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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Singamas Container Holdings Limited, you should at once hand this circular to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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SINGAMAS

SINGAMAS CONTAINER HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

DISCLOSEABLE TRANSACTION

**ACQUISITION OF AN ADDITIONAL 20% EQUITY INTEREST IN
SHUNDE SHUN AN DA PACIFIC CONTAINER CO., LTD.**

21st November, 2002

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
Introduction	3
The Agreement dated 4th November, 2002	3
Reasons for the Transaction	5
Discloseable Transaction	5
Additional Information	5
GENERAL INFORMATION	6

DEFINITIONS

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

“Agreement”	the share transfer agreement dated 4th November, 2002 made between the Company and SSCMC
“Board”	the board of Directors
“CFC”	an abbreviation for Chlorofluorocarbon
“Completion Date”	any day up to the 7th day following the date of obtaining the relevant PRC approvals or such other time the parties mutually agree in writing
“Company”	Singamas Container Holdings Limited, the shares of which are listed and traded on the Stock Exchange
“Consideration”	the total sum of US\$3,600,000 (equivalent to approximately HK\$28,020,000) to be paid by the Company for the acquisition of 20% equity interest in SSPC
“Director(s)”	the director(s) of the Company
“Equity Interest”	the 20% equity interest in SSPC
“Group”	the Company together with its subsidiaries
“Latest Practicable Date”	19th November, 2002, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SDI Ordinance”	Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong)
“Share(s)”	Share(s) at the par value of HK\$0.10 each in the capital of the Company

DEFINITIONS

“SSCMC”	SSCMC Transportation Company Limited, a company incorporated in the Hong Kong Special Administrative Region of the PRC
“SSPC”	Shunde Shun An Da Pacific Container Co., Ltd., a wholly foreign owned joint venture established on 12th July, 1991 in the PRC and is currently owned as to 40% by the Company and 60% by SSCMC
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“TEUs”	twenty-foot equivalent units
“HK\$”	Hong Kong Dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC
“US\$”	U.S. dollars, the lawful currency of United States of America
“%”	per cent.

For the purposes of illustration only and unless otherwise stated, the translation of US dollars into Hong Kong dollars is based on the exchange rate of US\$1.00 = HK\$7.80 and the translation of RMB into Hong Kong Dollars is based on the exchange rate of HK\$1.00 = RMB1.06. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.

LETTER FROM THE BOARD

SINGAMAS

SINGAMAS CONTAINER HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

Executive Directors:

Mr. Chang Yun Chung (*Chairman*)
(also known as Mr. Teo Woon Tiong)
Mr. Teo Siong Seng (*Vice Chairman*)
Mr. Hsueh Chao En
Mr. Teo Tiou Seng

Registered Office:

22/F., Dah Sing Financial Centre
108 Gloucester Road
Hong Kong

Non-Executive Directors:

Mr. Kuan Kim Kin

Independent Non-Executive Directors:

Mr. Ong Ka Thai
Mr. Soh Kim Soon

21st November, 2002

To the Shareholders

Dear Sirs or Madams,

**DISCLOSEABLE TRANSACTION
ACQUISITION OF AN ADDITIONAL 20% EQUITY INTEREST IN
SHUNDE SHUN AN DA PACIFIC CONTAINER CO., LTD.**

INTRODUCTION

On 4th November, 2002, the Company announced, among other things, that it had on that day entered into the Agreement with SSCMC under which the Company agreed to purchase from SSCMC an additional 20% equity interest in SSPC.

The purpose of this circular is to provide you with further information in relation to the Agreement.

THE AGREEMENT DATED 4TH NOVEMBER, 2002

Parties:

- (1) The Company; and
- (2) SSCMC

LETTER FROM THE BOARD

Transaction

Pursuant to the Agreement, the Company agreed to purchase and SSCMC agreed to sell the Equity Interest.

The Company and SSCMC currently hold respectively 40% and 60% equity interest in SSPC. Upon completion of the Agreement, the Company and SSCMC will hold 60% and 40% equity interest in SSPC respectively.

Consideration

Pursuant to the Agreement, the Company agreed to pay US\$3,600,000 (equivalent to approximately HK\$28,028,000) for the Equity Interest in cash on the Completion Date. The cash consideration will be funded by internal resources of the Group and bank financing.

Completion

Completion shall take place on any day up to the 7th day following the date on which all approvals from the relevant PRC authorities approving the Agreement and the transactions contemplated therein have been obtained or such other time the parties mutually agree in writing.

Board representation

The board of directors of SSPC currently consists of seven directors, of which four were appointed by SSCMC and three were appointed by the Company. Upon completion of the Agreement, one of the directors appointed by SSCMC will resign and the Company will be entitled to appoint one additional director. Thus, upon completion of the Agreement, the board of directors of SSPC will consist of four directors appointed by the Company and three directors appointed by SSCMC.

Basis of determination of the Consideration

The Consideration has been arrived at after arm's length negotiation and on normal commercial terms and has been calculated by reference to the total paid up registered capital of SSPC in the sum of US\$18,000,000 (equivalent to approximately HK\$140,400,000).

Based on its audited results, the audited net tangible asset value of SSPC as at 31st December, 2001 was RMB165,294,000 (equivalent to approximately HK\$155,937,736). SSPC reported a net profit (both before and after taxation and extraordinary items) of RMB1,529,000 (equivalent to approximately HK\$1,442,453) for the year ended 31st December, 2000 and a net profit before taxation and extraordinary items of RMB8,493,000 (equivalent to approximately HK\$ 8,012,264) and a net profit after taxation and extraordinary items of RMB6,200,000 (equivalent to approximately HK\$5,849,057) for the year ended 31st December, 2001.

LETTER FROM THE BOARD

REASONS FOR THE TRANSACTION

The Group is one of the world's leading container manufacturers and logistics service providers. Its container manufacturing business captured 16% of the world market and 20% of the PRC market in 2001.

SSPC was incorporated in July 1991 in Shunde, Guangdong Province, the PRC and is principally engaged in the manufacturing of dry freight and specialized containers.

Upon completion of the Agreement, SSPC will become a non-wholly owned subsidiary of the Company.

SSPC mainly produces ISO dry freight containers and 45-foot/48-foot specialized containers with an annual maximum production capacity (based on two production shifts) of 180,000 TEUs. Starting from the second half of 2001, SSPC began making a positive contribution to the Group. Also, the Group's annual maximum production capacity (based on two production shifts) has increased to 450,000 TEUs after acquiring SSPC. SSPC's strategic location has also extended the Group's manufacturing network to the Southern PRC.

The Directors believe that entering into the Agreement will expand its network and market coverage in the PRC thereby enhances its Group's overall profitability.

The Directors believe that entering into the Agreement is in the interest of the Company and in line with the Group's business objectives and the terms of the Agreement are fair and reasonable insofar as the shareholders of the Company are concerned.

DISCLOSEABLE TRANSACTION

As the audited net tangible asset value of SSPC represents more than 15% of the audited consolidated net tangible asset value of the Company as at 31st December, 2001, the Agreement constitutes a discloseable transaction under the Listing Rules.

ADDITIONAL INFORMATION

Your attention is drawn to the general information of this circular.

By order of the Board
Singamas Container Holdings Limited
Chang Yun Chung
Chairman

GENERAL INFORMATION

(1) RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

(2) SHARE CAPITAL

As at the Latest Practicable Date, the authorized share capital of the Company was HK\$75,000,000 divided into 750,000,000 Shares of HK\$0.10 each, of which 456,001,760 Shares were issued and fully paid up and such total amount paid up is HK\$45,600,176.

All the Shares currently in issue rank pari passu in all respects with each other, including in particular, as to dividends, voting rights and capital.

Save as disclosed herein, no part of the share capital of the Company is listed or dealt in on stock exchange other than the Stock Exchange and the Singapore Exchange Limited and no application is being made or is currently proposed or sought for the Shares to be listed in or on any other stock exchange.

(3) DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests of the Directors in the equity securities of the Company or any associated corporation (within the meaning of the SDI Ordinance) notifiable to the Company and the Stock Exchange under Section 28 of the SDI Ordinance and including interests in which a Director has taken under Section 31 or Part I of the Schedule to the SDI Ordinance or required to be entered into the register under Section 29 of the SDI Ordinance or required pursuant to the Model Code for Securities Transaction by Directors of Listed Companies under the Listing Rules are as follows:

a) Interests in share capital of the Company

Name	Number of Ordinary Shares of HK\$0.10 each		
	Personal Interests	Corporate Interests	Percentage of issued shares
Mr. Chang Yun Chung	—	285,660,178 (Note)	62.64
Mr. Teo Siong Seng	10,234,000	—	2.24
Mr. Teo Tiou Seng	1,114,000	—	0.24

Note: These shares are held by Pacific International Lines (Private) Limited ("PIL") (an associated corporation, within the meaning of the SDI Ordinance, of the Company) in which Mr. Chang Yun Chung is interested, in aggregate, in 16,525,000 shares representing 89.42% of the issued share capital of that company. Mr. Chang Yun Chung's interest in shares of PIL comprises a personal interest in 2,642,500 shares and corporate interests in 5,850,000 shares through South Pacific International Holdings Limited, a company in which he holds 55.75% of the issued share capital and 8,032,500 shares through Y C Chang & Sons Private Limited, a company in which he holds 2.86% of the issued share capital.

GENERAL INFORMATION

b) Interests in share options

Name	Date of Grant	Exercise Price (HK\$)	Number of Share Options as at 31st December, 2001 & 2000
Mr. Teo Siong Seng	8th October, 1994	1.908	1,500,000
	15th May, 1995	1.440	1,500,000
Mr. Hsueh Chao En	8th October, 1994	1.908	400,000
			<u>3,400,000</u>

Pursuant to a share option scheme adopted on 17th June, 1993 (the “Share Option Scheme”), the Company may offer to full-time employees of the Group (including executive directors of the Company) options to subscribe for ordinary shares in the Company for the primary purpose of providing incentives to eligible employees, subject to a maximum of 10% of the issued share capital of the Company from time to time. Any option may be exercised at any time from the date on which the option was granted and prior to the expiry of ten years from that date. Consideration of HK\$1.00 was received from each of the option holders at the time when the options were granted. The exercise price is determined by the Board and shall be the price being not less than 80% of the average closing prices of the Company’s ordinary shares traded on the Stock Exchange on the five trading days immediately preceding the date of grant.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors has for the purposes of section 28 of SDI Ordinance, nor are they taken to or deemed to have under section 31 of, or Part I of the Schedule to, the SDI Ordinance, any interests in the equity or debt securities of the Company or any associated corporations within the meaning of the SDI Ordinance or any interests which are required to be entered in the register kept by the Company pursuant to section 29 of the SDI Ordinance or any interests which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies under the Listing Rules.

Save as disclosed herein, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group since 31st December, 2001 (being the date of the Company’s latest published audited accounts) and which was significant in relation to the business of the Group.

Save as disclosed herein, none of the Directors is interested, directly or indirectly, in any assets which had since 31st December, 2001 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

GENERAL INFORMATION

(4) SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to, or can be ascertained after reasonable enquiry by, the Directors, no person other than certain Directors, whose interest has been disclosed above, was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

(5) SERVICE CONTRACT

Mr. Teo Siong Seng has entered into a service agreement with the Company. Unless terminated by cause, the service agreement is for an initial term of three years which commenced on 1st April, 2000. Thereafter, the service agreement is valid for a further three years, unless terminated by either party giving at least six months' notice. No other Directors had any existing or proposed service contract with the Company or any of its subsidiaries which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation) as at the Latest Practicable Date.

(6) LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

(7) MISCELLANEOUS

- (a) The registered office of the Company in Hong Kong is at 22/F., Dah Sing Financial Centre, 108 Gloucester Road, Hong Kong.

The Share registrar of the Company is Computershare Hong Kong Investor Services Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

- (b) The secretary of the Company is Ms. Tam Shuk Ping, Sylvia who is a member of the Canadian Institute of Chartered Accountants and a fellow member of the Hong Kong Society of Accountants.

(8) DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company in Hong Kong at 22/F., Dah Sing Financial Centre, 108 Gloucester Road, Hong Kong from 21st November, 2002 to 5th December, 2002 (both days inclusive):

- (a) the memorandum and articles of association of the Company;
- (b) the Agreement; and
- (c) the service contract as referred to under the heading "Service Contract" of this circular.