

FREQUENTLY ASKED QUESTIONS

1. What business achievements have been made in 2002 that are worth noting?

- A. The Group has made a number of new investments and acquisitions in 2002 to further extend our container factory and depot/terminal networks along the major PRC coastal ports with our maximum annual production capacity increased to 620,000 TEUs. Our investments and acquisitions made in the recent years are paying off with increasing contribution made to the Group. As a result, the Group has achieved profit growth in six consecutive years and our turnover and net profit for the year 2002 were record highs at US\$180,637,000 and US\$14,689,000 respectively.

2. Which business segment performed the most outstandingly in 2002? Why?

- A. Container manufacturing operations achieved the best performance in 2002 with a consolidated profit before tax and minority interests of US\$13,904,000, representing a 26.9% increase from 2001. During the year, the Group produced a total of 309,940 TEUs of containers, increased by 54.9% from 2001. Outstanding performance was largely due to strong foreign trade (especially in export) growth in the PRC with a growth rate of 21.8% and the additional profit contribution from Shun An Da. Our acquisition of Shun An Da's 40% equity stake was completed in the third quarter of 2001. As our share of Shun An Da's profits could only be fully accounted for after completion of this acquisition, accordingly, the Group's share of Shun An Da's profit in 2002 was higher than in 2001.

3. What are the benefits of the Group's container factory and depot/terminal networks?

- A. The Group has formed a "chain store" with a string of container factories and depots/terminals stretching from Northern PRC to Hong Kong and also extended to Indonesia and Thailand, which has strengthened the Group's marketing network and enabled the Group to deliver boxes to and provide services at various locations in the region. Through this wider network, besides enjoying better economies of scale, our customers can be better served by shortening our response time to their enquiries and offering them more comprehensive products and services.

4. What is your dividend policy?

- A. The Group is still expanding and certain portion of our profit has to be retained to fund our expansion plans. We also realize the need to provide our shareholders a reasonable return for their investment made in our Company. The Directors are now formulating our dividend policy and we are considering a dividend pay-out ratio of about 25% to 30% of the Group's consolidated net profit for a year.

5. What will be the major growth driver in 2003? Container manufacturing business or depot/terminal business?

- A. It is too early to make any forecast for 2003; however, in view of the growing trade activities in the PRC, we expect all three of our business segments would attain satisfactory growth in 2003.

6. Will acquisitions continue to be the major source of revenue and profit growth?

- A. Other than new acquisitions, we have been actively increasing our sources of revenue with the aim to continue our profit growth by adding new functions to our container depot/terminal operations and enlarging our product mix by producing new types of specialised containers, such as log carriers for railways, car racks and others.

FREQUENTLY ASKED QUESTIONS

(CONTINUED)

7. Aggressive business developments have been made in last two years. How to ensure the Group would not be suffering from over-expansion?

A. Learned from our past experience, the Group has been very cautious in our expansion plans. Since 1997, all our investments made were well planned and carefully structured, and they all have been profitable. Our business strategy has been only taking a small stake in any new investment initially; we would only increase our stake if our investment decision proves to be correct. Therefore, our business expansion in the recent years has actually been gradual and certainly not aggressive. Our investments were all made in line with our long-term goal of establishing a comprehensive network of container factories and depots along the major coastal port cities from north to south of the PRC. In fact, they have proved to be a success and in the past six years, through our various strategic investments, we have evolved into a leading container manufacturer in the world and a major logistics services provider in the Asia Pacific region.

8. The Group's net gearing ratio is at 51%. We understand this ratio has been declining; however, do you have any plans to further reduce it?

A. We feel that our current net gearing ratio is healthy and at relatively low level for our business. Nevertheless, we will continue the following measures to keep our gearing ratio low:

- to shorten the credit period granted to customer;
- to maintain a special task force to monitor the outstanding receivable;
- to further tighten our credit control to ensure only customers with sound financial background will be given credit period; and
- to review and monitor the inventory status to keep overall raw material level at the minimum.

9. How would the military tensions in the Middle East affect the Group's businesses?

A. So far, the military tensions in the Middle East have not affect our businesses; however, being a prudent management, we will closely monitor the situation and evaluate the circumstances to make appropriate business strategy, when required.

One thing to note is that, our container depot and logistics businesses in the PRC are less sensitive to such tension. Economic experts forecasted PRC will enjoy a 7% growth of GDP in 2003. Such economic growth would inevitably further boost the demand of depot and logistics services in key ports along the PRC coast. Since Singamas has already established a chain network in strategic locations; thus, we are confident that we will continue to enjoy a prominent growth.

10. The Group's turnover by geographical market fluctuates significantly year-on-year. What is your basis in determining your turnover by geographical market?

A. The nature of our products is different from consumer products, which you would know the exact location where a consumer product is sold. Containers do move from place to place and we would not know the exact location where the containers are ending up. To simply the analysis of our turnover by geographical market, we allocate our turnover by geographical market according to the base of our customers. For example, if a customer were having its registered office in United States, sales made to this customer would then be regarded as sales to the United States. Therefore, it is not very meaningful for you to analyse our turnover by geographical market.

Note: "A" means "Answer".