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

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

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

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**SINGAMAS**

勝獅貨櫃企業有限公司

**SINGAMAS CONTAINER HOLDINGS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**Stock Code: 716**

**(1) REVISION OF ANNUAL CAP FOR  
CONTINUING CONNECTED TRANSACTIONS;  
(2) RENEWAL OF THE TERM OF  
THE MASTER PURCHASE CONTRACT 2022;  
AND  
(3) NOTICE OF GENERAL MEETING**

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



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A letter from the Board is set out on pages 7 to 16 of this circular and a letter from the Independent Board Committee is set out on page 17 of this circular. A letter from TC Capital International Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 18 to 29 of this circular.

A notice convening the EGM to be held by electronic means only (“**Online EGM**”) on Wednesday, 4 May 2022 at 11:00 a.m. is set out on pages 37 to 38 of this circular. Whether or not you are able to attend the EGM, 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 the proxy form will not preclude you from attending and voting at the Online EGM or any adjournment thereof (as the case may be) should you so wish and in such event the proxy form shall be deemed to be revoked. The Company will be conducting the EGM by way of a virtual meeting. The Shareholders and/or their proxies will NOT be able to attend the EGM in person, and can only attend the EGM via visiting the website at <http://meetings.computershare.com/MYKZA2W> which enables audio live streaming of the EGM.

14 April 2022

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## SPECIAL ARRANGEMENTS FOR THE EGM

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The Company does not in any way wish to diminish the opportunity available to Shareholders to exercise their rights and to vote, but is conscious of the need to protect EGM attendees from possible exposure to the COVID-19 pandemic. **For the health and safety of EGM attendees, the Company would be conducting the EGM by way of a virtual meeting. Details of the special arrangements for the EGM are set out below.**

### ATTENDING THE EGM BY MEANS OF ELECTRONIC FACILITIES

**No Shareholder, proxy or corporate representative should attend the EGM in person.** The Company strongly encourages Shareholders to attend, participate and vote at the Online EGM through online access by visiting the website – <http://meetings.computershare.com/MYKZA2W> (the “**Online Platform**”).

Both registered Shareholders and non-registered Shareholders can (i) attend the Online EGM and vote by way of electronic means; or (ii) exercise their right to vote at the Online EGM by appointing their own proxy or the Company’s designated proxy(ies), to act as their proxy.

By logging in the Online platform, Shareholders will be able to listen to a live webcast of the Online EGM, submit questions, and cast vote in real-time.

The Online Platform will be open for registered Shareholders and non-registered Shareholders (see below for login details and arrangements) to log in approximately 30 minutes prior to the commencement of the Online EGM and can be accessed from any location with internet connection by a smart phone, tablet device or computer. Shareholders should allow ample time to check into the Online Platform to complete the related procedures. Please refer to the Online User Guide for the Online EGM sent together with this circular for assistance. Any missed contents as a result of connection issues arise from the Shareholders will not be repeated.

#### **Login details for registered Shareholders**

Details regarding the EGM arrangements including login details to access the Online Platform are included in the Company’s notification letter to registered Shareholders (the “**Shareholder Notification**”) sent together with this circular.

#### **Login details for non-registered Shareholders**

Non-registered Shareholders who wish to attend, participate and vote at the Online EGM should:

- (1) contact and instruct their banks, brokers, custodians, nominees or HKSCC Nominees Limited through which their shares are held (together, the “**Intermediary**”) to appoint themselves as proxy or corporate representative to attend the Online EGM; and
- (2) provide their email address to their Intermediary before the time limit required by the relevant Intermediary.

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## SPECIAL ARRANGEMENTS FOR THE EGM

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Details regarding the EGM arrangements including login details to access the Online Platform will be sent by the share registrar of the Company, Computershare Hong Kong Investor Services Limited, to the email address of the non-registered Shareholders provided by the Intermediary. Any non-registered Shareholder who has provided an email address through the relevant Intermediary for this purpose but has not received the login details by email by 3:00 p.m. on Tuesday, 3 May 2022, should reach out to Computershare Hong Kong Investor Services Limited for assistance. Without the login details, non-registered Shareholders will not be able to participate and vote using the Online Platform. Non-registered Shareholders should therefore give clear and specific instructions to their Intermediary in respect of both (1) and (2) above.

### **Login details for proxies**

Details regarding the EGM arrangements including login details to access the Online Platform will be sent by the share registrar of the Company, Computershare Hong Kong Investor Services Limited, to the email address of the proxies provided to it in the relevant proxy forms.

**Registered and non-registered Shareholders should note that only one device is allowed in respect of each set of login details. Please also keep the login details in safe custody for use at the Online EGM and do not disclose them to anyone else. Neither the Company nor its agents assume any obligation or liability whatsoever in connection with the transmission of the login details or any use of the login details for voting or otherwise.**

For enquiries regarding the login details to access the Online EGM, please call Computershare Hong Kong Investor Services Limited on (852) 2862 8689 for assistance.

### **APPOINTMENT OF PROXY IN ADVANCE OF THE EGM**

Shareholders are encouraged to submit their completed proxy forms well in advance of the EGM. Return of a completed proxy form will not preclude Shareholders from attending and voting by means of electronic facilities at the Online EGM or any adjournment or postponement thereof should they subsequently so wish. Non-registered Shareholders should contact their Intermediary as soon as possible for assistance in the appointment of proxy.

**Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change or adopt contingency plans for the EGM arrangements at short notice, and the Company will ensure that the EGM arrangements are in compliance with the articles of association of the Company. Should there be any changes to the arrangements of the Online EGM, the Company will make further announcement(s) as and when appropriate. While the Company will use its best endeavours to provide necessary updates to the Shareholders, they should check the latest policies and notices announced by the Hong Kong Government and the website of the Company at <http://www.singamas.com> for future updates on the EGM arrangements.**

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## **SPECIAL ARRANGEMENTS FOR THE EGM**

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If Shareholders have any questions relating to the EGM, please contact, the share registrar of the Company, Computershare Hong Kong Investor Services Limited, as follows:

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong  
Telephone: +852 2862 8555  
Facsimile: +852 2865 0990  
Website: [www.computershare.com/hk/contact](http://www.computershare.com/hk/contact)

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## DEFINITIONS

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

“Board”	the board of Directors
“Company”	Singamas Container Holdings Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 716)
“Director(s)”	the director(s) of the Company
“EGM”	a general meeting of the Company to be convened to consider and if thought fit, approve the Revised Master Purchase Contract 2022 and the Transactions contemplated thereunder (including the New Annual Caps)
“Equipment”	equipment including but not limited to dry freight containers, collapsible flatrack containers, open top containers, bitutainers, tank containers, offshore containers, other specialised containers and other relevant products
“Existing Annual Cap”	the annual cap of US\$66,300,000 (equivalent to approximately HK\$517,140,000) for the anticipated maximum aggregate sales value in respect of the transactions under the Master Purchase Contract 2022 for the financial year ending 31 December 2022 as disclosed in the announcement of the Company dated 2 November 2021
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“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 New Annual Caps, the Revised Master Purchase Contract 2022 and Transactions contemplated thereunder

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## DEFINITIONS

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“Independent Financial Adviser” or “TC Capital”	TC Capital International Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Revised Master Purchase Contract 2022 and the Transactions contemplated thereunder, as well as the New Annual Caps
“Independent Shareholders”	Shareholders other than those who have a material interest in the Revised Master Purchase Contract 2022 and the Transactions contemplated thereunder
“Latest Practicable Date”	8 April 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Purchase Contract 2018”	the master purchase contract dated 30 October 2017, which was approved by the Shareholders on 12 December 2017, and entered into between the Company (for and on behalf of the Group) and PIL (for and on behalf of PIL Group) with a term commencing from 1 January 2018 to 31 December 2020
“Master Purchase Contract 2021”	the master purchase contract dated 23 June 2021, which was approved by the Independent Shareholders on 30 July 2021, and entered into between the Company (for and on behalf of the Group) and PIL (for and on behalf of PIL Group) with a term commencing from 23 June 2021 to 31 December 2021
“Master Purchase Contract 2022”	the master purchase contract dated 2 November 2021, which was approved by the Independent Shareholders on 10 December 2021, and entered into between the Company (for and on behalf of the Group) and PIL (for and on behalf of PIL Group) with a term commencing from 1 January 2022 to 31 December 2022
“New Annual Caps”	the maximum aggregate sales value in respect of the Transactions for the three financial years ending 31 December 2022, 2023 and 2024
“PIL”	Pacific International Lines (Private) Limited, a company incorporated in the Republic of Singapore
“PIL Group”	PIL together with its subsidiaries

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## DEFINITIONS

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“PRC”	the People’s Republic of China and for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Revised Master Purchase Contract 2022”	the conditional master purchase contract dated 18 March 2022, subject to the approval of the Independent Shareholders at the EGM, and entered into between the Company (for and on behalf of the Group) and PIL (for and on behalf of PIL Group) with a term up to 31 December 2024
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	shareholders of the Company
“Shares”	ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the continuing connected transactions between the Group and PIL Group to be occurred on a recurring basis and all the transactions contemplated under the Revised Master Purchase Contract 2022
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

*In this circular, the terms “associate”, “connected person”, “connected transaction”, “continuing 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\$7.8.*



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## LETTER FROM THE BOARD

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# SINGAMAS

## 勝獅貨櫃企業有限公司 SINGAMAS CONTAINER HOLDINGS LIMITED

*(Incorporated in Hong Kong with limited liability)*

**Stock Code: 716**

*Executive Directors:*

Mr. Teo Siong Seng

*(Chairman and Chief Executive Officer)*

Ms. Chung Pui King, Rebecca

*(Chief Financial Officer and Company Secretary)*

*Registered Office:*

19th Floor,

SUP Tower,

75–83 King's Road,

Hong Kong

*Non-executive Directors:*

Mr. Tan Chor Kee

Mr. Kwa Wee Keng

Mr. Chan Kwok Leung

*Independent Non-executive Directors:*

Mr. Cheng Fu Kwok, David

Mr. Lau Ho Kit, Ivan

Mr. Ho Teck Cheong

14 April 2022

*To the Shareholders*

Dear Sirs or Madams,

### **REVISION OF ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS AND**

### **RENEWAL OF THE TERM OF THE MASTER PURCHASE CONTRACT 2022**

#### **INTRODUCTION**

The Board announced on 18 March 2022 that the Company (for and on behalf of the Group) entered into the Revised Master Purchase Contract 2022 with PIL (for and on behalf of PIL Group) on 18 March 2022 to revise the Master Purchase Contract 2022 for the sales of Equipment by the Group to PIL Group.

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## LETTER FROM THE BOARD

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The Board anticipates that the Existing Annual Cap will not be sufficient to meet the expected transaction amounts for the sale of Equipment for the year ending 31 December 2022. On 17 March 2022, the Board has resolved to revise the Existing Annual Cap for the year ending 31 December 2022 and to revise the Master Purchase Contract 2022. On 18 March 2022, the Revised Master Purchase Contract 2022 was entered into to extend the term of the Master Purchase Contract 2022 to 31 December 2024, subject to the terms and conditions therein.

At the Latest Practicable Date, PIL is the controlling shareholder of the Company, as defined under the Listing Rules, thus, PIL is a connected person of the Company. The Revised Master Purchase Contract 2022 involves transactions, which will occur on a recurring basis over a period of time; accordingly, the Transactions will constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios (other than profit ratio) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the New Annual Caps for the Transactions exceeds 5%, the Transactions contemplated under the Revised Master Purchase Contract 2022 are subject to annual reporting, announcement, circular (including independent financial advice), annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Please refer to the section headed "Listing Rules Implications" below.

The purpose of this circular is to provide Shareholders with relevant information relating to the Transactions as well as the resolution to be proposed at the EGM, notice of which is set out on pages 37 to 38 of this circular. The advice of the Independent Board Committee to the Independent Shareholders regarding their view on the Revised Master Purchase Contract 2022, the Transactions contemplated thereunder as well as the New Annual Caps applicable thereto is set out on page 17 of this circular. A copy of the letter from TC Capital to the Independent Board Committee and the Independent Shareholders containing its advice in relation to the Revised Master Purchase Contract 2022, the Transactions contemplated thereunder as well as the New Annual Caps is set out on pages 18 to 29 of this circular.

### **REVISED MASTER PURCHASE CONTRACT 2022**

The salient terms and conditions of the Revised Master Purchase Contract 2022 are described below.

**Date:**

18 March 2022

**Parties:**

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

The Buyer:  
PIL (on behalf of PIL Group)

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## LETTER FROM THE BOARD

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### Scope/Consideration

Pursuant to the Revised Master Purchase Contract 2022, the Group will enter into individual purchase order agreement(s) with PIL Group for the provision of Equipment by the Group to PIL Group. Each individual purchase order agreement will specify and stipulate the specific terms and the operative provisions, including but not limited to the size and type, unit price, quantity and delivery time and location of the Equipment, which may cover dry freight containers, collapsible flatrack containers, open top containers, bitainers, tank containers, offshore containers and other specialised containers.

None of the Equipment under the Revised Master Purchase Contract 2022 has a fixed unit price as there may be material fluctuations in production costs for the Equipment, in particular, costs of raw materials and labour cost, which are contingent upon the prevailing market price. Neither is there a published reference price for the Equipment under the Revised Master Purchase Contract 2022 as there is no widely accepted industry standard price on the Equipment and there is no sufficiently representative published data on the market price of similar equipment. Given the above, the unit price of the Equipment under each individual purchase order agreement will be determined on a cost plus reasonable profits basis (and hence the said pricing policy applies to all such Equipment), where such markup will take into account, among other things, the market demand and supply dynamics at the time when quotations are made and the prevailing market price and value of products that are of similar nature of the Equipment (if available) and in any event not lower than the markup of the Equipment (or products of similar nature of the Equipment) sold by the Group to independent third party customers. Up to the Latest Practicable Date, gross profit margin for the Equipment sold to PIL Group under the term of the Master Purchase Contract 2022 ranged from 24% to 30%. As global supply chain disruption gradually eases and container production is able to satisfy demand, the average selling price of dry freight container started to retreat in the fourth quarter of 2021, and the corresponding gross profit margin for the Equipment sold to PIL Group under the Master Purchase Contract 2022 was lower than the gross profit margin for the Equipment sold under the Master Purchase Contract 2021, which ranged from 30% to 35.5%<sup>1</sup>. Due to the fluctuating demand for the Equipment, there is no guarantee that the gross profit margin for the Equipment to be sold to the PIL Group pursuant to the Revised Master Purchase Contract 2022 could maintain the same recorded under the Master Purchase Contract 2022. Such market prices will be observed through, among other things, recent transactions of the Group. The final price under each individual purchase order agreement will be determined on an arm's length basis between the Group and PIL Group provided that the parties may negotiate on a case-by-case basis but in any event will be no less favourable to the Group than those offered to other independent third party customers of the Group for the similar nature and value of the Equipment and the industry practices.

<sup>1</sup> The range of gross profit margins disclosed above represented the gross profit margin for 40-foot high cube dry freight containers (the "40' HC Containers"), which accounted for the entire sale transactions under the Master Purchase Contract 2021 and 2022 respectively and would expect to be continued as the majority of the sale transactions under the Revised Master Purchase Contract 2022.

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## LETTER FROM THE BOARD

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Before determining the unit price for the Equipment under Revised Master Purchase Contract 2022 and signing any individual purchase order agreement, the relevant officers of the Group would also review the terms of purchase orders entered into between independent third party customers and the Group of similar quantities, nature or values of the Equipment at the relevant time and calculate the gross profit margins based on such purchase orders. The relevant officers would then compare the gross profit margin that can be achieved by selling the Equipment to PIL and to independent third party customers to ensure that the gross profit margin from the sale of the Equipment to PIL is reasonable and ensure that the gross profit margin from sales of Equipment to PIL is generally in line with industry practices and is no less favourable to the Group than those offered to other independent third party customers at the relevant time with similar quantities and nature. So far as the Directors are aware, it is an industry practice to adopt a cost-plus pricing model to determine the price as well as the gross profit margin for the Equipment.

The Board considers that the said methods and procedures can ensure that the Transactions be conducted on normal commercial terms and on terms no less favourable to the Group than those offered by the Group to independent third party customers and are not prejudicial to the interests of the Company and the Shareholders.

The payment for the Transactions contemplated under the Revised Master Purchase Contract 2022, unless otherwise stipulated in the relevant individual purchase order agreement, shall be settled within 60 days after technical acceptance of the relevant Equipment has been confirmed by the PIL Group to the Group. The title to the Equipment shall pass from the Group to PIL Group upon receipt of full payment of the relevant Equipment. The payment term offered by the Group to the PIL Group is on normal commercial terms and is no less favourable than those offered by the Group to other independent third party customers.

### **Term**

Subject to the Independent Shareholders' approval, the Revised Master Purchase Contract 2022 will be for a term up to 31 December 2024. During the effective term of the Revised Master Purchase Contract 2022, either the Company (on behalf of the Group) or PIL (on behalf of PIL Group) may terminate the Revised Master Purchase Contract 2022 by giving 30 days' written notice to the other party.

## LETTER FROM THE BOARD

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

The table below sets out (i) the historical figures and the previous annual caps under the Master Purchase Contract 2018 for each of financial years ended 31 December 2019 and 2020; (ii) the historical transaction amount and the annual cap under the Master Purchase Contract 2021 for the year ended 31 December 2021; and (iii) the Existing Annual Cap for the year ending 31 December 2022 under the Master Purchase Contract 2022:

Year ended 31 December 2019		Year ended 31 December 2020		Year 2021 (For the period from 23 June 2021 (being the effective date of the Master Purchase Contract 2021) to 31 December 2021)		Year ending 31 December 2022	
Annual cap	Actual amount	Annual cap	Actual amount	Annual cap	Actual amount	Existing Annual Cap	Actual amount (up to 18 March 2022, being the date of the Revised Master Purchase Contract 2022) (Note)
US\$150,000,000 (equivalent to approximately HK\$1,170,000,000)	US\$29,140,000 (equivalent to approximately HK\$227,292,000)	US\$155,000,000 (equivalent to approximately HK\$1,209,000,000)	US\$ Nil (equivalent to approximately HK\$ Nil)	US\$66,000,000 (equivalent to approximately HK\$514,800,000)	US\$65,705,000 (equivalent to approximately HK\$512,499,000)	US\$66,300,000 (equivalent to approximately HK\$517,140,000)	US\$43,605,000 (equivalent to approximately HK\$340,119,000)

*Note:* The actual amount from 1 January 2022 up to 18 March 2022 represents: (i) the total value of Equipment sold by the Group to PIL Group of US\$30,600,000; and (ii) the value of unproduced purchase orders entered into between the Group and PIL Group of approximately US\$13,005,000.

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## LETTER FROM THE BOARD

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In light of the rapid expansion of the business volume of PIL Group and its increasing demand for Equipment, the Board anticipates that the Existing Annual Cap would be insufficient to meet the expected transaction amounts for the sale of Equipment by the Group to the PIL Group under the Master Purchase Contract 2022. Accordingly, the Board proposes to revise the Existing Annual Cap in order to capture the business opportunities generated from the aforesaid expansion of PIL Group. The New Annual Caps of the Transactions for the financial years ending 31 December 2022, 2023 and 2024 shall be as follows:

<b>Year ending 31 December 2022</b>		<b>Year ending 31 December 2023</b>	<b>Year ending 31 December 2024</b>
<b>Existing Annual Cap</b>	<b>New Annual Cap</b>	<b>New Annual cap</b>	<b>New Annual cap</b>
US\$66,300,000 (equivalent to approximately HK\$517,140,000)	US\$120,000,000 (equivalent to approximately HK\$936,000,000)	US\$120,000,000 (equivalent to approximately HK\$936,000,000)	US\$120,000,000 (equivalent to approximately HK\$936,000,000)

The New Annual Caps are determined after taking into account: (i) the historical transaction amounts for each of the two years ended 31 December 2019 and 2020, for the period from 23 June 2021 (being the effective date of the Master Purchase Contract 2021) up to 31 December 2021 and for the period from 1 January 2022 up to 18 March 2022 (being the date of the Revised Master Purchase Contract 2022) as shown in the table above; (ii) the Group's long term business relationship with PIL Group as its major supplier of the Equipment (whether directly or otherwise) such that the Company expects PIL Group to continue to purchase from the Group to meet its increasing Equipment requirements; (iii) estimation of Equipment requirements of PIL Group during the term of the Revised Master Purchase Contract 2022 as extracted from PIL's planned Equipment purchases from the Group for the years ending 31 December 2022, 2023 and 2024. The planned Equipment purchases are calculated based on the replacement demand of PIL's existing Equipment, the expected growth of its business volume in various shipping routes, the contracts that the Group has undertaken as at the date of the Revised Master Purchase Contract 2022 in relation to the supply of Equipment to PIL Group and the communications between the Group and the PIL Group; and (iv) the prevailing market prices of the Equipment in order to estimate the projected price for the years ending 31 December 2023 and 2024.

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

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

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## LETTER FROM THE BOARD

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

The finance department and management of the Group will conduct half-yearly reviews and assess whether individual transactions contemplated under the continuing connected transactions are conducted in accordance with the terms of the Revised Master Purchase Contract 2022 and will also regularly review whether the price charged for a specific transaction is fair and reasonable and in accordance with the aforesaid pricing policy and no less favourable to the Group than those offered to independent third party customers of the Group. The finance department will conduct quarterly reviews of the purchase orders with PIL Group to ensure that the aggregate transaction amount of the purchase orders will not exceed the New Annual Caps, and will alert the management of the Group if the aggregate transaction amount of the purchase orders reaches 80% of the New Annual Cap for the relevant year.

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

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

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## LETTER FROM THE BOARD

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### INFORMATION ON THE GROUP AND PIL GROUP

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

PIL is a company incorporated in Singapore with limited liability. Headquartered in Singapore, the PIL Group is a containership operator which offers container liner services and other logistics related services globally and operates a fleet of vessels. Heliconia Capital Management Pte. Ltd. (an independently managed wholly-owned subsidiary of Temasek Holdings (Private) Limited (“**Temasek**”), a sovereign wealth fund held by the Singapore government) indirectly controls PIL Pte. Ltd. which wholly owns PIL.

### REASONS FOR AND BENEFITS OF ENTERING INTO THE REVISED MASTER PURCHASE CONTRACT 2022

The Revised Master Purchase Contract 2022 will provide the Group with additional and steady source of revenue from the sales of the Equipment in the ordinary course of business of the Group. With reference to the announcements of the Company dated 26 November 2021, 10 December 2021 and 30 December 2021, respectively, as PIL has early repaid its outstanding trade payable of US\$149,696,984 to the Company in full, the Company intends to extend the term of the Master Purchase Contract 2022 to 31 December 2024 pursuant to the Revised Master Purchase Contract 2022.

The Directors (including the independent non-executive Directors, having received and considered the advice from TC Capital) consider that the Revised Master Purchase Contract 2022 and the Transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Group, the Revised Master Purchase Contract 2022 (including the New Annual Caps) has been entered into on normal commercial terms and on terms that are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### BOARD’S APPROVAL

The Board has approved the Revised Master Purchase Contract 2022 and the New Annual Caps. PIL, a company in which Mr. Teo Siong Seng is a director, is the controlling shareholder of the Company, as defined under the Listing Rules, and Messrs. Tan Chor Kee and Kwa Wee Keng, who are non-executive directors of the Company, are also senior executives of PIL. Accordingly, Messrs. Teo Siong Seng, Tan Chor Kee and Kwa Wee Keng had abstained from voting in the Board resolutions approving the Revised Master Purchase Contract 2022, the Transactions contemplated thereunder as well as the New Annual Caps applicable thereto. Save as disclosed above, none of the Directors has a material interest in the Transactions.



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## LETTER FROM THE BOARD

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### LISTING RULES IMPLICATIONS

PIL, a company in which Mr. Teo Siong Seng is a director, is the controlling shareholder of the Company, as defined under the Listing Rules. Accordingly, PIL is a connected person of the Company under the Listing Rules. The Revised Master Purchase Contract 2022 involves transactions, which will occur on a recurring basis over a period of time; accordingly, the transactions constitute continuing connected transactions of the Company under the Listing Rules.

Each of the applicable percentage ratios (other than profit ratio) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the New Annual Caps for the Transactions exceeds 5%. Accordingly, the Transactions contemplated under the Revised Master Purchase Contract 2022 are subject to annual reporting, announcement, circular (including independent financial advice), annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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

The Company will seek the Independent Shareholders' approval of the Transactions at the EGM. Each of PIL and its associates which, in aggregate, held approximately 41.12% shareholding of the Company as at the Latest Practicable Date, will abstain from voting on the resolution in respect of the Transactions at the EGM. Mr. Teo Siong Seng (a director of PIL and an executive Director, the chairman of the Board and the chief executive officer of the Company), who held approximately 1.75% shareholding in the Company as at the Latest Practicable Date, will also abstain from voting on such resolution at the EGM. As at the Latest Practicable Date, Mr. Tan Chor Kee (a senior executive of PIL and a non-executive Director) had no shareholding in the Company but his spouse, who held 6,000 Shares, will abstain from voting on such resolution at the EGM. The Independent Board Committee has been set up to advise the Independent Shareholders in connection with the Transactions. The independent financial adviser, TC Capital, has been appointed for the purpose of providing independent advice to the Independent Board Committee and the Independent Shareholders, on whether the Transactions are expected to be entered into in the ordinary and usual course of business of the Group and whether the Revised Master Purchase Contract 2022 together with the New Annual Caps are agreed on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### EGM

A notice convening the Online EGM to be held on Wednesday, 4 May 2022 at 11:00 a.m., at which an ordinary resolution will be proposed to approve the Revised Master Purchase Contract 2022 and the Transactions contemplated thereunder as well as the New Annual Caps applicable thereto is set out on pages 37 to 38 of this circular.

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## LETTER FROM THE BOARD

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A proxy form for use at the Online EGM is enclosed. Whether or not you are able to attend the Online EGM, 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 Online EGM or any adjournment thereof (as the case may be). Completion and return of proxy form will not preclude you from attending and voting at the Online EGM or any adjournment thereof (as the case may be) should you so wish.

### RECOMMENDATION

The Independent Board Committee comprising all independent non-executive Directors has been set up to advise the Independent Shareholders in connection with the Transactions. The independent financial adviser, TC Capital, has been appointed for the purpose of providing independent advice to the Independent Board Committee and the Independent Shareholders in respect of the Revised Master Purchase Contract 2022, the Transactions contemplated thereunder as well as the New Annual Caps applicable thereto.

Your attention is drawn to the letter from the Independent Board Committee set out on page 17 of this circular which contains its recommendations to the Independent Shareholders as to voting at the EGM. Your attention is also drawn to the letter of advice received from TC Capital which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Revised Master Purchase Contract 2022, the Transactions contemplated thereunder as well as the New Annual Caps applicable thereto. The letter from TC Capital is set out on pages 18 to 29 of this circular.

The Directors (including the independent non-executive Directors, having received and considered the advice from TC Capital) consider that the Transactions are expected to be entered into in the ordinary and usual course of business of the Group and the Revised Master Purchase Contract 2022 together with the New Annual Caps are agreed on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, they recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Revised Master Purchase Contract 2022 and the Transactions contemplated thereunder as well as the New Annual Caps applicable thereto.

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

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

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# LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*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 Revised Master Purchase Contract 2022 and the Transactions contemplated thereunder (including the New Annual Caps).*

The logo for SINGAMAS, featuring the word "SINGAMAS" in a bold, red, sans-serif font. The text 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**

14 April 2022

*To the Independent Shareholders*

Dear Sirs or Madams,

**REVISION OF ANNUAL CAP FOR  
CONTINUING CONNECTED TRANSACTIONS  
AND  
RENEWAL OF THE TERM OF THE MASTER PURCHASE CONTRACT 2022**

We refer to the circular dated 14 April 2022 of the Company (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders in respect of the Transactions and the Revised Master Purchase Contract 2022 together with the New Annual Caps, details of which are set out in the “Letter from the Board” in the Circular to the Shareholders.

Having taken into account of the advice of TC Capital, we consider that the Transactions are expected to be entered into in the ordinary and usual course of business of the Group and the Revised Master Purchase Contract 2022 together with the New Annual Caps are agreed on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the Revised Master Purchase Contract 2022 and the Transactions contemplated thereunder and the New Annual Caps as set out in the notice of the EGM to be held on 4 May 2022.

Yours faithfully,  
For and on behalf of the  
**Independent Board Committee of  
Singamas Container Holdings Limited**

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

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

**Ho Teck Cheong**  
*Independent  
Non-executive  
Director*

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# LETTER FROM TC CAPITAL

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*The following is the full text of the letter of advice from TC Capital International Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Revised Master Purchase Contract 2022, which has been prepared for the purpose of inclusion in this circular.*



14 April 2022

*The Independent Board Committee and the Independent Shareholders*  
**Singamas Container Holdings Limited**

Dears Sirs,

**REVISION OF ANNUAL CAP FOR  
CONTINUING CONNECTED TRANSACTIONS  
AND  
RENEWAL OF THE TERM OF THE MASTER PURCHASE CONTRACT 2022**

## INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Revised Master Purchase Contract 2022 and the Transactions contemplated thereunder (as well as the New Annual Caps), details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 14 April 2022 issued to the Shareholders (the “**Circular**”). Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

The Group has been selling Equipment to the PIL Group under the Master Purchase Contract 2022 dated 2 November 2021. On 18 March 2022, the Company (for and on behalf of the Group) entered into the Revised Master Purchase Contract 2022 with PIL (for and on behalf of the PIL Group) for the sale of Equipment by the Group to the PIL Group for a term up to 31 December 2024. The Revised Master Purchase Contract 2022 is intended to revise certain terms of the Master Purchase Contract 2022.

As stated in the Letter from the Board, PIL is a controlling shareholder of the Company as defined under the Listing Rules. Accordingly, PIL is a connected person of the Company under the Listing Rules. The Transactions constitute continuing connected transactions of the Company under the Listing Rules.

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## LETTER FROM TC CAPITAL

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As one or more of the applicable percentage ratios (other than profit ratio) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the New Annual Caps for the Transactions exceeds 5%, the Transactions contemplated under the Revised Master Purchase Contract 2022 are subject to the annual reporting, annual review, announcement, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors, namely 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 (i) whether the terms of the Revised Master Purchase Contract 2022 (as well as the New Annual Caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Transactions are in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the relevant resolution to be proposed at the EGM to approve the Revised Master Purchase Contract 2022 and the Transactions contemplated thereunder (as well as the New Annual Caps). As the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in such regard.

### OUR INDEPENDENCE

We have not provided any other services to the Company in the last two years. As at the Latest Practicable Date, we did not have any relationships with or interests in the Company or any other parties that could reasonably be regarded as relevant to the independence of us.

### BASIS OF OPINION

In putting forth our recommendation, we have relied on the information, opinions, facts and representations supplied to us by the Directors and/or the representatives of the Company. We have reviewed, among other things, (i) the Master Purchase Contract 2022; (ii) the Revised Master Purchase Contract 2022; (iii) the annual report of the Company for the year ended 31 December 2020 (the “**2020 Annual Report**”) and the annual results announcement of the Company for the year ended 31 December 2021 (the “**2021 Annual Results Announcement**”); (iv) other information as set out in the Circular; and (v) relevant market data and information available from public sources.

We have assumed that all such information, opinions, facts and representations provided to us by the Directors and/or the representatives of the Company, for which they are fully responsible, are true, accurate and complete in all material respects. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and/or the representatives of the Company. The Company has also confirmed to us that no material facts have been omitted from the information supplied and we have no reason to suspect that any material information has been withheld or is misleading.

We consider that we have sufficient information currently available to reach an informed view and to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided by the Directors and/or the representatives of the Company, nor have we conducted any independent investigation into the business, affairs, operations, financial position or future prospects of each of the Group, PIL and any of their respective subsidiaries and associates.

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# LETTER FROM TC CAPITAL

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## PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in respect of the Transactions, we have taken into account the following principal factors and reasons:

### I. Background information of the parties to the Transactions

#### 1. The Group

As stated in the Letter from the Board, the Company is an investment holding company incorporated in Hong Kong and the business activities of the Group include (i) manufacturing of dry freight containers, collapsible flat rack containers, open top containers, bitutainers, tank containers, offshore containers and other specialised containers and container parts (the “**Manufacturing Segment**”); and (ii) provision of logistics services, including operating container depots and container logistics.

Set out below is certain financial information of the Group for the three years ended 31 December 2021 (“**FY2019**”, “**FY2020**” and “**FY2021**” respectively) as extracted from the 2020 Annual Report and the 2021 Annual Results Announcement:

	For the year ended 31 December		
	2019	2020	2021
	US\$'000	US\$'000	US\$'000
	(Audited)	(Audited)	(Audited)
Revenue	712,209	274,305	1,151,764
– Manufacturing	683,925	246,677	1,117,195
– Logistics services	28,284	27,628	34,569
(Loss) profit attributable to owners of the Company	(110,230)	4,576	186,802
	As at 31 December		
	2019	2020	2021
	US\$'000	US\$'000	US\$'000
	(Audited)	(Audited)	(Audited)
Total assets	673,412	657,349	994,002
Total liabilities	(110,705)	(123,663)	(260,757)
Net assets attributable to owners of the Company	525,810	497,592	676,272

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## LETTER FROM TC CAPITAL

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The revenue of the Group decreased by approximately 61.5% to approximately US\$274.3 million for FY2020 as compared to that for FY2019. Such decrease was primarily attributable to (i) the very substantial disposal of certain companies of the Group engaging in manufacturing of traditional dry freight containers and refrigerated containers in FY2019; and (ii) the production suspension at the beginning of FY2020 due to the outbreak of COVID-19 pandemic. The profit attributable to owners of the Company was approximately US\$4.6 million for FY2020, representing a substantial improvement as compared to the loss attributable to owners of the Company of approximately US\$110.2 million for FY2019. Such improvement was mainly due to (i) the positive impact of the new business model on the Group's business operations; (ii) the gain on disposal of approximately US\$8.5 million in relation to the disposal of Tianjin Pacific Container Company Limited in FY2020, which were partially offset by the credit loss of approximately US\$17.5 million in relation to the receivables from immediate holding company and its subsidiaries; and (iii) the increased demand for containers starting from the second half of 2020 owing to global logistic disruptions.

The revenue of the Group substantially increased by approximately 3.2 times to approximately US\$1,151.8 million for FY2021 as compared to that for FY2020. Such increase was primarily attributable to the increased demand for dry freight containers, which contributed to a considerable increase in the average selling price ("ASP") of 20-foot dry freight containers as compared with FY2020. The profit attributable to owners of the Company was approximately US\$186.8 million for FY2021, representing a significant increase of approximately 39.8 times as compared to that for FY2020. As advised by the representatives of the Company, due to the increase in container demand, higher ASP was charged for the containers which in return improved the overall profitability of the Group.

The net assets attributable to owners of the Company as at 31 December 2020 were approximately US\$497.6 million, representing a decrease of approximately 5.4% as compared to that as at 31 December 2019. As advised by the representatives of the Company, such decrease was primarily attributable to the distribution of special dividend declared and paid in FY2020. The net assets attributable to owners of the Company as at 31 December 2021 were approximately US\$676.3 million, representing an increase of approximately 35.9% as compared to that as at 31 December 2020. As advised by the representatives of the Company, such increase was mainly due to the increase in profit attributable to owners of the Company and the appreciation of investment properties.

The Group primarily generated its revenue from the Manufacturing Segment during the three years ended 31 December 2021. The revenue from the Manufacturing Segment contributed to approximately 90% of the total revenue of the Group. As mentioned in the 2021 Annual Results Announcement, the Group anticipates that the demand for dry freight containers will remain stable in 2022 as global supply chain disruption gradually eases and container production is able to satisfy demand. Nevertheless, the management of the Company believes that the demand for containers will rise along with the new container vessel deliveries in around 2023 and 2024.

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## LETTER FROM TC CAPITAL

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### **2. *The PIL Group***

As stated in the Letter from the Board, PIL is a company incorporated in Singapore with limited liability. Headquartered in Singapore, the PIL Group is a containership operator which offers container liner services and other logistics related services globally and operates a fleet of vessels. Heliconia Capital Management Pte. Ltd. (an independently managed wholly-owned subsidiary of Temasek Holdings (Private) Limited, a sovereign wealth fund held by the Singapore government) indirectly controls PIL Pte. Ltd. which wholly owns PIL. According to the website of PIL, PIL has developed from a modest ship-owner in Singapore into the largest carrier in Southeast Asia, with a focus on China, Asia, Africa, Middle East, South America and Oceania. Together with its sister companies, PIL operates a fleet of around 100 container and multi-purpose vessels, serving customers at over 500 locations in more than 90 countries worldwide.

### **II. Reasons for and benefits of the Transactions**

The Group has been selling Equipment to the PIL Group under the Master Purchase Contract 2022. As set out in the Letter from the Board, the Board anticipates that the Existing Annual Cap will not be sufficient to meet the expected transaction amounts for the sale of Equipment for the year ending 31 December 2022. Therefore, the Board proposed to revise the Existing Annual Cap for the year ending 31 December 2022 and to revise the Master Purchase Contract 2022. The Revised Master Purchase Contract 2022 is likely to provide the Group with an additional and steady source of revenue in the ordinary course of business of the Group.

As mentioned in the section headed “I. Background information of the parties to the Transactions – 1. The Group” above, the Group primarily generates its revenue from the Manufacturing Segment. Accordingly, the sales of Equipment to the PIL Group under the Revised Master Purchase Contract 2022 are conducted in the ordinary and usual course of business of the Group.

Given (i) the principal business engaged by the Group; (ii) the background of the PIL Group; and (iii) the Revised Master Purchase Contract 2022 does not restrict the Group to sell the Equipment to the corresponding contractual parties only and therefore the Transactions offer an additional option to the Group. Hence, the Group may, but is not obliged to, continue to sell the Equipment to the corresponding contractual parties if the price is competitive, it is commercially justifiable to continue the arrangements under the Revised Master Purchase Contract 2022 in order to capture certain sales orders and generate steady revenue from the sales of Equipment to the PIL Group. We concur with the Directors that the Transactions, which are conducted in the ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders as a whole.



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## LETTER FROM TC CAPITAL

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### III. Principal terms of the Revised Master Purchase Contract 2022

On 18 March 2022, the Company (for and on behalf of the Group) entered into the Revised Master Purchase Contract 2022 with PIL (for and on behalf of the PIL Group) for the sale of Equipment by the Group to the PIL Group for a term up to 31 December 2024. The Revised Master Purchase Contract 2022 is intended to (i) revise the Existing Annual Cap for the sale of Equipment by the Group to the PIL Group under the Master Purchase Contract 2022; (ii) revise the payment term for the transactions contemplated under the Master Purchase Contract 2022; and (iii) extend the term of the Master Purchase Contract 2022 to 31 December 2024. Save for the aforementioned amendments, the other terms and conditions in the Master Purchase Contract 2022 remain unchanged.

#### *1. Scope/Consideration*

As stated in the Letter from the Board, pursuant to the Revised Master Purchase Contract 2022, the Group will enter into individual purchase order agreement(s) with the PIL Group for the provision of Equipment by the Group to the PIL Group. Each individual purchase order agreement will specify and stipulate the specific terms and the operative provisions, including but not limited to the size and type, unit price, quantity and delivery time and location of the Equipment, which may cover dry freight containers, collapsible flatrack containers, open top containers, bitainers, tank containers, offshore containers and other specialised containers.

None of the Equipment under the Revised Master Purchase Contract 2022 has a fixed unit price as there may be material fluctuations in production costs for the Equipment, in particular, costs of raw materials and labour cost, which are contingent upon the prevailing market price. Neither is there a published reference price for the Equipment under the Revised Master Purchase Contract 2022 as there is no widely accepted industry standard price on the Equipment and there is no sufficiently representative published data on the market price of similar equipment. Given the above, the unit price of the Equipment under each individual purchase order agreement will be determined on a cost plus reasonable profits basis (and hence the said pricing policy applies to all such Equipment), where such markup will take into account, among other things, the market demand and supply dynamics at the time when quotations are made and the prevailing market price and value of products that are of similar nature of the Equipment (if available) and in any event not lower than the markup of the Equipment (or products of similar nature of the Equipment) sold by the Group to independent third party customers. Such market prices will be observed through, among other things, recent transactions of the Group. The final price under each individual purchase order agreement will be determined on an arm's length basis between the Group and the PIL Group provided that the parties may negotiate on a case-by-case basis but in any event will be no less favourable to the Group than those offered to other independent third party customers of the Group for the similar nature and value of the Equipment and the industry practices.

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## LETTER FROM TC CAPITAL

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Before determining the unit price for the Equipment under the Revised Master Purchase Contract 2022 and signing any individual purchase order agreement, the relevant officers of the Group would also review the terms of purchase orders entered into between independent third party customers and the Group of similar quantities, nature or values of the Equipment at the relevant time and calculate the gross profit margins based on such purchase orders. The relevant officers would then compare the gross profit margin that can be achieved by selling the Equipment to the PIL Group and to independent third party customers to ensure that the gross profit margin from the sale of the Equipment to the PIL Group is reasonable and ensure that the gross profit margin is generally in line with industry practices and is no less favourable to the Group than those offered to other independent third party customers at the relevant time with similar quantities and nature. So far as the Directors are aware, it is an industry practice to adopt a cost-plus pricing model to determine the price as well as the gross profit margin for the Equipment.

In assessing the fairness and reasonableness of the pricing standard of Equipment stipulated under the Revised Master Purchase Contract 2022, we have obtained and reviewed three samples of individual purchase order agreements entered into between the Group and the PIL Group during the two months ended 28 February 2022 and three samples of individual purchase order agreements entered into between the Group and other independent third party customers with Equipment of similar nature, values and quantities at the relevant time. We noted that the unit prices of Equipment sold by the Group to the PIL Group were no less favourable to the Group than the unit prices of Equipment sold by the Group to the independent third party customers. We have also reviewed the Revised Master Purchase Contract 2022 and noted that the pricing standard stipulated therein is the same as that stipulated under the Master Purchase Contract 2022. As such, we are of the view that the pricing standard of Equipment stipulated under the Revised Master Purchase Contract 2022 is fair and reasonable so far as the Independent Shareholders are concerned.

### **2. *Payment term***

As stated in the Letter from the Board, the payment for the Transactions contemplated under the Revised Master Purchase Contract 2022, unless otherwise stipulated in the relevant individual purchase order agreement, shall be settled within 60 days after technical acceptance of the relevant Equipment has been confirmed by the PIL Group to the Group. The title to the Equipment shall pass from the Group to the PIL Group upon receipt of full payment of the relevant Equipment. The Company confirmed that the payment term offered by the Group to the PIL Group is on normal commercial terms and is no less favourable than those offered by the Group to other independent third party customers.

## LETTER FROM TC CAPITAL

In assessing the fairness and reasonableness of the payment term, we have reviewed and compared the payment term stipulated in the Revised Master Purchase Contract 2022 with three samples of individual purchase order agreements entered into between the Group and other independent third party customers with respect to the sale of Equipment during the two months ended 28 February 2022. We noted that the payment under the aforesaid samples of individual purchase order agreements entered into between the Group and the independent third party customers shall be settled in a range from 60 days to 90 days from the date of technical acceptance of the Equipment. Hence, we consider that the payment term offered by the Group to the PIL Group under the Revised Master Purchase Contract 2022 is no less favourable to the Group than those offered by the Group to independent third party customers. We have also obtained and reviewed the remittance record in relation to the repayment of the amount due from the PIL Group to the Group in December 2021 and noted that the trade payables of US\$149,696,984 had been early settled by PIL to the Company in full. As such, we are of the view that the payment term offered by the Group to the PIL Group under the Revised Master Purchase Contract 2022 is on normal commercial terms and is fair and reasonable so far as the Independent Shareholders are concerned.

### 3. *The proposed New Annual Caps and basis of determination*

The following table sets forth (i) the historical annual caps for the three years ended 31 December 2021; (ii) the Existing Annual Cap for the year ending 31 December 2022; (iii) the actual transaction amounts of the sale of Equipment by the Group to the PIL Group for the three years ended 31 December 2021 and for the period from 1 January 2022 up to 18 March 2022 (being the date of the Revised Master Purchase Contract 2022); and (iv) the proposed New Annual Caps:

	Year ended/ending 31 December					
	2019	2020	2021	2022	2023	2024
	US\$	US\$	US\$	US\$	US\$	US\$
<b>Historical annual cap/Existing Annual Cap</b>	150,000,000	155,000,000	66,000,000	66,300,000		
			<i>(Note 1)</i>			
<b>Actual transaction amount</b>	29,140,000	Nil	65,705,000	43,605,000		
			<i>(Note 1)</i>	<i>(Note 2)</i>		
<b>New Annual Cap</b>				120,000,000	120,000,000	120,000,000

*Notes:*

- The historical annual cap and the actual transaction amount for 2021 are for the period from 23 June 2021 (being the effective date of the Master Purchase Contract 2021) to 31 December 2021.
- The actual transaction amount for 2022 is for the period from 1 January 2022 to 18 March 2022 (being the date of the Revised Master Purchase Contract 2022). The actual transaction amount of US\$43,605,000 represents (i) the total value of Equipment sold by the Group to the PIL Group of US\$30,600,000; and (ii) the value of unproduced purchase orders entered into between the Group and the PIL Group of approximately US\$13,005,000.

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## LETTER FROM TC CAPITAL

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As set out in the Letter from the Board, in light of the rapid expansion of the business volume of the PIL Group and its increasing demand for Equipment, the Board anticipates that the Existing Annual Cap would be insufficient to meet the expected transaction amounts for the sale of Equipment by the Group to the PIL Group under the Master Purchase Contract 2022. Accordingly, the Board proposes to revise the Existing Annual Cap in order to capture the business opportunities generated from the aforesaid expansion of the PIL Group.

We have conducted research on the recent business development of PIL and noted from the recent announcements on its official website that it has implemented several business expansion plans between November 2021 and February 2022, including the launch of two weekly direct service lines between China and East Africa, the introduction of Sino Australia Express, being a new weekly express service connecting China and Australia, and the establishment of China Straits Service (CSS) in Qingdao, which is a new weekly direct service connecting the key ports in China, Singapore and West Malaysia. We have also noted from a press release on its official website that it has firmed up an order for four dual-fuel containerships with fleet size of 14,000 twenty-foot equivalent units (“TEUs”) each at China State Shipbuilding Corporation’s Jiangnan Shipyard in March 2022, which are expected to be delivered progressively from 2024 to 2025. When delivered, the four containerships will become the largest container vessels in PIL’s fleet. In light of the above, we believe that PIL has been expanding its fleet and service routes recently and will continue to expand its business during 2022 to 2025. As such, we consider that PIL’s increasing demand for Equipment is reasonable.

We have further researched and noted from the World Container Index, being a composite of 40-foot container freight rates on 8 major routes to/from the United States, Europe and Asia as assessed and published by Drewry Shipping Consultant Limited<sup>(1)</sup> (“Drewry”) on a weekly basis, that the freight rate of a 40-foot container substantially increased by approximately 88.5% from March 2021 to February 2022. This demonstrates that the demand for international shipping has been increasing since 2021 and has remained high in the first quarter of 2022. Pursuant to the Container Forecaster Report published by Drewry in December 2021, it is anticipated that the World Container Index will remain steady in 2022 and the revenue generated from the global carrier industry will continue to rise.

*Note:*

- (1) According to the official website of Drewry (<https://www.drewry.co.uk>), Drewry is one of the leading independent providers of research and consulting services to the maritime and shipping industry.

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## LETTER FROM TC CAPITAL

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As disclosed in the Letter from the Board, the New Annual Caps for each of the three years ending 31 December 2024 were determined after taking into account (i) the historical transaction amounts for each of the two years ended 31 December 2019 and 2020, for the period from 23 June 2021 (being the effective date of the Master Purchase Contract 2021) up to 31 December 2021 and for the period from 1 January 2022 up to 18 March 2022 (being the date of the Revised Master Purchase Contract 2022); (ii) the Group's long term business relationship with the PIL Group as its major supplier of the Equipment (whether directly or otherwise) such that the Company expects the PIL Group to continue to purchase from the Group to meet its increasing Equipment requirements; (iii) the estimation of Equipment requirements of the PIL Group during the term of the Revised Master Purchase Contract 2022 as extracted from PIL's planned Equipment purchases from the Group for the years ending 31 December 2022, 2023 and 2024. The planned Equipment purchases are calculated based on the replacement demand of PIL's existing Equipment, the expected growth of its business volume in various shipping routes, the contracts that the Group has undertaken as at the date of the Revised Master Purchase Contract 2022 in relation to the supply of Equipment to the PIL Group and the communications between the Group and the PIL Group; and (iv) the prevailing market prices of the Equipment in order to estimate the projected price for the years ending 31 December 2023 and 2024.

In assessing the fairness and reasonableness of the New Annual Cap for the year ending 31 December 2022, we have obtained and reviewed three purchase order agreements (the "**Three Purchase Orders**") entered into between the Group and the PIL Group under the Master Purchase Contract 2022 during the month ended 31 January 2022 and noted that the aggregate amount of sales of Equipment as derived from the Three Purchase Orders was US\$30,600,000, representing approximately 46.2% of the Existing Annual Cap. We have also obtained and reviewed three order confirmations (the "**Three Order Confirmations**") in respect of the unproduced purchase orders entered into between the Group and the PIL Group under the Master Purchase Contract 2022 during the month ended 31 March 2022 and noted that the aggregate value of sales of Equipment as derived from the Three Order Confirmations was US\$13,005,000, representing approximately 19.6% of the Existing Annual Cap. Given that the total transaction amount of the Three Purchase Orders and the Three Order Confirmations (which also represents the total value of Equipment sold by the Group to the PIL Group and the value of unproduced purchase orders entered into between the Group and the PIL Group under the Master Purchase Contract 2022) accounted for a utilisation rate of approximately 65.8% of the Existing Annual Cap, we consider the revision of the Existing Annual Cap to be justifiable.

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## LETTER FROM TC CAPITAL

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In assessing the fairness and reasonableness of the New Annual Caps, we have obtained and reviewed the estimated Equipment requirements of the PIL Group during the term of the Revised Master Purchase Contract 2022 as extracted from PIL's Equipment purchase plan for the three years ending 31 December 2024 (the "**2024 Equipment Purchase Plan**"). According to the 2024 Equipment Purchase Plan, the PIL Group has taken into account the following factors in determining the intended purchase of 40-foot high cube dry freight containers (the "**40' HC Containers**") and 20-foot high general purpose freight containers (the "**20' GP Containers**"): (i) the replacement requirement based on the containers currently held by the PIL Group's fleet with a wear and tear ratio of approximately 5%; and (ii) the demand for 40' HC Containers and 20' GP Containers based on PIL's fleet expansion plan to be implemented in 2023 or 2024. The Board considers the wear and tear ratio of approximately 5% to be low as this means that the containers are assumed to be used for 20 years, after which the containers would become old and rusty. Given that the expected increase in sales of Equipment to the PIL Group is based on the expected demand of the PIL Group for Equipment as indicated by the PIL Group in the 2024 Equipment Purchase Plan, we are of the view that the expected increase in sales of Equipment to the PIL Group is determined based on reasonable estimation and after due and careful consideration.

We have also reviewed and compared the prevailing market unit price of Equipment used by the Company to estimate the projected selling prices for 2023 and 2024 as stated in the 2024 Equipment Purchase Plan (the "**Prevailing Market Price**") with the unit prices of Equipment of similar nature as stated in three samples of recent individual purchase order agreements entered into between the Group and other independent third party customers and noted that the Prevailing Market Price is in line with the recent market price.

Having considered (i) the improvement in the shipping industry which is expected to drive the demand for containers; (ii) the high utilisation rate of the Existing Annual Cap; (iii) the expansion of the business volume of the PIL Group and the expected purchase amount of Equipment by the PIL Group according to the 2024 Equipment Purchase Plan; and (iv) that the New Annual Caps, which are revenue in nature from the Group's perspective, will facilitate revenue generation of the Group, we are of the view that the New Annual Caps for the sales of Equipment to the PIL Group are determined based on reasonable estimation and after due and careful consideration and are fair and reasonable so far as the Independent Shareholders are concerned.

#### **IV. Internal control for the Group's continuing connected transactions**

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

Further details of the internal control measures for the continuing connected transactions of the Group are set out in the Letter from the Board.

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## LETTER FROM TC CAPITAL

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Moreover, we were advised that the Company has performed periodic review on the comparison of gross profit margins of the Equipment sold by the Group to the PIL Group and those sold to other independent third party customers to ensure that the gross profit margins of the Equipment sold by the Group to the PIL Group were no less favourable to the Group than those sold to the independent third party customers. We are also given to understand that all of the individual purchase order agreements entered into with the PIL Group under the Master Purchase Contract 2022 have been reviewed and approved by the chief operating officer of the Group or his/her delegate prior to the execution. We noted that the chief operating officer of the Group had signed each of the Three Purchase Orders, indicating that he/she had reviewed and approved the terms and unit prices stated therein.

Having considered the internal control measures as stated above, we are of the view that there are appropriate measures in place to govern the Transactions and hence the interest of the Independent Shareholders would be safeguarded.

### RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that the terms of the Revised Master Purchase Contract 2022 (as well as the New Annual Caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the Transactions, which are conducted in the ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend (i) the Independent Board Committee to advise the Independent Shareholders; and (ii) the Independent Shareholders, to vote in favour of the relevant resolution to be proposed at the EGM to approve the Revised Master Purchase Contract 2022 and the Transactions contemplated thereunder (as well as the New Annual Caps).

Yours faithfully,  
For and on behalf of  
**TC Capital International Limited**  
**Edith Lee**  
*Director*

*Note:* Ms. Edith Lee has been a responsible officer of type 6 (advising on corporate finance) regulated activities under the SFO since 2015. She has participated in and completed various advisory transactions in respect of connected transactions of listed companies in Hong Kong.



**1) RESPONSIBILITY STATEMENT**

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

**2) SHARE CAPITAL**

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

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

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

**3) DISCLOSURE OF DIRECTORS' INTERESTS**

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

**The Shares**

Name	Capacity	Number of Shares Held		Total Interest	Percentage of Total Issued Shares
		Personal Interest	Other		
Mr. Teo Siong Seng	Beneficial Owner	42,377,250	–	42,377,250	1.75%
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 held 6,000 Shares. Mr. Tan Chor Kee is deemed to be interested in 6,000 Shares held by Ms. Lee Tew Guan.



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

Save as disclosed above, as at the Latest Practicable Date, none of Directors or chief executive of the Company, nor their associates, had any other interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to Section 352 of the SFO to be entered into the register maintained by the Company; or (c) were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company or the Stock Exchange and none of the Directors or chief executive of the Company, nor their spouse or children under the age of 18, had any right to subscribe for securities of the Company, or had exercised any such right since 31 December 2021 (being the date of the Company's latest published audited accounts).

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

There was no contract or arrangement subsisting as at the date of this circular, in which any of the Directors was materially interested and which was significant in relation to the businesses of the Group.

As at the Latest Practicable Date, none of the Directors, directly or indirectly, had any interest in any assets which had been, since 31 December 2021 (being the date to which the latest published audited financial statements of the Company were made up) acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

## 4) DISCLOSURE OF SUBSTANTIAL SHAREHOLDERS' INTEREST

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

Name	Notes	Number of Shares of		Percentage of Total Issued Shares
		Direct Interest	Indirect Interest	
Temasek	(1)	–	993,825,345	41.12%
PIL Pte. Ltd.	(2)	–	993,825,345	41.12%
PIL	(2)	993,825,345	–	41.12%

*Notes:*

- (1) Temasek indirectly controls PIL Pte. Ltd. which wholly owns PIL. PIL directly holds 993,825,345 Shares.
- (2) A total of 993,825,345 Shares are directly held by PIL which is 100% owned by PIL Pte. Ltd.

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

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

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

<b>Name of subsidiary of the Company</b>	<b>Name of substantial shareholder</b>	<b>Interest in the share capital/equity interest</b>	<b>Percentage of total issued share capital</b>
Eng Kong Container & Warehousing 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\$18,033,600)	40%
Shanghai Pacific International Container Co., Ltd.	Everbright Jiabao Co., Ltd.	Registered paid-up capital of US\$3,936,400 (equivalent to approximately HK\$30,703,920)	15.14%
	Shanghai Jinjiang Shipping Co., Ltd	Registered paid-up capital of US\$2,600,000 (equivalent to approximately HK\$20,280,000)	10%
	Sinotrans Shanghai (Group) Co., Ltd.	Registered paid-up capital of US\$2,600,000 (equivalent to approximately HK\$20,280,000)	10%

Name of subsidiary of the Company	Name of substantial shareholder	Interest in the share capital/equity interest	Percentage of total issued share capital
Singamas Container Industry Co., Ltd.	PIL	Registered paid-up capital of US\$1,020,000 (equivalent to approximately HK\$7,956,000)	20%
Wellmass Group Limited	Mr. Li Hung	2,000 ordinary shares	20%
	Mr. Ng Kam Ming	2,000 ordinary shares	20%

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

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

## 5) SERVICE CONTRACT

As at the Latest Practicable Date, no 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).

## 6) MATERIAL ADVERSE CHANGE

There has not been any material adverse change in the financial or trading position of the Group since 31 December 2021 (being the date to which the latest published financial statements of the Company have been made up) and up to the Latest Practicable Date.

## 7) INDEPENDENT FINANCIAL ADVISER

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

Name	Qualification
TC Capital International Limited	a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities

As at the Latest Practicable Date, TC Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and reference to its name in the form and context in which it appears or is included.

As at the Latest Practicable Date, TC Capital had no direct or indirect interest in any asset which had been since 31 December 2021, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by, or leased to, any member of the Group, or was proposed to be acquired or disposed of by, or leased to, any member of the Group.

As at the Latest Practicable Date, TC Capital did not have any shareholding in any member of the Group nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

The letter and recommendation from TC Capital are given as of the date of this circular for incorporation herein.

## **8) LITIGATION**

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, 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.

## **9) MISCELLANEOUS**

- a) The registered office of the Company is at 19th Floor, SUP Tower, 75–83 King's Road, Hong Kong.
- b) The share registrar of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- c) The secretary and the qualified accountant of the Company is Ms. Chung Pui King, Rebecca, who is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.
- d) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

**10) DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.singamas.com>) for a period of 14 days from the date of this circular:

- a) the “Letter from the Independent Board Committee” as set out in this circular;
- b) the “Letter from TC Capital” as set out in this circular;
- c) the Master Purchase Contract 2022;
- d) the Revised Master Purchase Contract 2022;
- e) the written consent of TC Capital referred to under the section headed “Independent Financial Adviser” in this appendix; and
- f) this circular.

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## NOTICE OF EGM

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**SINGAMAS**

勝獅貨櫃企業有限公司  
**SINGAMAS CONTAINER HOLDINGS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**Stock Code: 716**

**NOTICE IS HEREBY GIVEN** that a general meeting (the “**EGM**”) of Singamas Container Holdings Limited (the “**Company**”) will be held by way of electronic means on Wednesday, 4 May 2022 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution as an ordinary resolution of the Company:

### **ORDINARY RESOLUTION**

1. “**THAT**

- (a) the Revised Master Purchase Contract 2022 (as defined in the circular of the Company dated 14 April 2022 (the “**Circular**”), a copy of which is tabled at the meeting and marked “A” and initialed by the chairman of the meeting for identification purposes, and the Transactions contemplated therein (as defined in the Circular) be and are hereby unconditionally approved, ratified and confirmed;
- (b) the New Annual Caps (as defined in the Circular) for the financial years ending 31 December 2022, 2023 and 2024, respectively, be and is hereby approved; and
- (c) any director of the Company be and is hereby authorised as he or she considers necessary, to execute and deliver for and on behalf of the Company all such documents, instruments, notices or agreements to be incidental to, or ancillary to or in connection with the matters contemplated in the Revised Master Purchase Contract 2022 and, to do all such other acts, matters or things for and on behalf of the Company, as may deem necessary or desirable to perfect, give effect to or implement any terms of the Transactions.”

By Order of the Board

**Chung Pui King, Rebecca**

*Executive Director and Company Secretary*

Hong Kong, 14 April 2022

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## NOTICE OF EGM

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*Registered office:*

19th Floor,  
SUP Tower,  
75–83 King’s Road,  
Hong Kong

*Notes:*

1. As set out in the section headed “Special Arrangements for the EGM” of the Circular (of which this notice forms part), **the Company strongly encourages Shareholders to exercise their rights to attend and vote at the EGM by electronic facilities (“Online EGM”)**. Both registered Shareholders and non-registered Shareholders can (i) attend the Online EGM and vote by way of electronic means; or (ii) exercise their right to vote at the Online EGM by appointing their own proxy or the Company’s designated proxy(ies), to act as their proxy.

By logging in the Online platform, Shareholders will be able to listen to a live webcast of the Online EGM, submit questions, and cast vote in real-time.

2. 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 at the meeting or any adjourned meeting should he so wish.**
3. 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.
4. For the purpose of ascertaining shareholders’ entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Thursday, 28 April 2022 to Wednesday, 4 May 2022, both days inclusive, and no transfer of the shares of the Company will be effected during such period. In order to be entitled to attend and vote at the meeting, all transfers of shares of the Company, duly accompanied by the completed transfer forms and all relevant share certificates, must be lodged with the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Wednesday, 27 April 2022. The shareholders whose names appear on the register of members of the Company on Wednesday, 4 May 2022, the record date of the meeting, will be entitled to attend and vote at the meeting.

5. COVID-19 PANDEMIC SITUATION

The Company will adopt the following special arrangements at the EGM for the purpose of public health and safety:

- (a) The Company would be conducting the EGM by way of a virtual meeting. No Shareholder, proxy or corporate representative should attend the EGM in person in light of the continuing risks posed by the COVID-19 pandemic.
- (b) Shareholders can attend, participate and vote at the Online EGM through online access by visiting the website – <http://meetings.computershare.com/MYKZA2W> (the “**Online Platform**”). The Online Platform will be open for registered Shareholders and non-registered Shareholders (please refer to the login details and arrangements set out in the Special arrangement for the EGM in the circular) to log in approximately 30 minutes prior to the commencement of the Online EGM and can be accessed from any location with internet connection by a smart phone, tablet device or computer. Shareholders should allow ample time to check into the Online Platform to complete the related procedures. Please refer to the Online User Guide for the Online EGM sent together with the circular for assistance. Any missed contents as a result of connection issues arise from the Shareholders will not be repeated.

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change and adopt contingency plans for the EGM arrangements at short notice, and the Company will ensure that the EGM arrangements are in compliance with the articles of association of the Company. Should there be any changes to the arrangements of the Online EGM, the Company will make further announcement(s) as and when appropriate. While the Company will use its best endeavours to provide necessary updates to the Shareholders, Shareholders should check the latest policies and notices announced by the Hong Kong Government and the website of the Company at <http://www.singamas.com> for future updates on the EGM arrangements.