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

2012 ANNUAL RESULTS ANNOUNCEMENT

ANNUAL RESULTS

The Board of Directors (the "Board"/ "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 2012 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	Notes	**2012** **US$'000**	2011 US$'000
Revenue	2	**1,536,608**	1,817,718
Other income		**6,487**	4,156
Changes in inventories of finished goods and work in progress		**15,851**	(35,322)
Raw materials and consumables used		**(1,182,013)**	(1,297,273)
Staff costs		**(113,986)**	(104,684)
Depreciation and amortisation expense		**(20,292)**	(18,243)
Exchange gain (loss)		**837**	(4,282)
Other expenses		**(126,758)**	(137,882)
Finance costs		**(19,676)**	(19,121)
Investment income		**4,421**	3,722
Reclassification of fair value gain (loss) of derivative financial instruments designated as hedging instruments from hedge reserve		**2,427**	(7,734)
Changes in fair value of derivative financial instruments classified as held for trading		**-**	931
Share of results of associates		**575**	112
Share of results of jointly controlled entities		**(1,602)**	2,638
Profit before taxation		**102,879**	204,736
Income tax expense	4	**(33,948)**	(50,909)
Profit for the year		**68,931**	153,827
Other comprehensive income (expense)			
Exchange differences arising on translation		**82**	3,812
Fair value adjustments on forward contracts designated as cash flow hedges		**3,166**	(12,671)
Reclassification of fair value (gain) loss from hedge reserve to profit or loss		**(2,427)**	8,002
Other comprehensive income (expense) for the year		**821**	(857)
Total comprehensive income for the year		**69,752**	152,970

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

For the year ended 31 December 2012

	Notes	2012 US$'000	2011 US$'000
Profit for the year attributable to:			
Owners of the Company		**60,346**	138,641
Non-controlling interests		**8,585**	15,186
		68,931	153,827
Total comprehensive income attributable to:			
Owners of the Company		**61,150**	136,848
Non-controlling interests		**8,602**	16,122
		69,752	152,970
Earnings per share	*6*		
Basic		**US2.49 cents**	US5.74 cents
Diluted		**US2.49 cents**	US5.73 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

	Notes	2012 US$'000	2011 US$'000
Non-current assets			
Property, plant and equipment	7	**343,159**	252,560
Patents		**-**	117
Goodwill		**6,246**	6,246
Interests in associates		**5,314**	5,628
Interests in jointly controlled entities		**6,812**	19,606
Available-for-sale investment		**1,614**	1,614
Prepaid lease payments		**79,004**	70,164
Deposits for non-current assets		**20,127**	23,077
		462,276	379,012
Current assets			
Inventories	8	**253,284**	277,671
Trade receivables	9	**181,785**	273,372
Prepayments and other receivables	10	**144,767**	119,533
Amount due from ultimate holding company		**90**	1,015
Amounts due from fellow subsidiaries		**519**	536
Amounts due from jointly controlled entities		**-**	1,160
Amount due from a related company		**-**	405
Tax recoverable		**2,212**	870
Prepaid lease payments		**1,842**	1,629
Bank balances and cash		**418,430**	331,577
		1,002,929	1,007,768

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2012

	Notes	2012 US$'000	2011 US$'000
Current liabilities			
Trade payables	11	**127,047**	128,602
Bills payable	12	**118,949**	63,621
Accruals and other payables		**176,696**	98,465
Amount due to ultimate holding company		**10**	10
Amounts due to associates		**1,990**	2,014
Amounts due to jointly controlled entities		**12**	37
Tax payable		**7,725**	12,586
Bank borrowings		**50,554**	99,808
		482,983	405,143
Net current assets		**519,946**	602,625
Total assets less current liabilities		**982,222**	981,637
Capital and reserves			
Share capital	13	**31,181**	31,151
Share premium		**236,897**	236,315
Accumulated profits		**262,056**	241,035
Other reserves		**49,028**	37,044
Equity attributable to owners of the Company		**579,162**	545,545
Non-controlling interests		**69,868**	66,657
Total equity		**649,030**	612,202
Non-current liabilities			
Bank borrowings		**97,500**	135,451
Notes		**218,426**	217,011
Derivative financial instruments designated as hedging instruments		**8,962**	12,403
Deferred tax liabilities		**8,304**	4,570
		333,192	369,435
		982,222	981,637

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 amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKAS 12	*Deferred Tax: Recovery of Underlying Assets; and*
Amendments to HKFRS 7	*Financial Instruments: Disclosures - Transfers of Financial Assets*

The application of the amendments to 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 HKFRSs 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 HKFRSs	*Annual Improvements to HKFRSs 2009 - 2011 Cycle*[1]
Amendments to HKFRS 7	*Disclosures - Offsetting Financial Assets and Financial Liabilities*[1]
Amendments to HKFRS 9 and HKFRS 7	*Mandatory Effective Date of HKFRS 9 and Transition Disclosures*[3]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	*Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance*[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	*Investment Entities*[2]
HKFRS 9	*Financial Instruments*[3]
HKFRS 10	*Consolidated Financial Statements*[1]
HKFRS 11	*Joint Arrangements*[1]
HKFRS 12	*Disclosure of Interests in Other Entities*[1]
HKFRS 13	*Fair Value Measurement*[1]
HKAS 19 (as revised in 2011)	*Employee Benefits*[1]
HKAS 27 (as revised in 2011)	*Separate Financial Statements*[1]
HKAS 28 (as revised in 2011)	*Investments in Associates and Joint Ventures*[1]
Amendments to HKAS 1	*Presentation of Items of Other Comprehensive Income*[4]
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*[2]
HK(IFRIC) - Int 20	*Stripping Costs in the Production Phase of a Surface Mine*[1]

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

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:

- *All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are 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.*

- *With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires 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 of financial liabilities attributable to changes in financial liabilities' 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.*

HKFRS 9 is effective for the Group for annual period beginning on 1 January 2015, with earlier application permitted. The Directors anticipate that the adoption of HKFRS 9 may have impact on classification of measurement 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 and be designated as fair value through other comprehensive income.

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.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first 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.

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.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 Presentation of Items of Other Comprehensive Income introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a 'statement of comprehensive income' is renamed as 'statement of profit or loss and other comprehensive income'. The amendments to HKAS 1 also require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for the Group for annual period beginning on 1 January 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

The Directors anticipate that the application of the other new and revised HKFRSs 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:

	2012	*2011*
	US$'000	*US$'000*
Manufacturing	***1,506,200***	*1,782,022*
Logistics services	***30,408***	*35,696*
	1,536,608	*1,817,718*

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 segment 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.

No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

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 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:

2012	***Manufacturing US$'000***	***Logistics services US$'000***	***Sub-total US$'000***	***Eliminations US$'000***	***Total US$'000***
REVENUE					
External sales	***1,506,200***	***30,408***	***1,536,608***	***-***	***1,536,608***
Inter-segment sales	***13***	***751***	***764***	***(764)***	***-***
Total	***1,506,213***	***31,159***	***1,537,372***	***(764)***	***1,536,608***
	Inter-segment sales are charged at prevailing market prices.				
SEGMENT RESULTS	***110,954***	***5,780***	***116,734***	***-***	***116,734***
Finance costs					***(19,676)***
Investment income					***4,421***
Reclassification of fair value gain of derivative financial instruments designated as hedging instruments from hedge reserve					***2,427***
Share of results of associates					***575***
Share of results of jointly controlled entities					***(1,602)***
Profit before taxation					***102,879***
Income tax expense					***(33,948)***
Profit for the year					***68,931***

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*

Segment results represent the profit earned by each segment without allocation of finance costs, investment income, reclassification of fair value gain (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:

2012	***Manufacturing US$'000***	***Logistics services US$'000***	***Total US$'000***
ASSETS			
Segment assets	***969,188***	***61,026***	***1,030,214***
Interests in associates			***5,314***
Interests in jointly controlled entities			***6,812***
Unallocated corporate assets			***422,865***
Consolidated total assets			***1,465,205***
LIABILITIES			
Segment liabilities	***412,002***	***10,690***	***422,692***
Unallocated corporate liabilities			***393,483***
Consolidated total liabilities			***816,175***
OTHER INFORMATION			
Amounts included in the measure of segment profit or loss or segment assets:			
Additions of capital expenditure	***118,866***	***1,434***	***120,300***
Depreciation and amortisation	***17,004***	***3,288***	***20,292***
Gain (loss) on disposal of property, plant and equipment	***67***	***(1)***	***66***
Loss on property, plant and equipment written off	***326***	***55***	***381***

2011	***Manufacturing US$'000***	***Logistics services US$'000***	***Total 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*

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):

	2012	2011
	US$'000	US$'000
Manufacturing:		
Dry freight containers	**1,064,707**	1,181,443
Refrigerated containers	**202,805**	244,275
Tank containers	**85,319**	109,296
US domestic containers	**79,543**	171,498
Other specialised containers and container parts	**73,826**	75,510
Logistics services	**30,408**	35,696
	1,536,608	1,817,718

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:

	2012	2011
	US$'000	US$'000
United States of America	**785,290**	709,371
Europe	**225,553**	307,861
Hong Kong	**214,664**	225,884
South Korea	**86,936**	116,205
PRC	**74,065**	103,274
Others	**150,100**	355,123
	1,536,608	1,817,718

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**	
	2012	2011	**2012**	2011
	US$'000	US$'000	**US$'000**	US$'000
PRC	**1,010,206**	1,007,336	**454,032**	371,751
Hong Kong	**19,968**	17,402	**5,868**	4,885
Others	**40**	36	**762**	762
	1,030,214	1,024,774	**460,662**	377,398

Information about major customers

Revenue 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$380,726,000 and US$290,992,000 in 2012 and 2011 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.

	2012	2011
	US$'000	US$'000
Current tax:		
Hong Kong Profits Tax		
- Current year	**21**	257
- Prior years overprovision	**(5)**	-
	16	257
PRC Enterprise Income Tax		
- Current year	**30,248**	47,509
- Prior years (over)underprovision	**(50)**	446
	30,198	47,955
Deferred tax:		
Current year charge	**3,734**	2,697
Income tax expense for the year	**33,948**	50,909

5. Dividends

	2012	2011
	US$'000	US$'000
Dividends recognised as distributions during the year:		
Interim in respect of current financial year, paid – HK4 cents (2011: HK9 cents) per ordinary share	**12,478**	27,941
Final in respect of the previous financial year, paid – HK5 cents (2011: HK8 cents) per ordinary share	**15,582**	24,801
	28,060	52,742

The final dividend of HK2 cents in respect of the year ended 31 December 2012 (2011: final dividend of HK5 cents in respect of the year ended 31 December 2011) per ordinary share, total of which equivalent to approximately HK$48,400,000 (equivalent to approximately US$6,200,000) (2011: HK$120,964,000 (equivalent to US$15,582,000)) 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:

	2012	2011
	US$'000	US$'000
Earnings:		
Earnings for the purposes of calculating basic and diluted earnings per share	**60,346**	138,641
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**2,418,906,258**	2,415,613,232
Effect of dilutive potential ordinary shares for share options	**1,515,950**	4,524,202
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**2,420,422,208**	2,420,137,434

7. *Movements in property, plant and equipment*

During the year, the Group spent US$11,274,000 (2011: US$17,862,000) for upgrading its existing manufacturing and logistics services facilities and US$98,344,000 (2011: US$39,331,000) for the construction of two new plants and one depot in Qidong.

8. *Inventories*

	2012 US$'000	2011 US$'000
Raw materials	**135,128**	175,366
Work in progress	**25,199**	35,195
Finished goods	**92,957**	67,110
	253,284	277,671

The entire carrying amounts of inventories as at 31 December 2012 and 2011 are expected to be recovered within the next twelve months.

9. *Trade receivables*

	2012 US$'000	2011 US$'000
Trade receivables	**182,445**	274,072
Less : allowance for doubtful debts	**(660)**	(700)
Total trade receivables	**181,785**	273,372

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 (2011: 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, which approximated the respective revenue recognition dates, at the end of the reporting period is as follows:

	2012 US$'000	2011 US$'000
0 to 30 days	**136,860**	213,064
31 to 60 days	**23,657**	34,201
61 to 90 days	**8,600**	13,646
91 to 120 days	**6,391**	10,122
Over 120 days	**6,277**	2,339
	181,785	273,372

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$162,008,000 was subsequently settled.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of US$27,991,000 (2011: US$26,641,000) 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:

	2012 US$'000	2011 US$'000
31 to 60 days	**13,966**	7,260
61 to 90 days	**6,378**	9,181
91 to 120 days	**2,954**	7,861
Over 120 days	**4,693**	2,339
	27,991	26,641

Movement in the allowance for doubtful debts:

	2012	2011
	US$'000	*US$'000*
Balance at the beginning of the year	***700***	-
Provision for doubtful debts recognised on receivables	***22***	*700*
Amounts written off as uncollectible	***(62)***	-
Balance at the end of the year	***660***	*700*

10. Prepayments and other receivables

As at 31 December 2012, prepayments and other receivables included advanced of US$79,672,000 (2011: US$42,407,000) to certain suppliers as deposits for raw material purchases. The remaining balance mainly included refundable value added tax and other advance payments. The entire amount is expected to be recovered / realised 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:

	2012	*2011*
	US$'000	*US$'000*
0 to 30 days	***59,339***	*61,401*
31 to 60 days	***38,387***	*30,913*
61 to 90 days	***11,273***	*19,369*
91 to 120 days	***8,409***	*11,009*
Over 120 days	***9,639***	*5,910*
	127,047	*128,602*

The average credit period on purchases of goods is 59 (2011: 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:

	2012	*2011*
	US$'000	*US$'000*
0 to 30 days	***49,973***	*26,737*
31 to 60 days	***37,120***	*11,478*
61 to 90 days	***27,873***	*25,406*
91 to 120 days	***3,983***	-
Over 120 days	**-**	-
	118,949	*63,621*

*13. **Share capital***

	Number of shares		*Share Capital*			
	2012	*2011*	***2012***	***2012***	*2011*	*2011*
			US$'000	***HK$'000***	*US$'000*	*HK$'000*
Ordinary shares of HK$0.10 each						
Authorised:						
At beginning of the year and at 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	***2,417,833,300***	*2,412,612,280*	***31,151***	***241,783***	*31,084*	*241,261*
Exercise of share options (note)	***2,317,692***	*5,221,020*	***30***	***232***	*67*	*522*
At end of the year	***2,420,150,992***	*2,417,833,300*	***31,181***	***242,015***	*31,151*	*241,783*

Note:

During the year, the Company issued and allotted 2,317,692 (2011: 5,221,020) 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 (2011: ranged from HK$1.38 to HK$1.48 per share). The new ordinary shares rank pari passu with the then existing shares in all respects.

BUSINESS REVIEW

The year 2012 was one of unexpectedly depressed world trading patterns, which had a direct impact on the Group's results. The Group's consolidated revenue for the year amounted to US$1,536,608,000, a decline of 15.5% from the record results achieved in 2011. Consolidated net profit attributable to owners of the Company amounted to US$60,346,000, a decline of 56.5% from 2011. Basic earnings per share were US2.49 cents, against US5.74 cents for 2011.

A combination of political and economic issues extended the global economic downturn through 2012, and consequently the normal increase in trade in the second half of the year did not materialise. Both the US and European markets remained cautious, creating a knock-on effect on global shipping volume and new container demand. On the other hand, new container customers, both the shipping lines and leasing companies are very cautious about placing orders, which also affected the Group's total sales. Despite a weak demand, the Group continued to achieve profitability in 2012.

Even the weakness of the market over the past year, the Group can look back on a number of positive achievements in 2012. Its operations remain highly streamlined and cost-effective, and certain changes carried out during the year have further strengthened them. The new manufacturing plant in Qidong/ Nantong near Shanghai is progressing well towards full productivity, and will be excellently placed for the eventual market upturn. The financial position of the Group is strong and healthy and its gearing ratio stands at a reasonable level.

Taking a conservative viewpoint, we expect a strengthening of trading volumes in the second half of 2013. The Group's management, however, observes signs suggesting an earlier pick-up. The Group is cautiously optimistic that normal demand will begin to return by the second quarter of 2013, and gradually strengthen during the year.

Manufacturing

The Group's manufacturing orders declined in 2012. Manufacturing revenue amounted to US$1,506,200,000 against 2011's record of US$1,782,022,000. This figure was also affected by the lower average selling price ("ASP") of dry freight containers in 2012, partly as a result of lower raw materials costs. Profit before taxation and non-controlling interests was US$96,687,000, against US$198,980,000 in 2011.

Manufacturing remained the Group's primary revenue earner. It accounted for 98% of the Group's total revenue for the year, same as year 2011. The Group produced 600,102 twenty-foot equivalent units ("TEUs") during the year, against 648,014 TEUs in 2011, while a sales volume of 571,634 TEUs was achieved (2011: 672,382 TEUs).

The revenue contributions from dry freight containers and specialised containers were 70.7% and 29.3% respectively. The Group will continue its strategy of increasing the percentage of specialised containers it produces, in order to take advantage of the higher profit margins they generate.

In line with the fall in the cost of raw materials, the ASP also fell in 2012. The price of a 20-foot dry freight container averaged US$2,452, compared with US$2,667 for 2011. Although average raw materials prices fell in 2012, they are expected to steadily increase in 2013. This, in turn, would lead to a gradual pick-up in the ASP.

The Group's manufacturing output is produced from 12 separate facilities in the PRC, which serve most of the country's major ports. In order to streamline the Group's operations, on 16 October 2012, the Company has entered into a share transfer agreement with Guangdong Fuwa Machinery Holdings Co., Ltd. to dispose of its 100% equity interest in Foshan Shunde Singamas Tank Container Co., Ltd. ("SSTC"). SSTC, based in Shunde, is exclusively engaged in the manufacture of tank containers. After the completion of the transaction in February 2013, orders from new and existing customers have been transferred to Shanghai Pacific International Container Co., Ltd., the Group's another tank containers manufacturing plant in Shanghai. The proceeds generated from this disposal have further strengthened the Group's cash position.

The new Qidong facility has continued to move forward. Phase 1 of the plant was completed during the year 2012, and trial production of both dry freight containers and some specialised containers began in July. Phase 2, which is mainly engaged in the production of refrigerated containers, was completed after the Chinese New Year break in 2013. Since the Group's existing production line for refrigerated containers in Shanghai has already reached full capacity, the new capacity provided by Qidong will strengthen the Group's ability to satisfy strong demand from the Shanghai area.

The Qidong complex also includes a new container terminal, which has now begun operations. The new terminal supports the production facilities to which it is adjacent, and also further extends the Group's network of depots and terminals.

Logistics Services

The Group's logistics operations, involving the operation of a series of container depots and terminals have made up a relatively minor part of its overall business. Due to the overall industry downturn and the resultant lower figures for handling and storage, segment revenue slipped to US$30,408,000 (2011: US$35,696,000), profit before taxation and non-controlling interests increased to US$6,192,000 (2011: US$5,756,000), which included a gain on disposal of a depot located in Shanghai amounted to US$2,833,000. The Group's logistics operations handled around 2,990,000 TEUs in 2012 against around 3,475,000 TEUs in 2011, while average daily container storage stood at 94,000 TEUs (2011: 99,000 TEUs).

During the year, the Group also disposed of one portion of its logistics capacity, Foshan Shunde Leliu Wharf & Container Co., Ltd. ("SLWC"), which is engaged in the provision of container terminal services in Shunde. In October 2012, the Group through the Company and its wholly owned subsidiary namely Singamas Terminals (China) Limited entered into a share transfer agreement with Foshan Shunde Chuangjian Investment Co., Ltd. respectively to dispose of its entire equity interests in SLWC. As the container traffic in Shunde/ Pearl River Delta area has been decreasing in recent years, this disposal was a strategic move aimed at streamlining the Group's logistics operations. The transaction was completed in February 2013.

PROSPECTS

The Group expects the market in the first half of 2013 to remain soft, demand would firm up gradually in the second half. Management is confident that the extended downturn in global trade from late 2011 to early 2013 has reached its natural turning point. Specifically, the issues that caused economic uncertainty last year, including the Euro debt crisis and weak US consumer confidence, have begun to recede, paving the way for a renewed robustness in trade and a new appetite for spending. The continuous export growth in China also evidences the stability of global economy.

In addition, the scheduled vessels delivery would peak in 2013 and the accumulation of container demand in 2012 is expected to drive up sales in 2013. Many shipping companies have delayed replacement of aging containers, keeping them in service throughout 2012. The result is expected to be a spate of orders in the coming years. This is likely to be accompanied by a rise in the ASP of containers given the current climbing costs of raw materials.

With these expectations, the Group is continuing to implement its proven business model, while looking to consolidate its operations where possible in order to enhance profitability and optimise operational efficiency. It is also exploring the development of new product offerings and container solutions for customers.

Both phases of the new, ultra-modern and highly efficient Qidong manufacturing plant have now been completed, and the plants are expected to reach full operation in mid-2013. Given an upswing in global trade allied with a strong production base, the Group is well posed to capture opportunities in 2013 and the coming years.

DIVIDENDS

The Board has proposed to pay a final dividend of HK2 cents per ordinary share (2011: HK5 cents) for the year ended 31 December 2012 to members whose names appear on the register of members of the Company on Friday, 7 June 2013. Together with the interim dividend of HK4 cents per ordinary share (2011: HK9 cents), total dividends paid for the year would be HK6 cents per ordinary share (2011: HK14 cents). The dividend payout ratio for the year remains stable at around 31%. Subject to approval at the forthcoming annual general meeting, the proposed final dividend will be paid to shareholders on or before 31 July 2013.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 4 June 2013 to Friday, 7 June 2013, 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 Monday, 3 June 2013.

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 2012 ("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$10,837,000 and US$1,361,000 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 2012 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 CORPORATE GOVERANCE CODE

For the year ended 31 December 2012, the Company has fully complied with all the applicable principles and code provisions of the revised Corporate Governance Code (effective on 1 April 2012) ("the Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited as well as the former code and also adopted certain recommended best practices of the Code.

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, 25 March 2013

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 and Mr. Teo Tiou Seng as executive Directors, Mr. Kuan Kim Kin as non-executive Director and Mr. Cheng Fu Kwok, David, Mr. Lau Ho Kit, Ivan, Mr. Ong Ka Thai and Mr. Yang, Victor as independent non-executive Directors.