INTERIM RESULTS

The Board of Directors (the "Directors") of Singamas Container Holdings Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (together the "Group") for the six months ended 30th June, 2000 as follows:

	Notes	**Six months ended 30th June, 2000** *US$'000*	1999 *US$'000*
Turnover	*2*	**76,929**	58,995
Cost of sales		**65,437**	49,641
Gross profit		**11,492**	9,354
Other operating revenue		**1,002**	553
Selling and distribution costs		**(1,667)**	(2,042)
Administrative expenses		**(5,592)**	(5,044)
Other operating expenses		**(37)**	–
Profit from operations		**5,198**	2,821
Finance costs		**(2,077)**	(1,678)
Investment income		**273**	265
Share of results of associates		**301**	238
Profit before taxation		**3,695**	1,646
Taxation	*3*	**(493)**	(203)
Profit after taxation		**3,202**	1,443
Minority interests		**(1,082)**	(317)
Net profit for the period		**2,120**	1,126
Earnings per share	*4*	**0.46 cent**	0.25 cent

Notes:

1. ***Change in accounting policy***

   In the financial year of 1999, the Group has adopted Statement of Standard Accounting Practice 1 "Presentation of financial statements" ("SSAP1") issued by the Hong Kong Society of Accountants.

   Prior to 1999, pre-operating expenditure was capitalised and amortised, on a straight line basis, over a period of five years from the date of commencement of commercial operations of the subsidiaries. The adoption of SSAP1 has led to a reassessment of this accounting policy. In particular, pre-operating expenditure is not considered to give rise to an identifiable resource from which economic benefits are expected to flow to the Group. Accordingly, such expenditure is now recognised as an expense in the period in which it is incurred. This change in accounting policy has been accounted for retrospectively. The comparative statement for 1999 has been restated to conform to the changed policy.

2. ***Turnover***

   Turnover represents sales, less returns and allowances, from container manufacturing, container depot and mid-stream operations.

3. ***Taxation***

Hong Kong profits tax has not been provided as the Company and its subsidiaries in Hong Kong did not have any assessable profit for the six months ended 30th June, 2000. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates. The taxation charge for both periods is made up entirely of overseas taxation.

4. ***Earnings per share***

The calculation of earnings per share is based on net profit for the period of US$2,120,000 (1999: US$1,126,000) and 456,001,760 ordinary shares in issue (1999: 456,001,760 ordinary shares) throughout the period. Diluted earnings per share are not presented as the exercise prices of the Company's outstanding share options were higher than the average market price of shares for both periods.

The adjustment to comparative earnings per share, arising from the change in accounting policy shown in note 1 above, is as follows:

Reconciliation of 1999 earnings per share:

	US cent
Reported figure before adjustment	*0.14*
Adjustment arising from the write-off of pre-operating expenditure	*0.11*
Restated	*0.25*

BUSINESS REVIEW

For the six months ended 30th June, 2000, the Group recorded a consolidated turnover of US$76,929,000 and a consolidated net profit for the period of US$2,120,000, representing an increase of 30.4% and 88.3%, respectively over the same period of last year. The encouraging results were mainly attributable to the improvement of the Group's manufacturing operations and the positive performance of its container depots in the People's Republic of China (the "PRC").

Stepping into 2000, the business environment improved with the economic recovery in the Asian region. The increase of trade activities in the PRC and in the Asian Pacific region resulted in an increase in demand for new containers. Both of the Group's container manufacturing and container depot operations have witnessed substantial growth. The Group is confident that with its comprehensive network of container factories and depots and well-established marketing network, it will continue its growth and provide long-term profitability in the years to come.

Container Manufacturing Operations

Container manufacturing remained the Group's core business, accounting for 80.9% of its total turnover. For the six months ended 30th June, 2000, the Group's container manufacturing operations achieved a consolidated turnover of US$62,266,000 and a profit before taxation and minority interests of US$1,693,000, 38.6% and 303% higher than the same period of last year, respectively.

Higher demand for new containers, improved container selling price, stringent cost control and better efficiency primarily accounted for the better profitability. More importantly, the Group's strategy to increase its production capacity to achieve economies of scale pays off. Therefore, the Group was able to boost sales volumes to capture a larger market share and at the same time improving profitability.

Shanghai Reeferco Container Co., Ltd. ("Shanghai Reeferco"), specializing in the production of environment friendly Chlorofluorocarbon free refrigerated containers ("reefers"), achieved significant improvement. Increase in reefer container demand together with Shanghai Reeferco's efforts in improving production efficiency reduced operating costs substantially. As a result, the factory managed to turnaround and achieved a small profit during the period under review as compared to a loss of US$589,000 in the same period of last year.

All of the Group's dry freight container manufacturing factories in the PRC and Indonesia have reported growth in both turnover and profit. The Group's comprehensive and well-established network of container manufacturing factories enhanced its competitiveness and market position and is expected to provide long-term profitability to the Group.

Container Depot Operations

During the period under review, the Group's container depot operations attained a consolidated turnover of US$9,601,000, fell 6.8% from the same period of 1999. Despite a decline in sales, the Group's container depots managed to generate a consolidated profit before taxation and minority interests of US$1,224,000 as compared to the same period of last year's US$886,000. Better profitability was mainly attributable to the good performance achieved by the Group's container depots in the PRC.

The Group's container depots form a network covering the north to the south along the prosperous coastal cities of the PRC in Dalian, Tianjin, Qingdao, Shanghai, Ningbo and Xiamen. Turnover and profit before taxation and minority interests of these PRC depots for the first half of 2000 were US$6,553,000 and US$1,096,000 respectively, representing an increase of 16.2% and 106% against the same period of 1999.

According to the industry statistics recently published, Shanghai, Qingdao, Tianjin, Xiamen, Dalian and Ningbo were positioned in the "Top 10 Mainland Ports" in 1999. Located in these regions, the Group's PRC container depots benefited from the strong container throughput, achieving satisfactory performances.

On the other hand, the growing cargo throughput in Hong Kong affected the empty container storage business of the Group's container depots in Hong Kong. In the first half of the year, the Hong Kong container depot operations witnessed a slowdown. Despite a drop in business volume, the Hong Kong depot operations remained profitable and attained a profit before taxation and minority interests of US$128,000 due to improved efficiency and better cost control.

Mid-stream Operation

During the first half of the year, the mid-stream operation achieved satisfactory results with a turnover of US$5,062,000, representing a 34.1% increase over the same period of 1999 and registered a profit before taxation of US$778,000 as compared to the same period of last year's US$339,000. With the growing trade activity, the business volume of the Group's mid-stream operation is expected to increase. Therefore, the Group is confident that its mid-stream operation will continue to contribute positively to the Group in the future.

PROSPECTS

With the improvement in the overall business environment, the Group will maximize the business opportunities by strengthening the Group's PRC container manufacturing and depot network to enhance its competitiveness and market position.

Regarding the manufacturing business, the Group will further enlarge its market share by increasing production capacity. In the light of strong demand for new containers in the region, on 29th April, 2000, the Company signed an equity transfer agreement with Xiamen Head Co., Ltd. to acquire an additional 15% equity interest in Xiamen Pacific Container Manufacturing Co., Ltd. ("Xiamen Pacific"), the Group's dry freight container manufacturing factory located in Xiamen, the Fujian Province. After the signing of this agreement, the Company's equity interest in Xiamen Pacific increased to 40%. In July 2000, Xiamen Pacific started its second production shift whereby its monthly production capacity is expected to increase from 3,500 twenty-foot equivalent units ("TEUs") to 5,500 TEUs.

In the view of the increasing demand for reefers, on 19th July, 2000, Singamas Refrigerated Container Ltd., a subsidiary of the Company and the immediate holding company of Shanghai Reeferco, signed a joint venture agreement with Hyundai Precision & Industry Company Limited ("Hyundai Precision") to upgrade and expand the reefer container manufacturing business in the PRC. As part of the joint venture agreement, Hyundai Precision and Shanghai Reeferco have also entered into a technical collaboration agreement for the transfer of the latest reefer design, production engineering, technological know-how and several key production facilities from Hyundai Precision's Ulsan factory to Shanghai Reeferco. Hyundai Precision will also provide marketing assistance in promoting and enlarging Shanghai Reeferco's customer base.

With Hyundai Precision's broad base of customers, widely recognized brand name and leading technology, the Group believes that this collaboration with Hyundai Precision will enable Shanghai Reeferco to provide satisfactory returns to the Group in the future.

The Group is fully confident that with the improved business environment, the Group will continue its good performance and provide better returns to its shareholders.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30th June, 2000 (1999: Nil).

YEAR 2000 ("Y2K") COMPLIANCE

The Group included in the previous annual reports and interim reports, information relating to the Group's definition of Y2K compliance, the risks and uncertainties associated with Y2K issues, and the structure of its Y2K compliance project.

The Group experienced a successful transition to year 2000, and so far, no Y2K related problems were found that would have a material adverse effect on the Group's businesses. Nevertheless, the Directors will continue to closely monitor the Y2K issue to ensure that the Group's operations are not adversely affected.

TRANSFERS TO RESERVES

Pursuant to the legal requirements in the PRC and the appropriation agreed in the subsidiaries and associates, aggregate amounts of US$112,000 and US$74,000 have been transferred to general reserve and development reserve of the Group, respectively during the period.

AUDIT COMMITTEE

Pursuant to the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Company established an Audit Committee on 24th August, 1998 comprising two independent non-executive directors and one non-executive director with reference to "A Guide for the Formation of an Audit Committee" issued by the Hong Kong Society of Accountants in December 1997.

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 30th June, 2000, the beneficial interests of the Directors and their associates in the shares of the Company as required to be recorded in the Register maintained under Section 29 of the 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		
Name	**Personal Interests**	**Corporate Interests**	**Percentage of issued shares**
Mr. Chang Yun Chung	–	282,906,178 *(Note)*	62.04
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 16,395,000 shares representing 88.72 per cent. of the issued share capital of PIL. Mr. Chang Yun Chung's interest in shares of PIL comprises a personal interest in 2,632,500 shares and corporate interests in 5,850,000 shares through Farcom Enterprises Limited, a company in which he holds

50.33 per cent. of the issued share capital and 7,912,500 shares through Y C Chang & Sons Private Limited, a company in which he holds 2.86 per cent. of the issued share capital.

Pursuant to a share option scheme adopted on 17th June, 1993, the Company may offer full-time employees of the Group (including executive directors of the Company) options to subscribe for ordinary shares of the Company, subject to a maximum of 10 per cent. of the issued share capital of the Company from time to time. 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:

Name	**Date of Grant**	**Exercise Price** (HK$)	**Number of Share Options as at 30th June, 2000 and 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

Save as disclosed above, as at 30th June, 2000, there was no other interest or right recorded in the register required to be kept under Section 29 of the SDI Ordinance.

SUBSTANTIAL SHAREHOLDER

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 disclosed no other person having an interest of 10 per cent. or more in the issued share capital of the Company as at 30th June, 2000.

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

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the period.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by this Interim Report, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

On Behalf of the Board
Chang Yun Chung
Chairman

Hong Kong, 17th August, 2000