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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

Websites: http://www.singamas.com and http://www.irasia.com/listco/hk/singamas

2009 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 31 December 2009 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2009

	Notes	***2009*** ***US$'000***	*2008* *US$'000*
Revenue	2	**274,647**	1,385,269
Other income		**1,945**	1,704
Changes in inventories of finished goods and work in progress		**(17,532)**	(44,962)
Raw materials and consumables used		**(191,775)**	(1,090,505)
Allowance for write-down of inventory		**(18,013)**	-
Staff costs		**(30,146)**	(76,879)
Depreciation and amortisation expense		**(16,352)**	(16,658)
Exchange gain		**2,587**	8,296
Other expenses		**(54,994)**	(93,396)
Finance costs		**(10,027)**	(28,108)
Investment income		**971**	2,046
Changes in fair value of derivative financial instruments classified as held for trading		**5,818**	(30,457)
Share of results of associates		**665**	1,292
Share of results of jointly controlled entities		**(6,813)**	532
(Loss) profit before taxation		**(59,019)**	18,174
Income tax expense	4	**(2,896)**	(6,900)
(Loss) profit for the year		**(61,915)**	11,274
Attributable to:			
Owners of the Company		**(51,914)**	4,515
Minority interests		**(10,001)**	6,759
		(61,915)	11,274
(Loss) earnings per share	6		
Basic and Diluted		**US(2.97)cents**	US0.51 cent

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	2009	*2008*
	US$'000	*US$'000*
(Loss) profit for the year	**(61,915)**	11,274
Other comprehensive income		
Exchange differences arising on translation of foreign operations	**(39)**	4,021
Total comprehensive (expense) income for the year	**(61,954)**	15,295
Attributable to:		
Owners of the Company	**(51,930)**	7,558
Minority interests	**(10,024)**	7,737
	(61,954)	15,295

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	Notes	**2009 US$'000**	2008 US$'000
Non-current assets			
Property, plant and equipment	7	**178,822**	188,103
Patents		**826**	1,316
Goodwill		**5,280**	5,280
Interests in associates		**4,887**	4,962
Interests in jointly controlled entities		**20,398**	26,461
Available-for-sale investments		**1,614**	1,614
Prepaid lease payments		**65,083**	60,827
Deferred tax assets		**-**	574
		276,910	289,137
Current assets			
Inventories	8	**203,683**	300,441
Trade receivables	9	**91,698**	94,706
Prepayments and other receivables	10	**63,320**	50,052
Amounts due from fellow subsidiaries		**306**	235
Amounts due from associates		**1**	1
Amounts due from jointly controlled entities		**5,791**	8,500
Amount due from a related company		**719**	1,414
Tax recoverable		**709**	105
Prepaid lease payments		**1,522**	1,420
Bank balances and cash		**92,533**	153,647
		460,282	610,521
Assets classified as held for sale		**-**	7,425
		460,282	617,946

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	Notes	2009 US$'000	2008 US$'000
Current liabilities			
Trade payables	11	**55,207**	86,670
Accruals and other payables		**55,434**	46,887
Bills payable	12	**33,233**	17,022
Amount due to ultimate holding company		**190**	447
Amounts due to associates		**1,207**	1,306
Amounts due to jointly controlled entities		**1,135**	2,867
Tax payable		**809**	341
Derivative financial instrument		**2,600**	13,000
Deferred payable		**95**	165
Bank borrowings		**178,124**	346,522
		328,034	515,227
Net current assets		**132,248**	102,719
Total assets less current liabilities		**409,158**	391,856
Capital and reserves			
Share capital	13	**31,034**	9,025
Share premium		**234,087**	145,646
Accumulated profits		**72,694**	125,251
Other reserves		**26,669**	27,872
Equity attributable to owners of the Company		**364,484**	307,794
Minority interests		**39,587**	56,930
Total equity		**404,071**	364,724
Non-current liabilities			
Deferred payable		**939**	1,645
Bank borrowings		**3,662**	25,487
Deferred tax liabilities		**486**	-
		5,087	27,132
		409,158	391,856

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 new and revised standards, amendments and interpretations ("INTs") ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

HKAS 1 (Revised 2007)	*Presentation of Financial Statements*
HKAS 23 (Revised 2007)	*Borrowing Costs*
HKAS 32 (Amendment)	*Classification of Rights Issues*
HKAS 32 & 1 (Amendments)	*Puttable Financial Instruments and Obligations Arising on Liquidation*
HKFRS 1 & HKAS 27 (Amendments)	*Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
HKFRS 2 (Amendment)	*Vesting Conditions and Cancellations*
HKFRS 7 (Amendment)	*Improving Disclosures about Financial Instruments*
HKFRS 8	*Operating Segments*
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	*Embedded Derivatives*
HK(IFRIC) – Int 13	*Customer Loyalty Programmes*
HK(IFRIC) – Int 15	*Agreements for the Construction of Real Estate*
HK(IFRIC) – Int 16	*Hedges of a Net Investment in a Foreign Operation*
HK(IFRIC) – Int 18	*Transfer of Assets from Customers*
HKFRSs (Amendments)	*Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009*
HKFRSs (Amendments)	*Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39*

Except as described below, the adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods. In addition, the Group has early adopted HKAS 32 (Amendment) Classification of Rights Issues, which is effective for annual periods beginning on or after 1 February 2010, with early adoption permitted.

Early adoption of amendment to HKFRS

HKAS 32 (Amendment) Classification of Rights Issues

HKAS 32 (Amendment) requires that rights issues, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights issues, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. The Company has early adopted the amendment and the offer of rights by the Company to its shareholders on 29 April 2009 was then accounted for as an equity instrument, as required by the amendment, in the financial statements of the Group and the Company. The early adoption of this amendment has had no material impact on the reported results, basic and diluted loss per share and the financial position of the Group.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (revised 2007) Presentation of Financial Statements

HKAS 1 (revised 2007) has introduced a number of terminology changes (including revised titles for the consolidated financial statements) and has resulted in a number of changes in presentation and disclosure. However, HKAS 1 (revised 2007) has had no impact on the reported results or financial position of the Group.

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has not resulted in a redesignation of the Group's reportable segments (see note 2), and has had no impact on the reported results or financial position of the Group.

Improving Disclosures about Financial Instruments
(Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value, that the Group *has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments. The amendments also expand and amend the disclosures required in relation to liquidity risk.*

Revised HKFRS not affecting the reported results and/or financial position

HKAS 23 (revised 2007) Borrowing Costs

For those borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset when they are incurred, HKAS 23 (revised 2007) removes the option available under the previous version of the standard to recognise all borrowing costs as expenses immediately and requires all such borrowing costs to be capitalised as part of the cost of the qualifying asset. The revised standard is applied prospectively and has had no impact on the reported results or financial position of the Group.

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

HKFRSs (Amendments)	*Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008*[1]
HKFRSs (Amendments)	*Improvements to HKFRSs 2009*[2]
HKAS 24 (Revised)	*Related Party Disclosures*[5]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*[1]
HKAS 39 (Amendment)	*Eligible Hedged items*[1]
HKFRS 1 (Amendment)	*Additional Exemptions for First-time Adopters*[3]
HKFRS 1 (Amendment)	*Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters*[4]
HKFRS 2 (Amendment)	*Group Cash-settled Share-based Payment Transactions*[3]
HKFRS 3 (Revised)	*Business Combinations*[3]
HKFRS 9	*Financial Instruments*[6]
HK(IFRIC) – Int 14 (Amendment)	*Prepayments of a Minimum Funding Requirement*[5]
HK(IFRIC) – Int 17	*Distributions of Non-cash Assets to Owners*[1]
HK(IFRIC) – Int 19	*Extinguishing Financial Liabilities with Equity Instruments*[4]

[1] *Effective for annual periods beginning on or after 1 July 2009*
[2] *Effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate*
[3] *Effective for annual periods beginning on or after 1 January 2010*
[4] *Effective for annual periods beginning on or after 1 July 2010*
[5] *Effective for annual periods beginning on or after 1 January 2011*
[6] *Effective for annual periods beginning on or after 1 January 2013*

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition dates are on or after 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary.

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of Improvements to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. The amendments will be effective from 1 January 2010, with earlier application permitted. Before the amendments to HKAS 17, leases were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification and measurement of the Group's leasehold land.

The Directors anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

2. Revenue

Revenue represents sales of goods from manufacturing and services income from logistics services operations, less returns, discounts and sales related taxes, and is analysed as follows:

	2009	*2008*
	US$'000	*US$'000*
Manufacturing	***237,440***	*1,347,171*
Logistics services	***37,207***	*38,098*
	274,647	*1,385,269*

3. Segment information

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor standard (HKAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14, nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

Information reported to the Group's chief operating decision maker (i.e. Chief Executive Officer) for the purpose of resource allocation and assessment of performance are organised into two operating divisions - manufacturing and logistics services. The identification of the Group's reportable segments under HKFRS 8 is consistent with the prior year's presentation of business segments under HKAS 14. These divisions are the basis on which the Group reports its 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.*

Information regarding these segments is presented below:

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

	Revenue		Segment result	
	For the year ended 31 December			
	2009	2008	**2009**	2008
	US$'000	US$'000	**US$'000**	US$'000
Manufacturing	**237,479**	1,347,171	**(57,178)**	62,597
Logistics services	**37,416**	38,874	**7,545**	10,272
Inter-segment sales (Note 1)	**(248)**	(776)	**-**	-
Total	**274,647**	1,385,269	**(49,633)**	72,869
Finance costs			**(10,027)**	(28,108)
Investment income			**971**	2,046
Changes in fair value of derivative financial instruments			**5,818**	(30,457)
Share of results of associates			**665**	1,292
Share of results of jointly controlled entities			**(6,813)**	532
(Loss) profit before taxation			**(59,019)**	18,174
Income tax expense			**(2,896)**	(6,900)
(Loss) profit for the year			**(61,915)**	11,274

Note 1 : Inter-segment sales are charged at prevailing market prices

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Segment results represent the loss incurred or profit earned by each segment without allocation of finance costs, investment income, changes in fair value of derivative financial instruments, share of results of associates and share of results of jointly controlled entities. This is the measure reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

The following is an analysis of the Group's total assets and total liabilities by reportable segment:

Segment assets

	2009	2008
	US$'000	US$'000
Manufacturing	**545,547**	637,100
Logistics services	**65,406**	66,461
Total segment assets	**610,953**	703,561
Interests in associates (Note 2)	**4,887**	10,827
Interests in jointly controlled entities	**20,398**	26,461
Unallocated corporate assets	**100,954**	166,234
Consolidated assets	**737,192**	907,083

Segment liabilities

	2009	2008
	US$'000	*US$'000*
Manufacturing	***136,278***	*144,384*
Logistics services	***8,630***	*8,005*
Total segment liabilities	***144,908***	*152,389*
Unallocated corporate liabilities	***188,213***	*389,970*
Consolidated liabilities	***333,121***	*542,359*

For the purposes of monitoring segment performances and allocating resources between segments:

- *all assets are allocated to reportable segments other than interests in associates, interests in jointly controlled entities and unallocated corporate assets. Assets used jointly by reportable segments are allocated on the basis of the revenue earned by individual reportable segments; and*
- *all liabilities are allocated to reportable segments other than current and deferred tax liabilities and unallocated corporate liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.*

Note 2:For the year 2008, interests in associates included US$5,865,000 which was classified as assets held for sale.

Other segment information

	Manufacturing US$'000	***Logistics Services US$'000***	***Total US$'000***
2009			
Amounts included in the measure of segment profit or loss or segment assets:			
Additions of capital expenditure	***2,754***	***2,962***	***5,716***
Depreciation and amortisation	***12,623***	***3,729***	***16,352***
Gain on disposal of property, plant and equipment	***144***	***5***	***149***
Allowance for write-down of inventory	***18,013***	***-***	***18,013***
2008			
Amounts included in the measure of segment profit or loss or segment assets:			
Additions of capital expenditure	*15,552*	*6,981*	*22,533*
Depreciation and amortization	*13,385*	*3,273*	*16,658*
Gain (loss) on disposal of property, plant and equipment	*231*	*(2)*	*229*

Revenue from major products and services

The following is an analysis of the Group's revenue from operations from its major products and services (after elimination of inter-segment sales) :

	2009	2008
	US$'000	*US$'000*
Manufacturing:		
Dry freight containers	***95,985***	*1,022,922*
Refrigerated containers	***59,265***	*130,676*
Tank containers	***29,827***	*64,937*
Other specialised containers, container chassis and container parts	***52,363***	*128,636*
Logistics services	***37,207***	*38,098*
	274,647	*1,385,269*

Geographical information

The Group's operations are located in Hong Kong, the People's Republic of China (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	
	2009	*2008*
	US$'000	*US$'000*
United States of America	***85,904***	*429,317*
Europe	***63,089***	*394,497*
Hong Kong	***50,694***	*239,210*
PRC	***41,369***	*83,941*
South Korea	***12,707***	*69,602*
Others	***20,884***	*168,702*
	274,647	*1,385,269*

The following is an analysis of the carrying amount of segment assets and non-current assets, other than available-for-sale investments and deferred tax assets, analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets		***Carrying amount of non-current assets other than available-for-sale investments and deferred tax assets***	
	2009	*2008*	***2009***	*2008*
	US$'000	*US$'000*	***US$'000***	*US$'000*
PRC	***583,527***	*662,197*	***264,098***	*274,690*
Hong Kong	***23,041***	*36,240*	***5,388***	*6,025*
Others	***4,385***	*5,124*	***5,810***	*6,234*
	610,953	*703,561*	***275,296***	*286,949*

Information about major customers

Revenues from customers contributing over 10% of the total sales of the Group are mainly derived from the manufacturing segment in both years. For the year 2009, there are two major customers contributing over 10% of the total sales amounting to US$28,244,000 and US$27,579,000 respectively. For the year 2008, there was only one customer with the sales amount of US$157,986,000.

4. Income tax expense

On 26 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% of the estimated assessable profit for both years.

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

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the general tax rate of the PRC subsidiaries is 25% from 1 January 2008 onward. However, the EIT Law and Implementation Regulations provide a five-year transitional period from its effective date for those enterprise which were established before the promulgation date of the EIT Law and which were entitled to a preferential lower tax rate under the then effective tax laws or regulations. Based on EIT Law, certain PRC 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 1 January 2008, would deem to have begun its tax holiday in 2008 when the EIT Law comes into effect.

	2009	2008
	US$'000	*US$'000*
Current tax:		
Hong Kong Profits Tax		
- Current year	***312***	*378*
- Prior year overprovision	***-***	*(222)*
	312	*156*
Overseas taxation		
- Current year	***1,435***	*2,967*
- Prior year under(over)provision	***89***	*(1,346)*
	1,524	*1,621*
Deferred tax:		
Current year charge	***1,060***	*5,123*
Income tax expense for the year	***2,896***	*6,900*

5. Dividends

	2009	2008
	US$'000	*US$'000*
Dividends recognised as distributions during the year:		
Interim in respect of current financial year, paid – Nil (2008: HK4 cents) per ordinary share	***-***	*3,619*
Final in respect of the previous financial year, paid – Nil (2008: HK5 cents) per ordinary share	***-***	*4,503*
	-	*8,122*

The Directors do not recommend the payment of final dividend for the year ended 31 December 2009 and 2008.

6. (Loss) earnings per share

The calculation of (loss) earnings per share attributable to the owners of the Company is based on the following data:

	2009	2008
	US$'000	*US$'000*
(Loss) earnings:		
(Loss) earnings for the purposes of calculating basic and diluted (loss) earnings per share	***(51,914)***	*4,515*
Number of shares:		
Weighted average number of ordinary shares for the purposes of calculating basic and diluted (loss) earnings per share	***1,750,513,935***	*888,807,044*

On 29 April 2009, 1,405,825,520 ordinary shares were issued in relation to a rights issue transaction. The effect of the bonus element included within the rights issue has been included in the calculation of basic and diluted (loss) earnings per share. The weighted average number of ordinary shares for the purposes of calculating basic and diluted earnings per share for the year ended 31 December 2008 had been adjusted accordingly.

The computation of diluted (loss) earnings per share for 2009 and 2008 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 both years.

7. Movements in property, plant and equipment

During the year, the Group spent US$5,716,000 (2008: US$22,533,000) for upgrading its existing manufacturing and logistics services facilities.

8. *Inventories*

	2009 US$'000	2008 US$'000
Raw materials	**140,318**	213,216
Work in progress	**10,210**	10,930
Finished goods	**53,155**	76,295
	203,683	300,441

The entire carrying amounts of inventories as at 31 December 2009 and 2008 are expected to be recovered within the next twelve months.

9. *Trade receivables*

	2009 US$'000	2008 US$'000
Trade receivables	**92,040**	94,717
Less : allowance for doubtful debts	**(342)**	(11)
Total trade receivables	**91,698**	94,706

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 (2008:30 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 the end of the reporting period is as follows:

	2009 US$'000	2008 US$'000
0 to 30 days	**60,058**	45,750
31 to 60 days	**17,614**	21,516
61 to 90 days	**3,487**	10,970
91 to 120 days	**3,912**	10,566
Over 120 days	**6,627**	5,904
	91,698	94,706

The Group assessed the credit quality of trade receivables based on historical default rates and the creditworthiness of the customers. An aggregate amount of US$51,117,000 was subsequently settled.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of US$21,337,000 (2008: US$33,497,000) 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.

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

	2009 US$'000	2008 US$'000
31 to 60 days	**8,858**	9,280
61 to 90 days	**3,058**	8,233
91 to 120 days	**3,545**	10,080
Over 120 days	**5,876**	5,904
	21,337	33,497

Movement in the allowance for doubtful debts:

	2009	*2008*
	US$'000	*US$'000*
Balance at the beginning of the year	***11***	*289*
Impairment losses recognised on receivables	***331***	*-*
Amounts written off as uncollectible	***-***	*(240)*
Amounts recovered during the year	***-***	*(38)*
Balance at the end of the year	***342***	*11*

10. Prepayments and other receivables

As at 31 December 2009, the Group advanced US$30,952,000 (2008: US$9,791,000) to certain suppliers as deposits for raw material purchases, the entire amount is expected to be recovered within the next twelve months.

11. Trade payables

The aged analysis, based on the invoice date of each transaction, of trade payables at the end of the reporting period is as follows:

	2009	*2008*
	US$'000	*US$'000*
0 to 30 days	***26,130***	*13,566*
31 to 60 days	***6,128***	*9,854*
61 to 90 days	***5,572***	*10,365*
91 to 120 days	***4,590***	*18,343*
Over 120 days	***12,787***	*34,542*
	55,207	*86,670*

The average credit period on purchases of goods is 56 (2008: 53) days. The Group has financial risk management policies in place to ensure that all payables within the credit timeframe.

12. Bills payable

The aged analysis of bills payable at the end of the reporting period is as follows:

	2009	*2008*
	US$'000	*US$'000*
0 to 30 days	***18,190***	*6,746*
31 to 60 days	***9,798***	*1,732*
61 to 90 days	***3,723***	*7,992*
91 to 120 days	***127***	*552*
Over 120 days	***1,395***	*-*
	33,233	*17,022*

13. Share capital

	Number of shares		*Share Capital*			
	2009	*2008*	***2009***	***2009***	*2008*	*2008*
			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***	*1,000,000,000*	***12,843***	***100,000***	*12,843*	*100,000*
Increase on 3 April 2009 (note a)	***2,000,000,000***	*-*	***25,806***	***200,000***	*-*	*-*
At end of the year	***3,000,000,000***	*1,000,000,000*	***38,649***	***300,000***	*12,843*	*100,000*
Issued and fully paid:						
At beginning of the year	***702,912,760***	*702,912,760*	***9,025***	***70,291***	*9,025*	*70,291*
Issue of ordinary shares on rights issue (note b)	***1,405,825,520***	*-*	***18,139***	***140,583***	*-*	*-*
Issue of ordinary shares by private placement (note c)	***300,000,000***	*-*	***3,870***	***30,000***	*-*	*-*
At end of year	***2,408,738,280***	*702,912,760*	***31,034***	***240,874***	*9,025*	*70,291*

Notes:

(a) On 3 April 2009, an ordinary resolution of the Company was passed to increase the authorised share capital of the Company from HK$100,000,000 to HK$300,000,000 by the creation of 2,000,000,000 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.

(b) On 29 April 2009, 1,405,825,520 ordinary shares were issued at HK$0.35 per share in relation to a rights issue transaction on the basis of two rights shares for every one existing share. The issuance of these new shares was approved by the independent shareholders of the Company at the extraordinary general meeting held on 3 April 2009. These new shares rank pari passu with other shares in issue in all respects. The net proceeds from the rights issue were used to partially repay the Group's bank loans in order to save the Group's interest expenses and strengthen the Group's financial position.

(c) On 18 November 2009, 300,000,000 ordinary shares were issued at HK$1.30 per share in relation to a share placement. The issue price of HK$1.30 per share representing a discount of approximately 14.47% to the closing market price of the Company's share on 17 November, 2009. These new shares were issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 5 June 2009 and rank pari passu with other shares in issue in all respects. The net proceeds from the placement were used for existing and future business developments and as general working capital of the Group.

BUSINESS REVIEW

Due to exceptional global economic conditions, the Group recorded consolidated revenue of US$274,647,000 in the year under review, significantly down on the figure of US$1,385,269,000 for 2008. The result was a consolidated net loss of US$51,914,000 attributable to owners of the Company, against net profit of US$4,515,000 attributable to owners of the Company in 2008. Loss per share for 2009 amounted to US2.97 cents, compared with earnings per share of US0.51 cent in 2008; as a result there will be no dividend payable for 2009 (2008: HK4 cents per ordinary share). However, the Group remains committed to its dividend policy and expects to resume dividend payouts once steady profitability is re-established.

The downturn in the Group's performance was the result of a sudden global slowdown in trade which began in the second half of 2008, and continued with even further drop in global trading volumes in 2009. The PRC is one of the biggest sources of goods for the global market, so its exporters were seriously affected by the crisis, which badly impacted the Group's container manufacturing business. The Group's container manufacturing operation was scaled back in the year under review due to the sudden slowdown, and as a result its consolidated revenue fell by around 80.2% year-on-year.

With very soft demand for dry freight containers, the Group was operating well under capacity in the production of dry freight containers, which have traditionally been our major revenue stream. The Group's smaller-scale specialised container business, however, performed satisfactorily, especially given the economic conditions, and this bodes well for our future plans to develop new specialised products.

The Group's gross margins and operating margins were lower due to the exceptional global conditions of 2009; as trade recovers we expect these to rise to more normal levels again. The Group's financial position improved significantly following a successful rights issue completed in April 2009, which was oversubscribed and raised approximately HK$492.0 million for the Group. In addition, a share placement exercise conducted in November 2009 raised a further HK$379.4 million for the Group's new projects and working capital. This significant injection of cash has been used to repay the Group's bank borrowings and will also be used to finance the Group's new products development. Throughout the year, the Group continued to implement proven cost control measures to ensure it operated at optimum levels of efficiency.

Manufacturing

The Group's manufacturing business contributed around 86.5% of its total revenue in 2009. As a result of the economic downturn that swept the globe from late 2008, the segment recorded revenue of US$237,440,000, a 82.4% drop compared to last year. The Group responded to the slowdown in demand for containers by reducing its container production capacity. Total container output for the year was 86,600 twenty-foot equivalent units ("TEUs"), down 84.7% from last year. Of this number, around 36,299 TEUs were higher margin specialised containers, and the remainder traditional dry freight containers. Consequently the manufacturing business experienced a sharp fall in manufacturing revenue, leading to a loss before taxation and minority interests of US$66,734,000 in the year under review (2008: profit before taxation and minority interests of US$7,315,000).

Towards the end of 2009, encouraging signs are evident of the beginnings of a gradual recovery. These include the fact that the number of idle containers in the PRC dropped from over 5 million TEUs in the first quarter of the year to under 2 million TEUs by December 2009. Global freight rates are rising again, an indication of gradual recovery in the container shipping industry. Recent statistics indicate that both import and export activities in the PRC have significantly increased in December 2009. All these are indicators of an upward swing which will result in a rise in container demand in 2010.

After cutting its worker numbers when the global crisis first began to strike in 2008, the Group continued to maintain just a single production shift and has been operating with a minimum workforce throughout 2009. Labour costs have thus remained under control during the year. Now that a revival in demand is appearing, the Group has started hiring workers after the Chinese New Year holiday to ramp up its production capacity.

Due to the scaling back of the Group's production of dry freight containers, the revenue breakdown between dry freight containers and specialised containers for 2009 was about 41/59. We expect the ratio of dry freight containers to rise again in the coming year as demand picks up to more normal levels. Average selling price of a 20-foot dry freight container was around US$1,986, while tank containers were sold for around US$27,512. These prices are slightly lower than last year (2008: US$2,262 and US$30,600 respectively) due to the drop in raw materials prices. With the price of Corten steel predicted to rise gradually in the coming year, we expect average selling prices to rise correspondingly.

Logistics Services

The Group provides customers with a range of logistics services that include container storage, handling, repair, trucking and other related services at container depots and container terminals, and mid-stream operations. During 2009, the Group's container depots and terminals handled a total of approximately 3,576,000 TEUs of containers, against 5,069,000 TEUs in 2008. This represented a drop in handling volumes of 29.5% as a result from the decline in global trade. By contrast, with more idle containers (especially in the first half of the year) stored at the major ports of the PRC, revenue from the Group's storage services actually increased in the reporting year.

As a whole, the Group's logistics services segment generated revenue of US$37,207,000, fell slightly by 2.3% from US$38,098,000 of 2008. With the substantial decline in higher-margin handling revenue, this segment's profit before taxation and minority interests dropped to US$7,715,000 (2008: US$10,859,000).

PROSPECTS

After eighteen months of the global economic downturn, there are already some clear signs of recovery. Cargo throughput in the PRC is rising and is expected to continue, as the improving global economy drives PRC exports and strong PRC domestic consumption stimulates imports. The rise in global trade will directly benefit the container shipping industry, which in turn will see demand growing for new containers.

This overview justifies the Group's cautiously optimistic outlook on 2010. Analysts and exporters alike believe the worst period to be over, and signs of recovery are already evident. Much hangs on the state of the US economy and consumer sentiment there, traditionally a major driver for the global export trade. The Group believes that business in the first half of 2010 will grow and improve steadily, establishing a momentum that should lead to a positive second half year.

In addition to economic improvements, certain other factors are set to influence the container industry for the good. Replacement rate, which has fallen over the past two years for old containers, is expected to at least return to the normal rate of 5% to 7% in 2010. Over the past two years, many container owners have postponed the replacement of their worn or damaged containers due to the economic downturn. As global freight volumes are expected to rise in 2010, replacement demand is expected to resume.

In addition to the above positive factors, we are especially optimistic about the prospects for several of our specialised container products, which have been under development or in the early stages of production in the past year. These specialised containers should continue to diversify our business interests, improving our product mix, and attract new customers from outside the traditional spheres of shipping and container leasing companies. On average, the gross margin for the new three specialised containers described below is over 10%, significantly higher than the margin obtainable on traditional dry freight containers.

Our fresh seafood containers, designed to efficiently transport time- and temperature-sensitive seafood products, are currently at the final testing stage. This product is being developed in partnership with China Railways, and we expect to receive our first order in April 2010. We have also developed and produced 300 units of environmentally friendly trash containers, which will be introduced at the Shanghai World Expo in 2010.

Another specialised product being developed that holds great potential is Complete Knock Down (CKD) container house that can be used for temporary or permanent accommodation. The Group has already accepted trial orders of 20 fully-furnished container houses from a large-scale property developer in Tahiti, for re-sale to the Tahitian Government for low-cost housing. These container houses have a lot of potential in countries with high populations, rich in natural resources but lack of infrastructure and suitable accommodation.

Specialised containers offer the Group new opportunities, and less future reliance on revenue from dry freight containers. Over the next three to five years, the Group aims to increase the manufacture and sale of specialised containers to represent approximately 40% to 50% of the Group's total revenue.

Noting the robustness of the PRC domestic market even during the recent global downturn, the Group also aims to exploit the potential on its doorstep. To this end it set up a Domestic Marketing Department at the end of 2009.

In summary then, the Group is now emerging from an exceptionally stormy period, which it has successfully weathered partly by making some major cutbacks and partly by looking to specialise and diversify its container products. With a strong cash position and plenty of capacity at its production plants, the Group is ready to ride the recovery as it takes off. We are cautiously optimistic that in 2010, we will be able to regain lost ground caused by the economic downturn in the past 18 months.

RIGHTS ISSUE AND SHARE PLACEMENT

The Group's cash reserves were significantly increased during the year under review as a result of two major fund-raising events. Towards the beginning of the year the Group held a successful rights issue of shares, which was oversubscribed and which generated approximately HK$492.0 million for the Company. In November 2009, the Company undertook a share placement which raised a further HK$379.4 million. The new capital raised has been and will be used for repaying bank borrowings and financing new products development.

DIVIDEND

The Directors have resolved not to pay out dividend due to the consolidated net loss of US$51,914,000. However, the Group remains committed to its dividend policy and expects to resume dividend payouts once steady profitability is re-established.

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 31 December 2009 ("Annual Report"). During the year under review, the Committee met three times.

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

Neither the Company nor any of its subsidiaries has 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$666,000 and US$55,000 have been transferred to general reserve and development reserve of the Group, respectively during the year.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2009 as set out in the Preliminary Announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

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") during January 2009 to April 2009, the Company has fully complied with all the applicable principles of the Code on Corporate Governance Practices ("the Code") as set out in Appendix 14 of the Listing Rules and also adopted certain recommended best practices of the Code throughout the year.

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 15 October 2008. Following the re-designation of Mr. Ngan as executive Director, 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. On 1 May 2009, Mr. Lau Ho Man was appointed as independent non-executive Director to fill the causal vacancy of Mr. Ngan.

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 the code of conduct regarding Directors' securities transactions. Having made specific enquiry of the Directors, all of the Directors have complied with, for any part of the accounting period covered by the Annual Report, the required standard set out in the Model Code.

On Behalf of the Board
Chang Yun Chung
Chairman

Hong Kong, 24 March 2010

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 and Mr. Teo Tiou Seng as executive Directors, Mr. Jin Xu Chu and Mr. Kuan Kim Kin as non-executive Directors and Mr. Lau Ho Man, Mr. Ong Ka Thai and Mr. Yang, Victor as independent non-executive Directors.