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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
REVISION OF ANNUAL CAPS
FOR TRANSPORTATION SOLUTIONS SERVICES**

Reference is made to the announcements of the Company dated 18 March 2022 and 25 March 2022 respectively in relation to, among other things, the continuing connected transactions under the Transportation Framework Agreement between the Company (for and on behalf of the Group) and PIL Logistics China, pursuant to which PIL Logistics China would provide transportation solutions services for the containers manufactured by the Group.

As the increase in orders received by the Group for certain type of containers which required transportation solutions services provided by PIL Logistics China exceeded expectations, the Board anticipates that the existing Annual Caps will not be sufficient to meet the expected transportation solutions services from PIL Logistics China. Therefore, on 24 October 2022, the Board resolved to revise the Annual Caps by increasing them to the Revised Annual Caps.

As PIL Logistics China is a wholly-owned subsidiary of PIL, a controlling shareholder of the Company as defined under the Listing Rules, PIL Logistics China is an associate of PIL and therefore a connected person of the Company. The Transportation Framework Agreement involves transactions which will occur on a recurring basis over a period of time; accordingly, the Transactions constitute continuing connected transactions of the Company.

Pursuant to Rule 14A.54 of the Listing Rules, the Company is required to re-comply with the applicable requirements under Chapter 14A of the Listing Rules due to the revision of

Annual Caps.

As one or more of the applicable percentage ratios (other than profit ratio) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the highest Revised Annual Caps for the Transactions exceeds 0.1% but all the applicable percentage ratios are less than 5%, the Transactions contemplated under the Transportation Framework Agreement are subject to annual reporting, announcement and annual review but are exempted from Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcements of the Company dated 18 March 2022 and 25 March 2022 respectively in relation to, among other things, the continuing connected transactions under the Transportation Framework Agreement between the Company (for and on behalf of the Group) and PIL Logistics China, pursuant to which PIL Logistics China would provide transportation solutions services for the containers manufactured by the Group.

REVISED ANNUAL CAPS AND REASON FOR THE REVISION OF ANNUAL CAPS

As the increase in orders received by the Group for certain type of containers which required transportation solutions services provided by PIL Logistics China exceeded expectations, the Board anticipates that the existing Annual Caps will not be sufficient to meet the expected transportation solutions services from PIL Logistics China. Therefore, on 24 October 2022, the Board resolved to revise the existing Annual Caps as set out in the table below:

	For the year ending 31 December 2022	For the year ending 31 December 2023	For the year ending 31 December 2024
Annual Caps	RMB10,000,000 <i>(equivalent to approximately US\$1,572,327)</i>	RMB10,000,000 <i>(equivalent to approximately US\$1,572,327)</i>	RMB10,000,000 <i>(equivalent to approximately US\$1,572,327)</i>
Revised Annual Caps	RMB20,000,000 <i>(equivalent to approximately US\$3,144,654)</i>	RMB30,000,000 <i>(equivalent to approximately US\$4,716,981)</i>	RMB30,000,000 <i>(equivalent to approximately US\$4,716,981)</i>

As at the date of this announcement, the total actual amount of the Transactions contemplated under the Transportation Framework Agreement from 18 March 2022 up to 30 September 2022 was approximate to RMB9,400,000, which has not exceeded the existing Annual Caps for the year ending 31 December 2022.

In determining the Revised Annual Caps, the Directors considered (i) the increase in orders received by the Group for certain type of containers which necessitated increased demand for transportation solutions services provided by PIL Logistics China, (ii) the historical transaction amounts in respect of the transportation solutions services required from PIL Logistics China under the Transportation Framework Agreement, and (iii) a buffer for unexpected increase in transaction amount which is equal to 50% of the estimated transaction amount in the future two years. The pricing basis for the Transactions and internal control measures as set out in the announcements of the Company dated 18 March 2022 and 25 March 2022 remain the same.

Reasons for and benefits of revising the existing Annual Caps

In addition to the original transportation solutions services required from PIL Logistics China, the Group recently received certain tank container orders which have to be delivered overseas, and therefore the Board expects an increase of approximately RMB5,000,000 for transportation solutions services from PIL Logistics China in the fourth quarter of 2022. As the utilization rate of the existing Annual Caps under the Transportation Framework Agreement for the year ending 31 December 2022 has already reached approximately 94% as at 30 September 2022, it is reasonably expected that the original annual caps will not be sufficient to support the operation of the Company. The Company also believes that the demand for transportation solutions services from PIL Logistics China will continue to grow for the next two years due to the increase in demand for overseas delivery services from customers.

As a result, the Board anticipates that the demand for transportation solutions services for the containers manufactured by the Group will exceed the demand previously estimated and the total transaction amount under the Transportation Framework Agreement for the year ending 31 December 2022 will exceed the existing Annual Caps. The Directors believe that the Revised Annual Caps would (i) enable the Group to have flexibility within higher caps for such transactions and prepare for any spikes in demand for transportation solutions services, and (ii) enhance its operation convenience and better support the logistics for the Group's growing container manufacturing business, which will benefit the Group and the Shareholders as a whole.

Having considered the factors as mentioned above, the Directors (including the independent non-executive Directors) are of the opinion that the existing Annual Caps will not be able to meet the current business needs of the Group, and, given that the Transactions have been conducted and will continue to be conducted: (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 from independent third party suppliers); and (iii) on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole, the Revised Annual Caps for the Transactions are fair and reasonable and is in the interest of the Company and the Shareholders as a

whole.

Other than the revision of Annual Caps as aforementioned, all other terms of the Transportation Framework Agreement and the pricing basis set out in the announcements of the Company dated 18 March 2022 and 25 March 2022 respectively remain unchanged.

LISTING RULES IMPLICATIONS

As PIL Logistics China is a wholly-owned subsidiary of PIL, a controlling shareholder of the Company as defined under the Listing Rules, PIL Logistics China is an associate of PIL and therefore a connected person of the Company. The Transportation Framework Agreement involves transactions which will occur on a recurring basis over a period of time; accordingly, the Transactions constitute continuing connected transactions of the Company.

Pursuant to Rule 14A.54 of the Listing Rules, the Company is required to re-comply with the applicable requirements under Chapter 14A of the Listing Rules due to the revision of Annual Caps.

As one or more of the applicable percentage ratios (other than profit ratio) calculated pursuant to Rule 14.07 of the Listing Rules in respect of the highest Revised Annual Caps for the Transactions exceeds 0.1% but all the applicable percentage ratios are less than 5%, the Transactions contemplated under the Transportation Framework Agreement are subject to annual reporting, announcement and annual review but are exempted from Shareholders' approval requirements under Chapter 14A of the Listing Rules. Each of Mr. Teo Siong Seng (as director of both PIL and the Company) and Mr. Kwa Wee Keng (as senior executive of PIL and director of the Company), has abstained from voting on the board resolutions approving the revision of the Annual Caps.

INFORMATION ON THE GROUP AND PIL LOGISTICS CHINA

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

PIL Logistics China is a wholly-owned subsidiary of PIL incorporated in the PRC and it principally engages in provision of logistics related services. PIL is a company incorporated in Singapore with limited liability. Headquartered in Singapore, the PIL Group is a containership operator which principally engages in the provision of 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) indirectly controls PIL Pte. Ltd. which wholly owns PIL.

DEFINITIONS

“Annual Caps”	the annual cap of RMB10,000,000 (equivalent to approximately US\$1,572,327) for the anticipated maximum aggregate value in respect of the Transactions for each of three financial years ending 31 December 2022, 2023 and 2024 as disclosed in the announcement of the Company dated 18 March 2022
“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
“Group”	the Company together with its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Revised Annual Caps”	the revised annual caps for the Transactions for the three financial years ending 31 December 2022, 2023 and 2024
“PIL”	Pacific International Lines (Private) Limited, a company incorporated in the Republic of Singapore
“PIL Group”	PIL together with its subsidiaries
“PIL Logistics China”	PIL Logistics (China) Co., Ltd., a company incorporated in PRC and a wholly-owned subsidiary of PIL
“PRC”	The People’s Republic of China and for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the continuing connected transactions between the Company (for and on behalf of the Group) and PIL Logistics China occur on a recurring basis and all the transactions contemplated under the Transportation Framework Agreement
“Transportation Framework Agreement”	agreement dated 18 March 2022 entered into between the Company (for and on behalf of the Group) and PIL Logistics China with a term commencing from the date of entering into such contract to 31 December 2024 in relation to transportation solutions services provided by PIL Logistics China for the containers manufactured by the Group
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

In this announcement, the terms “associate”, “connected person”, “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, 27 October 2022

The Directors, as at the date of this announcement, are Mr. Teo Siong Seng and Ms. Chung Pui King, Rebecca as executive Directors; Mr. Kwa Wee Keng and Mr. Chan Kwok Leung 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.

Unless otherwise specified, conversion of RMB into US\$ is based on the exchange rate of RMB6.36 = US\$1.00.