FINANCIAL HIGHLIGHTS

	For the six months ended, 30th June, 2003 (US$)	For the year ended 31st December, 2002 (US$)	2001 (US$)	2000 (US$)	1999 (US$)
Turnover	**203,717,000**	180,637,000	171,962,000	179,720,000	138,056,000
Profit from operations	**12,808,000**	14,868,000	19,395,000	12,990,000	7,054,000
Net profit for the period	**7,028,000**	14,689,000	10,313,000	6,082,000	3,424,000
Earnings per share	**1.46 cents**	3.22 cents	2.26 cents	1.33 cents	0.75 cent
Net asset value per share	**19.12 cents**	15.67 cents	12.70 cents	10.49 cents	9.11 cents
Shareholders' funds	**91,717,000**	71,445,000	57,919,000	47,815,000	41,526,000
Bank balances and cash	**23,640,000**	21,567,000	18,424,000	16,544,000	15,235,000
Total borrowings *(Note)*	**90,362,000**	58,059,000	57,045,000	64,071,000	52,360,000
Current ratio	**1.19 to 1**	1.28 to 1	1.20 to 1	1.13 to 1	1.09 to 1
Gearing ratio	**0.99**	0.81	0.98	1.34	1.26
Net debt to equity ratio	**0.73**	0.51	0.67	0.99	0.89
Interest coverage ratio	**8.67**	16.65	7.73	4.67	4.39

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

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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 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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 Statement of Standard Accounting Practice 25 "Interim Financial Reporting" issued by the Hong Kong Society of 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 for 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 Society of 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, 2003.

Deloitte Touche Tohmatsu
Certified Public Accountants

27th August, 2003

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, 2003 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June, 2003

		Six months ended 30th June,	
	Notes	**2003 (unaudited) *US$'000***	2002 (unaudited) *US$'000*
Turnover	3	**203,717**	77,057
Other operating income		**2,709**	611
Changes in inventories of finished goods and work in progress		**(8,592)**	1,480
Raw materials and consumables used		**(144,010)**	(41,665)
Staff costs		**(13,275)**	(7,564)
Depreciation and amortisation expenses		**(3,593)**	(2,845)
Other operating expenses		**(24,148)**	(19,905)
Profit from operations		**12,808**	7,169
Finance costs		**(2,139)**	(834)
Investment income		**86**	55
Share of results of associates		**584**	1,585
Share of results of jointly controlled entities		**813**	(342)
Profit before taxation		**12,152**	7,633
Taxation	4	**(928)**	(741)
Profit after taxation		**11,224**	6,892
Minority interests		**(4,196)**	(1,724)
Net profit for the period		**7,028**	5,168
Earnings per share	6		
Basic		**1.46 cents**	1.13 cents
Diluted		**1.46 cents**	1.13 cents

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30th June, 2003

	Notes	As at 30th June, 2003 (unaudited) US$'000	As at 31st December, 2002 (audited) US$'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	86,190	37,026
Patents		1,352	1,479
Interests in associates		2,484	22,881
Interests in jointly controlled entities		26,619	15,702
Investment in securities		611	611
Deferred tax assets		257	–
Other assets		1,006	654
		118,519	78,353
Current assets			
Inventories	8	77,206	50,665
Accounts receivable	9	98,606	37,390
Prepayments and other receivables		20,792	10,450
Amount due from ultimate holding company		–	100
Amounts due from fellow subsidiaries		189	199
Amounts due from associates		1	1,270
Amounts due from jointly controlled entities		883	1,238
Amounts due from related companies		1,872	638
Tax recoverable		97	110
Pledged deposits		208	1,042
Bank balances and cash		23,640	21,567
		223,494	124,669
Total assets		342,013	203,022
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		6,667	5,854
Share premium		54,481	38,522
Accumulated profits		26,876	23,637
Other reserves		3,693	3,432
		91,717	71,445
Minority interests		44,562	19,146
		136,279	90,591
Non-current liabilities			
Bank borrowings – due after one year	11	18,464	15,160
Current liabilities			
Accounts payable	10	55,549	23,501
Accruals and other payables		29,921	28,696
Bills payable		25,631	54
Amount due to ultimate holding company		3,232	1,518
Amounts due to associates		27	–
Amounts due to jointly controlled entities		69	235
Bank borrowings – due within one year	11	71,898	42,893
Obligations under finance leases – due within one year		–	6
Tax payable		943	368
		187,270	97,271
Total equity and liabilities		342,013	203,022

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June, 2003

		Six months ended 30th June,	
	Note	**2003 (unaudited) *US$'000***	2002 (unaudited) *US$'000*
Opening balance – total equity	12	**71,445**	57,919
Currency translation difference	12	**6**	25
Net gains and losses not recognised in the income statement	12	**6**	25
Exercise of share options	12	**742**	–
Issue of ordinary shares on placing	12	**16,030**	–
Net profit for the period	12	**7,028**	5,168
Dividend paid	12	**(3,534)**	(1,169)
Closing balance – total equity	12	**91,717**	61,943

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th June, 2003

	Six months ended 30th June,	
	2003 (unaudited) *US$'000*	2002 (unaudited) *US$'000*
Net cash (outflow)/inflow from operating activities	**(24,485)**	13,110
Net cash inflow/(outflow) from investing activities	**14,136**	(5,741)
Net cash inflow/(outflow) from financing activities	**12,418**	(7,760)
Increase/(decrease) in cash and cash equivalents	**2,069**	(391)
Cash and cash equivalents at 1st January	**21,567**	18,424
Effect of foreign exchange rate changes	**4**	–
Cash and cash equivalents at 30th June	**23,640**	18,033
Balance of cash and cash equivalents represented by:		
Bank balances and cash	**23,640**	18,033

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

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

The condensed financial statements have been prepared in accordance with Statement of Standard Accounting Practice ("SSAP") 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants and with the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The accounting policies adopted are consistent with those followed in the Group's annual financial statements for the year ended 31st December, 2002, except as described in note 2 below.

2. CHANGES IN ACCOUNTING POLICIES

Income Taxes

In the current period, the Group has adopted SSAP 12 (Revised) "Income Taxes". The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. In previous years, partial provision was made for deferred tax using income statement liability method, i.e. a liability was recognised in respect of timing differences arising, except where those timing differences were not expected to reverse in the foreseeable future. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with limited exceptions. The retrospective adoption of this new standard has not resulted in any significant effect on the financial statements in the prior periods, and accordingly, no prior period adjustment has been made. The effect of the adoption of this new accounting policy has increased the net profit for the current period by US$215,000.

3. SEGMENT INFORMATION

	Turnover Six months ended,		Contribution to profit from operations Six months ended,	
	30th June, 2003	30th June, 2002	**30th June, 2003**	30th June, 2002
	US$'000	*US$'000*	***US$'000***	*US$'000*
Business segments				
Container manufacturing	**185,982**	56,184	**9,441**	3,643
Container depot/terminal	**8,584**	12,565	**1,890**	2,189
Mid-stream	**9,151**	8,308	**1,477**	1,337
	203,717	77,057	**12,808**	7,169

	Turnover Six months ended,		Contribution to profit from operations Six months ended,	
	30th June, 2003	30th June, 2002	**30th June, 2003**	30th June, 2002
	US$'000	*US$'000*	***US$'000***	*US$'000*
Geographical segments				
Europe	**54,185**	9,261	**2,177**	527
Hong Kong	**51,830**	17,818	**2,839**	2,295
United States	**51,423**	17,021	**2,754**	945
Singapore	**13,911**	11,914	**569**	771
People's Republic of China ("PRC") (other than Hong Kong and Taiwan)	**13,857**	17,178	**3,573**	2,314
Others	**18,511**	3,865	**896**	317
	203,717	77,057	**12,808**	7,169

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

4. TAXATION

Hong Kong profits tax is calculated at 17.5% (2002: 16%) of the estimated assessable profit for the period. The profits tax rate has been increased with effect from the 2003 year of assessment. 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, 2003 *US$'000*	30th June, 2002 *US$'000*
Current tax:		
Hong Kong profits tax	**149**	170
Overseas taxation	**854**	355
	1,003	525
Deferred tax:		
Current year	**(257)**	–
Taxation attributable to the Company and subsidiaries	**746**	525
Share of taxation attributable to associates	**69**	210
Share of taxation attributable to jointly controlled entities	**113**	6
	928	741

5. INTERIM DIVIDEND

The directors have resolved to declare an interim dividend of HK3 cents per ordinary share for the period ended 30th June, 2003 (2002: Nil).

6. EARNINGS PER SHARE – BASIC AND DILUTED

	Six months ended,	
	30th June, 2003 *US$'000*	30th June, 2002 *US$'000*
Earnings:		
Earnings for the purposes of calculating basic and diluted earnings per share	**7,028**	5,168
Number of shares:		
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	**479,734,357**	456,001,760
Effect of dilutive share options	**203,129**	–
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share	**479,937,486**	456,001,760

For the period ended 30th June, 2002, the computation of diluted earnings per share has not assumed the exercise of the Company's outstanding share options as their exercise prices were higher than the average market price of shares.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

7. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent US$9,902,000 (2002: US$1,411,000) to upgrade its container manufacturing, container depot/terminal and mid-stream facilities.

8. INVENTORIES

	As at 30th June, 2003 ***US$'000***	As at 31st December, 2002 *US$'000*
Raw materials	**33,903**	19,743
Work in progress	**11,511**	9,244
Finished goods	**31,792**	21,678
	77,206	50,665

The cost of sales recognised during the period was US$182,308,000 (2002: US$62,928,000).

9. 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 general credit term ranges from 30 days to 120 days.

The following is an aging analysis of accounts receivable:

	As at 30th June, 2003 ***US$'000***	As at 31st December, 2002 *US$'000*
0 to 30 days	**38,096**	17,022
31 to 60 days	**31,962**	9,167
61 to 90 days	**14,894**	6,151
91 to 120 days	**8,124**	2,154
Over 120 days	**5,530**	2,896
	98,606	37,390

10. ACCOUNTS PAYABLE

The following is an aging analysis of accounts payable:

	As at 30th June, 2003 ***US$'000***	As at 31st December, 2002 *US$'000*
0 to 30 days	**30,100**	8,824
31 to 60 days	**9,027**	6,031
61 to 90 days	**7,552**	4,010
91 to 120 days	**3,722**	2,866
Over 120 days	**5,148**	1,770
	55,549	23,501

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

11. BORROWINGS

During the period, the Group obtained new bank loans of US$45,135,000 and repaid bank loans totalled US$45,802,000. The loans bear interest at market rates and are repayable over a period of three years. The proceeds were used to finance raw material purchases and investments made during the period.

12. CAPITAL AND RESERVES

	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*
At 1st January, 2002							
– The Company and subsidiaries	5,854	38,522	246	1,217	1,041	9,239	56,119
– Associates	–	–	58	105	20	800	983
– Jointly controlled entities	–	–	–	111	111	595	817
	5,854	38,522	304	1,433	1,172	10,634	57,919
Exchange translation differences							
– The Company and subsidiaries	–	–	1	–	–	–	1
– Associates	–	–	24	–	–	–	24
Net profit for the period	–	–	–	–	–	5,168	5,168
Dividend paid	–	–	–	–	–	(1,169)	(1,169)
Transfer from accumulated profits	–	–	–	273	140	(413)	–
At 30th June, 2002	5,854	38,522	329	1,706	1,312	14,220	61,943
Attributable to:							
– The Company and subsidiaries	5,854	38,522	247	1,399	1,150	13,222	60,394
– Associates	–	–	82	164	20	1,353	1,619
– Jointly controlled entities	–	–	–	143	142	(355)	(70)
	5,854	38,522	329	1,706	1,312	14,220	61,943
At 1st January, 2003							
– The Company and subsidiaries	5,854	38,522	246	1,482	1,164	17,976	65,244
– Associates	–	–	64	164	20	5,874	6,122
– Jointly controlled entities	–	–	–	146	146	(213)	79
	5,854	38,522	310	1,792	1,330	23,637	71,445
Exercise of share options	44	698	–	–	–	–	742
Issue of ordinary shares on placing	769	15,771	–	–	–	–	16,540
Share issued expenses	–	(510)	–	–	–	–	(510)
Exchange translation differences							
– The Company and subsidiaries	–	–	(8)	–	–	–	(8)
– Associates	–	–	14	–	–	–	14
Net profit for the period	–	–	–	–	–	7,028	7,028
Dividend paid	–	–	–	–	–	(3,534)	(3,534)
Transfer from accumulated profits	–	–	–	180	75	(255)	–
At 30th June, 2003	6,667	54,481	316	1,972	1,405	26,876	91,717
Attributable to:							
– The Company and subsidiaries	6,667	54,481	238	1,580	1,232	26,075	90,273
– Associates	–	–	78	226	20	601	925
– Jointly controlled entities	–	–	–	166	153	200	519
	6,667	54,481	316	1,972	1,405	26,876	91,717

During the period, the Company issued 3,400,000 ordinary shares and 60,000,000 ordinary shares in relation to the exercise of share options and share placement respectively.

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

13. CONTINGENT LIABILITIES

	As at 30th June, 2003 *US$'000*	As at 31st December, 2002 *US$'000*
Guarantees for bank facilities utilised by an associate	–	5,316
Guarantees for bank facilities utilised by jointly controlled entities	18,815	12,569
	18,815	17,885

14. CAPITAL COMMITMENTS

	As at 30th June, 2003 *US$'000*	As at 31st December, 2002 *US$'000*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided	528	791
Capital expenditure in respect of business acquisition contracted but not provided	–	10,320
	528	11,111

15. RELATED PARTIES TRANSACTIONS

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

	Six months ended, 30th June, 2003 *US$'000*	30th June, 2002 *US$'000*
Sales to ultimate holding company *(note a)*	–	88
Sales to a fellow subsidiary *(note a)*	677	777
Sales to related companies *(note a)*	4,826	5,327
Rental paid to ultimate holding company *(note b)*	–	10

Notes:

(a) Sales to ultimate holding company, fellow subsidiary and related companies 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 companies are Pacific International Lines (HK) Limited, in which Messrs. Chang Yun Chung, Teo Siong Seng and Teo Tiou Seng, directors of the Company, have beneficial interests; Xiamen Xiangyu PIL Total Logistics Co., Ltd., in which PIL has beneficial interest; and Xiamen Superchain Logistics Development Co., Ltd., an investment of the Company in which the Company holds 6.83% shareholding.

(b) PIL leased an office space to Singamas Terminals (China) Limited under a tenancy agreement for a period of two years commencing 1st January, 2001 at a monthly rental of US$1,611. The agreement was terminated with effect from 1st October, 2002.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

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. The amount due from/to ultimate holding company is interest free and repayable on demand.

16. ACQUISITIONS

During the period, the Group completed the acquisition of additional interests in Shunde Shun An Da Pacific Container Co., Ltd. ("Shun An Da") and Foshan Shunde Leliu Wharf & Container Co., Ltd. (formerly known as Shunde Leliu Wharf & Container Co., Ltd.) ("SLWC"), both were associates of the Group as at 31st December, 2002. Shun An Da and SLWC have been accounted for as subsidiaries since January and April 2003 respectively and in aggregate contributed US$5,370,000 to the Group's profit from operations.

BUSINESS REVIEW

The Group was not affected by the Iraqi war and the Severe Acute Respiratory Syndrome outbreak and was able to achieve satisfactory results. For the six months ended 30th June, 2003, the Group reported consolidated turnover of US$203,717,000, representing a growth rate of 164%, whilst consolidated net profit reached US$7,028,000, an increase of 36% over the same period last year. Earnings per share rose 29% to US1.46 cents compared with US1.13 cents in the previous corresponding period.

The substantial increase in the Group's turnover was mainly attributable to the higher container demand and the contribution from Shun An Da. In November 2002, Singamas entered into a share transfer agreement to acquire an additional 20% equity stake in Shun An Da. This transaction was completed in January 2003 and Shun An Da became a 60% owned-subsidiary of the Company. Since then, the Group started to fully consolidate Shun An Da's results.

In view of the positive results achieved during the period, the Board of Directors has resolved to declare an interim dividend of HK3 cents per ordinary share for the six months ended 30th June, 2003.

Riding on its role as the manufacturing base for the global market, the PRC continued to enjoy its strong export growth. The Group's business operations in the PRC and its mid-stream operation benefited from this growth, resulting in improved profit.

CONTAINER MANUFACTURING OPERATIONS

Container manufacturing remains the Group's major growth driver. During the reporting period, container manufacturing achieved a consolidated turnover of US$185,982,000, an increase of 231% compared to the same period last year. The significant growth in turnover was largely due to higher container demand and the turnover generated by Shun An Da, which has been consolidated into the Group's accounts with effect from January 2003. Profit before taxation and minority interests reached US$7,996,000, 118% higher than the same period last year. As the core business of the Group, container manufacturing accounted for 91% of the Group's total turnover.

BUSINESS REVIEW *(Continued)*

CONTAINER MANUFACTURING OPERATIONS *(Continued)*

In January 2003, the Group acquired an additional 35% equity stake in Shanghai Baoshan Pacific Container Co., Ltd. ("Shanghai Baoshan"), which was formerly known as Shanghai Hyundai Container Manufacturing Co., Ltd. As a result, the Group's effective equity interest in Shanghai Baoshan increased from 39% (indirectly held through Shanghai Pacific International Container Co., Ltd., a 60% owned-subsidiary of the Company) to 74%. Shanghai Baoshan, with an annual production capacity of 100,000 twenty-foot equivalent units ("TEUs"), is engaged in the manufacturing of dry freight and specialised containers. Shanghai Baoshan commenced its commercial operations in January 2003 and the factory was able to breakeven during the reporting period.

The other factories also performed well during the period. Singamas Container Industry Co., Ltd., which engages in the manufacturing of flatracks and other specialised containers in Yixing, Jiangsu Province, achieved satisfactory results. Tianjin Pacific Container Co., Ltd. also performed well. It managed to turnaround from a loss position last year and generated a small profit during the reporting period. Performance of Shanghai Reeferco Container Co., Ltd. ("Shanghai Reeferco") was stable in the first half of 2003. The Group's acquisition of an additional 36.17% equity stake in Shanghai Reeferco was completed on 21st August, 2003. In view of good performance by Shanghai Reeferco in the recent years, the Group is confident that Shanghai Reeferco would make higher contribution to the Group in the second half of 2003. Additionally, Qingdao Pacific Container Co., Ltd., a dry freight and specialised container factory located in the Huangdao District - the Economic and Technological Development Zone of Qingdao, will commence trial production in the last quarter of 2003, with its commercial operations scheduled to start in January 2004.

During the reporting period, the prices of steel and plywood, the major raw materials used in the production of containers, were relatively stable. The Group will continue to closely monitor the material costs and will adopt measures to maintain the profit margins of this business segment.

LOGISTICS SERVICES

CONTAINER DEPOT/TERMINAL OPERATIONS

During the period, the Group's container depot/terminal operations registered a turnover of US$8,584,000 compared with US$12,565,000 of the same period last year. Despite the decline in turnover, performance of this business segment remained stable with profit before taxation and minority interest of US$2,682,000, against last year's US$2,629,000. The drop in turnover was largely due to below expected performance of the Hong Kong container depots. In addition, in November 2002, Shanghai Singamas Container Transportation Co., Ltd., previously a 60% owned-subsidiary of the Company, entered into an agreement to merge with two other companies with similar operations to form Shanghai Jifa Logistics Co., Ltd. ("Shanghai Jifa"), in which the Company is now holding 25% equity interest. Therefore, with effect from November 2002, the Group no longer captures Shanghai Jifa's turnover in its consolidated accounts.

In the first half of 2003, container throughput remained strong with double-digit growth at major ports in the PRC. The Group's PRC container depot/terminal operations, with an extensive container depot network established along the PRC coastal ports, benefited from this growth and recorded satisfactory results.

BUSINESS REVIEW *(Continued)*

CONTAINER DEPOT/TERMINAL OPERATIONS *(Continued)*

In February 2003, the Group entered into a share transfer agreement and took up an additional 19% equity interest in SLWC. This share transfer was completed in April 2003 and the Group's effective interest in SLWC therefore increased from 40% to 59%.

The newly established container depot, Fuzhou Singamas Warehousing and Trading Co., Ltd. ("Fuzhou Singamas"), commenced operations in April 2003. With this new container depot and the increased shareholding in SLWC, the Group is solidly positioned to capture the potential business opportunities arising from the PRC's economic growth.

On the other hand, reduction in empty container storage business in Hong Kong affected the Group's Hong Kong container depots. In view of the below expected performance of its container depot operations in Hong Kong, the Group implemented cost cutting measures during the reporting period to streamline these operations and to reduce loss.

MID-STREAM OPERATION

The growing trade activities in the Pearl River Delta region drove demand for the Group's mid-stream services. For the six months ended 30th June, 2003, turnover and profit before taxation and minority interests for this segment were amounting to US$9,151,000 and US$1,474,000 respectively, both increased by 10% over the same period last year.

LOGISTICS OPERATION

Xiamen Superchain Logistics Development Co., Ltd., in which the Company is holding a 6.83% shareholding, performed well during the reporting period. The signing of the "Closer Economic Partnership Agreement" ("CEPA") between PRC and Hong Kong is expected to provide many business opportunities to our logistics operation. Restrictions on ownership and export quotas to the PRC will be lifted from 1st January, 2004, and Hong Kong companies will be allowed to set up wholly owned companies in the PRC to provide logistics and other related services. The Group will assess the impact from CEPA that may have on our Group's logistics business.

PROSPECTS

In addition to receiving more orders for its container manufacturing operations in response to higher container demand, the Group also achieved significant development for its container depot/terminal business.

SLWC has obtained the approval from the relevant authorities to operate an outdoor bonded depot, using containers as warehouse to store imported materials and goods. On 28th July, 2003, SLWC entered into a five-year tenancy agreement (the "Agreement") with Formosa Plastic Logistic (HK) Corp. Ltd. ("Formosa"), a subsidiary of a Taiwan based multinational corporation - the Formosa Plastic Group. Under the Agreement, Formosa will lease SLWC's outdoor bonded depot for the storage of its plastic materials with an estimated monthly volume of no less than 5,000 TEUs of loaded containers. As the agent of Formosa, SLWC will handle the shipments from Hong Kong to SLWC's bonded depot, process all required customs declarations for these shipments and perform all other related services. Formosa intends to use SLWC as its logistics and warehousing center for Southern China. The Group is confident that the cooperation with Formosa would further enhance the Group's logistics capability and future profitability.

PROSPECTS *(Continued)*

After executing and completing a series of acquisitions and establishment of new businesses in the past year and current period, including the co-operation with Formosa, the Group will focus on business consolidation for the remainder of this year with the aim to improve the overall efficiency and management of its operations to enhance its profitability. At the same time, the Group will also seek profitable investment projects and it is well prepared for any new and emerging opportunities.

With the strong growth in exports and container throughput at the PRC's major ports, the Group is optimistic about the performance of its container manufacturing and logistics operations in the second half of 2003.

SHARE PLACEMENT

A Placement Agreement and Subscription Agreement were entered into on 14th April, 2003.

Under the terms of the Placing Agreement, a total of 60,000,000 existing shares held originally by PIL was placed to independent parties at the price of HK$2.15 per share ("Placing Price"). Pursuant to the Subscription Agreement, PIL subscribed for 60,000,000 new shares ("New Shares") issued by the Company at HK$2.09 per new share, arrived at the equivalent of the Placing Price net of expenses related to the Placing.

Immediately after the completion of the Placing and Subscription, the issued share capital of the Company was enlarged by the allotment of the New Shares. As a result, PIL's shareholding interest in the Company was diluted from approximately 62.18% to 55% of the issued share capital.

The net proceeds from the completion of the Placing and Subscription were approximately HK$125,400,000. These were used for general funding purposes, financing certain acquisitions of the Group made in early 2003, and repayment of loans drawn for acquisitions made in 2002.

INTERIM DIVIDEND

The Directors are pleased to declare an interim dividend of HK3 cents per share (2002: Nil) for the six months ended 30th June, 2003, payable on or before Tuesday, 30th September, 2003 to shareholders whose names appear on the Register of Members of the Company at the close of business on Thursday, 25th September, 2003.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 22nd September, 2003 to Thursday, 25th September, 2003, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for this interim dividend, all transfers of shares, 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 by not later than 4:00 p.m. on Friday, 19th September, 2003.

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, 2003 ("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 Standarads 700 "Engagements to review interim financial reports" issued by the Hong Kong Society of Accountants.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th June, 2003, the Group had bank balances and cash of US$23,640,000 (31st December, 2002: US$21,567,000) and total borrowings of US$90,362,000 (31st December, 2002: US$58,059,000). This represented a gearing ratio, calculated on the basis of the Group's total borrowings over shareholders' funds, of 0.99 (31st December, 2002: 0.81) and a net debt to equity ratio, calculated on the basis of the Group's net borrowing (after deducting bank balances and cash of US$23,640,000) over the shareholders' fund, of 0.73 (31st December, 2002: 0.51). The increase in total bank borrowings was largely attributable to the consolidation of Shun An Da's bank borrowings after it became a subsidiary of the Company with effect from 1st January, 2003. The interest coverage ratio of the Group's profit before interest, tax, depreciation and amortisation (EBITDA) to total net interest expense was 8.67 times for the six months ended 30th June, 2003 (2002: 14.45 times).

TREASURY POLICIES

The Group's treasury policies adopted for the six months period ended 30th June, 2003 are consistent with those disclosed in the Group's 2002 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, 2003, the maturity profile spread over a period of three years with US$71,898,000 repayable within one year and US$18,464,000 within two to three years. The Group's borrowings are principally on a floating rate basis.

ACQUISITIONS

On 9th January, 2003, the Company entered into a share transfer agreement with PIL to acquire from PIL 35% equity interest in Shanghai Baoshan at a consideration, which was satisfied in a form of corporate guarantee for an amount of US$1,522,500 provided by the Company in favour of a bank of Shanghai Baoshan. Since PIL is a substantial shareholder of the Company, PIL is a connected person and entering into this agreement constituted a connected transaction under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). Details of this connected transaction have been disclosed by way of a press notice in compliance with the Listing Rules. Upon completion of this acquisition in February 2003, the Group's effective equity interest in Shanghai Baoshan has increased from 39% to 74%.

On 20th January, 2003, the Company's wholly-owned subsidiary, Singamas Warehouse (Shanghai) Company Limited, entered into a share transfer agreement with a third party to acquire an additional 8.052% equity interest in Shanghai Jifa at a cash consideration of US$2,788,000. Upon completion of this acquisition in January 2003, the Group's effective interest in Shanghai Jifa has increased from 16.948% to 25%.

On 12th February, 2003, Singamas Terminals (China) Limited, a wholly-owned subsidiary of the Company, entered into a share transfer agreement with a third party to acquire 19% equity interest in Foshan Shunde Leliu Wharf & Container Co., Ltd. (formerly known as Shunde Leliu Wharf & Container Co., Ltd.) ("SLWC") at a cash consideration of US$3,800,000. As the unaudited net tangible asset value of SLWC as at 31st December, 2002 represented more than 15% of the audited consolidated net tangible asset value of the Company as at 31st December, 2001, the entering into this agreement constituted a discloseable transaction under the Listing Rules. Details of this discloseable transaction have been disclosed by way of a press notice in compliance with the Listing Rules. Upon completion of this acquisition in April 2003, the Group's effective interest in SLWC has increased from 40% to 59%.

CHARGES ON ASSETS

As at 30th June, 2003, certain assets of the Group with aggregate carrying value of US$8,038,000 (31st December, 2002: US$15,664,000) were pledged as security for loan facilities granted by banks to subsidiaries in Indonesia and the PRC. The shareholding of the Company in a subsidiary was also pledged as security for credit facilities granted to the Company.

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 Indonesia and the PRC. As at 30th June, 2003, the total amount of bank facilities utilised by the jointly controlled entities, for which the Company has provided guarantees, was US$18,815,000.

REMUNERATION POLICIES AND NUMBER OF EMPLOYEES

The remuneration policies adopted for the six months period ended 30th June, 2003 are consistent with those disclosed in the Group's 2002 Annual Report. As at 30th June, 2003, the Group, including its subsidiaries but excluding associates and jointly controlled entities, employed 5,005 full-time employees.

DIRECTORS' INTERESTS

As at 30th June, 2003, the interests or short positions of the Directors of the Company 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 of Hong Kong Limited (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 taken 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 Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

		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	–	289,158,178 (L)# *(Note)*	55.67
Mr. Teo Siong Seng	Beneficial Owner	13,234,000 (L)#	–	2.55

(L)-Long Position

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 16,525,000 shares representing 89.42% 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 59.95% 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% 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 share and 80,000 shares respectively and representing 0.65% and 0.43% of the issued share capital of PIL.*

DIRECTORS' INTERESTS *(Continued)*

Pursuant to a share option scheme adopted on 17th June, 1993 ("Share Option Scheme"), 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% 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. During the period, Messrs. Teo Siong Seng and Hsueh Chao En subscribed for 3,000,000 shares and 400,000 shares respectively upon exercising their options under the Share Option Scheme. The Share Option Scheme expired on 16th June, 2003 without any outstanding share options.

Other than those disclosed in note 15 to the condensed 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 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, with the exception of the Share Option Scheme, details of which are described above.

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 taken 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 for Securities Transaction by Directors of Listed Companies 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 SHAREHOLDER

As at 30th June, 2003, according to the register kept by the Company pursuant to Section 336 of the SFO, and so far as was known to any director of the Company, 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 Division 2 and 3 of Part XV of the SFO, or who were directly or indirectly interested in 10% or more of the issued share capital of the Company, carrying rights to vote in all circumstances at general meetings of the Company together with the number of shares in which they were deemed to be interested were:

Name	*Notes*	Number of ordinary shares of HK$0.10 each Direct Interest	 Indirect Interest	Percentage of Total issued shares
J.P. Morgan Chase & Co.	*(1)*	–	78,096,000 (L)#	15.04
		–	26,974,000 (P)#	5.19
Ms. Lee Kheng Wah	*(2)*	–	289,158,178 (L)#	55.67
PIL	*(3)*	289,158,178 (L)#	–	55.67
Y.C. Chang & Sons Private Limited	*(4)*	–	289,158,178 (L)#	55.67

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

Notes:

(1) These shares in which J.P. Morgan Chase & Co. is deemed to be interested, were held via J.P. Morgan Fleming Asset Management (UK) Ltd., J.P. International Management Inc., JF Asset Management (Taiwan) Limited, JF Asset Management Limited and J.P. Morgan Chase Bank, 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 the 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, 2003, 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 Division 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 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 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, 27th August, 2003