SINGAMAS

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

2011 ANNUAL RESULTS ANNOUNCEMENT

ANNUAL RESULTS

The Board of Directors (the "Board"/ "Directors") of Singamas Container Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	Notes	2011 US$'000	2010 US$'000
Revenue	2	**1,817,718**	1,373,173
Other income		**4,156**	4,137
Changes in inventories of finished goods and work in progress		**(35,322)**	70,640
Raw materials and consumables used		**(1,297,273)**	(1,099,908)
Staff costs		**(104,684)**	(89,359)
Depreciation and amortisation expense		**(18,243)**	(17,902)
Exchange loss		**(4,282)**	(4,806)
Other expenses		**(137,882)**	(114,188)
Finance costs		**(19,121)**	(11,503)
Investment income		**3,722**	1,350
Reclassification of fair value loss of derivative financial instruments designated as hedging instruments from hedge reserve		**(7,734)**	-
Changes in fair value of derivative financial instruments classified as held for trading		**931**	(1,882)
Share of results of associates		**112**	569
Share of results of jointly controlled entities		**2,638**	6,940
Profit before taxation		**204,736**	117,261
Income tax expense	4	**(50,909)**	(14,467)
Profit for the year		**153,827**	102,794
Other comprehensive (expense) income			
Exchange differences arising on translation		**3,812**	2,181
Fair value adjustments on forward contracts designated as cash flow hedges		**(12,671)**	-
Reclassification of fair value loss from hedge reserve to profit or loss		**8,002**	-
Other comprehensive (expense) income for the year		**(857)**	2,181
Total comprehensive income for the year		**152,970**	104,975

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

For the year ended 31 December 2011

	Notes	**2011**	2010
		US$'000	*US$'000*
Profit for the year attributable to:			
Owners of the Company		**138,641**	92,541
Non-controlling interests		**15,186**	10,253
		153,827	102,794
Total comprehensive income attributable to:			
Owners of the Company		**136,848**	94,228
Non-controlling interests		**16,122**	10,747
		152,970	104,975
Earnings per share	*6*		
Basic		**US5.74 cents**	US3.84 cents
Diluted		**US5.73 cents**	US3.84 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	Notes	2011 US$'000	2010 US$'000
Non-current assets			
Property, plant and equipment	7	**252,560**	186,179
Patents		**117**	336
Goodwill		**6,246**	5,280
Interests in associates		**5,628**	5,241
Interests in jointly controlled entities		**19,606**	27,634
Available-for-sale investment		**1,614**	1,614
Prepaid lease payments		**70,164**	64,389
Deposits for non-current assets		**23,077**	-
		379,012	290,673
Current assets			
Inventories	8	**277,671**	260,424
Trade receivables	9	**273,372**	226,428
Prepayments and other receivables	10	**119,533**	230,498
Amount due from ultimate holding company		**1,015**	2,433
Amounts due from fellow subsidiaries		**536**	378
Amounts due from jointly controlled entities		**1,160**	7,118
Amount due from a related company		**405**	525
Tax recoverable		**870**	2,028
Prepaid lease payments		**1,629**	1,506
Bank balances and cash		**331,577**	229,279
		1,007,768	960,617

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
As at 31 December 2011

	Notes	**2011** **US$'000**	2010 US$'000
Current liabilities			
Trade payables	*11*	**128,602**	193,334
Bills payable	*12*	**63,621**	131,582
Accruals and other payables		**98,465**	97,934
Amount due to ultimate holding company		**10**	210
Amounts due to associates		**2,014**	2,683
Amounts due to jointly controlled entities		**37**	1,218
Tax payable		**12,586**	10,216
Derivative financial instrument		**-**	1,226
Deferred payable		**-**	86
Bank borrowings		**99,808**	297,778
		405,143	736,267
Net current assets		**602,625**	224,350
Total assets less current liabilities		**981,637**	515,023
Capital and reserves			
Share capital	*13*	**31,151**	31,084
Share premium		**236,315**	235,026
Accumulated profits		**241,035**	161,560
Other reserves		**37,044**	32,443
Equity attributable to owners of the Company		**545,545**	460,113
Non-controlling interests		**66,657**	48,454
Total equity		**612,202**	508,567
Non-current liabilities			
Deferred payable		**-**	853
Bank borrowings		**135,451**	3,730
Notes		**217,011**	-
Derivative financial instruments designated as hedging instruments		**12,403**	-
Deferred tax liabilities		**4,570**	1,873
		369,435	6,456
		981,637	515,023

Notes:

1. *Significant accounting policies*

The consolidated financial statements have been prepared on the historical cost basis except for the derivative financial instrument, which is measured at fair value.

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").

Amendments to HKFRSs	*Improvements to HKFRSs issued in 2010*
HKAS 24 (as revised in 2009)	*Related Party Disclosures*
Amendments to HK(IFRIC) – Int 14	*Prepayments of a Minimum Funding Requirement*
HK(IFRIC) – Int 19	*Extinguishing Financial Liabilities with Equity Instruments*

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised Standards and Interpretations issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

Amendments to HKFRS 7	*Disclosures – Transfers of Financial Assets*[1]
Amendments to HKFRS 7	*Disclosures - Offsetting Financial Assets and Financial Liabilities*[2]
Amendments to HKFRS 9 and HKFRS 7	*Mandatory Effective Date of HKFRS 9 and Transition Disclosures*[3]
HKFRS 9	*Financial Instruments*[3]
HKFRS 10	*Consolidated Financial Statements*[2]
HKFRS 11	*Joint Arrangements*[2]
HKFRS 12	*Disclosure of Interests in Other Entities*[2]
HKFRS 13	*Fair Value Measurement*[2]
Amendments to HKAS 1	*Presentation of Items of Other Comprehensive Income*[5]
Amendments to HKAS 12	*Deferred Tax - Recovery of Underlying Assets*[4]
HKAS 19 (as revised in 2011)	*Employee Benefits*[2]
HKAS 27 (as revised in 2011)	*Separate Financial Statements*[2]
HKAS 28 (as revised in 2011)	*Investments in Associates and Joint Ventures*[2]
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*[6]
HK(IFRIC) - Int 20	*Stripping Costs in the Production Phase of a Surface Mine*[2]

[1] *Effective for annual periods beginning on or after 1 July 2011*
[2] *Effective for annual periods beginning on or after 1 January 2013*
[3] *Effective for annual periods beginning on or after 1 January 2015*
[4] *Effective for annual periods beginning on or after 1 January 2012*
[5] *Effective for annual periods beginning on or after 1 July 2012*
[6] *Effective for annual periods beginning on or after 1 January 2014*

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- *HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.*

- *The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the changes in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.*

The Directors anticipate that the adoption of HKFRS 9 in the future may have impact on amounts reported in respect of the Group's available-for-sale investment, which is currently stated at cost less impairment and will be measured at fair value upon adoption.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK(SIC) - Int 12 Consolidation - Special Purpose Entities. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures and HK(SIC) - Int 13 Jointly Controlled Entities - Non-Monetary Contributions by Venturers. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

The five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The Directors anticipate that these five standards will be adopted in the Group's consolidated financial *statements for the annual period beginning 1 January 2013. The application of these five standards is not expected to have significant impact on amounts reported but will result in more extensive disclosures in the Group's consolidated financial statements.*

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad: it applies to both financial instrument items and non-financial instrument items of which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 Financial Instruments: Disclosures will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The Directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new standard may result in more extensive disclosures in the consolidated financial statements.

The Directors anticipate that the application of the other new and revised standards, amendments and interpretations will have no material impact on the Group's 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:

	2011	*2010*
	US$'000	*US$'000*
Manufacturing	***1,782,022***	*1,336,175*
Logistics services	***35,696***	*36,998*
	1,817,718	*1,373,173*

3. Segment information

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. These divisions are the basis on which the Group reports its segment information under HKFRS 8.

Principal activities are as follows:

Manufacturing - *manufacturing of marine dry freight containers, refrigerated containers, collapsible flatrack containers, tank containers, US domestic containers, other specialised containers and container parts.*

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 and operating segment:

2011	***Manufacturing US$'000***	***Logistics services US$'000***	***Sub-total US$'000***	***Eliminations US$'000***	***Total US$'000***
REVENUE					
External sales	***1,782,022***	***35,696***	***1,817,718***	***-***	***1,817,718***
Inter-segment sales	***68***	***1,049***	***1,117***	***(1,117)***	***-***
Total	***1,782,090***	***36,745***	***1,818,835***	***(1,117)***	***1,817,718***
	Inter-segment sales are charged at prevailing market prices.				
SEGMENT RESULTS	***217,683***	***6,505***	***224,188***	***-***	***224,188***
Finance costs					***(19,121)***
Investment income					***3,722***
Reclassification of fair value loss of derivative financial instruments designated as hedging instruments from hedge reserve					***(7,734)***
Changes in fair value of derivative financial instruments classified as held for trading					***931***
Share of results of associates					***112***
Share of results of jointly controlled entities					***2,638***
Profit before taxation					***204,736***
Income tax expense					***(50,909)***
Profit for the year					***153,827***

2010	***Manufacturing US$'000***	***Logistics services US$'000***	***Sub-total US$'000***	***Eliminations US$'000***	***Total US$'000***
REVENUE					
External sales	*1,336,175*	*36,998*	*1,373,173*	*-*	*1,373,173*
Inter-segment sales	*45*	*545*	*590*	*(590)*	*-*
Total	*1,336,220*	*37,543*	*1,373,763*	*(590)*	*1,373,173*
	Inter-segment sales are charged at prevailing market prices.				
SEGMENT RESULTS	*115,402*	*6,385*	*121,787*	*-*	*121,787*
Finance costs					*(11,503)*
Investment income					*1,350*
Changes in fair value of derivative financial instruments classified as held for trading					*(1,882)*
Share of results of associates					*569*
Share of results of jointly controlled entities					*6,940*
Profit before taxation					*117,261*
Income tax expense					*(14,467)*
Profit for the year					*102,794*

Segment results represent the profit earned by each segment without allocation of finance costs, investment income, reclassification of fair value loss of derivative financial instruments designated as hedging instruments from hedge reserve, 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 and operating segment:

2011	***Manufacturing***	***Logistics services***	***Total***
	US$'000	***US$'000***	***US$'000***
ASSETS			
Segment assets	***964,935***	***59,839***	***1,024,774***
Interests in associates			***5,628***
Interests in jointly controlled entities			***19,606***
Unallocated corporate assets			***336,772***
Consolidated total assets			***1,386,780***
LIABILITIES			
Segment liabilities	***277,386***	***13,302***	***290,688***
Unallocated corporate liabilities			***483,890***
Consolidated total liabilities			***774,578***
OTHER INFORMATION			
Amounts included in the measure of segment profit or loss or segment assets:			
Additions of capital expenditure	***56,881***	***575***	***57,456***
Depreciation and amortisation	***14,392***	***3,851***	***18,243***
Gain on disposal of property, plant and equipment	***181***	***-***	***181***
Loss on property, plant and equipment written off	***3,184***	***18***	***3,202***

2010	***Manufacturing***	***Logistics services***	***Total***
	US$'000	***US$'000***	***US$'000***
ASSETS			
Segment assets	*914,001*	*61,564*	*975,565*
Interests in associates			*5,241*
Interests in jointly controlled entities			*27,634*
Unallocated corporate assets			*242,850*
Consolidated total assets			*1,251,290*
LIABILITIES			
Segment liabilities	*408,874*	*14,915*	*423,789*
Unallocated corporate liabilities			*318,934*
Consolidated total liabilities			*742,723*
OTHER INFORMATION			
Amounts included in the measure of segment profit or loss or segment assets:			
Additions of capital expenditure	*28,482*	*736*	*29,218*
Depreciation and amortisation	*13,994*	*3,908*	*17,902*
(Loss) gain on disposal of property, plant and equipment	*(424)*	*32*	*(392)*
Loss on property, plant and equipment written off	*1,695*	*5*	*1,700*

The amounts included in other information are part of the reportable and operating segments.

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

- *all assets are allocated to operating 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 operating 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.*

Revenue from major products and services

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

	2011	2010
	US$'000	US$'000
Manufacturing:		
Dry freight containers	**1,181,443**	1,075,704
Refrigerated containers	**244,275**	113,686
Tank containers	**109,296**	49,890
US domestic containers	**171,498**	72,081
Other specialised containers and container parts	**75,510**	24,814
Logistics services	**35,696**	36,998
	1,817,718	1,373,173

Geographical information

The Group's operations are located in Hong Kong, the People's Republic of China (the "PRC") and Thailand. The Group's manufacturing division is located in the PRC. 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	
	2011	2010
	US$'000	US$'000
United States of America	**709,371**	563,788
Europe	**307,861**	266,475
Hong Kong	**225,884**	233,422
South Korea	**116,205**	60,599
PRC	**103,274**	128,128
Others	**355,123**	120,761
	1,817,718	1,373,173

The following is an analysis of the carrying amount of segment assets and non-current assets, other than available-for-sale investment, 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 investment**	
	2011	2010	**2011**	2010
	US$'000	US$'000	**US$'000**	US$'000
PRC	**1,007,336**	932,822	**371,751**	282,189
Hong Kong	**17,402**	42,743	**4,885**	5,416
Others	**36**	-	**762**	1,454
	1,024,774	975,565	**377,398**	289,059

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 both years, there is one customer contributing over 10% of the total sales amounting to US$290,992,000 and US$256,546,000 in 2011 and 2010 respectively.

4. *Income tax expense*

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

PRC Enterprise Income Tax has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the PRC in which the Group operates.

	2011 **US$'000**	2010 US$'000
Current tax:		
Hong Kong Profits Tax		
- Current year	***257***	*327*
PRC Enterprise Income Tax		
- Current year	***47,509***	*12,570*
- Prior years underprovision	***446***	*183*
	47,955	*12,753*
Deferred tax:		
Current year charge	***2,697***	*1,387*
Income tax expense for the year	***50,909***	*14,467*

5. *Dividends*

	2011 **US$'000**	2010 US$'000
Dividends recognised as distributions during the year:		
Interim in respect of current financial year, paid - HK9 cents (2010: Nil) per ordinary share	***27,941***	-
Final in respect of the previous financial year,: paid – HK8 cents (2010: Nil) per ordinary share	***24,801***	-
	52,742	-

The final dividend of HK5 cents in respect of the year ended 31 December 2011 (2010: final dividend of HK8 cents in respect of the year ended 31 December 2010) per ordinary share, total of which equivalent to approximately HK$120,900,000 (equivalent to approximately US$15,500,000) (2010: HK$193,201,000 (equivalent to US$24,801,000)) has been proposed by the Directors and is subject to approval by the shareholders in forthcoming annual general meeting.

6. *Earnings per share*

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2011 **US$'000**	2010 US$'000
Earnings:		
Earnings for the purposes of calculating basic and diluted earnings per share	***138,641***	*92,541*
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	***2,415,613,232***	*2,409,831,453*
Effect of dilutive potential ordinary shares for share options	***4,524,202***	*937,206*
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	***2,420,137,434***	*2,410,768,659*

7. ***Movements in property, plant and equipment***

During the year, the Group spent US$17,862,000 (2010: US$29,218,000) for upgrading its existing manufacturing and logistics services facilities and US$39,331,000 (2010: Nil) for the construction of two new plants in Qidong.

8. ***Inventories***

	2011 US$'000	2010 US$'000
Raw materials	**175,366**	126,419
Work in progress	**35,195**	29,251
Finished goods	**67,110**	104,754
	277,671	260,424

The entire carrying amounts of inventories as at 31 December 2011 and 2010 are expected to be recovered within the next twelve months.

9. ***Trade receivables***

	2011 US$'000	2010 US$'000
Trade receivables	**274,072**	226,428
Less : allowance for doubtful debts	**(700)**	-
Total trade receivables	**273,372**	226,428

A defined credit policy is maintained within the Group. The general credit terms are agreed with each of its trade customers depending on the creditworthiness of the customers. The general credit term ranges from 30 days to 120 days (2010: 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:

	2011 US$'000	2010 US$'000
0 to 30 days	**213,064**	141,590
31 to 60 days	**34,201**	55,949
61 to 90 days	**13,646**	16,890
91 to 120 days	**10,122**	6,761
Over 120 days	**2,339**	5,238
	273,372	226,428

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$238,761,000 was subsequently settled.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of US$26,641,000 (2010: US$26,984,000) which are past due at the reporting date for which the Group has not provided for allowance. 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 allowance 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:

	2011 US$'000	2010 US$'000
31 to 60 days	**7,260**	7,198
61 to 90 days	**9,181**	7,813
91 to 120 days	**7,861**	6,749
Over 120 days	**2,339**	5,224
	26,641	26,984

Movement in the allowance for doubtful debts:

	2011	*2010*
	US$'000	*US$'000*
Balance at the beginning of the year	***-***	*342*
Provision for doubtful debts recognised on receivables	***700***	*-*
Amounts written off as uncollectible	***-***	*(342)*
Balance at the end of the year	***700***	*-*

10. Prepayments and other receivables

As at 31 December 2011, prepayments and other receivables included advanced of US$42,407,000 (2010: US$164,867,000) to certain suppliers as deposits for raw material purchases. The remaining balance was mainly included refundable value added tax and other temporary payments. 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:

	2011	*2010*
	US$'000	*US$'000*
0 to 30 days	***61,401***	*92,716*
31 to 60 days	***30,913***	*49,031*
61 to 90 days	***19,369***	*25,051*
91 to 120 days	***11,009***	*18,163*
Over 120 days	***5,910***	*8,373*
	128,602	*193,334*

The average credit period on purchases of goods is 59 (2010: 59) days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

12. Bills payable

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

	2011	*2010*
	US$'000	*US$'000*
0 to 30 days	***26,737***	*60,221*
31 to 60 days	***11,478***	*36,938*
61 to 90 days	***25,406***	*29,549*
91 to 120 days	***-***	*-*
Over 120 days	***-***	*4,874*
	63,621	*131,582*

13. Share capital

	Number of shares		*Share Capital*			
	2011	*2010*	***2011***	***2011***	*2010*	*2010*
			US$'000	***HK$'000***	*US$'000*	*HK$'000*
Ordinary shares of HK$0.10 each						
Authorised:						
At beginning of the year and at the end of the year	***3,000,000,000***	*3,000,000,000*	***38,649***	***300,000***	*38,649*	*300,000*
Issued and fully paid:						
At beginning of the year	***2,412,612,280***	*2,408,738,280*	***31,084***	***241,261***	*31,034*	*240,874*
Exercise of share options (note)	***5,221,020***	*3,874,000*	***67***	***522***	*50*	*387*
At end of the year	***2,417,833,300***	*2,412,612,280*	***31,151***	***241,783***	*31,084*	*241,261*

Note:

During the year, the Company issued and allotted 5,221,020 (2010:3,874,000) ordinary shares of HK$0.10 each upon exercise of share options. The exercise prices of the share options ranged from HK$1.38 to HK$1.48 per share (2010: HK$1.48 per share). The new ordinary shares rank pari passu with the then existing shares in all respects.

BUSINESS REVIEW

The Group recorded consolidated revenue of US$1,817,718,000 in the year under review, representing further growth of 32.4% over last year's strong performance. As a result, the Group achieved a new record consolidated net profit of US$138,641,000 attributable to owners of the Company in 2011, exceeding last year's record net profit of US$92,541,000 by 49.8%. Basic earnings per share amounted to US5.74 cents, compared with US3.84 cents in 2010.

The record-breaking year under review played out in a slightly unusual way. In the past, the seasonality trend has generally meant that the Group's second half-year results would exceed its first half-year results. By contrast, in 2011 the case was one of 'reverse seasonality', which arose partly due to unusual global economic conditions. Although global trading volumes continued at satisfactory levels throughout the year, consumer confidence became unsettled in the middle of the year due to uncertainties in the macro environment. Events such as the downgrade of the US sovereign credit rating and the Eurozone debt crisis resulting in a softening of new container demand in the second half of the year.

Despite this caution on the part of customers, there is currently good reason to think that trading levels will continue to remain satisfactory going forward into 2012. We are expecting the market to remain subdued for the first half of the year, and begin to adjust back to normal patterns of seasonality in the second half. Recovery of market confidence will be a gradual process, so we will be concentrating in the first half of the year on making sure our core operations are optimally efficient and cost-effective.

Coming off the back of two record years in a row, we are pleased to report that the Group's financial position is very healthy indeed. We have further strengthened our financial position in April 2011 with the issue of a three-year bond that raised RMB1.38 billion for working capital. We also arranged a four-year term loan of US$150 million to finance our Qidong project. With these two financing arrangements, good profitability in the last two years and a strong balance sheet, we are well placed to ride out any market adjustments, while at the same time moving ahead by completing construction of our new plants in Qidong near Shanghai.

Manufacturing

It has been another strong year for the Group. Manufacturing revenue amounted to US$1,782,022,000, rising by a further 33.4% over the record result of US$1,336,175,000 achieved in 2010. This segment continued to contribute the bulk of the Group's total revenue, contributing 98.0% in 2011 (2010: 97.3%). Container production remained high, especially in the first half, with total container output for the year amounting to 648,014 twenty-foot equivalent units ("TEUs"), against 636,306 TEUs produced in 2010. In terms of sales volume, 672,382 TEUs were sold during the year compared with 612,132 TEUs in the previous year, of which the majority were dry freight containers. However, the revenue breakdown in terms of contributions from dry freight and specialised containers showed a significant change from 2010. Whereas in 2010 dry freight containers contributed 80.5% of the Group's overall manufacturing revenue and specialised containers 19.5%, in the year under review the ratio changed to 66.3% for dry freight and 33.7% for specialised containers. This shift was driven by particularly strong sales of refrigerated containers and 53-foot US domestic containers as well as our continuous efforts in promoting our specialised containers. Because specialised containers sell for higher prices and typically with higher profit margins, the Group aims to increase the percentage of contribution from its specialised container segment over the next few years to around 40% to 50%.

Selling prices for 20-foot dry freight containers tend to fluctuate over the year due to changes in trading conditions and raw material costs, but in 2011 the price for the Group's standard container was averaged at US$2,667, 11% higher than the average of US$2,403 for 2010. After remaining stable for much of the year, corten steel prices dropped slightly in November 2011. Raw materials costs look set to remain stable for the foreseeable future. Labour costs continue to rise, with the minimum wages expected to go up by more than 10% in 2012 to match inflation. This, however, will have little impact on the Group, as labour makes up only around 4% of its total production costs.

Following strong new container demand in the first half of the year, together with its ongoing cost-effectiveness measures, the Group's manufacturing business segment achieved a profit before taxation and non-controlling interests of US$198,980,000 (2010: US$111,162,000).

During the year, the Group continued to operate eleven factories serving all the major coastal port cities in the PRC. Construction of its facilities in Qidong, close to Shanghai, has continued throughout the year. Phase 1 of the first factory, which will produce both dry freight and specialised containers, is expected to commence operation in July 2012, with Phase 2 for producing refrigerated containers due for completion by the end of 2012. The completion of these ultra modern, highly efficient, energy saving and environmentally friendly manufacturing facilities will further enhance the Group's competitiveness and production efficiency.

Logistics Services

The Group operates a network of container depots and terminals along the coast of the PRC and Hong Kong. This enables it to provide its clients with a wide selection of logistics services to suit their needs as container owners. These include container storage, handling, trucking, and repair services. The year under review, demand for container depot services was relatively low as container owners were operating at relatively tight inventory. The results from this segment of the Group's operations thus fell below the previous year.

In 2011, the Group's logistics services segment handled around 3,475,000 TEUs against 3,921,000 TEUs in 2010, a fall of 11.4%. In terms of daily storage volume, the Group averaged around 99,000 TEUs daily (2010: 103,000 TEUs). This translated into revenue for the year of US$35,696,000 compared with US$36,998,000 in 2010. Profit before taxation and non-controlling interests amounted to US$5,756,000, against US$6,099,000 the previous year.

PROSPECTS

As mentioned earlier, faltering global consumer confidence in the second half of 2011 primarily due to the Eurozone debt crisis, making container owners wary of over-stocking in case of a downturn. This has led to softening container demand in the second half of the year. Despite this, though, global trading statistics indicate a relatively healthy situation and bode well for the coming year. For instance, the current slot ratio around 1.5 – 1.6 times is low compared with the normal level of 2 times, which means that containers are subject to an unusually high utilization rate; in other words, container owners are operating at tight inventory. The super slow steaming adopted by the shipping companies is expected to continue due to high fuel / bunker cost. The Group expects that the confidence will gradually firm up in 2012, leading to a more normal situation for container demand in the second half of the year.

For the Group, the scenario outlined above will mean a likely slow first quarter for the year, followed by a gradual pick-up in business in the second quarter. In terms of average selling prices, we expect these to remain stable over the first few months of the year and then gradually rise. Our cost-plus strategy means that we remain relatively immune to the effects of rising raw materials and labour costs; in addition, we are continuously streamlining our operations and optimising our efficiency so as to keep costs as low as possible.

Our acquisition last year of the majority shareholding (95.21%) in Xiamen Pacific Container Manufacturing Co., Ltd., previously our 41.69% owned jointly controlled entity, has enabled us to act faster and integrate this company's activities more closely with the wider strategic needs of the Group as a whole. With the Qidong production facilities due to come into action during the year, the Group is well-positioned to meet any rise in demand as the year goes on.

In conclusion, the Group is having a record-breaking year which shows our ability as an industrial leader when the global trading environment is robust. With the prevailing weaker global confidence in the air, we are cautiously optimistic about 2012, expecting to see a quiet first half followed by an improved business environment in the second half. One of the strengths of Singamas is its ability to adapt rapidly to changes in the trading environment. We are confident that our strategies and systems are well-adapted to changes and that we can perform strongly and thrive in most situations. On this basis, we are looking forward to new achievements and satisfactory results in 2012.

DIVIDENDS

In line with its consistent policy of paying dividends when profitable, the Board has proposed to pay a dividend of HK5 cents per ordinary share (2010: HK8 cents) for the year ended 31 December 2011 to members whose names appear on the register of members of the Company on Wednesday, 6 June 2012. Together with the interim dividend of HK9 cents per ordinary share (2010: Nil), total dividend for the year would be HK14 cents per ordinary share (2010: HK8 cents). The annual dividend payout ratio remains at a stable level of around 31.3%. Subject to approval at the forthcoming annual general meeting, the proposed final dividend will be paid to shareholders on or before 31 July 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 1 June 2012 to Wednesday, 6 June 2012, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for this final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Thursday, 31 May 2012.

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 2011 ("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$5,760,000 and US$747,000 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 statement of comprehensive income and the related notes thereto for the year ended 31 December 2011 as set out in this preliminary announcement have been agreed by the Group's auditor, 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 this preliminary announcement.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERANCE PRACTICES

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 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and also adopted certain recommended best practices of the Code throughout the year.

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 to 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, 27 March 2012

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. Chan Kwok Leung, Mr. Hsueh Chao En, Ms. Tam Shuk Ping, Sylvia 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 Kit, Ivan, Mr. Ong Ka Thai and Mr. Yang, Victor as independent non-executive Directors.