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

2015 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 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Notes	***2015*** ***US$'000***	*2014* *US$'000*
Revenue	2	***1,126,414***	1,546,483
Other income		***4,802***	902
Changes in inventories of finished goods and work in progress		***(28,680)***	24,287
Raw materials and consumables used		***(807,774)***	(1,202,475)
Staff costs		***(127,530)***	(139,753)
Depreciation and amortisation expense		***(30,376)***	(26,611)
Exchange gain		***8,440***	5,787
Other expenses		***(128,734)***	(143,596)
Finance costs		***(10,663)***	(13,802)
Investment income		***5,086***	4,704
Change in fair value of derivative financial instruments		***(259)***	239
Reclassification of fair value loss of derivative financial instruments designated as hedging instruments from hedge reserve		***-***	(3,071)
Share of results of associates		***(2,450)***	(72)
Share of results of joint ventures		***659***	(498)
Profit before taxation		***8,935***	52,524
Income tax expense	4	***(10,287)***	(19,624)
(Loss) profit for the year		***(1,352)***	32,900
Other comprehensive expense			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation		***(10,387)***	(278)
Fair value adjustments on forward contracts designated as cash flow hedges		***-***	(3,071)
Reclassification of fair value loss from hedge reserve to profit or loss		***-***	3,071
Other comprehensive expense for the year		***(10,387)***	(278)
Total comprehensive (expense) income for the year		***(11,739)***	32,622

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

For the year ended 31 December 2015

	Notes	2015 US$'000	2014 US$'000
(Loss) profit for the year attributable to:			
Owners of the Company		*(2,723)*	28,021
Non-controlling interests		*1,371*	4,879
		(1,352)	32,900
Total comprehensive (expense) income attributable to:			
Owners of the Company		*(12,770)*	27,787
Non-controlling interests		*1,031*	4,835
		(11,739)	32,622
(Loss) earnings per share	*6*		
Basic		*US(0.11) cent*	US1.16 cents
Diluted		*US(0.11) cent*	US1.16 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

	Notes	***2015*** ***US$'000***	2014 *US$'000*
Non-current assets			
Property, plant and equipment	*7*	***359,855***	361,966
Goodwill		***6,246***	6,246
Interests in associates		***43,983***	43,265
Interests in joint ventures		***22,391***	23,445
Available-for-sale investment		***6,608***	6,608
Amounts due from joint ventures		***6,006***	6,667
Amount due from an associate		***10,000***	-
Derivative financial instruments		***-***	239
Prepaid lease payments		***64,473***	55,904
Deposits for non-current assets		***22,364***	9,801
		541,926	514,141
Current assets			
Inventories	*8*	***157,207***	232,913
Trade receivables	*9*	***146,765***	248,718
Prepayments and other receivables	*10*	***41,910***	139,261
Amount due from immediate holding company		***44***	-
Amounts due from fellow subsidiaries		***31,006***	42,452
Amounts due from joint ventures		***1,070***	1,507
Amounts due from associates		***534***	-
Tax recoverable		***1,335***	347
Prepaid lease payments		***1,517***	1,309
Bank balances and cash		***242,726***	249,793
		624,114	916,300

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
As at 31 December 2015

	Notes	**2015** *US$'000*	2014 *US$'000*
Current liabilities			
Trade payables	*11*	***85,108***	204,495
Bills payable	*12*	***22,755***	84,879
Accruals and other payables		***81,554***	75,712
Amount due to immediate holding company		***16***	5
Amounts due to associates		***132***	58
Amounts due to joint ventures		***46***	43
Tax payable		***5,538***	5,836
Bank borrowings		***70,000***	62,564
		265,149	433,592
Net current assets		***358,965***	482,708
Total assets less current liabilities		***900,891***	996,849
Capital and reserves			
Share capital	*13*	***268,149***	268,149
Accumulated profits		***282,846***	302,035
Other reserves		***44,287***	47,446
Equity attributable to owners of the Company		***595,282***	617,630
Non-controlling interests		***52,379***	54,803
Total equity		***647,661***	672,433
Non-current liabilities			
Bank borrowings		***245,000***	315,000
Derivative financial instruments		***20***	-
Deferred tax liabilities		***8,210***	9,416
		253,230	324,416
		900,891	996,849

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 19	*Defined Benefit Plans: Employee Contributions*
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2010 - 2012 Cycle*
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2011 - 2013 Cycle*

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.

HKFRS 9	*Financial Instruments*[2]
HKFRS 14	*Regulatory Deferral Accounts*[3]
HKFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to HKFRS 11	*Accounting for Acquisition of Interests in Joint Operations*[1]
Amendments to HKAS 1	*Disclosure Initiative*[1]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[1]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plant*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	*Investment Entities: Applying the Consolidation Exception*[1]
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2012-2014 Cycle*[1]

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

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

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

[4] *Effective for annual periods beginning on or after a date to be determined.*

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revision version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

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. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. 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 that 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 the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.*

- *In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.*

- *The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.*

The directors of the Company anticipate that the adoption of HKFRS 9 in the future may have a material impact on amounts reported in respect of the Group's available-for-sale investment, which is currently stated at cost less impairment and will be measured at fair value at the end of subsequent reporting periods, with changes in the fair value being recognised in profit or loss. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 until the Group undertakes a detailed review.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- *Step 1: Identify the contract(s) with a customer*
- *Step 2: Identify the performance obligations in the contract*
- *Step 3: Determine the transaction price*
- *Step 4: Allocate the transaction price to the performance obligations in the contract*
- *Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation*

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

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 or amendments will have significant impact on the Group's consolidated financial statements.

The financial information relating to the years ended 31 December 2014 and 2015 included in this preliminary announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. The financial statements for the year ended 31 December 2015 have yet to be reported on by the Company's auditor and will be delivered to the Registrar of Companies in due course. The Company has delivered the financial statements for the year ended 31 December 2014 to the Registrar of Companies as required by the Hong Kong Companies Ordinance. The Company's auditor has reported on the financial statements of the Group for the year ended 31 December 2014. The auditor's report was unqualified and did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report, and did not include a statement under section 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap 622).

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:

	2015	*2014*
	US$'000	*US$'000*
Manufacturing	***1,093,802***	1,515,408
Logistics services	***32,612***	31,075
	1,126,414	1,546,483

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:

2015	***Manufacturing US$'000***	***Logistics services US$'000***	***Sub-total US$'000***	***Eliminations US$'000***	***Total US$'000***
REVENUE					
External sales	***1,093,802***	***32,612***	***1,126,414***	***-***	***1,126,414***
Inter-segment sales	***-***	***7,475***	***7,475***	***(7,475)***	***-***
Total	***1,093,802***	***40,087***	***1,133,889***	***(7,475)***	***1,126,414***
	Inter-segment sales are charged at prevailing market prices.				
SEGMENT RESULTS	***10,888***	***5,674***	***16,562***	***-***	***16,562***
Finance costs					***(10,663)***
Investment income					***5,086***
Change in fair value of derivative financial instruments					***(259)***
Share of results of associates					***(2,450)***
Share of results of joint ventures					***659***
Profit before taxation					***8,935***

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

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 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:

2015	***Manufacturing US$'000***	***Logistics services US$'000***	***Total US$'000***
ASSETS			
Segment assets	***737,297***	***63,040***	***800,337***
Interests in associates			***43,983***
Interests in joint ventures			***22,391***
Unallocated corporate assets			***299,329***
Consolidated total assets			***1,166,040***
LIABILITIES			
Segment liabilities	***175,498***	***13,919***	***189,417***
Unallocated corporate liabilities			***328,962***
Consolidated total liabilities			***518,379***
OTHER INFORMATION			
Amounts included in the measure of segment profit or loss or segment assets:			
Additions of capital expenditure	***41,156***	***1,009***	***42,165***
Depreciation and amortisation	***26,859***	***3,517***	***30,376***
Gain on disposal of property, plant and equipment	***3,044***	***377***	***3,421***
Loss on property, plant and equipment written off	***(105)***	***(6)***	***(111)***

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)

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):

	2015	2014
	US$'000	US$'000
Manufacturing:		
Dry freight containers	**644,627**	1,071,233
Refrigerated containers	**155,592**	201,727
Tank containers	**111,247**	79,570
US domestic containers	**121,648**	127,411
Other specialised containers and container parts	**60,688**	35,467
Logistics services	**32,612**	31,075
	1,126,414	1,546,483

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:

	2015	2014
	US$'000	US$'000
United States of America	**423,386**	719,697
Hong Kong	**197,952**	196,236
Europe	**186,321**	225,798
PRC	**138,534**	98,950
Middle East	**50,438**	26,641
Taiwan	**48,568**	219,079
Others	**81,215**	60,082
	1,126,414	1,546,483

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**	
	2015	2014	**2015**	2014
	US$'000	US$'000	**US$'000**	US$'000
PRC	**762,103**	1,013,443	**465,647**	442,750
Hong Kong	**38,106**	42,600	**15,433**	19,486
Others	**128**	75	**38,232**	38,391
	800,337	1,056,118	**519,312**	500,627

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 2015, no customer (2014: two) contributes over 10% of the total sales (2014: amounting to US$380,427,000).

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.

	2015 ***US$'000***	*2014* *US$'000*
Current tax:		
Hong Kong Profits Tax		
- Current year	***48***	163
- Prior years overprovision	***(8)***	(4)
	40	159
PRC Enterprise Income Tax		
- Current year	***11,629***	17,861
- Prior years overprovision	***(176)***	(184)
	11,453	17,677
Deferred tax:		
Current year (credit) charge	***(1,206)***	1,788
Income tax expense for the year	***10,287***	19,624

5. Dividends

	2015 ***US$'000***	*2014* *US$'000*
Dividends recognised as distributions during the year:		
Interim in respect of current financial year, paid – HK1.5 cents (2014: HK1.5 cents) per ordinary share	***4,677***	4,685
Final in respect of the previous financial year, paid – HK1.5 cents (2014: HK1 cent) per ordinary share	***4,677***	3,122
	9,354	7,807

Subsequent to the end of the reporting period, no final dividend in respect of the year ended 31 December 2015 (2014: final dividend in respect of the year ended 31 December 2014 of HK1.5 cents per ordinary share, total of which equivalent to approximately HK$36,276,000 (equivalent to approximately US$4,677,000)) has been proposed by the directors of the Company.

6. *(Loss) earnings per share*

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

	2015 ***US$'000***	*2014* *US$'000*
(Loss) earnings:		
(Loss) earnings for the purposes of calculating basic and diluted (loss) earnings per share	***(2,723)***	28,021
Number of shares:		
Weighted average number of ordinary shares for the purposes of calculating basic (loss) earnings per share	***2,417,371,973***	2,420,408,959
Effect of dilutive potential ordinary shares for share options	***-***	408,892
Weighted average number of ordinary shares for the purposes of calculating diluted (loss) earnings per share	***2,417,371,973***	2,420,817,851

The computation of diluted loss per share for the year ended 31 December 2015 does not assume the exercise of the Company's outstanding share options, as the exercise price of those options are higher than the average market price per share for 2015, and therefore, was anti-dilutive to the loss per share.

7. *Movements in property, plant and equipment*

During the year, the Group spent US$31,088,000 (2014: US$40,851,000) for upgrading its existing manufacturing and logistics services facilities.

8. *Inventories*

	2015 ***US$'000***	*2014* *US$'000*
Raw materials	***69,412***	116,438
Work in progress	***23,760***	54,148
Finished goods	***64,035***	62,327
	157,207	232,913

The entire carrying amounts of inventories as at 31 December 2015 and 2014 are expected to be recovered within the next twelve months.

9. *Trade receivables*

	2015 ***US$'000***	*2014* *US$'000*
Trade receivables	***147,418***	248,718
Less : allowance for doubtful debts	***(653)***	-
Total trade receivables	***146,765***	248,718

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 (2014: 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:

	2015 US$'000	2014 US$'000
0 to 30 days	***101,864***	146,108
31 to 60 days	***30,124***	76,128
61 to 90 days	***8,046***	12,270
91 to 120 days	***610***	4,280
Over 120 days	***6,121***	9,932
	146,765	248,718

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$102,024,000 was subsequently settled.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of US$23,065,000 (2014: US$46,717,000) 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 of the Company considered that the default risk is low.

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

	2015 US$'000	2014 US$'000
31 to 60 days	***8,389***	29,271
61 to 90 days	***8,027***	5,160
91 to 120 days	***582***	4,108
Over 120 days	***6,067***	8,178
	23,065	46,717

Movement in the allowance for doubtful debts:

	2015 US$'000	2014 US$'000
Balance at the beginning of the year	**-**	-
Provision for doubtful debts recognised on receivables	***653***	28
Amounts written off as uncollectible	**-**	(28)
Balance at the end of the year	***653***	-

10. Prepayments and other receivables

As at 31 December 2015, prepayments and other receivables included advanced of US$11,528,000 (2014: US$67,708,000) to certain suppliers as deposits for raw materials 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:

	2015 US$'000	2014 US$'000
0 to 30 days	***47,378***	94,168
31 to 60 days	***21,303***	48,027
61 to 90 days	***9,368***	28,035
91 to 120 days	***5,160***	23,208
Over 120 days	***1,899***	11,057
	85,108	204,495

The average credit period on purchases of goods is 52 (2014: 62) 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:

	2015	*2014*
	US$'000	*US$'000*
0 to 30 days	***5,946***	38,001
31 to 60 days	***6,898***	18,212
61 to 90 days	***3,330***	23,888
91 to 120 days	***4,834***	4,778
Over 120 days	***1,747***	-
	22,755	84,879

13. *Share capital*

	Number of shares		***Share Capital***			
	2015	*2014*	***2015***	***2015***	*2014*	*2014*
			US$'000	***HK$'000***	*US$'000*	*HK$'000*
Authorised:						
At beginning of the year						
- Ordinary shares of HK$0.10 each	***Note a***	3,000,000,000	***Note a***	***Note a***	38,649	300,000
At the end of the year	***Note a***	Note a	***Note a***	***Note a***	Note a	Note a

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.*

	2015	*2014*	***2015 US$'000***	***2015 HK$'000***	*2014 US$'000*	*2014 HK$'000*
Issued and fully paid:						
At beginning of the year	2,418,419,918	2,420,419,918	***268,149***	***2,078,513***	31,185	242,042
Transfer from share premium upon abolition of par value under the new Hong Kong Companies Ordinance	**-**	-	**-**	**-**	236,964	1,836,471
Share repurchase (Note b)	***(1,500,000)***	(2,000,000)	**-**	**-**	-	-
At end of the year	***2,416,919,918***	2,418,419,918	***268,149***	***2,078,513***	268,149	2,078,513

Note:

b. *For the year ended 31 December 2015, the Company purchased 1,000,000 of its own ordinary shares of the Company on 22 January 2015 at the highest and lowest prices of HK$1.22 and HK$1.20 per share respectively. The aggregate purchase price paid for the share repurchase was approximately HK$1,206,160 (equivalent to US$157,000). The share repurchase represented approximately 0.0413% of the total number of issued shares of the Company immediately prior to such repurchase. The Company purchased 500,000 of its own ordinary shares of the Company on 7 September 2015 at the highest and lowest prices of HK$1.05 and HK$1.00 per share respectively. The aggregate purchase price paid for the share repurchase was approximately HK$517,560 (equivalent to US$67,000). The share repurchase represented approximately 0.0207% of the total number of issued shares of the Company immediately prior to such repurchase. The Company has cancelled these 1,500,000 ordinary shares on 30 January 2015 and 30 September 2015 respectively.*

   For the year ended 31 December 2014, 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. 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 total number of issued shares of the Company immediately prior to such repurchase. The Company cancelled these 2,000,000 ordinary shares on 30 December 2014.

BUSINESS REVIEW

Affected by weak demand for new containers during the review year, the consolidated revenue of the Group fell to US$1,126,414,000 (2014: US$1,546,483,000). Operating margin contracted due to the ongoing decline in average selling price ("ASP") of containers. This results a consolidated net loss of US$2,723,000 attributable to owners of the Company, against net profit of US$28,021,000 attributable to owners of the Company in 2014. Basic loss per share in 2015 was US0.11 cent, compared with earnings per share of US1.16 cents in 2014.

The decline in performance experienced by the entire industry was due to the downturn of many major economies, which subsequently affected world trade and China's exports. This in turn affected the demand for, and average selling price of, new containers, which was particularly evident during the second half of the financial year.

Notwithstanding the abovementioned developments, the Group's specialised containers manufacturing and logistics businesses both achieved good progress. On the cost front, the implementation of various cost management measures, including enhancement of automated processes, and optimisation of manpower and work procedures helped to improve the Group's operational efficiency.

Manufacturing

Demand for new containers softened during the year, resulting in a decline in revenue to US$1,093,802,000 against US$1,515,408,000 for the corresponding period in 2014. Profit before taxation and non-controlling interests fell to US$2,120,000 (2014: US$45,546,000).

The manufacturing operation constitutes the primary revenue source of the Group, accounting for 97% of total revenue in 2015. For the reporting year, total production volume fell by 23% to 526,893 twenty-foot equivalent units ("TEUs") (2014: 686,474 TEUs), while total sales volume fell by 24% to 520,684 TEUs (2014: 683,007 TEUs). Dry freight containers and specialised containers accounted for 59% and 41% (2014: 71% and 29%) of manufacturing revenue respectively.

Overall demand by shipping companies and container leasing operators was flat owing to a decline in export trade and lower leasing rates. In the face of weak consumption sentiment, the Group took the opportunity to further develop the specialised containers business. Correspondingly, the management made adjustments to certain production facilities to better tap the specialised containers market.

In reference to the 53' domestic dry container business, it has performed well during the reporting year, with production output reaching 14,000 units. The demand for these higher margin containers is expected to continue rising in line with the recovering US economy.

Though the offshore container business has not performed well owing to the suspension of exploration projects by certain oil companies in view of declining oil prices, the management remains optimistic about its medium and long-term development. In line with this view, the Group signed an agreement with Modex Group to acquire the remaining 50% equity interest in Qidong Singamas Offshore Equipment Co., Ltd, as well as Modex Group's manufacturing arm in Taicang, Jiangsu Province. The management plans to relocate the Taicang plant to Qidong, where it aims to bring all offshore container manufacturing activities under one roof. The management believes that the plant in Qidong will lead to cost savings and higher efficiency.

While the refrigerated container business has been steady during the reporting year, ongoing efforts were made to support the development of this business. Specifically, construction of our new reefer container factory in Qingdao has continued, and is on track to commence trial production in early 2017.

Logistics Services

Revenue derived from the logistics services business rose slightly to US$32,612,000, compared with US$31,075,000 in 2014. However, being affected by the Tianjin explosions, the Group made provision of US$2,402,000 on losses of properties suffered as of the date of this announcement. As a result, profit before taxation and non-controlling interests amounted to US$6,815,000, slightly lower than US$6,978,000 last year. Though the total number of containers handled by the Group slipped to 3,098,000 TEUs (2014: 3,170,000 TEUs), average daily container storage increased to 126,000 TEUs (2014: 89,000 TEUs).

PROSPECTS

The demand for new container is likely to remain soft in the first half of 2016, and many new container vessel deliveries have been postponed since 2015, such developments highlight the global economy that has been struggling in recent times, and will likely continue in the immediate future.

Though the outlook for the upcoming year remains uncertain, the management maintains steadfastly committed to further enhancing the Group's competitiveness. Consistent with this long term policy, the management will continue to further develop the specialised containers business, and thereby derive greater benefit from higher margin products.

In respect of the logistics services business, the Group is likewise committed to enhancing the performance of this segment. Correspondingly, it reached an agreement with Guangxi Beibu Gulf International Port Group Ltd. ("Guangxi Beibu Gulf") in December 2015 to establish a joint venture, whereby the Group will gain a foothold in the strategically important Guangxi autonomous region – one of the areas that will benefit from China's "One Belt, One Road" initiative. Port of Singapore subsequently became one of the signatories of this alliance, with the Group, Guangxi Beibu Gulf and Port of Singapore holding 55%, 35% and 10% stake respectively in the joint venture. The management believes that such a strong strategic alliance will bring still greater opportunities to the Group's logistics services operation going forward.

DIVIDENDS

The Board did not recommend the payment of a final dividend for the year ended 31 December 2015 (2014: HK1.5 cents).

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal controls and financial reporting matters including a review of the annual financial statements for the year ended 31 December 2015 ("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 1,500,000 shares of the Company at a cost in aggregate of HK$ 1,723,720 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$5,493,000 and US$1,395,000 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 2015 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 2015, 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 one deviation which is summarised below:

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.

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.

PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

The Board intends to propose a special resolution at the annual general meeting to be held on or before 30 June 2016 for the amendment of the articles of association of the Company. The purpose of this proposal is to bring the articles of association of the Company in line with the Appendix 14 of the Listing Rules and Schedule 1 of Companies (Model Articles) Notice (Cap. 622H) of the new Companies Ordinance in respect of the retirement of directors by rotation. The Board proposes to amend the articles of association of the Company to the effect that (i) every director of the Company (including those appointed for a specific term) should be subject to retirement by rotation at least once every three years; and (ii) one-third of the directors of the Company for the time being shall retire from office at the annual general meeting of the Company. The retiring directors shall retain office until the close of the meeting at which he retires and shall be eligible for re-election.

A circular containing information regarding the details of the proposed amendments to the articles of association of the Company together with the notice of the annual general meeting of the Company is expected to be dispatched to the shareholders of the Company on or before 30 April 2016.

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

Hong Kong, 17 March 2016

The Directors as at the date of this announcement are Mr. Teo Siong Seng, Mr. Chan Kwok Leung, Mr. Teo Tiou Seng and Ms. Chung Pui King, Rebecca 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.