

Other Businesses

The Group's other businesses include i-CABLE, Wharf T&T, The 'Star' Ferry and Hong Kong Air Cargo Terminals.

i-CABLE

Competitive pressure remained high during the year while the operating environment remained challenging.

Following the fast growth in previous years, there were signs of the television customer base entering a new phase in a close to saturated market. Television turnover was maintained at a similar level as 2011 but higher programming costs were incurred due to the London Olympics and European football leagues. Competition in the broadband and telephony sectors remained keen and aggressive price competition affected both turnover and customer base.

Consolidated revenue increased by 1% to HK\$2,127 million with net loss at HK\$278 million. A healthy financial position was maintained with net cash of HK\$188 million.

Wharf T&T

Wharf T&T again reported record revenue and profit in 2012. Revenue increased by 4% to HK\$1,826 million and operating profit rose by 9% to HK\$250 million. The net cash inflow position started to recover as the investment in +EN rollout for a 95% Fibre-To-The-Desk (FTTD) network coverage for the business market passed its peak. 90% of the planned coverage was achieved at the end of 2012. Robust data and systems integration businesses, resulting from market share gain and contributions from signature projects including the Hong Kong Exchange SDNet Wide Area Network, fuelled the growth momentum.

The 'Star' Ferry

The Star Ferry operates two inner harbour ferry services, namely Tsim Sha Tsui – Central and Tsim Sha Tsui – Wanchai. In a bid to improve its non-fare box revenue, the Star Ferry has been working on the Tsim Sha Tsui pier top redevelopment project with a view to converting the roof top into food and beverages outlets.

Hong Kong Air Cargo Terminals

Hong Kong Air Cargo Terminals, a 20.8% associate of the Group, posted a 2% growth in throughput in 2012 due to healthy growth from the Asia and Middle East markets despite continued weak demand from the European and US markets. 2012 marked its second best year in throughput volume with 2.8 million tonnes.

