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

2013 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 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Notes	***2013 US$'000***	*2012 US$'000*
Revenue	2	**1,282,988**	1,536,608
Other income		**16,068**	6,487
Changes in inventories of finished goods and work in progress		**(25,968)**	15,851
Raw materials and consumables used		**(954,727)**	(1,182,013)
Staff costs		**(101,454)**	(113,986)
Depreciation and amortisation expense		**(21,602)**	(20,292)
Exchange (loss) gain		**(7,646)**	837
Other expenses		**(126,086)**	(126,758)
Finance costs		**(18,201)**	(19,676)
Investment income		**5,064**	4,421
Reclassification of fair value gain of derivative financial instruments designated as hedging instruments from hedge reserve		**8,079**	2,427
Share of results of associates		**920**	575
Share of results of joint ventures		**(288)**	(1,602)
Profit before taxation		**57,147**	102,879
Income tax expense	4	**(17,859)**	(33,948)
Profit for the year		**39,288**	68,931
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation		**1,388**	82
Fair value adjustments on forward contracts designated as cash flow hedges		**12,009**	3,166
Reclassification of exchange differences from exchange translation reserve to profit or loss upon loss of control of a subsidiary		**(4,462)**	-
Reclassification of fair value gain from hedge reserve to profit or loss		**(8,079)**	(2,427)
Other comprehensive income for the year		**856**	821
Total comprehensive income for the year		**40,144**	69,752

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

For the year ended 31 December 2013

	Notes	***2013*** ***US$'000***	*2012* *US$'000*
Profit for the year attributable to:			
Owners of the Company		**34,274**	60,346
Non-controlling interests		**5,014**	8,585
		39,288	68,931
Total comprehensive income attributable to:			
Owners of the Company		**35,019**	61,150
Non-controlling interests		**5,125**	8,602
		40,144	69,752
Earnings per share	*6*		
Basic		**US1.42 cents**	US2.49 cents
Diluted		**US1.42 cents**	US2.49 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

	Notes	2013 US$'000	2012 US$'000
Non-current assets			
Property, plant and equipment	7	**347,131**	343,159
Goodwill		**6,246**	6,246
Interests in associates		**6,094**	5,314
Interests in joint ventures		**24,345**	6,812
Available-for-sale investment		**1,614**	1,614
Prepaid lease payments		**57,436**	79,004
Deposits for non-current assets		**12,110**	20,127
		454,976	462,276
Current assets			
Inventories	8	**216,551**	253,284
Trade receivables	9	**227,123**	181,785
Prepayments and other receivables	10	**130,151**	144,767
Amount due from ultimate holding company		**24**	90
Amounts due from fellow subsidiaries		**48,684**	519
Tax recoverable		**396**	2,212
Derivative financial instruments designated as hedging instruments		**3,071**	-
Prepaid lease payments		**1,311**	1,842
Bank balances and cash		**306,640**	418,430
		933,951	1,002,929

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2013

	Notes	2013 US$'000	2012 US$'000
Current liabilities			
Trade payables	11	**144,549**	127,047
Bills payable	12	**63,478**	118,949
Accruals and other payables		**101,973**	176,696
Amount due to ultimate holding company		**12**	10
Amounts due to associates		**268**	1,990
Amounts due to joint ventures		**99**	12
Tax payable		**4,527**	7,725
Notes		**226,095**	-
Bank borrowings		**22,065**	50,554
		563,066	482,983
Net current assets		**370,885**	519,946
Total assets less current liabilities		**825,861**	982,222
Capital and reserves			
Share capital	13	**31,185**	31,181
Share premium		**236,964**	236,897
Accumulated profits		**287,948**	262,056
Other reserves		**42,166**	49,028
Equity attributable to owners of the Company		**598,263**	579,162
Non-controlling interests		**55,970**	69,868
Total equity		**654,233**	649,030
Non-current liabilities			
Bank borrowings		**164,000**	97,500
Notes		**-**	218,426
Derivative financial instruments designated as hedging instruments		**-**	8,962
Deferred tax liabilities		**7,628**	8,304
		171,628	333,192
		825,861	982,222

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

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

Except as described below, 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.

Amendments to HKFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to HKFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to HKFRS 7 require entities to disclose information about:

a) recognised financial instruments that are set off in accordance with HKAS 32 Financial Instruments: Presentation; and

b) recognised financial instruments that are subject to an enforceable master netting agreement or similar agreement, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The amendments to HKFRS 7 have been applied retrospectively. The application of the amendments has had no material impact on the amounts reported in the Group's consolidated financial statements.

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

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 Consolidated Financial Statements, HKFRS 11 Joint Arrangements, HKFRS 12 Disclosure of Interests in Other Entities, HKAS 27 (as revised in 2011) Separate Financial Statements and HKAS 28 (as revised in 2011) Investments in Associates and Joint Ventures, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10

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 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee, and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee. The application of HKFRS 10 has not had any material impact to the Group.

Impact of the application of HKFRS 11

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures, and the guidance contained in a related interpretation, HK(SIC) - Int 13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers, has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 contemplated three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was classified as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards. The directors of the Company reviewed and assessed the classification of the Group's investments in joint arrangements in accordance with the requirements of HKFRS 11. The directors concluded that the Group's interests in jointly controlled entities accounted for using equity method under HKAS 31 should be classified as joint ventures under HKFRS 11. The application of HKFRS 11 has not had any material impact on the amount recognised in the Group's consolidated financial statements.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements. In respect of the Group's associates and joint ventures, the directors are of the view that they are not individually material to the Group. Accordingly, the Group has not made additional disclosures required by HKFRS 12.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are within the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment *purposes).*

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amount recognised in the Group's consolidated financial statements.

<u>Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income</u>

The Group has applied the amendments to HKAS 1 Presentation of Items of Other Comprehensive Income. Upon the adoption of the amendments to HKAS 1, the Group's "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income". In addition, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are 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 have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

New and revised HKFRSs issued but not yet effective

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	*Investment Entities*[1]
Amendments to HKAS 19	*Defined Benefit Plans: Employee Contributions*[2]
Amendments to HKFRS 9 and HKFRS 7	*Mandatory Effective Date of HKFRS 9 and Transition Disclosures*[3]
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*[1]
Amendments to HKAS 36	*Recoverable Amount Disclosures for Non-Financial Assets*[1]
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*[1]
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2010-2012 Cycle*[4]
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2011-2013 Cycle*[2]
HKFRS 9	*Financial Instruments*[3]
HKFRS 14	*Regulatory Deferral Accounts*[5]
HK(IFRIC) - Int 21	*Levies*[1]

[1] *Effective for annual periods beginning on or after 1 January 2014, with earlier application permitted.*

[2] *Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.*

[3] *Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finanlised.*

[4] *Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.*

[5] *Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.*

The directors of the Company do not anticipate that the application of these new and revised standards, amendments and interpretation will have significant 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:

	2013	2012
	US$'000	US$'000
Manufacturing	***1,253,879***	*1,506,200*
Logistics services	***29,109***	*30,408*
	1,282,988	*1,536,608*

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:

2013	***Manufacturing US$'000***	***Logistics services US$'000***	***Sub-total US$'000***	***Eliminations US$'000***	***Total US$'000***
REVENUE					
External sales	***1,253,879***	***29,109***	***1,282,988***	***-***	***1,282,988***
Inter-segment sales	***-***	***4,148***	***4,148***	***(4,148)***	***-***
Total	***1,253,879***	***33,257***	***1,287,136***	***(4,148)***	***1,282,988***
	Inter-segment sales are charged at prevailing market prices.				
SEGMENT RESULTS	***51,268***	***10,305***	***61,573***	***-***	***61,573***
Finance costs					***(18,201)***
Investment income					***5,064***
Reclassification of fair value gain of derivative financial instruments designated as hedging instruments from hedge reserve					***8,079***
Share of results of associates					***920***
Share of results of joint ventures					***(288)***
Profit before taxation					***57,147***
Income tax expense					***(17,859)***
Profit for the year					***39,288***

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 joint ventures					*(1,602)*
Profit before taxation					*102,879*
Income tax expense					*(33,948)*
Profit for the year					*68,931*

Segment results represent the profit earned by each segment without allocation of finance costs, investment income, reclassification of fair value gain of derivative financial instruments designated as hedging instruments from hedge reserve, share of results of associates and share of results of joint ventures. 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:

2013	*Manufacturing US$'000*	*Logistics services US$'000*	*Total US$'000*
ASSETS			
Segment assets	***930,211***	***67,848***	***998,059***
Interests in associates			***6,094***
Interests in joint ventures			***24,345***
Unallocated corporate assets			***360,429***
Consolidated total assets			***1,388,927***
LIABILITIES			
Segment liabilities	***298,485***	***11,515***	***310,000***
Unallocated corporate liabilities			***424,694***
Consolidated total liabilities			***734,694***
OTHER INFORMATION			
Amounts included in the measure of segment profit or loss or segment assets:			
Additions of capital expenditure	***63,833***	***6,375***	***70,208***
Depreciation and amortisation	***19,468***	***2,134***	***21,602***
Loss on disposal of property, plant and equipment	***(102)***	***(6)***	***(108)***
Loss on property, plant and equipment written off	***(1,461)***	***(15)***	***(1,476)***
Gain on disposal of subsidiaries	***9,793***	***5,114***	***14,907***

2012	*Manufacturing*	*Logistics services*	*Total*
	US$'000	***US$'000***	***US$'000***
ASSETS			
Segment assets	*969,188*	*61,026*	*1,030,214*
Interests in associates			*5,314*
Interests in joint ventures			*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)*

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 joint ventures 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 unallocated corporate liabilities, which included current and deferred tax 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):

	2013	*2012*
	US$'000	*US$'000*
Manufacturing:		
Dry freight containers	***924,686***	*1,064,707*
Refrigerated containers	***151,114***	*202,805*
Tank containers	***61,240***	*85,319*
US domestic containers	***69,689***	*79,543*
Other specialised containers and container parts	***47,150***	*73,826*
Logistics services	***29,109***	*30,408*
	1,282,988	*1,536,608*

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:

	2013	2012
	US$'000	US$'000
United States of America	**542,594**	785,290
Europe	**127,904**	225,553
Hong Kong	**317,628**	214,664
Taiwan	**80,131**	5,637
PRC	**70,179**	74,065
South Korea	**39,291**	86,936
Others	**105,261**	144,463
	1,282,988	1,536,608

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**	
	2013	2012	**2013**	2012
	US$'000	US$'000	**US$'000**	US$'000
PRC	**955,658**	1,010,206	**445,202**	454,032
Hong Kong	**42,360**	19,968	**7,398**	5,868
Others	**41**	40	**762**	762
	998,059	1,030,214	**453,362**	460,662

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$208,002,000 and US380,726,000 in 2013 and 2012 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.

	2013	2012
	US$'000	US$'000
Current tax:		
Hong Kong Profits Tax		
- Current year	**102**	21
- Prior years overprovision	**(4)**	(5)
	98	16
PRC Enterprise Income Tax		
- Current year	**18,514**	30,248
- Prior years overprovision	**(77)**	(50)
	18,437	30,198
Deferred tax:		
Current year (credit) charge	**(676)**	3,734
Income tax expense for the year	**17,859**	33,948

5. Dividends

Dividends recognised as distributions during the year:	***2013*** ***US$'000***	*2012* *US$'000*
Interim in respect of current financial year, paid – HK3 cents (2012: HK4 cents) per ordinary share	***9,363***	*12,478*
Final in respect of the previous financial year, paid – HK2 cents (2012: HK5 cents) per ordinary share	***6,241***	*15,582*
	15,604	*28,060*

The final dividend of HK1 cent in respect of the year ended 31 December 2013 (2012: final dividend of HK2 cents in respect of the year ended 31 December 2012) per ordinary share, total of which equivalent to approximately HK$24,204,000 (equivalent to approximately US$3,121,000) (2012: HK$48,400,000 (equivalent to US$6,200,000)) 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:

	2013 ***US$'000***	*2012* *US$'000*
Earnings:		
Earnings for the purposes of calculating basic and diluted earnings per share	***34,274***	*60,346*
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	***2,420,294,894***	*2,418,906,258*
Effect of dilutive potential ordinary shares for share options	***1,179,755***	*1,515,950*
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	***2,421,474,649***	*2,420,422,208*

7. Movements in property, plant and equipment

During the year, the Group spent US$63,783,000 (2012: US$109,618,000) for upgrading its existing manufacturing and logistics services facilities and for the construction of two new plants and one depot in Qidong.

8. Inventories

	2013 ***US$'000***	*2012* *US$'000*
Raw materials	***124,363***	*135,128*
Work in progress	***34,969***	*25,199*
Finished goods	***57,219***	*92,957*
	216,551	*253,284*

The entire carrying amounts of inventories as at 31 December 2013 and 2012 are expected to be recovered within the next twelve months.

9. *Trade receivables*

	2013 US$'000	*2012 US$'000*
Trade receivables	***227,123***	*182,445*
Less : allowance for doubtful debts	***-***	*(660)*
Total trade receivables	***227,123***	*181,785*

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 (2012: 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:

	2013 US$'000	*2012 US$'000*
0 to 30 days	***146,528***	*136,860*
31 to 60 days	***47,490***	*23,657*
61 to 90 days	***27,277***	*8,600*
91 to 120 days	***3,293***	*6,391*
Over 120 days	***2,535***	*6,277*
	227,123	*181,785*

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$179,852,000 was subsequently settled.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of US$16,804,000 (2012: US$27,991,000) 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:

	2013 US$'000	*2012 US$'000*
31 to 60 days	***3,057***	*13,966*
61 to 90 days	***8,629***	*6,378*
91 to 120 days	***3,073***	*2,954*
Over 120 days	***2,045***	*4,693*
	16,804	*27,991*

Movement in the allowance for doubtful debts:

	2013 US$'000	*2012 US$'000*
Balance at the beginning of the year	***660***	*700*
Provision for doubtful debts recognised on receivables	***-***	*22*
Amounts written off as uncollectible	***(660)***	*(62)*
Balance at the end of the year	***-***	*660*

10. *Prepayments and other receivables*

As at 31 December 2013, prepayments and other receivables included advanced of US$63,785,000 (2012: US$79,672,000) to certain suppliers as deposits for raw material purchases. The remaining balance was 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:

	2013	2012
	US$'000	US$'000
0 to 30 days	**77,623**	59,339
31 to 60 days	**28,121**	38,387
61 to 90 days	**19,941**	11,273
91 to 120 days	**12,821**	8,409
Over 120 days	**6,043**	9,639
	144,549	127,047

The average credit period on purchases of goods is 57 (2012: 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:

	2013	2012
	US$'000	US$'000
0 to 30 days	**21,982**	49,973
31 to 60 days	**22,235**	37,120
61 to 90 days	**17,325**	27,873
91 to 120 days	**1,936**	3,983
	63,478	118,949

13. Share capital

	Number of shares		**Share Capital**			
	2013	2012	**2013**	**2013**	2012	2012
			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	**2,420,150,992**	2,417,833,300	**31,181**	**242,015**	31,151	241,783
Exercise of share options (Note)	**268,926**	2,317,692	**4**	**27**	30	232
At end of the year	**2,420,419,918**	2,420,150,992	**31,185**	**242,042**	31,181	242,015

Note:

During the year, the Company issued and allotted 268,926 (2012: 2,317,692) 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 (2012: 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

During the past year, demand for new containers remained soft due to lower growth in global trade and the continuously depressed liner market. This trend directly affected the performance of the Group, with consolidated revenue for the year totalling US$1,282,988,000 (2012: US$1,536,608,000), and consolidated net profit attributable to owners of the Company totalling US$34,274,000 (2012: US$60,346,000). Basic earnings per share were US1.42 cents, compared with US2.49 cents for 2012.

The decline in key performance indicators is consistent with those of the Group's peers, who have likewise been hampered by the depressed market, which has been further aggravated by stockpiling of new containers during the first half year. With the modest demand, a slow recovering global economy and excess supply of containers in the low season, the traditional peak season in the second half year failed to materialise. However, the high new container inventory amounting to more than one million twenty-foot equivalent units ("TEUs") at its peak during the second quarter of the year began to decline to a more modest level of approximately 600,000 TEUs by the end of 2013. This downward inventory trend is expected to continue entering 2014, a positive indicator of a market recovery.

Irrespective of market conditions, the Group has always benefited from effective cost controls, by streamlining its operations, ensuring that existing manufacturing facilities continue to strive for higher efficiency and productivity. Besides, the Group is in a strong financial position to withstand a market downturn while at the same time able to quickly seize opportunities during an upturn.

Despite the formidable challenges of the 2013 financial year, positive developments towards the year end provide cautious optimism that the container industry is beginning to turn around. The further decline of new container inventory levels, the gradually improving economic environment, a rising need for replacement containers and many new and large container vessel deliveries scheduled from 2014 through to 2016 are all factors that should help steer the industry away from the present doldrums.

Manufacturing

The softness in new container demand was reflected in a revenue of US$1,253,879,000 for the reporting year in contrast with US$1,506,200,000 in 2012. The decline was also due to the lower average selling price ("ASP") and lower of both production and sales of dry freight containers. Profit before taxation and non-controlling interests amounted to US$46,688,000 against US$96,687,000 in 2012.

Manufacturing continued to be the Group's key revenue driver, accounting for 98% of total revenue, similar to the 2012 financial year. The Group produced a total of 525,449 TEUs by the end of the reporting year, compared to 600,102 TEUs in 2012. Total sales volume reached 542,442 TEUs versus 571,634 TEUs in 2012. Revenue contributions from dry freight containers and specialised containers were 73.7% and 26.3% respectively, as compared with 70.7% and 29.3% respectively in 2012. The ASP of a 20-foot dry freight container averaged US$2,195 compared with US$2,452 for 2012.

In respect of specialised containers, demand picked up during the second half year, for both refrigerated containers and 53' US domestic containers. Moreover, the Group has two to three months worth of orders for both refrigerated containers and 53' US domestic containers on hand as at March 2014. Aside from existing specialised containers, the Group has made further headway in offshore containers by entering into a joint venture with Modex Asia Limited ("Modex Asia"), a Norwegian company that specialises in manufacturing, trading and leasing of offshore container. A new company called Qidong Singamas Offshore Equipment Co., Ltd was formed to establish a new dedicated production line in Qidong to manufacture offshore containers. Production is expected to commence by mid-2014 and the company will begin contributing to the Group in the second half of 2014.

Mindful of the need to fully optimise production, enhance competitiveness and strengthen the Group's financial position, the Company has entered into a share transfer agreement with Foshan Shunde Kanghong Investment Co., Ltd. to dispose of its 100% equity interest in Guangdong Shun An Da Pacific Container Co., Ltd. ("SSPC") back in May 2013. With the transaction completed in August 2013, orders of dry freight and specialised containers have been transferred to the Huizhou and Qidong facilities respectively, thus the Group's client base has been well supported.

With respect to the Qidong facility, Phase 1, which produces dry freight and specialised containers has achieved operational breakeven point, while Phase 2 has completed producing several batches of refrigerated containers during the year and is expected to achieve an operational breakeven point in 2014. It is worth noting that aside from being eco-friendly, the Qidong facilities deliver higher efficiency through newly adopted integrated production lines that reduce the need for manpower by 30% to 40%. Highly efficient facilities remain the key to success for the Group, enabling it to capture strong demand once the market revives.

Logistics Services

Due to lower growth in global trade, revenue from this segment stables at US$29,109,000 compared with US$30,408,000 in 2012. Profit before taxation and non-controlling interests amounted to US$10,459,000 which included US$5,114,000 gain on disposal of a terminal in Shunde. Profit before taxation and non-controlling interests in 2012 was US$6,192,000, which included US$2,833,000 from a gain following disposal of a depot in Shanghai. The total number of containers handled approximately 3,023,000 TEUs during the reporting year against around 2,990,000 TEUs in 2012. Average daily container storage rose to 96,200 TEUs compared with 94,000 TEUs in 2012.

To further enhance the logistics business, the Group completed the acquisition of Shanghai Huasing International Container Freight Transportation Co., Ltd. ("Huasing") during the first quarter of 2013, a company principally engaged in container depot and related logistics services. By putting Singamas' new management and extensive customer networks into Huasing, this acquisition has not only strengthened the Group's logistics operations, but can also potentially deliver greater profits benefitting the entire Group.

PROSPECTS

According to industry estimates, global trade volume will increase by up to 5% in 2014. During the same period, the container liner industry is expected to exit its present trough and gradually realise a turnaround towards the second half of 2014, thus more positive developments for the container industry are within sight.

During the Chinese New Year period, the Group took the opportunity to conduct system upgrades and maintenance at its production facilities to enhance efficiency and realise cost savings, while more importantly ensure that it is well prepared to adapt quickly to market conditions, particularly during peak seasons.

With the goal of adapting to market conditions in mind, the Group will seek to establish new business alliances. In August 2013, the Group and Modex Asia commenced its co-investment through the establishment of a joint venture in Qidong to produce offshore containers (as discussed in the section headed "Manufacturing"). In 19 February 2014, the Group has entered into a master agreement and the related agreements with parties (including Modex Asia and Euro Offshore Leasing AS "Euro Offshore") to obtain 26% of the enlarged issued share capital of the newly restructured Modex Group (Euro Offshore and Modex Asia became the wholly owned subsidiaries of Modex Group). As Modex Group specialises in offshore container leasing, trading and manufacturing, management believes this investment has good future prospect that would expand and diversify the Group's existing business which in turn create more diverse revenue streams, bolster profitability and enhance the Group's market position as a whole.

Though the management is cautiously optimistic about the prospects of the container industry, it is well aware of the need to constantly adapt to market conditions and capitalise on emerging opportunities. The disposal of SSPC, the bolstering of productivity and efficiency via new and upgraded eco-friendly production facilities, the acquisition of Huasing to enhance the logistics business and the abovementioned joint-venture partnership with the Modex Group all underscore this understanding. Given that the Group also enjoys sound financial health, it is in a position of strength to move forward.

DIVIDENDS

The Board has proposed to pay a final dividend of HK1 cent per ordinary share (2012: HK2 cents) for the year ended 31 December 2013 to members whose names appear on the register of members of the Company on Wednesday, 18 June 2014. Together with an interim dividend of HK3 cents per ordinary share (2012: HK4 cents), total dividend paid for the year will be HK4 cents per ordinary share (2012: HK6 cents). The dividend payout ratio approximates to 36.4% (2012: 31.0%). Subject to approval at the forthcoming annual general meeting, the proposed final dividend will be paid to shareholders on or before 31 July 2014.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 16 June 2014 to Wednesday, 18 June 2014, both days inclusive, during which period no transfer of shares will be affected.

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 Friday, 13 June 2014.

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 2013 ("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 joint ventures, aggregate amounts of US$3,078,000 and US$768,000 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 2013 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 CODE

For the year ended 31 December 2013, the Company has fully complied with all the applicable principles and code provisions of the revised Corporate Governance Code ("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 ("Stock Exchange") as well as the former code and also adopted certain recommended best practices of the Code save for the single exception explained below:

(1) Code Provision A.2.1 – As Mr. Teo Siong Seng took up both roles as the Chairman of the Board and the Chief Executive Officer of the Company, the roles of chairman and chief executive officer are not separated. The Board considers that this structure has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions efficiently and consistency;

(2) Code Provision A.6.7 – Due to other commitments, a Non-executive Director and an Independent Non-executive Director of the Company had not attended the 2013 AGM; and

(3) Code Provision A.1.7 – For the purpose of approving the continuing connected transactions as more particularly announced by the Company on 30 and 31 December 2013, the board papers were circulated to the directors (including the independent non-executive directors) for consideration and approval in lieu of a physical meeting for the reasons that: (a) the papers were

circulated to all the directors prior to their approval and sufficient time and opportunity had been provided to each of them to consider the matters contemplated therein; (b) the matters essentially referred to the renewal of certain pre-existing continuing connected transactions only; (c) none of the directors requested for a physical meeting for the purpose of considering and approving the matters; and (d) Mr. Teo Siong Seng, Mr. Teo Tiou Seng, Mr. Kuan Kim Kin and Mr. Tan Chor Kee, who were considered to be interested in the matters, abstained from voting at the board resolutions.

The board of directors of the Company believes that appropriate corporate governance practices are essential for the Company to enhance its accountability and transparency so as to achieve a balance of the interests of shareholders, customers, employees and investment partners of the Company in all material respects. Accordingly, the Company aims at maintaining high standards of corporate governance practices.

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.

By Order of the Board
Teo Siong Seng
Chairman and Chief Executive Officer

Hong Kong, 18 March 2014

The Directors as at the date of this announcement are Mr. Teo Siong Seng, Mr. Chan Kwok Leung and Mr. Teo Tiou Seng as executive Directors, Mr. Kuan Kim Kin and Mr. Tan Chor Kee as non-executive Directors and Mr. Cheng Fu Kwok, David, Mr. Lau Ho Kit, Ivan, Mr. Ong Ka Thai and Mr. Yang, Victor as independent non-executive Directors.