FREQUENTLY ASKED QUESTIONS

1. What significant business achievements have Singamas attained in 2006?

A. The year of 2006 was a challenging one for Singamas. The delayed production of our three new plants in Ningbo, Tianjin and Hui Zhou, respectively, and start-up losses from new products introduced in the year, largely accounted for the lower than expected results.

Nevertheless, the Group attained the following business objectives in 2006, paving way for future growth:

a) Completed three expansion projects at the end of July 2006:

- The establishment of two new dry freight container factories in Ningbo and Hui Zhou; and
- The relocation and expansion of the Tianjin facility.

After completion of these three projects, the Group's maximum annual production capacity increased from 850,000 twenty-foot equivalent units ("TEUs") to 1,250,000 TEUs;

b) In addition to expanding our production facilities, the Group implemented a three-pronged business development strategy:

(I) Extending Market Reach to Japan

In September 2006, the Group signed a sales agency agreement with Mitsubishi Corporation ("Mitsubishi") stipulating cooperation between the two parties to sell and market Singamas' containers in the Japanese market.

(II) Consolidating and Strengthening Factory Network

i. In March 2006, China Shipping Investment Co. Ltd. ("China Shipping") acquired from Singamas a 20% equity stake in our new Ningbo factory, allowing both parties to tap the fast-growing Ningbo/ Zhejiang market;

ii. In September 2006, China Shipping and Mitsubishi Group acquired from Singamas 20% and 9% equity interest, respectively, in our new Hui Zhou factory, thus further enhancing cooperation between Singamas and these two strategic partners; and

iii. In May 2006, the Group acquired from Hiking Group Co., Ltd. an additional 40% equity interest in Qingdao Pacific Container Co., Ltd. ("Qingdao Pacific"), making it a 95%-owned subsidiary of Singamas.

FREQUENTLY ASKED QUESTIONS *(Continued)*

(III) Diversifying Product Mix

i. The Group diversified its product mix to include higher value U.S. domestic containers (45-foot, 48-foot and 53-foot containers) and chassis produced on the site of Qingdao Pacific. With improved production efficiency, Qingdao Pacific achieved break-even in February 2007;

ii. Singamas also teamed up with Netherlands-based Flax Field Trading B.V. ("FFT") to set up at the Group's Shunde plant a facility specialising in the production of tank containers. The new facility started commercial production in January 2007.

The Group will continue to maximise production capacity by enhancing its facilities, explore potential strategic alliances with other business partners and strengthen its market position by extending its marketing network and broadening its product mix. After the recent developments, the Group is well positioned to take advantage of any future business opportunities.

2. How have the three new container manufacturing factories in Ningbo, Tianjin and Hui Zhou performed after commercial production started?

A. Due to delay in gaining full licensing, the factories did not begin production until the end of July 2006, which was much later than originally scheduled. They therefore missed the peak season of the year causing substantial start-up losses for us. With improving efficiency and increasing orders, we expect these new factories to perform better in 2007. In fact, as of the date of this annual report, the three factories are already generating profit contribution to the Group.

3. For 2007, what will the trend be for raw material costs, and how will it affect the Group's business?

A. Material costs, especially for Corten steel and floorboards, started to increase after the Chinese New Year holiday in 2006, and this trend continued into 2007. As container selling prices are largely cost driven, the Group expects container selling prices in 2007 to grow steadily in line with material costs.

4. With expanded capacity and a broader product mix, what is the Group's long-term plan for sustained growth?

A. Through strategic alliances with existing and new business partners, the Group remains committed to expanding its product mix and developing specialised containers to cater for market demands, thereby enhancing profit margin. The Group anticipates that sales volume of specialised containers and other special products will grow progressively in the next few years, accounting for a more significant portion of the Group's total revenue.

FREQUENTLY ASKED QUESTIONS *(Continued)*

5. What is the Group's future plan for strengthening its container manufacturing network?

A. After completion of the three expansion projects in July 2006, the Group's container manufacturing network has become highly comprehensive, covering all major port locations. The Group believes that its network is sufficient to cater for future demand growth and for the time being, further expansion is unnecessary.

6. How will the Group further enlarge its product mix? How do the profit margins of specialised containers compare to those of conventional dry freight containers? Will the Group consider enlarging its product mix by manufacturing more specialised containers?

A. Yes, as mentioned above, through strategic alliances with existing as well as new business partners, the Group is committed to augmenting its product mix by developing more specialised containers with higher profit margins (normally 3 to 5 percentage points higher in gross margin than the conventional dry freight containers).

7. How will the Group expand its marketing network to capture market share?

A. The Group will expand its marketing network by entering into strategic alliances with business partners. For example, we entered into a sales agency agreement with Mitsubishi in September 2006 to extend the Group's reach to the Japanese market.

8. Are there any plans for acquisitions or cooperative projects in the future?

A. The Group does not rule out the possibility of engaging in acquisitions or cooperative projects in the future, but at the moment, there are no concrete plans that we can disclose.

9. What is the Group's future dividend policy?

A. The Group is still expanding, including adding new products to widen its product range. In addition, the Group is striving to lower its gearing ratios to a more healthy level in order to strengthen its financial position and to minimise its financial costs. To achieve these objectives, reserving a portion of profits is duly required. That said, the Company fully realises the need to provide shareholders with a reasonable return in the form of regular dividend payments. The Board's current guideline on future dividend payment is about 25% to 30% of the Group's profit attributable to equity holders of the Company for the year.

Note: "A" means "Answer".