

Terminal to serve China \$389.9m for prime ferry site

By JACK SPACKMAN

A subsidiary of the publicly-listed Sino Land Co yesterday won the right to develop the Hongkong-China ferry terminal site in Canton Road, Tsimshatsui.

The company, Million Success Ltd, has agreed to pay the Government \$389.9 million in return for the right to build on the land.

Its price was the highest of four bids received when tenders closed on December 21.

The result of the tendering exercise was announced yesterday by the Lands Department.

As part of the agreement the company will build a ferry terminal and pier for the Government, which will be paid for as construction pro-

gresses, up to a maximum of \$207.5 million.

The terminal will handle Hongkong-China passenger services and is scheduled for completion by the end of 1987.

It will replace an outmoded and temporary structure now in use at Tai Kok Tsui.

A Lands Department spokesman said yesterday the tender price received from Million Success was very satisfactory.

"This confirms our view that property developers in Hongkong are again willing to invest substantial sums in the purchase and development of land," he said.

"A better response from developers in future land sales can be expected now," he added.

The 2.44 hectare site, near Harbour City, includes 9,000 sq metres of seabed.

Because of the proximity of the airport, the height re-

striction on buildings in that area is set at 60.96 metres.

The development on the site must be of a non-industrial nature but may include a hotel.

The building planned for the site will have a three-storey podium housing the ferry terminal.

The buyer will be required to develop at least 41,000 sq metres in gross floor area above the podium by the end of 1989.

Sino Land and its associates and subsidiaries have been heavily involved in property development in prime areas of Tsimshatsui and Central in recent years.

The group's interests include 45 per cent of Tsimshatsui Centre which is currently fully let and a 44 per cent interest in Energy Plaza which is more than 90 per cent let.

Sino Land also manages the gold-tinted Far East Finance Centre in Central.

In February last year, Sino Land managing director Mr Robert Ng was involved in the successful bidding for the Admiralty II site.

The development of that site involves a joint venture with the Peking-backed Ever Bright Industrial Co and other partners.

Sino Land and Ever Bright signed an agreement in May under which their joint venture company, Guang Xin Housing Construction Investment, will build homes in Peking, Shanghai and Fujian for sale to overseas Chinese.

The chairman of Sino Land, Mr Chung Chi-ting, told shareholders only last month that in the past two years the group has acquired more than 10 sites, some of them in joint ventures with other developers.

These acquisitions had been made at attractive prices, he said and would provide sufficient projects for future development.

The property slump recently, however, has affected Sino Land like most other companies.

Operating profits last year were less than \$400,000 while extraordinary items, representing written-down property values, resulted in a net loss of \$113 million.

A similar loss had been recorded the previous year.

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