

FINANCIAL REVIEW

For the six months ended 31 December 2001, the Group sustained its growth trend despite the adverse effects of the 9/11 Incident. The continued robust state of the container handling business in general and strong growth of the container-handling market in Mainland China were the key contributors to the Group's expansion in the second half of 2001.

The Group reported a profit attributable to shareholders of HK\$12.5 million for the six months ended 31 December 2001 compared to HK\$164.7 million for the corresponding period in 2000 ("2000 period"), representing a decrease of 92%. During this period, the Group made provisions of HK\$167.5 million mainly relating to a loss on the partial disposal of equity interest in Asia Container Terminals Limited ("ACT") and the impairment losses for fixed assets mainly in Xiamen New World Xiangyu Warehouse & Processing Zone Limited ("WPZ"). Before such provisions, the Group's pro-forma operating profit reported a 9% increase over the 2000 period.

The container handling and storage segment delivered an attributable operating profit ("AOP") of HK\$104.8 million, a 2% decrease from the 2000 period. Meanwhile, the warehousing segment reported an AOP of HK\$88.1 million, a 5% increase over the 2000 period. In the cargo handling segment, the attributable operating loss ("AOL") was HK\$4.5 million, a 48% improvement over the results of the 2000 period.

The turnover of the Group in the second half of 2001 amounted to HK\$73.5 million, 16% higher than the 2000 period. This is primarily attributable to the performance of projects in Mainland China.