

# REVIEW OF INFRASTRUCTURE BUSINESS

MANAGEMENT DISCUSSION & ANALYSIS



*Western Harbour Crossing, HONG KONG*

## OVERVIEW

The Infrastructure Division continues to maintain its presence in selected infrastructure, environmental and utilities-related sectors in Hong Kong and Mainland China, where it already possesses considerable experience. This segment continues to deliver a stable performance and provides a healthy stream of recurrent income for the Group. Net profit attributable to the Group from this Division during the year ended 31 December 2008 was approximately HK\$60 million (2007: HK\$43 million).

## Hong Kong

The Division maintains a 15% interest in the Western Harbour Crossing and a 15% stake in the Cross Harbour Tunnel management contract. The Group's share of aggregate net profits from these investments amounted to HK\$59 million (2007: HK\$41 million) during the reporting year.

## Mainland China

The Group's 13%-owned water treatment project in Hohhot Municipality, Inner Mongolia Autonomous Region contributed a shared net profit of HK\$3.5 million (2007: HK\$4.6 million) during the year.

The year under review also witnessed continued development of the Group's 25%-held REDtone Telecommunications (China) Limited, which provides discounted international call packages to mobile-phone and fixed-line subscribers in Shanghai. New service initiatives have been launched successfully capitalizing and adding value to the existing platform.

## OUTLOOK

The Division will continue to generate a steady source of recurrent income for the Group.