

News

C O R P O R A T E

Roll of Honour

Hutchison Whampoa Limited again ended the year with an impressive haul of regional and international awards from the financial media and other organisations, reflecting the Group's ranking as one of the world's leading companies. HWL was named in *BusinessWeek's* **The Global 1000 (2001 Leaders)**, *The Asiaweek* **1000 Largest Companies**, *CFO Asia's* **Performance 100 Ranking** and *Yazhou Zhoukan's* **Top 500 Chinese Companies in the World**. *Global Finance* bestowed two accolades: **Best Company in Asia-Pacific – Conglomerate** and **Best Company in Asia-Pacific – Logistics**. *Finance Asia* conferred no fewer than five Hong Kong-specific awards: **Best Managed Company**; **Best E-commerce Strategy**; **Best Investor Relations**; **Commitment to Shareholder Value**; and **Best CFO** (to Mr Frank Sixt). *Investor Relations Magazine* picked out Hutchison in two categories: **Best Communication of Shareholder Value** and **Best Investor Relations** by a Hong Kong Company. On the financial side, the *IFR Review of the Year* named HWL the **Asia-Pacific Borrower of the Year** while *Euromoney* identified the Group as the **Best Corporate Borrower in Asia**. Hutchison Chairman Mr Li Ka-shing was also spotlighted – by *Time* magazine in **The Time / CNN 25 Most Influential Global Business Executives**.

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. 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 over 100,000 employees worldwide, the Group operates five core businesses in 36 countries: Ports & Related Services; Telecommunications & E-commerce; Property & Hotels; Retail & Manufacturing; and Energy & Infrastructure.

P O R T S

LINE Launches Transport Link

Logistics Information Network Enterprise (LINE) has launched **Transport Link**, a cross-border truck load matching service which will help reduce delivery times and save up to 15% on costs. Previously, cross-border truckers carrying loads to the Mainland had to return to Hong Kong with empty containers, and vice versa. Now, they can exchange them at **Guanlan Inland Container Depots (GICD)**, located in central Shenzhen, about 30 km north of Hong Kong. Earlier, LINE joint ventured with **Yue Yuen Industrial Holdings** and its affiliate companies to provide supply-centric collaborative logistics solutions for the electronics and sports footwear industries. The new JV will also manage transportation and logistics on behalf of its customers, thereby increasing the efficiency of the flow of products from manufacturer to retail outlets on a global basis.



ECT Acquisition Approved

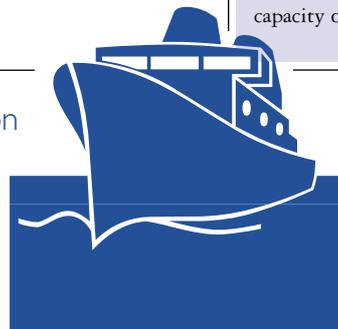
Hutchison Port Holdings (HPH) in November received approval from the European Commission to increase its stakeholding in **Europe Container Terminals (ECT)** to 60%. This followed the Commission's decision to approve HPH's acquisition of a 35% stake in July 2001. On completion of the transaction, HPH will have control over ECT, Europe's leading container terminal operator, and will be entitled to further increase its stake in the future.

HPH to Develop Yantian

HPH in November 2001 signed official agreements with the **Shenzhen Government** and **Yantian Port Group** to jointly develop Phase III of **Yantian International Container Terminals (YICT)**. A total of HK\$6.6 billion (about US\$846.1 million) will be invested. Scheduled to commence construction in early 2002, Phase III will be developed on 90 ha of land and will comprise four deep-water container berths. Upon completion in 2006, Phase III will have an annual handling capacity of 2 million TEU.

XICT Expansion

Hutchison Delta Ports (HDP) in September 2001 signed agreements to further invest in the expansion and development of container handling facilities at **Xiamen International Container Terminals (XICT)** at Haicang Port. The agreements are for the expansion of Berth No.4 and the construction of Berth No.1. Upon completion of the project, XICT will be able to accommodate 6th-generation vessels.



Korean Terminals Acquired

Hyundai Merchant Marine in January 2002 signed a contract to sell its three Korean container terminals in Pusan and Kwangyang to **HPH** for US\$215 million.

applause

HPH subsidiary HUD Automotive Services has won the U-drive-sponsored "Best Automotive Service Centre of 2001" award, organised by *CarPlus* magazine.



TELECOMS

New Licences Boost 3G Footprint

During the last quarter of 2001, **Hutchison** added three new UMTS licences to its worldwide portfolio—in Hong Kong, Denmark and Israel—increasing its 3G footprint to eight countries.

Hutchison 3G HK, a JV between Hutchison (74.63%) and **NTT DoCoMo**, secured Block D of the 3G spectrum on offer in Hong Kong, the best available. The network is due to be operational by the end of the year.

Hi3G Access, which already owns a Swedish licence, secured a 3G licence in Denmark through its wholly owned subsidiary **Hi3G Denmark**.

In Israel, **Partner Communications** is also gearing up for the launch of 3G services following allocation by the Israeli government of one of three blocks of 3G spectrum licences.

A Million More Handsets Ordered

Hutchison has placed a second order with **NEC Corp**, for over 1 million 3G wireless devices. Under the arrangement, NEC will begin delivery of 3G “videophones” to Hutchison’s 3G operations in the fourth quarter of this year. This is NEC’s largest agreement for the supply of 3G devices outside of Japan.

The videophones covered under the agreement are all dual mode (2G:GSM/GPRS and 3G:UMTS/W-CDMA), providing maximum coverage regardless of location. As well as supporting two-way video calls, the devices will include the most up-to-date mobile data applications, including JAVA functions and multimedia services.



Concept Phones

Nokia to Supply Network Equipment

SWEDEN

Nokia has been chosen to supply the core network equipment as well as professional services for handling traffic of 3G **Infrastructure Services**, the jointly owned infrastructure company of **Hutchison** subsidiary **Hi3G Access**, **Europolitan** **Vodafone** and **Orange**. Nokia will also be responsible for installation,

supervision, operation and maintenance of the equipment for a period of three years. While the individual operators are building their own dedicated infrastructure in Stockholm, Gothenburg, Malmö and Karlskrona, 3G Infrastructure Services is set up to operate a common UMTS infrastructure outside of Sweden’s major urban areas.

Full Funding for Italy

ITALY

H3G SpA, which is 88.22% **Hutchison**-owned, has secured an agreement with a 15-bank underwriting group mandating them to provide €3.2 billion (about US\$2.8 billion) non-recourse and limited recourse financing for the development of its 3G network in Italy. Major equipment vendors are to provide an additional €1 billion on substantially the same terms as the non-recourse portion of the bank financing. The arrangement ensures availability of all H3G SpA’s funding requirements for the next ten years.

Football Sponsorship

SWEDEN

Hi3G has become an official sponsor of major football competitions in Sweden. As part of the agreement, Hi3G secures the rights to provide football content to 3G devices for the *Allsvenskan*, *Damallsvenskan*, *Superettan* and *Svenska Cupen* series, the home games of the Swedish National Team and *UEFA Cup* matches played in Sweden. Hi3G’s customers in Sweden will be able to view clips of the matches, replays of goals scored and access a wide range of other football-related information over their mobile devices.

More Suppliers Chosen

UK

Hutchison 3G has selected **ADC** and **E.piphany** to supply software applications to enhance its 3G services.

ADC, a global supplier of fibre optics, network equipment, software and integration services for broadband multiservice networks, will deploy its *Singl.eView* Convergent Billing System to support the company’s multimedia voice, data, e-mail, and information services. Earlier, **E.piphany** was selected to provide CRM (Customer Relationship Management) software, which provides the intelligence that drives the customer experience across each touchpoint by making real-time decisions based on analytical capabilities.

Site Sharing Contract

UK

Hutchison 3G has signed an agreement with **GridCom** of **National Grid**, to locate radio antennas on the company’s existing pylons. Under the agreement **GridCom** will be responsible for site surveying, obtaining permission from site owners and for the installation of **Hutchison 3G**’s telecommunications equipment. The contract covers up to 1,000 existing pylons, primarily located alongside key transport routes.

BBC Technology Content Deal

UK

BBC Technology has been awarded a contract by **Hutchison 3G** to manage the processing of audio-visual content, including news and entertainment, ensuring all services will be produced and edited to the highest standards.

Glasgow Nerve Centre

UK

Hutchison 3G is to set up its Scottish headquarters in Glasgow, creating more than 600 jobs over the next three years. The operation will include a major Customer Care Centre.

3G LAB Joins Think Tank

UK

3G LAB is working with **Hutchison 3G** to design and develop new concept multimedia applications for the rollout of its 3G service, scheduled for the second half of this year.

Newsbites

TELECOMS

Deals Streamline Transmission Capacity

AUSTRALIA **Hutchison Telecommunications** and **Optus** have announced deals to streamline their mobile and fibre capacity. As part of the mobile deal, Hutchison will transfer its GSM mobile resale base of approximately 260,000 customers to Optus for A\$43 million (about US\$22.48 million). Hutchison has been reselling the Optus digital mobile service for over six years. Hutchison and Optus have also signed a long-term transmission capacity agreement that

includes an ongoing operation and maintenance contract. The aggregated value of this capacity deal is estimated to be over A\$60 million for Optus. The transmission capacity will link Hutchison's Sydney, Melbourne, Brisbane, Adelaide and Perth operations and will support both the existing CDMA and future 3G networks. Hutchison has further signed a memorandum of understanding with Optus for the provision of national roaming services to its 3G customers.

Test Cricket Rights

AUSTRALIA **Hutchison 3G** has teamed up with the **Australian Cricket Board** to sponsor test cricket in Australia. The deal includes a five-year contract for exclusive 3G broadcasting rights. The start of the 2002-03 season will coincide with Hutchison's first-to-market launch strategy for 3G services.



Paying by Phone

HONG KONG **Hutchison Telecom, Visa International** and **Dao Heng Bank** have formed a partnership to develop a mobile payment service using *Mobile3-D Secure*, a global specification that ensures the security of payments via mobile phones and other wireless devices.



Mobile 3-D Secure is an easy-to-implement, globally interoperable payment authentication solution that can be tailored to different regional and local wireless networks including GSM, CDMA and, in the future, 3G. Hong Kong will be the first city in the world to conduct "live" mobile commerce payment through the service.

Credit Facility to Boost HGCL Infrastructure

HONG KONG **Hutchison Global Crossing**, which owns and operates Hong Kong's largest all-fibre-optic network, has secured a HK\$4.4 billion (about US\$564 million) syndicated term loan, arranged by **ABN AMRO Bank, Citibank / Salomon Smith Barney** and **Commerz (East Asia)**. The proceeds will be used to boost the company's development in network infrastructure.

Disney Downloads

HONG KONG **Hutchison Telecom** has joined forces with **Walt Disney Internet Group** to distribute Disney branded wireless content over its *Orange* Dualband and CDMA networks. The service includes downloadable content based on Disney's popular characters, including screensavers, wallpaper, logos, e-cards and ring tones.



Roaming the Mainland

CHINA **Hutchison Telecom** has signed an agreement with **China Mobile** to jointly develop a high-speed GPRS roaming service covering major cities in the Mainland, including Beijing, Shanghai, Guangzhou and Shenzhen.

applause

Hutchison Telecom HK has been awarded the "Best Practice Partner" title in all three categories of a Customer Service Consortium Benchmarking Study conducted by the Hong Kong Productivity Council. Hutchison was the only organisation accredited with three titles: Call Centre, Service Centre and Billing.

RETAIL & MANUFACTURING

Powwow's Production Plant

Powwow, the biggest water cooler company in the UK, has opened a new £5 million (about US\$ 7.7 million) production centre in Fillongley, Coventry. The new plant also manufactures water cooler bottles, marking a first for the UK water cooler industry, which has traditionally relied on offsite suppliers.

Refreshing New Image

Adding to its pure distilled water line, **Watsons Water** recently introduced a new product—*Watsons Distilled Water with Minerals*—to provide greater choice for consumers.



PNS Opens 11 Stores

PARKnSHOP Hong Kong opened 11 new stores in the fourth quarter of 2001, creating over 1,000 new jobs. The expansion takes the number of supermarkets operated by the chain to over 200, including 50 new-generation superstores, and the number of employees to around 10,000.



E - C O M M E R C E

TOM Continues on Acquisition Trail



TOM announced in December that it had entered into an agreement to acquire up to 100% of **Business Weekly Publishing**, Taiwan's leading Chinese-language magazine and book publisher.

Under the agreement TOM will acquire **Business Weekly** and two of its subsidiaries—**Nong Nong Magazine Co.** and **Business World Consulting Co.** TOM also has the option to acquire **Business Weekly's** four other businesses—**E-Business Weekly Publishing**, **To'go Publishing**, **Sunbright Publishing** and **Abovewebs.com**.

A month earlier, TOM agreed to acquire 100% of **Sharp Point Publishing Co.**,

Taiwan's largest youth magazine and book publisher. The deals make TOM the largest magazine and book publisher group in Taiwan.

In the Mainland, TOM announced that it would acquire 100% of **China Travel Network Co. (CTN)** and, under a separate agreement, 45% of **itravel Ltd. (itravel)** from **CTN Holdings**. TOM already owns 55% of **itravel**, which operates the travel website **GoChinaGo.com**. Building on its Internet business, TOM's broadband Internet value-added service subsidiary, **Beijing GreaTom United Technology Co. (GreaTom)**, has formed a strategic alliance with **KT Freetel Co.**, a subsidiary of **Korea Telecom**, to jointly develop wireless Internet multimedia services in China.

P R O P E R T Y & H O T E L S

Fresh, Fishy Idea



Corporate travellers to Hong Kong no longer have to return to an empty hotel room after a long day in the city. Not since **Harbour Plaza North Point** started providing company for its guests. The hotel has a number of aquarium fish, which it places in the rooms of travellers (in fishbowls, of course) to offer companionship during those lonely nights away from home. The creative idea recently caught the attention of the **Hong Kong Tourism Board**, which bestowed the "Bingo Award" in recognition of this novelty in hospitality.

applause

Hong Kong's leading office and business supplier **bigboXX.com**, has won the "Best Practice Award for Technology Deployment" given by *Best Practice Management Magazine*.

ESDlife has won a 2001 "Stockholm Challenge Award" in the Public Services and Democracy category for its innovation in creating a one-stop government and commercial service portal under a public-private sector partnership.

Online Bookstore

ESDlife (esdlife.com), the award-winning bilingual portal delivering both government and personal services in Hong Kong, launched Hong Kong's first Online Government Bookstore in October 2001. Users can now buy Hong Kong SAR Government publications by visiting **bookstore.esdlife.com**. In January this year, **ESDlife** also launched **wedding.esdlife.com** to assist couples with their wedding arrangements.



VIP Visits

Indonesian President Megawati Sukarnoputri, in Shanghai to attend the APEC summit last October, hosted a dinner party at **Seasons Villas Clubhouse** for the city's Indonesian community. Impressed by the first-rate services provided, the President expressed her appreciation to the management of **Hutchison Whampoa Properties**, which developed the property. Around the same time, international singing star **Robbie Williams** joined a long list of celebrities who have chosen to stay at the **Harbour Plaza Hong Kong**. Williams checked in during the Hong Kong leg of his Asian tour.



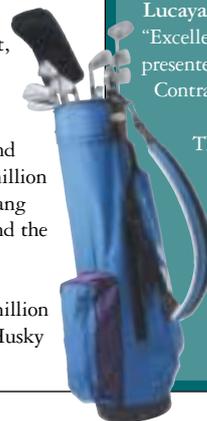
E N E R G Y & I N F R A S T R U C T U R E

Development Gets Govt. Sanction

The Government of Newfoundland and Labrador, as well as the Federal Government, announced in December they had accepted the findings of the *Canada Newfoundland Offshore Petroleum Board Report*, which approves **Husky Energy's** proposals to develop the White Rose oil field. Husky is currently working towards partner sanction with its JV partner **Petro-Canada**, and has set a "first oil" target date for 2005. Meanwhile, Husky has also signed a MOU with the First Nation people of Frog Lake and Kehewin Cree to set up a workforce base to promote education and employment. Husky now has agreements with five First Nations: Frog Lake, Kehewin Cree, Woodland Cree, Lubicon Cree and Loon Lake.

Husky's Spending Plans

Husky has announced a capital spending plan of C\$1.4 billion (about US\$ 878.9 million) for 2002. The company will invest C\$1.2 billion in its upstream segment, with spending focused on oil and gas production in the British Columbia foothills and the Alberta Plains. Capital expenditures in the frontier and international areas are set at C\$210 million with spending focused on the Wenchang Offshore China Exploration Project and the White Rose development. Capital expenditure in the midstream segment is expected to total C\$130 million with C\$92 million allocated for the Husky Lloydminster Upgrader.



applause

In addition to being renowned as a paradise within a paradise, the architecture of **Our Lucaya Beach & Golf Resort** has won the "Excellence in Construction – 2001" award presented by the Associated Builders and Contractors (ABC) USA.

The **Harbour Plaza Golf Club** in Dongguan has been named the "Golf Club with the Best Club Service" in China by *China Golf Magazine*. This follows a top-4 ranking in the "Best Golf Club in China" category by *Asian Golf Monthly* as well as being voted as having one of "China's 18 Signature Holes".