勝獅貨櫃企業有限公司

SINGAMAS CONTAINER HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 716)

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF 100% EQUITY INTEREST IN TARGET COMPANIES

Joint Financial Advisers of the Company

THE DISPOSAL

The Board announces that on 6 May 2019, the Company, as the vendor, the Purchaser and the Target Companies, entered into the Agreement, pursuant to which, the Company conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Interests at a consideration of RMB 3,800 million in cash (subject to adjustments).

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the relevant applicable percentage ratios set forth under Rule 14.07 of the Listing Rules in respect of the Disposal are 75% or more, the Disposal constitutes a very substantial disposal for the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal, the Agreement and the transactions contemplated thereunder.

A circular containing, among other things, further information relating to the Disposal and the notice convening the EGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 30 June 2019, as the Company expects that it will require more time to collate the financial information to be included in the circular.

Closing of the Disposal is conditional upon the satisfaction (or, where applicable, waiver) of, among other things, the conditions set out in the section headed ''Conditions Precedent'' in this announcement, including the approval of the Agreement and the transactions contemplated thereunder by the Shareholders at the EGM and the Agreement not having been terminated. Accordingly, the Disposal may or may not proceed as contemplated or at all. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.

THE DISPOSAL

The Board announces that on 6 May 2019, the Company, as the vendor, the Purchaser and the Target Companies, have entered into the Agreement, pursuant to which, the Company conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Interests.

The Agreement

Date	6 May 2019 (after trading hours)	
Parties	(1)	Company (as vendor)
	(2)	The Purchaser (as purchaser)
	(3)	The Target Companies

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

(a) Asset to be disposed of

As at the date of this announcement, the Company directly or indirectly owns the Sale Interests, being 100% of the equity interest in each of the Target Companies. Pursuant to the Agreement, the Company conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Interests at the Consideration.

The Target Companies are engaged in the businesses including manufacturing of dry freight, specialised and refrigerated containers, provision of terminal services and provision of technical and development services of container manufacturing in the PRC.

(b) Consideration, payment terms and adjustments

Consideration

The Consideration as agreed between the Company and the Purchaser shall be RMB 3,800 million (equivalent to approximately US$565 million) in cash (subject to adjustments as set out in the Agreement, as described in the paragraph headed "Adjustments" below).

The Consideration was determined after arm's length negotiations between the Company and the Purchaser after taking into account the net asset value of the Target Companies, the business development and prospects of the Target Companies in the medium to long term and the reasons for and benefit of the Disposal as described below. In determining the basis of the Consideration, the Company has considered other valuation methodologies such as the income approach. However, given (i) the Group's past cyclical financial performance; (ii) the industry is subject to seasonal factors; and (iii) the Group's business is an asset intensive business, the Company considers the net asset value method a fairer and more reasonable approach in determining the Consideration. The Directors consider that the Consideration is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Payment terms

The Consideration is payable in four instalments:

i. the first instalment of RMB 190 million ("**First Instalment**"), shall be paid into the third-party escrow account as jointly designated by the Company and Purchaser within 10 Business Days after the Agreement having become effective and the Agreement and the transactions contemplated thereunder having been approved by the Shareholders at the EGM. The First Instalment shall be released to the Company when the Second Instalment is paid, but may, subject to the written consent of the Company and the Purchaser, be released in advance to pay the taxes in connection with the transfer of the Sale Interests;

ii. the second instalment of RMB 2,280 million ("**Second Instalment**"), shall be paid within 10 Business Days (whichever is later): (a) upon the satisfaction of (or the waiver of) the Conditions Precedent; and (b) the Closing of each Target Company;

iii. the third instalment of RMB 1,030 million (and, subtracting the Profit or Loss of the Target Companies during the Transition Period and the Profit or Loss after Closing (where such figures are negative), or adding the Profit or Loss after Closing (where such figure is positive)) ("**Third Instalment**"), shall be paid to the Company within 10 Business Days after (whichever is later): (a) Target Companies having recovered its receivables prior to the Closing Date; (b) the Company having completed the tax declaration and payment in respect of the transfer of Sale Interests and the Company having provided evidence of such declaration and payment to the Purchaser; and (c) the Target Companies performed or complied with certain tasks or obligations in relation to certain matters identified during the due diligence process as agreed between the Company and the Purchaser as specified in the Agreement in respect of its business, environmental and intellectual property affairs; and

iv. the fourth instalment of RMB 300 million ("**Fourth Instalment**"), shall be paid at the same time as the payment of the Third Instalment. The Fourth Instalment shall be paid into a third-party escrow account as jointly designated by the Company and Purchaser as security deposit. The release of the Fourth Instalment shall be subject to certain conditions.

Adjustments

The Consideration is subject to adjustments as a result of (i) the Profit or Loss of the Target Companies during the Transition Period, (ii) the Profit or Loss after Closing and (iii) SASAC filing.

(i) The Profit or Loss of the Target Companies during the Transition Period

The Agreement contains customary pre-closing obligations on the Company requiring the Target Companies to be operated in the ordinary course during the Transition Period. The Company and the Purchaser agree that the profit or loss arising from the Target Companies during the Transition Period shall belong to or be borne by the Company ("**Profit or Loss of the Target Companies**"). After the Transitional Period Assessment Date, the financial conditions of the Target Companies shall be audited as of the Transitional Period Assessment Date in accordance with the PRC accounting standards and an audit report shall be issued accordingly, based on which the Profit or Loss of the Target Companies shall be determined. If the Company expects that the figure of the Profit or Loss of the Target Companies to be positive, the Company shall submit to the Purchaser in writing to confirm the amount and complete the profit distribution of such amount after the satisfaction (or waiver) of the Conditions Precedent but before the Closing Date.

As at the date of this announcement, the Company does not contemplate any material change or impact on the operations of the Target Companies during the Transitional Period. Given that the Transition Period will cover a certain period of time up to or around Closing, based on the information currently available to the Company as at the date of this announcement, the Company is not in a position to quantify any material downward adjustment on the Consideration pursuant to adjustment event (i) above.

(ii) The Profit and Loss after Closing

It is a commercial agreement between the Company and the Purchaser under the Agreement to not accept production orders beyond the designated amount in order to ensure the Target Companies will operate generally in line with their respective past performance and will not accept orders beyond their respective production capabilities. The Company undertakes that, as of the Closing Date, the total amount of the production orders which have not been manufactured of the Target Companies shall not exceed the designated amount under the Agreement and the raw material inventory shall not exceed the number corresponding to the remaining production orders of the Target Companies. The profit or loss arising from the above-mentioned production orders not exceeding such designated amount shall belong to or be borne by both the Purchaser and the Company equally. For the portion of production orders beyond such designated amount, the loss (if any) shall be borne by the Company and the profit (if any) shall be attributable to the Purchaser (together with the profit or loss belong to or be borne by both the Purchaser and Company equally, the "**Profit or Loss after Closing**"). The Profit or Loss after Closing shall be determined in accordance with the audit result.

Given that the Transition Period will cover a certain period of time up to or around Closing, based on the information currently available to the Company as at the date of this announcement, the Company is not aware of any material downward adjustment on the Consideration pursuant to adjustment event (ii) above.

(iii) SASAC filing

If the valuation of the Target Companies filed with and confirmed by the competent department of SASAC is lower than the Consideration (before any adjustments in accordance with the Agreement), the Consideration shall be adjusted accordingly based on the filing of the competent department of SASAC. However, if such adjusted amount is lower than RMB 3,500 million, the Company has the right to terminate the Agreement in accordance with the terms of the Agreement.

As at the date of this announcement, the Company is not in a position to provide a reliable and meaningful assessment on the relevant amount of potential downward adjustment to the Consideration pursuant to adjustment event (iii) above. As at the date of this announcement, on the basis of the prevailing circumstances, the Company contemplates that it will terminate the Agreement in accordance with the terms of the Agreement if the adjusted amount of the Consideration based on the valuation of the Target Companies is lower than RMB 3,500 million. In the event the Company considers to proceed with the Disposal if the adjusted amount of the Consideration based on the valuation of the Target Companies is lower than RMB 3,500 million, the Company will seek the approval of the Shareholders (where applicable).

(c) Conditions Precedent

Closing is subject to the satisfaction of (or, where applicable, the waiver by the Purchaser), among others, the following conditions:

i. the Agreement having become effective;

ii. the Purchaser having made its filings with the competent department of SASAC;

iii. the Agreement and the transactions contemplated thereunder having been approved by the Shareholders at the EGM and the "No Comment Letter" has been issued by the Stock Exchange with respect to the circular in respect of the Agreement or the transactions contemplated thereunder;

iv. the Purchaser having completed all necessary antitrust/merger control filings or declarations required by any jurisdiction for the transfer of the Sale Interests contemplated under the Agreement (if applicable), and all appropriate waiting periods (including any extensions thereof) have expired or terminated and the relevant authorities have granted (or deemed to have been granted in accordance with applicable law) all licenses or approvals. If such licenses or approvals impose any additional conditions, the Purchaser may opt to accept such conditions or terminate the Agreement;

v. the representations and warranties by the Company and Target Companies are true, accurate and complete, and all undertakings by each of them before Closing has been completed;

vi. the transfer of the Sale Interests contemplated under the Agreement is not prohibited by any applicable laws, regulations, departmental rules, Listing Rules or prohibitions, and there are no circumstances of non-compliance with applicable laws, regulations, departmental rules, Listing Rules or prohibitions;

vii. the Target Companies, the Company and its related parties (including but not limited to the controlling shareholder of the Company) having notified the relevant parties and obtained their consent(s) in accordance with the relevant contracts; and

viii. the Target Companies performed or complied with certain pre-completion tasks or obligations in relation to certain matters identified during the due diligence process as agreed between the Company and the Purchaser as specified in the Agreement in respect of, among others, its business, contractual, financial, accounting, taxation, governmental filing, approval and consents, land, equipment, employment and intellectual property affairs.

The Purchaser shall not waive conditions (i), (iii), (vi) and (vii) above without the prior consent of the Company. As at the date of this announcement, the Company does not contemplate any material financial impact as a result of the performance of and compliance with such pre-completion tasks or obligations referred to in condition (viii) above.

(d) Closing

The Company and the Target Companies shall, in good faith, cause the Closing to occur expediently. The latest date on which the Closing could occur, in principle, should be no later than 30 September 2019. If the Company fails to obtain (i) the "No Comment Letter" issued by the Stock Exchange with respect to the circular in relation to the Agreement and the transactions contemplated thereunder; or (ii) the approval of the Agreement and the transactions contemplated thereunder by the Shareholders at the EGM before 31 December 2019, either party has the right to terminate the Agreement in accordance with the Agreement. If the Company fails to satisfy the Conditions Precedent (other than those waived by the Purchaser and the Conditions Precedent relating to the obtaining of the above-mentioned "No Comment Letter" issued by the Stock Exchange or the EGM approval) by 30 September 2019, the Purchaser has the right to terminate the Agreement in accordance with the Agreement.

If the Closing fails to occur by 30 September 2019 due to matters in relation to antitrust/merger control filings, the latest date on which the Closing could occur shall be extended to 31 December 2019. If any extension beyond such date is required, the Purchaser and the Company shall negotiate on the further extension. If the parties fail to agree on such further extension or the Closing fails to occur by such further extension, either party has the right to terminate the Agreement in accordance with the Agreement.

Immediately after Closing, the Target Companies will cease to be subsidiaries of the Company and the financial results and financial positions of the Target Companies will cease to be consolidated into the financial statements of the Company.

(e) Post-Closing obligations

Pursuant to the Agreement, the Purchaser and Company has agreed to perform the following post-Closing obligations, including, among other things:

i. the Company shall satisfy Conditions Precedents that are waived by the Purchaser and conditions to the payment of the Second and/or Third Instalment as soon as possible after Closing and the Purchaser's payments of the Consideration respectively;

ii. if there is any quality issue in the products delivered by the Target Companies before the Closing which leads to claims against the Target Companies or the Purchaser after the Closing, the Company shall pay the portion of such compensations exceeding the insured amount;

iii. the Company shall promptly recover all receivables where the delivery obligation has been fulfilled before the Closing in accordance with the relevant contracts/orders;

iv. the Company shall use reasonable efforts to assist the Purchaser in the continuing operation of the Target Companies for a period of 6 months after the Closing Date;

v. the Company and the Purchaser shall procure for certain arrangements relating to the transfer and use of intellectual property rights and use of brand names by the Company and the Target Companies after Closing;

vi. the Company shall be responsible for the compensations for occupational diseases occurring within one month after the Closing Date; and

vii. the Company and its associates shall not, with certain exceptions, engage in the Restricted Business in the PRC for 3 years ("**Restricted Period**") to avoid improper depreciation of the commercial value of the Target Companies. If the Company or its associates engages in the Restricted Business in the PRC after the Restricted Period, subject to the applicable antitrust/ competition laws of any jurisdiction, the Company undertakes to first negotiate with the Purchaser or its designated related parties within a reasonable period.

    The Group will shift its business focus from the Restricted Business to the production of specialised containers, putting emphasis on marketing and developing personalised and customised high value-added specialised containers and the logistics services business. From the operational perspective, instead of focusing on producing standardised containers, the Remaining Group will further invest in R&D and sales and marketing for promoting and developing the customised specialised containers. As at the date of this announcement, the Company does not contemplate there to be any material financial impact on the Remaining Group during the Restricted Period.

INFORMATION ON THE TARGET COMPANIES

Qidong Singamas is a company established in the PRC with limited liability and wholly-owned by the Company. Qidong Singamas engages in the manufacturing of dry freight, specialised and refrigerated containers.

Qingdao Pacific is a company established in the PRC with limited liability and wholly-owned by the Company. Qingdao Pacific engages in the manufacturing of dry freight, specialised and refrigerated containers and holding 100% equity interest of Qidong Pacific. Qidong Pacific is a company established in the PRC with limited liability and engages in the provision of container terminal services.

Ningbo Pacific is a company established in the PRC with limited liability and wholly-owned by the Company. Ningbo Pacific engages in the manufacturing of dry freight and specialised containers.

Singamas Container (Shanghai) is a company established in the PRC with limited liability and wholly-owned by the Company. Singamas Container (Shanghai) engages in the provision of technical and development services of container manufacturing.

Set out below is the unaudited combined financial information of the Target Companies for the two years ended 31 December 2018, prepared in accordance with HKFRS issued by the HKICPA:

	For the year ended 31 December	
Results	**2018**	**2017**
	(unaudited)	(unaudited)
	US$'000	US$'000
Revenue	1,096,133	814,191
Profit before taxation	32,307	45,960
Profit after taxation	23,620	39,146

Based on the unaudited combined financial information of the Target Companies as at 31 December 2018, the combined net asset of the Target Companies was approximately US$541,207,000. The Consideration, being approximately US$565 million, represents approximately a 4.40% premium over the combined net asset of the Target Companies.

INFORMATION ON THE GROUP AND THE REMAINING GROUP AND REASONS FOR AND BENEFIT OF THE DISPOSAL

Information on the Group and the Remaining Group

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, refrigerated containers, 53' US domestic containers, tank containers, offshore containers, other specialised containers and container parts; provision of logistics services, including operating container depots, container terminals and container logistics.

The Company currently expects that, following the Disposal, the Group will continue to own and engage in the following businesses:

a) except for Qidong Pacific, its entire logistic business, including ten container depots, eight at major ports in the PRC – Dalian, Tianjin, Qingdao, Shanghai, Ningbo, Fuzhou, Xiamen and Guangxi, and two in Hong Kong and a logistic company in Xiamen. The container depots are engaged in the provision of container storage, drayage and repair services and serving as a freight station; and

b) its manufacturing operations in the manufacturing, R&D and sale of containers, including dry freight containers, tank containers, collapsible flatrack containers, offshore containers and other specialised containers. The Company currently expects that its operations in Shanghai Baoshan, Shanghai Jiading, Yixing and Xiamen will focus on such manufacturing operations.

As such, the Company currently expects that the Group's business activities will broadly remain the same as prior to the Disposal, with a shift of the Group's business away from the manufacturing and sale of containers types which are standardised in nature, and will focus on logistics services and the manufacturing, R&D and sale of personalized and customized high value-added specialised containers.

Reasons for and benefit of the Disposal

The Company considers that the Disposal will be an important step towards the transformation of the Group's traditional business, which includes shifting the Group's business focus to logistics services and the manufacturing, R&D and sale of specialised containers. This will help facilitate the implementation of the Group's unique development strategy in the container industry.

The market of the specialised containers industry is different from that of dry freight containers. Although traditional dry freight containers are still used in sea freight transportation, they cannot be used for the transportation of all types of goods, so specialised containers have emerged. With the development of international trade, the types of goods transported are dynamically changing. With the global economic integration and the development of various modes of transportation, the production and sales of specialised containers of major players in the industry have shown a trend of rising volume and price.

Specialised containers products can be used in different industries, including construction, transportation and storage, and even agriculture, so there will be various types of specialised or multi-purpose containers in the future. These specialised containers require more comprehensive design, process manufacturing and maintenance for the cabinet of the containers, which means that they have a higher value. The shift of focus towards specialised containers will help achieve Company's aims for profitability through high unit price, high added value, and high gross margin (with the gross margin of certain customised containers be up to 20%).

In light of the increasing demand for personalised and customised high value-added specialised containers, the Group believes this segment will be the key growth driver in the future. With 30 years of industry experience and strong market reputation, the Group has successfully tapped into the specialised container manufacturing market and offers a wide range of products including collapsible flatrack containers, open top containers, bitutainers, offshore containers and other customised containers. The Company considers that the ability to provide tailor-made products by the Group is one of the key success factors in attracting and retaining its customers.

Supported by its own sales team and by participating in industry exhibitions, the Group has achieved growth in both volume and price with regard to specialised container manufacturing and sales. The Group will continue to give full play to the comparative advantages of its network, talent, and asset management capabilities accumulated from the industry to form the core competitiveness of developing specialised containers manufacturing. By displaying its strength in development and production of specialised containers, the Group will be better poised to retaining and attracting customers.

In the future, the Group will work with customers to provide tailor-made design and production services to meet different customers' requirements. The Group plans to continue expanding the Group's presence in the specialised container industry by actively boosting operational efficiency and overall returns, which will provide a buffer against the trade driven volatile market for dry freight containers as well. The Group will continue to bolster its R&D capabilities in order to provide sophisticated container solutions to suit customers' need and implement stringent cost controls including automation of various manufacturing activities. Other than continue to operate its existing specialised container manufacturing business, the Group will devote resources and explore new business opportunities including specialised containers for non-sea freight purposes including fish farming, housing, storing, power generating, etc. to broaden its revenue stream.

Although the Disposal will be at the cost of market share in the dry freight container segment, the Company believes it represents a good opportunity for the Group to optimize resources in order to offer more tailor-made design and production to suit customers' requirements as well as realize values for the Shareholders. Subsequent to the Disposal, the Group will continue to operate its (i) container manufacturing operations in five production sites in the PRC; (ii) its logistics services business including ten container depots in the PRC and Hong Kong and one logistics company in Xiamen.

The Group's logistics services business forms an integral and complementary service for its container manufacturing service. Other than the ten container depots in the PRC and Hong Kong and one logistics company in Xiamen, the Group also established a joint venture in India to provide industrial chemical liquid transportation in India. The Company considers this will further strengthen its market presence in the logistics service business.

Additionally, the Group will be continuously evaluating different business opportunities under the logistics services and the specialised container businesses in addition to organic expansions, including potential acquisitions of businesses and assets or forming strategic alliances with potential business partners.

Based on the above, the Directors believe that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of China COSCO Shipping Corporation Limited* ("**COSCO SHIPPING**"). The Purchaser is principally engaged in the provision of integrated financial services and investment in financial assets.

COSCO SHIPPING is a company incorporated under the laws of the PRC, and is a state-owned enterprise wholly-owned and controlled by the SASAC. The scope of business of COSCO SHIPPING includes international shipping, ancillary business in international maritime transportation, import and export of goods and technologies, international freight agency business, leasing of self-owned vessels, sales of vessels, containers and steel and maritime engineering.

FINANCIAL EFFECT OF THE DISPOSAL

It is expected that the Group will record a loss of approximately US$15 million from the Disposal, which is calculated based on the net proceeds (being US$528 million as detailed in the paragraph headed "Use of Proceeds" below), the net asset value of the Target Companies and the expected goodwill written off. Shareholders should note that the exact amount of the gain/loss on the Disposal to be recorded in the consolidated statement of profit or loss of the Group for the year ending 31 December 2019 will be subject to audit, and will be calculated based on the net asset value of the Target Companies as at Closing, adjustments to the Consideration and net of any incidental expenses, tax expenses, transaction costs and any exchange rate fluctuation before Closing and therefore may vary from the figures provided above.

USE OF PROCEEDS

The total gross proceeds from the Disposal are approximately RMB 3,800 million (equivalent to approximately US$565 million), subject to adjustment.

The Group intends to apply the total net proceeds of approximately RMB 3,550 million (equivalent to approximately US$528 million) (netting the expected tax expenses and transaction costs) from the Disposal as follows:

- approximately US$300 million, will be used for repayment of bank loans;

- subject to the limitation of the retained earnings of the Company as at 31 December 2018, a maximum amount of approximately US$100 million, will be used for distribution of special dividend; and

- the remaining approximately US$128 million, will be used for general corporate and working capital requirements.

In the event that the total net proceeds differ from the above estimation due to adjustment, the allocation of such proceeds will be adjusted as the Company considers necessary or desirable.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the relevant applicable percentage ratios set forth under Rule 14.07 of the Listing Rules in respect of the Disposal are 75% or more, the Disposal constitutes a very substantial disposal for the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal, the Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, no Shareholder has a material interest in the Disposal and accordingly, no Shareholder is required to abstain from voting in respect of the ordinary resolution to approve the Disposal at the EGM.

GENERAL

A circular ("**Circular**") containing, among other things, further information relating to the Disposal and the notice convening the EGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 30 June 2019, as the Company expects that it will require more time to collate the financial information to be included in the circular.

Closing of the Disposal is conditional upon the satisfaction (or, where applicable, waiver) of, among others, the conditions set out in the section headed ''Conditions Precedent'' in this announcement, including the approval of the Agreement and the transactions contemplated thereunder by the Shareholders at the EGM and the Agreement not having been terminated. Accordingly, the Disposal may or may not proceed as contemplated or at all. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

"Agreement"	the sale and purchase agreement dated 6 May 2019 entered into between the Company, the Purchaser and the Target Companies in respect of the Disposal
"AIC Registration"	the Target Companies' change of company registration records with the competent Industry and Commerce Administration Bureau in the PRC in connection with the Disposal according to the PRC laws
"Business Day"	a working day pursuant to the laws of the PRC
"Board"	the board of Directors
"Circular"	has the meaning ascribed to it under the paragraph headed "General"

"Closing"	the satisfaction of all the Conditions Precedents and the completion of AIC Registration, record-filing with the MOFCOM and the Transfer of Operation and Management Rights having occurred by all the Target Companies (whichever is later)
“Closing Date”	the date on which the Closing is completed
"COSCO Shipping"	has the meaning ascribed to it under the paragraph headed “Information on the Purchaser”
"Company"	Singamas Container Holdings Limited, a company incorporated in the Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 716)
"Conditions Precedent"	the conditions precedent to Closing and payment of the Second Instalment under the Agreement
"connected person(s)"	has the same meaning ascribed thereto in the Listing Rules
"Consideration"	the consideration for the sale and purchase of the Sale Interests
"Director(s)"	the directors of the Company
"Disposal"	the disposal of the Sale Interests by the Company to the Purchaser pursuant to the Agreement
"EGM"	an extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Disposal and the Agreement
"First Instalment"	has the meaning ascribed to it under the paragraph headed “Payments”
"Fourth Instalment"	has the meaning ascribed to it under the paragraph headed “Payments”
"Group"	the Company and its subsidiaries
“HKFRS”	the Hong Kong Financial Reporting Standards
“HKICPA”	the Hong Kong Institute of Certified Public Accountants
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"MOFCOM"	the Ministry of Commerce of the PRC
"Ningbo Pacific"	Ningbo Pacific Container Co., Ltd.* (寧波太平貨櫃有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
"PRC"	the People's Republic of China and for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
"Profit or Loss after Closing"	has the meaning ascribed to it under the paragraph headed "Adjustments"
"Profit or Loss of the Target Companies"	has the meaning ascribed to it under the paragraph headed "Adjustments"
"Purchaser"	COSCO SHIPPING Financial Holdings Co., Limited 中遠海運金融控股有限公司, a company incorporated in Hong Kong with limited liability
"Qidong Pacific"	Qidong Pacific Port Co., Ltd.* (啓東太平港務有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Qingdao Pacific
"Qidong Singamas"	Qidong Singamas Energy Equipment Co., Ltd.* (啓東勝獅能源裝備有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
"Qingdao Pacific"	Qingdao Pacific Container Co., Ltd.* (青島太平貨櫃有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
"Remaining Group"	the Group excluding the Target Companies
"Restricted Business"	the business of (i) the production and operation of refrigerated containers and 53-foot containers and (ii) the production and operation of certain standard dry cargo containers
"Restricted Period"	has the meaning ascribed to it under the paragraph headed "Post-Closing Obligations"
"RMB"	Renminbi, the lawful currency of the PRC
"R&D"	Research and development

"Sale Interests"	represents 100% of the equity interest in Qidong Singamas, Qingdao Pacific, Ningbo Pacific, Singamas Container (Shanghai) and Qidong Pacific (a wholly-owned subsidiary of Qingdao Pacific, via the equity interest in Qingdao Pacific)
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
"Second Instalment"	has the meaning ascribed to it under the paragraph headed “Payments”
"Shareholder(s)"	shareholder(s) of the Company
"Singamas Container (Shanghai)"	Singamas Container Holdings (Shanghai) Limited* (勝獅貨櫃管理(上海)有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the same meaning ascribed thereto under the Listing Rules
"Target Companies"	being Qidong Singamas, Qingdao Pacific, Ningbo Pacific, Singamas Container (Shanghai) and Qidong Pacific (being a wholly-owned subsidiary of Qingdao Pacific)
"Third Instalment"	has the meaning ascribed to it under the paragraph headed “Payments”
"Transfer of Operation and Management Rights"	the entire transfer of articles, documents or information in connection with the operation and management to the Purchaser such that the Purchaser can obtain the control over the operation and management of Target Companies
"Transition Period"	mean, with regards to each Target Company, the period from 30 September 2018 (the valuation date) to the Transition Period Assessment Date
“Transitional Period Assessment Date”	(a) the last day of the previous month if the Closing Date occurs on the 1st to 15th of a month; or (b) the last day of the month if the Closing Date occurs on 16th or later in the month

"US$"	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, 6 May 2019

The board of directors of the Company 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. Kuan Kim Kin and Mr. Tan Chor Kee as non-executive directors and Mr. Cheng Fu Kwok, David, Mr. Lau Ho Kit, Ivan and Mr. Yang, Victor as independent non-executive directors.

For the purposes of illustration in this announcement only and unless otherwise specified, conversion of US$ into RMB is based on the exchange rate of US$1.00 = RMB 6.72.

** For identification purpose only*