

## **BUSINESS REVIEW**

Earnings for the period mainly arose from the disposal of 50% of the sales proceeds of the domestic portion of the redevelopment at 201 Tai Kok Tsui Road.

### **Property Operations**

#### ***201 Tai Kok Tsui Road***

Construction of the superstructure of Phase I of the redevelopment is proceeding smoothly. Construction of Phase II has also commenced.

Since all the necessary obligations under the Group's agreement with the subsidiary companies of Henderson Land Development Company Limited have been fulfilled, a profit of HK\$294.2 million was recorded in the current period.

#### ***Shipyards Property at North Tsing Yi***

During the period, the Group has written down the value of the shipyard property by HK\$41.2 million to HK\$145 million, in order to reflect the impairment in value of the property, as evaluated by a professional surveyor firm.

#### ***222 Tai Kok Tsui Road***

The site is now ready for development and construction will begin if agreement can be reached over the land premium with Government.

#### ***6 Cho Yuen Street, Yau Tong***

Rental income generated from the Kingsford Industrial Centre amounted to HK\$5.3 million, a decrease of 2.8% over the same period last year. The Group is under negotiation with Government over the land premium payable for change of land use to residential/commercial use.

### **Ferry, Shipyards and Related Operations**

The business of the vehicular ferry services was stable, whilst turnover of the shipyard and the floating restaurant increased by 26% and 20% respectively from the same period last year. The turnover of fuel oil trading fell by 40% in comparison with the same period last year.

The overall profits of the ferry, shipyard and related operations, including the surplus resulting from the termination of a retirement scheme, increased by 141% to HK\$15.7 million when compared with the same period last year.

### Travel and Hotel Operations

The local tour revenue increased by about 50% while the short haul China tour revenue decreased by 13%. The travel operations recorded an overall decrease in turnover of 3%.

Since the introduction of serviced guest rooms last year, the Silvermine Beach Hotel recorded steady growth in earnings. Turnover for the period increased by 21% when compared with the last period.

Turnover of the travel and hotel operations increased by 1.8% to HK\$60.2 million, whereas profit increased by 21% to HK\$4.0 million when compared to the same period last year.