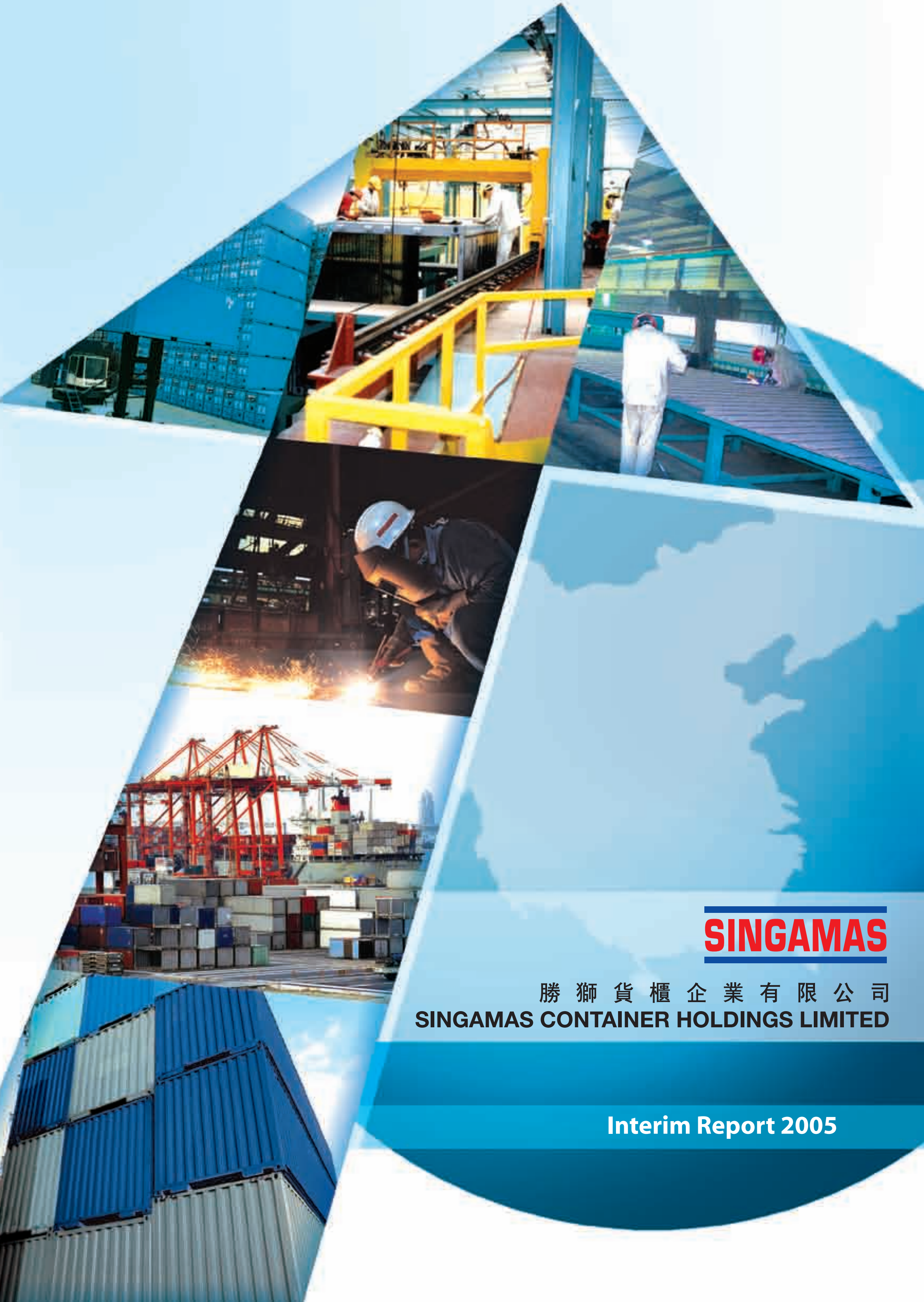

SINGAMAS

勝獅貨櫃企業有限公司

SINGAMAS CONTAINER HOLDINGS LIMITED

Interim Report 2005

FINANCIAL HIGHLIGHTS

	For the six months ended 30th June,		For the year ended 31st December,			
	2005	2004	2004	2003	2002	2001
	(US$)	*(US$)*	*(US$)*	*(US$)*	*(US$)*	*(US$)*
Turnover	**393,842,000**	235,863,000	532,793,000	450,712,000	180,637,000	171,962,000
Profit from operations	**27,452,000**	10,360,000	32,538,000	29,723,000	15,194,000	19,395,000
Net profit attributable to equity holders of the parent	**28,086,000**	10,485,000	39,636,000	20,370,000	14,689,000	10,313,000
Earnings per share	**4.60 cents**	2.01 cents	7.37 cents	4.07 cents	3.22 cents	2.26 cents
Net asset value per share	**33.56 cents**	21.21 cents	29.57 cents	19.98 cents	15.67 cents	12.70 cents
Equity attributable to equity holders of the parent	**205,150,000**	110,816,000	180,737,000	104,378,000	71,445,000	57,919,000
Bank balances and cash and pledged deposit	**60,582,000**	30,484,000	69,466,000	44,485,000	21,567,000	18,424,000
Total borrowings *(Note)*	**237,221,000**	120,177,000	108,437,000	119,203,000	58,059,000	57,045,000
Current ratio	**1.45 to 1**	1.18 to 1	1.35 to 1	1.30 to 1	1.28 to 1	1.20 to 1
Gearing ratio	**1.16**	1.08	0.60	1.14	0.81	0.98
Net debt to equity ratio	**0.86**	0.81	0.22	0.72	0.51	0.67
Interest coverage ratio	**12.15**	11.34	15.78	11.49	15.95	7.65

Note: Total borrowings represent the aggregate amount of interest-bearing borrowings.

Deloitte.
德勤

INDEPENDENT REVIEW REPORT

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

INTRODUCTION

We have been instructed by Singamas Container Holdings Limited to review the interim financial report set out on pages 3 to 15.

RESPONSIBILITIES

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person of the content of this report.

REVIEW WORK PERFORMED

We conducted our review in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquiries of the Group's management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

REVIEW CONCLUSION

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30th June, 2005.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
24th August, 2005

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 (collectively referred to as the "Group") for the six months ended 30th June, 2005 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June, 2005

		Six months ended 30th June,	
		2005	2004
		(unaudited)	(unaudited and restated)
	Notes	***US$'000***	*US$'000*
Turnover	*4*	**393,842**	235,863
Other operating income		**844**	754
Changes in inventories of finished goods and work in progress		**48,267**	19,537
Raw materials and consumables used		**(352,821)**	(198,604)
Staff costs		**(16,639)**	(12,234)
Depreciation and amortisation expenses		**(6,139)**	(4,208)
Other operating expenses		**(39,902)**	(30,748)
Profit from operations		**27,452**	10,360
Finance costs		**(4,180)**	(2,178)
Investment income		**438**	425
Share of results of associates		**598**	549
Share of results of jointly controlled entities		**11,281**	4,763
Profit before taxation		**35,589**	13,919
Taxation	*5*	**(2,389)**	(942)
Net profit for the period		**33,200**	12,977
Attributable to:			
Equity holders of the parent		**28,086**	10,485
Minority interests		**5,114**	2,492
		33,200	12,977
Earnings per share – basic	*7*	**4.60 cents**	2.01 cents

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30th June, 2005

	Notes	**As at 30th June, 2005 (unaudited) *US$'000***	As at 31st December, 2004 (audited and restated) *US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment	*8*	**80,804**	69,056
Patents		**935**	1,020
Goodwill		**–**	880
Interests in associates		**3,952**	4,063
Interests in jointly controlled entities		**60,934**	55,516
Investment in securities		**–**	1,614
Available for sale investments		**1,614**	–
Derivative financial instruments		**135**	–
Prepaid lease payments		**35,051**	21,356
Deferred tax assets		**421**	209
Other assets		**655**	879
		184,501	154,593
Current assets			
Inventories	*9*	**367,413**	181,134
Trade receivables	*10*	**64,361**	54,280
Prepayments and other receivables		**46,086**	66,876
Amounts due from fellow subsidiaries		**295**	146
Amounts due from associates		**11**	23
Amounts due from jointly controlled entities		**8,308**	14,694
Amount due from a related company		**1,249**	290
Tax recoverable		**25**	1,246
Prepaid lease payments		**790**	366
Pledged deposit		**45**	6,790
Bank balances and cash		**60,537**	62,676
		549,120	388,521
Total assets		**733,621**	543,114
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		**7,844**	7,844
Share premium		**98,011**	98,011
Accumulated profits		**91,325**	67,745
Other reserves		**7,970**	7,137
Equity attributable to equity holders of the parent		**205,150**	180,737
Minority interests		**35,562**	33,775
Total Equity		**240,712**	214,512
Non-current liability			
Bank borrowings – due after one year	*13*	**114,850**	40,350
Current liabilities			
Trade payables	*11*	**86,186**	66,974
Accruals and other payables		**92,843**	51,362
Bills payable	*12*	**71,773**	97,278
Amount due to ultimate holding company		**3,140**	1,461
Amounts due to associates		**344**	270
Amounts due to jointly controlled entities		**67**	43
Bank borrowings – due within one year	*13*	**122,371**	68,087
Tax payable		**1,335**	2,777
		378,059	288,252
Total equity and liabilities		**733,621**	543,114

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June, 2005

	Attributable to equity holders of the parent								
	Share capital US$'000	Share premium US$'000	Exchange translation reserve US$'000	General reserve US$'000	Development reserve US$'000	Accumulated profits US$'000	Total US$'000	Minority interests US$'000	Total US$'000
At 1st January, 2004	6,706	55,735	351	2,509	1,449	37,628	104,378	49,241	153,619
Exchange translation differences not recognised in the income statement									
– The Company and subsidiaries	–	–	(11)	–	–	–	(11)	–	(11)
– Associates	–	–	(15)	–	–	–	(15)	–	(15)
– Jointly controlled entities	–	–	–	–	–	–	–	–	–
Acquisition of additional interest in a subsidiary	–	–	–	–	–	–	–	(8,770)	(8,770)
Disposal of a subsidiary	–	–	–	–	–	–	–	(1,778)	(1,778)
Net profit for the period	–	–	–	–	–	10,485	10,485	2,492	12,977
Dividend paid	–	–	–	–	–	(4,021)	(4,021)	(11,342)	(15,363)
Transfer from accumulated profits	–	–	–	2,317	272	(2,589)	–	–	–
At 30th June, 2004	6,706	55,735	325	4,826	1,721	41,503	110,816	29,843	140,659
Attributable to:									
– The Company and subsidiaries	6,706	55,735	236	4,307	1,529	34,098	102,611	29,843	132,454
– Associates	–	–	88	306	20	881	1,295	–	1,295
– Jointly controlled entities	–	–	1	213	172	6,524	6,910	–	6,910
	6,706	55,735	325	4,826	1,721	41,503	110,816	29,843	140,659
At 1st January, 2005, as originally stated	7,844	98,011	360	5,023	1,754	67,745	180,737	33,775	214,512
Effects of changes in accounting policies	–	–	–	–	–	5,765	5,765	–	5,765
As restated	7,844	98,011	360	5,023	1,754	73,510	186,502	33,775	220,277
Exchange translation differences not recognised in the income statement									
– The Company and subsidiaries	–	–	3	–	–	–	3	–	3
– Associates	–	–	(33)	–	–	–	(33)	–	(33)
– Jointly controlled entities	–	–	–	–	–	–	–	–	–
Acquisition of additional interest in a subsidiary	–	–	–	–	–	–	–	(845)	(845)
Net profit for the period	–	–	–	–	–	28,086	28,086	5,114	33,200
Dividend paid to minority interests	–	–	–	–	–	–	–	(2,482)	(2,482)
Dividend declared and approved	–	–	–	–	–	(9,408)	(9,408)	–	(9,408)
Transfer from accumulated profits	–	–	–	552	311	(863)	–	–	–
At 30th June, 2005	**7,844**	**98,011**	**330**	**5,575**	**2,065**	**91,325**	**205,150**	**35,562**	**240,712**
Attributable to:									
– The Company and subsidiaries	7,844	98,011	246	4,733	1,733	55,870	168,437	35,562	203,999
– Associates	–	–	83	489	20	2,149	2,741	–	2,741
– Jointly controlled entities	–	–	1	353	312	33,306	33,972	–	33,972
	7,844	**98,011**	**330**	**5,575**	**2,065**	**91,325**	**205,150**	**35,562**	**240,712**

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th June, 2005

	Note	Six months ended 30th June, 2005 (unaudited) US$'000	2004 (unaudited) US$'000
Net cash (used in) from operating activities		**(82,942)**	13,326
Net cash used in investing activities:			
Proceeds from disposal of property, plant & equipment		**904**	13
Increase in interest of a subsidiary		**(845)**	–
Disposal of a subsidiary		**–**	(1,413)
Cash inflow arising on consolidation of a former jointly controlled entity	*14*	**4,532**	–
Other investing cash flows		**(15,892)**	(12,376)
		(11,301)	(13,776)
Net cash from (used in) financing activities:			
New bank loans		**225,443**	79,825
Repayment of bank loans		**(121,450)**	(78,005)
Other financing cash flows		**(11,890)**	(15,364)
		92,103	(13,544)
Decrease in cash and cash equivalents		**(2,140)**	(13,994)
Cash and cash equivalents at 1st January		**62,676**	44,485
Effect of foreign exchange rate changes		**1**	(7)
Cash and cash equivalents at 30th June		**60,537**	30,484
Balance of cash and cash equivalents represented by:			
Bank balances and cash		**60,537**	30,484

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2 PRINCIPAL ACCOUNTING POLICIES

The condensed financial statements have been prepared under the historical cost convention except for certain financial instruments, which are measured at fair value.

The accounting policies adopted are consistent with those followed in the Group's annual financial statements for the year ended 31st December, 2004, except as described below.

In the current period, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards (HKFRSs), Hong Kong Accounting Standards (HKASs) and Interpretations (hereinafter collectively referred as "new HKFRSs") issued by the HKICPA that are effective for accounting periods beginning on or after 1st January, 2005. The application of the new HKFRSs has resulted in a change in the presentation of the income statement, balance sheet and the statement of changes in equity. In particular, the presentation of minority interests and share of taxation of associates/jointly controlled entities have been changed. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current and prior accounting periods are prepared and presented:

Business Combinations

In the current period, the Group has applied HKFRS 3 "Business Combinations", which is effective for business combinations for which the agreement date is on or after 1st January, 2005. The principal effects of the application of HKFRS 3 to the Group are summarised below:

Goodwill

In previous periods, goodwill arising on acquisitions prior to 1st January, 2001 was held in reserves, and goodwill arising on acquisitions after 1st January, 2001 was capitalised and amortised over its estimated useful life. The Group has applied the relevant transitional provisions in HKFRS 3. Goodwill previously recognised in reserves continues to be held in reserves and will be transferred to the accumulated profits of the Group at the time when the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired. With respect to goodwill previously capitalised on the balance sheet, the Group has discontinued amortising such goodwill from 1st January, 2005 onwards and goodwill will be tested for impairment at least annually or in the financial year in which the acquisition takes place. Goodwill arising on acquisitions after 1st January, 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition. As a result of this change in accounting policy, no amortisation of goodwill has been charged in the current period. Comparative figures for 2004 have not been restated.

2 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost (previously known as "negative goodwill")

In accordance with HKFRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition ("discount on acquisition") is recognised immediately in profit or loss in the period in which the acquisition takes place. In previous periods, negative goodwill arising on acquisitions prior to 1st January, 2001 was held in reserves, and negative goodwill arising on acquisitions after 1st January, 2001 was presented as a deduction from assets and released to income based on an analysis of the circumstances from which the balance resulted. In accordance with the relevant transitional provisions in HKFRS 3, the Group has derecognised all negative goodwill at 1st January, 2005 amounting to US$5,765,000, which was previously presented as a deduction from assets, with a corresponding increase to accumulated profits.

Financial Instruments

In the current period, the Group has applied HKAS 32 "Financial Instruments: Disclosure and Presentation" and HKAS 39 "Financial Instruments: Recognition and Measurement". HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after 1st January, 2005, generally does not permit to recognise or derecognise or measure financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 32 and HKAS 39 are summarised below:

Derivatives

From 1st January, 2005 onwards, all derivatives that are within the scope of HKAS 39 are required to be carried at fair value at each balance sheet date regardless of whether they are deemed as held for trading or designated as effective hedging instruments. Under HKAS 39, derivatives (including embedded derivatives separately accounted for from the host contracts) are deemed as held-for-trading financial assets or financial liabilities, unless they qualify and are designated as effective hedging instruments. The corresponding adjustments on changes in fair values would depend on whether the derivatives are designated as effective hedging instruments, and if so, the nature of the item being hedged. For derivatives are deemed as held for trading, changes in fair values of such derivatives are recognised in profit or loss for the period in which they arise.

Financial assets of equity securities

Investment in securities previously measured at cost, as reduced by any impairment loss that was other than temporary under Statement of Standard Accounting Practice 24 "Accounting for Investments in Securities" are reclassified to available for sale investments at 1st January, 2005. The investments continue to be measured at cost less impairment as they constitute unquoted equity instruments whose fair value cannot be reliably measured.

Owner-occupied Leasehold Interest in Land

In previous periods, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured under historical cost. In the current period, the Group has applied HKAS 17 "Leases". Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating lease, which are carried at cost and amortised over the lease term on a straight-line basis. This change in accounting policy has been applied retrospectively (see note 3 for the financial impact). Alternatively, where the allocation between the land and buildings elements cannot be made reliably, the leasehold interests in land continue to be accounted for as property, plant and equipment.

3 SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

The effects of the changes in the accounting policies described above on the results for the current and prior periods are as follows:

	Six months ended 30th June, 2005 (unaudited) US$'000	2004 (unaudited) US$'000
Decrease in amortisation of goodwill on acquisition of additional equity interest of a subsidiary	**120**	–
Decrease in amortisation of premium on acquisition of interest in a jointly controlled entity	**297**	–
Decrease in amortisation of discount on acquisition of interest in a jointly controlled entity	**(712)**	–
Gains arising from changes in fair value of interest rate swap	**135**	–
Decrease in profit for the period	**(160)**	–

The cumulative effects of the application of the new HKFRSs as at 31st December, 2004 and 1st January, 2005 are summarised below:

	As at 31st December, 2004 (Originally stated) US$'000	Effect of HKAS 17 US$'000	As at 31st December, 2004 (Restated) US$'000	Effect of HKFRS 3 US$'000	Effect of HKAS 39 US$'000	As at 1st January, 2005 (Restated) US$'000
Balance sheet items						
Property, plant & equipment	90,778	(21,722)	69,056	–	–	69,056
Prepaid lease payments	–	21,722	21,722	–	–	21,722
Interests in jointly controlled entities	55,516	–	55,516	5,765	–	61,281
Investment in securities	1,614	–	1,614	–	(1,614)	–
Available for sale investments	–	–	–	–	1,614	1,614
Total effects on assets and liabilities	147,908	–	147,908	5,765	–	153,673
Accumulated profits	67,745	–	67,745	5,765	–	73,510
Minority interests	–	33,775	33,775	–	–	33,775
Total effects on equity	67,745	33,775	101,520	5,765	–	107,285
Minority interests	33,775	(33,775)	–	–	–	–
	33,775	(33,775)	–	–	–	–

The Group has not early adopted the following new Standards or Interpretations that have been issued but are not yet effective. The Group is in the process of determining whether these new Standards or Interpretations will have any material impact on the financial statements of the Group.

HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HKFRS-Int 4	Determining Whether an Arrangement contains a Lease
HKFRS-Int 5	Rights to Interests arising from Decommissing, Restoration and Environmental Rehabilitation Funds

4 SEGMENT INFORMATION

The Group's primary format for reporting segment information is business segments as presented below:

	Turnover Six months ended		Contribution to profit from operations Six months ended	
	30th June, 2005	30th June, 2004	**30th June, 2005**	30th June, 2004
	US$'000	*US$'000*	***US$'000***	*US$'000*
Business segments				
Container manufacturing	**377,444**	219,279	**23,718**	6,826
Container depot/terminal	**8,601**	6,870	**2,072**	1,952
Mid-stream	**7,797**	9,714	**1,662**	1,582
	393,842	235,863	**27,452**	10,360

The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of the goods/services:

	Turnover Six months ended	
	30th June, 2005	30th June, 2004
	US$'000	*US$'000*
Geographical segments		
Europe	**129,922**	67,004
United States	**88,282**	27,079
Hong Kong	**87,415**	63,135
People's Republic of China ("PRC") (other than Hong Kong and Taiwan)	**38,502**	15,964
South Korea	**17,877**	279
Taiwan	**7,124**	23,769
Others	**24,720**	38,633
	393,842	235,863

The Group's total assets less current liabilities and the Group's net current assets as at 30th June, 2005 amounted to US$355,562,000 (31st December, 2004: US$254,862,000) and US$171,061,000 (31st December, 2004: US$100,269,000) respectively.

5 TAXATION

Hong Kong Profits Tax is calculated at 17.5% (2004: 17.5%) of the estimated assessable profit for the period. Taxation on overseas operations is calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the jurisdictions in which the Group operates.

	Six months ended	
	30th June, 2005	30th June, 2004
	US$'000	*US$'000*
Current tax:		
Hong Kong Profits Tax	**145**	142
Overseas taxation	**2,430**	814
	2,575	956
Deferred tax:		
Current year	**(186)**	(14)
	2,389	942

The Group's share of taxation of associates and jointly controlled entities of US$124,000 (2004: US$111,000) and US$733,000 (2004: US$179,000) are included in share of results of associates and share of results of jointly controlled entities respectively.

6 DIVIDENDS

	Six months ended	
	30th June, 2005	30th June, 2004
	US$'000	*US$'000*
Final dividend approved for the year ended 31st December, 2004: HK12 cents (year ended 31st December, 2003: HK6 cents) per ordinary share	**9,408**	4,021
Interim dividend declared:		
HK9 cents (2004: HK4 cents) per ordinary share	**7,071**	2,679
	16,479	6,700

The Directors have resolved to declare an interim dividend of HK9 cents per ordinary share for the period ended 30th June, 2005 (2004: HK4 cents per ordinary share).

7 EARNINGS PER SHARE – BASIC

The calculation of basic earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

	Six months ended	
	30th June, 2005	30th June, 2004
	US$'000	*US$'000*
Earnings:		
Earnings for the purposes of calculating earnings per share	**28,086**	10,485
Number of shares:		
Number of ordinary shares for the purposes of calculating earnings per share	**611,228,760**	522,417,760

8 MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent US$6,170,000 (2004: US$4,353,000) to upgrade its container manufacturing, container depot/terminal and mid-stream facilities.

9 INVENTORIES

	As at 30th June, 2005	As at 31st December, 2004
	US$'000	*US$'000*
Raw materials	**152,642**	62,646
Work in progress	**9,610**	37,318
Finished goods	**205,161**	81,170
	367,413	181,134

The cost of sales recognised during the period was US$345,524,000 (2004: US$210,906,000).

10 TRADE RECEIVABLES

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 general credit term ranges from 30 days to 120 days.

The following is an aging analysis of trade receivables:

	As at 30th June, 2005 ***US$'000***	As at 31st December, 2004 *US$'000*
0 to 30 days	**27,707**	22,172
31 to 60 days	**19,018**	14,006
61 to 90 days	**6,661**	10,147
91 to 120 days	**5,574**	2,305
Over 120 days	**5,401**	5,650
	64,361	54,280

11 TRADE PAYABLES

The following is an aging analysis of trade payables:

	As at 30th June, 2005 ***US$'000***	As at 31st December, 2004 *US$'000*
0 to 30 days	**40,473**	37,730
31 to 60 days	**21,325**	13,635
61 to 90 days	**9,594**	6,470
91 to 120 days	**6,798**	4,163
Over 120 days	**7,996**	4,976
	86,186	66,974

12 BILLS PAYABLE

The following is an aging analysis of bills payable:

	As at 30th June, 2005 *US$'000*	As at 31st December, 2004 *US$'000*
0 to 30 days	**28,032**	16,183
31 to 60 days	**14,928**	21,033
61 to 90 days	**4,772**	24,777
91 to 120 days	**5,790**	16,557
Over 120 days	**18,251**	18,728
	71,773	97,278

13 BORROWINGS

During the period, the Group obtained new bank loans in the amount of US$225,443,000 and repaid bank loans totalled US$121,450,000. The loans bear interest at market rates and are repayable over a period of five years. The proceeds were used to refinance the existing facilities, to finance raw material purchases and investments made during the period. On the other hand, the Group increased its borrowings of US$24,791,000 during the period by consolidation of a former jointly controlled entity as referred to in note 14.

14 CONSOLIDATION OF A FORMER JOINTLY CONTROLLED ENTITY

Following certain amendments to the terms of the relevant joint venture agreement and without any change in the Group's effective interest in Shanghai Baoshan Pacific Container Co., Ltd. ("Shanghai Baoshan"), a former jointly controlled entity of the Group, Shanghai Baoshan has become a subsidiary of the Group since 1st January, 2005. The effect of consolidation of the assets and liabilities of Shanghai Baoshan is summarised below:

	US$'000
Total assets	102,750
Total liabilities	(85,960)
Less: amount attributable to minority interests	(4,365)
Amount attributable to the Group and previously classified as interest in a jointly controlled entity	12,425
Net cash inflow arising from consolidation of Shanghai Baoshan	
Bank balance and cash consolidated	4,532

For the six months ended 30th June, 2005, Shanghai Baoshan has contributed US$104,916,000 to the Group's turnover and US$6,767,000 to the Group's profit from operations.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

15 CONTINGENT LIABILITIES

	As at 30th June, 2005	As at 31st December, 2004
	US$'000	*US$'000*
Guarantees for bank facilities utilised by jointly controlled entities	**42,446**	50,811

16 CAPITAL COMMITMENTS

	As at 30th June, 2005	As at 31st December, 2004
	US$'000	*US$'000*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided for	**579**	333
Capital expenditure in respect of business acquisition contracted but not provided for	**24,000**	846
	24,579	1,179

17 RELATED PARTIES TRANSACTIONS

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

	Six months ended	
	30th June, 2005	30th June, 2004
	US$'000	*US$'000*
Sales to a fellow subsidiary *(note)*	**923**	823
Sales to a related company *(note)*	**3,548**	5,296

Note: *Sales to a fellow subsidiary and a related company were conducted at market prices and on terms no less favourable than those charged to and contracted with other third party customers of the Group. The fellow subsidiary is Pacific International Lines (China) Ltd., in which Pacific International Lines (Private) Limited ("PIL"), a substantial shareholder of the Company, has 100% effective interest. The related company is Pacific International Lines (H.K.) Limited, in which Messrs. Chang Yun Chung, Teo Siong Seng and Teo Tiou Seng, Directors of the Company, have beneficial interests.*

The balances with related parties are disclosed in the condensed consolidated balance sheet. All such balances are subject to normal credit terms and aged mainly from 30 days to 90 days.

BUSINESS REVIEW

Benefiting from the continuous growth of global trade volume, Singamas achieved satisfactory results for the six months ended 30th June, 2005. Container manufacturing remained as the Group's core business and growth driver during the period. Although the recent drop in the Baltic Dry Index and doubts on whether the shipping cycle has peaked have cast uncertainty over the industry, in reality, container liner operators continue to enjoy good load factor. Demand for new containers is driven largely by trade and export growth instead of freight rate. With global trade, especially exports from the PRC, expected to rise continuously in years ahead, container demand is also expected to continue enjoying healthy growth.

The Group recorded a consolidated turnover of US$393,842,000 during the period, an increase of 67% over the same period last year. Consolidated net profit attributable to equity holders of the parent increased by 167.9% to US$28,086,000. Earnings per share rose 128.9% and reached US4.6 cents.

The Directors have resolved to declare the payment of an interim dividend of HK9 cents per ordinary share for the six months ended 30th June, 2005 (2004: HK4 cents per ordinary share). This represents a dividend payout ratio of approximately 25%, in line with the Group's long-term dividend policy.

Container Manufacturing

Accounting for 95.8% of the Group's total turnover, container manufacturing achieved a consolidated turnover of US$377,444,000 during the period, an increase of 72.1% over the same period last year. The increase in turnover was partly due to the contribution from Shanghai Baoshan, in which the Group holds 74% effective interest. Shanghai Baoshan was formerly a jointly controlled entity of the Group. With effect from 1st January, 2005 after Singamas had successfully renegotiated certain terms of the joint venture agreement of Shanghai Baoshan, Singamas now has control over Shanghai Baoshan's board of directors, accordingly Shanghai Baoshan has become a subsidiary of the Group. Since then, Shanghai Baoshan's accounts have been fully consolidated with the Group's.

Rising container demand and higher average container selling prices also accounted for the segment's turnover increase during the period. With large number of new container vessels expected to come on stream between 2006 and 2008, container demand should remain strong in the next few years.

The segment's profit before taxation and minority interests reached US$30,874,000, 223.4% higher than first half 2004. Operating margin increased to 7.2%, much improved from the 3.1% reported in the same period last year when the margin was squeezed as a result of sharp increase in raw material cost in the first quarter of 2004. From mid-2004 onwards, Singamas' cost-plus pricing model has been more effective enabling the Group to maintain its overall profit margins during the period.

BUSINESS REVIEW *(Continued)*

Container Manufacturing *(Continued)*

With the PRC Government continuing its economic austerity measures for the second year, large-scale infrastructure projects in the country have slowed down significantly, in turn easing the tight steel supply situation. Steel price rose in the first five months of 2005 then fell from June onwards. These austerity measures also slowed down the land approval process, resulted in the delay of opening of the Group's new Guangdong plant. Based on the current schedule, the Guangdong plant is expected to start commercial operations in the second quarter of 2006. The relocation and expansion of Tianjin Pacific Container Co., Ltd. ("Tianjin Pacific") has also been delayed slightly and is expected to complete in the first quarter of 2006.

All of the Group's existing manufacturing plants performed well during the period, with overall production volume, inclusive of those produced by its associates and jointly controlled entities, increased by 20% to reach 320,785 twenty-foot equivalent units ("TEUs").

After a series of efficiency enhancements and upgrading of the existing production facilities during the period, the Group's maximum annual production capacity increased to 850,000 TEUs from 640,000 TEUs in 2004. Utilisation rates of the production facilities remained at a healthy 75%.

In July 2005, Singamas decided to set up a new dry freight container factory in Ningbo - Ningbo Pacific Container Co., Ltd. ("Ningbo Pacific") - to further expand its container factory network. This factory will have a maximum annual production capacity of 100,000 TEUs and the US$20 million investment involved will be funded by the Company's internal resources. The factory is expected to start full operations by the second quarter of 2006. After completion of the new Guangdong plant and Ningbo Pacific, relocation of Tianjin Pacific and further enhancement of the Group's existing production facilities, the Group's maximum annual production capacity is expected to further increase to 1.25 million TEUs by the second quarter of 2006.

Logistics Services

The segment covers container depots/terminals and mid-stream operations. During the period, the Group's container depots/terminals business reported a turnover of US$8,601,000, an increase of 25.2% over the same period last year. As for the mid-stream business, since the Group has subcontracted out a portion of its operations to lower the overall costs and enhance profitability, turnover for this business line fell to US$7,797,000, a decrease of 19.7% against the same period last year.

Nevertheless, given the continuous growth of PRC exports and increasing containerisation of the country, the Group's logistics business remained profitable. Profit before taxation and minority interests for the container depots/terminals business and mid-stream business amounted to US$3,052,000 and US$1,663,000 respectively, increased by 9.3% and 5.3% over the same period last year. During the period, the mid-stream operation handled 158,203 TEUs of containers comparing to 184,422 TEUs in first half 2004.

Logistics Services *(Continued)*

During the period, container throughput at major PRC ports remained strong with the country's top ten largest container ports reported a 22% collective growth over the same period last year. According to PRC Government forecast, container throughput of the country will increase from 61 million TEUs in 2004 to 149 million TEUs by 2010, representing a CAGR of about 15%. The Group believes that its logistics business will continue to benefit from the growth in throughput levels of the PRC.

Prospects

Looking ahead, with global demand for PRC exports rising continuously, the demand for containers and logistics services is also expected to remain strong. While the appreciation of the Renminbi may slightly affect export volume in the short run, we believe the impact will be minimal given the revaluation was modest and that any further changes will be introduced gradually to minimise adverse impact on the country's export trade. Besides, as a major production base for the rest of the world, the PRC continues to enjoy the advantages of low production costs, economies of scale and high efficiency, and is thus expected to enjoy further trade growth.

According to market statistics, with new and bigger container vessels phasing in, shipping capacity is expected to grow on an average of 13.2% per annum between 2005 and 2008, giving rise to a steady demand for new containers. Besides, the replacement for old containers is expected to pick up from 2007/08 onwards when old containers at original cost of below US$1,800 per TEU are up for refurbishment.

Singamas has been gradually increasing its production capacity to match the increasing demand for new containers. By 2006, the Group's maximum production capacity will increase to 1.25 million TEUs. The Group sees continuous growth for worldwide container traffic and export trade in the PRC, which will benefit its container manufacturing business, its major growth driver. To enhance its competitiveness and capture the vast opportunities in the years ahead, Singamas will further strengthen and capitalise on its container manufacturing and depot networks that span the PRC coastline from north to south.

INTERIM DIVIDEND

The Directors are pleased to declare an interim dividend of HK9 cents per ordinary share (2004: HK4 cents per ordinary share) for the six months ended 30th June, 2005, payable on or before Monday, 31st October, 2005 to shareholders whose names appear on the Register of Members of the Company at close of business on Wednesday, 26th October, 2005.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 21st October, 2005 to Wednesday, 26th October, 2005, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for this interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited of 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration of no later than 4:00 p.m. on Thursday, 20th October, 2005.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim financial report for the six months ended 30th June, 2005 ("Interim Report"). At the request of the Directors, the Group's external auditors have carried out a review of the Interim Report in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the HKICPA.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th June, 2005, the Group had bank balances and cash of US$60,582,000 (31st December, 2004: US$69,466,000) and total interest-bearing borrowings of US$237,221,000 (31st December, 2004: US$108,437,000). This represented a gearing ratio, calculated on the basis of the Group's total interest-bearing borrowings over shareholders' funds, of 1.16 (31st December, 2004: 0.6) and a net debt to equity ratio, calculated on the basis of the Group's net interest-bearing borrowings (after deducting bank balances and cash of US$60,582,000) over the shareholders' fund, of 0.86 (31st December, 2004: 0.22). The increase in total interest-bearing borrowings was largely attributable to the substantial increase in working capital requirements as a result from higher material costs and production volume. In addition, the Company used the US$43.4 million net proceeds from the share placement received in October 2004 to repay some of the outstanding working capital loans; thereby, reduced the Group's total interest-bearing borrowings as at 31st December, 2004. The interest coverage ratio of the Group's profit before interest, tax, depreciation and amortisation (EBITDA) to total net interest expense was 12.15 times for the six months ended 30th June, 2005 (2004: 11.34 times).

TREASURY POLICIES

The Group's treasury policies adopted for the six months period ended 30th June, 2005 are consistent with those disclosed in the Group's 2004 Annual Report.

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 as at 30th June, 2005, the maturity profile spread over a period of five years with US$122,371,000 repayable within one year and US$114,850,000 within five years. The Group's borrowings are principally on a floating rate basis. As at 30th June, 2005, the Company has outstanding interest rate swap with its notional amount of US$37 million (2004: US$40 million) to hedge against the floating rate interest risk for a certain term loans granted for the financing of various business acquisitions of the Company.

DISCLOSURES PURSUANT TO RULE 13.21 OF THE LISTING RULES

On 20th May, 2005, the Company has entered into a facility agreement (the "Facility Agreement") with a syndicate of banks in respect of the US$100,000,000 term loan and revolving credit facilities ("Facility") for a term of five years for the purposes of refinancing the US$40,000,000 term loan and revolving credit facilities provided to the Company under a facility agreement dated 30th September, 2003 between the Company and a group of financial institutions named therein and funding the working capital requirements of the Group. The Facility Agreement includes conditions to the effect that PIL, a substantial and controlling shareholder of the Company, continues to be the controlling shareholder (as defines in the Listing Rules) and the single largest beneficial shareholder of the Company. A breach of the above conditions will constitute an event of default under the Facility Agreement. If such an event of default occurs, all amounts outstanding under the Facility may become immediately due and payable. This disclosure is made in accordance with the continuing disclosure requirement under the Listing Rules.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

On 17th November, 2004, the Company made an announcement pursuant to Rule 13.16 and Chapter 14 of the Listing Rules with respect to the provision of corporate guarantees up to a maximum liability of US$103,662,000 given, on a joint and several basis, for banking facilities ("Banking Facilities") of Qingdao Pacific Container Co., Ltd. ("Qingdao Pacific"), Shanghai Baoshan, Tianjin Pacific and Xiamen Pacific Container Manufacturing Co., Ltd. ("Xiamen Pacific"), at that time the jointly controlled entities of the Group and were treated as affiliated companies of the Company under the Listing Rules.

With effect from 1st January, 2005, Shanghai Baoshan has become a subsidiary of the Group and no longer considered as an affiliated company under the Listing Rules. As at 30th June, 2005, Banking Facilities utilised by affiliated companies, namely Qingdao Pacific, Tianjin Pacific and Xiamen Pacific totalled US$42,446,000 (31st December, 2004: US$50,811,000).

As at 30th June, 2005, guarantees in the total amount of US$69,749,000 (31st December, 2004: US$103,662,000) given for Banking Facilities granted to its affiliated companies by the Company represented approximately 16% of the Company's market capitalisation, which amounted to approximately HK$3,404,544,193 based on the average closing price of HK$5.570 per share for the five business days immediately preceding 30th June, 2005.

The proforma combined balance sheet of the affiliated companies as at 30th June, 2005, which includes the assets and liabilities of the aforesaid three jointly controlled entities, is as follows:

	US$'000
Non-current assets	69,992
Current assets	267,271
Current liabilities	(203,997)
Net current assets	63,274
Non-current liabilities	(864)
Minority interests	(67,516)
Attributable interest of the Group	64,886

CHARGES ON ASSETS

As at 30th June, 2005, certain assets of the Group with aggregate carrying value of US$6,166,000 (31st December, 2004: US$13,216,000) were pledged as securities for credit facilities granted by banks to subsidiaries in the PRC.

CONTINGENT LIABILITIES

During the period, the Company provided guarantees to banks as securities for bank facilities granted to certain subsidiaries and jointly controlled entities in the PRC. As at 30th June, 2005, total amount of bank facilities, of which guarantees were provided, utilised by the jointly controlled entities was US$42,446,000.

REMUNERATION POLICIES AND NUMBER OF EMPLOYEES

The remuneration policies adopted for the six months period ended 30th June, 2005 are consistent with those disclosed in the Group's 2004 Annual Report. As at 30th June, 2005, the Group, including its subsidiaries but excluding associates and jointly controlled entities, employed 7,311 full-time employees.

CAPITAL COMMITMENT

On 6th July, 2005, the Company executed the articles of association ("Articles of Association") for the formation of Ningbo Pacific, a wholly owned-subsidiary of the Company, with an investment cost of US$20 million, which is equivalent to the registered paid-up capital of Ningbo Pacific and will be funded by internal resources of the Company. This investment was approved by the local authorities on 19th July, 2005. Under the Articles of Association, the Company will establish a new container factory in Yin Zhou, Ningbo, the PRC through the formation of Ningbo Pacific. Ningbo Pacific, with estimated maximum annual production capacity of 100,000 TEUs, will principally engage in the manufacturing of dry freight and specialised containers.

DIRECTORS' INTERESTS

As at 30th June, 2005, the interests or short positions of the Directors in the shares of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (a) were required notification to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director is taken or deemed to have under such provisions of the SFO); or which (b) were required pursuant to Section 352 of the SFO to be entered into the register maintained by the Company; or which (c) were required, pursuant to Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

DIRECTORS' INTERESTS *(Continued)*

		Number of Ordinary Shares of HK$0.10 Each		
Name	**Capacity**	**Personal Interest**	**Corporate Interest**	**Percentage of Issued Shares**
Mr. Chang Yun Chung	Beneficial Owner	–	299,376,178 *(Note)*	48.98
Mr. Teo Siong Seng	Beneficial Owner	13,234,000	–	2.17

Note: *These shares are held by PIL (an associated corporation, within the meaning of Part XV of the SFO, of the Company) in which Mr. Chang Yun Chung is interested in aggregate, in 16,560,000 shares representing 89.61% of the issued share capital of PIL. 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 1.87% of the issued share capital and 8,067,500 shares through Y. C. Chang & Sons Private Limited, a company in which he holds 2.86% of the issued share capital. Messrs. Teo Siong Seng and Teo Tiou Seng, directors of the Company, both of their interests in shares of PIL comprise personal interests in 120,000 shares and 80,000 shares respectively and representing 0.65% and 0.43% of the issued share capital of PIL.*

The Company does not have any share option scheme.

Other than those disclosed in note 17 to the condensed financial statements (which were approved by the independent non-executive Directors and in the opinion of the Directors were carried out on normal commercial terms and 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 had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

At no time during the period 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.

DIRECTORS' INTERESTS *(Continued)*

Save as disclosed above, none of Directors, nor their associates, had any other interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (a) were required notification to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive is taken or deemed to have under such provisions of the SFO); or which (b) were required pursuant to Section 352 of the SFO to be entered into the register maintained by the Company; or which (c) were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company or the Stock Exchange; and none of the Directors, nor their spouse 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 period.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30th June, 2005, according to the register kept by the Company pursuant to Section 336 of the SFO, and so far as was known to any Director, the following persons (other than the interests of certain Directors disclosed under the section headed "Directors' Interests" above), had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

		Number of Ordinary Shares of HK$0.10 Each		Percentage of Total Issued
Name	*Notes*	**Direct Interest**	**Indirect Interest**	**Shares**
JP Morgan Chase & Co.	*(1)*	–	31,134,857 (L)#	5.09
		–	20,252,857 (P)#	3.31
Madam Lee Kheng Wah	*(2)*	–	299,376,178 (L)#	48.98
PIL	*(3)*	299,376,178 (L)#	—	48.98
Y.C. Chang & Sons Private Limited	*(4)*	–	299,376,178 (L)#	48.98

 # (L) – Long Position; (P) – Lending Pool

SUBSTANTIAL SHAREHOLDERS' INTERESTS *(Continued)*

Notes:

(1) These shares in which JP Morgan Chase & Co. is deemed to be interested, were held via JP Morgan Asset Management Holdings Inc., JF Asset Management (Taiwan) Limited, JF Asset Management Limited, JF Funds Limited, JP Morgan Asset Management (Asia) Inc. and JP Morgan Chase Bank, N.A., respectively.

(2) Madam Lee Kheng Wah, as the spouse of Mr. Chang Yun Chung, is deemed to be interested in these shares.

(3) A full explanation of these shares is disclosed under the section headed "Directors' Interest" above.

(4) As Y.C. Chang & Sons Private Limited directly controls one-third or more of the voting rights in the shareholders' meeting of PIL, in accordance with SFO, Y.C. Chang & Sons Private Limited is deemed to be interested in PIL's interests in the Company's issued shares.

Save as disclosed above, there was no other person known to the Directors, other than the Directors, who, as at 30th June, 2005, had an interest or a short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

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

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

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE PRACTICES

On 1st January, 2005, the Code of Best Practice was replaced by the Code on Corporate Governance Practices ("New Code") as set out in Appendix 14 of the Listing Rules.

The Company has taken appropriate steps to adopt and comply with the provisions of the New Code for the six months ended 30th June, 2005.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of the Directors, none of the Directors has not complied with, for any part of the accounting period covered by this Interim Report, the required standard set out in the Model Code and its code of conduct regarding directors' securities transaction.

On Behalf of the Board
Chang Yun Chung
Chairman

As at the date of this report, the board of directors of the Company consists of:

Executive Directors:
Mr. Chang Yun Chung *(Chairman)*
(also known as Mr. Teo Woon Tiong)
Mr. Teo Siong Seng *(Vice Chairman)*
Mr. Hsueh Chao En
Mr. Jin Xu Chu
Mr. Teo Tiou Seng

Non-Executive Director:
Mr. Kuan Kim Kin

Independent Non-Executive Directors:
Mr. Ngan Man Kit, Alexander
Mr. Ong Ka Thai
Mr. Soh Kim Soon

Hong Kong, 24th August, 2005