

# SPHERE

16



## Shanghai Sizzle

China's fastest  
growing metropolis is  
the city of the future

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NUMBER 16 APRIL 2006

## A Few Words from the Editor

**I**SSUE 16 OF SPHERE has something for everyone. From the ever-changing world of 3G, we bring you the hot new handsets that are making a fashion statement and explain what Skype technology can bring to your Hutchison phone.

Then we travel to Canada to look at the remarkable work St Michael's Hospital is doing in inner-city Toronto. After that it is back to Asia to see why Shanghai is on the cutting edge of change in China.

In Hong Kong, we talk to the PARKnSHOP team that ensures only the highest quality fresh food reaches your table and celebrate with ESD Services, the Internet portal that has won a FIFA contract to sell World Cup merchandise. On the property front, experts explain why clubhouses are becoming an essential part of many residential property developments in both Hong Kong and China.

Enjoy! This is your journal and we want to hear what you think. Feedback and suggestions can be sent to [info@hutchison-whampoa.com](mailto:info@hutchison-whampoa.com).

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Published by Hutchison Whampoa Limited, 22/F Hutchison House, 10 Harcourt Road, Central, Hong Kong. Available on [www.hutchison-whampoa.com](http://www.hutchison-whampoa.com). In-house editorial team: Laura Cheung, Eugenie Kwok, Jeremy Lau, Daisy Wong and Wendy Luk. Editorial, design and production: Greg Crandall, Jon Marsh, Ron Legault, Kelly Cheung and Waimann Lee – splash))) a division of the Asia City Publishing Group. Tel: 2850 5500. Colour separation and printing by bigboXX.com Limited. Copyright 2006 by Hutchison Whampoa Limited. All rights reserved. No part of this magazine may be reproduced without the written permission of Hutchison Whampoa Limited. Opinions expressed herein are those of the writers and do not necessarily reflect the opinion of Hutchison Whampoa Limited. All currency conversions are approximations.



# Newsbites



## Smash Hit

**HONG KONG** The 2006 Watsons Water Champions Challenge thrilled tennis fans in Hong Kong with a new format that enabled the public to see more matches. There were clashes between five world-class aces – Lindsay Davenport, Kim Clijsters, Elena Dementieva, Serena and Venus Williams and three rising stars – Nicole Vaidisova, Sania Mirza and Zheng Jie. Ms Clijsters dethroned Ms Davenport in the Gold Group while Ms Vaidisova won the Silver Group as well as the doubles title with Ms Dementieva. The stars also appeared at a tennis clinic for junior players held at the Victoria Park Tennis Stadium. **R**



## 3 ITALIA TO LAUNCH MOBILE TV CHANNEL LA3

**ITALY** 3 Italia plans to start broadcasting its own new mobile TV channel, La3, in June. The new DVB-H mobile TV will have 15 channels at its launch, including the live and exclusive transmission of the 2006 FIFA World Cup from Germany. La3, a mobile digital platform formed by the acquisition of Channel 7, holds a network licence for national digital TV distribution on terrestrial frequencies and will provide full content mobility for customers.

Meanwhile, Hutchison Whampoa Limited (HWL) has decided to defer the planned IPO of 3 Italia. While 3 Italia had received all necessary regulatory approvals required to list, prevailing market conditions for European telecom stocks were weak. 3 Italia will conduct an investor education campaign with a view to clearly differentiating the outlook for



its business and the progress it has made in developing its unique business model from that of the incumbent mobile operators in Europe.

At the same time, Goldman Sachs has agreed to arrange and underwrite a structured pre-IPO transaction involving a private placement of an effective 10% indirect share interest in 3 Italia. **T**



## CONGRATULATIONS!

Hutchison Whampoa Limited was among the winners in the 2005 Best Corporate Governance Disclosure Awards presented by the Hong Kong Institute of Certified Public Accountants.

## TOM's Top Awards

**CHINA** Major entertainers from China, Taiwan, Hong Kong and the US performed live at the 2005 **TOM Online** Internet Entertainment Awards Gala held at Beijing's Century Theatre. More than 20 awards covering the whole spectrum of the entertainment industry including music, movie, television and the Internet were presented. The winners were chosen by millions of Chinese Internet users who voted online or by mobile phone. Highlights of the event – including a performance by Korean star Nara Jang – were aired on CETV, the Travel Channel and more than 60 other television channels. **R**





## TOP CHINA DOGS

**CHINA** The arrival of the Year of the Dog was celebrated in style. The acclaimed dog circus from Japan made its Hong Kong debut at Wonderful Worlds of Whampoa, while the Shanghai Westgate Mall held a "Cute Dogs Fashion Show". Meanwhile, Chongqing Metropolitan Plaza staged a series of traditional activities including a Sichuan magic show and a kung fu demonstration. **H**



## Irish Jig

**IRELAND** 3 Ireland now has the widest 3G coverage in Ireland, with 72% of the population able to access mobile content, from high speed audio and music video downloads to the latest football highlights. The company has also announced the appointment of Robert Finnegan as managing director. **T**

## BOOK MARKS

**CHINA** TOM Group subsidiary Cite Publishing Group won six prizes at the Best Books Awards, the annual event organised by the *China Times*. **R**



## Satisfactory Growth for HWL

**HONG KONG** Hutchison Whampoa Limited recorded satisfactory results in 2005. Profits attributable to shareholders amounted to HKD14,343 million, an 11 per cent increase compared to last year's profit which has been restated after the adoption of new accounting rules. Despite fierce competition throughout 2005, the 3 Group is continuing to achieve both improved operating and financial performance, and operating losses will have significantly less impact on consolidated Group earnings in 2006 than in 2005. The 3 Group's revenues grew 138 per cent and achieved full-year positive EBIDTA before customer acquisition costs. **C**

### HIGHLIGHTS

- Total revenue grew 33 per cent to HKD241,862 million
- Earnings per share increased 11 per cent to HKD3.36
- 3G customer base currently totals over 11.9 million worldwide
- Given the present economic trends, the Group's business is expected to continue to perform well in 2006

## THAI FIRST

**HONG KONG** Hongkong Electric Holding Limited (HEH) has finalised financial arrangements for the construction of a 1,400 megawatt power station in Ratchaburi Province, Thailand, the group's first power generation project outside Hong Kong. In Australia, HEH's wholly-owned subsidiary, Hongkong Electric International Finance (Australia), has signed an AUD617 million (HKD3.57 billion) loan facility to refinance existing investments in Australia. **E**



## Husky Challenge

**CANADA** Husky Energy sponsored the 2006 Western Engineering Competition in Calgary, an event that attracted 250 of the region's brightest students. In the Senior Team Design competition entrants were asked to find a way of providing access to a remote village cut off by flooding and inaccessible by air. Competing teams had to work within a budget, a materials list and logistical constraints to deliver a realistic solution. **E**







## BIG DAY OUT

**HONG KONG** Hutchison Whampoa Limited (HWL) sponsored a two-day carnival at the Whampoa Garden which saw youngsters from different backgrounds spend a great weekend with their families. Volunteers from HWL and the charitable organisation TREATS jointly co-ordinated the event, which attracted some 20,000 participants. **C**



## Dalian Deal

**CHINA** Hutchison Port Holdings (HPH) Group and Dalian Ports Corporation Limited have signed a joint-venture agreement to invest and develop a RMB 2.2 billion (HKD2.1 billion) ore terminal in Dalian to meet China's rising demand for commodities. The Dalian terminal will comprise two berths with a total length of 886 metres. It marks HPH's first dedicated non-containerised terminal operation in the PRC. **P**

## Food from Britain Export Awards

# 2005



## Watson Double

**HONG KONG** A.S. Watson (ASW) won the international award at the 2005 Hong Kong Business Awards in recognition of its contribution to maintaining and expanding the international stature of Hong Kong. In recent years ASW has expanded its retail business in many new markets such as the UK, the Netherlands, France, the Baltic States and Turkey. ASW has also been named International Retailer of the Year in the Food from Britain (FFB) Export Awards 2005. ASW's supermarket chain PARKnSHOP

was acclaimed for combining the western supermarket concept with a traditional Hong Kong wetmarket. **R**



## 20 YEARS OF SERVICE

**HONG KONG** The Kowloon Hotel celebrated its 20th anniversary with a dinner party for 100 special guests. The evening was filled with wonderful memories and General Manager Romain Chan thanked everyone for their support over the years and said the hotel would strive to provide the same professional, reliable and friendly service in the years to come. **H**



## The Greenwich is Good News

**CHINA** The Greenwich, a boutique-style residential development in Beijing, has received tremendous response from clients since its VIP debut late last year. Located in Chaoyang District near the East Fourth Ring Road, it comprises approximately 2,000 low-density luxury residential units and a five-star clubhouse. **H**

## Husky Chief

**CANADA** **Husky Energy Inc** has appointed Robert J. Peabody Chief Operating Officer, Operations and Refining, of Husky Oil Operations Limited. He will be responsible for Husky operating units in Canada, including exploration, heavy oil and production.

Husky is proceeding with its Sunrise Oil Sands Project in Alberta and also plans to drill two wells in the Northwest Territories. The first shipment of crude oil from the White Rose offshore field has been delivered. **E**

## SUPER ARNIE

**HONG KONG** California Governor Arnold Schwarzenegger paid a visit to the **PARKnSHOP Superstore** at Causeway Bay during his visit to Hong Kong in November and was delighted to find a wide selection of Californian products in the fresh food section. **R**



## HOT HUSKY

**CANADA** **Husky Energy Inc** reported strong results for the year 2005, with net earnings up 100% to a record of CAD2.0 billion (HKD13.4 billion). Sales and operating revenues in 2005 were CAD10.2 billion, compared with CAD8.4 billion in 2004. **E**

### HIGHLIGHTS

	2004	2005
Earnings per share	CAD2.37	CAD4.72
Return on equity	17.0%	29.2%
Total company proved and probable reserve life index	11.5 years	19.7 years
Dividends per share	0.46	0.65
Special dividend per share	0.54	1.00

## Ericsson Partnership

**UNITED KINGDOM** **3 UK** and Ericsson have entered a seven-year managed services partnership. Ericsson will be responsible for the management of the 3 network and its IT infrastructure in the UK and 3 will retain ownership of the network and IT assets. **T**

## ORASCOM DEAL

**HONG KONG** **Hutchison Whampoa Limited (HWL)** and **Orascom Telecom Holding** have announced a global strategic alignment of their mobile businesses in emerging markets. Under the terms of the agreement, Orascom has acquired a 19.3% stake in Hutchison Telecommunications International Limited from HWL for USD1.3 billion (HKD10.1 billion). **T**

## LET'S TALK

**AUSTRIA** **3 Austria** CEO Berthold Thoma (left) and Head of Business Sales Markus Amatschek try out the new Nokia E61 business phone. **T**



## Double Triumph

**HONG KONG** **Hongkong International Terminals** has reason for double celebrations. It has handled its 90 millionth container and also won the Technology Innovation Award at the Logistics Awards Hong Kong 2005. **P**





## Bigger and Bigger

HONG KONG **Watsons**

**Your Personal Store**, the largest health and beauty retailer in Asia, now operates more than 1,300 stores in 13 markets in Asia and Europe after opening stores in Estonia (October 2005), Indonesia (January 2006) and Slovenia (February 2006). **R**



## YANTIAN EXPANSION

**CHINA** **Hutchison Port Holdings Group** and Shenzhen Yantian Port Group have signed a joint venture to develop the Yantian Port Expansion Project. The project will include the construction of six new container berths, capable of accommodating 10,000-plus TEU mega vessels. The first berth will come on stream in the second half of 2006 and the entire project is due for completion by 2010. Meanwhile, Yantian International Container Terminals has been named Best Global Container Port of the Year by the Global Institute of Logistics. **P**



## Shanghai Project

**CHINA** **Hutchison Port Holdings (HPH)** is teaming up with Shanghai International Port (Group), APM Terminals, COSCO and China Shipping Group to jointly develop the Yangshan Deep-water Port Phase II Project in Shanghai. The project affirms Shanghai's status as a major international shipping centre and will accelerate growth in the Yangtze River Delta.

HPH has also agreed to invest and operate a container terminal in the Port of Sohar, Oman, and has signed a conditional agreement to acquire a majority stake in Terminal Catalunya, a container terminal in the Port of Barcelona, Spain. **P**



## COOKIE KINGS

**HONG KONG** Nearly 100 young chefs, aged from six to 11, experimented with fun ways of making cookies during a series of bakery classes conducted by the **Hongkong Electric Home Management Centre (HMC)**. The classes were part of the Hong Kong WinterFest and the little chefs each received an HMC certificate. The HMC promotes cooking to the younger generation by offering courses, workshops and competitions that children can take part in with their parents. **E**





## GOLDEN SUNBLOCK

**SWEDEN** All girl band Sunblock has been awarded Gold Mobiles for selling more than 10,000 downloads with 3 Sweden. The band received their awards at the annual Swedish record industry Grammy gala

from Stefan Blom, Head of Products & Services, Hi3G Scandinavia, and Pandelis Eliopoulos, Scandinavian Product Manager, Hi3G Scandinavia. **T**

## Partner Results

**HONG KONG** Partner Communications Company Limited, a leading Israeli mobile communications operator and a subsidiary of Hutchison Telecommunications International Limited, reported net income of USD77 million (HKD600 million) for the year ended 31 December, 2005. **T**

## Makeover on the Move

**UNITED KINGDOM** Superdrug hit the road with a novel marketing drive – a classic double-decker bus refurbished to offer a mobile pampering parlour. Staffed by beauty specialists, make-up artists and manicurists, the bus offered fashion followers a glass of chilled champagne and a makeover on the move during the Everyone's London Festival and London Fashion Week.

Miss England, Hammassa Kohistani (far right) was the face of Superdrug's one-stop fashion shop. **R**



## CHARITY VISIT

**HONG KONG** Television stars Kwok Chun-on and Tong Ying-ying joined Hongkong Electric Volunteers in a visit to an elderly centre in Tai Po in support of an event organised by the Oriental Daily Charity Fund. The 200 residents welcomed the visitors with songs before being presented with souvenirs and gift packages which included food and warm clothes. **E**



## Sparks Fly for CKI

**AUSTRALIA** Cheung Kong Infrastructure Holdings Limited (CKI) sold a 49% interest in Powercor, Citipower and ETSA Utilities to a new Australian infrastructure investment vehicle, Spark Infrastructure, which was listed on the Australian Stock Exchange. CKI retains a 9.9% stake in Spark Infrastructure and acts as a Manager of the Fund. CKI also received a substantial income of HKD3.7 billion from the transaction.



Separately, CKI purchased 22.07% of Powercor, Citipower and ETSA Utilities from Hongkong Electric. As a result, CKI, along with Hongkong Electric, retains a direct 51% shareholding in each of the three assets. **E**





## SMOOTH AS SILK

**AUSTRALIA** **Cheung Kong Infrastructure Holdings Limited** and Hongkong Electric acquired the strategic commercial telecommunications assets from ETSA Utilities and Powercor in December 2005.

The new company, named Silk Telecom Pty Limited, operates extensive optic fibre telecommunications networks in Adelaide, Melbourne, and key regional centres in South Australia and Victoria. **E**



## Even More Great

**HONG KONG** **Great** has reopened in Pacific Place after a revamp to create Asia's first truly world-class food hall. The culinary adventure caters to the full spectrum of tastes ranging from cooked-to-order Asian and European specialties to chocolate delicacies and fresh coffees and juices. With 2,000 new products, Hong Kong gourmets can now enjoy even greater access to mouth-watering delicacies from around the world. **R**



## Swede Success

**SWEDEN** **3** Scandinavia's music service 3Music won a top award at the annual 3GSM world fair in Barcelona. The judges said the 3Music was the most complete mobile music service available. 3Music consists of 3Music Store, 3OnAir and the connected MP3-player 3Player. Actress Juliette Lewis presents the awards. **T**



## HUSKY HORSEPOWER

**CANADA** **Husky** has purchased a 1,200 horsepower yard engine locomotive for shuttling railcars at the Husky Lloydminster Upgrader plant site. The locomotive was built in 1963 and overhauled in 1999. **E**



## WUHAN SHOWPIECES

**CHINA** **Cheung Kong (Holdings)** and Hutchison Whampoa Property Group are expanding their property development business in China after buying land in Hualou Street and Laopupian in Wuhan. With high-rise luxurious residential towers commanding a magnificent view above a themed retail podium, the Hualou Street project will become Wuhan's premier commercial complex, while the Laopupian complex is a premier downtown residential and retail development. **H**

## Groundbreaking Ceremony in Tianjin

**CHINA** A groundbreaking ceremony was held at the commercial and residential complex development at Tianjin Ying Kou Dao, **Hutchison Whampoa Property Group's** first property venture in Tianjin. The project is a joint venture with Tianjin Metro General Corp. **H**





## Skype's the limit

*New partnership will allow 3 users to keep in touch wherever they go*

**I**T ALMOST SOUNDS too good to be true. Software that allows free computer-to-computer phone calls to anywhere in the world, is easy to use, has impressive sound quality and also supports conference calling and instant messaging, and an array of other features including calls to and from landline and mobile phones.

That, in a word, is Skype, the Internet tool that is changing the telecommunications world. Skype was created by Sweden's Niklas Zennström and Denmark's Janus Friis, the brains behind the Kazaa file sharing phenomenon. Launched in 2003, Skype has millions of registered users around the world and last year on-line auction site eBay agreed to pay a cool USD2.6 billion (HKD20.28 billion) to buy the company.

This extraordinary success story is based on its simplicity. The software is easy to install and the user requires nothing more than a headset or speaker. While Skype-to-Skype calls remain free, users must pay a small fee to call landline or mobile phones.

Skype is working with telecommunications companies that share a vision of providing better ways for people to communicate. Among those companies are Hutchison Whampoa Limited's 3, Hutchison Global Communications (HGC) and Beijing-based


TOM Online, China's leading wireless Internet company.

In February, 3 and Skype announced a plan to give people the freedom to enjoy Skype anywhere they go, whether at home, in the office or on the move while on Hutchison's 3 networks.

This partnership will enable Hutchison to directly tap into the 75 million people using Skype across the Hutchison territories and promote the benefits of using Skype on Hutchison's networks. "With Skype on mobile devices, people can keep in touch with friends, family and colleagues wherever they go. This takes Skype beyond the PC into the mobile world," said Mr Zennström, Skype CEO and co-founder. "I believe this will accelerate the adoption and use of Skype to new levels."

3 Group is expected to be the first to market the Skype-enabled mobile devices and following trials, plans to launch later this year in Austria, Australia, Hong Kong, Sweden, the UK and Italy.

"Skype on 3G smartphones, datacards and other devices is a service that our customers will be thrilled to use," said Christian Salbaing, Managing Director of Europe Telecommunications at Hutchison 3. "With Skype they can talk for as long as they want with their friends around the world. It will be a great addition to our existing wide range of multi-media mobile broadband services."

Skype also has a distribution partnership with HGC in Hong Kong through the HGC-Skype portal. In Mainland China, Skype has signed a joint venture with TOM Online, a subsidiary of TOM Group, to further cement their strategic partnership in China's rapidly growing online communication market. 







STATUS SYMBOL, fashion icon, multi-media personal and business communication tool – the mobile phone is the ultimate lifestyle accessory. It makes a personal statement and epitomises the sophistication of modern life. Checking e-mail, downloading audio tracks and video clips, sending photos of the new baby, watching the television news, monitoring a stock price or simply calling mum to say happy birthday – the mobile is the dominant technology in our daily lives.

But the mobile, as its name implies, never stands still and consumers want still more – more applications, more functions and, perhaps most importantly, even more kudos. Take the limited edition of the LG U880 – Roberto Cavalli Fashion Phone. The Italian is the latest designer to turn his attention from the catwalk to the cell phone with great effect. The phone features a unique hand-printed animal pattern and each box set comes with a new Roberto Cavalli Serpentine EDP perfume.

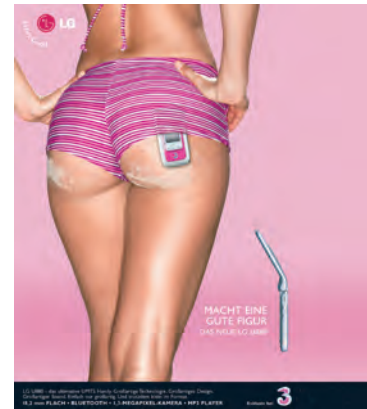
Only 1,089 of these phones were manufactured globally and when 3 Hong Kong put 33 on sale they were snapped up immediately even with a price tag of HKD10,333 (USD1,325)! The LG U880 is only 18.2mm thick, which makes it the world's slimmest 3G music handset, and is equipped with sophisticated multi-media features to suit fashion-conscious trendsetters. With large memory capacity, users can store more than 20 MP3 songs and the model also supports a 1.3 mega-pixel camera, video telephony, T-Flash external memory and Bluetooth.

Animals prints are Cavalli's signature. A comment in the book *Wild: Fashion Untamed*, a companion to the designer's 2004 exhibit at the Metropolitan Museum of Art in New York, put it this way: "Roberto Cavalli has celebrated the wild beauty of the jungle like no other designer, continually revisiting and renewing our enchantment with the flamboyant patterning of the animal kingdom."

Mr Cavalli has always challenged convention. He was raised in modest surroundings but with strong artistic traditions; his mother was a tailor and his grandfather an impressionist painter. He began his career painting T-shirts and then developed printing techniques that could be used on knitwear and leather. His first collection in 1972 outraged fashionistas in Florence by showing models wearing patchwork on denim, a fabric more associated with workers and cowboys.

The launch of the Cavalli-designed phone was backed by a fashion-themed print advertising campaign by Bravo Asia. "Showing the phone as a fashion accessory was critical in the promotions," said CEO Aaron Lau. "The idea behind the advertising creative was to show a model in the fashion shoot. Instead of the model carrying a phone, it becomes a fashion accessory, part of the clothes to show it as independent fashion gear."

This cutting edge combination of technology and Italian artistry certainly breaks new ground but change is the only constant in the world of mobile telephony.



WEAR IT ON A







Apart from new ever-lighter, smaller and cooler handset designs, remarkable new functions and applications are appearing around the world.

“We are at a significant moment in the history of communications and media,” said Bob Fuller, Chief Executive of 3 UK. “The previous distinctions between the media, technology and communications industries have all but

disappeared. We are seeing the beginning of a revolution where people are using their 3G handsets not just to communicate but to receive and transmit all kinds of information and content. We recognise that customers are driving the evolution of our product. They are demanding more content and interactivity.”


And they are getting it. In Austria, Hutchison 3G is offering the Nokia 6280, the first phone in the country with the keypad hidden underneath the display, while 3 Italia is selling a special version of the Nokia 6680, a video-phone that is also a satellite navigator! Customers can now download maps right down to the building number. 3 Italia even bought Channel 7, a digital television channel that will enhance interactive services for customers.

But perhaps the biggest innovations have occurred in the UK, where 3 customers can receive cash in exchange for popular video content, a move that is revolutionising the way 3G users share video clips. See Me TV is the ultimate reality channel – providing an opportunity for customers to shine in front a potential audience of millions.

3 UK has also announced a partnership with EMI Music UK to supply full-length music videos directly to customers. Artists available include Kylie Minogue, Coldplay, Jamelia, Joss

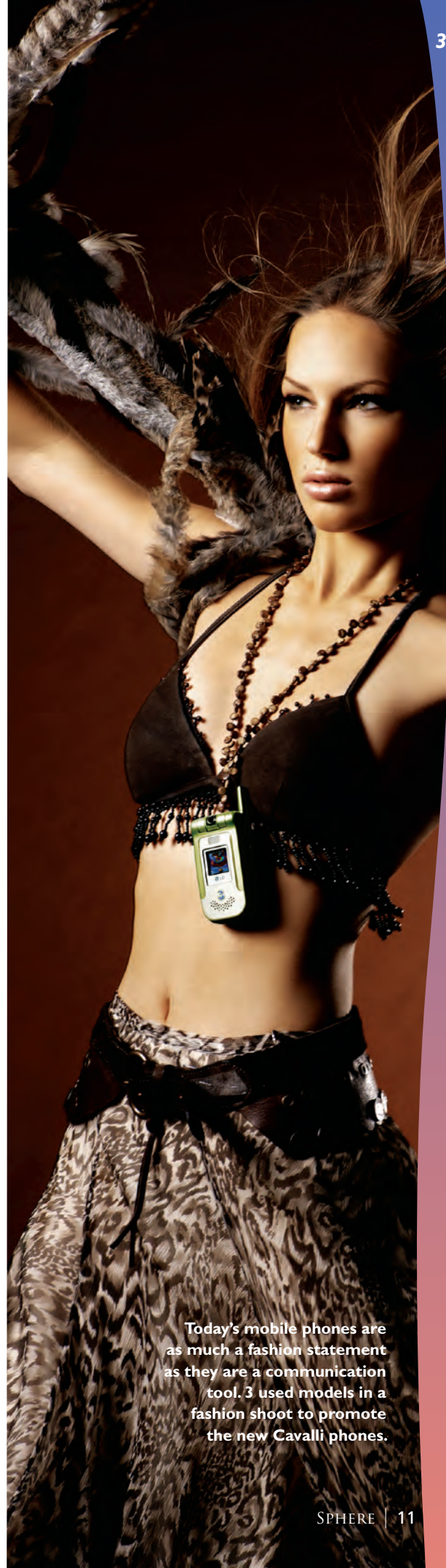
Stone, Norah Jones and Gorillaz. In another breakthrough, every audio track customers download to mobile handsets will also be available online for no extra charge.

As if that is not enough, 3 Italia is also set to launch La3, its own new mobile TV channel, which will show original programming as well as such sporting showpieces as the 2006 FIFA World Cup from Germany.

“Customers on 3 have a TV in their pocket,” said a 3 Italia spokesman. “But mobile TV isn’t about replacing the at-home TV experience. It’s about finding a unique crossover between TV and mobile to make the whole experience richer. Soon you will see more people decked out in designer handsets on the street than models in high fashion on the catwalk.” 

# STRING

*Hot new handsets make a fashion statement*



Today's mobile phones are as much a fashion statement as they are a communication tool. 3 used models in a fashion shoot to promote the new Cavalli phones.



# the urban ANGEL

*Welcome to St Michael's, the compassionate hospital that serves  
the sick and the poor of Toronto's inner city*

*By Jon Marsh*







St Michael's works with the city's most vulnerable citizens. Facing page: The statue of St Michael the Archangel symbolises the hospital's spirit and commitment.

IT IS 18 DEGREES CELSIUS below freezing as night falls on inner-city Toronto. A group of men sink deep into their tattered fleeces as they struggle to stay warm. An icy January wind cuts into their faces. Some are seriously ill or addicts. Others have fallen on hard times and are simply homeless. Welcome to the heartland of St Michael's Hospital, a remarkable Canadian institution that is part social worker, part doctor and part research scientist. Whether it is offering a hot meal, a shower and a clean, safe bed or long-term research into kidney disease, the Urban Angel, as it is known throughout the city, is part of Toronto's human safety net.

"We go into parts of the city and provide health care services where other people do not want to go," said Jeffrey Lozon, the hospital's President and CEO. "And we have been doing it for nearly 120 years and have never turned anyone away. People know us. They trust us. We are a haven for people whose home is the street or the park bench. People who are outside the system with no medical insurance and no money can come to us. We deal with both human and health problems without judging the circumstances people find themselves in. We are unique. We combine the compassion of a value-based organisation with the science of the teaching hospital."

St Michael's is a teaching hospital affiliated with the University of Toronto. It has more than 5,000 staff, with 600 doctors teaching 1,600 students. Impressive numbers but what makes the hospital

so special is its work with the city's most vulnerable citizens, the victims of homelessness, poverty, disease, drug abuse, mental illness and violence. The hospital, founded in 1892 during a diphtheria epidemic, is recognised globally as a research leader in inner-city health.

This makes it a worthy recipient of a CAD25 million (USD21.7 million) donation from the Li Ka Shing (Canada) Foundation. The gift will be used to establish the Li Ka Shing Knowledge Institute, which will bring together the worlds of research, education and patient care. The institute will be the first of its kind to bridge the gulf of understanding separating education from research and research from front line health care. The gift is the largest single donation ever received by the teaching hospital and construction of the institute is scheduled for completion in 2009.

"The Knowledge Institute is a new idea," said Mr Lozon. "It will allow us to create an incubator of knowledge. It will take the scientists out of the lab and put them in the front line so they see, feel and touch the people who are afflicted by a range of diseases. We will be able to attract the best and brightest in a wide range of disciplines. We are creating a living laboratory that can be both a molecular lab and a lab in the street. This will allow us to get the science to the patient faster. Think how many lives you might save. It's a very exciting project. We are deeply grateful for the confidence being placed in us."

The existing Centre for Research on Inner

*The Knowledge Institute will take the scientists out of the lab and put them in the front line*



## THE \$49 SYMBOL OF HOPE

**T**HE STORY OF how St Michael's came to be known as the "Urban Angel" reaches right back into the hospital's history. Shortly after the Sisters of St Joseph founded the hospital in 1892, they found a dirty and blackened statue of St Michael the Archangel in a local pawnshop. They agreed to pay \$49 for the statue, money they had saved from selling old newspapers, and it soon became a symbol of the hospital's spirit and commitment.

In 1997, the statue was moved to a new wing from the hospital's lobby where it had stood for many years. As it was lifted away from the wall, the word "Pietasantra" could be seen chiselled on the back of the statue. The marble had come from the same quarry in Italy as Michaelangelo used for his famous Pieta (c1498-99) that can be found in the Basilica of St Peter in the Vatican. The artist and the date of creation for the statue are not known, nor are the details of how it made its way to Canada. What is certain is that for more than a century, the statue of St Michael has been an inspirational symbol of hope and healing for patients

and their families as well as for those who work and volunteer at Toronto's "Urban Angel".

The hospital itself originates from an old Baptist church, where a boarding house for working women was operated by the Sisters of St Joseph. A diphtheria epidemic was sweeping Toronto in 1892 and the sisters answered the call to service and St Michael's Hospital was born. The hospital began with 26 beds and a staff of six doctors and four nurses. Within a year, accommodation was increased to include two large wards and an

emergency department. By 1912, bed capacity reached 300 and a five-room operating suite was added.


As early as 1894, St Michael's received medical students and in 1920 negotiated a formal agreement with the Faculty of Medicine at the University of Toronto that continues to this day. Between 1892 and 1974, St Michael's School of Nursing graduated 81 classes of nurses, a total of 5,177 graduates! The school was closed in 1974 when nursing education was moved into the community college system.

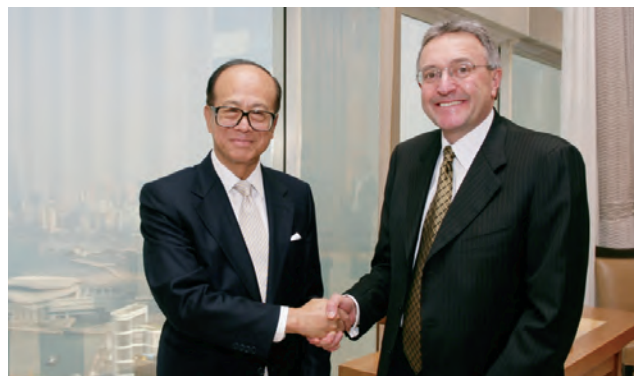
City Health, founded by St Michael's Hospital in 1998, will be housed in the Keenan Research Centre of the Knowledge Institute. Here, in a rough downtown neighbourhood, more than 50 research staff, including doctors, biostatisticians, a geographer and a health economist, look beyond the health issues of individuals and search for factors that might lie behind them – everything from housing, transport, domestic violence and fast-food outlets. The director, social epidemiologist Dr Patricia Campo, said she was attracted to the institute because "there seems to be a collective responsibility for the plight of the poor, and a collective willingness to do something about it."

The work of the centre includes everything from homelessness and HIV to immigrant health and gender equality in treatment. An ambitious project is underway that will map and track 3,500 families in Toronto over 10 years. The research at the unit helps to change medical practice and public health in Canada and internationally.

The Li Ka Shing Knowledge Institute will provide the Centre for Research on Inner City Health with more space and improved facilities, which will help to attract the best talent. The President of the University of Toronto, Dr David Naylor, said the Knowledge Institute would make a real impact on the world. "Now for the first time ever, we will be building on the education that researchers, educators and clinicians receive from the university and we will be building on the knowledge and accelerating their findings to the front lines of care, thus setting a new standard in health care," he said. By combining groundbreaking research and education with practical training in a hospital facility, he said the Li Ka Shing Knowledge Institute would serve as a new model for other hospitals in Canada and for other institutions in the world.

Mr Li is, of course no stranger to Canada. Until recently, he was the largest individual investor in the Canadian Imperial Bank of Commerce (CIBC). He sold his stake in CIBC early last year and donated all the proceeds from the sale, approximately CAD1.2 billion, to private charitable foundations, including the Li Ka Shing Foundation and the Li Ka Shing (Canada) Foundation. St Michael's joins Cambridge University in the United Kingdom, the University of California at Berkeley in the United States, Institut Pasteur in France, the University of Hong Kong and the Chinese University of Hong Kong and Shantou University in Mainland China in receiving a major grant under the Li Ka Shing Foundation's biomedical programme.

Mr Li expressed his great admiration for the dedicated service the hospital was providing. "It is refreshing and touching to know that an institution has stayed true to its commitment to progress and care throughout the years," he said. "I believe an equitable society can only be achieved if each and every individual is ready and willing to do his or her part in capacity empowerment through education and the building of a caring society, particularly through medical and healthcare related projects. These are two important pillars of hope for any society." 







Clockwise from top left: Treating a patient at St Michael's; inner-city poverty in Toronto; The Li Ka Shing Foundation makes donations to medical and scientific research centres around the world; an artist's impression of the Li Ka Shing Knowledge Institute. Facing page: The HWL Chairman with St Michael's CEO Jeff Lozon.



## LI KA SHING FOUNDATION'S GLOBAL NETWORK OF MEDICAL AND SCIENTIFIC RESEARCH

**Li Ka Shing Foundation**

### Cambridge University

The Hutchison MRC Research Centre and the soon-to-be completed Li Ka Shing Centre for Cancer Research aim to build bridges from the cell biology and genetics of cancer towards the prevention, diagnosis and treatment of cancer in the clinic, exploiting recent advances in the understanding of cancer for the benefit of the cancer patient.

### Institut Pasteur

The programme aims to advance breakthroughs in the prevention and containment of avian flu and other emerging highly infectious diseases and fortifies international efforts in the event of an outbreak.

### The Chinese University of Hong Kong

The Li Ka Shing Institute of Health and Sciences focuses on integrative transdisciplinary science in health promotion and disease prevention, mechanisms, diagnosis, monitoring, treatment, clinical sciences and regenerative medicine.

### The University of Hong Kong

The HKU Faculty of Medicine makes possible the realisation of transformative initiatives in both academic research and medical services with the added dimension of engineering a meaningful and fruitful core competence for Hong Kong.

### Shantou University

Among various biomedical research activities, SUMC focuses on those that will directly impact on the health of individuals in the region and worldwide. Such efforts include research to combat the dreaded avian influenza virus through the Joint Influenza Center with HKU and studies to find the susceptible genes in nasopharyngeal and oesophageal carcinomas together with Cambridge University.

### UC Berkeley

The Li Ka Shing Centre of Biomedical Sciences studies the molecular basis for disease, providing fundamental knowledge to combat the world's most devastating human health problems.

### St Michael's Hospital/University of Toronto

The Li Ka Shing Knowledge Institute aims to find effective delivery of educational methodologies across the educational continuum to speed research insights directly to health care practitioners so that patients will benefit.





# SHAN



*China's fastest growing metropolis is the city of the future*

*By Mark Graham*



# SHANGHAI SIZZLE

SHANGHAI'S WARP-SPEED progress can be witnessed, first hand, within minutes of leaving the international airport terminal.

Just a few hundred metres from the arrival hall is the world's fastest train, the Maglev, that bullets passengers to the urban-area fringes in eight minutes flat, hitting a top speed of 430 kilometres per hour.

The thrilling, juddering ride – whizzing past paddy-fields, factories and housing estates – is a metaphor for the way the city itself is hurtling into the 21st century; Shanghai is the richest, largest and quickest-moving city in the world's fastest-growing nation, a financial and commercial centre with a stated ambition to catch up with Hong Kong, Tokyo, London and New York in record time. For the past 15 years, the east coast metropolis has been a blur of construction – skyscrapers, highways, flyovers, tunnels and bridges – resulting in a remarkable transformation.

Anyone who visited Shanghai two decades ago will remember it as a moribund place, its glories all in the dim and distant past. Way back in the 1920s and 1930s it enjoyed a reputation as a decadent place and was often described as the Paris of the





## TODAY'S YOUNG OFFICE LADIES ARE EXERCISING THEIR NEW-FOUND SPENDING POWER VIGOROUSLY

East, renowned for its dance halls, grand mansions, dapperly-dressed people, colourful characters and freewheeling capitalist spirit.

Its stunning return to those days of affluence and vivacity was initially orchestrated during the 1980s, when it was decided to yank near-comatose Shanghai

back on the fast track. A radical blueprint for regeneration was unveiled; the idea was to transform the Pudong area of godowns, paddy-fields, slums and derelict buildings across the river from the famous Bund promenade into a showcase project for the New China, a place of wide boulevards, soaring modern towers, ample

parkland and state-of-the art factories.

Planners, architects, engineers and workers hurried and scurried to make the grand vision a reality. By the time Shanghai entered the 21st century, it was able to parade a list of assets that included a new stock exchange, five-star hotels a-plenty, super-luxury apartment blocks galore



and an ever-increasing pool of ambitious entrepreneurs, go-ahead individuals who long ago traded in black, one-speed Flying Pigeon bicycles for Mercedes Benz limos, Buick sedans (built at the new USD1.5 billion General Motors plant) and even Ferraris and Porsches.

Yet for all this pell-mell modernisation, conducted at a pace that must make it the fastest-changing city of all time, the nation's commercial capital has managed to preserve many of the prime real estate assets that so captivate people from overseas. Snuggled in among the cloud-touching buildings are streets lined by English, French and German-style villas, built during the early 20th century to recreate a slice of the Old Country for homesick expatriates.

The Bund is now home to a Giorgio Armani boutique, gourmet restaurants and art galleries. It is a kind of one-stop shop for the new breed of local yuppies who are not in the least bit intimidated by paying USD1,500 for an Italian suit or USD200 for a French gourmet meal.

### Urban regeneration

Those self-same individuals, who have made their money through entrepreneurial ingenuity, or risen to senior executive level as employees, are demanding higher standards in all aspects of their lives, insisting on offices and homes that are designed, built and managed to international levels.

Hutchison Whampoa Properties has been able to capitalise on this expectation of excellence, building and managing a portfolio of up-market properties that includes offices, malls and residential developments. Well-heeled Shanghainese willingly splash their cash on quality real estate and the suburban villas beloved of the new rich sell for between USD1.5 million and USD4.5 million.

"The buyers are people who have accumulated wealth and want some improvement in their quality of life," explained Hubert Shea, General Manager of Hutchison Whampoa Properties (Shanghai). "They tend to be entrepreneurs who have set up their own business, or senior executives

with a local or multinational company.

"People realise that we can offer quality and a product that is of international standards, benchmarked by our projects in Hong Kong, London and other countries. We also have strong management and customer service back-up - property is a very competitive area and that makes us different from our rivals."

Already up and running are projects that include Walton Plaza, an office-apartment block, Westgate Mall shopping mall and Westgate Tower offices,

The Summit apartment towers, the Center office block, Seasons Villas and Regency Park, featuring luxurious villas with a prestigious clubhouse. A further six major developments, comprising a similar mix of commercial and residential properties, are on the way.

Forward-looking Shanghai authorities are now planning another wave of urban regeneration in time for the city's hosting of the 2010 World Expo, two years after the capital, Beijing, stages the first-ever Olympic Games in the Middle Kingdom.

## HELPING SHANGHAI LOOK GOOD

**T**HE WOMEN of Shanghai are renowned as keen followers of fashion, fussy to the point of fastidious when it comes to their personal appearance.

Boom times in the city have allowed the newly-affluent generation of twenty and thirty-something women to finesse that natural style to an even more sophisticated degree.

This is the first generation of Chinese females to have the financial independence to be able to splurge money on clothes and cosmetics. Their mothers and grandmothers grew up during the darker periods of China's recent history, when interest in fashion was considered to decadent and - worse still - deeply bourgeois.

Today's young office ladies have no such constraints and they are exercising their new-found spending power vigorously. Brand-name boutiques abound in the city, as do branches of Watsons Your Personal Store, where beauty products are flying off the shelves.

Rod Routley, General Manager for Eastern China, is in charge of 30 Watsons Your Personal Stores in the city, and will be supervising the opening of at least 15 more during the next year.

"You are looking at a real uplift in demand for skin care and cosmetics," he said. "There is a lot of interest in new and innovative products; many items that have been available in the international market for some time are now making their debut in China. Shanghai is becoming more international and is leading the way in China. People here, while still price conscious, are more interested in

newness and innovation. Our target customers are young women aged 18 to 35 and their uptake of new products tends to be stronger. They have the spending power and want to follow the latest trends."

Detailed information about many of the brands sold by Watsons Your Personal Store can be found on the editorial pages of magazines such as Vogue China. The fashion bible's China edition was launched last year, with the first issue a 300,000 sellout.

It aims to educate modern Chinese women about everything from fashion and skin-care creams to lipstick and mascara.

"Young Chinese women really want expert guidance on what to wear, and how to wear it, whether it is cosmetics or clothes," said chief editor Angelica Cheung. "Our health and beauty section is a very popular part of the magazine - there is a huge hunger for information.

"Our readers are affluent and discerning, they want to buy the very latest products and have the money to do so. Many of them work for foreign companies, still live at home, and have the income to buy designer clothes and brand-name cosmetics."

That demand is likely to grow rapidly as the nation becomes richer and richer, with more and more of its 1.3 billion people able to afford luxury and health-care products. Shanghai, as A.S. Watson and other retailers have discovered, is a perfect city to roll out new stores, products and concepts ... people there just can't get enough of the new.





A site has already been earmarked for the event, on the eastern side of the Huangpu River, the waterway that bisects the city, just down from the Manhattan-like skyscrapers of Pudong's financial zone, Lujiazui. Dominating that skyline is the USD540 million Jin Mao building, a contemporary interpretation of a Chinese pagoda.

"If you were taken from the airport blindfolded, and then shown that skyline you would think you were in New York,"

## INVESTORS LOOKING FOR OPPORTUNITIES ARE FLOCKING TO SHANGHAI, POTENTIALLY THE WORLD'S LARGEST MARKET PLACE

says Henry Wah, Director, Hutchison Ports China. "The city has been totally transformed . . . new roads, high rises, ring roads, tunnels, flyovers, bridges and green space. Shanghai is getting back the gran-

deur it was once famous for. I tell people that it is a first-class city once more, with world class restaurants and shops."

The runaway expansion shows no signs of easing off; annual growth has been



around the double-digit level for more than a decade. Planes to the city – there are up to 20 flights daily from Hong Kong alone – carry foreign investors looking for opportunities in the world’s largest potential market place and tourists keen to see what all the fuss is about.

### Sophisticated entertainment

Restaurants and bars abound. Once-derelict mansions and houses have been revamped for contemporary usage as Italian trattorias, American-style cocktail bars, Brazilian steakhouses, German pubs, boutiques and exclusive member’s only clubs. The action starts from early evening onwards as the trendy crowd come out to strut their stuff.

More sophisticated entertainment fare can be found at places such as M on the Bund, the restaurant opened six years ago by Australian Michelle Garnaut. Its expansive terrace is a hugely popular venue for cocktails, an ideal spot to watch the sun sink over the always-bustling Huangpu River.

“I find it astounding how sophisticated

people in Shanghai have become,” says Ms Garnaut. “They all look like they have walked out of a Louis Vuitton shop; they have embraced all things western.”

Today, Shanghai’s profile is sky high, much to the satisfaction of the 17 million Shanghainese who enjoy basking in the contemporary international spotlight. Foreign residents such as American hotelier Mark DeCocinis are in awe of the pace and extent of the modernisation drive.

“There is constant change in the city,” says Mr DeCocinis, a senior executive with an international hotel group. “If I don’t go to one area of the city for a while on my morning runs, I can guarantee the next time I pass by it will have changed. It is happening before your very eyes.

“It is positive, too. There is much more parkland and greenery and the air quality is improving. The infrastructure is good and it has to be one of the safest cities in the world. I run through the streets at four in the morning and there are many places where I would not do that. I feel extremely safe.”



## MEGA-PROJECT TAKES SHAPE

**T**HE WATERS OF China’s mightiest river, the Yangtse, feed into the Pacific Ocean just outside the city of Shanghai, ending a journey that begins some 6,300 kilometres away on the Tibetan plateau.

The river, the world’s third longest, after the Nile and Amazon, has always been a vitally important trade route, linking disparate parts of the vast nation, and it is set to play an even greater commercial role in the 21st century.

As the hinterlands on either side of the Yangtse are developed, greater numbers of goods will be transported along the river by freighter, destined for Shanghai-berthed container ships that will carry them overseas to the hungry consumer markets of the United States and Europe.

Already the Yangtse estuary is a hive of waterborne activity; scurrying fishing vessels and weighed-down barges share the same space as the mega-ships that plod slowly up the Huangpu River, the waterway that bisects Shanghai, Pudong to the east, the main downtown Puxi to the west.

Hutchison Port Holdings (HPH) is involved in the second phase of that ambitious scheme. The company’s Director of Ports, Henry Wah, predicts that demand will surge for many years to come, as increasing numbers of Yangtse-region factories are set up. The new port, when completed, should seal Shanghai’s position as the world’s biggest and busiest.

“The potential of cargo source along the Yangtse is very rich,” said Mr Wah. “The river is still undeveloped – labour costs are low and resources are rich. You can compare it to the growth of the Pearl River Delta and Hong Kong. The Pearl River Delta and Hong Kong are middle-aged, while the Yangtse and Shanghai are still very young.

“The deep-water port is a massive project. If you look by satellite from space I am sure it will stand out, just like the Great Wall or the pyramids.”

HPH has played a significant role in Shanghai’s rip-roaring growth during the past decade, and is currently operating three joint venture companies. Since the first joint venture was signed back in 1993, growth of the Port of Shanghai has been simply sensational; during that first year a million Twenty Foot Equivalent Units (TEUs) passed through, while last year the figure for the port had risen to 18 million.

Like many Shanghainese, Mr Wah, who was born in the city and raised in Hong Kong before studying and working overseas, is proud of the return to prosperity. During the 1920s and 1930s Shanghai was ranked in the same league as London, New York and Paris.

During the subsequent years, Hong Kong and Singapore pulled way ahead, a trend that is now being reversed. “Shanghai is coming back at a very fast pace,” said Mr Wah.





# FOOD for thought

*Why only the best fresh produce makes the grade in Hong Kong*

*By Jon Marsh*



THE WRITER AND PHILOSOPHER Dr Lin Yutang once observed that: “Our lives are not in the lap of the gods, but in the lap of our cooks.” Dr Lin was Professor of English at Beijing National University from 1923-1926 and later moved to New York where he became a prolific writer in Chinese and English. He died in Hong Kong in 1976 but 30 years on his words have never rung so true.

Whether it is poisonous pork, vegetables laced with pesticides or toxic fish and eels, hardly a month goes by in Hong Kong without a food scare of some description hitting the headlines. And of course concerns about poultry have been

ever present since an outbreak of bird flu in Hong Kong killed six people in 1997.

These problems have inevitably raised questions about quality controls and regulations in Mainland China, Hong Kong’s primary source of fresh food. Last summer, the SAR government proposed establishing a Centre for Food Safety to monitor what is eaten in Hong Kong. Secretary for Health, Welfare and Food, Dr York Chow, made the announcement after test results confirmed that samples of live eels from local markets tested positive for the banned cancer-causing agent malachite green; a few months later similar problems arose with fish supplied from





the Mainland. A new government department, the Food Safety, Inspection and Quarantine Department, will run the Centre for Food Safety and will also be responsible for strengthening links with food safety regulatory authorities in the Mainland. “We need to expand our surveillance mechanism, not just to local food, but also to other overseas suppliers, including the Chinese mainland,” Dr Chow said.

In a small laboratory in Sheung Shui near the border with China, Peter Johnston, PARKnSHOP’s General Manager, Quality, Food Safety & Regulatory Affairs, welcomed the latest government pronouncements. It was way back in 1997 that he set up the company’s quality assurance department after PARKnSHOP had introduced superstores that brought together the concept of the wet market and the traditional supermarket.

“We were pioneers. The fresh food supply chain has its shortcomings,” he said. “We quickly found that tapping into the wet markets’ fresh food supply chain caused us problems. This was compounded by being a big brand name like PARKnSHOP. Customers expect much more. Back then, these shortcomings caused food safety incidents although we weren’t doing any-

thing different from anyone else, but because it was a big supermarket the story got a lot of media coverage. There are so many food safety issues locally. For example, in Europe, the problems with pesticides I’d come across were the kind raised by green groups. You’d have to eat 100 cabbages a day for 15 years to have a problem. In Hong Kong, sometimes one mouthful can kill. It’s a completely different ball game.

“So we decided we had to completely change the way we bought high-risk vegetables from Mainland China. The concept of simply going to the wholesale market and buying baskets of different vegetables and selling them in the stores could not provide us with the food safety assurance we were looking

for. We set up a whole new supply chain infrastructure. We now have complete traceability. We know which farm a basket of vegetables comes from, what date the seed was planted, when fertiliser was added. We know the complete life history of the vegetable. I’m a great believer in you can’t manage what you can’t measure.”

It is a similar story with pork. In Hong Kong, all imported pigs are sold live at the government central auction before being sent to the slaughterhouse. They are then delivered to the wet markets whole where they are cut up. “Let’s just say that



**From China’s farms to the fresh food section of your PARKnSHOP, Peter Johnston’s team makes sure the produce is of the best quality.**



conditions are less than ideal and with this system smuggled pork, which can be full of harmful drugs, is a huge problem,” explained Mr Johnston. “What we do now is buy pigs direct from the auction. Each pig has a number tattooed on its skin so we know where it has come from. After the slaughterhouse, the pigs come direct to our warehouse where we cut them up in our temperature controlled hygienic pork-cutting facility - it’s the only one in Hong Kong - and send them out to our 220 or so stores. We have even installed metal detectors to ensure maximum food safety.”

In 1998, PARKnSHOP launched its Fresh Check campaign with a 10-point plan that included food safety audits of all its suppliers and stores, conducting its own laboratory tests, raising its own hygiene standards by training staff and introducing more comprehensive food labelling. Every year procedures are improved to further refine the system. For example, in 2004 the farm number and “best before” date was printed on the shell of every single brown egg from China so customers could be absolutely certain they were fresh.

“We have now brought world-class safety standards to the fresh

food supply chain,” said Mr Johnston. “We gave our suppliers targets to hit and standards to meet and if they did not perform they lost the business. Suppliers were in shock. It took a lot of pain and a cultural shift in thinking. It was tough but it worked. We have led the way in raising standards in Hong Kong.”

Take sushi, for example, a very high-risk product. PARKnSHOP staff surveyed the microbiological quality of their suppliers and competitors. They found one of their two suppliers was excellent and then worked with the other to bring them up to the same standard. “We now have the best quality sushi in Hong Kong from a food safety point of view,” said Mr Johnston.

The laboratory in Sheung Shui tests more than 100 samples of fresh produce a day. For pesticide tests, on average two samples a month are found to have problems. “We can withdraw that batch from stores and then investigate through our farm check system in Mainland China. We can trace which farm it came from and take appropriate action,” said Tse Ka-yin, Laboratory and Fresh Food Safety Manager. “Some more toxic pesticides are used quite legally in Mainland China on slow-growing fruit like lychees,

*Food with  
a higher level  
of risk is tested  
more often*

## THE CHINA CHALLENGE

**G**RACE YEE has a job that might deter many in the supermarket business. She is PARKnSHOP’s first Quality Technical Manager for China, which makes her responsible for trying to raise the food safety standards in the Mainland to the same levels as Hong Kong. Apart from the basic hygiene issues, there are also logistical challenges too. The 30 stores are spread all over the Mainland (mainly southern China but also Beijing, Shanghai, Nanjing and Chengdu) and tend to be much larger than their counterparts in Hong Kong.

“Fresh food standards are the biggest challenge,” she said. “We are just starting the journey in China. It is a monumental task to put the same controls in place. It will take time but we have started auditing suppliers. It is difficult to get people to change. We get a lot of support from our colleagues in Hong Kong. But some suppliers in southern China know that PARKnSHOP in Hong Kong has very high standards, so they are psychologically prepared for change. We have laid out quality procedures. Now we have to put them in place. There is a very high turnover of staff in Mainland China and a lot are migrant workers. We have to lead them by the hand.

“In many cases, we are trying to persuade suppliers to buy new equipment and build new factories. We have to change the culture of the business. We are saying: ‘If you want to be a supplier, you have to meet our standards.’ We do audits and we point out the problems. Sometimes people were very angry because they have to spend a lot of money. Now the feedback is becoming more positive because once they make the improvements they are one step ahead of the competition.”


Encouragingly, sometimes Hong Kong can learn from Mainland China. A couple of years ago PARKnSHOP found a bean curd factory in Shenzhen that had much higher standards of cleanliness than any in Hong Kong. The company welcomed suggestions about how to improve its technology and is now the supermarket’s No. 1 bean curd supplier.





that have skin that is not eaten. There may be a temptation for unscrupulous or uneducated farmers to use them on fast growing vegetables. We can't test every vegetable. Our sampling system is based on risk assessment. Food with a higher level of risk is tested more often, as are purchases from new suppliers."

The direct sampling from suppliers is not the last line of defence. As a further back up, a team of buyers purchases baskets of food from PARKnSHOP supermarkets around Hong Kong and sends them to the laboratory for testing. The company also puts secret "Cold Chain Spies" in its refrigerated delivery trucks. The devices secretly record the temperature of the produce for every minute of the journey to the warehouse or store to ensure food is kept fresh during transportation.

Despite the establishment of a comprehensive food quality control system, new food issues in the community erupt from time to time. The next big challenge is, of course, bird flu. Hong Kong is probably better prepared than many other places and Mr Johnston and his team remain on the alert for the first sign of trouble. "We are doing more tests at chicken farms in China and asking suppliers to be more vigilant," he said. "We are also evaluating a bird flu test kit. Let's just hope that it doesn't happen." 

## PARKnSHOP FRESH CHECK

- All fresh food suppliers regularly audited
- Fresh Check Hygiene Watchers regularly audit all stores
- Hong Kong's first dedicated Food Safety Laboratory established
- Fresh Check Food Hygiene Academy established for staff, with 5,000+ graduates
- Fresh food transported and stored hygienically at the correct temperature
- Fresh food sold in audited hygienic conditions by trained and qualified staff
- Samples of all fresh food are tested/audited to identify problems before they become health hazards
- Customers given the information needed to make informed choices about the origin, freshness, safety, and nutritional content of the food they buy



*Clockwise from top left: The laboratory at Sheung Shui, Hong Kong; seafood stall and meat counter at PARKnSHOP; checking toxin levels in the laboratory; fresh fruit counter in a PARKnSHOP Superstore.*



**T**ONY MA is facing a lot of late nights this summer but he doesn't mind one bit. In fact, he can't wait. Mr Ma, a life-long football fan, is the COO of ESD Services Limited which has been granted the exclusive rights to operate the official FIFA World Cup online store in Asia and the Middle East.

ESD Services, the leading e-commerce and e-government services provider in Hong Kong, is responsible for operating the FIFAworldcup.com Online Shop in 50 countries including Hong Kong, South Korea, Taiwan, Malaysia, Thailand, the Philippines, Singapore, India, and Indonesia. The tournament, to be staged in Germany between June 9 and July 9, is the biggest sports event in the world and because of the time difference many of the games will be played in the early morning in Asia.

Mr Ma can barely contain his enthusiasm. "Yes, it will mean staying up late to catch the big matches but it will be worth it," he said. "I'm an England fan but it is always a pleasure to see the best teams in the world compete. Brazil have got great players like Ronaldinho and Ronaldo, so they will be the favourites. Soccer is definitely the number one sport in Asia. People are just crazy about it."

The FIFAworldcup.com store will provide football fans with everything from shirts and caps to sports accessories, footballs and souvenirs. Available in English, Chinese and Korean, the store will provide round-the-clock online service until the end of 2006. "We are very proud and excited to provide memorabilia to millions of football fans in Asian countries," he said. "With our sound Internet and e-commerce expertise, we believe customers will have an enjoyable shopping experience in the online store. It is the first time FIFA has awarded these licences by region, which shows how important Asia has become."

The World Cup will also illustrate how online shopping has become an important retail tool in parts of Asia. "South Korea will be the biggest market for us," said Mr Ma. "The Koreans are in the finals in Germany and reached the semi-finals four years ago, so expectations are very high. E-commerce in South Korea is very strongly established and online shopping is particularly popular. Almost everyone has broadband. The Hong Kong market is much smaller but is growing very fast."

And so is ESD Services. A joint venture between Hutchison Whampoa Limited and Hewlett-Packard, the company started with

a contract to implement the government's Electronic Service Delivery Scheme and launched an award-winning bilingual portal, *ESDlife* ([www.esdlife.com](http://www.esdlife.com)) in January 2001. *ESDlife* now offers more than 200 public services from over 50 government departments and public agencies. Through the establishment of a vast digital information infrastructure, the company is dedicated to providing a one-stop shop for public and commercial electronic services, as well as professional web solutions.

*The World Cup will illustrate how online shopping has become an important retail tool in Asia*





“ESDlife kick started online shopping in Hong Kong which helped to promote our brand in a very short time,” explained Mr Ma. “The FIFA contract is proof of our leadership in this area.”

The World Cup is only the beginning. In future the company is looking to partner more famous global brands to expand from its domestic Hong Kong market to Asia and Mainland China in particular.

ESDlife has used its position as a provider of round-the-clock online public services to develop related commercial services, IT services and also drive online advertising. The results have been exciting.

There are some 290,000 e-government transactions processed every month, of which over 70,000 involve online payment. This has made ESDlife one of the Hong Kong websites processing the highest number of online cash transactions and has enabled it to build a strong customer base that is ready for online shopping.

The ESDlife online shopping platform sweeps away the barriers of traditional sales channels, which require huge set-up and operating costs, and allows merchants to run their online business at minimal operational expense. The e-shop business has grown remarkably since its launch. It now offers a wide variety of gifts, digital products, household appliances and wedding related items. In June 2005, Zignup.com started offering a wide range of courses and activities – from dancing and yoga to wakeboarding and make-up courses.

# CUP

*FIFA contract  
a real winner for  
ESD Services*

*By Jon Marsh*



But it is the wedding booking service that has perhaps made the biggest impression. Within a year of launch, 85 per cent of Hong Kong’s advance marriage appointments were booked online. ESDlife has built up the largest community of wedding couples in Hong Kong, its Wedding Channel recording more than 100,000 visitors in February 2006 alone. Not surprisingly, the benefits of ESDlife have been quickly recognised by advertisers and the “click rate” for banner advertisements on the portal is much higher than the industry average.

The ESDlife project has also helped build public confidence in online transactions and electronic payment. “Having brands like Fortress, Sony, Samsung and Apple in our shop is a big help,” said Mr Ma. “People are more comfortable buying online when the brand is a household name. In fact we are expecting a surge in television and DVD recorders sales before the World Cup. After all, it’s a great opportunity for people to upgrade to a flat screen!”

**Left: Ronaldinho will aim to be among the goals when Brazil defend the World Cup in Germany this summer.**







# JOIN THE



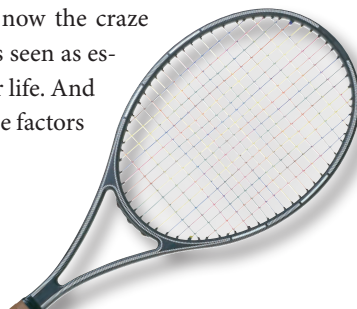
IN THESE HEDONISTIC TIMES, people demand much from life. They are happy to work hard - and in Hong Kong and newly affluent Mainland China that usually means long hours - but play hard too. They want a lifestyle rather than just a life and they want their home to reflect that.

Exercise and healthy living are an important part of that lifestyle. Since the days of jogging and aerobics in the late seventies and early eighties, followed by the rising popularity of the gym in the nineties, and now the craze for pilates and yoga, keeping fit is seen as essential to living a longer, healthier life. And this fashion for fitness is one of the factors

behind the rise - and rise - of the residential clubhouse.

Today, excellent leisure and clubhouse facilities are high on most home-buyers' list of priorities and for property developers have become an essential factor in any residential development. A swimming pool is no longer enough, the name of the game is added value and when home-buyers are making their decisions a good clubhouse can make or break the deal.

"I'd go so far as to say that in both Hong Kong and China now, if you build a major residential development without clubhouse facilities, you will lack the added value that makes it attractive to the buyer," said Johnnie Chan, Chief Estate Manager at South Horizons and Rambler Crest. "People







# CLUB

*Excellent leisure facilities are high on the list of priorities for today's home-buyers*

*By Teri Fittsell*



expect a high standard of living and their lifestyle choices include at the very least having a gym, heated pools and tennis courts where they live. They also like to have space, gardens to stroll through and perhaps do tai chi in."

Having a club "in-house" is as much a financial consideration as a lifestyle choice for many, according to Anne-Marie Sage, National Director, Residential Investor Services, at Jones Lang LaSalle. "Clubs in Hong Kong can be hard to get into – waiting lists are long, debentures can be very expensive – and nowadays not so many debentures are held by companies as, say, 10 years ago," she said.

Clients come to her specifically looking for certain club facilities within their residential complex. "Having put in long and often stressful hours at the office, they want a gym, swimming pool and spa on their doorstep so they can use them whenever and however often it suits them," she explained.

It is not only in Hong Kong where the clubhouse is becoming the deciding factor in the home-buying deal. Shirley Chan, Assistant Manager at the clubhouse at Guangzhou Cape Coral

in Dashi town, Panyu, stressed that this sort of residence-plus was particularly desirable in newly affluent China. "China has seen rapid economic growth over the past decade and the more prosperous a country or city becomes, the better quality of life its people demand," she said.

Cape Coral is modeled on Australia's distinctive leisure lifestyle and includes two luxury clubhouses offering a vast array of activities to its privileged residents. "Good clubhouse facilities offer an option exclusively for a certain group of people to have leisure and social activities which enhance their physical and psychological wellness," said Ms Chan. "When choosing accommodation, Chinese people tend to prefer properties with good clubhouse facilities if budget allows, and for increasingly more people there, budget does allow."

Mainland China latched on to the concept in the last 10 years and clubhouse facilities there are rapidly becoming more sophisticated and elaborate. Said Richard Ivens, Club Manager at the Harbour Plaza Golf Club Dongguan: "To build extensive facilities you need space and it is here that residential developments in Mainland China can score over their Hong Kong counterparts." While space is limited in Hong Kong, where more than seven million people jostle for position in a relatively small area, in the Mainland space is limitless.

**Above: Luxury you can afford. Facing page: People demand a high quality of life and their expectations include a gym, heated pools, tennis courts and other facilities for the family.**





In some developments in Mainland China, residential facilities can include golf courses, such as Laguna Verona in Dongguan, and even schools such as the Yew Chung International School within the Seasons Villas compound in Shanghai. Grounds also tend to be extensive and developments are often grouped around lakes or rivers.

Clubhouses themselves have also developed into very elaborate creations, with extravagant designs that add prestige as well as luxury to the lifestyle. In developments such as Dynasty Garden in Shenzhen Baoan, on top of the expected gym, spa and swimming pool, clubhouse facilities include a cigar lounge, wine club, snooker and chess rooms, a bowling alley, private theatre, banqueting rooms and kindergarten.

Mr Ivens believes that clubhouses don't just benefit the residents; they are advantageous to the property manager too. "Having a clubhouse helps attract more people to the property on an on-going basis," he said. "It encourages members to return and to bring more guests, which in turn generates new members and new potential home buyers. A good clubhouse also attracts more rental market, which increases sales for investment purposes."

There are other added benefits to both property manager and residents. Mr Chan thinks that clubhouse facilities help bring the community together. "Living in a big

*Clockwise from above:*  
**Some developments in Mainland China include golf courses, while playrooms and swimming pools are now standard in Hong Kong.**

development can be quite impersonal if people only ever see their neighbours in a lift, or in their car as they drive to or from work," he explained. "A clubhouse enables residents to meet informally in a social situation. In this way, they build up relationships with their neighbours, the children play together. A proper community is formed, and that encourages neighbourliness, which in turn enhances residents' quality of life and sense of well-being.

*The clubhouse enables the residents to enjoy a better standard of living*



That the clubhouse provides a platform for community spirit is advantageous from a property management point of view. "It means we can disseminate information and messages to residents in an informal way," said Mr Chan. These might concern management policy or maintenance of the property, or even what kind of decorations should be put up for Chinese New Year. "By doing it informally, we can get feedback from residents and have a good idea of their views before making any big decisions or introducing proposals on a more official basis."

In Mainland China it tends to be yuppie couples and newly-rich families who seek out





## THE RISE OF THE CLUBHOUSE

**N**OT SO LONG AGO the word clubhouse used to conjure up visions of businessmen adjourning to “the 19th hole” for a few drinks after a round of golf. How times change. While the golfers are still knocking back gin and tonics in the bar, the clubhouse has moved on to become an established part of the residential housing scene.

The demand for clubhouse facilities in housing developments started in the 1980s in Hong Kong. First came basic swimming pools but soon housebuyers were demanding more and Hutchison has led the way in the creation of residential properties with the added-value of lifestyle facilities.

Developments such as South Horizons at the western tip of Ap Lei Chau commands fabulous sea views and offers home-buyers use of the acclaimed and exclusive South Horizons Residents Club, which includes a gymnasium, temperature-controlled indoor and outdoor pools, tennis courts, golf simulator and children’s playgrounds.

The new generation of clubhouse is represented by Rambler Crest at Tsing Yi. Innovative facilities include a 200 metre outdoor landscape swimming pool, the longest of its kind in Hong Kong, exclusive car rental service, chefs for private dining functions and secured storage for extra belongings. Members can also enjoy the use of three clubhouses – the Rambler Club, Horizon Cove in Zhuhai and Laguna Verona in Dongguan.

Laguna City in Kowloon and Belvedere Garden, close to Tsuen Wan town centre, also offer extensive recreational activities. With the added benefit of large shopping malls on the doorstep, residents barely need to leave home to enjoy all that life offers.

In Mainland China, the growth of the luxury residence has been rapid, and Hutchison has been at the forefront of that growth, developing properties in most major cities including Beijing, Tianjin, Changchun, Shanghai, Qingdao, Xian, Chongqing, Chengdu, Wuhan, Changsha, Guangzhou, Shenzhen, Dongguan and Zhuhai. As China’s rapid economic growth shows no sign of abating the demand for luxury properties with superior clubhouse facilities will continue to rise too.

residences with clubhouses, while in Hong Kong buyers are usually families and slightly older couples.

“Young professional couples in Hong Kong like to belong to clubs and gyms where they can be seen,” he explained. “Families are looking for a living environment where their children can enjoy swimming and sports facilities in a safe environment that is right on their doorstep. Busy parents don’t want to have to ferry children back and forth to outside facilities.” Indeed, many parents in the developments that Mr Chan manages have expressed the hope that having sporting and health facilities available at home would encourage their children to develop good fitness habits for life.

The rise of the clubhouse enables residents to enjoy a better standard of living and facilitates maintaining a happy, healthy lifestyle by putting all the facilities they could possibly need right on their doorstep. More and more people realise that joining the club makes sense.





# That shrinking feeling



**8000SL**  
 Height: 195mm  
 Width: 83mm  
 Depth: 40mm  
 Weight: 800g

**I**T WAS THE YEAR Apple introduced the Macintosh to the world and Careless Whisper became a smash hit for Wham and George Michael. Yes, it was 1984, the year the first mobile phone hit the market.

After years of research and development, Motorola launched the DynaTAC 8000X. It weighed a colossal 785g and was known affectionately as “The Brick” or “The Big Brother” in Hong Kong. The price tag? USD3,995 (HKD31,161). By the end of 1984 there were 300,000 mobile users worldwide, including many in Hong Kong who forked out USD2,949 (HKD23,000) to use the Motorola 8000SL, one of the first models on sale locally (pictured).

In 2006, there are more than a billion mobile phone users around the world. The original mobile phones may seem like dinosaurs now but they paved the way for the fashionable, lightweight, multimedia models of today.

**Then:** The 8000SL weighed 800g and offered just 70 minutes of talk time for every recharging. Never mind the lack of battery power, just imagine holding something that heavy up to your ear for more than a few minutes at a time!

**Now:** The Motorola V3X is today’s ultimate lightweight mobile accessory. With its cost and weight both six times less than the 8000SL, the handset includes video calling, a two mega-pixel camera and Bluetooth wireless technology.



**V3X**  
 Height: 99mm  
 Width: 52mm  
 Depth: 19.3mm  
 Weight: 127g