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The logo for SINGAMAS, featuring the word "SINGAMAS" in bold, red, uppercase letters. The text is centered between two horizontal blue bars, one above and one below.

勝獅貨櫃企業有限公司

SINGAMAS CONTAINER HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 716)

**CONNECTED TRANSACTION
IN RELATION TO
A PROPOSED REPAYMENT PROPOSAL**

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

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

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

The Board was informed by PIL that, further to the interim funding already provided by Ivy 1 Investments VCC (an entity managed and controlled by Heliconia, which in turn is an independently managed wholly-owned subsidiary of Temasek) to PIL, PIL and Heliconia are in discussion in relation to a proposed further financing by way of an investment by one or more entities managed and controlled by Heliconia into PIL. According to PIL, no definitive agreement has been entered into between PIL and Heliconia in relation to such investment and if the Heliconia Agreement is entered into, the consummation of the transactions contemplated thereunder will be subject to certain conditions precedent including the inter-conditionality with the Deed and the successful conclusion of the PIL Debt Re-profiling. Further announcement(s) in

relation to the aforesaid proposed investment by one or more entities managed and controlled by Heliconia into PIL will be made as and when appropriate.

DEED BETWEEN THE COMPANY AND PIL

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

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

IMPLICATIONS UNDER THE LISTING RULES

PIL is the controlling shareholder of the Company as defined under the Listing Rules. Accordingly, PIL is a connected person of the Company under the Listing Rules. Accordingly, the Deed and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. The Deed and the transactions contemplated thereunder are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

EXTRAORDINARY GENERAL MEETING

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the entry into of the Deed and the arrangements contemplated thereunder. Any shareholder who has a material interest in the transaction must abstain from voting on the resolutions at the EGM. Accordingly, PIL and its associates will abstain from voting at the EGM.

A circular containing, among others, (i) further details of the Deed and the transactions contemplated thereunder; (ii) the letter of advice from the Independent Financial Adviser; (iii) the letter of recommendation from the Independent Board Committee; (iv) the financial and other information on the Group; (v) the notice of the EGM; and (vi) other information as required under the Listing Rules, is currently expected to be despatched to the Shareholders on or before 25 November 2020.

GENERAL

It should be noted that the consummation of the arrangements contemplated under the Deed is subject to a number of conditions precedent which may or may not be fulfilled. Therefore, these arrangements may or may not proceed as

contemplated or at all. Also, as at the date of this announcement, according to PIL, the Heliconia Agreement has not yet been entered into and the PIL Debt Re-profiling has not been completed, and hence there is no assurance that the transactions and arrangements contemplated thereunder will proceed as contemplated or at all. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the shares or any other securities of the Company.

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

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

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

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

DEED BETWEEN THE COMPANY AND PIL

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

On 4 November 2020 (before trading hours), the Company and PIL entered into the Deed, pursuant to which the Company and PIL conditionally agreed to the settlement

of the Outstanding Amount by way of payment of the Relevant Amount in accordance with a repayment schedule. Pursuant to the Deed, the Relevant Amount shall be repaid over a 10-year period with interest. Consummation and completion of the arrangements contemplated under the Deed are subject to conditions precedent, including approval from the Independent Shareholders.

PRINCIPAL TERMS AND CONDITIONS OF THE DEED

Date: 4 November 2020 (before trading hours)

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

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

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

Note: The Capitalised Amount (as defined below) shall be paid on the 10th Repayment Date, namely 31 December 2030, in addition to the repayment of USD84,696,984.

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

- (a) All Ordinary Interest accruing on the unpaid Relevant Amount up to and including each Repayment Date falling on or before 31 December 2023 shall be capitalised on such Repayment Date (such capitalised amount being the “**Capitalised Amount**”) and shall form

part of the Relevant Amount and shall itself accrue Ordinary Interest.

(b) After 31 December 2023, all Ordinary Interest accruing from time to time on the unpaid Relevant Amount (including Capitalised Amount) up to (and including) a Repayment Date falling after 1 January 2024 shall be paid by PIL on such Repayment Date.

(c) The Capitalised Amount shall be paid on 31 December 2030.

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

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

- (i) the relevant legal procedures under the applicable Singapore laws for the debt restructuring exercise as part of the PIL Debt Re-profiling having been conducted;
- (ii) the completion of the investment by Heliconia into PIL on terms to be agreed between Heliconia and PIL; and
- (iii) approval of the Deed and the transactions and arrangements contemplated hereunder by the Independent Shareholders.

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

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

- (i) PIL fails to pay when due and payable any sum payable under the Deed unless such payment is made within 60 days from the date on which such sum is due under the Deed;

(ii) any order is made by any competent court, or any resolution is passed by PIL, for the appointment of a liquidator or judicial manager over PIL; or

(iii) it becomes unlawful for PIL to perform any of its obligations under the Deed and such unlawfulness materially and adversely affects the interests of the Company under the Deed.

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

INFORMATION ON THE GROUP AND THE OTHER PARTIES

The Group

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

The PIL Group

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

Heliconia

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

Temasek is an investment company headquartered in Singapore.

REASONS FOR AND BENEFITS OF THE DEED

As advised by PIL, in light of the significant challenges facing the container shipping industry, PIL has endeavoured to make progress towards rationalising its service offerings and reducing asset costs; however, despite its efforts, the persistent COVID-19 pandemic has caused the situation to worsen over the past months. PIL is in discussions with its creditors amid this situation to re-profile its debts in order to bring its liabilities to a sustainable level so that it can weather the current crisis. As advised by PIL, as part of this exercise, further to the interim funding already provided by Ivy 1 Investments VCC (an entity managed and controlled by Heliconia) to PIL, PIL and Heliconia are in discussion in relation to a proposed further financing by way of an investment by one or more entities managed and controlled directly or indirectly by Heliconia into PIL. PIL is also contemplating the Debt Re-profiling with its creditors. Meanwhile, PIL is seeking to enter into the Deed with the Company in relation to the proposed settlement of the Outstanding Amount by way of a bilateral agreement, as described in this announcement.

According to the Deed, the Group is entitled to recover the full amount of the Outstanding Amount, together with interest, arising from the relevant outstanding receivables with a specified repayment schedule, without the need to convert such amount or any part thereof into equities of PIL without any specified repayment schedule. In the absence of such proposal, under the debt restructuring exercise to be conducted by PIL under the applicable Singapore laws as part of the PIL Debt Re-profiling with respect to its creditors, the recovery of the Company (as one of the creditors under such an exercise) may be on less favourable terms than those contained in the Deed, including the possible conversion of the outstanding amount into equities of PIL which may not have a specified repayment schedule.

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

Taking into account relevant factors including the above considerations, as well as the global COVID-19 pandemic and the outlook of the global economy as a whole, the Directors (other than the independent non-executive Directors whose view will be disclosed in the circular to be despatched by the Company to the Shareholders for the EGM) consider that the terms of the Deed are fair and reasonable and on normal commercial terms, and the transactions contemplated under the Deed are in the interests of the Company and the Shareholders as a whole.

FINANCIAL IMPACT FROM AN ACCOUNTING PERSPECTIVE

The Company currently expects that, from an accounting perspective, the transactions contemplated under the Deed will constitute a modification of financial assets, pursuant to which the existing trade receivables would be derecognised and a new financial asset in respect of the Outstanding Amount would be recognised at fair value at the date of modification, where the difference would be recognised in profit or loss. Based on the information available so far and subject to finalisation, the Company currently expects that such derecognition of trade receivables will cause a loss of not less than USD10 million to the Group. However, the actual amount of such loss can only be fully ascertained at the date of modification. The actual loss may vary from the current estimation since the effective interest rate of such new financial asset at the date of modification is dependent on a number of factors, including the global interest rate environment, credit rating and business performance of PIL after the debt reprofiling and other factors that may prevail at the date of the modification. For the purpose of the aforesaid, the date of modification shall be the date on which the Deed having become unconditional in all respects. Depending on the date of such modification, the loss arising from the derecognition of trade receivables would be reflected (and may have a material adverse effect) on the financial results of the Company for the year ending 31 December 2020 or the year ending 31 December 2021.

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

IMPLICATIONS UNDER THE LISTING RULES

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

Each of Mr. Teo Siong Seng, Mr. Teo Tiou Seng, Mr. Tan Chor Kee and Mr. Kwa Wee Keng (who are directors of both PIL and the Company), has abstained from voting on the resolutions of the Board approving the Deed and the arrangements contemplated thereunder.

EXTRAORDINARY GENERAL MEETING

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the entry into of the Deed and the arrangements contemplated thereunder. Any shareholder who has a material interest in the transaction must abstain

from voting on the resolutions at the EGM. Accordingly, PIL and its associates will abstain from voting at the EGM.

A circular containing, among others, (i) further details of the Deed and the transactions contemplated thereunder; (ii) the letter of advice from the Independent Financial Adviser; (iii) the letter of recommendation from the Independent Board Committee; (iv) the financial and other information on the Group; (v) the notice of the EGM; and (vi) other information as required under the Listing Rules, is currently expected to be despatched to the Shareholders on or before 25 November 2020.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

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

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

GENERAL

It should be noted that the consummation of the arrangements contemplated under the Deed is subject to a number of conditions precedent which may or may not be fulfilled. Therefore, these arrangements may or may not proceed as contemplated or at all. Also, as at the date of this announcement, according to PIL, the Heliconia Agreement has not yet been entered into and the PIL Debt Re-profiling has not yet been completed, and hence there is no assurance that the transactions and arrangements contemplated thereunder will proceed as contemplated or at all. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the shares or any other securities of the Company.

This announcement is made by the Company pursuant to Rule 13.09(2) and Chapter 14A of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

DEFINITIONS

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

“Announcements”	the announcements of the Company dated 22 March 2020 and 28 September 2020
“Board”	the board of Directors
“Company”	Singamas Container Holdings Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Container Depot and Logistics Services”	including but not limited to container handling, container storage, interchanging, inspection, repair, maintenance, refurbishment, trucking, cleaning, refrigerated machinery attendance and other services in relation to the containers managed and/or owned by PIL Group
“Deed”	the settlement deed dated 4 November 2020 between the Company and PIL in relation to the repayment schedule for the Outstanding Amount and interests
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held to consider and if thought fit, approve the Deed and the arrangements contemplated thereunder
“Equipment”	including but not limited to dry freight containers, collapsible flatrack containers, open top containers, bitutainers, refrigerated containers, US domestic containers, tank containers, other specialised containers and other relevant products
“Excluded Amount”	any amount due and/or owing from any member of the Group to any member of the PIL Group and any claim that any entity within the Group have or may have against any entity within the PIL Group under the master service contract between the Company and PIL dated 14 August 2020, further details of which are disclosed in the Company’s announcement dated 14 August 2020
“Group”	the Company and its subsidiaries
”Heliconia”	Heliconia Capital Management Pte. Ltd.
“Heliconia Agreement”	an agreement that may be entered into between PIL and Heliconia pursuant to which it is contemplated that further

	financing by way of an investment by one or more entities managed and controlled directly or indirectly by Heliconia will be made into PIL
“Hong Kong”	the 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 Deed and the transactions contemplated thereunder
“Independent Financial Adviser”	Platinum Securities Company Limited, an independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Deed and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders who are not required to be abstained to vote at the EGM
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Master Purchase Contract 2015”	the master purchase contract dated 6 October 2014 entered into between the Company (for and on behalf of the Group) and PIL (for and on behalf of the PIL Group) for the provision of the Equipment from the Group to PIL Group, further details of which are disclosed in the Company’s announcement dated 6 October 2014
“Master Purchase Contract 2018”	the master purchase contract dated 30 October 2017 entered into between the Company (for and on behalf of the Group) and PIL (for and on behalf of the PIL Group) for the provision of the Equipment from the Group to PIL Group, further details of which are disclosed in the Company’s announcement dated 30 October 2017
“Master Services Contract 2017”	the master services contract dated 14 December 2016 entered into between the Company (for and on behalf of the Group) and PIL (for and on behalf of the PIL Group) for the provision of Container Depot and Logistics Services from the Group to PIL Group, further details of which are disclosed in the Company’s announcements dated 14 December 2016 and 23 December 2016
“PIL”	Pacific International Lines (Private) Limited
“PIL Group”	PIL and its subsidiaries

“PIL Debt Re-profiling”	the debt re-profiling by PIL with its creditors
“Outstanding Amount”	any amount due and/or owing under all and any of Master Purchase Contract 2015, the Master Purchase Contract 2018 (including certain late interest and payment charges) and the Purchase Order Agreements as referred to in the aforesaid contracts, and the Container Depot and Logistics Services (which, for the avoidance of doubt, include both such services provided under the Master Services Contract 2017 or otherwise provided from 1 January 2020 onwards), and any claim that any entity within the Group have or may have against any entity within the PIL Group as of 30 June 2020 in respect of the aforesaid, other than in respect of the Excluded Amounts
“Relevant Amount”	US\$149,696,984
“Share(s)”	share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Temasek”	Temasek Holdings (Private) Limited

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

Hong Kong, 4 November 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.