



# HUTCHISON UPDATES News bites

## CORPORATE

### Half-Year Results

**Hutchison Whampoa Limited** recorded an unaudited profit attributable to shareholders for the half year ended June 30, 2001 of HK\$7,193 million (about US\$922 million), compared to HK\$31,126 million in the same period last year. Earnings per share were HK\$1.69, down from HK\$7.30.

The interim dividend was HK\$0.51 per share (HK\$0.51 in 2000).

69% of profits were generated outside Hong Kong.

Turnover totalled HK\$43,402 million, a 5% increase over the comparable period last year. Total EBIT was HK\$11,201 million, a 7% increase, reflecting growth in the Energy & Infrastructure businesses.

Profits on the disposal of investments less provision totalled HK\$1,900 million (HK\$25,520 million in 2000) comprising HK\$30,000 million profit realised upon the merger of **VoiceStream** with **Deutsche Telekom**, from which the Group received cash of approximately US\$885 million and a 4.9% equity interest in Deutsche Telekom, less a HK\$28,100 million provision for the effect of share price and exchange rate fluctuations on the Group's investments in **Vodafone Group** and Deutsche Telekom.

Full results are available at [hutchison-whampoa.com/eng/investor.htm](http://hutchison-whampoa.com/eng/investor.htm)

### HWL Acquires ICG Asia

**Hutchison** has assumed control of **ICG Asia** following a joint purchase with **Reading Investments** of a 53.8% stake from **Internet Capital Group**.

HWL and Reading made a voluntary conditional cash offer in June to acquire all the remaining issued shares along with outstanding ICG Asia warrants.

The offer comprised HK\$0.25 (about US\$0.03) in cash for each ICG Asia share and HK\$1 for each warrant.

Hutchison paid HK\$520.6 million for a 37.1% stake, while Reading paid HK\$234.1 million for 16.7%. Before the deal, Hutchison held 13.3%, taking its total stake to 50.4%. Shares in ICG Asia — whose core business is property investments,

### NOTED

**Hutchison** has been ranked 96 in **The BusinessWeek Global 1000**, published in July — up from 109 in 2000.

The Group has also been named **Best Conglomerate** and received the **Best Logistics** award in the fourth annual **Global Finance Best Asia Pacific Companies Awards 2001**, which rates Asia Pacific companies from 25 industrial sectors.

manufacturing and trading toys — rose 24.73% to HK\$0.58 on June 21 after the deal was announced — a paper profit for Hutchison of HK\$687.1 million, or 131%.

### Social Responsibility Recognised

**Hutchison** has been included in the **FTSE4Good** index series, raising the Company's profile as a socially responsible corporate entity.

The index series was established by top indexing firm **FTSE** in response to market demand for a recognised global benchmark for socially responsible investors.

Hutchison was ranked 65th out of 100 companies in the **FTSE4Good Global 100 Index**, which went live at the end of July.

Hutchison is the only index constituent from ex-Japan Asia, with the majority of companies based in Europe and the US.

To qualify for inclusion, companies that are already part of the FTSE constituent universe indices must meet a stringent set of criteria focusing on environmental sustainability, upholding and supporting universal human rights and developing positive relationships with stakeholders.

### HWL Raises Stake in Priceline

**Hutchison** and **Cheung Kong (Holdings)** (CKH) have increased their stake in US-based **priceline.com** by purchasing an aggregate of 25,028,023 shares from priceline's founder Jay S. Walker and his trust.

As a result of this transaction, each company holds approximately 15% (a combined 30%) equity interest in priceline.com.

CKH and Hutchison will receive two additional seats on priceline.com's board, bringing the total to three.

Priceline.com meanwhile reported record revenues of US\$364.8 million for Q2, 2001, up from US\$352.1 million in the same period last year. Pro forma EBITDA was US\$13.9 million with a pro forma net income of US\$11.7 million.

## HUTCHISON WHAMPOA LIMITED



Hutchison Whampoa Limited (HWL) is the holding company of the Hutchison Whampoa Group of companies with origins dating back to the 1800s.

It has a current market capitalisation of approximately US\$40 billion. HWL is also part of the Li Ka-shing group of companies, which together account for about 15% of the total market capitalisation of the Hong Kong stock market.

In 2000, consolidated turnover (including associates) was over US\$10 billion, and consolidated net profit was approximately US\$4.4 billion.

With close to 100,000 employees worldwide, the Group operates five core businesses in 34 countries: Ports & Related Services; Telecommunications & e-commerce; Property & Hotels; Retail & Manufacturing; and Energy & Infrastructure.

Website: [hutchison-whampoa.com](http://hutchison-whampoa.com)

## TELECOMS

### H3G Chooses Partners

ITALY

**H3G** has chosen **Ericsson** and **Siemens-NEC** to build its 3G-infrastructure network.

H3G, which is 78.3% **Hutchison**-owned, will become the first operator in Italy to start construction of a broadband mobile network entirely designed according to the IP (Internet Protocol) standard.

Ericsson will also build the core fixed network infrastructure as well as 45% of the radio access components with Siemens-NEC building 55% of the radio access components.

An estimated 2,000 sites will be on air in the summer of 2002. These are expected to increase to more than 7,500 by 2006.

### On the Ball

UK

**Hutchison 3G UK**, holder of the UK's largest 3G mobile phone licence, has secured the rights to provide **Premier League** content to mobile phones and wireless devices. Under the agreement, Hutchison 3G will hold Premier League football rights for all mobile technologies until

July 2004, enabling Hutchison 3G to provide top-level football content to customers in the UK and Ireland.

### Software Partners Selected

In separate deals, Hutchison 3G has selected several software suppliers to enhance its services.

• **Chordiant Software**, a leader in CRM (Unifying Customer Relationship Management) solutions, will provide multi-media customer interaction management.

• **TIBCO Software** will supply its TIBCO ActiveEnterprise™ product suite, providing EAI (Enterprise Application Integration), data messaging and business process management — a messaging solution that can cope with more than 100,000 messages per second.

• **Intec** will supply two products. Inter-mediate facilitates 'convergent

mediation,' allowing Hutchison 3G to acquire information, including multimedia messaging and location based services, over its advanced 3G networks. Interconnect facilitates 'intercarrier billing,' enabling Hutchison 3G to bill partners and carriers for providing these services.

### Leading the Way

ISRAEL

**Partner** continues to pioneer communications technologies in Israel with the launch of a range of advanced new services. The latest offerings include:

- **GPRS** (General Packet Radio Service) — allows customers to be permanently connected to the network via their handsets, with access to video streaming, Web-browsing, e-mail, file transfer, chat applications and animation downloads.
- **InrU** — allows customers to benefit from person-to-person information and m-commerce services based on the relative proximity of users to each other and/or points-of-sale.
- **ICQ SMS** — provides the ability to send and receive SMS messages instantly via the Web to the customer's handset.
- **Song4u** — enables subscribers to order a variety of songs which can then be sent to other subscribers, accompanied by a personal greeting.

### Handset Suppliers Named

**Motorola** and **NEC Corp** have been separately named as preferred suppliers of 3G devices to **Hutchison's** key markets in Australia, Austria, Italy, Sweden and the UK.

The agreements ensure Hutchison will have customised handsets to launch 3G services in 2002 in all its markets, as planned.

The handsets will support multi-media capabilities and feature constant connection to the Internet, allowing seamless transition among 2, 2.5 and 3G systems.

### Bearing Fruit

Subscriber numbers multiply



### PARTNER REPORTS A PROFIT

ISRAEL

**Partner Communications** has for the first time reported an operating profit.

In its Q2 results for the period ended June 30, Partner reported that revenues increased to US\$191.3 million, up 67% from US\$114.4 million in the same period last year.

Operating profit rose to US\$10.7 million from an operating loss of US\$33.3 million.

EBITDA was US\$42.5 million, an improvement of US\$49.4 million over the US\$6.9 million negative EBITDA posted for Q2, 2000.

Gross profit was US\$13.1 million, or 7.8% of revenues, compared to a gross loss of US\$12.4 million in the same period last year.

The subscriber base soared to 1,147,000 compared to 504,000 a year ago, while Partner's market share increased to 22%, up from 15%.

### 10 Billion Calls

HONG KONG

**Hutchison Telecom** (HCHK) in July celebrated delivery of more than 10 billion calls in the past six years over the **Orange** network.

HCHK is Hong Kong's largest mobile network with over 1.7 million users, handling 12 million calls per day and with international roaming coverage to 158 countries and regions around the world.



# Newsbites



## Husky Earnings Soar

Husky Energy posted earnings of C\$254 million (about US\$165 million) for the second quarter 2001 (C\$0.60 per common share) — an increase of 4.6 times over earnings of C\$55 million in Q2, 2000.

Cash flow from operations increased 2.6 times to C\$561 million (C\$1.33 per common share) from C\$219 million in Q2, 2000.

Sales and operating revenue of C\$1.7 billion in Q2, 2001 increased 71% over Q2, 2000 levels.

Daily production of light, medium and heavy oil and natural gas averaged 264 mboe/day during Q2, 2001, up 2.1 times over the same period last year.

The quarterly dividend was C\$0.09 per common share.

### Acquisition Trail

Husky Energy, through its subsidiary **Husky Oil Operations**, has acquired two new companies: **Avid Oil & Gas** and **Titanium Oil & Gas**.

Avid produces approximately 5,800 barrels of oil equivalent (BOE) per day and has 11.6 million BOE of proved reserves, as well as approximately 100,000 acres of undeveloped land in Alberta province.

## ENERGY & INFRASTRUCTURE

The Titanium acquisition will bring 2,200 BOE of daily production and 5.6 billion of reserves, as well as approximately 3,000 hectares of undeveloped land in Saskatchewan province.

### China Alliance

Husky Oil China has signed an agreement with **China National Offshore Oil Corporation (CNOOC)** to explore and develop the Wenchang 39-05 oil field block in the South China Sea.

Husky, as operator, has undertaken to drill three exploration wells over a seven-year period. CNOOC has the right to participate in development programmes with a 51% interest, while Husky would have the remaining 49% interest.

This exploration block is in the same area as the Wenchang 13-1 and 13-2 fields already being jointly developed by Husky (40% interest) and which are expected to come on stream during the first half of 2002.

Husky meanwhile has launched the hull of *Nambai Endeavour*, the FPSO (floating, production, storing and offloading vessel) which will play a vital role in the development of the Wenchang oil fields.

### CKI Results

#### Cheung Kong Infrastructure (Holdings) (CKI)

recorded an unaudited consolidated net profit after tax for the first six months ended June 30, 2001 of HK\$1,509 million (about US\$193.46 million), an 8% increase over the comparable period last year. Earnings per share were HK\$0.67 compared to HK\$0.62 last year. The interim dividend was HK\$0.21 per share.

### CKI IN BIOMETRICS VENTURE

**Cheung Kong Infrastructure (CKI)** has formed a joint venture with **Coulomb Holdings** to target the booming biometrics market. Biometrics uses facial, fingerprint, retina, palm and voice recognition for security, law enforcement and identity verification systems.

Named **BioSecure Systems**, the new company has signed an agreement with Canadian-listed **Imagis Technologies**, to distribute its line of law enforcement and facial recognition products across Asia Pacific.

BioSecure also has exclusive distributorship rights for fingerprint matching technology developed by **The Chinese University of Hong Kong**.

### HEC Results

The unaudited consolidated profit of **Hongkong Electric Holdings' (HEC)** core business, after tax and Scheme of Control transfers, for the first six months of 2001 was HK\$2,035 million (about US\$260 million), representing growth of 3.7% over the same period last year. The Company earned an exceptional one-off gain on the sale of the retail division of **Powercor Australia** plus unaudited profits from other activities together totalling HK\$428 million.

The interim dividend was HK\$0.56 per share, an increase of 3.7% compared with HK\$0.54 the previous year.

HEC earlier signed a HK\$4.5 billion dual tranche loan facility with 18 international banks, to be used for HEC's general corporate funding requirements.

## PROPERTY & HOTELS

### AT HOME ON THE BEACH

The **Costa del Sol** residential development in Singapore is poised to become a landmark address following its June launch. Jointly developed by **HWL** and **Cheung Kong (Holdings)**, the distinctive 906-unit, seven-tower complex offers sunrise views over the South China Sea

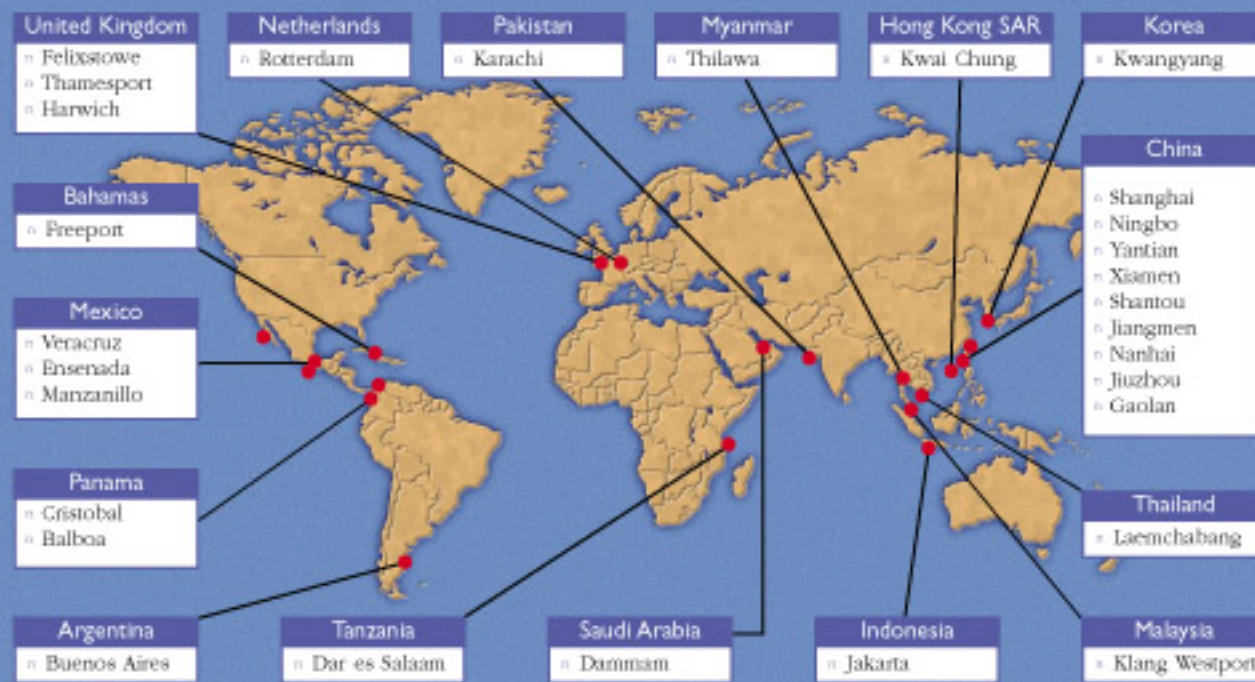
and many other attractions including several swimming pools, water slides, a golf putting green and driving courts, and even a man-made beach.

### Perfect Balance

More than 100,000 people gathered at **Hutchison-owned Chongqing Metropolitan Plaza** to enjoy the May Festival activities, which included breathtaking shows such as this high-rise tightrope walk. The Chongqing Metropolitan Plaza is a 2-million-sq-ft development in central Chongqing, China, combining a shopping mall, office tower and hotel.



## HPH Global Ports Operations



## PORTS

### HPH Extends Portfolio

**Hutchison Port Holdings (HPH)** has added eight ports to its operations following an agreement in May with Philippines-based **International Container Terminal Services (ICTSI)** to acquire **ICTSI International Holdings Corp (IHC)**, the overseas port development and holding subsidiary of ICTSI.

The IHC operations are in Mexico, Argentina, Saudi Arabia, Pakistan, Tanzania and Thailand with a total of 23 container and general cargo berths. The eight ports under IHC are: 1) Buenos Aires Container Terminal, Argentina; 2) Ensenada International Terminal and Ensenada Cruiseport Village, Mexico; 3) Internacional de Contenedores de Asociados de Veracruz, Mexico; 4) Terminal Internacional de Manzanillo, Mexico; 5) International Port, Saudi Arabia; 6) Karachi International Container Terminal, Pakistan; 7) Tanzania International Container Terminal, Dar es Salaam, Tanzania; 8) Thai Laemchabang Terminal, Thailand.

### Development Deals

HPH has signed deals to develop two ports in China and another in Korea. Hutchison will jointly develop Phase III of **Yantian International Container Terminals** in the Southern Chinese city of Shenzhen, with an effective interest of less than 49%.

HPH announced earlier that it had signed an agreement with China's **Ningbo Port Authority** to jointly

operate and develop **Ningbo Beilun Port Phase II**, with a 49% interest.

Meanwhile, a consortium comprising HPH, **Hyundai Merchant Marine Co** and **Hanjin Shipping** has finalised an agreement with the **Korea Container Terminal Authority (KCTA)** for the rights to operate and develop Phase II of **Kwangyang Port**.

Under the terms of the agreement, the consortium will lease seven berths for a 30-year period and will have preferred rights to negotiate with KCTA to develop the Phase III container facilities.

The first stage of the Phase II project is scheduled for completion in 2002, with the second stage due to be operational in 2004.

HPH now operates a total of 162 berths in 29 ports around the world.

### Reebok Teams up with LINE

#### Logistics Information Network

**Enterprise (LINE)**, the e-logistics division of HPH, and **Reebok** have entered into a partnership to jointly design, develop and pilot a supplier portal to address the unique requirements of the footwear and apparel industry.

LINE's Order Visibility Application (OVA) will allow Reebok to unlock value in its supply chain by linking its manufacturers, logistics service providers, and other business partners through an e-hub. OVA is an Internet-based solution comprising event management, workflow processing and auto messaging.

This follows the March launch of **Transact Link** by the Hong Kong Trade Development Council and LINE.

**Transact Link** is a system developed by LINE and accessible through [telnetline.com](http://telnetline.com) and [transactlink.net](http://transactlink.net) that enables Hong Kong suppliers to promote their goods to overseas buyers, complete trading and logistics documentation and conduct real-time business in a secure online environment.

### RTGs Lift Balboa Operations

**Hutchison-owned Panama Ports Company** has purchased seven Rubber Tyred Gantry Cranes (RTG's) for the **Port of Balboa** container terminal.

The new cranes, manufactured by **Noel Crane Systems** of Germany, are capable of stacking containers one over five high and can straddle six rows of containers. With the August delivery, the Balboa Container yard is now serviced by a total of 16 RTG's.

### SCT WINS INDUSTRY AWARDS

**Shanghai Container Terminals (SCT)**, which is jointly invested by HPH and **Shanghai Port Authority**, has won four **China Freight Industry Awards (CFIA)**, namely: Best Container Port – Comprehensive Services; Best Container Port – Up-to-date Scientific Managing Level; Best Container Port – Transport Network; and Excellent Container Port – Highly Efficient Operations.

### For the Record

A new **Harwich International Port** and East Anglia record was achieved when the port loaded a bulk grain export shipment of 27,112 tonnes onto the *msv Leasterman* between February 19-24, 2001.

# Newsbites



## TEL AVIV LISTING

ISRAEL

Broadening its access to investors, **Partner Communications** began trading on the **Tel Aviv Stock Exchange** on July 3. The Company is already listed on both the **Nasdaq** and **London Stock Exchange**. Effective August 1, Partner has also been included in the **Tel Aviv 25 Index** and the **Tel Aviv 100 Index**.

## Deals Down Under

AUSTRALIA / NEW ZEALAND

**HWL, Hutchison Telecommunications (Australia) (HTAL) and Telecom Corporation of New Zealand (TCNZ)** have formed a strategic alliance aimed at taking a significant share of the Australian mobile market through the early launch of 3G services and to reinforce TCNZ's continued mobile market leadership in New Zealand.

The alliance, announced in May, will result in the formation of a dedicated new operating company in both Australia (**Hutchison 3G Australia**) and New Zealand (**Telecom 3G**) focused on 3G products and services.

### Key features, Australia:

- A\$1 billion (about US\$510 million) of new equity will be invested in Hutchison 3G.

- TCNZ will subscribe A\$250 million for a 19.9% stake.

- A\$750 million of additional equity funding has been committed (A\$600 million to come from HTAL and/or HWL and A\$150 million from TCNZ).

Hutchison 3G will own the 1800 MHz and the 2.1 GHz spectrum licences contributed by HTAL.

### Key features, New Zealand:

- HWL has an option to acquire 19.9% of Telecom 3G for NZ\$250 million (about US\$102 million) exercisable 12 to 24 months after commercial launch of 3G services in New Zealand.

- Telecom 3G has entered into agreements with HWL to operate under HWL's global 3G brand and to have access to HWL's 3G content, products and technologies.

## 3G Vendor Contracts

AUSTRALIA

**Hutchison Telecommunications (Australia) (HTAL)** has contracted **Ericsson Australia** to supply and install a 3G infrastructure network in and around Sydney, Melbourne, Brisbane, Adelaide and Perth. The contract price is A\$830 million (about US\$423 million), to be paid over four years, and the network will be launched by early 2003.

Additionally, **Motorola Australia** will provide its radio access network in the Sydney and Brisbane licence areas.

Ericsson and Motorola have also committed to supply 3G devices while broadband company **ADC** has been appointed to supply its SingleView billing system for HTAL's future 3G requirements.

## Swedish Alliances

SWEDEN

In Sweden, **Ericsson** has been selected by **Hutchison** subsidiary **Hi3G Access** to supply its core 3G network as well as 50% of the infrastructure for base stations.

In the meantime, **Orange** has signed a letter of intent to become a third partner of **3G Infrastructure Services**, the company formed by **Hi3G** and **Europolitan Vodafone** to provide 3G infrastructure for 70% of the Swedish population.

The arrangement will significantly reduce costs for all three 3G licence-holders who will retain their operating independence.

Hi3G aims to provide full population coverage in Sweden before the end of 2003.

## HGC in Guangdong Alliance

CHINA / HONG KONG

**Hutchison Global Crossing** and **Guangdong Telecom** are cooperating to strengthen development of the Guangdong-Hong Kong International Private Leased Circuit (IPLC) Service with the aim of providing dedicated, point-to-point inter-regional communication solutions for businesses in the two regions.

## Licences Boost India Footprint

INDIA

**Hutchison Telecommunications** has successfully acquired three more licences to operate mobile phone services in India. The licences cover Karnataka, which includes Bangalore, and Chennai and Andhra Pradesh, which includes Hyderabad, at a total cost of US\$98.5 million.

The acquisition was made as part of the Indian Government's auction of 4th mobile phone licences, through **Barakhamba Sales & Services Ltd**, the Group's joint venture company with the **Essar Group**.

The additional licences complement Hutchison's existing holdings in India's mobile business, which include coverage of Mumbai, Delhi, Calcutta and the Gujarat Circle. In total, Hutchison's footprint will cover 230 million people — or 23% of the country — and 50% of its purchasing power.

## Macau Mobile Service Launched

MACAU

**Hutchison Telecom Hong Kong** in August launched its GSM dualband mobile service in Macau, providing coverage in over 99% of populated areas. The service offers comprehensive voice, data and international roaming services, as well as wireless Internet services through "Hutchisonworld".



## E-COMMERCE

### TOM in Top Sports Slot

Riding on promotional opportunities of the Beijing 2008 Olympics, **TOM.COM** (TOM) has signed a letter of intent with **China Sports Industry Co. (CSIC)** on the establishment of a 50-50 joint venture.

The JV will seek to secure commercial and TV broadcasting rights, and will explore opportunities in representing famous Chinese athletes. It will also participate in the news dissemination and related consultancy services of the 2008 Olympics.

Earlier, TOM signed a deal with the **Chinese Gymnastic Association** to organise performances by the Chinese National Gymnastic Squad and be responsible for its marketing and commercial activities.

Last year, TOM invested in **YC Companies**, a leading sports event organiser which holds commercial rights for China's national table-tennis tournament, volley ball league, bowling championships and the inter-college football league.

Through **YC Companies**, TOM in August secured a three-season contract for the commercial rights of the **Chinese Basketball Association's** League A games. **Cross Media Strategy** TOM has signed an agreement with **PC Home** and **Cité Publishing (Cité)** — respectively Taiwan's largest magazine and book publishers — to jointly form a new company.

Under the deal, TOM acquires a 49% interest in **Newco**, which aims to develop into the largest Chinese media platform in the Greater China Region.

Additionally, TOM has formed a joint venture — **CNPIT TOM Culture** — with **CNPIEC Information Technology**, a subsidiary of **China National Publications Import & Export (Group) Corp** to jointly develop publishing businesses in China.

TOM has also purchased controlling stakes in **Beijing Yanhuang Times Advertising Corp**, **China Media Network**, **Tianming Advertising Co**, **Qilu International Advertisement and Qingdao Chunyu Advertising Co**. With these five acquisitions TOM has built the largest outdoor media network in China in terms of asset scale, revenue and profitability.

### Enhanced Online Service

Adding value to its online business, TOM has launched the **TOMNET** Internet access card. Offered in conjunction with **China**



TOM has become China's leading sports marketing and event organiser.

**Unicom, China Netcom, 263.net** and **Gosun Online**, **TOMNET** is a virtual Internet Service Provider (ISP), providing local telecom operators with an open, shared Internet platform that offers a choice of ISP access and value-added services.

### Results

Announcing its Q2, 2001 results, TOM reported that revenue increased 89% over the previous quarter to HK\$145 million (about US\$18.6 million). Offline media revenue rose 101% to HK\$113 million, boosted by strong performance in sports and outdoor marketing businesses. TOM's online media revenue increased by 55% to HK\$32 million.

TOM achieved a gross profit margin of 49%. Its loss before interest, taxation, depreciation and amortisation was reduced by 15% to HK\$47 million.

On a year-on-year basis, revenue for the six months ended June 30, 2001 amounted to HK\$222 million, an increase of approximately 36 times from HK\$6 million in the corresponding period in 2000. Operating loss in the first half of 2001 was at HK\$119 million, down 40% from HK\$198 million year on year.

### Added Services for Investors

Online broker **Hutchison CSFBdirect** has introduced three new services that offer clients enhanced flexibility, liquidity and accessibility.

- The Monthly Purchase Plan (MPP) provides clients with a flexible programme through which they can invest in a range of products with a monthly minimum investment of HK\$1,500 per product.

- Clients can also take advantage of the Order Dollar Limit (ODD) facility allowing them to purchase qualified Hong Kong and US stocks equivalent to up to two-and-a-half times the approved asset value of their account.

- Accessibility will be further enhanced with the Short Messaging System (SMS) which keeps clients in touch with their accounts through their mobile phones.

## RETAIL & MANUFACTURING

### Retail Therapy

Former US President **Bill Clinton** caused a stir when he visited **New Horizons Duty Free** shops at Hong Kong International Airport on May 11, 2001, on his way home after the Fortune Global Forum held in Hong Kong. "He purchased a Heng Ngai Topaz ring and a Montblanc pen," staff members said. The 25 retail outlets are operated by **Nuance-Watson**, a joint venture between **A S Watson** and **The Nuance Group** of Switzerland. Thank you, Mr Clinton.



### Tireless Workers

The **Watson's Water** production line has become the fastest in the world thanks to the introduction of four "Robotic Arms" which can handle about 3,300 bottles per hour. The "arms" can be programmed to follow different pre-set functions and can follow a set repetitive positioning path to move objects efficiently and accurately, saving 85% of production space. In addition, all the key quality measurements can be monitored on a real-time basis in Watson's QA department and production office.



### Pharmaceutical Venture

**Hutchison** has set up a 220 million yuan (about US\$26.5 million) joint venture **Shanghai Hutchison Pharmaceutical**, a 50-50 investment with municipal-owned **Shanghai Pharmaceutical** in Shanghai, to produce traditional Chinese medicine.

A similar joint venture, **Hutchison Healthcare**, was set up in March with **Guangzhou Masson**, with Hutchison holding an 80% stake in the 245 million-yuan enterprise.