Managing Director

Mr. Liu Chee Ming is a licensed person registered with the Securities and Futures Commission and as responsible officers of Platinum Securities Company Limited to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. Mr. Liu Chee Ming has over thirty years of experience in corporate finance 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 to the best of their knowledge and belief that 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. DISCLOSURE OF DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or (ii) were required pursuant to Section 352 of the SFO to be entered in the register referred to therein, or (iii) were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) to be notified to the Company and the Stock Exchange, were as follows:

Ordinary shares of the Company, i.e. the Shares

Name	Capacity	Number of Shares Held			Total Interest	Percentage of Total Issued Shares
		Personal Interest	Corporate Interest	Other		
Mr. Teo Siong Seng	Beneficial Owner	42,377,250	–	–	42,377,250	1.75
Mr. Teo Tiou Seng	Beneficial Owner	196,780	–	–	196,780	0.01
Ms. Chung Pui King, Rebecca	Beneficial Owner	195,291	–	–	195,291	0.01
Mr. Tan Chor Kee (<i>Note</i>)	Spouse Interest	–	–	6,000	6,000	0.00

Note: Ms. Lee Tew Guan, spouse of Mr. Tan Chor Kee holds 6,000 Shares. Mr. Tan Chor Kee is deemed to be interested in 6,000 Shares held by Ms. Lee Tew Guan under the SFO.

All the interests disclosed above represent long position in the Shares.

3. DISCLOSURE OF INTERESTS OF PERSONS WHO HAVE AN INTEREST OR SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO

- (a) As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the following persons (other than a Director or the chief executive of the Company) 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 Shares of		Percentage of Total Issued Shares
		Direct Interest	Indirect Interest	
PIL	(1)	993,825,345	–	41.12
PIL Holdings Pte. Ltd. (“PIL Holdings”)	(1)	–	993,825,345	41.12
Y.C. Chang & Sons Private Limited (“YCCS”)	(2)	–	993,825,345	41.12
Madison Pacific Trust Limited	(3)	–	993,825,345	41.12
Hyder Ahmad	(4)	–	438,452,359	18.14
Broad Peak Investment Management Ltd.	(4)	–	438,452,359	18.14
Broad Peak Master Fund II Ltd.	(4)	438,452,359	–	18.14
Temasek	(5)	–	496,912,673	20.56
Wellington Management Group LLP	(6)	–	143,576,015	5.94

Notes:

- (1) A total of 993,825,345 Shares are directly held by PIL. PIL is 100% owned by PIL Holding. Each of Mr. Teo Siong Seng and Mr. Teo Tiou Seng (each a Director) has certain indirect interest in PIL by virtue of their respective interests in PIL Holdings and at the level of certain shareholders of PIL Holdings.

Each of Mr. Teo Siong Seng, Mr. Teo Tiou Seng, Mr. Tan Chor Kee and Mr. Kwa Wee Keng (each a Director) is a director of PIL and an employee of the PIL Group who also holds directorships within the PIL Group. Mr. Teo Siong Seng is also a director of PIL Holdings and YCCS.

- (2) PIL is a wholly-owned subsidiary of PIL Holdings in which YCCS holds more than one-third of interests in PIL Holdings. Accordingly, YCCS indirectly controls one-third or more of the voting rights in the shareholders’ meeting of PIL, in accordance with SFO, YCCS is deemed to be interested in PIL’s interests in the Company’s issued Shares.
- (3) Madison Pacific Trust Limited is the security agent of the shares pledged by PIL in favour of the third party lenders as security.
- (4) Broad Peak Master Fund II Ltd. is the lender of record which has direct interest on the shares pledged by PIL, Broad Peak Investment Management Ltd holds 100% interest in Broad Peak Master Fund II Ltd. Hyder Ahmad is the ultimate controlling shareholder of Broad Peak Investment Management Ltd.

- (5) Temasek is the indirect sole shareholder of SeaTown Lionfish Pte. Ltd. (“SeaTown”). SeaTown is the lender of record and has direct interest on the Shares pledged by PIL.
- (6) A total of 125,322,282 Shares and 18,253,733 Shares are directly held by Wellington Management Singapore Pte. Ltd. and Wellington Management Company LLP respectively. Wellington Management Global Holdings, Ltd. holds 100% equity interests in Wellington Management Singapore Pte. Ltd. and Wellington Investment Advisors Holdings LLP holds 99.99% equity interests in Wellington Management Company LLP in which Wellington Management Group LLP indirectly holds more than one-third of interests in Wellington Management Global Holdings, Ltd. and Wellington Investment Advisors Holdings LLP respectively. Accordingly, Wellington Management Group LLP indirectly controls one-third or more of the voting rights in the shareholders’ meeting of Wellington Management Singapore Pte. Ltd. and Wellington Management Company LLP, in accordance with SFO, Wellington Management Group LLP is deemed to be interested in Wellington Management Singapore Pte. Ltd.’s and Wellington Management Company LLP’s interests in the Company’s issued Shares.

All the interests disclosed above represent long position in the Shares.

- (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 (i.e. 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	<i>(Note)</i>	13.33%
	Mr. Ng Kam Ming	<i>(Note)</i>	13.33%
Eng Kong Container Services Limited	Mr. Li Hung	<i>(Note)</i>	13.33%
	Mr. Ng Kam Ming	<i>(Note)</i>	13.33%
Singamas Logistics (Qingdao) Co., Ltd.	SITC Logistics (HK) Limited	Registered paid-up capital of US\$2,312,000 (equivalent to approximately HK\$17,918,000)	40%
Shanghai Pacific International Container Co., Ltd.	Everbright Jiabao Co., Ltd.	Registered paid-up capital of US\$3,936,400 (equivalent to approximately HK\$30,507,100)	15.14%

Name of subsidiary of the Company	Name of substantial shareholder	Interest in the share capital/equity interest	Percentage of total issued share capital
	Shanghai Jinjiang Shipping Co., Ltd	Registered paid-up capital of US\$2,600,000 (equivalent to approximately HK\$20,150,000)	10%
	Sinotrans Shanghai (Group) Co., Ltd.	Registered paid-up capital of US\$2,600,000 (equivalent to approximately HK\$20,150,000)	10%
Singamas Container Industry Co., Ltd.	PIL	Registered paid-up capital of US\$1,020,000 (equivalent to approximately HK\$7,905,000)	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 is 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.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, no Director had any existing or proposed service contract with any member of the Group which is not expiring or determinable by the Company within one year without payment of compensation (other than statutory compensation).

5. MATERIAL ADVERSE CHANGE

Save as disclosed in the Company's announcements dated 22 March 2020, 28 September 2020 and 4 November 2020 and in this circular, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2019 (being the date to which the latest published financial statements of the Company have been made up) and up to the Latest Practicable Date.

6. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was 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.

7. DIRECTORS' INTEREST IN COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective close associates had any interest in a business which competed or would likely compete, either directly or indirectly, with the business of the Group pursuant to Rule 8.10 of the Listing Rules.

8. DIRECTORS' INTEREST IN ASSETS

As at the Latest Practicable Date, save as disclosed in the Company's announcements dated 22 March 2020, 28 September 2020 and 4 November 2020 and in this circular, and the announcement dated 14 August 2020, and the Company's annual report for the year ended 31 December 2019:

- (a) none of the Directors had any interest, either direct or indirect, in any assets which have been, since 31 December 2019 (being the date to which the latest published audited accounts of the Group 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; and
- (b) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which is subsisting as at the date of this circular and is significant in relation to the business of the Group.

9. EXPERT AND CONSENT

The following is the name and the qualifications of the professional adviser who has given opinions or advice in this circular:

Name	Qualification
Platinum Securities Company Limited	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Platinum Securities Company Limited has given and has not withdrawn its written consent to the issue of this circular with its letter included in the form and context in which it is included.

As at the Latest Practicable Date, Platinum Securities Company Limited did not hold any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Platinum Securities Company Limited did not have any interest, either direct or indirect, in any assets which have been, since 31 December 2019 (being the date to which the latest published audited consolidated financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

10. MISCELLANEOUS

- (a) The registered office of the Company is 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 company 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.

11. 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 Friday, 11 December 2020:

- (a) the letter from the Independent Board Committee to the Independent Shareholders as set out in this circular;
- (b) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders as set out in this circular;
- (c) the Master Purchase Contract 2015;
- (d) the Master Purchase Contract 2018;
- (e) the Master Services Contract 2017;
- (f) the Deed; and
- (g) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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 OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Singamas Container Holdings Limited (the “**Company**”) will be held at 24/F., Admiralty Centre I, 18 Harcourt Road, Hong Kong on Friday, 11 December 2020 at 11:30 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 Deed (as defined in the circular of the Company dated 24 November 2020) and all the transactions, arrangements and matters contemplated under, or otherwise incidental, ancillary or leading to, resulting in, or in connection with, the Deed be and are hereby approved, confirmed, authorised and ratified; and
- (B) any one Director be and is hereby approved, confirmed, authorised and ratified as he or she considers necessary or desirable, to sign and execute for and on behalf of the Company (or other members of the Group, as the case may be), the Deed and all other documents, deeds, instruments, notices or agreements incidental, ancillary or leading to, resulting in, or in connection with the transactions, arrangements or matters contemplated under the Deed, and to do all such acts, matters or things for and on behalf of the Company (or other members of the Group, as the case may be) as he or she may in his or her absolute discretion consider necessary or desirable to perfect, give effect to or implement any terms of the transactions, arrangements and matters contemplated under, or otherwise incidental, ancillary or leading to, resulting in or in connection with, the Deed.”

By Order of the Board

Chung Pui King, Rebecca

Executive Director and Company Secretary

Hong Kong, 24 November 2020

NOTICE OF EXTRAORDINARY GENERAL MEETING

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/she 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 Tuesday, 8 December 2020 to Friday, 11 December 2020, 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 Monday, 7 December 2020. The shareholders whose names appear on the register of members of the Company on Friday, 11 December 2020, the record date of the meeting, will be entitled to attend and vote at the meeting.
4. Taking into account the recent development of the COVID-19 coronavirus, the Company will implement prevention and control measures at the Extraordinary General Meeting as the Company may consider necessary or desirable to protect Shareholders from the risk of infection, including:
 - (i) compulsory body temperature check will be conducted for all Shareholders, proxies and other attendees at the entrance of the venue. Any person with a body temperature of over 37.5 degrees Celsius will not be admitted to the venue;
 - (ii) all Shareholders, proxies and other attendees are required to wear surgical mask before they are permitted to attend, and during their attendance of the Extraordinary General Meeting; and
 - (iii) no distribution of gift and no refreshment will be served.

Attendees who do not comply with the precautionary measures or are subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue. The Company would like to encourage Shareholders to exercise their right to vote at the Extraordinary General Meeting by appointing the Chairman of the Extraordinary General Meeting as their proxy to vote according to their indicated voting instructions instead of attending the Extraordinary General Meeting in person.

The directors of the Company as at the date of this notice are Mr. Teo Siong Seng, Mr. Chan Kwok Leung, Mr. Teo Tiou Seng 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.