CHAIRMAN'S STATEMENT

TO OUR SHAREHOLDERS

On behalf of the Board of Directors ("Directors"), I would like to present the operating results of Singamas Container Holdings Limited ("Singamas"/the "Company") and its subsidiaries (together the "Group") for the year ended 31st December, 2006.

The year 2006 was a challenging one for Singamas. The Group reported consolidated revenue of US$924,011,000 for the year ended 31st December, 2006, compared with last year's US$842,936,000. Consolidated net profit attributable to equity holders of the Company decreased by 59.7% to US$18,096,000. Basic earnings per share were US2.96 cents, compared with US7.35 cents last year.

DIVIDENDS

The Directors proposed to pay a final dividend of HK3 cents per ordinary share (2005: HK9 cents) for the year ended 31st December, 2006 to members whose names appear on the register of members of the Company on Friday, 1st June, 2007. Together with the interim dividend of HK4 cents per ordinary share (2005: HK9 cents), total dividend for the year would be HK7 cents per ordinary share (2005: HK18 cents). Subject to approval at the forthcoming annual general meeting, the proposed final dividend will be paid to shareholders on or before 31st July, 2007. The register of members of the Company will be closed from Tuesday, 29th May, 2007 to Friday, 1st June, 2007, both days inclusive, during which period no transfer of shares will be effected.

BUSINESS REVIEW

The Group's three new container manufacturing factories in Ningbo, Tianjin and Hui Zhou did not begin production until the end of July 2006 as there was a delay in gaining full licensing for these facilities. They therefore missed the peak season of the year, which caused substantial start-up losses.

The Group also incurred losses following the start of production in March 2006 of new higher value U.S. domestic containers and chassis in Qingdao, owing to technical issues and production inefficiencies typical in the first year of production. These losses, together with those from the three new plants, largely accounted for the disappointing results for the year ended 31st December, 2006.

Nevertheless, with an expanded capacity and a broader product mix, the Group is well positioned for future growth.

MANUFACTURING

Manufacturing continues to be the Group's core business, accounting for 96% of its total revenue. The revenue from this segment increased by 10% to reach US$890,376,000, after the full consolidation on 1st June, 2006 of the results of Qingdao Pacific Container Co., Ltd. ("Qingdao Pacific") – previously a jointly controlled entity of Singamas – into the Group's accounts. However, the delayed production of the three plants in the People's Republic of China ("PRC") and the start-up losses from new products caused a drop in profit before taxation and minority interests to US$10,028,000, compared with US$49,378,000 in 2005.

Total production output was 18.1% higher than in 2005, reaching 583,543 twenty-foot equivalent units ("TEUs"). The Group's maximum annual production capacity increased to 1,250,000 TEUs from 850,000 TEUs the year before, after completion of the three expansion projects:

- The establishment of Ningbo Pacific Container Co., Ltd. ("Ningbo Pacific"), a new dry freight container factory in Ningbo, with maximum annual production capacity of 100,000 TEUs.

- The relocation and expansion of Tianjin Pacific Container Co., Ltd., a dry freight container factory, with maximum annual production capacity increased from 50,000 TEUs to 120,000 TEUs after the relocation.

- The establishment of Hui Zhou Pacific Container Co., Ltd. ("Hui Zhou Pacific"), a new dry freight container factory in Eastern Guangdong with maximum annual production capacity of 200,000 TEUs.

CHAIRMAN'S STATEMENT *(Continued)*

In addition to expanding its production facilities, the Group implemented a three-pronged business development strategy that will pave the way for its future growth:

I) Extending Market Reach to Japan

In September 2006, the Group entered into a sales agency agreement with Mitsubishi Corporation ("Mitsubishi"), Japan's largest general trading house with operations in approximately 80 countries. Under the agreement, Mitsubishi will cooperate with Singamas in selling and marketing its containers to the Japanese market. Given Mitsubishi's extensive network and influence in Japan, the Group believes this co-operative venture will extend its market reach and expand its revenue sources.

II) Consolidating and Strengthening Factory Network

In March 2006, Singamas entered into an agreement to sell a 20% equity stake in Ningbo Pacific to China Shipping Investment Co., Ltd. ("China Shipping"), a subsidiary of China Shipping (Group) Company – the world's sixth largest container shipping line by shipping capacity. Through this strategic partnership, both parties will benefit by gaining greater access to the fast-growing Ningbo/Zhejiang market. It will also increase the Group's overall competitiveness in container manufacturing.

To further enhance the strategic cooperation with China Shipping and Mitsubishi Group, in September 2006, China Shipping and Mitsubishi Group separately entered into share transfer agreements with Singamas to acquire a 20% and 9% equity interest in Hui Zhou Pacific, respectively.

Singamas also entered into a share transfer agreement in May 2006 to acquire an additional 40% equity interest in Qingdao Pacific from Hiking Group Co., Ltd.. As a result, Qingdao Pacific is now a 95%-owned subsidiary of the Company. Located in Qingdao, the PRC's third busiest container port, Qingdao Pacific is the Group's fourth largest dry freight container factory in terms of production capacity.

III) Diversifying Product Mix

Since a broader product mix will enhance the Group's future profitability, Qingdao Pacific began manufacturing higher value U.S. domestic containers (45-foot, 48-foot and 53-foot containers) in March 2006. These products are designed solely for land transportation in the U.S., Canada and Mexico. With a growing number of sales orders and improved production efficiency, Qingdao Pacific was able to break even in February 2007.

CHAIRMAN'S STATEMENT *(Continued)*

The Group has also started manufacturing chassis since March 2006 under Qingdao Singamas Industrial Vehicle Co., Ltd. on the site of Qingdao Pacific. These chassis are produced mainly for the North American market.

In March 2006, Singamas teamed up with Netherlands-based Flax Field Trading B.V. ("FFT") to set up a factory at the Group's Shunde plant for producing tank containers. This state-of-the-art facility, which began production in January 2007, employs the latest technology and has strong technical and training backup by FFT. The Group believes the arrangement with FFT, which combines their expertise in design, manufacturing, engineering support, marketing and after-sales service of tank containers with its decades of experience in container manufacturing, will further strengthen Singamas' product mix and revenue stream.

LOGISTICS SERVICES

The Group is confident that its logistics business will increase in the decade ahead, benefiting from the continuous growth in container throughputs at major PRC ports. During the year, the Group's container depots and terminals handled a total of 4.7 million TEUs of containers, with average daily container storage of 109,450 TEUs. Total area and storage capacity amounted to about 1.2 million square metres and 142,500 TEUs, respectively. Revenue from this segment was US$20,094,000, 8.6% higher than in 2005. Profit before taxation and minority interests was US$9,134,000, an increase of 21.2% when compared with last year's.

The Group's mid-stream operation handled 304,966 TEUs of containers, compared with 329,260 TEUs in 2005. With effective cost control, the Group's mid-stream business reported a profit before taxation and minority interests of US$3,375,000, 4.4% higher than in last year.

PROSPECTS

Singamas focused its resources during the year on increasing production capacity and expanding its product range for the Group's future growth. The higher value products being manufactured will enable the Group to meet customers' needs and capture other business opportunities in the years ahead.

CHAIRMAN'S STATEMENT *(Continued)*

The Group believes that in 2007, container traffic will continue to grow, giving rise to strong demand for new containers and logistics services. The market expects new container vessels with shipping slots totalling 1.49 million TEUs to be delivered to shipping companies in 2007. With container shipping capacity growing at an estimated 13.7% a year on average between 2007 and 2010, demand for new containers is expected to remain steady.

Container manufacturing will continue to be the Group's main growth driver in 2007, with the average selling price of containers expected to grow steadily in line with material costs.

The Group will also remain committed to the strategy of expanding its product mix and will develop specialised containers to cater for market demand. The Group anticipates that sales volume of specialised containers will grow progressively in the next few years to account for a significant portion of the Group's total revenue.

Going forward, the Group will continue to maximise production capacity by enhancing its production facilities, explore potential strategic alliances with other business partners, and strengthen its market leadership through the extension of its marketing network.

The Group is well placed to take advantage of any future business opportunities.

ACKNOWLEDGEMENT

On behalf of the Group, I would like to thank our customers and business partners for their continuous support and guidance. My gratitude also goes to my fellow board members and colleagues for their contributions and hard work in the past year. In the future, we will remain steadfast in our commitment to achieving better results for the Group and increasing shareholder value for our investors.

Chang Yun Chung
Chairman

Hong Kong, 11th April, 2007