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

2014 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 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Notes	***2014*** ***US$'000***	*2013* *US$'000*
Revenue	2	***1,546,483***	1,282,988
Other income		***902***	16,068
Changes in inventories of finished goods and work in progress		***24,287***	(25,968)
Raw materials and consumables used		***(1,202,475)***	(954,727)
Staff costs		***(139,753)***	(101,454)
Depreciation and amortisation expense		***(26,611)***	(21,602)
Exchange gain (loss)		***5,787***	(7,646)
Other expenses		***(143,596)***	(126,086)
Finance costs		***(13,802)***	(18,201)
Investment income		***4,704***	5,064
Change in fair value of derivative financial instruments		***239***	-
Reclassification of fair value (loss) gain of derivative financial instruments designated as hedging instruments from hedge reserve		***(3,071)***	8,079
Share of results of associates		***(72)***	920
Share of results of joint ventures		***(498)***	(288)
Profit before taxation		***52,524***	57,147
Income tax expense	4	***(19,624)***	(17,859)
Profit for the year		***32,900***	39,288
Other comprehensive (expense) income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation		***(278)***	1,388
Fair value adjustments on forward contracts designated as cash flow hedges		***(3,071)***	12,009
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 loss (gain) from hedge reserve to profit or loss		***3,071***	(8,079)
Other comprehensive (expense) income for the year		***(278)***	856
Total comprehensive income for the year		***32,622***	40,144

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

For the year ended 31 December 2014

	Notes	2014 US$'000	2013 US$'000
Profit for the year attributable to:			
Owners of the Company		***28,021***	34,274
Non-controlling interests		***4,879***	5,014
		32,900	39,288
Total comprehensive income attributable to:			
Owners of the Company		***27,787***	35,019
Non-controlling interests		***4,835***	5,125
		32,622	40,144
Earnings per share	*6*		
Basic		***US1.16 cents***	US1.42 cents
Diluted		***US1.16 cents***	US1.42 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	2014 US$'000	2013 US$'000
Non-current assets			
Property, plant and equipment	7	***361,966***	347,131
Goodwill		***6,246***	6,246
Interests in associates		***43,265***	6,094
Interests in joint ventures		***23,445***	24,345
Available-for-sale investment		***6,608***	1,614
Amounts due from joint ventures		***6,667***	-
Derivative financial instruments		***239***	-
Prepaid lease payments		***55,904***	57,436
Deposits for non-current assets		***9,801***	12,110
		514,141	454,976
Current assets			
Inventories	8	***232,913***	216,551
Trade receivables	9	***248,718***	227,123
Prepayments and other receivables	10	***139,261***	130,151
Amount due from immediate holding company		***-***	24
Amounts due from fellow subsidiaries		***42,452***	48,684
Amounts due from joint ventures		***1,507***	-
Tax recoverable		***347***	396
Derivative financial instruments designated as hedging instruments		***-***	3,071
Prepaid lease payments		***1,309***	1,311
Bank balances and cash		***249,793***	306,640
		916,300	933,951

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2014

	Notes	2014 US$'000	2013 US$'000
Current liabilities			
Trade payables	11	***204,495***	144,549
Bills payable	12	***84,879***	63,478
Accruals and other payables		***75,712***	101,973
Amount due to immediate holding company		***5***	12
Amounts due to associates		***58***	268
Amounts due to joint ventures		***43***	99
Tax payable		***5,836***	4,527
Notes		-	226,095
Bank borrowings		***62,564***	22,065
		433,592	563,066
Net current assets		***482,708***	370,885
Total assets less current liabilities		***996,849***	825,861
Capital and reserves			
Share capital	13	***268,149***	31,185
Share premium		-	236,964
Accumulated profits		***302,035***	287,948
Other reserves		***47,446***	42,166
Equity attributable to owners of the Company		***617,630***	598,263
Non-controlling interests		***54,803***	55,970
Total equity		***672,433***	654,233
Non-current liabilities			
Bank borrowings		***315,000***	164,000
Deferred tax liabilities		***9,416***	7,628
		324,416	171,628
		996,849	825,861

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 HKFRS 10, HKFRS 12 and HKAS 27	*Investment Entities*
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to HKAS 36	*Recoverable Amount Disclosures for Non-Financial Assets*
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC) - Int 21	*Levies*

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 10, HKFRS 12 and HKAS 27 Investment Entities

The Group has applied the amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities for the first time in the current year. The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- *obtain funds from one or more investors for the purpose of providing them with investment management services;*
- *commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and*
- *measure and evaluate performance of substantially all of its investments on a fair value basis.*

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in HKFRS 10 as at 1 January 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and *valuation techniques used which are in line with the disclosure required by HKFRS 13 Fair Value Measurements.*

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

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.

HKFRS 9	*Financial Instruments*[1]
HKFRS 14	*Regulatory Deferral Accounts*[2]
HKFRS 15	*Revenue from Contracts with Customers*[3]
Amendments to HKFRS 11	*Accounting for Acquisition of Interests in Joint Operations*[5]
Amendments to HKAS 1	*Disclosure Initiative*[3]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[5]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plant*[5]
Amendments to HKAS 19	*Defined Benefit Plans: Employees Contributions*[4]
Amendments to HKAS 27	*Equity Method in Separate Financial Statements*[5]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	*Investment entities: Applying the consolidation exception*[3]
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2010-2012 Cycle*[6]
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2011-2013 Cycle*[4]
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2012-2014 Cycle*[5]

[1] *Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.*

[2] *Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.*

[3] *Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.*

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

[5] *Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.*

[6] *Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application permitted.*

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review. The directors of the Company do not anticipate that the application of other 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:

	2014	*2013*
	US$'000	*US$'000*
Manufacturing	***1,515,408***	*1,253,879*
Logistics services	***31,075***	*29,109*
	1,546,483	*1,282,988*

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, offshore 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:

2014	***Manufacturing US$'000***	***Logistics services US$'000***	***Sub-total US$'000***	***Eliminations US$'000***	***Total US$'000***
REVENUE					
External sales	***1,515,408***	***31,075***	***1,546,483***	***-***	***1,546,483***
Inter-segment sales	***-***	***8,381***	***8,381***	***(8,381)***	***-***
Total	***1,515,408***	***39,456***	***1,554,864***	***(8,381)***	***1,546,483***
	Inter-segment sales are charged at prevailing market prices.				
SEGMENT RESULTS	***56,650***	***8,374***	***65,024***	***-***	***65,024***
Finance costs					***(13,802)***
Investment income					***4,704***
Change in fair value of derivative financial instruments					***239***
Reclassification of fair value loss of derivative financial instruments designated as hedging instruments from hedge reserve					***(3,071)***
Share of results of associates					***(72)***
Share of results of joint ventures					***(498)***
Profit before taxation					***52,524***

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*

Segment results represent the profit earned by each segment without allocation of finance costs, investment income, change in fair value of derivative financial instruments, reclassification of fair value (loss) 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:

2014	***Manufacturing US$'000***	***Logistics services US$'000***	***Total US$'000***
ASSETS			
Segment assets	***988,148***	***67,970***	***1,056,118***
Interests in associates			***43,265***
Interests in joint ventures			***23,445***
Unallocated corporate assets			***307,613***
Consolidated total assets			***1,430,441***
LIABILITIES			
Segment liabilities	***353,908***	***11,178***	***365,086***
Unallocated corporate liabilities			***392,922***
Consolidated total liabilities			***758,008***
OTHER INFORMATION			
Amounts included in the measure of segment profit or loss or segment assets:			
Additions of capital expenditure	***36,777***	***4,074***	***40,851***
Depreciation and amortisation	***23,391***	***3,220***	***26,611***
Loss on disposal of property, plant and equipment	***(49)***	***(1)***	***(50)***
Loss on property, plant and equipment written off	***(122)***	***(2)***	***(124)***

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*

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):

	2014 US$'000	*2013 US$'000*
Manufacturing:		
Dry freight containers	***1,071,233***	*924,686*
Refrigerated containers	***201,727***	*151,114*
Tank containers	***79,570***	*61,240*
US domestic containers	***127,411***	*69,689*
Other specialised containers and container parts	***35,467***	*47,150*
Logistics services	***31,075***	*29,109*
	1,546,483	*1,282,988*

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:

	2014	2013
	US$'000	US$'000
United States of America	**719,697**	542,594
Europe	**225,798**	127,904
Hong Kong	**196,236**	317,628
Taiwan	**219,079**	80,131
PRC	**98,950**	70,179
South Korea	**10,004**	39,291
Others	**76,719**	105,261
	1,546,483	1,282,988

The following is an analysis of the carrying amount of segment assets and non-current assets, other than financial instruments, analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets		**Carrying amount of non-current assets other than financial instruments**	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
PRC	**1,013,443**	955,658	**480,426**	445,202
Hong Kong	**42,600**	42,360	**19,486**	7,398
Others	**75**	41	**715**	762
	1,056,118	998,059	**500,627**	453,362

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. In 2014, there are two (2013: one) customers contributing over 10% of the total sales amounting to US$380,427,000 (2013: US$208,002,000).

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.

	2014	2013
	US$'000	US$'000
Current tax:		
Hong Kong Profits Tax		
- Current year	**163**	102
- Prior years overprovision	**(4)**	(4)
	159	98
PRC Enterprise Income Tax		
- Current year	**17,861**	18,514
- Prior years overprovision	**(184)**	(77)
	17,677	18,437
Deferred tax:		
Current year charge (credit)	**1,788**	(676)
Income tax expense for the year	**19,624**	17,859

5. Dividends

Dividends recognised as distributions during the year:	***2014 US$'000***	*2013 US$'000*
Interim in respect of current financial year, paid – HK1.5 cents (2013: HK3 cents) per ordinary share	***4,685***	*9,363*
Final in respect of the previous financial year, paid – HK1 cent (2013: HK2 cents) per ordinary share	***3,122***	*6,241*
	7,807	*15,604*

The final dividend of HK1.5 cents in respect of the year ended 31 December 2014 (2013: final dividend of HK1 cent in respect of the year ended 31 December 2013) per ordinary share, total of which equivalent to approximately HK$36,276,000 (equivalent to approximately US$4,676,000) (2013:HK$24,204,000 (equivalent to US$3,121,000)) 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:

Earnings:	***2014 US$'000***	*2013 US$'000*
Earnings for the purposes of calculating basic and diluted earnings per share	***28,021***	*34,274*
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	***2,420,408,959***	*2,420,294,894*
Effect of dilutive potential ordinary shares for share options	***408,892***	*1,179,755*
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	***2,420,817,851***	*2,421,474,649*

7. Movements in property, plant and equipment

During the year, the Group spent US$40,851,000 (2013: US$63,783,000) for upgrading its existing manufacturing and logistics services facilities and for the purchase of office premises in Hong Kong.

8. Inventories

	2014 US$'000	*2013 US$'000*
Raw materials	***116,438***	*124,363*
Work in progress	***54,148***	*34,969*
Finished goods	***62,327***	*57,219*
	232,913	*216,551*

The entire carrying amounts of inventories as at 31 December 2014 and 2013 are expected to be recovered within the next twelve months.

9. Trade receivables

	2014	2013
	US$'000	US$'000
Trade receivables	**248,718**	227,123
Less : allowance for doubtful debts	**-**	-
Total trade receivables	**248,718**	227,123

A defined credit policy is maintained within the Group. The credit terms are agreed with each of its trade customers depending on the creditworthiness of the customers ranging from 30 days to 120 days (2013: 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:

	2014	2013
	US$'000	US$'000
0 to 30 days	**146,108**	146,528
31 to 60 days	**76,128**	47,490
61 to 90 days	**12,270**	27,277
91 to 120 days	**4,280**	3,293
Over 120 days	**9,932**	2,535
	248,718	227,123

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$201,405,000 was subsequently settled.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of US$46,717,000 (2013: US$16,804,000) 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:

	2014	2013
	US$'000	US$'000
31 to 60 days	**29,271**	3,057
61 to 90 days	**5,160**	8,629
91 to 120 days	**4,108**	3,073
Over 120 days	**8,178**	2,045
	46,717	16,804

Movement in the allowance for doubtful debts:

	2014	2013
	US$'000	US$'000
Balance at the beginning of the year	**-**	660
Provision for doubtful debts recognised on receivables	**28**	-
Amounts written off as uncollectible	**(28)**	(660)
Balance at the end of the year	**-**	-

10. Prepayments and other receivables

As at 31 December 2014, prepayments and other receivables included advanced of US$67,708,000 (2013: US$63,785,000) 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:

	2014	*2013*
	US$'000	*US$'000*
0 to 30 days	***94,168***	*77,623*
31 to 60 days	***48,027***	*28,121*
61 to 90 days	***28,035***	*19,941*
91 to 120 days	***23,208***	*12,821*
Over 120 days	***11,057***	*6,043*
	204,495	*144,549*

The average credit period on purchases of goods is 62 (2013: 57) 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, based on issuance date of each bills, of bills payable at the end of the reporting period is as follows:

	2014	*2013*
	US$'000	*US$'000*
0 to 30 days	***38,001***	*21,982*
31 to 60 days	***18,212***	*22,235*
61 to 90 days	***23,888***	*17,325*
91 to 120 days	***4,778***	*1,936*
	84,879	*63,478*

13. Share capital

	Number of shares		***Share Capital***			
	2014	*2013*	***2014***	***2014***	*2013*	*2013*
			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*	***Note a***	***Note a***	*38,649*	*300,000*

Note:

a. Under the Hong Kong Companies Ordinance (Cap. 622), with effect from 3 March 2014, the concept of authorised share capital no longer exists and the Company's shares no longer have a par value. There is no impact on the number of shares in issue or the relative entitlement of any of the shareholders as a result of this transition.

	2014	*2013*	***2014 US$'000***	***2014 HK$'000***	*2013 US$'000*	*2013 HK$'000*
Issued and fully paid:						
At beginning of the year	***2,420,419,918***	*2,420,150,992*	***31,185***	***242,042***	*31,181*	*242,015*
Exercise of share options (Note b)	***-***	*268,926*	***-***	***-***	*4*	*27*
Transfer from share premium upon abolition of par value under the new Hong Kong Companies Ordinance	***-***	*-*	***236,964***	***1,836,471***	*-*	*-*
Share repurchase (Note c)	***(2,000,000)***	*-*	***-***	***-***	*-*	*-*
At end of the year	***2,418,419,918***	*2,420,419,918*	***268,149***	***2,078,513***	*31,185*	*242,042*

Notes:

b. During the year ended 31 December 2013, the Company issued and allotted 268,926 ordinary shares of HK$0.10 each upon exercise of share options. The exercise prices of the share options exercised in 2013 *ranged from HK$1.38 to HK$1.48 per share. The new ordinary shares rank pari passu with all existing shares in all respects.*

No share option has been exercised in 2014.

c. *The Company purchased 2,000,000 of its own ordinary shares of the Company on 15 December 2014 at the highest and lowest prices of HK$1.29 and HK$1.23 per share respectively ("share repurchase"). The aggregate purchase price paid for the share repurchase was approximately HK$2,524,860 (equivalent to US$327,000). The share repurchase represented approximately 0.0826 % of the existing total number of issued shares of the Company on the date of repurchase. The Company cancelled these 2,000,000 ordinary shares on 30 December 2014.*

BUSINESS REVIEW

During the past year, owing to good demand for new containers, the Group recorded consolidated revenue of US$1,546,483,000 (2013: US$1,282,988,000). Operating margin contracted due to a decline in the average selling price ("ASP") of containers. Consolidated net profit attributable to owners of the Company amounted to US$28,021,000 (2013: US$34,274,000). Basic earnings per share were US1.16 cents, compared with US1.42 cents for 2013.

The ever-changing conditions have further highlighted the need to optimise efficiency across all aspects of operation, which the Group has dutifully achieved through ongoing automation complemented by the implementation of various cost controls. In particular, further automation of various manufacturing activities has allowed the Group to control labour costs and maintain a manageable workforce without impinging on product quality.

The Group continues to enjoy a strong financial position, which remains crucial for coping with different market conditions, while at the same time allowing it to promptly respond to emerging opportunities that are expected in 2015.

Manufacturing

New container demand experienced an increase as reflected by revenue of US$1,515,408,000 recorded for the reporting year, compared with US$1,253,879,000 in 2013. This upturn was encouraged by improving economic conditions in the United States, greater number of large container vessel deliveries and the need for replacement containers. However, the increase in demand was tempered by a decline in the ASP of 20' dry freight containers, which slipped to US$2,086 compared with US$2,195 in 2013. The drop reflected the decline in raw material prices, particularly corten steel price. Profit before taxation and non-controlling interests amounted to US$45,546,000 compared to US$46,688,000 in 2013 (which included a one-off gain of US$9,793,000 from the disposal of two factories in Shunde).

The manufacturing operation accounted for 98% of the Group's total revenue. Total production volume increased to 686,474 twenty-foot equivalent units ("TEUs") by the close of the reporting year, compared to 525,449 TEUs in 2013. Total sales volume reached 683,007 TEUs versus 542,442 TEUs in 2013. Revenue contributions from dry freight containers and specialised containers were 70.6% and 29.4% respectively, compared with 73.7% and 26.3% respectively in 2013. The production of 53' US domestic containers surged during the review year, driven by the economic recovery in the United States, with orders doubling that of 2013.

With respect to specialised containers, the Group's offshore container interest was further boosted in the first quarter of the financial year when it invested into the restructured Modex Group, which specialises in the manufacturing, trading and leasing of offshore containers. Moreover, the first batch of offshore containers that produced by Qidong Singamas Offshore Equipment Co., Ltd was completed in May 2014. Performance of this new facility in Qidong has been encouraging, with over 1,400 offshore containers completed by the end of the reporting year.

The demand for refrigerated containers rebounded in 2014. The refrigerated container factory in Qidong achieved operational breakeven point in the second half of 2014. Customer feedback was extremely positive and the management believes that contributions from this factory will be positively reflected in the coming years once the production capacity has fully ramped up.

Logistics Services

This segment continued to provide a stable stream of revenue to the Group, which totalled US$31,075,000 versus US$29,109,000 in 2013. Profit before taxation and non-controlling interests amounted to US$6,978,000, compared to US$10,459,000 in 2013, which included a one-off gain of US$5,114,000 from the disposal of a depot in Shunde. The total number of containers handled amounted to approximately 3,170,000 TEUs during the reporting year against around 3,023,000 TEUs in 2013. Average daily container storage slightly dropped to 89,000 TEUs compared with 96,200 TEUs in 2013.

As part of the management's efforts to bolster the logistics business, it increased the Group's shareholding in a depot in Xiamen, rising from 28% to 35% in early 2015. The increased stake was motivated by the depot's encouraging performance and ability to provide steady income to the Group. Moreover, the Group will be able to derive benefit from Xiamen's geographical location, as well as preferential policies implemented by the Xiamen Government aimed at encouraging container manufacturing and development of the local port facilities.

PROSPECTS

There are several positive developments that suggest the new financial year will present greater opportunities for the container industry. A significant number of ULTRA large container vessel deliveries are scheduled from 2015 through to 2017, while the price of corten steel is expected to gradually rebound, which will drive the price of containers upwards accordingly. What is more, the replacement cycle of old containers will gather pace as the performance of shipping companies stabilise. Yet another potential stimulus is the decline in the price of petroleum during 2014, which in turn has freed up capital for shipping companies to acquire more containers.

While the management is cautiously optimistic about the container industry, it is also aware of lingering challenges, including investigations in the United States pertaining to the alleged dumping of 53' domestic dry containers from Mainland China. Even though sales from such containers account for only a fraction of the Group's overall revenue, the management will closely monitor developments, maintaining the view that demand for such specialised containers will return to normal in the near future.

With regards to the logistics segment, the challenges and opportunities will lie in further expanding revenue sources. On 21 March 2015, the Group signed the Strategic Cooperation Framework Agreement with Guangxi Beibu Gulf International Port Group Ltd. to develop a container freight station in Guangxi and to explore further cooperation in container manufacturing and the cold chain logistic business. Guangxi is one of the provinces which has included in the construction of Silk Road Economic Belt and the 21st Century Maritime Silk Road, the management believes this investment project holds potential growth of the Group's logistic business going forward.

DIVIDENDS

The Board has proposed to pay a final dividend of HK1.5 cents per ordinary share (2013: HK1 cent) for the year ended 31 December 2014 to members whose names appear on the register of members of the Company on Friday, 19 June 2015. Together with an interim dividend of HK1.5 cents per ordinary share (2013: HK3 cents), total dividend paid for the year will be HK3 cents per ordinary share (2013: HK4 cents). The dividend payout ratio approximates to 33.4% (2013: 36.4%). Subject to approval at the forthcoming annual general meeting, the proposed final dividend will be paid to shareholders on or before 31 July 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 17 June 2015 to Friday, 19 June 2015, 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, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 16 June 2015.

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 2014 ("Annual Report"). During the year under review, the Committee met three times.

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

The Company purchased 2,000,000 shares of the Company at a cost of HK$ 2,524,860 during the year. Other than this purchase, 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$5,501,000 and US$352,000 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 profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2014 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 GOVERNANCE CODE

For the year ended 31 December 2014, the Company has consistently adopted and complied with the applicable code provisions of the Corporate Governance Code (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as guidelines to reinforce our corporate governance principles, except for certain deviations which are summarised 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 consistently;

(2) Code Provision A.6.7 – Due to other commitments, two non-executive directors of the Company had not attended the annual general meeting of the Company held on 27 May 2014, and two non-executive directors and one independent non-executive director of the Company had not attended the general meeting of the Company held on 19 November 2014; and

(3) Code Provision A.1.7 – For the purpose of approving the continuing connected transactions as more particularly announced by the Company on 31 December 2014, 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: (1) 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; (2) each of Mr. Teo Siong Seng, Mr. Teo Tiou Seng, Mr. Kuan Kim Kin and Mr. Tan Chor Kee is also a director of Pacific International Lines (Private) Limited ("PIL") and the Company. However, in view of each of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the total transactions amount of the continuing connected transaction was less than 5%, the Board considered the above directors' interests in the continuing connected transaction was not material; (3) none of the directors requested for a physical meeting for the purpose of considering and approving the matters; and (4) Mr. Teo Siong Seng, Mr. Teo Tiou Seng, Mr. Kuan Kim Kin and Mr. Tan Chor Kee, who (as directors of both PIL and the Company), have voluntarily abstained from voting at the board resolutions.

Save for the above deviations, none of the directors of the Company is aware of any information which would reasonably indicate that the Company is not, or, was not during the year in compliance with the code provisions of the Code as set out in Appendix 14 of the Listing Rules on the Stock Exchange.

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 as set out in the Model Code.

By Order of the Board
Singamas Container Holdings Limited
Teo Siong Seng
Chairman and Chief Executive Officer

Hong Kong, 23 March 2015

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.