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The logo for SINGAMAS, featuring the word "SINGAMAS" in a bold, red, sans-serif font. The text is centered between two horizontal blue bars of equal length.

勝獅貨櫃企業有限公司

**SINGAMAS CONTAINER HOLDINGS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 716)**

## **CONTINUING CONNECTED TRANSACTIONS**

### **CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcements of the Company dated 2 November 2021 and 18 March 2022 in relation to the Revised Master Purchase Contract 2022 entered into between the Company (for and on behalf of the Group) and PIL (for and on behalf of PIL Group) for the sales of Equipment to PIL Group. The Revised Master Purchase Contract 2022 will expire on 31 December 2024. On 7 October 2024, the Company (for and on behalf of the Group) entered into the Master Purchase Contract 2025 with PIL (for and on behalf of PIL Group), pursuant to which the Group will sell the Equipment to PIL Group.

The Master Purchase Contract 2025 is subject to the approval of the Independent Shareholders and will take effect from 1 January 2025 and expire on 31 December 2027.

As PIL is the controlling shareholder of the Company as defined under the Listing Rules, PIL is a connected person of the Company. The Master Purchase Contract 2025 involves transactions which will occur on a recurring basis over a period of time; accordingly, the Transactions will constitute continuing connected transactions of the Company.

The proposed Annual Caps of the Transactions for the financial years ending 31 December 2025, 2026 and 2027 are US\$120,000,000 (equivalent to approximately HK\$936,000,000), US\$105,000,000 (equivalent to approximately HK\$819,000,000) and US\$110,000,000 (equivalent to approximately HK\$858,000,000) respectively.

As one or more of the applicable percentage ratios (other than profits ratio) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the proposed Annual Caps for the Transactions exceeds 5%, the

Transactions contemplated under the Master Purchase Contract 2025 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 Independent Board Committee (comprising all the independent non-executive Directors) has been set up to advise the Independent Shareholders in connection with the Master Purchase Contract 2025 and the Transactions contemplated thereunder (including the Annual Caps). Goldlink Capital has been appointed as the Independent Financial Adviser for the purpose of providing independent advice to the Independent Board Committee and the Independent Shareholders in connection with the Master Purchase Contract 2025 and the Transactions contemplated thereunder (including the Annual Caps).

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Master Purchase Contract 2025 and the Transactions contemplated thereunder (including the Annual Caps). Any shareholder who has a material interest in the Transactions 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 information regarding the Master Purchase Contract 2025 and the Transactions contemplated thereunder, the advice from the Independent Financial Adviser, the letter of recommendation from the Independent Board Committee and the notice of the EGM is expected to be despatched to the Shareholders on or before 29 October 2024.

## **CONTINUING CONNECTED TRANSACTIONS**

### **BACKGROUND**

Reference is made to the announcements of the Company dated 2 November 2021 and 18 March 2022 in relation to the Revised Master Purchase Contract 2022 entered into between the Company (for and on behalf of the Group) and PIL (for and on behalf of PIL Group) for the sales of Equipment to PIL Group. The Revised Master Purchase Contract 2022 will expire on 31 December 2024.

On 7 October 2024, the Company (for and on behalf of the Group) entered into the Master Purchase Contract 2025 with PIL (for and on behalf of PIL Group), pursuant to which the Group will sell the Equipment to PIL Group. The Master Purchase Contract 2025 is subject to the approval of the Independent Shareholders and will take effect from 1 January 2025 and expire on 31 December 2027.

### **MASTER PURCHASE CONTRACT 2025**

The salient terms and conditions of the Master Purchase Contract 2025 are described below.

#### **Date:**

7 October 2024

**Parties:**

The Seller:

The Company (on behalf of the Group)

The Buyer:

PIL (on behalf of PIL Group)

**Scope/Consideration**

Pursuant to the Master Purchase Contract 2025, 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, tank containers, offshore containers and other specialised containers.

Given that none of the Equipment under the Master Purchase Contract 2025 has a fixed unit price or has a published reference price, the unit price of the Equipment under each individual purchase order agreement will be determined 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 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 Equipment of similar nature and value and the industry practices.

Before determining the unit price for the Equipment under the Master Purchase Contract 2025 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 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 as a whole.

The payment for the Transactions contemplated under the Master Purchase Contract 2025, 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 PIL Group to the Group. The payment term offered by the Group to 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 Master Purchase Contract 2025 will be for a term commencing from 1 January 2025 and expiring on 31 December 2027. During the effective term of the Master Purchase Contract 2025, either the Company (on behalf of the Group) or PIL (on behalf of PIL Group) may terminate the Master Purchase Contract 2025 by giving 30 days' written notice to the other party.

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

The table below sets out the historical figures, the existing annual caps in respect of the transactions contemplated under the Revised Master Purchase Contract 2022 for each of the financial years ended 31 December 2022 and 2023 and for the financial year ending 31 December 2024:

Year ended 31 December 2022		Year ended 31 December 2023		Year ending 31 December 2024	
Annual cap	Actual amount	Annual cap	Actual amount	Annual cap	Actual amount (up to the date of the announcement) <i>(Note)</i>
US\$120,000,000	US\$106,915,000	US\$120,000,000	Nil	US\$120,000,000	US\$33,908,000
(equivalent to approximately HK\$936,000,000)	(equivalent to approximately HK\$833,937,000)	(equivalent to approximately HK\$936,000,000)		(equivalent to approximately HK\$936,000,000)	(equivalent to approximately HK\$264,482,000)

*Note: The actual amount from 1 January 2024 up to the date of the announcement represents: (i) the total value of equipment sold by the Group to PIL Group of US\$1,452,000; and (ii) the value of unproduced purchase orders confirmed by PIL Group to the Group of approximately US\$32,456,000.*

The proposed Annual Caps of the Transactions for the financial years ending 31 December 2025, 2026 and 2027 are US\$120,000,000 (equivalent to approximately HK\$936,000,000), US\$105,000,000 (equivalent to approximately HK\$819,000,000) and US\$110,000,000 (equivalent to approximately HK\$858,000,000) respectively.

The nil sales transaction to PIL Group for 2023 and low aggregate sales value for 2024 were mainly due to the fact that PIL Group made fewer direct purchases from the Group in 2023 and 2024 after substantial purchases in 2022. In 2023, the operating environment was difficult due to high inflation, interest rate hikes by the world's central banks and various geopolitical tensions which affected the global trade volume. In response to this, container demand from shipping companies, including PIL, dropped substantially. Moreover, instead of purchasing from the Group, PIL Group might consider fulfilling its requirements of Equipment indirectly through container leasing, as described in the Company's announcement dated 31 January 2022. PIL Group considers its logistic requirements, cash flow planning and the proportion of self-owned assets when determining whether to undertake direct purchases or indirectly through container leasing.

The Annual Caps are determined after taking into account: (i) the historical transaction amounts for each of the two years ended 31 December 2022 and 2023 and for the period from 1 January 2024 up to the date of this announcement 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 through leasing) such that the Company expects PIL Group to continue to purchase from the Group to meet its increasing Equipment requirements; (iii) estimated Equipment requirements of PIL Group during the term of the Master Purchase Contract 2025 as advised by the General Manager of Logistic Division of PIL. According to PIL, PIL Group has ordered 13 vessels with total capacity of more than 150,000 Twenty-Foot Equivalent Units ("TEU"), which are scheduled to be delivered in the coming few years, significantly increasing its demand for new containers. The planned Equipment purchases are calculated based on the replacement demand of PIL's existing Equipment, the expected new vessel deliveries and the expected growth of its business volume for certain shipping routes; and (iv) the expected market prices of the Equipment from the market intelligence report relied on by the Group to estimate the projected price for the years from 2025 to 2027.

### **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 relevant personnel and management of the Group in charge to ensure that all the continuing connected transactions are conducted on normal commercial terms and in accordance with the pricing policy of the Group and will not be prejudicial to the interests of the Company and its Shareholders as a whole. The relevant personnel and management of the Group will conduct regular checks to review and assess whether individual transactions contemplated under the continuing connected transactions are conducted in accordance with the terms of the Master Purchase Contract 2025 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. The independent non-executive Directors will review the transactions contemplated under all continuing connected transactions of the Company and the auditors of the Group will also conduct an annual review on the pricing terms and annual caps thereof. 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.

## **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, tank containers, offshore containers, other specialised containers and container parts and leasing of dry freight containers; 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, 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.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE MASTER PURCHASE CONTRACT 2025**

The Master Purchase Contract 2025 will provide the Group with an additional and steady source of revenue in the ordinary course of business of the Group.

The Directors (other than the independent non-executive Directors) 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 independent 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, and are also of the opinion that the Annual Caps are fair and reasonable. The independent non-executive Directors will provide their views on the Transactions after considering the advice from the Independent Financial Adviser.

## **LISTING RULES IMPLICATIONS**

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. The Master Purchase Contract 2025 involves transaction, 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.

As one or more of the applicable percentage ratios (other than profits ratio) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the proposed Annual Caps for the Transactions exceeds 5%, the Transactions contemplated under the Master Purchase Contract 2025 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. Each of Mr. Teo Siong Seng (who is a director of both PIL and the Company), Mr. Ng Wai Lim (who is the Group CFO of PIL and a director of the Company) and Ms. Lau Man Yee, Vanessa (who is the Group Controller of PIL and

a director of the Company) has abstained from voting on the board resolutions approving the Master Purchase Contract 2025 and the Transactions contemplated thereunder.

### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee (comprising all the independent non-executive Directors) has been set up to advise the Independent Shareholders in connection with the Master Purchase Contract 2025 and the Transactions contemplated thereunder (including the Annual Caps).

Goldlink Capital has been appointed as the Independent Financial Adviser for the purpose of providing independent advice to the Independent Board Committee and the Independent Shareholders in connection with the Master Purchase Contract 2025 and the Transactions contemplated thereunder (including the Annual Caps).

### **EGM**

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Master Purchase Contract 2025 and the Transactions contemplated thereunder. Any shareholder who has a material interest in the Transactions 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 information regarding the Master Purchase Contract 2025 and the Transactions contemplated thereunder, the advice from the Independent Financial Adviser, the letter of recommendation from the Independent Board Committee and the notice of the EGM is expected to be despatched to the Shareholders on or before 29 October 2024.

### **DEFINITIONS**

“Annual Caps”	the maximum aggregate sales value in respect of the Transactions for the financial years ending 31 December 2025, 2026 and 2027 respectively
“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 Master Purchase Contract 2025 and the Transactions contemplated thereunder (including the Annual Caps)

“Equipment”	including but not limited to dry freight containers, collapsible flatrack containers, open top containers, tank containers, offshore containers, other specialised containers and other relevant products
“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 Ms. Wong Sau Pik, Mr. Ho Teck Cheong and Mr. Lam Sze Ken, Kenneth being all the independent non-executive Directors, which is formed to advise the Independent Shareholders on the Master Purchase Contract 2025 and Transactions contemplated thereunder
“Independent Financial Adviser” or “Goldlink Capital”	Goldlink Capital (Corporate Finance) Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Master Purchase Contract 2025
“Independent Shareholders”	Shareholders other than those who have a material interest in the Master Purchase Contract 2025 and the Transactions contemplated thereunder
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Purchase Contract 2025”	the conditional master purchase contract dated 7 October 2024, 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 commencing from 1 January 2025 to 31 December 2027
“PIL”	Pacific International Lines (Private) Limited, a company incorporated in the Republic of Singapore
“PIL Group”	PIL together with its subsidiaries



“Revised Master Purchase Contract 2022”	the master purchase contract dated 18 March 2022, which was approved by the Shareholders on 4 May 2022, and entered into between the Company (for and on behalf of the Group) and PIL (for and on behalf of PIL Group), and will expire on 31 December 2024
“Shareholders”	shareholders 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 Master Purchase Contract 2025
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

*In this announcement, 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.*

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

Hong Kong, 7 October 2024

*The Directors, as at the date of this announcement, are Mr. Teo Siong Seng, Ms. Siu Wai Yee, Winnie and Ms. Chung Pui King, Rebecca as executive Directors; Mr. Ng Wai Lim and Ms. Lau Man Yee, Vanessa as non-executive Directors; and Mr. Ho Teck Cheong, Mr. Lam Sze Ken, Kenneth and Ms. Wong Sau Pik as independent non-executive Directors.*

*Unless otherwise specified, conversion of US\$ into HK\$ is based on the exchange rate of US\$1.00 = HK\$7.8.*