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SINGAMAS

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

(Incorporated in Hong Kong with limited liability)

(Stock code: 716)

**DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF
100% EQUITY INTEREST IN A SUBSIDIARY**

On 22 June 2020, the Company and the Purchasers entered into the Agreement, pursuant to which the Company agreed to sell the Sale Interest in the Target Company (being a wholly-owned subsidiary of the Company) and the Purchasers agreed to purchase the Sale Interest at a total consideration of RMB132,000,000 in cash (equivalent to approximately USD18,613,046). The Sale Interest is purchased as to 95% by the 1st Purchaser and as to 5% by the 2nd Purchaser.

LISTING RULES IMPLICATIONS

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

I. THE AGREEMENT

Date: 22 June 2020

Parties: The Company as the Vendor.

Tianjin Jianghao Logistic Co., Ltd.*
(天津市江浩物流有限公司) as the 1st Purchaser.

Tianjin Haisheng Lanrui Iron and Steel Trading Co., Ltd.*
(天津海盛嵐瑞鋼鐵貿易有限公司) as the 2nd Purchaser.

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

Subject matter to be disposed of

The Purchasers agreed to purchase, and the Company agreed to sell, the Sale Interest at a total consideration of RMB132,000,000 (equivalent to approximately USD18,613,046) in cash. The Sale Interest represents 100% of the equity interest of the Target Company which is purchased as to 95% by the 1st Purchaser and as to 5% by the 2nd Purchaser.

The key assets held by the Target Company

The Target Company was previously engaged in the production of dry and specialised containers and has stopped operation since April 2017. Its key assets include the land use right, property, plant and equipment.

Consideration and payment terms

Consideration shall be paid by the Purchasers to the Company in the following manner:-

- (i) payment of RMB52,800,000 to the escrow account as jointly managed by the Company and 1st Purchaser within five days from the Agreement having taken effect and to release to the Company upon satisfaction of conditions listed in (ii) below;
- (ii) payment of RMB39,600,000 upon (a) the issuance of new business licence of the Target Company, (b) the obtaining of remittance proof issued by State Taxation Administration of the PRC and (c) the Company having released and returned the intention payment and admission fee of the same amount paid by the 1st Purchaser for the Disposal;
- (iii) payment of RMB34,600,000 within three days after the Target Company completes tax registration procedures on the transfer of Sale Interest; and
- (iv) RMB5,000,000, being the security fund for the withholding tax amount (“**Tax**”) payable by the Company in respect of the transfer of the Sale Interest, shall be applied to pay the Tax and any balance shall be paid to the Company within three days after tax clearance obtained by the 1st Purchaser on behalf of the Company.

The Consideration was determined on arm’s length negotiations between the Vendor and the Purchasers on normal commercial terms taking into account the value of the Target Company as at 31 March 2020.

Completion of the Disposal

Completion shall take place on or before 30 September 2020 or on such other date the Company and the Purchasers may otherwise agree.

II. INFORMATION OF THE TARGET COMPANY, THE COMPANY AND THE PURCHASERS

The Target Company

The Target Company is a company established in the PRC with limited liability and is principally engaged in the manufacturing of dry and specialised containers. Set out below is certain financial information of the Target Company for the two years ended 31 December 2018 and 2019:

For the years ended 31 December (audited)

	2018 (RMB)	2019 (RMB)
Revenue	6,437,027	810,359
Net (loss) before tax	(30,416,155)	(17,525,449)
Net (loss) after tax	(30,416,155)	(17,525,449)

The net asset value of the Target Company as at 31 December 2019 was approximately RMB12,169,835.

Upon completion of the Disposal, the Target Company will cease to be a subsidiary of the Company.

The Company

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

The Purchasers

Based on the information available to the Company, the 1st Purchaser is a company established in the PRC with limited liabilities, focusing on the freight transport, storage, repair and maintenance of trucks and provision of labour services. The 2nd Purchaser is a company established in the PRC with limited liabilities, focusing on the wholesale and retail of steel, machinery and equipment.

III. REASONS FOR AND BENEFITS OF THE DISPOSAL

The Target Company has ceased operation for several years and substantial investment amount will be required for restarting the operation. The Company considered that the Disposal represents a good opportunity for the Group to realise the investment cost. The net proceeds from the Disposal will be applied for other operating and / or capital investment and for general working capital purposes.

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

IV. FINANCIAL EFFECT OF THE DISPOSAL

The Company and its subsidiary expects to write-off the outstanding current account balances due from the Target Company to the Group of approximately RMB103,000,000 upon completion of the Disposal, and to recognise an unaudited profit of RMB20,000,000 (equivalent to approximately USD2,820,158) as a result of the Disposal. The actual gain or loss as a result of

the Disposal to be recorded by the Company is subject to audit.

V. LISTING RULES IMPLICATIONS

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

VI. DEFINITIONS

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

“1 st Purchaser”	Tianjin Jianghao Logistic Co., Ltd.* (天津市江浩物流有限公司), a company established in the PRC with limited liability
“2 nd Purchaser”	Tianjin Haisheng Lanrui Iron and Steel Trading Co., Ltd.* (天津海盛嵐瑞鋼鐵貿易有限公司), a company established in the PRC with limited liability
“Agreement”	the agreement dated 22 June 2020 entered into between the Company and the Purchasers in relation to the Sale Interest in the Target Company sold by the Company and purchased as to 95% by the 1 st Purchaser and as to 5% by the 2 nd Purchaser
“Company” or “Vendor”	Singamas Container Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 716)
“Consideration”	the amount of RMB132,000,000 in cash
“Director(s)”	director(s) of the Company
“Disposal”	the sale of the Sale Interest by the Company to the Purchasers pursuant to the Agreement
“Group”	the Company together with its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China and for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan

“Purchasers”	collectively the 1 st Purchaser and the 2 nd Purchaser
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interest”	represents 100% of the equity interest in the Target Company
“Shareholders”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Tianjin Pacific Container Co., Ltd. (天津太平貨櫃有限公司), a wholly-owned subsidiary of the Company as at the date of the Agreement
“USD”	United States dollars, the lawful currency of United States of America

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

Hong Kong, 22 June 2020

The Directors as at the date of this announcement are Mr. Teo Siong Seng, Mr. Chan Kwok Leung, Mr. Teo Tiou Seng and Ms. Chung Pui King, Rebecca as executive Directors, Mr. Tan Chor Kee and Mr. Kwa Wee Keng as non-executive Directors and Mr. Cheng Fu Kwok, David, Mr. Lau Ho Kit, Ivan and Mr. Ho Teck Cheong as independent non-executive Directors.

For the purposes of illustration only and unless otherwise specified, conversion of RMB into USD is based on the exchange rate of RMB7.0918 = USD1.00. Such conversion should not be construed as a representation that the amounts in question have been, could have been or could be converted at that particular rate or at all.

**Only for identification purpose*