

OUTLOOK

Following a period of consolidation and acquisition, the Company is prepared to expand its business across many fronts in the coming years. While this expansion will focus on the Group's ongoing strengths in Greater China, the strategic plans calls for a global initiative.

Hong Kong will remain an important focus of operations. The Group's expansion plan in the world's largest container port facility continues to be ambitious. An increase in the volume of Hong Kong trade and the consistent track record of CSX provide positive cash flow to the Company. With one new crane installed in early 2001 there is ample opportunity for CSX to increase the AOP contribution. And, by 2003, the Company expects ACT to enhance its earning base.

The contribution from Mainland port operations, primarily from the hub ports of Tianjin and Xiamen, should expand rapidly. The port-related business in Greater China will be boosted by the impending accession to the World Trade Organization. In addition, the container block train service operating between Tianjin and Inland China in support of the government policy to develop the Central and West of China offers an added impetus to the Tianjin expansion initiative.

Xiamen Port is expecting an increase in activity from another direction. With the implementation of the "three links" between the Mainland and Taiwan, Xiangyu anticipates strong growth. When coupled with the commencement of operations at Huijian the contribution from Xiamen Port to AOP should increase.

A terminal with modern facilities, Huisu will also gain from the Shanghai-Suzhou water transportation plan.

In the coming period, the Company will continue to search for new projects that enhance the earning base and diversify geographic presence. Presently, the Company is considering an expansion into PRC distribution networks and new cargo handling facilities. Hong Kong will be a key platform from which to launch the Company's diversification into the global arena, a strategy that is on the agenda for the medium-term. As the Company widens its profit base in the coming period, operating results are expected to improve steadily and there is ample room for future expansion given the strong operational foundation now in place.