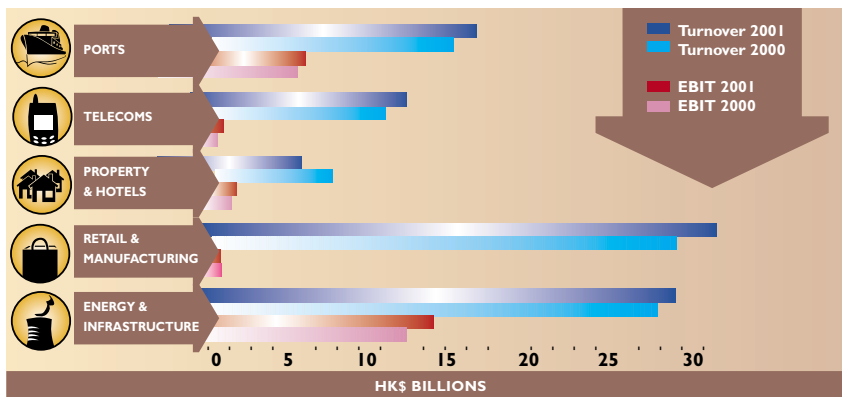


# News

C O R P O R A T E

## HWL Annual Results

	2001	2000	%
<b>Turnover HK\$</b>	89,038m	84,825m	+5
<b>Profit attributable to shareholders</b>	12,088m	34,118m	-65
<b>Earnings per share</b>	2.84	8.00	-65
<b>Dividends</b>	1.73	1.73	-



**Hutchison Whampoa Limited's** consolidated net profit for the year ended December 31, 2001 was HK\$12,088 million (approximately US\$1,549 million).

Earnings per share were HK\$2.84 (2000 – HK\$8.00) with a total dividend per share of HK\$1.73, unchanged from the previous year.

Excluding profits on disposal of investments less provisions of HK\$3,124 million (2000 – HK\$25,742 million), the Group's profit increased 7% over the previous year.

The results include profit of HK\$30,000 million on disposal of the Group's investment in **VoiceStream**, and profit of HK\$4,393 million from the sale of approximately 695 million shares of **Vodafone Group** and approximately 89 million shares of **Deutsche Telekom** pursuant to forward sales contracts for delivery in 2002.

Provisions for the year totalled HK\$31,269 million, comprising HK\$1,500 million for certain property developments and HK\$29,769 million for diminution in value of its equity investments. Turnover for the Group's core businesses totalled HK\$89,038 million, a 5% increase over 2000. EBIT for the Group totalled HK\$21,846 million, a 12% increase over 2000. The Group's consolidated cash and marketable securities amounted to HK\$145,336 million, approximately equal to the consolidated borrowings of HK\$146,992 million. For full results, see [www.hutchison-whampoa.com/eng/investor2.htm](http://www.hutchison-whampoa.com/eng/investor2.htm)

### HUTCHISON WHAMPOA LIMITED

**HWL** Hutchison Whampoa Limited (HWL) is the holding company of the Hutchison Whampoa Group of companies. With origins dating back to the 1800s, it is a Hong Kong-based multinational corporation with a diversified portfolio. It is also part of the Li Ka-shing group of companies, which together represent about 15% of the total market capitalisation of the Hong Kong stock market. In 2001, HWL's consolidated turnover (including associates) was HK\$89,038 million (approximately US\$11,415 million) and net profit was HK\$12,088 million.

With over 120,000 employees worldwide, the Group operates and invests in five core businesses in 36 countries: Ports & Related Services; Telecommunications; Property & Hotels; Retail & Manufacturing; and Energy & Infrastructure.

#### Cheung Kong Infrastructure HWL stake – 84.6%

	Turnover (HK\$)	Profit attributable to shareholders	Earnings per share	Dividend per share
2001	3,838m	3,323m	1.47	0.63
2000	3,345m	3,228m	1.43	0.60

#### Hongkong Electric Holdings HWL stake – 38.87%

	Turnover (HK\$)	Profit attributable to shareholders	Earnings per share	Dividend per share
2001	10,867m	6,507m	3.05	1.63
2000	10,634m	5,535m	2.62	1.515

#### Hutchison Harbour Ring HWL stake – 50.5%

	Turnover (HK\$)	Profit attributable to shareholders	Earnings per share	Dividend per share
2001	70.4m	680.6m	12.16 cents	1.5 cents
2000*	330.6m	(1,037.2m)	(24.42 cents)	-

\* Figures are for ICG Asia, which changed name to Hutchison Harbour Ring on Sept. 25, 2001.

#### TOM.COM HWL stake – 29%

	Turnover (HK\$)	EBITDA	Earnings per share	Dividend per share
2001	626.6m	(192.1m)	(19.78 cents)	-
2000	89.2m	(462.4m)	(43.82 cents)	-

#### Hutchison Telecommunications (Australia) HWL stake – 58%

	Turnover (A\$)	EBITDA	Net profit after tax	Dividend per share
2001	418.6m	(112.9m)	(137m)	-
2000	404.7m	(85.2m)	(92.5m)	-

#### Partner Communications HWL stake – 35% (Now 42.7% – see story p.5)

	Turnover (US\$)	EBITDA	Operating profit	Dividend per share
2001	736m	148.6m	23.3m	-
2000	476.4m	(13.3m)	(122.3m)	-

\*US\$ figures converted from New Israeli Shekels at Dec. 31, 2001 exchange rate: US\$1.00 equals NIS4.416

#### Husky Energy HWL stake – 35.1%

	Turnover (C\$)	EBITDA	Basic earnings per share	Dividend per common share
2001*	6,627m	2,042m	1.63 (diluted)	0.36
2000	5,090m	1,499m	1.39	-

\* 2001 Figures reflect first full year of combined operations following Husky's merger with Renaissance Energy



## CORPORATE

### Research Centre Opens

A state-of-the-art cancer research centre at **Cambridge University**, UK was officially opened on May 18 by Hutchison Chairman Mr Li Ka-shing and Lord Sainsbury, Britain's Minister for Science and Innovation. Named the **Hutchison/MRC Research Centre**, the project is a collaboration between the **Medical Research Council (MRC)**, the **University of Cambridge** and **Cancer Research UK**. Construction of the new building was made possible by a £5.3 million donation from **HWL**, to match funding from the MRC.

### Scholarship Scheme Expanded



Thanks to a HK\$23 million donation from Mr Li Ka-shing and the **Hutchison Group**, the **Chevening Scholarship Scheme** in April was expanded to include an extra 63 scholarships for Hong Kong and Mainland Chinese postgraduate students each year for the next four years, increasing the existing number of scholarships by one third. Chevening Scholarships are offered annually by the British Government to enable high achievers from around the world to undertake postgraduate study in the UK.

### applause

**HWL** and its subsidiaries have continued to attract attention with several media rankings and titles. Hutchison featured in the top ten of *CFO Asia's* "Best Annual Report in Asia (2000-2001)" [10], while *Euromoney* ranked HWL top in the "Best Asian Companies – Conglomerate" category and placed it in the top five "Best Companies in HK" category [5]. In April, *Finance Asia* named HWL "Best Managed Company in HK" and "Best Financial Management in HK". HWL was also in the top three for "Best Investor Relations in HK" [2], "Strongest Commitment to Enhancing Shareholder Value in HK" [2] and "Companies Most Committed to Corporate Governance in HK" [3]. *The Asset Benchmark Survey*, meanwhile, judged Hutchison "Best in Corporate Governance, Hong Kong."

## ENERGY & INFRASTRUCTURE

### CKI to Tunnel 'Down Under'

A consortium led by **Cheung Kong Infrastructure Holdings (CKI)** has been chosen as the preferred tenderer for a new A\$800 million (about US\$4.5 million) road tunnel project to carry through-traffic beneath the central business district of Sydney, Australia. CKI has a 50% interest in the consortium, **Cross City Motorway (CCM)** – which also includes **DB Capital Partners (30%)** and construction contractor **Baulderstone Hornibrook (20%)**. The project, a 2km cross-city tollway tunnel linking Sydney's eastern suburbs with the

city's west is expected to carry up to 95,000 vehicles a day by 2006. Work is expected to commence before the end of 2002.



### White Rose Given Green Light

**Husky Oil Operations (72.5%)** and co-venturer **Petro-Canada (27.5%)** in March announced their decision to proceed with the development of the White Rose oil field, located off the east coast of Newfoundland and Labrador, Canada. The White Rose development plan is focused on a purpose-built Floating Production Storage and Offloading (FPSO) vessel with a peak production rate of

approximately 100,000 barrels of oil per day. South Korea's **Samsung Heavy Industries** has been awarded the contract to build the FPSO hull, **Aker Maritime Kiewit Contractors** will build topsides designed to produce oil at a quality suitable for shipment by shuttle tankers to market, and US company **SBM IMODCO** will design and fabricate the turret and mooring system for the FPSO.

## PROPERTY & HOTELS

### Five-star Status

The **Harbour Plaza Chongqing** has been awarded "five-star hotel certification" in recognition of its high-quality facilities and services. This 390-room luxury hotel boasts a high-tech business centre and top-flight leisure facilities, including an indoor swimming pool, tennis court, cinema complex, bowling alley, shopping mall and ice-skating rink.



### Le Parc Phase II in Demand



After greater-than-expected demand for Phase I units of **Le Parc** in the southern Chinese city of Shenzhen, the development continued its success when Phase II apartments came to market in February. Demand was so high that prospective buyers lined up the day before the opening, and 280 units were snapped up in just three days. The development boasts European-themed gardens and consists of approximately 3,200 units as well as shopping facilities, schools and a clubhouse.

# Newsbites

TELECOMS

## Better Connections

**HONG KONG** Corporate customers of **Hutchison Telecommunications (Hong Kong)** can enjoy a comprehensive end-to-end wireless enterprise solution that includes integrated email, phone, SMS, WAP and organiser features following the commercial launch in May of the *BlackBerry* wireless e-mail solution, developed by **Research In Motion (RIM)** of Canada. *BlackBerry* operates exclusively on Hutchison Telecom's GSM Dualband and GPRS network in Hong Kong and Macau. Hutchison intends to further extend RIM's technology to the Group's 3G markets worldwide by working together to develop 3G applications.



## TOM Extends Outdoor Network

**GREATER CHINA** The **TOM Group** acquired controlling stakes in five outdoor media companies in China in the first quarter of 2002. The companies are **Liaoning New Star Prosperity Advertising** (agreement announced in February), **Shenyang Sano Jinxiang Advertising**, **Sichuan Southwest International Advertising**, **Xiamen Bomei Advertising** and **Fujian Seout Outdoor Advertising** (MOUs announced in March). Including the new acquisitions, the Group's outdoor media network consists of 12 outdoor media companies with over 170,000 sq. m. of advertising space in 22 cities. TOM has also entered China's audio-visual and entertainment industry following an agreement in March to acquire 50% of Guangzhou-based **Hong Xiang**, China's

leading manufacturer and distributor of music, film and TV programmes. In January, TOM partnered with **CERNET Corp** to establish two JV companies – **CERNET Information Technology Co** and **CERNET Online**. CERNET Corp is the commercial arm of **China Education & Research Network (CERNET)**, China's largest educational Internet provider. The co-operation includes production, distribution and sales of CERNET dial-up ISP access cards, branding and creating CERNET ISP services, and exploring telecom value-added service (VAS) opportunities.



## Software Vendors

**UK** **Hutchison 3G** has recently signed deals with several software vendors to provide key components of the middleware infrastructure of its 3G network. These include:

<b>TTI Telecom International</b>	Manager of Managers (MOM) solution
<b>Starbase</b>	Starbase Collaboration Suite
<b>Autonomy Corp</b>	Intelligent Data Operating Layer (IDOL)
<b>Network365</b>	mzone avatar
<b>Tertio</b>	Provident
<b>Ncorp</b>	ljen
<b>Ascential</b>	DataStage XE
<b>Volantis Systems</b>	Volantis Mariner – Service Delivery Platform
<b>Schlumberger/Entrust</b>	Infrastructure and security services
	Vendor
	Software Solution

## Hi3G Developments

**SWEDEN** Building on its selection of 3G services and content offerings, **Hi3G** has reached an agreement with **SEB** bank that will allow 3G customers access to a selection of financial services, news and tools. Hi3G has also secured exclusive rights to send ice hockey content to 3G mobiles from **Elitserien**. The agreement with **Svenska Hockeyligan** covers content rights as well as sponsorship of Elitserien. Moving forward with its network rollout,

Hi3G has signed agreements with **Birka Energi** and **Vattenfall** on placement of Hi3G's antennas and other equipment at their power poles and transformer stations. The deal is in line with the policy of providing 3G infrastructure in a cost-effective and environmentally friendly way by utilising current infrastructure. Earlier, Hi3G signed frame agreements with **PNB** and **Prenad** covering project management, design, construction and telecom pre-installations for base stations in the Malmö region.

## JV Stakes Acquired

**HONG KONG** **Hutchison Telecommunications** in April announced that it would acquire **Asia Global Crossing's (AGC)** stake in their respective joint-venture companies in Hong Kong, namely AGC's 50% interest in **Hutchison Global Crossing (HGC)**, its 42.5% interest in **ESD Services** and its 50% interest in **Hutchison GlobalCenter**, for a total consideration of US\$120 million in cash. Under the agreement, HGC and Hutchison GlobalCenter will become wholly owned subsidiaries of Hutchison, while Hutchison will have an indirect 85% stake in ESD Services. Hutchison and AGC have agreed to continue to use each other's services.

## Creative Content

**UK** **Hutchison 3G's** customers will soon have access to the UK's most potent mix of music-oriented brands following the signing in March of a two-year deal with media and entertainment company **Emap**. Under the agreement, the **Emap performance** network will provide content from all its music titles – encompassing **Q**, **Mixmag**, **Smash Hits** and **Kerrang!** – as well as content from lifestyle magazine brands such as **FHM**, **New Woman** and **Empire**.





## TELECOMS

### Network Providers Selected

AUSTRIA

**Nokia** in April signed a contract to supply the core 3G network for **Hutchison 3G Austria** for an undisclosed sum. Earlier, **Siemens** signed a deal worth around €200 million (approximately US\$186 million) to supply Hutchison with 3G radio network technology, including base stations.

### One-Stop Shop

HONG KONG

Leading online office supplies provider **bigboXX.com** in April launched a corporate premium service. The bigboXX Premium Center provides over 150 products, ranging from desktop items and paper products to printing and floral services, as well as customised services for client's large-scale promotional requirements.

### Stake Raised in Partner

ISRAEL

**Hutchison Whampoa Limited** has acquired 13,778,668 **Partner Communications** shares from **Matav Cable**. Upon completion of the sale, Hutchison's shareholding in Partner increased to approximately 42.7% and Matav Cable's shareholding decreased to approximately 7.5%.

### 3G Game Plan

GLOBAL

**Hutchison 3G** has formed partnerships with nine companies to develop and supply over 40 games for the 3G format. The companies are: **iFone, It's Alive, Supedo, nGame, Codetoy, Simian Industries, Morpheme, Cheeky Wireless** and **Purple Software**. Under the agreements, a range of new and classic arcade-style games, as well as traditional board and card games, will be available to all Hutchison 3G's operations worldwide.

### Agreements Signed

ITALY

In the build-up to its Italian launch, **H3G** has signed a roaming agreement with **Telecom Italia Group**. In separate agreements that will also apply in other markets where Hutchison has a presence, **Alcatel** will supply its open services platform to support H3G's multi-media services; **Ectel** will provide *NGN FraudView*, a real-time fraud prevention and security management solution; and **divine** will supply its *divine Content Server Enterprise Edition* (dCSEE), a platform for managing and distributing content.

### A\$600m Rights Issue

AUSTRALIA

**Hutchison Telecommunications (Australia)** in April announced a pro rata renounceable rights issue of convertible notes to raise approximately A\$600 million (about US\$323 million) to fund the development and operation of 3G services. The notes will have a five-year term and will pay 5.5% interest per annum. If the conversion right is exercised, each note will entitle the holder to one ordinary share in Hutchison Telecommunications.

## PORTS

### Streamlined Logistics

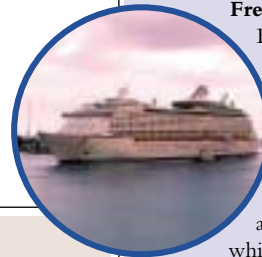
**Logistics Information Network Enterprise (LINE)** and **Yue Yuen** in April formed a JV company, **SupplyLINE**, to act as Lead Logistics Provider (LLP) for the sports footwear and electronics industries. SupplyLINE also welcomed **Elitegroup Computer Systems** and **Global Brands Manufacturing Group** as new shareholders in the venture. As part of the deal, SupplyLINE will co-ordinate and manage its customers' supply chain by providing logistics services that manage the integration of the movement of goods and the flow of information.

In February, LINE and **Reebok** announced the rollout of a global supplier portal, the *Order Visibility Application (OVA)*, which will link all of Reebok's footwear and apparel manufacturers around the world, as well as logistics service providers and other business partners.



### Largest Cruise Liner Calls

**Freeport Harbour** at Grand Bahama Island in May welcomed the world's largest cruise liner, **Royal Caribbean Cruises' Voyager of the Seas**. The ship, which has a capacity rating of 3,840 people, arrived for its annual dry-docking overhaul, which was carried out at **Grand Bahama Shipyard**.



### Shuttle Service Launched

**Shantou International Container Terminals** in April welcomed the 126-TEU vessel *M.V. Tianma*, marking the commencement of a regular shuttle service between Shantou and Xiamen operated by **China Ocean Shipping Agency Xiamen**.

## RETAIL & MANUFACTURING

### Priceline Launches in Asia

**Priceline** ([www.priceline.com.hk](http://www.priceline.com.hk)), the new Internet travel service operated by **Hutchison-Priceline (Travel)**, opened for business in Hong Kong in April and in Singapore in May. The service offers a bilingual transactional website in Chinese and English that allows travellers to name their own price for air tickets and hotel rooms. Priceline has 25 Asian and international air-line partners and about 8,000 hotels around

the world on its books. Travellers can bid for tickets and rooms in the Asia-Pacific region, the US, Canada, Europe, Mexico, the Caribbean and Central America, with more destinations being added.



### Cranes Lift XICT's Capacity

Two post-panamax quay cranes were delivered to **Xiamen International Container Terminals (XICT)** in March. Along with five rubber-tyred gantry cranes delivered in December, the cranes will lift handling capability by 40%. In May, XICT became a port of call in the new PSW-1/AES-1 pendulum express service of **Kawasaki Kisen Kaisha**.