Contents

Singamas Operations

FACTORIES

Shanghai
(Dry Freight Containers)

Shanghai
(Refrigerated Containers)

Yixing
(Collapsible Flatrack & Specialised Containers)

Shunde
(Dry Freight & Specialised Containers)

Xiamen
(Dry Freight & Specialised Containers)

Surabaya
(Dry Freight & Specialised Containers)

DEPOTS

Dalian
Tianjin
Qingdao
Shanghai
Ningbo
Xiamen
Hong Kong
Bangkok

MID-STREAM

Hong Kong

Corporate Information

EXECUTIVE DIRECTORS

Mr. Chang Yun Chung* *(Chairman)*
Mr. Teo Siong Seng *(Vice Chairman)*
Mr. Hsueh Chao En
Mr. Teo Tiou Seng

(Mr. Chang Yun Chung is also known as Mr. Teo Woon Tiong)*

NON-EXECUTIVE DIRECTOR

Mr. Kuan Kim Kin #

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ong Ka Thai #
Mr. Ping Kim #

Audit Committee Member

COMPANY SECRETARY

Ms. Tam Shuk Ping, Sylvia

SOLICITORS

Herbert Smith
23rd Floor, Gloucester Tower
11 Peddar Street
Hong Kong

PUBLIC RELATIONS CONSULTANT

Strategic Financial Relations Limited
Unit A, 29th Floor, Admiralty Centre I
18 Harcourt Road
Hong Kong

REGISTERED OFFICE

Unit 604-606, 6th Floor
AXA Centre
151 Gloucester Road
Wanchai
Hong Kong

SHARE REGISTRAR

Central Registration Hong Kong Limited
17th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants
26th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

PRINCIPAL BANKERS

Agricultural Bank of China
Bangkok Bank Public Compamy Limited
CITIC Ka Wah Bank Limited
KBC Bank N.V.
Keppel TatLee Bank Limited
Bank of China
Overseas-Chinese Banking Corporation Limited
Overseas Union Bank Limited
Sin Hua Bank Limited
The Bank of Nova Scotia
The Development Bank of Singapore Limited

INVESTOR RELATIONS WEBSITE

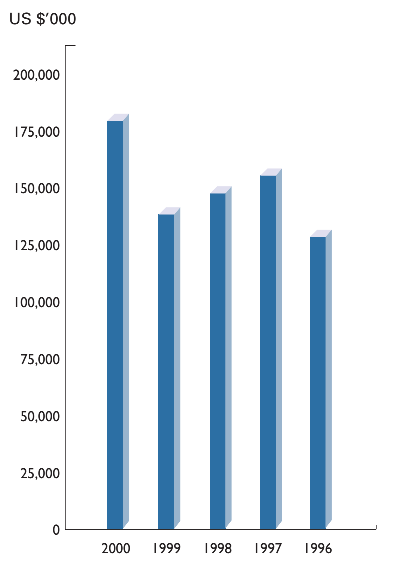
http://www.irasia.com/listco/hk/singamas

Financial Highlights

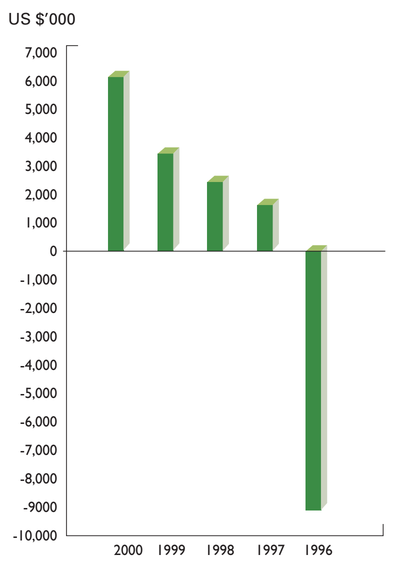
	2000	1999	1998	1997	1996
	(US$)	*(US$)*	*(US$)*	*(US$)*	*(US$)*
Turnover	**179,720,000**	138,056,000	147,597,000	155,449,000	128,534,000
Profit/(Loss) from operations	**12,990,000**	7,054,000	8,267,000	8,055,000	(6,186,000)
Net profit/(loss) for the year	**6,082,000**	3,424,000	2,445,000	1,625,000	(9,104,000)
Earnings/(Loss) per share	**1.33 cents**	0.75 cent	0.54 cent	0.36 cent	(2.25) cents
Net asset value per share	**10.49 cents**	9.11 cents	8.35 cents	7.83 cents	8.68 cents
Shareholders' funds	**47,815,000**	41,526,000	38,080,000	35,696,000	35,100,000
Bank balances and cash	**16,544,000**	15,235,000	16,125,000	18,375,000	8,758,000
Total borrowings	**64,071,000**	52,360,000	44,875,000	59,313,000	72,065,000
Current ratio	**1.24 to 1**	1.22 to 1	1.23 to 1	1.11 to 1	1.11 to 1
Gearing ratio	**1.34**	1.26	1.18	1.66	2.05
Net debt to equity ratio	**0.99**	0.89	0.75	1.15	1.80
Interest coverage ratio	**4.65**	4.39	3.61	3.30	-0.13

Financial Highlights (continued)

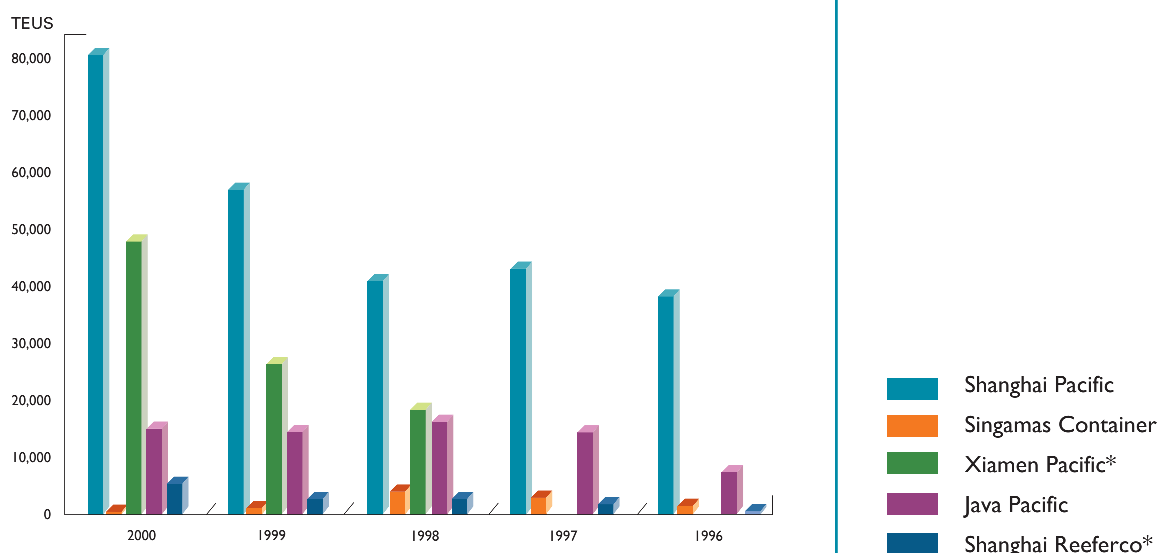
Turnover



Net Profit for the Year



Production Output

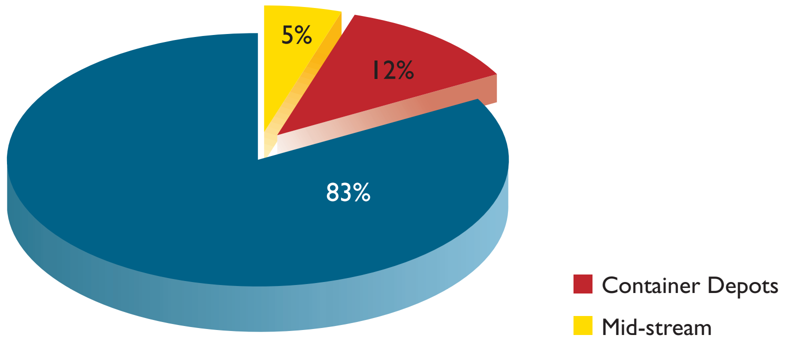


* *Singamas Container Holdings Limited took over management of Xiamen Pacific in January, 1998, and Shanghai Reeferco commenced commercial operations on 1st July, 1996.*

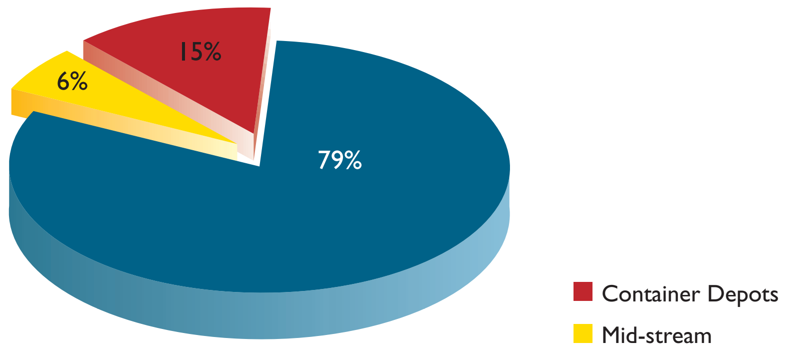
Financial Highlights (continued)

Turnover by Business Segment

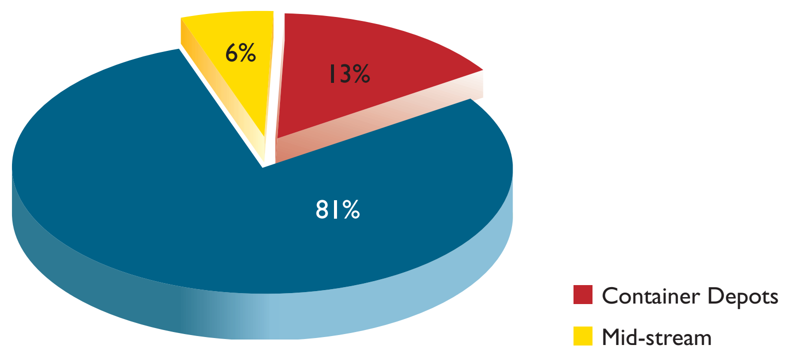
For the year ended 31st December, 2000



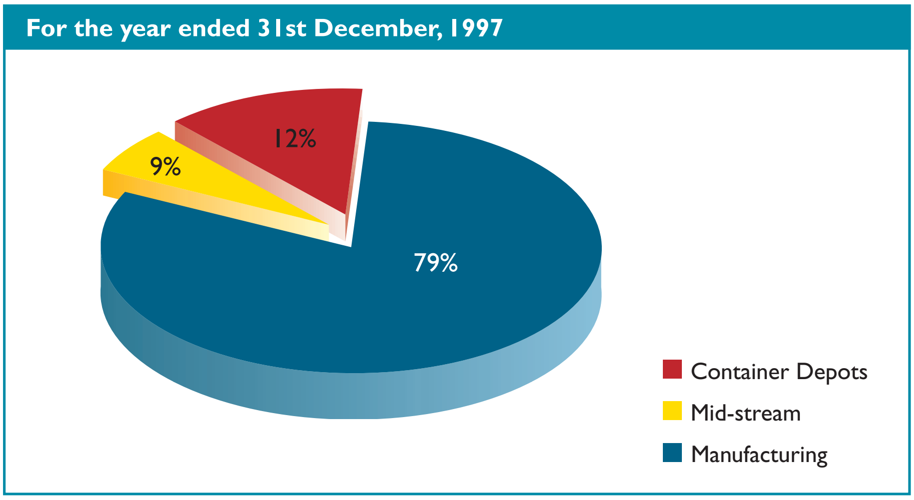
For the year ended 31st December, 1999

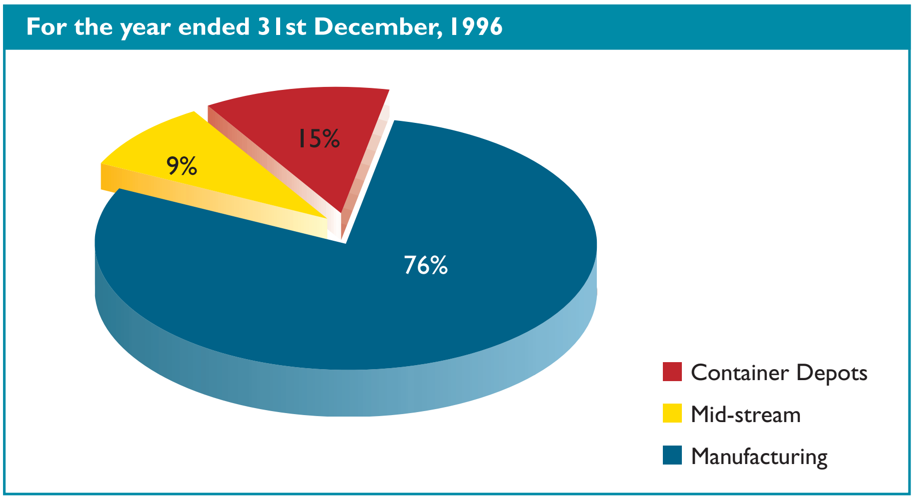


For the year ended 31st December, 1998



Financial Highlights (continued)





Chairman's Statement

Mr. Chang Yun Chung
Chairman

TO OUR SHAREHOLDERS

On behalf of the Board of Directors, I would like to present the 2000 operating results of Singamas Container Holdings Limited (the "Company") and its subsidiaries (together the "Group"). For the year ended 31st December, 2000, the Group's turnover increased substantially to US$179,720,000, representing a 30 per cent growth from 1999's US$138,056,000. Total consolidated net profit amounted to US$6,082,000, an increase of 78 per cent over the previous year's US$3,424,000.

Good results were attributable to the outstanding performance achieved by all three business segments of the Group. The booming export from the People's Republic of China (the "PRC") in 2000 resulted in higher demand for new containers. With its well-established network of container factories and depots, especially in the PRC, continuous improvement in production efficiency and quality, and the implementation of stringent cost controls to minimize cost during the year, the Group was well positioned to benefit from this favourable situation.

During the period under review, the performance of the container manufacturing operations had the biggest improvement in terms of both turnover and profit as compared to 1999. Higher trade volumes in the region boosted container demand and stabilised container selling prices. In addition, the Group's strategy to boost production output to achieve economy of scale also helped to increase the profit margin.

The Group continued to achieve promising results in its container depot operations. With a comprehensive depot network covering the north to the south along the coastal port cities of the PRC, the Group was benefited from the rising container throughput in these areas.

China's entry into the World Trade Organization ("WTO") is expected to have nominal effects for the Group in the near term. However, in the medium and long term, trade activity in the PRC is expected to grow substantially over time, with more business opportunities opening up for foreign firms, generating a favourable business environment and additional business opportunities to the

Mr. Teo Siong Seng
President & Chief Executive Officer

Group. It is expected that there would be a significant increase in the demand for new containers in the PRC and the nearby region and in the container throughput at major Chinese ports, resulting in the corresponding increase in the business volumes of the Group's container manufacturing and depot operations. With the vision and commitment of its management, the Group has strengthened its existing network of container manufacturing factories and depots to prepare for the increasing trade activities in the Asian market, as well as to generate higher profits and returns to its shareholders.

BUSINESS REVIEW

Singamas was listed on The Stock Exchange of Hong Kong Limited in 1993. Within a decade of development and with continuous efforts, the Group has evolved into one of the world's leading container manufacturers and a major operator of container depots in the Asia-Pacific region. The Group now operates five production factories in the PRC, and one in Surabaya, Republic of Indonesia ("Indonesia"), producing dry freight containers, collapsible flatrack containers ("flatrack"), open top containers, bitutainers, Chlorofluorocarbon ("CFC") free refrigerated containers ("reefer"), other specialised containers and container parts. It also operates nine container depots, two in Hong Kong, six in the PRC and one in Bangkok, Thailand, and a mid-stream operation in Hong Kong.

CONTAINER MANUFACTURING OPERATIONS

Container manufacturing is the Group's core business accounting for 83 per cent of the total turnover. It recorded a turnover of US$148,540,000 and a profit before taxation and minority interests of US$5,426,000, 35 per cent and 492 per cent higher than the previous year, respectively.

The increase in regional trade activities has stimulated the demand for dry freight containers. Cost of raw materials, especially the cost of steel and floorboards remained stable. At the leading position accounting for nearly 90 per cent of the world global market, the PRC's total container output in 2000 reached 1.5 million twenty-foot equivalent units ("TEUs"), an increase of over 36 per cent from 1999.

The year 2000 was a fruitful year for the Group. Capturing a larger market share and further achieving economy of scale, the Group's production increased significantly to 148,922 TEUs in 2000 as compared to 100,833 TEUs attained in 1999.

Shanghai Pacific International Container Co., Ltd., which is located in Shanghai, the PRC, and is one of the world's largest single production line factories for dry freight containers, continued to provide good returns to the Group. During the year under review, its production increased to 80,279 TEUs, representing a growth of 42 per cent over the previous year's 56,428 TEUs.

Xiamen Pacific Container Manufacturing Co., Ltd. ("Xiamen Pacific") is the only container manufacturing factory in Xiamen and Fujian Province. In the year under review, Xiamen Pacific performed well with a production of 47,810 TEUs, 83 per cent higher than 1999. In the light of increasing container demand in the region, Xiamen Pacific started a second production shift in July 2000 whereby its monthly production capacity increased from 3,500 TEUs to 5,800 TEUs to capture this additional demand. As Xiamen Pacific has been achieving good results, on 29th April, 2000, the Company signed an equity transfer agreement with Xiamen Head Co., Ltd. to acquire an additional 15% equity interest in the factory and the Company's equity interest in Xiamen Pacific increased to 40%. This transaction was completed on 27th September, 2000.

Singamas Container Industry Co., Ltd. ("Singamas Container"), located in Yixing, Jiangsu Province, the PRC, specialises in the production of flatrack, bitutainers, other specialised containers, container lashing gears and container components. Performance of Singamas Container was stable in 2000.

P.T. Java Pacific Container Factory, the Group's dry freight container manufacturing factory located in Surabaya, Indonesia maintained stable output and achieved positive results. During the year under review, the factory produced 15,078 TEUs, 5 per cent slightly higher than 1999.

Shanghai Reeferco Container Co., Ltd. ("Shanghai Reeferco"), which specialises in the production of environmentally friendly reefers, managed to turnaround and achieved a profit before taxation and minority interests of US$1,094,000, as compared a loss of US$1,478,000 in the previous year. The significant improvement was due to the increase in sales together with Shanghai Reeferco's efforts to improve production efficiency and lower costs.

In addition, Singamas Refrigerated Container Ltd., a subsidiary of the Company and the immediate holding company of Shanghai Reeferco, signed a joint venture agreement with Hyundai Mobis Company Limited ("Hyundai Mobis") on 19th July, 2000, whereby Hyundai Mobis becomes a strategic shareholder of Shanghai Reeferco. As part of the joint venture agreement, Shanghai Reeferco and Hyundai Mobis entered into a technical collaboration agreement in that Hyundai Mobis transferred technical know-how and key production equipment and machinery from its Ulsan factory in South Korea to Shanghai Reeferco for the upgrading of Shanghai Reeferco's production facilities and process. After the transfer of equipment and machinery, Hyundai Mobis closed down its Ulsan factory in October 2000. In addition to the technical aspect, the marketing team of Hyundai Mobis also provides marketing assistance in promoting Shanghai Reeferco to Hyundai Mobis' existing customers. It is expected that the improved facilities and higher efficiencies will increase Shanghai Reeferco's production capacity. With Hyundai Mobis' broad base of customers, widely recognized brand name and leading technology, this cooperation will enhance Shanghai Reeferco's competitiveness in terms of cost, product quality and marketing.

CONTAINER DEPOT OPERATIONS

The Group's container depot operations recorded a turnover of US$21,856,000 and a profit before taxation and minority interests of US$3,072,000 in 2000, representing an increase of 8 per cent and 19 per cent, respectively. The growth in profit was mainly due to the good performance of the Group's container depot business in the PRC.

Based on industry statistics published recently, Shanghai was ranked the busiest port in the PRC and the 6th largest in the world in 2000. The Shanghai Harbour handled 5.6 million TEUs in 2000, an increase of 32 per cent over 1999. Besides, cargo throughput handled by the PRC's major ports along the coastline surged over 30 per cent in the year. Qingdao, Tianjin, Xiamen and Dalian each handled over 1 million TEUs of container during the year. As a major player with a comprehensive network along these coastal ports, the Group's PRC container depots benefited from this strong growth in container throughput and collectively handled more than 1 million TEUs in 2000. Turnover of US$14,205,000 was achieved, and profit before taxation and minority interests reached US$2,806,000, representing an increase of 16 per cent and 52 per cent, respectively from 1999.

In 2000, the world estimated to handle over 210 million TEUs, with more than 45 per cent handled in Asia. It is expected that this trend will continue in the near future. The British Ocean Shipping Consulting Company has predicted that container handling capacity of the PRC's ports will climb to a leading position in Asia. The Group's PRC depots will benefit from this favourable climate bringing satisfactory returns to the Group in the years to come.

During the year under review, the growing cargo throughput in Hong Kong, with the growth rate estimated at 12.5 per cent, affected the empty storage business of the Hong Kong depots. However, this growth rate slowed down during the fourth quarter of 2000 and improved the Group's empty storage business during this period. In 2000, the Group's Hong Kong depots handled 450,000 TEUs. With stringent cost controls and improved efficiency, the Group's Hong Kong depots remained profitable and attained a profit before taxation and minority interests of US$266,000.

MID-STREAM OPERATION

In 2000, the mid-stream operation handled 110,000 TEUs, provided a stable source of income to the Group. Sales volume remained stable accounting for 5 per cent of the total turnover and resulted in a profit before taxation and minority interests of US$1,668,000, increased 43 per cent from 1999's US$1,167,000. The Group is confident that its mid-stream operation will continue to contribute positively to the Group in the future.

PROSPECTS

Progressing into the new millennium, the Group will continue its commitment to business development and profit enhancement. The Group's strategy to further expand its container manufacturing operations in the PRC and extend its depot network coverage from the PRC into other Asian countries will accelerate its market share in the years to come.

SSPC

To strengthen the competitiveness and market position of its container manufacturing business in the PRC and the global market, the Group has further increased its production capacities by entering into a joint venture agreement with Shunde Shun An Da Container Manufacturing Co., Ltd. ("Shun An Da") on 6th February, 2001. After the signing of the agreement, a new joint venture company will be set up and will be named Shunde Shun An Da Pacific Container Co., Ltd. ("SSPC"). The Group holds a 40 per cent stake in SSPC. SSPC mainly produces ISO dry freight containers and 45-foot/48-foot specialised containers. It has two production lines with an annual production capacity of 155,000 TEUs.

The Group's cooperation with Shun An Da began in September 1999 under a commercial management agreement. With the joint efforts of both parties, the production efficiency of Shun An Da has been greatly improved and the cooperation has been good. The inclusion of SSPC enables the Group to extend its manufacturing network to the Southern PRC to capture the booming market demand in that region. It is expected that Group's total annual container production capacity will be nearly doubled, reaching over 350,000 TEUs.

Singamas Falcon

The Group entered into a shareholders' agreement on 12th February, 2001 with Pacific International Lines (Private) Ltd., Eastern Maritime (Thailand) Ltd. and a private investor to establish a new container depot, Singamas Falcon Logistics Co., Ltd. ("Singamas Falcon") in Bangkok, Thailand. The Group holds a 25 per cent equity interest in Singamas Falcon. Witnessing the economic recovery in Thailand and increasing container throughput in the Asia Pacific region, the Group believes that trade activities in the area will grow over time. The Group is leveraging this business opportunity to expand its depot business network coverage from the PRC to other countries in the Asian region. The Group is confident that this newly added depot will generate satisfactory returns to the Group.

Additionally, the Group will be continuing to seek new business opportunities to extend its container manufacturing and depot network with joint co-operations or acquisitions of factories and depots at strategic locations.

To provide quality customer services, the Group is currently establishing an e-commerce business model, an online system to conduct business electronically. At its initial stages, it will provide information for customers. The system will be installed in all of the Group's factories, container depots and mid-stream operation. In the future, customers will be able to access up-to-date information and place orders via the Internet.

CONCLUSION

I would like to take this opportunity to extend my sincere gratitude to our customers, suppliers, bankers, investors and business partners for their continuous co-operation, support, patronage and confidence in the Group. I would also like to thank my colleagues for their efforts and hard work over the past year. They have made a significant contribution to the year's results. We invite our investors to join us in what will be an exciting period of development and growth for the Group in the years to come.

Chang Yun Chung
Chairman

Hong Kong, 3rd April, 2001

Directors and Senior Management Profile

DIRECTORS

Directors during the year and up to the date of this Annual Report are as follows:

Mr. Chang Yun Chung	
(also known as Mr. Teo Woon Tiong)	*Chairman*
Mr. Teo Siong Seng	*Vice Chairman*
Mr. Hsueh Chao En	*Executive Director*
Mr. Teo Tiou Seng	*Executive Director*
Mr. Kuan Kim Kin*	*Non-Executive Director*
Mr. Ong Ka Thai*	*Independent Non-Executive Director*
Mr. Ping Kim*	*Independent Non-Executive Director*

* *Audit Committee Member*

Details of the directors at the date of this Annual Report are as follows:

Mr. Chang Yun Chung (also known as Teo Woon Tiong), aged 82, Chairman, appointed on 20th April 1993, started his shipping career in Singapore in 1949 and is the founder of Pacific International Lines (Private) Limited ("PIL"), a substantial shareholder of the Company. Mr. Chang is presently the Executive Chairman of the PIL Group of companies in Singapore, which is engaged in shipping and related business. Mr. Chang is a director of many companies, including Tranpac Shipping Enterprises Limited of Hong Kong. He is also the Chairman of Malaysia Shipping Corporation Sdn. Bhd. of Malaysia and Pacific Seatrans Lines Pte. Ltd. of Thailand, respectively.

Mr. Teo Siong Seng, *B. Sc. (Naval Architect)*, aged 46, appointed on 20th April, 1993 and became the President and Chief Executive Officer of the Company on 1st February, 1997. Mr. Teo is a son of Mr. Chang Yun Chung and he is also a director of various subsidiaries of the Company. Mr. Teo started his shipping career with the PIL Group in 1979 and was appointed as Managing Director of PIL in October, 1992. Mr. Teo is the Executive Director of various PIL subsidiaries and joint venture companies whose activities include shipping, ship management, air freighting, travel, warehousing, container manufacturing and container depots/logistics center. Mr. Teo is a Council Member of Singapore Chinese Chamber of Commerce & Industry and Singapore Shipping Association. He sits on the board of Port of Singapore Marine (Pte.) Ltd., Standard Steamship Owners' Protection & Indemnity Association (Bermuda) Limited and Through Transport Mutual Insurance Association Limited. He is also a Member of the Singapore-Hubei Trade & Investment Promotion Working Group under the Singapore Trade Development Board.

Mr. Hsueh Chao En, *Dip. Eng.*, aged 48, appointed on 16th May, 1997, joined Shanghai Pacific in July, 1989 and was appointed as Vice President-Manufacturing Operations of the Company on 1st June, 1993. Mr. Hsueh is a director of various subsidiaries of the Company, the Vice President of Shanghai Pacific responsible for the Technical Division within the Production Department and the Quality Control Department, and is also the General Manager of Xiamen Pacific and SSPC. Prior to joining the Company, he had over 10 years' experience as a Plant Manager in various container manufacturing plants in Taiwan.

Mr. Teo Tiou Seng, aged 48, appointed on 26th June, 1996 and is also a director of various subsidiaries of the Company. Mr. Teo is a son of Mr. Chang Yun Chung and has engaged in shipping business since 1977. Mr. Teo graduated and holds a MBA from the University of Western Ontario, Richard Ivey School of Business - the leading business school in Canada. He has more than 18 years of working experience in container transport business and is also a director of Pacific International Lines (Private) Limited in Singapore and the Managing Director of Pacific International Lines (Hong Kong) Limited.

Mr. Kuan Kim Kin, aged 53, appointed on 15th July, 1998 and is also the General Manager-Finance Division of PIL. Mr. Kuan is a fellow member of The Chartered Institute of Management Accountants, the United Kingdom. He has served for more than 21 years in various financial management and accounting positions across diverse business groups and public limited companies in Malaysia.

Mr. Ong Ka Thai, aged 47, was appointed Independent Non-Executive Director of the Company in May 1997. Mr. Ong is currently the Chairman of a number of companies including Ong First Chicago Holdings Co. Ltd., Ong First Chicago Futures Pte. Ltd., Ong Commodities Pte. Ltd. and Ong Pacific Capital Ltd. A Bachelor of Arts (Economics) graduate from the University of California at Los Angeles, Mr. Ong had served as the CEO for a number of multinational joint-ventures. Mr. Ong is also a director of Shanghai International Shanghai Growth Investment Ltd., a company listed on The Stock Exchange of Hong Kong Limited. Mr. Ong has over 22 years of experience in manufacturing, corporate and trade finance, regional equity, futures and commodities trading, investment banking and corporate advisory services, as well as direct and private equity investment.

Mr. Ping Kim, aged 64, appointed on 31st May, 1993, was an officer of Beijing Sinotrans Administration Office in Hong Kong. He joined Beijing Sinotrans in 1970 and has served as its Deputy General Manager and General Manager and was the Chairman of Beijing Sinotrans from 1989 to 1993. Mr. Ping studied at Wuhan University.

SENIOR MANAGEMENT EXECUTIVES

The senior management executives during the year and up to the date of this Annual Report are as follows:

Mr. Teo Siong Seng	President and Chief Executive Officer
Mr. Hsueh Chao En	Vice President – Manufacturing Operations
Ms. Tam Shuk Ping, Sylvia	Vice President – Finance and Company Secretary
Mr. Kang Choon Howe, Charles	Director of Marketing
Mr. Chan Kwok Leung, Andy	General Manager – Hong Kong Container Depot and Terminal Operations
Mr. Lu Yu Lii, York	General Manager – China Container Depot Operations

Details of the senior management executives at the date of this Annual Report are as follows:

Mr. Teo Siong Seng, appointed as President and Chief Executive Officer of the Company on 1st February, 1997. Please refer to the Directors section for details.

Mr. Hsueh Chao En, appointed as Vice President-Manufacturing Operations of the Company on 1st June, 1993. Please refer to the Directors section for details.

Ms. Tam Shuk Ping, Sylvia, *B.Comm., M.B.A., C.A. (Can.), F.H.K.S.A.,* aged 38, Vice President - Finance, joined the Company on 15th May, 1995. She was appointed as Company Secretary on 1st March, 1997 and is also a director of vairous subsidiaries of the Company. Prior to joining the Company, she was the Chief Financial Officer of a Hong Kong based construction company. She has more than 13 years' experience in public accountancy, manufacturing, distribution and construction.

Mr. Kang Choon Howe, Charles, aged 53, Director of Marketing, joined the Company on 15th November, 1999. Mr. Kang is primarily involved in the overall marketing activities of the Group as well as business development. He has more than 26 years' experience in the various aspects of the container leasing industry. Prior to joining the Company, he worked at Genstar Container Corporation/GE Capital Container Finance for more than 16 years.

Mr. Chan Kwok Leung, Andy, aged 44, joined Eng Kong Container Services Ltd., a subsidiary of the Company, on 1st July, 1994 and was appointed General Manager-Hong Kong Container Depot and Terminal Operations of the Company on 1st March, 1997. Mr. Chan has more than 22 years' experience in container depot management, container inspection and repair, and container leasing. Prior to joining the Company, he was the Technical Director of Unicon International Ltd., a container surveying company with major interests in the Far East.

Mr. Lu Yu Lii, York, *B. Eng.*, aged 45, General Manager-China Container Depot Operations, joined the Company on 1st March, 1998 and is also a director of various subsidiaries of the Company. Mr. Lu has more than 16 years' experience in shipping and container depot management. Prior to joining the Company, he was the Managing Director of a Hong Kong based shipping agency.

Report of the Directors

The directors of the Company (the "Directors") have pleasure in submitting to the shareholders their report and the audited financial statements of the Company and the Group for the year ended 31st December, 2000.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to its subsidiaries and associates. The activities of its principal subsidiaries and associates are set out in notes 15 and 17, respectively, to the financial statements.

An analysis of the Group's turnover and contribution to profit before taxation for the year ended 31st December, 2000 by principal activity and geographical market is as follows:

Analysis by principal activity

	Turnover	Contribution to profit before taxation
	US$'000	*US$'000*
Container manufacturing	148,540	8,351
Container depot	21,856	2,965
Mid-stream	9,324	1,674
	179,720	12,990
Finance costs		(4,557)
Investment income		413
Share of results of associates		1,320
Profit before taxation		10,166

Analysis by geographical market

	Turnover	Contribution to profit before taxation
	US$'000	*US$'000*
United States	46,562	2,643
Hong Kong	40,459	3,484
Europe	34,057	1,276
PRC (other than Hong Kong and Taiwan)	31,829	3,914
Singapore	11,461	704
Taiwan	5,754	344
Indonesia	4,916	261
Japan	2,514	156
Others	2,168	208
	179,720	12,990
Finance costs		(4,557)
Investment income		413
Share of results of associates		1,320
Profit before taxation		10,166

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December, 2000 are set out in the consolidated income statement on page 34.

The Directors do not recommend the payment of a dividend (1999: NIL) and propose that the net profit for the year be retained.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 71 to 72.

RESERVES

Details of the movements in the reserves of the Group and the Company during the year are set out in note 25 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment during the year are set out in note 13 to the financial statements.

PARTICULARS OF PRINCIPAL SUBSIDIARIES AND ASSOCIATES

Particulars regarding the principal subsidiaries and associates of the Company are set out in notes 15 and 17, respectively, to the financial statements.

LIQUIDITY

As at 31st December, 2000, the Group had bank balances and cash of US$16.5 million (1999: US$15.2 million) and total borrowings of US$64.1 million (1999: US$52.4 million). This represented a gearing ratio, calculated on the basis of the Group's total borrowings over shareholders' funds, of 1.34 (1999: 1.26) and a net debt to equity ratio, calculated on the basis of the Group's net borrowings (after deducting bank balances and cash of US$16.5 million) over shareholders' fund, of 0.99 (1999: 0.89). The increase in total borrowings was largely attributable to the financing of the increase in accounts receivable and inventories by US$18,367,000 and US$8,103,000, respectively. Turnover for 2000 increased by 30 per cent from 1999. The increased turnover coupled with the longer credit period offered to certain of the Group's long-term and major customers during the year increased accounts receivable. Besides, to cope with the higher container demand, the Group expanded its production capacity, and purchased and stored more raw materials to accommodate the increased production and resulted in higher inventory level. The interest coverage ratio of the Group's profit before interest, tax, depreciation and amortisation (EBITDA) to total net interest expense was 4.65 times in 2000, compared to 4.39 times in 1999.

TREASURY POLICIES

The Group maintains a conservative approach on foreign exchange exposure management. The Group's revenues are mostly transacted in US$ and maintains cash balances mainly in US$, same is true for its machinery and material purchases. To a much lesser extent some operating expenses are transacted in other currencies including Hong Kong dollars, Chinese Renminbi ("RMB") and Indonesia Rupiah. The majority of the Group's borrowings, approximately 72.1 per cent of the total as at 31st December, 2000 was in US$ with the balance mainly in RMB. This policy adheres to the Group's principle to match its revenues with borrowings to minimize currency exposure.

The majority of the Group's borrowings is arranged on a short term revolving basis for the financing of the Group's daily working capital requirements. Of the total borrowings at the year end date, the maturity profile spread over a period of six years with US$55.6 million repayable within one year, US$6.5 million within two to five years and US$600,000 within six years. The Group's borrowings are principally on a floating rate basis. As the Group's borrowings are largely on short term basis, no hedging instruments are used by the Group since the effect of the interest rate exposure is nominal.

BANK BORROWINGS

Details of bank borrowings of the Group and the Company are set out in note 26 to the financial statements. No Interest was capitalised by the Group during the year.

CAPITAL EXPENDITURE

To capture a larger market share and further achieve economies of scale generated by the increase in container demand in the region, the Group actively increased its production capacity in the PRC during the year under review. Capital expenditure for the year totalled US$7.4 million, which was largely used in the purchase of property , plant and equipment for the expansion of the production capacity.

ACQUISITIONS AND DISPOSALS

The Group invested US$3.2 million in the acquisition of 15 per cent additional equity interest in Xiamen Pacific Container Manufacturing Co., Ltd. (a dry freight container manufacturing factory) at a consideration of US$2.6 million, and in the acquisition of 30 per cent equity interest in a new container depot in Dalian, PRC at a consideration of US$600,000. These two investments are approved by the directors of the Company and are financed by bank borrowings on a medium term committed basis.

ACQUISITIONS AND DISPOSALS (continued)

Details of investments made by the Company subsequent to the year-end date are set out in note 36 to the financial statements.

In December 2000, Shanghai Reeferco Container Co., Ltd. ("SRCC"), a subsidiary of the Company, issued additional US$2 million of equity interest to a minority shareholder. The Group's equity interest in SRCC thus reduced from 57.7% to 52.4%. The profit on deemed disposal of interest in a subsidiary of US$726,000 was resulted and credited to income statement in the year.

CHARGES OF ASSETS

As at 31st December, 2000, certain assets of the Group with aggregate carrying value of US$14,073,000 (1999: US$14,782,000) were pledged as security for loan facilities granted by banks to subsidiaries in Indonesia and the PRC, and the shareholdings of the Company in two associates were pledged as security for credit facilities granted to the Company. The Group's share of net assets and the Company's costs of these two associates were US$8,557,000 and US$6,800,000 respectively.

CONTINGENT LIABILITIES

Details of contingent liabilities of the Group and the Company are set out in note 29 to the financial statements.

SHARE CAPITAL

There was no movement in the share capital of the Company during the year. Details of share capital are set out in note 23 to the financial statements.

DIRECTORS

The Directors during the year and up to the date of this Annual Report are:

Mr. Chang Yun Chung *(also known as Mr. Teo Woon Tiong)*
Mr. Teo Siong Seng
Mr. Hsueh Chao En
Mr. Teo Tiou Seng
Mr. Kuan Kim Kin#
Mr. Ong Ka Thai*
Mr. Ping Kim*

* *Independent Non-Executive Director*
\# *Non-Executive Director*

In accordance with Articles 92, 93 and 98 of the Company's Articles of Association, Messrs. Chang Yun Chung, Ping Kim and Ong Ka Thai retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

AUDIT COMMITTEE

Pursuant to the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), an Audit Committee of the Company was established on 24th August, 1998 with reference to "A Guide for the Formation of an Audit Committee" issued by the Hong Kong Society of Accountants in December 1997. During the year under review, the Committee met twice.

The Audit Committee is answerable to the Board and the principal duties of the Committee include the review of the Company's financial reporting process and internal controls.

DIRECTORS' INTERESTS

As at 31st December, 2000, the interests of the Directors in the listed securities of the Company as recorded in the Register maintained by the Company pursuant to Section 29 of Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") or as notified to the Company were as follows:

	Number of Ordinary Shares of HK$0.10 each		Percentage
	Personal	**Corporate**	**of issued**
Name	**Interests**	**Interests**	**shares**
Mr. Chang Yun Chung	–	285,660,178 *(Note)*	62.64
Mr. Teo Siong Seng	10,134,000	–	2.22
Mr. Teo Tiou Seng	1,114,000	–	0.24

Note: These shares are held by Pacific International Lines (Private) Limited ("PIL") (an associated corporation, within the meaning of the SDI Ordinance, of the Company) in which Mr. Chang Yun Chung is interested, in aggregate, in 16,525,000 shares representing 89.42 per cent of the issued share capital of that company. Mr. Chang Yun Chung's interest in shares of PIL comprises a personal interest in 2,642,500 shares and corporate interests in 5,850,000 shares through South Pacific International Holdings Limited, a company in which he holds 52 per cent of the issued share capital and 8,032,500 shares through Y C Chang & Sons Private Limited, a company in which he holds 2.86 per cent of the issued share capital.

Details of the total share options held by the Directors during the year and as at 31st December, 2000 are listed below:

Name	**Date of Grant**	**Exercise Price (HK$)**	**Number of Share Options as at 31st December, 2000 & 1999**
Mr. Teo Siong Seng	8th October, 1994	1.908	1,500,000
	15th May, 1995	1.440	1,500,000
Mr. Hsueh Chao En	8th October, 1994	1.908	400,000
			3,400,000

Further details of the Share Option Scheme of the Company are set out in note 24 to the financial statements.

DIRECTORS' INTERESTS (continued)

Other than those disclosed in note 33 to the financial statements (which in the opinion of the Directors were carried out in ordinary course of the Group's business), no contracts of significance in relation to the Group's business to which the Company, its holding company, fellow subsidiaries or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the Company, its holding company, fellow subsidiaries or any of its subsidiaries a party of any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, with the exception of the Share Option Scheme, details of which are described above.

Other than as disclosed above, none of the Directors, nor their associates, had any interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance, and none of the Directors, nor their spouses or children under the age of 18, had any right to subscribe for securities of the Company, or had exercised any such right during the year.

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

Other than the interests of certain directors disclosed under the section headed "Directors' Interests" above, the Register of Substantial Shareholders maintained under section 16(1) of the SDI Ordinance discloses no other person having an interest of 10 per cent or more in the issued share capital of the Company as at 31st December, 2000.

CORPORATE GOVERNANCE

Throughout the year ended 31st December, 2000 the Company has complied with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules, except that the non-executive director and the independent non-executive directors of the Company are not appointed for a specific term as they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Articles of Association.

DIRECTORS' SERVICE AGREEMENT

Mr. Teo Siong Seng has entered into a service agreement with the Company. Unless terminated by cause, the service agreement is for an initial term of three years which commenced on 1st April, 2000. Thereafter, the service agreement is valid for a further three years, unless terminated by either party giving at least six months' notice. No other Directors has a service contract with the Company which is not terminable by the Company within one year without payment of compensation.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of the Group's purchases and sales attributable to major suppliers and customers are as follows:

	Percentage
Percentage of purchases attributable to the Group's largest supplier	15.5
Percentage of purchases attributable to the Group's five largest suppliers	32.0
Percentage of sales attributable to the Group's largest customer	8.8
Percentage of sales attributable to the Group's five largest customers	31.0

During the year, none of the Directors or their associates or any shareholder (which to the knowledge of the Directors owns more than 5 per cent of the Company's share capital) had an interest in the major suppliers or customers noted above.

PURCHASE, SALE OR REDEMPTION OF 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.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

RETIREMENT BENEFITS SCHEME

Details of the Retirement Benefits Schemes are set out in note 8 to the financial statements.

PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT EXECUTIVES

Brief biographical details of the Directors and Senior Management Executives of the Company are set out on pages 15 to 18 under the Directors and Senior Management Profile section of this Annual Report.

REMUNERATION POLICIES AND EMPLOYEE RELATIONS

As at 31st December, 2000, the Group, including its subsidiaries but excluding associates, employed 3,773 (1999: 3,345) full-time employees. Staff cost (including directors' emoluments) amounted to US$14.5 million (1999: US$13 million) for the year. All full-time salaried employees, except for factory workers and contract employees, are being paid on a monthly basis, plus a discretionary performance bonus, normally equivalent to one month's basic salary. Factory workers are being remunerated based on a basic wage plus production incentive. The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system. To further enhance the capability of its human resource, the Group provides on-the-job training to its employees.

Neither the Company nor any of its subsidiaries has established a labour union, and is not subject to any collective agreements. The Group has maintained good relationships with its employees. None of the Group's employees is represented by a labour union.

The Company has adopted a Share Option Scheme for employees, details of which are set out in note 24 to the financial statements.

POST BALANCE SHEET EVENTS

Details of significant post balance sheet events are set out in note 36 to the financial statements.

AUDITORS

A resolution will be submitted to the Annual General Meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board
Chang Yun Chung
Chairman

Hong Kong, 3rd April, 2001

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Singamas Container Holdings Limited (the "Company") will be held at Plaza I-III, Lower Lobby, Century Hong Kong Hotel, 238 Jaffe Road, Wanchai, Hong Kong on Tuesday, 19th June, 2001 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and of the auditors for the year ended 31st December, 2000.

2. To re-elect retiring directors and to fix the directors' remuneration.

3. To appoint auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.

4. As special business, to consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

   "**THAT**:

   (a) subject to paragraph (c) below, the exercise by the directors of the Company ("Directors") during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with shares in the share capital of the Company ("Shares") and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;

   (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;

   (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below), (ii) an issue of Shares under any share option scheme adopted by the Company or (iii) a dividend of the Company satisfied by the issue of Shares in accordance with the Articles of Association of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of this resolution and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

"Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any law applicable to be held; and

(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the members in general meeting of the Company.

"Rights Issue" means an offer of Shares open for a period fixed by the Directors to the holders of Shares and on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restriction or obligation under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory applicable to the Company)."

5. As special business, to consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

"**THAT**:

(a) subject to paragraph (b) below, the exercise by the directors of the Company ("Directors") during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase its issued shares of HK$0.10 each in the share capital of the Company ("Shares") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of Shares to be repurchased or agreed conditionally or unconditionally to be repurchased by the Directors pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of this resolution and the said approval be limited accordingly; and

(c) for the purposes of this resolution:

"Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any law applicable to be held; and

(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the members in general meeting of the Company."

6. As special business, to consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

"**THAT**:

conditional on the passing of resolutions numbered 4 and 5 as set out in the notice of the meeting of which this resolution forms part, the aggregate nominal amount of shares in the share capital of the Company which are repurchased by the directors of the Company ("Directors") under the authority granted to the Directors mentioned in such resolution numbered 5 shall be added to the aggregate nominal amount of share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to resolution numbered 4 above, provided that the amount of share capital repurchased by the Directors shall not exceed 10 per cent of the total nominal amount of issued share capital of the Company on the date of this resolution."

7. To transact any other business.

By Order of the Board
Tam Shuk Ping, Sylvia
Company Secretary

Hong Kong, 3rd April, 2001

Registered office:
Units 604-606, 6th Floor
AXA Centre
151 Gloucester Road
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

2. In order to be valid, the form of proxy, together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that authority must be lodged with the registered office of the Company at Units 604-606, 6th Floor, AXA Centre, 151 Gloucester Road, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.

3. The register of members of the Company will be closed on Wednesday, 13th June, 2001 to Tuesday, 19th June, 2001, both days inclusive, during which period no transfer of shares will be effected. In order to determine entitlement to attend and vote at the meeting, all transfer of shares, accompanied by the relevant share certificates, must be lodged with the Company's Registrars, Central Registration Hong Kong Limited of 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:00 p.m. on Tuesday, 12th June, 2001.

4. An explanatory statement containing further details on resolution numbered 5 above will be sent to members of the Company together with the Annual Report.

Report of the Auditors

德勤·關黃陳方會計師行

Certified Public Accountants
26/F, Wing On Centre
111 Connaught Road Central
Hong Kong

香港中環干諾道中111號
永安中心26樓

Deloitte Touche Tohmatsu

TO THE MEMBERS OF SINGAMAS CONTAINER HOLDINGS LIMITED
(Incorporated in Hong Kong with limited liability)

We have audited the financial statements on pages 34 to 70 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Companies Ordinance requires the directors to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31st December, 2000 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong, 3rd April, 2001

Consolidated Income Statement

For the year ended 31st December, 2000

	Notes	**2000**	1999
		US$'000	*US$'000*
Turnover	*3*	**179,720**	138,056
Other revenue		**3,242**	2,047
Changes in inventories of finished goods and work in progress		**4,920**	1,491
Raw materials and consumables used		**(119,105)**	(82,218)
Staff costs		**(14,472)**	(12,964)
Depreciation and amortisation expenses		**(4,949)**	(5,438)
Other operating expenses		**(36,366)**	(33,920)
Profit from operations	*4*	**12,990**	7,054
Finance costs	*5*	**(4,557)**	(3,580)
Investment income	*6*	**413**	599
Share of results of associates		**1,320**	599
Profit before taxation		**10,166**	4,672
Taxation	*9*	**(1,284)**	(318)
Profit after taxation		**8,882**	4,354
Minority interests		**(2,800)**	(930)
Net profit for the year	*10, 25*	**6,082**	3,424
Earnings per share	*12*	**1.33 cents**	0.75 cent

Consolidated Balance Sheet

As at 31st December, 2000

	Notes	2000	1999
		US$'000	*US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment	13	**46,930**	44,611
Patents	14	**1,987**	300
Interests in associates	17	**10,318**	6,380
Other deferred expenses	18	**904**	939
		60,139	52,230
Current assets			
Inventories	19	**39,855**	31,752
Accounts receivable	20	**52,708**	34,341
Prepayments and other receivables		**8,898**	10,071
Amount due from ultimate holding company		**65**	794
Amounts due from fellow subsidiaries		**272**	147
Amounts due from associates		**1,514**	1,018
Amount due from a related company	22	**776**	1,398
Tax recoverable		**15**	121
Pledged deposit		**2,011**	1,051
Bank balances and cash		**16,544**	15,235
		122,658	95,928
Total assets		**182,797**	148,158
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	23	**5,854**	5,854
Share premium	25	**38,522**	38,522
Accumulated profits/(losses)	25	**1,053**	(4,889)
Other reserves	25	**2,386**	2,039
		47,815	41,526
Minority interests		**28,271**	25,034
		76,086	66,560

Consolidated Balance Sheet (continued)

As at 31st December, 2000

	Notes	2000 US$'000	1999 US$'000
Non-current liabilities			
Bank borrowings – due after one year	26	**7,080**	1,900
Obligations under finance leases and hire purchase contracts – due after one year	27	**493**	942
		7,573	2,842
Current liabilities			
Accounts payable	21	**24,793**	19,684
Accruals and other payables		**15,848**	7,469
Bills payable		**7,163**	5,069
Amount due to ultimate holding company		**1,344**	865
Amounts due to associates		**27**	1,030
Bank borrowings – due within one year	26	**48,472**	42,768
Obligations under finance leases and hire purchase contracts – due within one year	27	**863**	1,681
Tax payable		**628**	190
		99,138	78,756
Total equity and liabilities		**182,797**	148,158

The financial statements on pages 34 to 70 were approved by the Board of Directors on 3rd April, 2001 and are signed on its behalf by:

Teo Siong Seng
Director

Teo Tiou Seng
Director

Balance Sheet

As at 31st December, 2000

	Notes	2000 US$'000	1999 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	**127**	217
Interests in subsidiaries	15	**31,971**	31,971
Interests in associates	17	**6,800**	4,250
		38,898	36,438
Current assets			
Prepayments and other receivables		**906**	352
Amounts due from subsidiaries	16	**43,916**	42,732
Amounts due from associates		**1,343**	989
Bank balances and cash		**1,505**	1,389
		47,670	45,462
Total assets		**86,568**	81,900
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	23	**5,854**	5,854
Share premium	25	**38,522**	38,522
Accumulated profits	25	**10,340**	9,777
		54,716	54,153
Non-current liabilities			
Bank borrowings – due after one year	26	**1,800**	1,900
Obligations under finance leases and hire purchase contracts – due after one year	27	**59**	138
		1,859	2,038
Current liabilities			
Accruals and other payables		**685**	482
Bills payable		**6,243**	4,530
Amounts due to subsidiaries	16	**5,826**	8,769
Amount due to ultimate holding company		**1,304**	664
Amounts due to associates		**14**	–
Bank borrowings - due within one year	26	**15,847**	11,200
Obligations under finance leases and hire purchase contracts – due within one year	27	**74**	64
		29,993	25,709
Total equity and liabilities		**86,568**	81,900

Teo Siong Seng
Director

Teo Tiou Seng
Director

Consolidated Statement of Gains and Losses

For the year ended 31st December, 2000

	2000	1999
	US$'000	*US$'000*
Exchange differences arising on translation of overseas operations not recognised in income statement	**14**	22
Net profit for the year	**6,082**	3,424
Total recognised gains and losses	**6,096**	3,446
Negative goodwill arising on acquisition of additional interest in an associate	**193**	–
	6,289	3,446

Consolidated Cash Flow Statement

For the year ended 31st December, 2000

	Notes	**2000**	1999
		US$'000	*US$'000*
NET CASH INFLOW FROM OPERATING ACTIVITIES	*32(a)*	**7,457**	1,308
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		**413**	599
Interest paid		**(4,107)**	(3,011)
Interest element of finance leases and hire purchase contracts rental payments		**(158)**	(283)
Dividends received from associates		**488**	393
Dividends paid to minority shareholders		**(1,377)**	(1,479)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		**(4,741)**	(3,781)
TAXATION			
Overseas tax paid		**(740)**	(454)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(6,804)**	(2,000)
(Increase)/Decrease in pledged deposit		**(960)**	369
Additions to patents		**(1,700)**	–
Additions to other deferred expenses		**(113)**	(94)
Increase in investment in associates		**(2,910)**	(334)
Proceeds from disposal of property, plant and equipment		**275**	44
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(12,212)**	(2,015)
NET CASH OUTFLOW BEFORE FINANCING		**(10,236)**	(4,942)

Consolidated Cash Flow Statement (continued)

For the year ended 31st December, 2000

	Notes	2000	1999
		US$'000	*US$'000*
FINANCING	32(b)		
New bank loans		**36,472**	27,627
Repayment of bank loans		**(28,997)**	(23,266)
Capital element of finance leases and hire purchase contracts rental payments		**(1,890)**	(2,474)
Capital contributed by minority shareholders		**2,539**	10
NET CASH INFLOW FROM FINANCING		**8,124**	1,897
Decrease in cash and cash equivalents		**(2,112)**	(3,045)
Cash and cash equivalents at 1st January		**(9,295)**	(6,269)
Effect of foreign exchange rate changes		**12**	19
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER		**(11,395)**	(9,295)
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		**16,544**	15,235
Bank borrowings with less than three months maturity		**(27,939)**	(24,530)
		(11,395)	(9,295)

Notes to the Financial Statements

1 GENERAL

The Company is a listed public limited company incorporated in Hong Kong. Its ultimate holding company is Pacific International Lines (Private) Limited ("PIL"), a company incorporated in the Republic of Singapore. The Group is principally engaged in the businesses of container manufacturing, container depot and mid-stream operations.

The financial statements are presented in United States dollars, the currency in which the majority of the transactions are denominated.

2 SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

(a) Consolidation

The Group financial statements include the financial statements of the Company and its subsidiaries made up to 31st December. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The Group financial statements also include the Group's share of post acquisition profits less losses, and reserves, of its associates.

(b) Investments in subsidiaries

A subsidiary is an enterprise in which the Company, directly or indirectly, holds more than 50 per cent of the issued or registered share capital, or controls more than half of the voting power, or where the Company controls the composition of its board of directors or equivalent governing body.

Investments in subsidiaries are included in the Company's balance sheet at cost, as reduced by any decline in the value of the subsidiary that is other than temporary.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Interests in associates

An associate is an enterprise in which the Group is in a position to exercise significant influence in its management, including participation in financial and operating policy decisions.

The Group's investments in associates are included in the consolidated balance sheet at the Group's share of net assets of the associates, and the Group's share of the results of associates are included in the consolidated income statement. When the Group transacts with its associates, unrealised profits and losses are eliminated to the extent of the Group's interest in the relevant associates, except where unrealised losses provide evidence of an impairment of the asset transferred.

The results of associates are accounted for by the Company on the basis of dividends received and receivable during the year. In the Company's balance sheet, investments in associates are stated at cost, as reduced by any decline in the value of the associate that is other than temporary.

(d) Goodwill

Goodwill represents the excess of purchase consideration over the fair value ascribed to the net assets of subsidiaries and associates acquired and is eliminated against reserves in the year of acquisition.

Negative goodwill, which represents the excess value ascribed to the net assets of subsidiaries and associates acquired over the purchase consideration is credited to reserves in the year of acquisition.

(e) Revenue recognition

Revenue from container manufacturing operations is recognised at the earlier of the containers being delivered to customers or acceptance notes being issued by customers.

Revenue from container depot and mid-stream operations is recognised when the services are rendered.

Interest income is recognised on accruals basis.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. The cost of an asset comprises its purchase cost and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the asset has been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the asset, the expenditure is capitalised as an additional cost of the asset. Depreciation of property, plant and equipment is provided using the straight line method over their estimated useful lives, after taking into account estimated residual values. The estimated useful lives and residual values are as follows:–

	Estimated useful life	Estimated residual value
Land use rights outside Hong Kong		
– on medium term lease	over the lease period of 20 to 50 years	Nil
Building and site improvement outside Hong Kong		
– on medium term lease	20 years	Nil to10 per cent
– on short lease	5 years	Nil
Land, buildings and site improvements in Hong Kong		
– on medium term lease	20 to 50 years	Nil
– on short lease	1 to 5 years	Nil
Plant and machinery	5 to 10 years	Nil to 10 per cent
Furniture, fittings and office equipment	5 to 10 years	Nil to 10 per cent
Motor vehicles	5 years	Nil to 10 per cent

Assets under construction are stated at cost which includes all construction costs and other direct costs, including borrowing costs capitalised, attributable to the assets under construction. They are not depreciated until the construction is completed and the assets are brought into use.

Assets under finance leases are depreciated using the straight line method over the shorter of the respective lease terms and their estimated useful lives. Assets under hire purchase contracts are depreciated using the straight line method over their estimated useful lives.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment (continued)

Gain or loss arising on disposal of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is dealt with in the income statement.

Where the recoverable amount of an asset has declined below its carrying amount, the carrying amount is reduced to reflect the decline in value. In determining the recoverable amount of assets, expected future cash flows are not discounted to their present values.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average basis, comprises the cost of materials, and where applicable, direct labour, and an appropriate portion of production overhead expenditure and all other costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value is determined on the basis of anticipated sales proceeds in the ordinary course of business less estimated cost of completion and selling expenses.

(h) Patents

Patents represent the cost of acquiring rights to technical know-how for the production and sale of new products. The cost is amortised, using the straight line method, over their expected future economic lives. Where circumstances indicate that such expenditure is no longer recoverable, it is written off immediately to the income statement.

(i) Other deferred expenses

Other deferred expenses represent expenses, including prepayment of rentals, with expected future economic lives of more than one year. The cost is amortised, using the straight line method, over their expected future economic lives.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Assets under leases

i. *Finance leases*

Leases that transfer to the Group substantially all the rewards and risks of ownership of assets, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the fair value of the assets is recorded together with the obligation, excluding the interest element, to pay future rentals. Finance charges are accounted for in the income statement in proportion to the capital balances outstanding.

ii. *Hire purchase contracts*

Assets held under hire purchase contracts and the related obligations are recorded in the balance sheet at the date of acquisition at the fair value of the assets. The hire purchase interest, which represents the excess of the installments paid over the fair value of the assets, is charged to the income statement in proportion to the capital balances outstanding.

iii. *Operating leases*

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to the income statement on a straight line basis over the lease term.

(k) Deferred tax

Deferred tax is accounted for, using the liability method, at the current tax rate in respect of timing differences between profit as computed for tax purposes and profit as stated in the financial statements to the extent that a liability or asset is expected to be payable or receivable in the foreseeable future.

(l) Currencies other than United States dollars ("US$")

Transactions in currencies other than US$ are translated into US$ at the rates of exchange ruling on the transaction dates. Monetary assets and liabilities expressed in currencies other than US$ at the balance sheet date are translated into US$ at the rates of exchange ruling on the balance sheet date. Exchange differences arising in these cases are dealt with in the income statement.

On consolidation, the financial statements of subsidiaries and associates expressed in currencies other than US$ are translated into US$ at the rates of exchange ruling on the balance sheet date for balance sheet items and at monthly average rates for the income and expenditure items. Exchange differences arising on consolidation, if any, are dealt with in reserves.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Retirement benefit costs

In respect of the subsidiaries in the People's Republic of China other than Hong Kong (the "PRC"), the Group contributes to a State-sponsored retirement benefit scheme operated by the PRC government.

Prior to 1st December, 2000, the Group contributed to defined contribution retirement schemes which are available to certain employees of Hong Kong. The assets of these schemes are held separately and managed by independent trustees. The amount of the Group's contributions, net of any contributions forfeited in respect of those employees who leave the schemes prior to vesting fully in the contributions, are charged to the income statement as incurred.

With effective from 1st December, 2000, the Company has joined a Mandatory Provident Fund ("MPF") scheme and contributes to the MPF scheme which is available to all employees in Hong Kong. Contributions payable by the Group to the MPF scheme are charged to the income statement.

Other than those listed above, retirement schemes are not available to the employees of other companies of the Group.

3 TURNOVER

Turnover represents sales from container manufacturing, container depot and mid-stream operations, less returns and allowances, and is analysed as follows:

	2000	1999
	US$'000	*US$'000*
Container manufacturing	**148,540**	109,812
Container depot	**21,856**	20,261
Mid-stream	**9,324**	7,983
	179,720	138,056

4 PROFIT FROM OPERATIONS

Profit from operations has been arrived at and after charging the followings :

	2000	1999
	US$'000	*US$'000*
Auditors' remuneration	**256**	215
Staff costs, including directors' emoluments		
– Salaries and other benefits	**13,199**	11,856
– Retirement benefit costs *(note 8)*	**1,273**	1,108
	14,472	12,964
Depreciation and amortisation		
Depreciation		
– Owned property, plant and equipment	**3,957**	3,782
– Assets held under finance leases and hire purchase contracts	**831**	1,158
Amortisation		
– Patents	**13**	370
– Other deferred expenses	**148**	128
	4,949	5,438
Operating lease charges		
– Land and buildings	**3,068**	3,778
– Plant and machinery	**618**	657
	3,686	4,435
Loss on disposal of property, plant and equipment	**45**	27
Net exchange loss	**35**	25

5 FINANCE COSTS

	2000 US$'000	1999 US$'000
Interest on		
– Bank loans and overdrafts not wholly repayable within five years	**11**	–
– Bank loans and overdrafts wholly repayable within five years	**4,096**	3,011
– Finance leases and hire purchase contracts	**158**	283
Bank charges and commissions	**292**	286
	4,557	3,580

6 INVESTMENT INCOME

	2000 US$'000	1999 US$'000
Interest earned on bank deposits	**413**	599

7 DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

	2000 US$'000	1999 US$'000
Directors' emoluments		
Fees:		
Executive	**77**	51
Non-executive	**19**	13
Independent non-executive	**38**	26
	134	90
Other emoluments:		
Executive:		
Salaries and other benefits	**482**	472
Retirement benefit costs	**9**	9
	491	481
	625	571

7 DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (continued)

The directors' emoluments were within the following bands:

		2000 **Number of directors**	1999 Number of directors
Nil – US$128,349	(Nil – HK$1,000,000)	**5**	5
US$192,524 – US$256,697	(HK$1,500,001 – HK$2,000,000)	**1**	1
US$256,698 – US$320,872	(HK$2,000,001 – HK$2,500,000)	**1**	1

During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as a compensation for the loss of office. None of the directors has waived any emoluments during the year.

The above analysis includes 2 (1999: 2) individuals whose emoluments were among the five highest in the Group. Details of the aggregate emoluments paid to the remaining individuals whose emoluments were among the five highest in the Group and which have not been included in directors' emoluments above are set out below:–

	2000 ***US$'000***	1999 *US$'000*
Salaries and other benefits	**361**	295
Retirement benefit costs	**8**	7
	369	302

Their emoluments were within the following bands:

		2000 **Number of individuals**	1999 Number of individuals
Nil – US$128,349	(Nil – HK$1,000,000)	**2**	3
US$128,350 – US$192,523	(HK$1,000,001 – HK$1,500,000)	**1**	–

Details of the Share Option Scheme are set out in note 24. No options under the scheme were exercised during the year.

8 RETIREMENT BENEFIT COSTS

Prior to 1st December, 2000, the Group operated defined contribution retirement schemes for certain employees in Hong Kong. The assets of the schemes are held separately and managed by independent trustees. Under the rules of the schemes, the employer and its employees are each required to make contributions to the schemes at rates specified in the rules. These schemes are registered under the Occupational Retirement Scheme Ordinance. Any amount unvested upon an employee ceasing to be a member shall be used to offset subsequent employer's contributions.

With effect from 1st December, 2000, the Company has joined a MPF scheme for all employees in Hong Kong. The MPF scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF scheme are held separately from those of the Group in funds under the control of an independent trustee.

Under the rules of the MPF scheme, the employer and its employees are each required to make contributions to the schemes at rates specified in the rules. The only obligation of the Group with respect to the MPF scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The employees of subsidiaries in the PRC are members of a State-sponsored retirement benefit scheme operated by the government in the PRC. Subsidiaries are required to contribute a certain percentage of payroll to the retirement benefit scheme. Obligations under the scheme are borne by the PRC Government.

No retirement benefit is provided to the employees of a subsidiary company in the Republic of Indonesia ("Indonesia").

The retirement benefit costs charged to the income statement representing contributions payable by the Group to the defined contribution retirement schemes operated in Hong Kong and the retirement benefit scheme in the PRC amounted to US$1,273,000 (1999: US$1,108,000). Contributions totaling US$108,000 (1999: US$111,000) were payable to the retirement schemes at the year-end and are included in accruals and other payables.

Forfeited contributions of the Group's defined contribution retirement schemes in the amount of US$6,000 (1999: US$23,000) were used to reduce the current year's contributions. At the balance sheet date, the Group had no forfeited contributions, which arose from the employees leaving the retirement schemes and which are available to reduce the contribution payable by the Group in the future years.

9 TAXATION

Hong Kong profits tax has been provided for at the rate of 16 per cent (1999: 16 per cent) on the estimated assessable profit for the year.

Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the jurisdictions in which the Group operates.

	2000	1999
	US$'000	US$'000
Company and subsidiaries:		
Hong Kong profits tax	**71**	–
Overseas taxation	**1,213**	318
	1,284	318

Deferred tax charges for the year have not been provided in respect of the following:

	2000	1999
	US$'000	US$'000
Accelerated depreciation allowances	**(183)**	(13)
Tax losses	**355**	195
	172	182

10 NET PROFIT FOR THE YEAR

Net profit for the year is dealt with in the financial statements of the Company to the extent of a profit of US$563,000 (1999 : US$886,000).

11 DIVIDEND

The directors do not recommend the payment of a dividend for the year (1999: Nil).

12 EARNINGS PER SHARE

The calculation of earnings per share is based on the net profit for the year of US$6,082,000 (1999: US$3,424,000) and 456,001,760 ordinary shares (1999: 456,001,760 ordinary shares) in issue throughout the year. Diluted earnings per share is not presented as the exercise price of the Company's outstanding share options was higher than the average market price of shares for both 2000 and 1999.

13 PROPERTY, PLANT AND EQUIPMENT

	Assets under construction	Land and buildings	Plant and machinery	Furniture, fittings and office equipment	Motor vehicles	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Group						
Cost						
At 1st January, 2000	414	31,990	28,878	6,085	3,571	70,938
Additions	5,310	47	1,589	173	308	7,427
Disposals	–	–	(955)	(88)	(190)	(1,233)
Transfer from assets under construction	(2,251)	798	1,084	127	242	–
Translation differences	–	(4)	(6)	(2)	(1)	(13)
At 31st December, 2000	3,473	32,831	30,590	6,295	3,930	77,119
Accumulated depreciation						
At 1st January, 2000	–	6,931	12,225	4,371	2,800	26,327
Charge for the year	–	1,419	2,587	549	233	4,788
Eliminated on disposals	–	–	(679)	(66)	(168)	(913)
Translation differences	–	(5)	(5)	(2)	(1)	(13)
At 31st December, 2000	–	8,345	14,128	4,852	2,864	30,189
Net book value						
At 31st December, 2000	**3,473**	**24,486**	**16,462**	**1,443**	**1,066**	**46,930**
At 31st December, 1999	414	25,059	16,653	1,714	771	44,611

The net book value of plant and machinery held under finance leases and hire purchase contracts amounted to US$3,375,000 (1999:US$8,913,000).

13 PROPERTY, PLANT AND EQUIPMENT (continued)

The net book value of land and buildings is analysed as follows:

	Land use rights	Land and buildings	Site improve-ments	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*
Group				
At 31 December, 2000				
Held in Hong Kong				
On short lease (less than 10 years)	–	–	109	109
On medium term lease (10 to 50 years)	–	79	–	79
Held outside Hong Kong				
On medium term lease (10 to 50 years)	2,148	6,828	15,322	24,298
	2,148	6,907	15,431	24,486
At 31 December, 1999				
Held in Hong Kong				
On short lease (less than 10 years)	–	–	207	207
On medium term lease (10 to 50 years)	–	80	–	80
Held outside Hong Kong				
On medium term lease (10 to 50 years)	2,232	7,031	15,509	24,772
	2,232	7,111	15,716	25,059

Land and buildings held outside Hong Kong with an aggregate net book value of US$14,073,000 as at 31st December, 2000 (1999: US$14,782,000) were pledged as security for loan facilities granted by banks to subsidiaries in Indonesia and the PRC. The amount of facilities utilised as at 31st December, 2000 was US$9,911,000 (1999: US$3,282,000).

13 PROPERTY, PLANT AND EQUIPMENT (continued)

	Furniture, fittings and office equipment	Motor vehicles	Total
	US$'000	*US$'000*	*US$'000*
Company			
Cost			
At 1st January, 2000	943	44	987
Additions	39	–	39
Disposals	(14)	–	(14)
At 31st December, 2000	968	44	1,012
Accumulated depreciation			
At 1st January, 2000	765	5	770
Charge for the year	119	9	128
Eliminated on disposal	(13)	–	(13)
At 31st December, 2000	871	14	885
Net book value			
At 31st December, 2000	**97**	**30**	**127**
At 31st December, 1999	178	39	217

14 PATENTS

	Group	
	2000	1999
	US$'000	*US$'000*
At 1st January	**300**	670
Amount capitalised	**1,700**	–
Amount amortised	**(13)**	(370)
At 31st December	**1,987**	300

15 INTERESTS IN SUBSIDIARIES

	Company	
	2000	1999
	US$'000	*US$'000*
Unlisted shares and investments, at cost	**31,971**	31,971

Particulars of principal subsidiaries as at 31st December, 2000 are set out below:–

Name	Place of incorporation/ registration	Group equity interest	Issued and paid up capital	Principal activities
Abacus International Finance Ltd. *	British Virgin Islands	100%	US$1,000	Provision of financial services and marketing of dry freight and specialised containers in the PRC
DY Terminal Ltd.	Hong Kong	100%	HK$1,000,000	Provision of container storage and repair services
Eng Kong Container & Warehousing Ltd.	Hong Kong	73.3%	HK$300,000	Investment holding
Eng Kong Container Services Ltd.	Hong Kong	73.3%	HK$3,000,000	Provision of container storage, drayage and repair services
P.T. Java Pacific Container Factory	Indonesia	72%	US$10,000,000	Manufacturing of dry freight and specialised containers
Shandong International Singamas Container Co., Ltd. #	PRC	60%	US$2,000,000	Provision of container storage and repair services
Shanghai Pacific International Container Co., Ltd. * #	PRC	60%	US$18,000,000	Manufacturing of dry freight containers
Shanghai Reeferco Container Co., Ltd. # *(Note)*	PRC	52.4%	US$22,000,000	Manufacturing of refrigerated containers

15 INTERESTS IN SUBSIDIARIES (continued)

Name	Place of incorporation/ registration	Group equity interest	Issued and paid up capital	Principal activities
Shanghai Singamas Container Transportation Co., Ltd. #	PRC	60%	US$9,000,000	Provision of container storage and repair services
Singamas Container Holdings Ltd. *	Bahamas	100%	US$7,200,000	Investment holding and marketing of dry freight and specialised containers in Indonesia
Singamas Container Industry Co., Ltd. * #	PRC	75%	US$5,100,000	Manufacturing of collapsible flatrack and specialised containers
Singamas Management Services Ltd. *	British Virgin Islands	100%	US$1,000	Provision of management services and marketing of dry freight and specialised containers in the PRC
Singamas Refrigerated Container Ltd *	British Virgin Islands	59.2%	US$100,000	Investment holding
Singamas Terminals (China) Ltd.	British Virgin Islands	100%	US$1,000	Investment holding and marketing of container storage and repair services in the PRC
Singamas Terminals Holdings Ltd. *	British Virgin Islands	100%	US$1,000	Investment holding
Singamas Terminals (HK) Ltd.	British Virgin Islands	100%	US$1,000	Investment holding
Singamas Terminals (Hong Kong) Ltd.	Hong Kong	100%	HK$5,000,000	Provision of mid-stream services
Singamas Warehouse (Shanghai) Co., Ltd.	British Virgin Islands	100%	US$1,000	Investment holding

15 INTERESTS IN SUBSIDIARIES (continued)

Name	Place of incorporation/ registration	Group equity interest	Issued and paid up capital	Principal activities
Tianjin Singamas Container Co., Ltd. #	PRC	60%	US$2,000,000	Provision of container storage, repair and trucking services, and serving as a freight station
Wellmass Group Ltd.	British Virgin Islands	60%	US$10,000	Investment holding
Xiamen Xiangyu Singamas Container Co., Ltd. #	PRC	51%	US$3,000,000	Provision of container storage, repair and trucking services, and serving as a freight station
Yixing Singamas Metal Products Co., Ltd. * #	PRC	95%	US$200,000	Manufacturing of container parts

* *Subsidiaries held directly by the Company.*

\# *Equity joint venture*

Note: The Group's equity interest in Shanghai Reeferco Container Co., Ltd. was diluted from 57.7% to 52.4% in 2000.

Unless otherwise stated, the principal place of operation of each subsidiary is the same as the country of incorporation/registration stated above.

The above list gives the principal subsidiaries of the Company which, in the opinion of the directors, principally affected the results and assets of the Group.

None of the subsidiaries had any loan capital outstanding at the end of the year.

16 AMOUNTS DUE FROM/TO SUBSIDIARIES

The amounts due from subsidiaries are unsecured and have no fixed terms of repayment. Included in the amounts due from subsidiaries is an amount of approximately US$7,312,000 (1999: US$6,655,000) which bears interest at a spread of no more than 0.25 per cent per annum over the cost of funds of the Company. The amounts due to subsidiaries and the remaining portion of amounts due from subsidiaries are interest free.

17 INTERESTS IN ASSOCIATES

	Group		Company	
	2000	1999	**2000**	1999
	US$'000	*US$'000*	***US$'000***	*US$'000*
Unlisted shares and investments, at cost	**–**	–	**6,800**	2,200
Share of net assets	**10,318**	4,330	**–**	–
Loan to an associate	**–**	2,050	**–**	2,050
	10,318	6,380	**6,800**	4,250

Particulars of principal associates as at 31st December, 2000 are set out below: –

Name	Form of business structure	Place of incorporation/ registration and operation	Group equity interest	Principal activities
Dalian Singamas International Container Co., Ltd. # @	Incorporated	PRC	30%	Provision of container storage and repair services
Ningbo Victory Container Co., Ltd. #	Incorporated	PRC	40%	Provision of container storage and repair services
Xiamen Pacific Container Manufacturing Co., Ltd. * # @	Incorporated	PRC	40%	Manufacturing of dry freight and specialised containers

* *Held directly by the Company.*

\# *Equity joint venture*

@ *The shareholdings in these companies were pledged as security for credit facilities granted to the Company. The Group's share of net assets and the Company's costs are US$8,557,000 and US$6,800,000 respectively.*

The above list gives the associates of the Group which, in the opinion of the directors, principally affected the results or form a substantial portion of the net assets of the Group.

The Group's equity interest in Xiamen Pacific Container Manufacturing Co., Ltd. increased from 25% to 40% in 2000.

18 OTHER DEFERRED EXPENSES

	Group		Company	
	2000	1999	**2000**	1999
	US$'000	*US$'000*	***US$'000***	*US$'000*
At 1st January	**939**	973	**–**	1
Amount capitalised	**113**	94	**–**	–
Amount amortised	**(148)**	(128)	**–**	(1)
At 31st December	**904**	939	**–**	–

19 INVENTORIES

	Group	
	2000	1999
	US$'000	*US$'000*
Raw materials	**19,806**	16,623
Work in progress	**2,063**	2,926
Finished goods	**17,986**	12,203
	39,855	31,752

As at 31st December, 2000, raw materials and finished goods totaling of US$250,000 (1999: NIL) were carried at net realisable value. The cost of inventories recognised as an expense during the year was US$153,968,000 (1999: US$117,128,000).

20 ACCOUNTS RECEIVABLE

A defined credit policy is maintained within the Group. The general credit terms are agreed with each of its trade customers depending on the relationship with the Group and the creditworthiness of the customers. The aging analysis of accounts receivable at 31st December, 2000, of which the majority outstanding balances is within the credit period granted by the Group, is as follows:

	Group	
	2000	1999
	US$'000	*US$'000*
0 to 30 days	**19,286**	11,579
31 to 60 days	**8,873**	8,185
61 to 90 days	**7,219**	6,908
91 to 120 days	**6,722**	3,700
Over 120 days	**10,608**	3,969
	52,708	34,341

Subsequent to the year-end date and upto the date of this Annual Report, of the US$17,330,000 over 90 days outstanding balance, the Group already received US$12,160,000.

21 ACCOUNTS PAYABLE

The aging analysis of accounts payable is as follows:

	Group	
	2000	1999
	US$'000	*US$'000*
0 to 30 days	**11,651**	6,725
31 to 60 days	**4,667**	5,663
61 to 90 days	**3,609**	2,891
91 to 120 days	**2,405**	2,240
Over 120 days	**2,461**	2,165
	24,793	19,684

22 AMOUNT DUE FROM A RELATED COMPANY

The amount due from a related company of the Group represents a trade receivable balance from Pacific International Lines (HK) Limited ("PIL(HK)"), a company in which Messrs. Chang Yun Chung, Teo Siong Seng and Teo Tiou Seng, directors of the Company, have beneficial interests. The balance is subject to normal credit terms. During the year, the maximum outstanding balance due to the Group from PIL(HK) was US$1,572,000 (1999: US$1,551,000).

23 SHARE CAPITAL

	Number of shares					
	2000	1999	**2000**	**2000**	1999	1999
			US$'000	***HK$'000***	*US$'000*	*HK$'000*
Authorised:						
Ordinary shares of HK$0.10 each	**750,000,000**	750,000,000	**9,637**	**75,000**	9,637	75,000
Issued and fully paid:						
Ordinary shares of HK$0.10 each	**456,001,760**	456,001,760	**5,854**	**45,600**	5,854	45,600

There were no changes in the share capital during the two years ended 31st December, 2000 and 1999.

24 SHARE OPTION SCHEME

Pursuant to a share option scheme adopted on 17th June, 1993, the Company may offer to full-time employees of the Group (including executive directors of the Company) options to subscribe for ordinary shares in the Company, subject to a maximum of 10 per cent of the issued share capital of the Company from time to time. Any option may be exercised at any time from the date on which the option was granted and prior to the expiry of ten years from that date. Consideration of HK$1.00 was received from each of the option holders at the time when the options were granted. Details of the outstanding share options granted by the Company are as follows:

Date of Grant	**Exercise Price *(HK$)***	**Number of Share Options as at 31st December, 2000 & 1999**
8th October, 1994	1.908	1,900,000
15th May, 1995	1.440	1,500,000
		3,400,000

25 RESERVES

	Share premium US$'000	Exchange translation reserve US$'000	General reserve US$'000	Development reserve US$'000	Accumulated profits/ (losses) US$'000	Total US$'000
Group						
At 1st January, 1999						
– The Company and subsidiaries	38,522	218	755	771	(8,569)	31,697
– Associates	–	23	32	20	454	529
	38,522	241	787	791	(8,115)	32,226
Exchange translation differences						
– The Company and subsidiaries	–	14	–	–	–	14
– Associates	–	8	–	–	–	8
Net profit for the year	–	–	–	–	3,424	3,424
Transfer from accumulated profits	–	–	107	91	(198)	–
At 1st January, 2000						
– The Company and subsidiaries	38,522	232	848	848	(5,528)	34,922
– Associates	–	31	46	34	639	750
	38,522	263	894	882	(4,889)	35,672
Exchange translation differences						
– The Company and subsidiaries	–	11	–	–	–	11
– Associates	–	3	–	–	–	3
Net profit for the year	–	–	–	–	6,082	6,082
Negative goodwill arising on acquisition of additional interest in an associate	–	–	–	–	193	193
Transfer from accumulated profits	–	–	222	111	(333)	–
At 31st December, 2000	**38,522**	**277**	**1,116**	**993**	**1,053**	**41,961**
Attributable to :						
– The Company and subsidiaries	38,522	243	976	939	(877)	39,803
– Associates	–	34	140	54	1,930	2,158
	38,522	277	1,116	993	1,053	41,961

In accordance with the PRC regulations, the general and development reserves retained by the subsidiaries and associates in the PRC are non-distributable.

25 RESERVES (continued)

	Share premium US$'000	Accumulated profits US$'000	Total US$'000
Company			
At 1st January, 1999	38,522	8,891	47,413
Net profit for the year	–	886	886
At 1st January, 2000	38,522	9,777	48,299
Net profit for the year	–	563	563
At 31st December, 2000	**38,522**	**10,340**	**48,862**

Distributable reserves of the Company at 31st December, 2000, calculated under section 79B of the Companies Ordinance, amounted to US$10,340,000 (1999: US$9,777,000).

26 BANK BORROWINGS

	Group		Company	
	2000	1999	**2000**	1999
	US$'000	*US$'000*	***US$'000***	*US$'000*
Bank borrowings comprise the following:				
Bank loans				
Secured				
– due within 1 year	**12,891**	4,482	**3,100**	1,200
– due more than 1 year, but not exceeding 2 years	**1,320**	1,900	**1,200**	1,900
– due more than 2 years, but not exceeding 5 years	**600**	–	**600**	–
	14,811	6,382	**4,900**	3,100
Unsecured				
– due within 1 year	**35,581**	38,286	**12,747**	10,000
– due more than 1 year, but not exceeding 2 years	**1,480**	–	**–**	–
– due more than 2 years, but not exceeding 5 years	**3,080**	–	**–**	–
– due more than 5 years	**600**	–	**–**	–
	40,741	38,286	**12,747**	10,000
Less : Amount shown under current liabilities	**(48,472)**	(42,768)	**(15,847)**	(11,200)
Amount due after one year	**7,080**	1,900	**1,800**	1,900

27 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	Group		Company	
	2000	1999	**2000**	1999
	US$'000	*US$'000*	***US$'000***	*US$'000*
The maturity of obligations under finance leases and hire purchase contracts is as follows :				
– within 1 year	**863**	1,681	**74**	64
– more than 1 year, but not exceeding 2 years	**487**	641	**59**	79
– more than 2 years, but not exceeding 5 years	**6**	301	**–**	59
	1,356	2,623	**133**	202
Less: Amount shown under current liabilities	**(863)**	(1,681)	**(74)**	(64)
Amount due after one year	**493**	942	**59**	138

28 DEFERRED TAX

At the balance sheet date, the major components of potential deferred tax assets not accounted for in the financial statements were as follows:

	Group		Company	
	2000	1999	**2000**	1999
	US$'000	*US$'000*	***US$'000***	*US$'000*
Accelerated depreciation allowances	**(62)**	121	**2**	15
Tax losses	**(1,586)**	(1,941)	**(925)**	(802)
	(1,648)	(1,820)	**(923)**	(787)

The deferred tax asset has not been recognised in the financial statements in respect of tax losses available to offset future profits as it is not certain that the tax losses will be utilised in the foreseeable future.

29 CONTINGENT LIABILITIES

	Group		Company	
	2000	1999	**2000**	1999
	US$'000	*US$'000*	***US$'000***	*US$'000*
Guarantees for leases and bank facilities utilised by subsidiaries	**–**	–	**11,946**	10,965
Guarantees for bank facilities utilised by an associate	**2,416**	–	**2,416**	–
Performance bonds	**1,208**	1,208	**–**	–
	3,624	1,208	**14,362**	10,965

30 CAPITAL COMMITMENTS

	Group	
	2000	1999
	US$'000	*US$'000*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided	**524**	–
Capital expenditure in respect of business acquisition contracted but not provided	**–**	600
	524	600

31 LEASE COMMITMENTS

Operating lease commitments at 31st December payable in the next twelve months, analysed according to the period in which the lease expires, are as follows:

	Group		Company	
	2000	1999	**2000**	1999
	US$'000	*US$'000*	***US$'000***	*US$'000*
Land and buildings				
– expiring in the 1st year	**1,325**	616	**–**	222
– expiring in the 2nd to 5th years inclusive	**121**	1,829	**103**	–
	1,446	2,445	**103**	222
Other equipment				
– expiring in the 1st year	**240**	255	**–**	–
– expiring in the 2nd to 5th years inclusive	**–**	148	**–**	–
	240	403	**–**	–
	1,686	2,848	**103**	222

32 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of profit before taxation to net cash inflow from operating activities

	2000	1999
	US$'000	*US$'000*
Profit before taxation	**10,166**	4,672
Depreciation	**4,788**	4,940
Loss on disposal of property, plant and equipment	**45**	27
Profit on deemed disposal of interest in a subsidiary	**(726)**	–
Share of results of associates	**(1,320)**	(599)
Amortisation of patents	**13**	370
Amortisation of other deferred expenses	**148**	128
Increase in inventories	**(8,103)**	(7,177)
Increase in accounts receivable	**(18,367)**	(9,158)
Decrease/(Increase) in prepayments and other receivables	**1,173**	(4,179)
Decrease in amount due from ultimate holding company	**729**	203
(Increase)/Decrease in amounts due from fellow subsidiaries	**(125)**	530
Increase in amounts due from associates	**(496)**	(763)
Decrease/(Increase) in amounts due from related companies	**622**	(1,077)
Increase in amount due to ultimate holding company	**479**	385
(Decrease)/Increase in amounts due to associates	**(1,003)**	692
Increase in accounts payable	**5,109**	5,844
Increase/(Decrease) in accruals and other payables	**8,379**	(437)
Increase in bills payable	**2,094**	4,212
Interest element of finance leases and hire purchase contracts rental payments	**158**	283
Interest income	**(413)**	(599)
Interest expense	**4,107**	3,011
Net cash inflow from operating activities	**7,457**	1,308

32 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

(b) Analysis of changes in financing during the year

	Share capital including premium	Bank borrowings *(note)*	Obligations under finance leases and hire purchase contracts	Minority interests	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Balance at 1st January, 1999	44,376	15,777	5,097	25,574	90,824
New bank loans	–	27,627	–	–	27,627
Repayment of bank loans	–	(23,266)	–	–	(23,266)
Repayment of finance leases and hire purchase contracts	–	–	(2,474)	–	(2,474)
Capital contributed by minority shareholders	–	–	–	10	10
Minority share of profit for the year	–	–	–	930	930
Dividends paid and payable	–	–	–	(1,479)	(1,479)
Minority share of exchange translation reserve	–	–	–	(1)	(1)
Balance at 1st January, 2000	44,376	20,138	2,623	25,034	92,171
New bank loans	–	36,472	–	–	36,472
Repayment of bank loans	–	(28,997)	–	–	(28,997)
Inception of finance leases and hire purchase contracts	–	–	623	–	623
Repayment of finance leases and hire purchase contracts	–	–	(1,890)	–	(1,890)
Capital contributed by minority shareholders	–	–	–	2,539	2,539
Minority share of profit for the year	–	–	–	2,800	2,800
Dividends paid and payable	–	–	–	(1,377)	(1,377)
Decrease due to change in shareholding	–	–	–	(726)	(726)
Minority share of exchange translation reserve	–	–	–	1	1
Balance at 31st December, 2000	**44,376**	**27,613**	**1,356**	**28,271**	**101,616**

Note: Included in the bank borrowings of US$27,939,000 (1999: US$24,530,000) were repayable within three months from the date of advances.

33 RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following transactions with related parties:

	2000	1999
	US$'000	*US$'000*
Sales to ultimate holding company *(note a)*	**130**	848
Sales to fellow subsidiaries *(note a)*	**1,024**	1,795
Sales to a related company *(note a)*	**6,577**	4,464
Service fee charged from ultimate holding company *(note a)*	**–**	568
Rental paid to a ultimate holding company *(note b)*	**18**	18

Notes:

(a) Sales to ultimate holding company, fellow subsidiaries and a related company and service fee charged from ultimate holding company, were conducted at market prices and on terms no less favourable than those charged to and contracted with other third party customers and suppliers of the Group. The fellow subsidiaries are Pacific International Lines (China) Ltd. and Tranpac Shipping Enterprises Ltd., which PIL has 100 per cent effective interest in both companies. The related company is PIL(HK), in which Messrs. Chang Yun Chung, Teo Siong Seng and Teo Tiou Seng, directors of the Company, have beneficial interests.

(b) PIL leased an office space to Singamas Terminals (China) Ltd. under a tenancy agreement for a period of 2 years commencing 1st January, 1999 at a monthly rental of US$1,534. The agreement was entered into on normal commercial terms and at market value.

The balances with related parties are disclosed in the consolidated balance sheet and note 22. All such balances are subject to normal credit terms.

34 CHANGE OF PRESENTATION OF INCOME STATEMENT

In consideration of the Group's mix of operations, the directors have decided to change the presentation of the income statement from "by function" to the "by nature" one which can reflect the Group's overall business in a more meaningful manner to enable the users in assessing and understanding the performance of the Group.

35 SEGMENT INFORMATION

	Turnover		Contribution to profit from operations	
	2000	1999	**2000**	1999
	US$'000	*US$'000*	***US$'000***	*US$'000*
Activity segments				
Container manufacturing	**148,540**	109,812	**8,351**	3,143
Container depot	**21,856**	20,261	**2,965**	2,617
Mid-stream	**9,324**	7,983	**1,674**	1,294
	179,720	138,056	**12,990**	7,054
Geographical segments				
United States	**46,562**	60,278	**2,643**	1,258
Hong Kong	**40,459**	18,034	**3,484**	2,200
Europe	**34,057**	29,574	**1,276**	1,193
PRC (other than Hong Kong and Taiwan)	**31,829**	25,532	**3,914**	2,258
Singapore	**11,461**	2,202	**704**	82
Taiwan	**5,754**	987	**344**	41
Indonesia	**4,916**	–	**261**	–
Japan	**2,514**	376	**156**	(25)
Others	**2,168**	1,073	**208**	47
	179,720	138,056	**12,990**	7,054

36 POST BALANCE SHEET EVENTS

On 6th February, 2001 the Company entered into a joint venture agreement with a third party to acquire 40 per cent shareholding of a container manufacturing business in Shunde, PRC at a consideration of US$7,200,000. The cost of investment will be financed internally and by bank borrowings on a medium term committed basis.

On 12th February, 2001 the Company entered into a shareholders' agreement with PIL, Eastern Maritime (Thailand) Limited and a third party to acquire 25 per cent shareholding of a container depot business in Bangkok, Thailand at a consideration of Thai Baht 12.5 million (equivalent to approximately US$289,000), which will be financed internally. Since PIL is a substantial shareholder of the Company and Messrs. Chang Yun Chung and Teo Siong Seng, directors of the Company, have beneficial interests in Eastern Maritime (Thailand) Limited, the acquisition of shares in this container depot is considered as a connected transaction in accordance with the Listing Rules. Details of this connected transaction has been disclosed by way of a press notice in compliance with the Listing Rules.

Five Year Financial Summary

	For the year ended 31st December,				
	2000	1999	1998	1997	1996
	%	%	%	%	%
Sales Mix (as a percentage of sales)					
Container manufacturing operations:					
Dry freight	**68**	65	62	64	67
Collapsible flatracks, other specialised containers and container parts	**2**	4	10	7	6
Refrigerated containers	**13**	10	9	8	3
	83	79	81	79	76
Container depot operations:					
Hong Kong	**4**	6	6	6	10
PRC, other than Hong Kong	**8**	9	7	6	5
	12	15	13	12	15
Mid-stream operation:					
Hong Kong	**5**	6	6	9	9
Total	**100**	100	100	100	100
	TEUs	TEUs	TEUs	TEUs	TEUs
Production volume					
20 foot containers	**57,660**	36,305	32,050	30,709	21,305
40 foot containers	**36,786**	26,478	24,996	20,138	17,960
40 foot high cube containers	**54,476**	38,050	24,376	10,840	7,904
	148,922	100,833	81,422	61,687	47,169

Five Year Financial Summary (continued)

	For the year ended 31st December,				
	2000	1999	1998	1997	1996
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Turnover	**179,720**	138,056	147,597	155,449	128,534
Profit/(Loss) from operations	**12,990**	7,054	8,267	8,055	(6,186)
Finance costs	**(4,557)**	(3,580)	(4,480)	(4,265)	(4,527)
Investment income	**413**	599	491	–	–
Share of results of associates	**1,320**	599	362	139	77
Profit/(Loss) before taxation	**10,166**	4,672	4,640	3,929	(10,636)
Taxation	**(1,284)**	(318)	(655)	(80)	(200)
Profit/(Loss) after taxation	**8,882**	4,354	3,985	3,849	(10,836)
Minority interests	**(2,800)**	(930)	(1,540)	(2,224)	1,732
Net profit/(loss) for the year	**6,082**	3,424	2,445	1,625	(9,104)
Earnings/(Loss) per share	**1.33 cents**	0.75 cent	0.54 cent	0.36 cent	(2.25) cents
Assets and Liabilities					
Total assets	**182,797**	148,158	131,300	153,907	155,886
Total liabilities	**106,711**	81,598	67,646	93,076	97,411
Minority interests	**28,271**	25,034	25,574	25,135	23,375
Shareholders' funds	**47,815**	41,526	38,080	35,696	35,100