Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

SINGAMAS CONTAINER HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

Stock code: 716

Websites: http://www.singamas.com, http://www.irasia.com/listco/hk/singamas and http://www.quamir.com/quamir/ircompanydetail.action?coId=617&isIr=Y

2008 ANNUAL RESULTS ANNOUNCEMENT

ANNUAL RESULTS

The Board of Directors (the “Directors”) of Singamas Container Holdings Limited (the "Company") would like to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st December, 2008 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st December

	Notes	***2008 US$'000***	*2007 US$'000*
Revenue	*2*	**1,385,269**	1,546,042
Other income		**1,704**	3,204
Changes in inventories of finished goods and work in progress		**(44,962)**	40,986
Raw materials and consumables used		**(1,090,505)**	(1,317,626)
Staff costs		**(76,879)**	(78,055)
Depreciation and amortisation expense		**(16,658)**	(16,361)
Exchange gain (loss)		**8,296**	(4,013)
Other expenses		**(93,396)**	(129,681)
Profit from Operations		**72,869**	44,496
Finance costs		**(28,108)**	(29,432)
Investment income		**2,046**	1,885
Changes in fair value of derivative financial instruments classified as held for trading		**(30,457)**	24,881
Share of results of associates		**1,292**	(1,256)
Share of results of jointly controlled entities		**532**	420
Profit before taxation		**18,174**	40,994
Income tax expense	*3*	**(6,900)**	(6,635)
Profit for the year		**11,274**	34,359
Attributable to:			
Equity holders of the Company		**4,515**	33,994
Minority interests		**6,759**	365
		11,274	34,359
Earnings per share	*5*		
Basic and Diluted		**US0.64 cent**	US5.37 cents

CONSOLIDATED BALANCE SHEET

As at 31st December

	Notes	***2008*** ***US$'000***	*2007* *US$'000*
Non-current assets			
Property, plant and equipment	*6*	**188,103**	178,922
Patents		**1,316**	1,806
Goodwill		**5,280**	5,280
Interests in associates		**4,962**	9,432
Interests in jointly controlled entities		**26,461**	23,280
Available-for-sale investments		**1,614**	3,174
Prepaid lease payments		**60,827**	60,829
Deferred tax assets		**574**	5,697
Other assets		**-**	84
		289,137	288,504
Current assets			
Inventories	*7*	**300,441**	298,250
Trade receivables	*8*	**94,706**	153,703
Prepayments and other receivables	*9*	**50,052**	197,473
Amounts due from fellow subsidiaries		**235**	334
Amounts due from associates		**1**	11
Amounts due from jointly controlled entities		**8,500**	4,334
Amount due from a related company		**1,414**	1,366
Tax recoverable		**105**	74
Derivative financial instruments		**-**	27,160
Prepaid lease payments		**1,420**	1,380
Bank balances and cash		**153,647**	119,048
		610,521	803,133
Assets classified as held for sale		**7,425**	-
		617,946	803,133

CONSOLIDATED BALANCE SHEET

As at 31st December

	Notes	**2008 US$'000**	2007 US$'000
Current liabilities			
Trade payables	10	**86,670**	140,806
Accruals and other payables		**46,887**	83,972
Bills payable	11	**17,022**	83,857
Amount due to ultimate holding company		**447**	166
Amounts due to associates		**1,306**	2,223
Amounts due to jointly controlled entities		**2,867**	40
Tax payable		**341**	7,490
Derivative financial instruments		**13,000**	-
Deferred payable		**165**	182
Bank borrowings		**346,522**	327,723
		515,227	646,459
Net current assets		**102,719**	156,674
Total assets less current liabilities		**391,856**	445,178
Capital and reserves			
Share capital	12	**9,025**	9,025
Share premium		**145,646**	145,646
Accumulated profits		**125,251**	129,129
Other reserves		**27,872**	22,055
Equity attributable to equity holders of the Company		**307,794**	305,855
Minority interests		**56,930**	50,013
Total equity		**364,724**	355,868
Non-current liabilities			
Deferred payable		**1,645**	1,810
Bank borrowings		**25,487**	87,500
		27,132	89,310
		391,856	445,178

Notes:

1. Significant accounting policies

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

In the current year, the Group has applied the following amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	*Reclassification of Financial Assets*
HK(IFRIC) – Int 11	*HKFRS 2: Group and Treasury Share Transactions*
HK(IFRIC) – Int 12	*Service Concession Arrangements*
HK(IFRIC) – Int 14	*HKAS19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

The application of these new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early adopted the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	*Improvements to HKFRSs*[1]
HKAS 1 (Revised)	*Presentation of Financial Statements*[2]
HKAS 23 (Revised)	*Borrowing Costs*[2]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*[3]
HKAS 32 & 1 (Amendments)	*Puttable Financial Instruments and Obligations Arising on Liquidation*[2]
HKAS 39 (Amendment)	*Eligible Hedged Items*[3]
HKFRS 1 & HKAS 27 (Amendments)	*Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*[2]
HKFRS 2 (Amendment)	*Vesting Conditions and Cancellations*[2]
HKFRS 3 (Revised)	*Business Combinations*[3]
HKFRS 7 (Amendment)	*Improving Disclosures about Financial Instruments*[2]
HKFRS 8	*Operating Segments*[2]
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	*Embedded Derivatives*[4]
HK(IFRIC) – Int 13	*Customer Loyalty Programmes*[5]
HK(IFRIC) – Int 15	*Agreements for the Construction of Real Estate*[2]
HK(IFRIC) – Int 16	*Hedges of a Net Investment in a Foreign Operation*[6]
HK(IFRIC) – Int 17	*Distribution of Non-cash Assets to Owners*[3]
HK(IFRIC) – Int 18	*Transfer of Assets from Customers*[7]

[1] *Effective for annual periods beginning on or after 1st January, 2009 except the amendments to HKFRS5, effective for annual periods beginning on or after 1st July, 2009*
[2] *Effective for annual periods beginning on or after 1st January, 2009*
[3] *Effective for annual periods beginning on or after 1st July, 2009*
[4] *Effective for annual periods ending on or after 30th June, 2009*
[5] *Effective for annual periods beginning on or after 1st July, 2008*
[6] *Effective for annual periods beginning on or after 1st October, 2008*
[7] *Effective for transfer on or after 1st July, 2009*

The application of HKFRS 3 (Revised) may affect the accounting for the Group's business combination for which the acquisition date is on or after 1st January, 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. HKAS 23 (Revised) will affect the accounting treatment for capitalisation of borrowing costs for future developments. The Directors anticipate that the application of the other new or revised standards, amendments or interpretations will have no material impact on the results and financial position of the Group.

2. ***Segment information***

Business segments

For management purpose, the Group is currently organised into two operating divisions – manufacturing and logistics services. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Manufacturing	-	*manufacturing of marine dry freight containers, refrigerated containers, collapsible flatrack containers, tank containers, other specialised containers, container parts and container chassis.*
Logistics services	-	*provision of container storage, repair and trucking services, serving as a freight station, container/cargo handling, mid-stream services and other container related services.*

Segment information about these businesses is presented below.

2008	***Manufacturing US$'000***	***Logistics services US$'000***	***Eliminations US$'000***	***Total US$'000***
REVENUE				
External sales	*1,347,171*	*38,098*	-	*1,385,269*
Inter-segment sales	-	*776*	*(776)*	-
Total	*1,347,171*	*38,874*	*(776)*	*1,385,269*
	Inter-segment sales are charged at prevailing market prices.			
SEGMENT RESULTS	*62,597*	*10,272*		*72,869*
Finance costs				*(28,108)*
Investment income				*2,046*
Changes in fair value of derivative financial instruments				*(30,457)*
Share of results of associates	*516*	*776*		*1,292*
Share of results of jointly controlled entities	*257*	*275*		*532*
Profit before taxation				*18,174*
Income tax expense				*(6,900)*
Profit for the year				*11,274*

BALANCE SHEET	***Manufacturing US$'000***	***Logistics services US$'000***	***Total US$'000***
ASSETS			
Segment assets	*637,100*	*66,461*	*703,561*
Interests in associates	*6,251*	*4,576*	*10,827*
Interests in jointly controlled entities	*10,852*	*15,609*	*26,461*
Unallocated corporate assets			*166,234*
Consolidated total assets			*907,083*
LIABILITIES			
Segment liabilities	*144,384*	*8,005*	*152,389*
Unallocated corporate liabilities			*389,970*
Consolidated total liabilities			*542,359*
OTHER INFORMATION			
Additions of capital expenditure	*15,552*	*6,981*	*22,533*
Depreciation and amortisation	*13,385*	*3,273*	*16,658*
Gain (loss) on disposal of property, plant and equipment	*231*	*(2)*	*229*

2007	***Manufacturing US$'000***	***Logistics services US$'000***	***Eliminations US$'000***	***Total US$'000***
REVENUE				
External sales	*1,511,902*	*34,140*	*-*	*1,546,042*
Inter-segment sales	*-*	*1,132*	*(1,132)*	*-*
Total	*1,511,902*	*35,272*	*(1,132)*	*1,546,042*
	Inter-segment sales are charged at prevailing market prices.			
SEGMENT RESULTS	*33,809*	*10,687*		*44,496*
Finance costs				*(29,432)*
Investment income				*1,885*
Changes in fair value of derivative financial instruments				*24,881*
Share of results of associates	*(2,246)*	*990*		*(1,256)*
Share of results of jointly controlled entities	*(102)*	*522*		*420*
Profit before taxation				*40,994*
Income tax expense				*(6,635)*
Profit for the year				*34,359*

BALANCE SHEET	***Manufacturing US$'000***	***Logistics services US$'000***	***Total US$'000***
ASSETS			
Segment assets	*840,632*	*58,461*	*899,093*
Interests in associates	*5,734*	*3,698*	*9,432*
Interests in jointly controlled entities	*10,596*	*12,684*	*23,280*
Unallocated corporate assets			*159,832*
Consolidated total assets			*1,091,637*
LIABILITIES			
Segment liabilities	*297,846*	*12,781*	*310,627*
Unallocated corporate liabilities			*425,142*
Consolidated total liabilities			*735,769*
OTHER INFORMATION			
Additions of capital expenditure	*21,642*	*9,961*	*31,603*
Depreciation and amortisation	*13,009*	*3,352*	*16,361*
Allowance for write down of inventories	*1,185*	*-*	*1,185*
Allowance for bad and doubtful debts	*256*	*-*	*256*
Gain on disposal of property, plant and equipment	*78*	*36*	*114*
Gain on disposal of land use rights	*-*	*46*	*46*

Geographical segments

The Group's operations are located in Hong Kong, the PRC, Indonesia and Thailand. The Group's manufacturing division is located in the PRC and Indonesia. Logistics services division is located in Hong Kong, the PRC and Thailand.

The following table provides an analysis of the Group's revenue by geographical market based on the location of customers, irrespective of the origin of the goods/services:

	Revenue	
	2008	*2007*
	US$'000	*US$'000*
United States of America	***429,317***	*481,777*
Europe	***394,497***	*385,167*
Hong Kong	***239,210***	*265,900*
PRC	***83,941***	*83,067*
South Korea	***69,602***	*89,868*
Taiwan	***48,112***	*103,286*
Others	***120,590***	*136,977*
	1,385,269	*1,546,042*

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, prepaid lease payments and intangible assets, analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets		***Additions to property, plant and equipment, prepaid lease payments and intangible assets***	
	2008	*2007*	***2008***	*2007*
	US$'000	*US$'000*	***US$'000***	*US$'000*
PRC	***662,197***	*837,373*	***22,288***	*30,433*
Hong Kong	***36,240***	*50,320*	***245***	*1,122*
Others	***5,124***	*11,400*	***-***	*48*
	703,561	*899,093*	***22,533***	*31,603*

3. Income tax expense

On 26th June, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profit for the year.

Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the PRC and Indonesia in which the Group operates.

On 16th March, 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6th December, 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and the Implementation Regulations provide a five-year transitional period from its effective date for those enterprises which were established before the promulgation date of the New Law and which were entitled to a preferential lower tax rate under the then effective tax laws or regulations. Based on New Law, certain subsidiaries of the Company that were entitled to preferential treatment in the form of enterprise income tax reduction or exemption, but has not been profitable and, therefore, has not enjoyed such preferential treatment before 1st January, 2008, would deem to have begun its tax holiday in 2008 when the New Law comes into effect.

	2008 US$'000	2007 US$'000
Current tax:		
Hong Kong Profits Tax		
- Current year	***378***	*6,493*
- Prior year overprovision	***(222)***	*-*
	156	*6,493*
Overseas taxation		
- Current year	***2,967***	*3,878*
- Prior year overprovision	***(1,346)***	*(18)*
	1,621	*3,860*
Deferred tax:		
Current year charge (credit)	***5,123***	*(1,860)*
Attributable to a change in tax rate	***-***	*(1,858)*
Income tax expense for the year	***6,900***	*6,635*

4. Dividends

	2008 US$'000	2007 US$'000
Dividends recognised as distributions during the year:		
Interim in respect of current financial year, paid – HK4 cents (2007: HK6 cents) per ordinary share	***3,619***	*5,408*
Final in respect of the previous financial year, paid – HK5 cents (2007: HK3 cents) per ordinary share	***4,503***	*2,350*
	8,122	*7,758*

The Directors do not recommend the payment of final dividend for the year ended 31st December, 2008. The final dividend of HK5 cents per ordinary share, total of which equivalent to US$4,503,000 was paid for the year ended 31st December, 2007.

5. Earnings per share – Basic and Diluted

The calculation of earnings per share attributable to the equity holders of the Company is based on the following data:

	2008 US$'000	2007 US$'000
Earnings:		
Earnings for the purposes of calculating basic and diluted earnings per share	***4,515***	*33,994*
Number of shares:		
Weighted average number of ordinary shares for the purposes of calculating basic and diluted earnings per share	***702,912,760***	*632,579,828*

The computation of diluted earnings per share for 2008 and 2007 does not assume the exercise of the Company's outstanding share options as the exercise price of those share options is higher than the average market price of shares for the period from beginning of the year or date of grant, whichever is later to 31st December, 2008 and 2007.

6. Movements in property, plant and equipment

During the year, the Group spent US$22,533,000 (2007: US$22,813,000) for upgrading its existing manufacturing and logistics services facilities.

7. *Inventories*

	2008	*2007*
	US$'000	*US$'000*
Raw materials	***213,216***	*166,063*
Work in progress	***10,930***	*17,546*
Finished goods	***76,295***	*114,641*
	300,441	*298,250*

The entire carrying amounts of inventories as at 31st December, 2008 and 2007 are expected to be recovered within the next twelve months.

8. *Trade receivables*

A defined credit policy is maintained within the Group. The general credit terms are agreed with each of its trade customers depending on the relationship with the Group and the creditworthiness of the customers. The general credit term ranges from 30 days to 120 days.

The aged analysis of trade receivables net of allowance for doubtful debts, which is prepared based on invoice date of each transaction, at 31st December, 2008 is as follows:

	2008	*2007*
	US$'000	*US$'000*
0 to 30 days	***45,750***	*84,555*
31 to 60 days	***21,516***	*36,799*
61 to 90 days	***10,970***	*19,741*
91 to 120 days	***10,566***	*8,553*
Over 120 days	***5,904***	*4,055*
	94,706	*153,703*

The Group assessed the credit quality of trade receivables based on historical default rates and the creditworthiness of the customers.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of US$33,497,000 (2007: US$20,993,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The Group has assessed the creditworthiness and historical default rates of these customers, trade receivables that are past due but not impaired have very low historical default rates and have high credit-rating within the industry. In this regard, the Directors considered that the default risk is low. Accordingly, no impairment has been provided. An aggregate amount of US$26,470,000 was subsequently settled.

The aged analysis, based on invoice date of each transaction, of trade receivables which are past due but not impaired is as follows:

	2008	*2007*
	US$'000	*US$'000*
31 to 60 days	***9,280***	*5,835*
61 to 90 days	***8,233***	*5,495*
91 to 120 days	***10,080***	*5,608*
Over 120 days	***5,904***	*4,055*
	33,497	*20,993*

9. *Prepayments and other receivables*

As at 31st December, 2008, the Group advanced US$9,791,000 (2007: US$112,284,000) to certain suppliers as deposits for raw material purchases, the entire amount is expected to be recovered within the next twelve months.

10. *Trade payables*

The aged analysis of trade payables at 31st December, 2008 is as follows:

	2008	2007
	US$'000	*US$'000*
0 to 30 days	***13,566***	*61,002*
31 to 60 days	***9,854***	*27,042*
61 to 90 days	***10,365***	*19,499*
91 to 120 days	***18,343***	*15,850*
Over 120 days	***34,542***	*17,413*
	86,670	*140,806*

The average credit period on purchases of goods is 53 days. The Group has financial risk management policies in place to ensure that all payables within the credit timeframe.

11. *Bills payable*

The aged analysis of bills payable at 31st December, 2008 is as follows:

	2008	2007
	US$'000	*US$'000*
0 to 30 days	***6,746***	*33,092*
31 to 60 days	***1,732***	*26,456*
61 to 90 days	***7,992***	*18,046*
91 to 120 days	***552***	*5,839*
Over 120 days	**-**	*424*
	17,022	*83,857*

12. *Share capital*

	Number of shares		***Share Capital***			
	2008	*2007*	***2008***	***2008***	*2007*	*2007*
			US$'000	*HK$'000*	*US$'000*	*HK$'000*
Ordinary shares of HK$0.10 each						
Authorised:						
At beginning of the year	***1,000,000,000***	*750,000,000*	***12,843***	***100,000***	*9,637*	*75,000*
Increase on 1st June, 2007	**-**	*250,000000*	**-**	**-**	*3,206*	*25,000*
At end of the year	***1,000,000,000***	*1,000,000,000*	***12,843***	***100,000***	*12,843*	*100,000*
Issued and fully paid:						
At beginning of the year	***702,912,760***	*611,228,760*	***9,025***	***70,291***	*7,844*	*61,123*
Issue of shares by private placing	**-**	*91,684,000*	**-**	**-**	*1,181*	*9,168*
At end of the year	***702,912,760***	*702,912,760*	***9,025***	***70,291***	*9,025*	*70,291*

On 1st June, 2007, an ordinary resolution of the Company was passed to increase the authorised share capital of the Company from HK$75,000,000 to HK$100,000,000 by the creation of 250,000,000 new ordinary shares of HK$0.10 each. Such new shares shall rank pari passu in all respects with the existing shares of the Company.

On 8th October, 2007, 91,684,000 ordinary shares were issued at HK$4.24 per share in relation to a share placement. These new shares were issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 1st June, 2007 and rank pari passu with other shares in issue in all respects. The net proceeds from the placement were largely intended to use for (a) the relocation and expansion of a dry freight container factory located in Xiamen; and (b) the relocation and upgrade of a dry freight container factory located in Shanghai into producing tank containers at the factory's new location.

On 3rd March, 2009, the Company announced that, among other things, the Company proposed to raise approximately HK$492.0 million (equivalent to approximately US$63.1 million) in gross proceeds by issuing not less than 1,405,825,520 rights shares at the subscription price of HK$0.35 per rights share on the basis of two rights shares for every one existing share of the Company in issue (the "Rights Issue"). Upon completion of the Rights Issue, the number of ordinary shares in issue will increase to not less than 2,108,738,280 shares.

BUSINESS REVIEW

During the second half of the year, trading activities around the world, especially exports from the PRC slowed down because of the global economic downturn. Consequently, the Group's consolidated revenue declined by 10.4% to US$1,385,269,000 (2007: US$1,546,042,000). Consolidated net profit attributable to equity holders of the Company also declined to US$4,515,000 (2007: US$33,994,000). Such decline was due mainly to (i) an one-time loss of more than US$17 million from unwinding the Company's swap derivative financial instruments during the first half of the year; (ii) a marked to market loss of approximately US$13 million from the Company's remaining outstanding swap derivative financial instrument of a notional amount of US$13.5 million as at the year end date; and (iii) an increase in income tax rate from the original 12%, which applied to most of the Group's container factories in the past to the current 25%, as a result from the new tax law implemented in the PRC with effect from 1st January, 2008. The Company does not envisage engaging in swap derivative financial instruments in the foreseeable future. Basic earnings per share were US0.64 cent (2007: US5.37 cents).

Despite the drop in consolidated net profit attributable to equity holders of the Company, the Group's consolidated profit from operations actually increased by 63.8% to US$72,869,000 (2007: US$44,496,000), reflecting the effectiveness of the measures taken by the Group to boost operational efficiency.

Heeding the challenging business environment, the Group continued to focus on manufacturing specialised containers with better profit margins. It also implemented a series of cost control measures that produced concrete results including, among others, trimmed utility expenses, a more streamlined work force and improved utilisation rates of materials and supplies. Furthermore, it reduced capital expenditures for 2008 to roughly US$23 million from the originally planned US$58 million. Such efforts had enabled the Group to minimise the impacts of the economic slump on its operations.

Manufacturing

The manufacturing business remained a major source of revenue for the Group, accounting for 97.2% of the revenue of the Group for the review period. However, as the economic and financial climate deteriorated in the second half of the year leading to a drop in new container demand, the overall revenue of the business segment for the year was affected. The segment recorded revenue of US$1,347,171,000, a 10.9% drop against last year. Profit before taxation and minority interests was US$7,315,000 compared to US$28,183,000 in 2007. Accordingly, the Group's production output reduced to approximately 567,000 twenty-foot equivalent units ("TEUs") in 2008 (2007: approximately 839,000 TEUs), of which approximately 504,000 TEUs were dry freight containers (2007: approximately 774,000 TEUs).

On the other hand, with the Group's continuous efforts to diversify its products mix and enhance its profitability, performance of the specialised container segment remained steady.

With cost of materials such as Corten steel increased during the year, the average selling price of a 20-foot dry freight container went up to US$2,262 (2007: US$1,916). As for the higher margin tank containers more stringent in technical requirements, their average selling price was also higher at US$30,600 (2007: US$26,485).

Logistics Services

Following faltering global trade, container traffic has been declining. Container throughput has reduced significantly at many major international ports in the PRC. The Group's container depots and terminals handled a total of approximately 5,069,000 TEUs of containers, a decline of 1.7% against 2007. While income from handling and repair services decreased, income from storage services actually increased. The logistics services segment as a whole generated revenue of US$38,098,000 (2007: US$34,140,000) and profit before taxation and minority interests of US$10,859,000 (2007: US$12,811,000).

PROSPECTS

To better control costs, manage the Group's work force and stabilise product price amid the current difficult operating conditions, the Group decided to run one full production shift at its plants throughout the year starting in 2009 instead of two shifts during peak seasons in previous years. Its annual maximum production capacity has thus been reduced from 1.25 million TEUs to 700,000 TEUs.

Although the common belief that general economic recovery will be gradual, the Group is confident of its ability to weather the testing times ahead. The Group will continue to step up cost control, focus on production of higher margin specialised containers and enhance business competence.

In the first quarter of 2009, Singamas has been appointed by a sizeable state-owned enterprise to co-develop specialised container for the transportation of fresh seafood. Mass production will start as soon as upon completion of product prototype and testing. The Group believes the new type of specialised container will become a new revenue source for it in the near future as orders rise on the back of the potentially huge and growing demand for fresh seafood in the inland China. This strategic partnership is seen by the Group as an endorsement of its strength in R&D and proof of the relevance and effectiveness of its business strategy.

Another recent initiative taken by the Group is the signing of five share transfer agreements with Shanghai Universal Logistics Equipment Co., Ltd., a subsidiary of China Shipping (Group) Company, on 15th December, 2008. The move has allowed the Group to realign ownership interests in relevant companies and hence be able to better manage its resources and capabilities.

As the economic environment is expected to improve in the second half of 2009, the Group will put all capital projects on hold until conditions are deemed appropriate for resuming them. This applies to the relocation and upgrading of the Group's dry freight container factories in Xiamen and Shanghai. Such decisions are also in line with the general approach of the Group to reduce capital expenditure.

RIGHTS ISSUE

On 3rd March, 2009, the Company announced that the Company proposed to raise approximately HK$492.0 million in gross proceeds by issuing not less than 1,405,825,520 rights shares at the subscription price of HK$0.35 per right share on the basis of two rights shares for every one existing share of the Company in issue (the "Rights Issue").

The Rights Issue will allow all qualifying shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company. The Company's major shareholder – Pacific International Lines (Private) Limited ("PIL") holding 44.78% of the Company' existing issued share capital as at the date of this announcement, has undertaken to subscribe in the Rights Issue by taking up its entitlement of rights shares and through its wholly-owned subsidiary – Strategic Times Limited, it will also sub-underwrite 75% of the remaining rights shares. As a result, PIL has committed to take up an aggregate of 1,211,751,229 rights shares out of the total 1,405,825,520 rights shares, representing approximately 86.2% of the total rights shares.

Another shareholder of the Company, Shah Capital Management, Inc. ("Shah Capital"), has undertaken to accept or procure the acceptance of an aggregate of 86,000,000 rights shares (representing approximately 6.1% of the total rights shares) which will be provisionally allotted to Shah Capital in respect of an aggregate of 43,000,000 shares of the Company registered in its name.

The two major shareholders' strong support in respect of the Rights Issue demonstrates their confidence on the Group's management and business prospects.

The proceeds from the Rights Issue are intended to be used by the Company for settling part of the Group's bank loans to save interest expenses and strengthen the Group's financial position. The Rights Issue was approved by the independent shareholders of the Company at a general meeting held on 3rd April, 2009.

DIVIDEND

An interim dividend of HK4 cents per ordinary share was paid in October 2008. The Directors do not recommend that a final dividend be paid for the year ended 31st December, 2008. The recommendation was made taking into consideration the needs of the Group in the uncertain business environment expected to linger in the coming year. However, the Group assures shareholders that its general dividend policy has not changed and remains to be distributing to them a reasonable amount of its profit attributable to equity holders each year. The dividend payout ratio for 2008 was 80.2%, as compared to 29.2 % in 2007.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the annual financial statements for the year ended 31st December, 2008 ("Annual Report"). During the year under review, the Committee met four times.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the year.

TRANSFER TO RESERVES

Pursuant to the legal requirements in the PRC and the appropriation agreed in the subsidiaries, associates and jointly controlled entities, aggregate amounts of US$288,000 and US$233,000 have been transferred to general reserve and development reserve of the Group, respectively during the year.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERANCE PRACTICES

Save for the non-compliance with Rule 3.10(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), the Company has fully complied with all the applicable principles of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules.

Rule 3.10(1) of the Listing Rules requires that every board of directors of a listed issuer must include at least three independent non-executive directors. Mr. Ngan Man Kit, Alexander ("Mr. Ngan"), who was an independent non-executive Director, was re-designated as executive Director on 15th October, 2008. Following the re-designation of Mr. Ngan as executive Director on 15th October, 2008, the number of independent non-executive directors of the Company fell to two, below the minimum number required under Rule 3.10(1) of the Listing Rules. The Company has found a suitable candidate to fill the casual vacancy of Mr. Ngan and will make announcement upon his official appointment.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct regarding Directors' securities transactions. Having made specific enquiry of the Directors, all Directors have complied with, for any part of the accounting period covered by this Annual Report, the required standard set out in the Model Code.

On Behalf of the Board
Chang Yun Chung
Chairman

Hong Kong, 15th April, 2009

The Directors as at the date of this announcement are Mr. Chang Yun Chung (also known as Mr. Teo Woon Tiong), Mr. Teo Siong Seng, Mr. Hsueh Chao En, Mr. Jin Xu Chu and Mr. Teo Tiou Seng as executive Directors, Mr. Kuan Kim Kin as non-executive Director and Mr. Ong Ka Thai and Mr. Yang, Victor as independent non-executive Directors.