

**FINANCIAL
REVIEW**

With the acquisition of port and port-related assets in March 2000 from New World Infrastructure Limited ("NWI"), the largest shareholder of the Company, the Company has significantly broadened its business scope and profit base. In the process, the Company has fulfilled its promise to shareholders to achieve profitability in the short-term and set the stage for future expansion in Greater China and global port businesses.

The profit attributable to shareholders of the Group reached HK\$164.7 million in the six months ended 31 December 2000, compared to an attributable loss of HK\$13.3 million for the period of July to December 1999 (the "1999 Period"). All segments performed well with the key profit contributors came from the newly acquired NWI port and port-related assets as well as Xiamen Port projects.

The Container Handling and Storage Segment delivered an attributable operating profit ("AOP") of HK\$107.1 million which is a significant improvement over an attributable operating loss ("AOL") of HK\$4 million for the 1999 Period. Meanwhile, the Warehousing Segment reported an AOP of HK\$83.9 million. In the Cargo Handling Segment the AOL for this period was reported at HK\$8.6 million, an improvement of 13.6% from the AOL of HK\$10 million reported in the 1999 Period.

Given the growth of throughput in the PRC market, the Group's turnover amounted to HK\$63.1 million for the period, 41% higher than the 1999 Period.