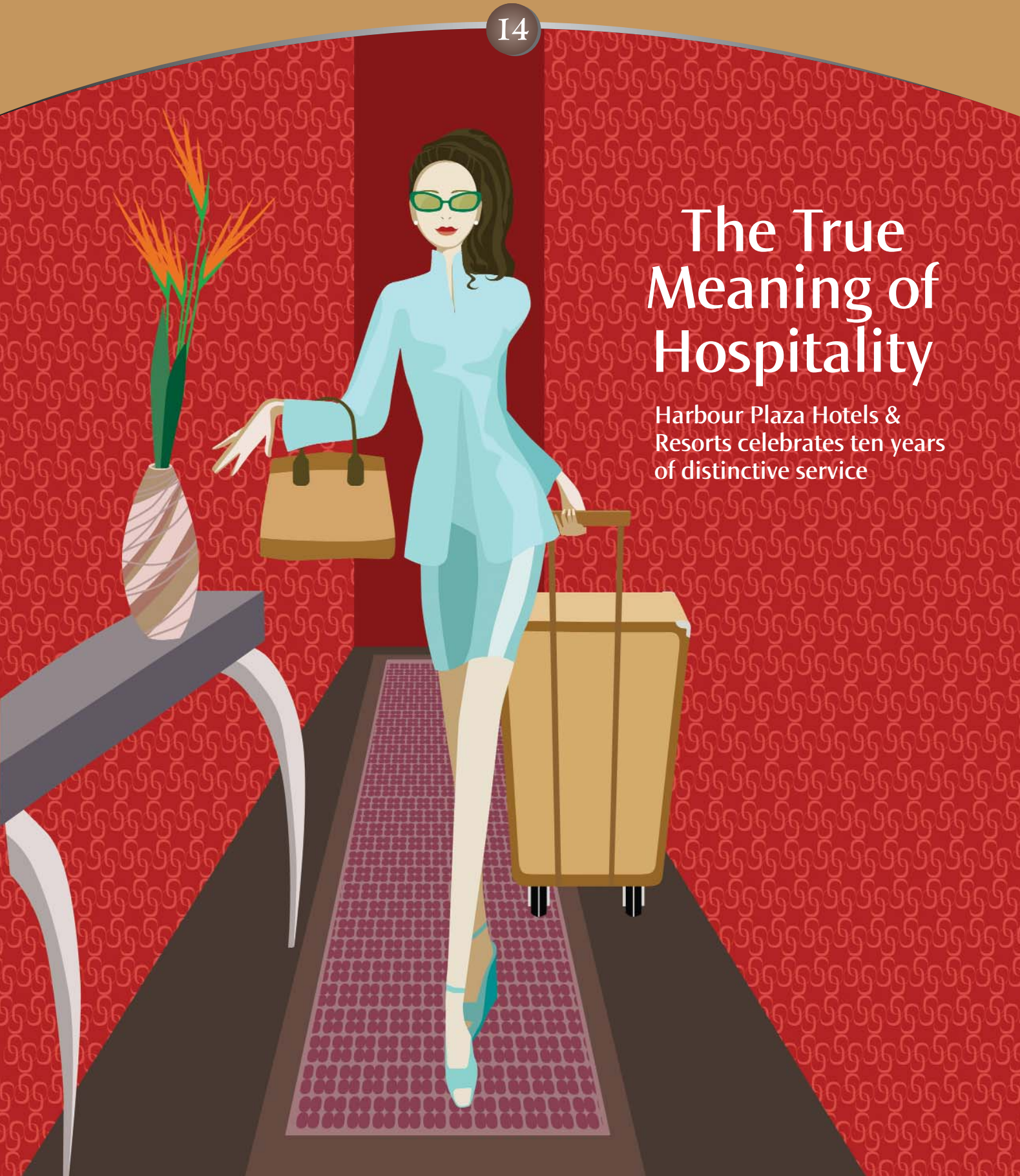


# SPHERE

I4

## The True Meaning of Hospitality

Harbour Plaza Hotels &  
Resorts celebrates ten years  
of distinctive service



S P H E R E

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NUMBER 14 JULY 2005

## A Few Words from the Editor

**T**HE EDITORIAL TEAM is delighted you're reading Issue 14 of Hutchison Whampoa Limited's *Sphere* magazine. There's a wide range of features in this issue, reflecting the scope of HWL's activities around the world. And a new look, with a confident, contemporary style. Just like the HWL business we're covering.

Highlights in this issue include a review of the hospitality offered by the Harbour Plaza Hotels & Resorts group (HPhR) to business and leisure travellers in Hong Kong, China and The Bahamas.

The oil sands of Alberta are far removed from the glamorous world of top international hotels but they're a vital part of HWL company Husky Energy's plans to develop new energy sources.

In yet another area, we take a fascinating look at the fragrance industry through the ages, from the ancient Egyptians burying their pharaohs with scented oils to the multi-million dollar launches of the latest perfumes.

We hope you enjoy reading these stories and we'd welcome your comments and story ideas. Please send them to [info@hutchison-whampoa.com](mailto:info@hutchison-whampoa.com)

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Hutchison Whampoa Limited





# Newsbites

## 3 MOVES AHEAD IN SCANDINAVIA

Customers can't get enough of 3G services. Usage is growing fast around the world – as you'll see from other stories in this issue. 3 is now operating in eight markets. Here we look at what's happening in Scandinavia.

**SWEDEN** 3 has Europe's best 3G network coverage – reaching over 90% of the population – according to Swedish market regulator PTS. 3 is very popular with Sweden's many football fans, who enjoy watching goals from games in the two main leagues, Elitserien and Allsvenskan. Usage of other services is also growing fast: both bank account access, offered by 3 in conjunction with SEB, and financial information from Dagens Industri are indispensable for many customers.

**DENMARK** The first operator in the market, 3 has grown rapidly into a fully developed 3G service provider. Since the service launch, customers have been able to choose from a total of 10 handset models, including five new ones this year alone. Danes are heavy 3G users, with an emphasis on entertainment services such as gossip-based news, football, music and comedy.

3 is now preparing for launch in a third Scandinavian market – Norway. **T**



## Harmony, Health and Happiness in Hong Kong

Hutchison Whampoa Limited's Volunteer Team kicked off their 2005 service programme in March to promote "Harmony, Health and Happiness" in the community. The volunteers from various HWL business divisions are well known for their work to help the needy. Recent activities have included visiting house-bound elderly people, home cleaning, seminars on healthy eating and organising the donation of electrical appliances.

Now numbering 450 volunteers, the team is planning all sorts of different events in 2005. The programme will actively involve schools and social service organisations throughout the territory. **C**

## 3 FOR BLAIR

A supporter takes a picture of British Prime Minister Tony Blair on her 3 mobile during the recent General Election campaign. There was another "3" for Mr Blair the day after this picture was taken, as he was re-elected to his third term in government. **T**



CHRISTOPHER FURLONG/GETTY IMAGES



## HWL'S TRADITIONAL REMEDIES

Hutchison Whampoa Limited saw its traditional Chinese medicine (TCM) business make a big stride when its joint venture company with Guangzhou Baiyunshan Pharmaceutical Company Ltd (GBP) started operations in May.

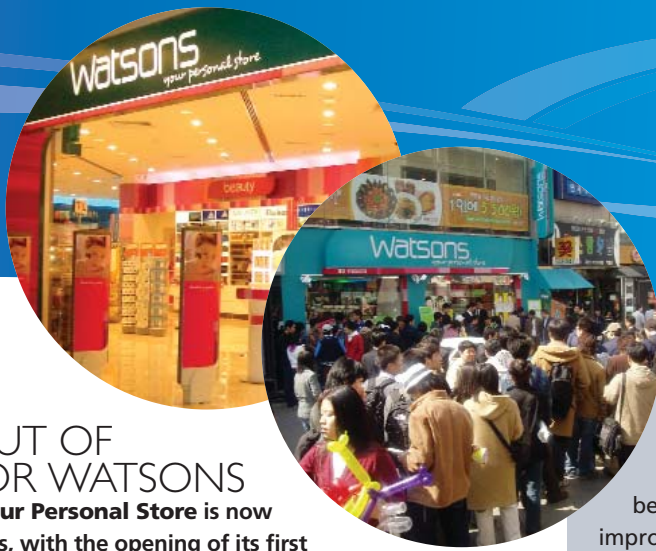
The JV, Hutchison Whampoa Guangzhou Baiyunshan Chinese Medicine Company Limited (HGB), is manufacturing and marketing a range of TCM products in China. Demand is growing fast and the JV is preparing itself to expand into overseas markets. HGB looks set to become a leading brand name in very short order. **R**

## Butterflies in the Mall

Chongqing Metropolitan Plaza hosted a stunning exhibition of Butterfly Specimens in April. Co-presented by Chongqing

Museum of Nature, the exhibition provided a valuable platform for science education. Chongqing's children were fascinated to get a close look at the beautiful butterflies. **H**





## TEN OUT OF TEN FOR WATSONS

**Watsons Your Personal Store** is now in 10 markets, with the opening of its first stores in Turkey and Korea. Part of the A.S. Watson Group and the No.1 health and beauty retail brand in Asia, A.S. Watson is bringing its contemporary shopping concept of "health, beauty and fun" to consumers in both markets.

A.S. Watson moved into Turkey by acquiring the local health and beauty chain Cosmo Shop. The first A.S. Watson store, opened on 1 April, features 3,000 sq ft of space and offers customers over 7,000 high-quality products, from skin care to cosmetics and hair care to health products.

Turkey is an increasingly international market and A.S. Watson has ambitious plans for the health and beauty sector. All seven Cosmo shops will be re-branded during Q2 2005 and a further 15 stores opened over the next year. A.S. Watson aims to reach 100 stores throughout Turkey in the next five years.

Rapid expansion is also planned for the Korean market, where A.S. Watson is operating a joint venture with GS Retail. GS-Watsons, the new company, will leverage GS Retail's distribution network and site development skills to bring A.S. Watson's international health and beauty concepts to the Korean market. Ten more store openings are planned for 2005, with an accelerated rollout programme in the years to come. **R**

## Carnival of Cars

Large crowds flocked to the Whampoa Motor Carnival at Wonderful Worlds of Whampoa during the Easter holidays. Jointly organised with Metro Finance, the Carnival included an exciting collection of prestige cars as well as a group of charming "racing queens".

A particular highlight was a \$1 motor auction for charity. **H**



## APPLAUSE

The outstanding architectural design at **DYNASTY GARDEN, SHENZHEN** has been recognised with the award of 2004 National Best Residence title

## Stylish Living in Guangzhou

The glamorous Stylish Living Festival at Cape Coral in Guangzhou attracted over 1,000 VIP guests, who took a grand tour of the show flats and enjoyed an exhibition of luxury Rolls Royce cars. **H**



- CORPORATE **C**
- TELECOMMUNICATIONS **T**
- ENERGY & INFRASTRUCTURE **E**
- PROPERTY & HOTELS **H**
- RETAIL AND MANUFACTURING **R**
- PORTS AND RELATED SERVICES **P**

## HWL Annual Results

Hutchison Whampoa Limited (HWL) has clearly benefitted from its diversification strategy and from an improved global economic climate. Profits in 2004 were up 38% to HK\$16,128 million. Further details are given in the table below. The results reflect vigorous growth in ports and related services, retail and manufacturing and in finance and investment activities. There was very strong cash generation from all established businesses. Before the LBITDA\* from 3 Group, overall EBITDA\* grew 44% to HK\$65,618 million.

For full details of HWL's 2004 results, see

[www.hutchison-whampoa.com/eng/investor/annual/annual.htm](http://www.hutchison-whampoa.com/eng/investor/annual/annual.htm) **C**

\* EBITDA/LBITDA = Earnings/Losses before Interest, Taxation, Depreciation and Amortisation

HWL	2004 (HK\$)	2003 (HK\$)	CHANGE
<b>Turnover</b>	179,415 million	145,609 million	+23%
<b>Profit attributable to shareholders</b>	16,128 million	11,677 million	+38%
<b>Earnings per share</b>	3.78	2.74	+38%
<b>Total dividend per share</b>	1.73	1.73	—

## BUILDING LAND BANK IN THE MAINLAND

**Cheung Kong Holdings (CKH) and Hutchison Whampoa Property Group (HPWG)** are really building up their property development business in China. They have recently purchased land in Beijing, Tianjin, Changchun, Shanghai, Chengdu, Chongqing, Wuhan, Changsha, Guangzhou and Shenzhen, and are planning a range of residential and commercial developments. The Group now has more than 30 developments in major Chinese cities, where it is aiming to create a modern, high quality living environment. **H**







**GOAL!**

**UNITED KINGDOM**

Hutchison scores again! "Football at 5.15" from **Hutchison 3G UK Limited** has been voted the UK's best mobile service.

Users of the 3 video mobile can see every goal in Barclays Premiership football matches – just minutes after the game. Readers of *What Mobile* magazine gave this service the highest vote in the What Mobile Awards 2004/5 – the biggest ever reader participation awards in the industry. **T**



## Going Places with Harbour Plaza Hotels & Resorts

Harbour Plaza Hotels & Resorts (HPCR) has long provided travellers with the perfect destination. Now there is help with the travel, too.

HPCR has announced a partnership with Asia Miles, Asia's leading travel reward programme. Guests will be awarded Asia Miles for each stay at any of the group's five Hong Kong hotels and two mainland properties.

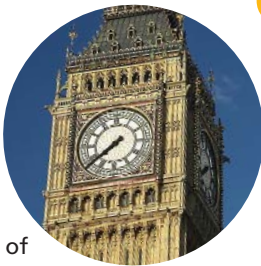
To celebrate the partnership, all the hotels are offering double Asia Miles through to early September.

Additionally, selected restaurants at the group's Hong Kong properties are awarding Asia Miles to dining patrons. **H**

## New Partners in UK Infrastructure Investment

Cheung Kong Infrastructure Holdings Limited (CKI) has welcomed new strategic partners to its investment in North of England Gas Distribution Network (NEG). CKI has sold 9.9% of NEG shares to Challenger Life No. 2 Limited and SAS Trustee Corporation for £4.59 million. Challenger and STC will also take over 9.9% of the equity contribution obligations to NEG and the transaction costs, totalling around £53.1 million.

After the new investments and the sale of 19.9% of NEG shares to Hongkong Electric Holdings Limited, CKI's stake is now 40%. **E**



**“** *The future looks bright for 3 Group: customer numbers are growing fast, value-added services are very popular and revenues are above market average* **”**

## GROUNDBREAKING CEREMONY FOR ZHUHAI PHASE II

**Hutchison Port Holdings (HPH)** has recently received approval from the National Development and Reform Commission for the Phase II project at Zhuhai International Container Terminals (Gaolan) (ZICT(G)). With the economic growth in southern China, HPH is well-positioned to meet the increasing demand for port services in the region.

A joint venture between Hutchison Delta Ports (HDP) and Zhuhai Port Enterprises Group Company, ZICT(G) is in a key

position to become the shipping hub of the western Pearl River Delta. Phase II will make ZICT(G) even more attractive to shipping companies by providing two new 50,000-tonne container berths, plus a total quay length of 824 metres and depth alongside of 15 metres - capable of handling large container vessels up to 70,000 tonnes. **P**

## Turnover and Profits up again at HHR

**Hutchison Harbour Ring (HHR)** performed strongly again in 2004. Turnover grew by 18.7% to HK\$2,602 million, while profits attributable to shareholders went up 14.2% to HK\$163 million. Earnings per share rose to HK2.43 cents.

Toys still account for the largest proportion of revenues, though the rising cost of plastics has had an impact on profitability. HHR's diversification strategy has been highly effective, with the new technology operations achieving growth of 191% in earnings before interest expense and taxation to HK\$52 million. **R**

## FURTHER DEVELOPMENT OF KARACHI PORT

**Karachi International Container Terminal (KICT)**, a subsidiary of HPH is working with the Karachi Port Trust (KPT) on further development of the West Wharf at Karachi Port. As well as extending the existing concession period, this project involves deepening the alongside draft, enhancing handling capacity and providing additional container yard equipment.

HPH's investment in KICT has strengthened Karachi's role as the region's premier transport hub and enabled it to handle Pakistan's fast-growing international trade. **P**



## Food Fit for a King

Harbour Plaza Hong Kong hosted the Korean Palace Food Festival in association with the highly



acclaimed Korean drama television series "Jewel in the Palace." Guests enjoyed dishes eaten by Korean monarchs down the years, prepared in part by Ms Han Bok Ryo, the President and top Chef from Korea's Institute of Royal Palace Cuisine and consultant to the show. **H**

## SAVE THE ENVIRONMENT, SAVE MONEY

**PARKnSHOP** launched a big environmental protection initiative in May. "Don't Down the Earth Campaign" gives customers a cash incentive to use fewer plastic bags when they shop.

New reusable "Green" foldable shopping bags in three colours are available at **PARKnSHOP** stores for just HK\$6.90. Customers will get rebates on their shopping, up to a full cash refund for the bag price. And there are further savings. Users of the



**PARKnSHOP** bag will also receive double bonus stamps for the "Lifestyle Rewards Marathon" programme, offering many popular lifestyle items.

**PARKnSHOP** is already working hard for the environment. It is raising funds for Green Power by donating HK\$1 for every reusable bag sold and placing collection boxes at all checkouts to encourage customers to donate their loose change. Other initiatives include the recycling of all used cartons and paper, tree planting schemes and training programmes for front-line staff on energy saving measures. **R**

## Going Green on Lamma

Hongkong Electric Company (HEC) has started work on the construction of the first commercial-scale wind turbine in Hong Kong. Sited at Tai Ling on Lamma Island, the 800-kW turbine will produce 1 GWh of electricity a year when it goes into operation in 2006.



This project is an important step towards the development of renewable energy sources in Hong Kong. Concern for the environment has been a major consideration. Trees and scrub will be planted to minimise the impact on the landscape and HEC is planning to use the site as an educational facility for wind power and other forms of renewable energy. **E**

## PLACE YOUR BETS

**HONG KONG** Life has just got better for Hong Kong's many horse-racing enthusiasts. Now they can watch races on their mobile phones and also place their bets – thanks to **3 Hong Kong**.

"Horse Racing Live", the world's first live racing broadcast service on 3G video mobile phones, enables 3 customers to watch real-time races and results.

And not just watch the racing. 3 also provides a 3G mobile betting service. It's very user-friendly. Once customers have opened an account with The Hong Kong Jockey Club, they can bet on all races directly via their video mobile phones. 3 customers can also place bets on football matches and Mark Six.

3 Hong Kong is first past the post again! **T**







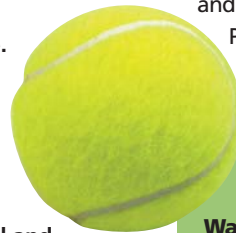
## BROADBAND BOOST

HONG KONG **Hutchison**

**Global Communications Limited (HGC)** is leveraging its optical fibre broadband network to provide innovative infotainment by delivering the pay TV service "SuperSUN" from Galaxy Satellite Broadcasting Limited (Galaxy) in Hong Kong. The synergies are huge. HGC has Hong Kong's largest

fibre-to-the-building (FTTB) telecommunications network, covering 1.2 million homes and offering high quality fixed-line telephone and broadband Internet access. Galaxy delivers a vast array of local and international programmes through 40 pay-TV channels and covers 600,000 homes.

Now HGC and Galaxy will deliver an unmatched infotainment experience. Bundled service packages will incorporate Galaxy's pay TV with HGC's broadband services. To enjoy SuperSUN TV programmes, subscribers will simply install a set-top box with HGC's broadband connectivity. The combination will boost services for customers and help HGC realise the full potential of its network. **T**



GAME, SET AND MATCH!

**Watsons Water** served an ace with its sponsorship of the Watsons Water Champions Challenge tennis tournament. Held in Hong Kong, the tournament presented a star-studded line-up.

Five of the world's top 10 female tennis players participated, including Maria Sharapova, Venus and Serena Williams, Svetlana Kuznetsova, Elena Dementieva, plus tennis legend Arentxa Sanchez-Vicario. Watsons Water delivered the January event with a full spectrum of media including TV, Internet and 3G mobile phone broadcast. **R**

**YEAH!**

**SUPERDRUG** is celebrating its "Best Pharmacy" win in the Health & Beauty Awards from *Top Sante*, one of the UK's leading women's magazines.



## TOM Keeps on Growing

**TOM Group's** 2004 results, the first since its transfer from Hong Kong's GEM Board to the Main Board HKSE, showed a second full year of profitability.

Revenues grew by 24% to HK\$2.6 billion, while EBITDA was up 35% to HK\$354 million. Excluding one-time non-recurring items TOM Group announced a profit attributable to shareholders of HK\$129 million, a nine-fold increase over 2003. Most sectors of the Group, including TOM Online and the Outdoor Media Group, attained double-digit growth in revenues. **R**

## Two for 3

**3 Hong Kong** is receiving great recognition for its achievements. It has been named "Mobile Operator of the Year, Hong Kong" in the Asian MobileNews Awards 2005, organised by *Asian MobileNews* magazine, the region's leading publication for mobile telecom operators. An impressive follow up to 3's



success at the 11th Annual Most Popular TV Commercial Awards, where it won the Most Popular TV Commercial, Most Romantic TV Commercial and Most Popular Jingle categories. Congratulations! **T**



## Top Ads

Congratulations to **Hutch India** on its success in the 2005 ABBY awards, the Oscars of the Indian publicity industry, which honour creative excellence in advertising. Hutch won three Gold awards, for Campaign of the Year and for the best Business Products and Services ads in both Print and TV. **T**





## LEARNING IS FUN WITH HEC

"To learn with fun" was the theme when 700 primary school students visited **Hongkong Electric's** power station during the Lamma Fun Days in March.

The students went on an exciting energy journey round the power plant that provides electricity to more than 550,000 consumers on Hong Kong and Lamma Islands. HEC also made sure that the students learned about the need for energy conservation.

HEC is planning more learning opportunities for students. **E**



## Container Port Development In Egypt

**Hutchison Port Holdings (HPH)** has formed a joint venture with a consortium led by the Alexandria Port Authority to build and operate two terminals at Alexandria Port and El Dekheila Port in Egypt. Alexandria International Container Terminals, the new JV, will develop the existing cargo terminals into state of the art container handling facilities.

The Egyptian government is committed to modernising port facilities to support the country's fast-growing international trade. Welcoming the agreement, Admiral Mohamed Youssef, Chairman of the Alexandria Port Authority, said, "We have full confidence that this partnership with HPH will be a success. The terminals will benefit from the transfer of terminal management expertise and best practices." **P**

## HIGH VALUE CALLS FROM HGC

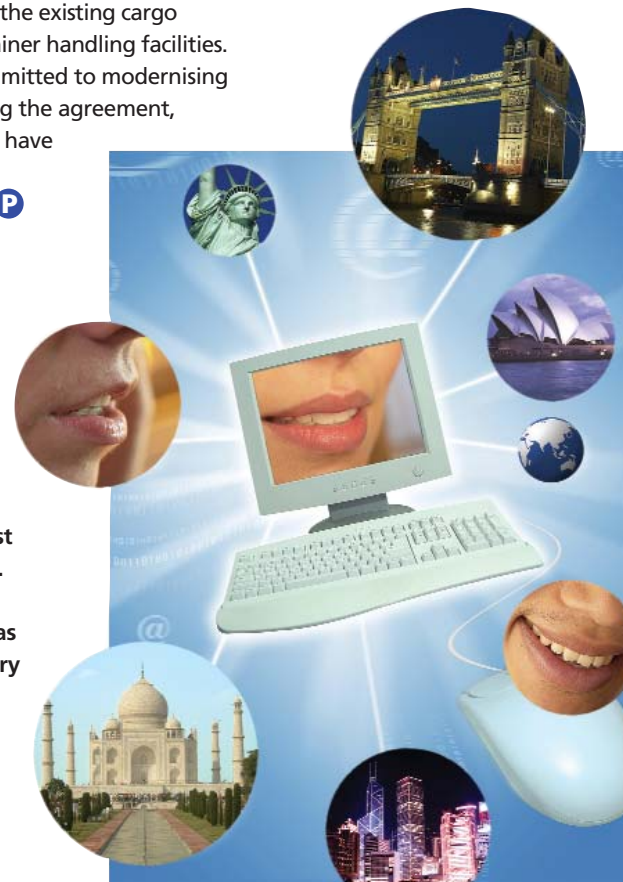
**HONG KONG** Hong Kong has an attractive new Voice over Internet Protocol (VoIP) service. **Hutchison Global Communications Limited (HGC)** is partnering with Skype Technologies S.A. (Skype), the Global Internet Telephony Company™, to offer a co-branded portal in Hong Kong. HGC-Skype offers free Skype to Skype global calling via the Internet, plus SkypeOut, Skypeln and Skype Voicemail services at low prices.

True to its track-record of innovative service offerings, HGC is the world's first fixed network services operator to reach a co-branding agreement with Skype. Skype shows just how the best voice communications technologies can be integrated with the Internet platform to deliver real value-added services. It has more than 40 million registered users, making it easily the leading VoIP-category product worldwide. The number of users is growing at more than 150,000 per day – a rate that can only increase now that HGC is making the service so easily available to Hong Kong consumers. **T**

## Profits for Hongkong Electric

**Hongkong Electric Holdings Ltd** reported a 3.7% increase in net profits in 2004, to HK\$6,280 million, despite unfavourable market conditions, with coal prices at 250% above 2003 levels, freight costs tripling and a significant increase in government rates. Combined with relatively low consumption caused by unseasonably cool weather in the second half of the year, these increased costs meant that the Hong Kong business earned less than the permitted return under the Scheme of Control Agreement.

Overseas operations continued to perform well and contributed HK\$759 million to overall profits, up from HK\$437 million in 2003. Hongkong Electric increased its total dividend, to HK\$1.77 per share. **E**





## Q1 UPDATES

### Strong Start for Hutchison Telecom

Hutchison Telecommunications International has made a flying start to 2005. Key performance indicators for Q1 show that the mobile customer base has grown to 13.3 million – up 6.2% from the previous quarter and a huge 35.1% rise compared to the same quarter in 2004. **T**

### Husky Up on Commodity Prices

Husky Energy Inc reported a 51% rise in net earnings in Q1 2005, up to C\$384 million, compared with C\$255 million for the same quarter in 2004. **E**

### Partner Buys Back Shares

Partner Communications Company Ltd reported first quarter revenues of NIS 1.26 billion, up 3.4% from the same period the previous year. Partner also completed a public debt offering of NIS 2.0 billion – the largest ever in Israel – and completed a repurchase of 18% of its outstanding shares. **T**



## GLOBAL TELECOMS STRATEGY

Hutchison Telecommunications International Limited is growing fast in Asia. It has agreed to take a 60% stake in PT Cyber Access Communications in Indonesia, one of only two mobile operators with a combined nation-wide 2G and 3G licence. Indonesia offers huge opportunities: mobile penetration is still low at around 15%.

Vietnam is another market with huge demand for mobile phone services. Now it will be met by Hutchison Telecom. A wholly owned subsidiary, Hutchison Telecommunications (Vietnam), has formed a partnership with Hanoi Telecommunication to build, operate and develop a mobile phone network.



In line with its strategy of exiting markets where it has no growth ambitions, Hutchison Telecom has sold its mobile operations in Paraguay to America Movil S.A. of Mexico. The sale will be completed during Q3 2005. **T**



### White Rose Shuttle Tanker

A naming ceremony has been held in South Korea, for the first of two shuttle tankers for Husky Energy Inc's White Rose field off Newfoundland and Labrador in Canada. The tankers are being built at Samsung Heavy Industries' Koje shipyard, which also built the SeaRose Floating Production,

Storage and Offloading (FPSO) vessel.

With a million barrel capacity, the tankers will be used to transport oil from White Rose to markets along the eastern seaboard of Canada and the USA.

The SeaRose FPSO reached Canada in April 2004 and its topsides facilities have been installed. Work is now going on to complete the hook-ups and commission the vessel for service. **E**

## HELPING KIDS TO HEAL

**ITALY** New and imaginative uses are being found for 3G videophone technology every day, it seems. Now

**3 Italy** has come up with the heart-warming idea of using it to keep sick children in touch with their families.

**3 Italy** has provided a leading paediatric hospital with videophones, so that their patients can stay in close contact with their parents and other family members even when visiting is impossible. Another first for 3G – and a helping hand for children struggling to get well. **T**



## 3G SWEDEN'S THRILLING RIDE



**SWEDEN** Life in the telecom business often feels like a roller-coaster ride. It really was when **3 Sweden**

launched its state-of-the-art videomail service, 3VideoSvar, at Stockholm's Gröna Lund amusement park. 3VideoSvar, a joint venture between 3 and Ericsson Global Services using a Mobeon platform, is another first for 3 Sweden. And just as exciting as any of the rides at Gröna Lund.

There's a lot going on at 3 Sweden. Together with Nordic Web Radio, they've just launched the world's first interactive 3G radio service. **T**



## Shopping with Taste

*With its TASTE brand, A.S. Watson has again defined a key market segment*

**A**S THE FIRST STORE in Festival Walk shows, TASTE is pioneering a new concept of lifestyle shopping. Its "More than Food" experience adds the extra ingredient of fun to the grocery shopping routine.

The starting point for TASTE was A.S. Watson's recognition that Hong Kong consumers are increasingly demanding and cosmopolitan. All customer segments, from budget to affluent, are looking for more – more choice, more quality, more value and above all more excitement.

So A.S. Watson looked at upscale supermarket concepts around the world and combined the results of this research with its own deep knowledge of Hong Kong consumers. The result was TASTE – a unique blend of product, environment and service.

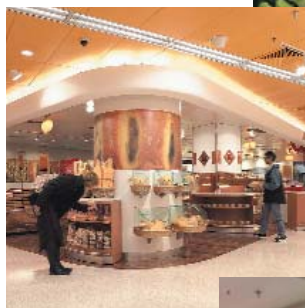
### It tastes so good

An irresistible product range was vital. TASTE offers a cosmopolitan selection of over 25,000 quality food items from around the world. The choice is huge – from live fish and market-style fruit and vegetables, through *siu mei* and *lo mei* to sushi and sashimi. And almost everything else in between. Shoppers can savour the aroma of freshly baked bread in the open bakery, select mouth-watering cold cuts and cheeses from the deli or enjoy light meals at the Sandwich and Gourmet Food Bar.

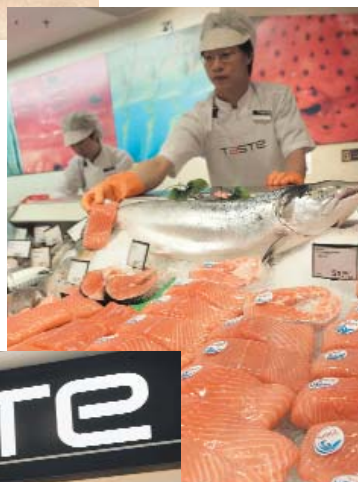
There's more. It's easy to entertain with TASTE: there is a delicious selection of freshly made quality meals to take home. And TASTE offers one of the most extensive ranges of organic food in Hong Kong.

### Style and service

But product alone wasn't enough to make TASTE unique. A.S. Watson was



**More than food: the irresistible product range and inviting ambience at Taste**



determined to create a shop where customers enjoyed spending time – a warm, inviting environment that makes shopping an experience not a chore. The choice of designer was key. A.S. Watson selected a design firm experienced in creating an inviting ambience for upscale restaurants, not the sterile, utilitarian feel of many traditional supermarkets.

It's worked. With wide, uncrowded aisles under the signature orange ceiling, TASTE has created an atmosphere that even the most demanding shoppers find irresistible.

To complete the mix, TASTE developed a comprehensive learning programme, sending many staff to A.S. Watson's flagship GREAT store for on the job training. The highest standards of service can be taken for granted by TASTE customers.

### The taste of things to come

Consumers have given a big thumbs-up to TASTE. Sales have consistently exceeded forecasts, with 25% of the increase coming from higher customer numbers and 75% from higher than average basket spend. TASTE's attractive environment is encouraging shoppers to sample many of the tempting products on offer.

So successful is the new concept that A.S. Watson is already planning the rollout of up to 10 more TASTE stores over the next 18 months. Soon you'll be able to shop with TASTE all over the city – thanks to A.S. Watson's talent for knowing what the market wants.



# seeing stars ON YOUR MOBILE

*You can have music wherever you go*

WHO ARE YOUR FAVOURITE SINGERS? Do you want to watch them in action – any time, any place? You can, with 3's innovative video jukebox service.

Thanks to 3G technology, catching the latest music videos is as easy as making a phone call. 3 offers videos on demand for customers to download or stream onto their mobiles – and around the world from London to Sydney the response is overwhelming. Customers in 3's nine markets around the world have watched over 30 million full version music videos on their mobiles so far.

In the United Kingdom, where 3 is the largest video mobile network and the only provider to offer full-length music videos, watching by mobile is such a hit that the latest single from pop sensation Natasha Bedingfield, "I Bruise Easily", actually premiered on 3. Over 2.5 million 3 customers saw the video on their mobiles five weeks before the single was released.

3 has responded to the huge demand for video downloads by doubling the list of artistes whose videos are available to 3 users in the UK. In a new agreement with Sony BMG Music Entertainment, 3 has added global stars such as Destiny's Child and Manic Street Preachers to the video jukebox list. They're joining the singers who are already driving demand for video-by-phone, such as Britney Spears, Robbie Williams and Kasabian.

*What could be cooler than watching your favourite stars via your 3G mobile?*

## Going for gold

A music industry phenomenon, video phone downloads even have their own equivalent of the golden disc. Natasha Bedingfield was presented with the first ever award for music video downloads in March, after emerging as the most downloaded artiste over a mobile network. As Natasha said when she received the award, "3's video jukebox is a great new way for my fans to watch my videos on the move."

But the UK's not the only market where 3 customers can't stop downloading music videos. It's big news Down Under, too. In April "Call On Me" by Ministry of Sound's Eric Prydz scored a gold award after fans kept downloading it on their video mobiles. 3 mobile is the only carrier with a 3G network in Australia and this means it can offer users far more than any of its competitors.

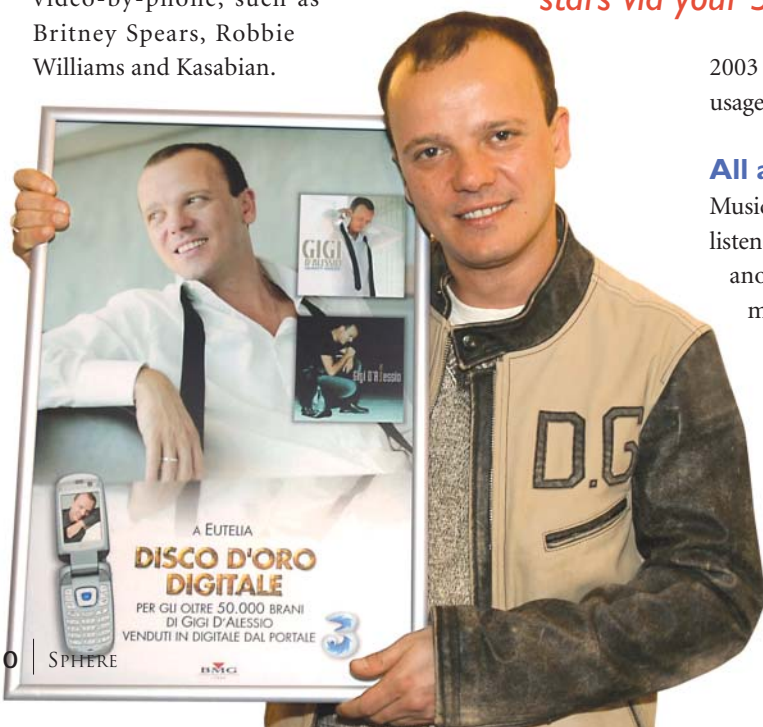
Downloading the files needed for full-length video or audio tracks is too slow and difficult over existing GSM networks.

3 mobile launched its 3G service in Australia in April 2003 so it's just celebrated its second birthday. Fast-growing usage of 3's business services made this a birthday to remember.

## All around the world

Music fans in 3's other markets are equally excited to be able to listen to music on the go. Downloads are growing fast in Italy, another market where 3 is the first operator to launch 3G mobile video services.

Music downloads caught the imagination of customers through the videos available from the 2005 Festival of Italian Song in Sanremo. Exactly half a century after the festival was televised for the first time, it became possible to follow it by video phone. Thanks to a groundbreaking deal with Sony Music and the media com-





pany DADA, 3 customers could see the best of the festival in company with the popular Italian rock and pop group La Differenza.

The response to this coverage of Sanremo has given a huge boost to the already fast-growing demand for music videos by phone in Italy. Now it's so popular that the new song by top artiste Morgan, "Un Giudice", became available on 3 a week before the album was launched.

It's not only pop music that 3 users want to download. Top folk singers are taking their timeless tunes to a new medium in Austria, as fans of real folk music are listening in on their video phones. Songs by Austrian stars such as Claudia Jung, Nockalmquintett and the Kastelruther Spatzen are already available for streaming and downloading, and the list is growing all the time.

In Sweden, 3 Musik now offers mobile customers a choice of 40 music and video channels with over 500,000 songs.

And of course Hong Kong, a leading trendsetter in the world of mobile phones, is at the forefront. Music videos are a key driver of demand for phones as users clamour to watch the latest videos from stars such as Leon Lai. This feature is so popular that 3 Hong Kong is now providing music lovers with music videos and audios from more than 200 local and international artistes.


*From left to right: Italian singer Gigi D'Alessio with his digital golden record after more than 50,000 music content downloads; Natasha Bedingfield, the most watched artiste on the 3 network . . . with her 3 award; Britney Spears in concert; a song from Leon Lai – any time.*



A particular favourite in Hong Kong is Mini Music Video, featuring the latest hits songs every day. The songs are recommended by top Commercial Radio 2 disc jockeys including Jan Lamb, Donald, Kitty and Jim.

### Even Eurovision!

Perhaps the strongest sign that video mobiles are fast becoming *the* way of seeing the stars is the fact that this year's Eurovision Song Contest, the world's biggest competition for pop music, was broadcast on mobiles. Partner Communications of Israel offered a live broadcast of Eurovision 2005.

It's clear that music video downloading is one trend that will run and run. This is just the beginning. As more and more customers start using 3G video phones, 3 is already making sure it can offer the music they want to download. So if you see someone singing along to his mobile phone, don't worry – he's probably just downloaded that fabulous new Natasha Bedingfield single. 







# a journey with

# Li Ka-shing

*His many charitable and community activities are very dear to Li Ka-shing's heart*

*By Arthur York*



FEW MEMORIES ARE AS VIVID. Though a year has passed, the experience and the emotions are as true today as they were that rainy afternoon in China. Perhaps they are even more poignant now, with time, as they are placed beside a handful of similar experiences that have taken place since, so genuine and consistent that they cut to the heart of a trained journalist – a heart conditioned to be sceptical.

For most Americans, Li Ka-shing is something of an enigma. Unlike Gates, Buffet and Branson – businessmen whose exploits are detailed on the nightly news and whose strategies find their way into bestselling books – Mr Li lives a quiet life, despite the global reach of his empire. And in so doing he opens the door to speculation and even a bit of mystery.

Long before we met, he had been described to me as the inspiration for the tycoon antagonist to Agent 007, a man whose

wealth and power could threaten not only nations, but the world.

Then he invited me in. It began with breakfast and a smile. I was taken by how attentive he was to those around him. His voice was gentle, and he was as gracious with staff as he was with visitors. As we sat in the upper offices of the Cheung Kong Center, grey clouds rolling against the windows, I was taken by his warmth and reminded of a scene I had read in a book about Tolstoy. The passage was written by his secretary who had taken ill and was overcome when Tolstoy began to take care of him: “As he left the room to get my tea, I savoured the unreality, the touching absurdity, of my situation. Here was the greatest author of the West, Leo Tolstoy, fetching tea for me, his new secretary, nearly sixty years his junior. This was a man I could easily love. Indeed, as I lay there on my back, surveying the crumbling plaster on the ceiling, I loved him already.”



and moving with purpose, he still took time to recognise people he did not know and would never see again.

The storm, still a day or two off, did not deter the Chairman, nor did it dampen the spirits of 3,000 students who were graduating from Shantou University, a campus Li Ka-shing had envisaged and built in the green hills of Guangdong Province. Since its inception, some 30,000 students have graduated from Shantou University. More than US\$250 million has been donated to the University since its beginning in 1981. And some 1,500 new students are enrolled each year.

The philanthropist was scheduled to speak to the graduating class, and as our bus rolled onto campus I was surprised to see the lane leading to the administration building lined with stu-



*Above from left to right: one of the many medical facilities supported by Mr Li in China; Mr Li receives the Legion of Honour from French President Jacques Chirac at the Elysee Palace; Shantou University in Guangdong, China.*

Despite more than two decades as a journalist – or perhaps because of those two decades – I am touched by the kindness of a powerful man. I am also a student of emotions, remaining cynical enough to question even the best behaviour to determine its motive.

Though the answer began to unfold the first morning I met Mr Li, it was confirmed many months later, on that rainy afternoon in China.

Li Ka-shing and I had left Hong Kong for Shantou. Somewhere in the South China Sea a typhoon was gathering. I was taken aback as we walked through the airport, that Mr Li carried his own suitcase. His personality was buoyant in the early hour, and on more than one occasion a cleaner, upon recognising Mr Li, stopped mid activity to watch him pass. Each time he smiled and acknowledged the cleaner. Energetic

students – cheering, pressing forward. Mr Li's expression was the definition of joy, his smile broad as he waved out the window and stepped from the bus to a blizzard of flashing cameras.

Authorities wanted to move Li Ka-shing inside the building. The growing crowd made them nervous. But he would not move. His desire was to be with the students. Several brought him flowers. Others reached to shake hands and even embrace. He focused on each one and posed for photographs, and I watched the authorities grow increasingly anxious as the mass swelled into an uncontrollable crowd – a riot of goodwill. Still Mr Li would not leave. A member of the school administration leaned toward me and said, "There are thousands more who wanted to be here. We had to limit the number."

The campus is clean and modern, 1.26 square kilometres designed with the eye of an artist. In its short but impressive history, it has established colleges in arts, sciences, engineering, design, medicine, law and business. It has 38 graduate programmes and four post-graduate programmes. All made possible by Li Ka-shing.

It is clear that Mr Li is no absentee benefactor. Rather, he is involved personally, enthusiastically, offering guidance and motivation to those on the front lines. With excitement he shows me artist renderings for the library that will soon be



built on campus. He is as proud as the architect of the inspiring confluence of ancient and modern design. I witness the same enthusiasm with other projects, taking time to visit the medical school he has endowed, two of five hospitals he has sponsored, along with a state-of-the-art medical centre focusing on eye care. And this is just the beginning.

A programme he supports to provide medical relief to the poor sends physicians and medical supplies into remote villages and rural areas of China. In 1998, he established the National Hospice Care Programme, the first of its kind, to serve cancer patients through a network of 20 major hospitals and in-home patient care. In a single year more than 20,000 house calls are made by physicians sponsored by Mr Li, and tens of thousands receive health care, including pain relief therapy for those who are terminally ill.

**L**I KA-SHING'S giving is not limited to Hong Kong and China. He has sponsored children's centres, church buildings, cancer research centres, and scholarships in the United Kingdom, medical research projects in the United States, and perhaps the largest charitable organisation in the history of Canada. He has provided millions of dollars internationally in the fight against hepatitis, Avian Flu and degenerative diseases. In addition to Shantou University, major educational projects include Hong Kong Polytechnic University, the Open University of Hong Kong, Singapore Management University, Foundation Primary Schools, University of Calgary and the University of Hong Kong, to name only a few.

Nor is Mr Li's philanthropy limited to health care and education. He is one of the world's great patrons of culture – art, dance, music, literature, sports and the preservation of artifacts – as well as community welfare, including disaster relief. Following the horrors of the tsunami in South Asia, Li Ka-shing was among the first to make a sizeable contribution to help families of the victims, to provide relief for the survivors, and to rebuild. Likewise, following earthquakes in India and China.

How much does Li Ka-shing spend on the countless projects that benefit from his giving? To go into detail would be suffocating. Let it suffice to say that this year alone he has given away more than US\$1 billion to his private foundations, establishing him as one of the world's most generous philanthropists. Earnest and unassuming, Mr Li clearly considers his philanthropy as a blessing. He takes joy in giving, though he is reluctant to talk about it in terms other than what those around him are doing. Just as he instinctively quickens his pace to hold open a door for others, his focus is well beyond himself, without aggrandisement, or desire for fanfare.

Yet his reputation spreads. Seven months after travelling to Shantou, I was with Li Ka-shing again in Paris. It was January, and he had been invited by President Jacques Chirac

to the Elysee Palace. "Your profound generosity is unanimously recognised," President Chirac said, bestowing upon Mr Li the Insignia of Commander of the Legion of Honour – a recognition that began with Napoleon and remains the highest honour given by France to non-citizens.

It was fitting that Li Ka-shing was honoured in the kind of

## *"Before Honour is Humility"*

John Bunyan, *The Pilgrim's Progress*



opulence that few do as well as the French, and Chirac offered insight into what I believe motivates Mr Li's generosity. "Your father's influence on you has been key to the build-up of your personality," Chirac said. "You have been well known for your humanity, simplicity and generosity." He spoke of Mr Li's boyhood, arriving destitute in Hong Kong and needing to take care of his family when his father died from tuberculosis. Li Ka-shing was only 12 when he was forced to leave school to work in a factory. And as Chirac spoke, my mind returned to Shantou, to Mr Li with his students. I suddenly understood. Robbed of the opportunity to study himself, Li Ka-shing is driven to ensure the opportunity for others. The hours he worked on the factory floor, manufacturing plastic, moulded his spirit as well, filling him with empathy for the cleaners in the airport.

"Your story portrayed the journey of a man of goodwill and hard work, the journey of a man of heart and a great deal of courage," Chirac continued, and I was struck that Mr Li is different, he is genuine and thoughtful, because in his life he found purpose before he found wealth. He knew who he was long before he became what he is. And what he is he earned. He makes the cleaners, the students surrounding him at Shantou, and everyone he meets feel important because he remembers how it was to feel otherwise.

As Chirac reviewed Mr Li's exceptional career and life, I

found myself less an objective observer and more an admiring student. And there is much to learn. As Chirac spoke, I considered that Mr Li has built a global empire. He has been acknowledged as the Entrepreneur of the Millennium. He has, in the words of Chirac, “built his success and then fed it back to the community.” But I realise that all of these accomplishments are not the true measure of Li Ka-shing.

Kipling wrote that the mark of a man is his ability to walk with kings without losing the common touch. It is an ideal, and over the years I have watched many try to attain it, only to

honour? We all want to have wealth. But do you know the true value of wealth? We know passion. But do we know love?

“You are the only one who knows how you are going to live your life. The knowledge you have gained here will bring you opportunities; but it will not tell you how to live. Only you can change your knowledge into wisdom.

“My dear students, ‘Are you ready?’”

When he finishes, the auditorium erupts in applause and he steps from the stage. Again, students and their parents press forward to shake his hand. Trustees and university administrators



come off as patronising or feigning in their words and deeds. On the other hand, witnessing the ideal in a moment – stark and true – is an experience never to be forgotten. And so it endures.

“This must be a very exciting moment for you,” Mr Li tells the Shantou graduating class. “You have studied hard and completed an important stage in life. You are moving on, and I have felt your joy being with you on campus these few nights.”

Hundreds of students have rushed to the front of the auditorium to capture his photograph. There is no pretence to the man. And it is clear that the students – who can sniff out hypocrisy at a hundred paces – find no guile in him. When he offers them insights, it is as if they are receiving scripture.

“Whenever you turn a new leaf in life, when you dream a new dream – foster new hopes – it is always time to ponder, and to ask yourself, ‘Are you ready?’ , ‘Do you have what it takes?’ When you dream of success, are you ready for endurance?” Students continue to take his photograph. “You are ambitious to lead. But are you ready to serve? We all want to get. Do we know how to give? We all want to stand out. But do we know how to be supportive? You want to change others. Would you change for them? We all want to have courage. But do we know

**From left to right: Mr Li visits patients in a facility he funds in Guangdong; graduating students at Shantou University express their gratitude to Mr Li; emergency food supplies provided by the Li Ka Shing Foundation.**

follow him as he walks slowly up the aisle, taking time to greet as many as possible. I take my place at the end of the procession and am surprised as we emerge from the building into a thunderstorm. The leading edge of the typhoon has made land. The

sky is dark. The rain hard. And a car is waiting to take Mr Li to the airport. I look to the car, assuming that Mr Li is already inside. Then I see that students and parents have followed him into the plaza. He is nowhere near the car, but among the crowd.

Camera flashes mingle with lightning. Students and parents swarm around him. He poses for photographs, enthusiastically shakes hands and embraces people who only moments ago were strangers. As I watch from the steps above the plaza, it feels as if time is standing still. Trustees and administrators try to direct Mr Li toward the car, but just as he would not leave the students two days earlier when we arrived, he will not leave them now – not before he has had the opportunity to meet everyone who wants to meet him. Even in the rain and roaring thunder, he is undeterred, and as I stand, inspired by his example, I am grateful for the rain, as it masks not only my tears, but those in the eyes of so many others. And I feel myself being changed, honoured to see what true wealth is and how it only becomes true wealth when it is given away, with nothing expected in return.









Harbour Plaza Hotels & Resorts  
celebrates ten years of distinctive service

By Mark Caldwell



## the true meaning of

# Hospitality

WHILE THE HARBOUR PLAZA Hong Kong hotel was being built, an exquisite marble staircase that had previously graced the Hong Kong Hilton Hotel, was transplanted, slab-by-slab, into the new hotel. When the doors opened on 22 July 1995, the staircase was the centrepiece of its spacious, sunny lobby.

It is this kind of attention to detail that makes the Harbour Plaza Hong Kong a truly special haven of hospitality.

In the past 10 years, a who's who of statesmen and superstars have passed through its doors and climbed the grand staircase.

Today, Harbour Plaza Hong Kong is the flagship property owned and managed by Harbour Plaza Hotels & Resorts group (HPhR) – a joint operation of Hutchison Whampoa Limited (HWL)'s property arm and Cheung Kong (Holdings) Limited. "Before 1994 we didn't have hotels under our own management," recalls Raymond Chow, managing director of Hutchison Whampoa Properties Ltd (HWPL). "Initially we had hotel investments such as the

Hilton and the Sheraton. Then we established the flagship hotel, and created a hotel management company to take care of it."

The Harbour Plaza Hong Kong was part of The Harbourfront, an upmarket office and hotel complex on reclaimed land in Whampoa Garden, Hung Hom. It was an integral part of HWL's initiative to transform the district from a run-down dockside into the premier residential, commercial and retail location that it is today.

Starting from scratch, the developers designed a luxurious, modern hotel equipped to the highest standards. To ensure that it was also operated to the highest standards, the Group decided to go it alone instead of looking for an operator to manage the new hotel. Thus the Harbour Plaza hotel brand was born. It was an audacious strate-



gy for a newcomer but HWL had a proven track record of successfully building new businesses in difficult markets. The company immediately set about recruiting talent to operate the new hotel. As the HWL-owned Hong Kong Hilton Hotel in Central had just closed in May 1995, to be rebuilt as the Cheung Kong Center, the Harbour Plaza was able to tap a rich vein of experienced staff to join the new team.

All eyes were on the Harbour Plaza Hong Kong when it opened.

“In those days, if a hotel was not in Tsim Sha Tsui, Causeway Bay or Central, no-one went there,” recalls Ms P C Koh, finance director of Harbour Plaza Hotel Management Ltd. “But the response to the new hotel was better than expected and by the end of the first year of operation, it had achieved an impressive portfolio of corporate customers.”

With its flagship providing a distinctive blend of comfort, elegance and understated luxury, it was apparent that the group had what it takes to succeed in the international hospitality arena. There were several opportunities for expansion as the group was developing new properties in Hong Kong and Mainland China.

In 1998 the 390-room Harbour Plaza Chongqing opened, marking the group’s first new hotel construction in the Mainland.

The following year, the 1,102-room Harbour Plaza Resort City began operations in Tin Shui Wai, making it the largest hotel operating in Hong Kong at that time. More recently, the group purchased The Kowloon Hotel from the Peninsula Group in 2004 and HPHR took over management in February this year.

The group has also developed two hotels in Tsing Yi, the Mexan Harbour Hotel and Rambler Garden Hotel, which opened under HPHR management in December 2004 and February 2005 respectively.

Today, HWL has interests in 15 hotel properties in Hong Kong, Mainland China and The Bahamas.

HPHR is active in the development and ownership of hotel properties as well as hotel management. Although the group has succeeded in establishing a highly respected brand with Harbour Plaza, its approach to building its hotel portfolio is very flexible. More than half of the hotels in which it has an interest do not carry the



a distinctive  
blend of comfort,  
elegance and  
understated  
luxury

Harbour Plaza brand name.

“On the one hand, we are an investor and we don’t necessarily put the hotel under the Harbour Plaza management company,” Mr Chow explains. “We find whatever is the most appropriate management company to benefit the hotel property. On the other hand, we are trying to expand the Harbour Plaza fleet and grow our brand name. The parent property division can, meanwhile, advise on rentals and areas like project costing, so we don’t need separate administrative teams.”

“HPHR is a hotel operator group like Hyatt or Sheraton,” Ms Koh adds. “It was formed primarily to manage hotel properties owned by Hutchison or Cheung Kong. Third-party management came about through circumstance. For example, when we sold the Harbour Plaza Kunming the new owner wanted us to continue management.”



The early years presented challenges. Between 1997 and 1999 the industry was reeling from the Asian crisis and the global hospitality business was in decline.

“We came into this business during the downturn and to be competitive, had to be efficient right from the start,” says Ms Koh. “Management and staff in our group are very conscious of costs while still maintaining quality services. We aim to give good value and strive to give our guests an experience they will always remember.”

It’s a winning formula. In less than 10 years, HPHR has become the biggest hotel operator in Hong Kong with about 5,300 rooms in seven properties currently under management. The group now operates and manages seven hotels in Hong Kong and two in mainland China.

HWL also owns the The Westin and Sheraton at Our Lucaya Beach & Golf Resort, the biggest hotel operations on Grand Bahama Island.

“It was run-down when we acquired it in 1997,” says Ms Koh. “We helped finish the US\$430 million development. It targets guests substantially from the United States, so we contracted with Starwood, which has strong experience in the American market, to take over the management two years ago.”

HPHR is now profitable and the group is actively looking at other sites.

“There are some key Chinese cities that we hope to become involved in, such as Shanghai,”

## STAR QUALITY

**O**VER THE YEARS, the hotels in the Harbour Plaza stable have played host to a who’s who of famous guests.

It all started when Jiang Zemin, then President of China, chose to stay in one of the two presidential suites at the flagship Harbour Plaza Hong Kong during the handover on 1 July 1997. President Jiang returned twice, in 1998 and again in May 2001. Another top Chinese leader, Premier Zhu Rongji, stayed at the hotel in 1997.

International leaders have included the King and Queen of Tonga. Chinese astronaut Yang Liwei (pictured with hotel staff) enjoyed the Harbour Plaza Hong Kong’s hospitality soon after his historic trip into orbit.

The hotel is also a firm favourite with local performing artistes, including Andy Lau, Aaron Kwok, Leon Lai, Alan Tam and Kenny B. International stars

have included Whitney Houston and famous Korean artiste Bao Yong Joon.

On the sports scene, the Harbour Plaza Hong Kong has hosted Manchester United, Brazil’s national football team and tennis stars such as Martina Hingis, Mary Pierce and Anna Kournikova.

The neighbouring Harbour Plaza Metropolis can also boast a long list of star guests. They include the cast and crew of international musical “Mamma Mia”, The Eagles, Sammi Cheng, Jay Chou, Boney M, the China National Women’s Basketball Team, Li Ning, Li Xiaoshuang, F4, Jolin Choy, Cliff Richard, Yang Mi Kyung, A-Mei Zhang and Teresa Carpio.

Across the water, the Harbour Plaza North Point has hosted Sarah Brightman, as well as the casts of Saturday Night Fever and Chicago.





Attention to  
**detail** makes the  
**Harbour Plaza**  
 a truly special  
 haven of  
**hospitality**

says Ms Koh. “We have been approached to manage hotels for other owners but so far have turned them down. Our primary strategy is to combine ownership and management but we do not have an ego that says we have to manage everything. For example, we could have managed the Grand Hyatt Beijing, but decided the Hyatt group would be a more appropriate brand in that city. We work quite well with the other managers to maximise cost efficiencies, management skills and purchasing power.” According to Ms Koh, the group will continue to focus on Hong Kong and Mainland China.

“There is no question that China is going to be a

big market,” she says. “The property group is growing tremendously in China. We are looking for the right locations and the right properties. Of course, we will always keep our eyes open worldwide for the right opportunity.”

Ms Koh is particularly bullish about Hong Kong. “If we were not positive, we would not have acquired The Kowloon Hotel recently or opened the Rambler Garden Hotel. Disneyland is opening, which will mean increasing numbers of visitors to Hong Kong. China is also continuing to relax its travel restrictions for PRC residents.”

HPHR has proved adept at providing different properties to appeal to a broad spectrum of the

## HONG KONG'S OASIS

**W**ITH AN UNPARALLELED LOCATION on the Hunghom waterfront and amazing views over Victoria Harbour, the luxurious Harbour Plaza Hong Kong made a big impact as soon as it opened on 22 July 1995.

Its distinctive blend of relaxed sophistication, discreet luxury and first-class service have made the Harbour Plaza renowned as a haven from the bustle of Hong Kong, offering the ultimate in understated style and comfort for discerning guests.



“Many people see us as an oasis,” says Jonathan Wilson, who has been at the hotel for seven years and General Manager for four. “Our location gives us the edge. Many of our guests prefer our quieter, less bustling and more ambient waterfront environment and the fresher atmosphere here. And our guests truly appreciate the fact that we have the only dining terrace right on the harbour.”

Furnished to the highest standards and equipped with the latest business and communications tools, the Harbour Plaza Hong Kong features two 3,500 sq ft Presidential Suites famous for their luxury and panoramic outlook. There are seven fabulous restaurants, a well-equipped fitness centre and a glass-sided rooftop pool where guests can enjoy the view and soak up the unique atmosphere in absolute privacy. In partnership

with upmarket skin-care brand Jurlique, the fitness centre has recently introduced a full range of spa services.

Just three years after opening, Harbour Plaza Hong Kong was named one of the “World’s Ten Best Hotels” by New York-based *Leaders Magazine* and in 2001, it was *Travel Trade Gazette’s* “Best Business Hotel”.

Harbour Plaza Hong Kong caters mainly to business guests but is also home to a growing number of leisure travellers. There has been a significant increase in guests from Korea, driven by the hotel’s support for Korean entertainment industry initiatives such as a Food Festival based on the television programme *Jewel in the Palace*, and its participation in a new television production called *Hong Kong Express* (currently airing in Korea and Japan).

But it is the core value of service in which the management takes the most pride, and which ultimately drives the business.

“We are at guests’ service from the moment they reserve their room – whether we’re providing champagne for a limousine ride from the airport or booking a yacht for a customer who wants to get even closer to the harbour,” says Wilson. “Every staff member is dedicated to this principle.”

“When we look for new candidates to join our team, we focus on friendliness. Academic qualifications stand people in good stead but it is their attitude that will take them, and us, to the next level.”

As the longest established property in the group, the hotel can offer supporting services to sister properties. “Our experienced staff and complete back-of-house facilities mean we can provide services ranging from creating chocolate showpieces and pastries for festivals, to handling extra laundry operations or the design and production of marketing materials,” says Wilson. “Our position as one of the leading hotels in Hong Kong is testament to our excellent team of professionals.”

No longer the “new kid on the block”, the Harbour Plaza Hong Kong has established itself both as a luxurious landmark on the Hunghom waterfront and as a hotel with a big heart. And on 22 July this year, the champagne corks will be popping to celebrate the 10th jubilee.





market. The flagship targets business customers and meeting groups generated through the nearby office towers. Harbour Plaza North Point targets corporate customers who work around Hong Kong island. On the Kowloon side, Harbour Plaza Metropolis is adjacent to the Kowloon-Canton Railway and attracts long-stay guests who work in Guangzhou. It is also close to the Hong Kong Coliseum, so many performing artists stay there.

Harbour Plaza Resort City was a pioneer in developing the 'Smart-Living Plus' concept, catering to long-stay guests by providing the convenience of a hotel with a residential feel. The formula has proved popular with niche market clients, such as foreign teachers and aircrew.

The group is constantly gauging the market and can quickly adapt operations. With the hotel industry picking up, HPHR has been reducing its long-stay exposure in some hotels as demand for hotel rooms increases.

"Every month we look at supply and demand at HPHR," says Mr Chow. "We were the first hotel group to offer a dynamic mix between serviced suites for long-stay guests and hotel suites, and it



has proved highly successful. Our hotels are designed to give us the flexibility to convert them into long-stay suites if required. We want to maximise usage of hotel rooms on both a short- and long-term basis."

HPHR also knows that service is key in the hospitality industry. For example, to cater for increasing numbers of female business travellers, the Harbour Plaza Hong Kong is now providing more spa facilities. Another charming example is the goldfish at Harbour Plaza North Point, where fish bowls are placed in the rooms of long-stay individual travellers to keep them company.

To provide the best available service to guests, the group relies mainly on local talent but also deploys experienced professionals from around the world. "We rely on our frontline staff to come up with new creative ideas. It is up to individual hotels to think of new ways of improving services to

their guests," says Ms Koh. "If a hotel has more Japanese visitors, then we will recruit some staff who speak Japanese."

The combination of top-end properties, service excellence and adroit management has seen the

## HWL'S HOTEL PORTFOLIO

## OWNED AND MANAGED

**Harbour Plaza Hotels & Resorts group (HPHR) develops, owns and manages a range of hotel properties in Hong Kong, China and The Bahamas.**



**Harbour Plaza Hong Kong**  
Whampoa Garden,  
Hung Hom, HK  
521 rooms



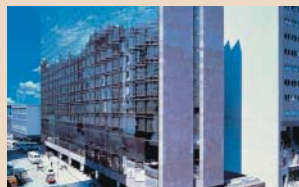
**Harbour Plaza North Point**  
North Point, HK  
643 rooms



**Harbour Plaza Metropolis**  
Hung Hom, HK  
690 rooms



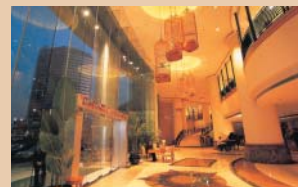
**Harbour Plaza Chongqing**  
Chongqing, PRC  
390 rooms



**The Kowloon Hotel**  
Tsim Sha Tsui, Kowloon, HK  
736 rooms



**Rambler Garden Hotel**  
Tsing Yi, HK  
800 rooms



**Harbour Plaza Resort City**  
Tin Shui Wai,  
New Territories, HK  
1,102 rooms

## A PLACE TO CALL HOME

**C**APTAIN ROGER CARMICHAEL is a flight operations inspector with Hong Kong's Civil Aviation Department (CAD) and has long called the Harbour Plaza home. He shares his story with *Sphere*.

"I was a fighter pilot with the Australian air force and went on to work with Qantas for 33 years. In 1964 I started flying to Hong Kong. Then in 1996, I took a job with the CAD and suddenly my wife Helen and I were looking for a more permanent residence in the city.

We chose the Harbour Plaza in Whampoa Garden, Hunghom, and have never looked back. The hotel had been open just a year when we moved into a serviced suite, so we are now among the hotel's longest staying guests.

I've never come back from overseas and not wanted to be here. I travel regularly for business, and also keep a home in Sydney, where my two children and four grandchildren live. But I just need to walk in the door of the

Harbour Plaza and it lifts my spirits. This hotel is a breathing space in Hong Kong.

The service is superb and it is anticipatory. The staff will attend to your needs before you have to ask. I have never had to make a complaint, and we have had an instant response to anything we have ever asked for.


In fact, two of my most precious memories involve this hotel. The first is of the Hong Kong handover, where we and other guests were able to enjoy the fireworks from the hotel's unique vantage point, and then watch the royal yacht Britannia sail past, marking the end of British rule. Then there was my 65th birthday. My wife and I were whisked to the hotel's prestigious presidential suite by the general manager, where we enjoyed dinner with friends, watching a typhoon lash the city from the suite's full-length windows. It was an amazing experience and a memory I will always treasure."

hotel portfolio go from strength to strength.

"Ten years from now we would like to be an established hotel chain with a strong reputation in the market," says Ms Koh. "Our plan is to continue to support the growth in the group's portfolio and, with our hotels becoming popular destinations for travellers, we are making an increasing contribution to the property group's overall profits. We know our strengths and at the moment our strengths are in Asia."

However, the group does not plan to limit its

activities to Asia and the Bahamas alone. "The team is looking at various places around the world," Mr Chow confirms. "We have submitted bids for a few hotels in London and in Paris, but we have not yet been successful. If the right opportunity comes up, we don't mind expanding our international hotel operations. It all depends on opportunity. The hotel division has a bright future."

As the Harbour Plaza Hong Kong begins its second decade in operation, the signs of future success have never been better. 

### UNDER HPHR MANAGEMENT



**Mexan Harbour Hotel**  
Tsing Yi, HK  
800 rooms



**Great Wall Sheraton Hotel**  
Beijing, PRC  
850 rooms



**Horizon Suite Hotel**  
Ma On Shan, HK  
831 rooms



**Sheraton Hong Kong Hotel and Towers**  
Tsim Sha Tsui, Kowloon, HK  
782 rooms



**Harbour Plaza Kunming**  
Kunming, PRC  
299 rooms



**Grand Hyatt Beijing at Oriental Plaza**  
Beijing, PRC  
839 rooms



**The Westin at Our Lucaya Beach & Golf Resort**  
Grand Bahama Island, The Bahamas  
749 rooms



**Sheraton at Our Lucaya Beach & Golf Resort**  
Grand Bahama Island, The Bahamas  
522 rooms



ENERGY

# SHIFTING SANDS

*The development of vast oil sands reserves in Canada will keep the oil flowing*

*By Andrew Ashley*





IT IS NEVER FAR from the headlines these days. Both the level of accessible oil reserves and the cost of bringing oil to market are perpetually hot topics. Almost every day, it seems, there is a story about fluctuating oil prices or the urgent need for new sources of supply.

And now there is a new development – enormous reserves of oil in tar-soaked sands that will ensure supplies for a long time to come. Let's start with a look at the background to this exciting story.

There are no signs that the world's seemingly insatiable appetite for oil will decline and many analysts are forecasting that prices will remain at historically high levels. In April new research from Goldman Sachs suggested that we are destined for a long period of volatile oil prices with "super-spikes" of up to US\$105 per barrel.

But it's not just a question of cost. Many of the large fields in such areas as Alaska, the North Sea and the Gulf of Mexico are close to being worked out and new sources must be developed to replace them. The International Monetary Fund recently stated that increased global capacity of three million to five million barrels per day (BPD) is required "to ensure the stability of the world economy".

The combination of rising prices and declining reserves in established fields is encouraging a search for new growth areas. But undeveloped resources are often difficult and costly to exploit, such as "ultra-deep" offshore wells, or in potentially unstable areas, such as west Africa or the Caspian.

Against this background, the oil industry is increasingly looking to "unconventional" hydrocarbons as a new source of supply. Unconventional hydrocarbons tend to be more expensive and more difficult to convert into petroleum products than regular oil reserves. But constantly growing demand and rising prices are making them economically attractive, persuading the industry to take non-traditional sources very seriously. Hutchison company Husky Energy is very active in the move to secure oil supplies through the development of new resources.

### Buried treasure in the Canadian west

For the largest and most important of these unconventional sources of oil, look west – to Alberta in western Canada. This huge, sparsely populated province is the setting for one of the hottest stories in the oil business today.

Alberta has long been a treasure-trove for palaeontologists, seeking answers about the origins of life among its fossils and dinosaur remains. But now another sort of treasure is starting

**Left: Fuel for the future: Husky is actively developing non-traditional oil reserves**

to be extracted in potentially vast quantities. For Alberta's oil sands, also known as tar sands, constitute the largest known petroleum deposit on the planet.



Oil sands consist of a tar-like bitumen, originally formed as crude oil, algae and microscopic creatures that were “cooked” under immense pressure over a period of hundreds of millions of years. Relatively recently in geological terms, the oil moved up to sandstone levels nearer the surface where it was reduced to bitumen by bacteria.

Until very recently, it was so hard to extract oil from these bitumen deposits and convert it into petroleum that large-scale production did not seem viable. But things have changed. Technological advances and the global need for proven energy sources are driving the rapid development of Alberta’s oil sands

The likely rewards are enormous. The Energy and Utilities Board of Alberta estimates that there are around 1.5 trillion barrels of bitumen in the province – double the proven oil reserves of the Middle East. It’s not all recoverable with currently available technology but the levels of accessible bitumen are still huge. With around 300 billion barrels currently available for extraction, Alberta’s oil sands can supply more energy than all the wells in Saudi Arabia. That is enough oil to meet the whole of North America’s projected

demand for the next 40 years.

The fast-increasing level of investment in Alberta’s oil sands reflects their significance for the future of energy supplies. Canada’s National Energy Board forecasts that investment will exceed US\$48 billion by 2012.

### Turning sand into oil

It is clear that the Alberta oil sands are going to play a very significant role in meeting global demand for energy in the coming years. But they will not give up their riches easily. Obtaining oil from bitumen deposits is an expensive and complex process. There are two principal methods of extraction, mining and in-situ, both of which are being used in the development of the Alberta reserves.

Mining was the first commercial production technique used in areas of oil sands and it still accounts for the largest proportion of oil extracted from bitumen. It involves the construction of massive open-pit mines, plus the associated extraction facilities, to separate the bitumen from the sand. Huge mechanical shovels – some as tall as a seven storey building – are used to dig up to 100 tonnes of sand, bitumen and rubble in a single scoop. After the bitumen is sepa-



**Above: New construction work for Husky’s first oil sands project. Right: Once the bitumen has been blended with a diluting solution, it can be stored in conventional tanks. Below: Husky facility for converting heavy oil, such as that obtained from bitumen, into high quality oil.**

rated from the sand and other matter, it is converted into synthetic crude oil.

This process works well in oil sands reserves where the bitumen deposits are relatively close to the surface. Much of the bitumen is buried too deep for mining, however, and other techniques must be used. A newer technology, in-

*“We are very encouraged by the long-term potential of our oil sands resources. They will play a significant role in Husky’s medium and long-term growth strategies.”*

John C.S. Lau, President and CEO, Husky Energy Inc.





situ extraction, is used for these deeper reserves. The accompanying sidebar shows how steam assisted gravity drainage (SAGD), the leading in-situ production technique, works.

### Husky's oil sands strategy

Much development work will be necessary to turn on the oil sands tap and keep it running. Husky Energy is at the forefront as the oil industry moves in this new direction. With five leases covering more than 425,000 acres containing more than 33 billion barrels of bitumen, the oil sands of northern Alberta constitute a key strategic development area for Husky.

Husky's first major development is the Tucker Oil Sands Project, located 30 kilometres northwest of Cold Lake, Alberta. The Alberta Energy and Utilities Board approved this project in June 2004, giving the green light for Husky to start implementing its strategy for commercial in-situ bitumen production.

Construction of the Tucker facility is well advanced and commissioning is scheduled for late 2006. Oil will start to flow about three to six months after that. On current projections, production will exceed 30,000 BPD and Husky forecasts that total production will reach 352 million barrels over a 35-year project life.

Tucker is Husky's first venture into oil sands but it is only part of the company's long-term strategy. The Sunrise Oil Sands Project is next in line. Husky has 58,000 acres of very high quality oil

sands at Sunrise, promising vast reserves with lower unit operating costs. This site is projected to produce 3.2 billion barrels over 40 years. Husky has applied for approval for a phased project that will eventually produce 200,000 BPD and is currently undertaking the concept development work to support it.

And there is still more. Husky is now evaluating the commercial prospects of its other three oil sands leases, with a view to developing production capability as the Tucker and Sunrise projects go on-stream.

### Oil for the future

Despite recurring fears that the world's oil wells are drying up, resulting in global energy shortages, the future looks bright. We will be using oil for the foreseeable future, though it is increasingly likely to come from non-traditional sources.

Global energy expert Peter Odell of Erasmus University in Rotterdam has recently published a new book on energy supplies with the unequivocal title "Why Carbon Fuels Will Dominate the 21st Century's Energy Economy". In it, he argues that conventional oil supplies will not peak until nearly mid-century, while unconventional sources, of which Canada's oil sands are the most important, will peak only at the end of this century.

So it looks as though the oil will be flowing for a long time to come. And much of it will be flowing from the oil sands sites now being developed by Husky Energy.

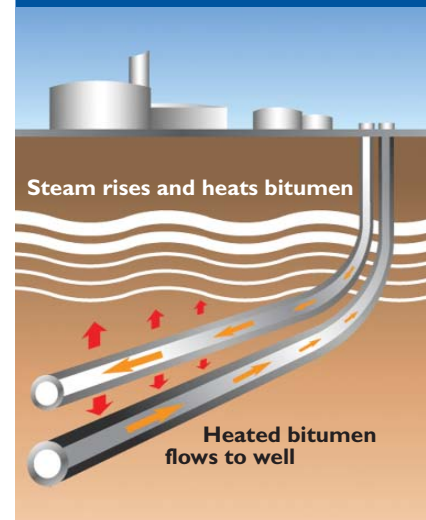
## STEAMING AHEAD

### How Husky gets the oil flowing

**I**N its naturally occurring state, the oil found in the bitumen of oil sands deposits is not viscous enough to flow to a well from which it can be pumped out. More complex technologies are required to obtain oil from these reserves.

Open-pit mining is the method used for some oil sands reserves. But at Tucker, Husky's first oil sands production site, the bitumen from which the oil is obtained is buried

### DYNAMICS OF THE SAGD STEAM CHAMBER



too deep to be extracted this way. So Husky is using the newer technology of steam assisted gravity drainage (SAGD) to recover the bitumen.

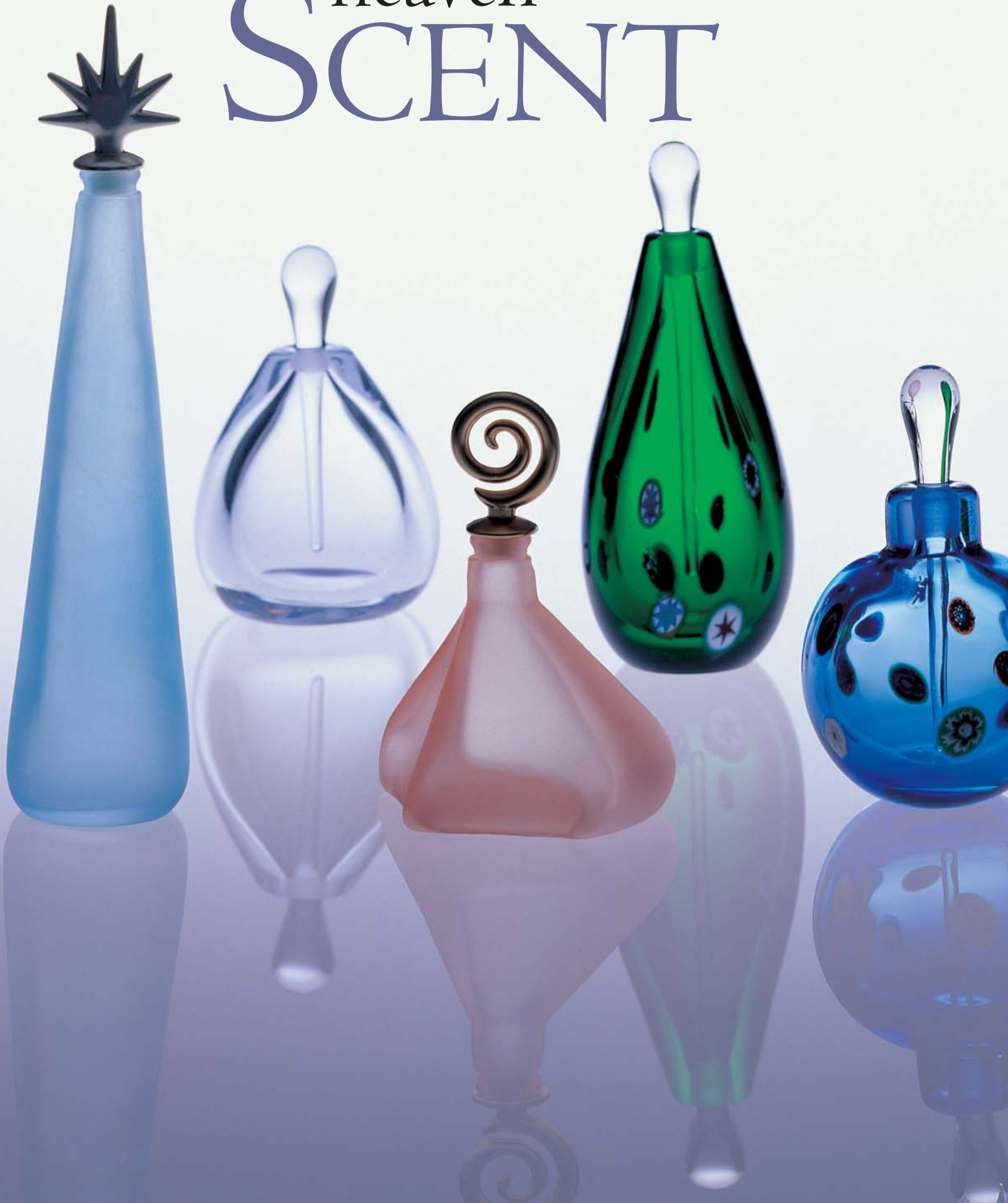
SAGD is a form of thermal recovery technology, in which pairs of horizontal wells are drilled into the oil sands. The upper well is the "injector", the lower is the "producer". Steam produced by a series of huge generators is introduced into the injector well of each pair by a continuous injection process, to heat the bitumen and make it more viscous. Gravity then ensures that the bitumen mixed with condensed steam drains into the producer well, from which it can be pumped to the surface.


Once it has been brought to the surface, the bitumen is blended with a diluting solution that means it can flow through a conventional oil pipeline. The SAGD process, in which oil is pumped from a well, is closer to conventional oil production than the open-pit mining method.



RETAIL


# heaven SCENT





## *The sweet smell of the fragrance industry*

*By Vivien Jones*



FEW THINGS ARE AS EVOCATIVE or as personal as fragrance. Anyone who has been transported to a distant time or place by the merest whiff of a familiar scent, knows the power of perfume. Its origins are humble and date back thousands of years, but today the fragrance industry is worth more than US\$10 billion annually and the market is crowded with more than 20,000 scents. Designer and celebrity scents dominate, with million dollar campaigns rolling out a new fragrance on a regular basis. With all this activity, it is not surprising that while our mothers' generation wore a "signature" scent, women today have a "fragrance wardrobe" of at least six scents for different occasions.

The first form of fragrance was incense, dating from around 4,000 years ago. It was highly valued in Biblical times. In the New Testament, the three wise men offered gifts of gold, frankincense and myrrh to the infant Jesus. The Romans used perfumes lavishly, applying fragrances to their bodies up to three times a day, animals were perfumed, at feasts scented birds were released into the air. The Greeks researched essential oils and their plant origins, discussing the effect of various scents on our moods and thinking.

Linking the past and the present of the fragrance industry are the Arabs who perfected the process of distillation, the art of extracting oils from flowers. Until this discovery liquid perfumes were a mixture of oil and crushed herbs, or petals which made a strong blend. The first distilled perfume was probably rose

water, which quickly became popular.

Today's marketplace is more complex. The most concentrated form of fragrance oil (and the most expensive) is known as perfume. The longest-lasting of fragrance forms, perfume may contain several hundred ingredients and is approximately 20-50% perfume compound. Eau de parfum is an alcoholic perfume solution containing 10-15% perfume compound, while eau de toilette is a light form of a fragrance, with a 3-8% concentration of perfume compound in an alcohol water base. Cologne is even less concentrated, created with approximately 4% of fragrance oil.

The original eau de cologne was created in the 18th century. Although the word cologne is a French name given to the German city of Köln, the origins of cologne lie with an Italian. Created by Paolo Feminis in 1709 and called Aqua Admirabilis, it was a refreshing blend of rosemary, neroli, bergamot and lemon used in a multitude of ways – in bath water, mixed with wine, eaten on a sugar lump, as a mouthwash, a poultice... One of Feminis' descendants eventually sold the formula to a perfumer who opened a factory at 4711 Glockengasse. Today the traditional fragrance known as Eau de Cologne is still sold under the name 4711 and is the world's oldest and most continuously produced fragrance.

Perfume really came into its own in France in the 18th century. Louis XV's court was known as "le cour parfumée" and the king demanded a different scent for his apartment every day. So popular were fragrances in France that the town of Grasse, with its jasmine, rose and orange-growing trades, quickly established itself as the centre for raw materials for the fragrance industry. The men who treated leathers in the area found the smells so bad that they perfumed themselves and the leathers. They were extremely knowledgeable about making botanical essences and were perhaps the earliest perfume 'Noses'.

Today, Noses, creators of fragrance, are held in the highest esteem in the industry. They generally serve an apprenticeship of at least six years before they move up the



## CHOOSING THE PERFECT FRAGRANCE



"THE MAIN PURCHASERS of fragrance are men buying for women," says Anne, a frontline sales person for Nuance-Watson at Hong Kong International Airport. "Generally they are buying fragrance as a present for their wives or girlfriends and many buy gift sets that offer better savings." While the image of a harried businessman buying a last-minute gift may be stereotypical, Anne says that many men are savvy shoppers, carefully choosing a fragrance for its scent, and paying particular attention to the brand and – importantly – the price.

"Current fragrance favourites are Bvlgari Aqua for men, and Be Delicious by DKNY for women" says Anne. "It is a fruity fragrance that appeals to younger women. It's been a big hit and has definitely benefited from lots of advertising support," she explains. "Fashion is a huge influence in the fine fragrance marketplace. Dior, Gucci, Bvlgari are all very popular. The appearance of the bottle is also crucial," she continues. "Many people collect fragrances for the bottles as much as for the scent. And a big development recently has been the growth in celebrity endorsements – a prime example being Nicole Kidman's recent campaign for Chanel No.5."

"At the end of the day, some fragrances just have longevity – scents like Chanel No.5, Dior's J'Adore and Lancome's Miracle just sell and sell. It's a magical combination of the scent, the brand and the presentation that just can't be bettered!"



ranks. Primarily a good Nose needs a keen sense of smell, able to distinguish not only between the fragrance of different flowers, but also between oils of the same species of plant cultivated in different countries.

A truly great perfume takes time and plenty of patience. Surrounded by bottles of precious essential oils, the perfumer slowly builds the fragrance. During the blending, he or she may dip long pieces of blotting paper, known as mouillettes, into the solution and put them aside to dry. At intervals these strips are sniffed to determine what should be added to the final composition. A good fragrance develops over time. Applied to the skin, the fragrance has an initial impact of 'top notes' which last 5-10 minutes. Then comes the bouquet, the heart or middle note. This is the scent that emerges once the fragrance has blended with a person's unique skin chemistry and normally takes up to 20 minutes to fully develop. The final expression of a scent is the base

**DID YOU KNOW?**  
*The French Emperor  
Napoleon had two  
quarts of violet cologne  
delivered to him  
every week and he  
is said to have used 60  
bottles of double extract of  
jasmine every month.*

note, which is how the fragrance will finally smell on a person.

As Grasse became the centre for raw materials, so Paris became its commercial counterpoint and the world centre for perfume. Houses such as Houbigant, Lubin, Roger & Gallet and Guerlain were all based in Paris during this period. Changing tastes in the 19th century laid the foundation of modern perfumery as alchemy gave way to chemistry and the end of the century heralded the first real era of fragrance as we know it. Synthetic perfume products took the place of hard to find or expensive ingredients. Single flower scents, so popular at the turn of the century, were replaced by floral bouquets, which in turn gave way to the more abstract fragrances that we are familiar with today.


Perhaps the first truly modern perfume was Chanel's No.5. Launched in 1921 and so named because it was the fifth in a line of fragrances Ernest Beaux



presented to Coco Chanel, it was the first completely synthetic mass-market fragrance. French perfumery reached a peak in the 1950s, with designers such as Christian Dior, Jacques Fath, Nina Ricci and Pierre Balmain creating their own fragrances.

It was in the 1960s with the advent of mass commercial air travel and duty free sales that ordinary people began to buy perfume in quantity. Yves Saint Laurent launched Y and Rive Gauche, Guy Laroche presented Fidji in 1966. 'Charlie' and the modern, independent woman epitomised the 1970s. The 1980s were the era of the designer fragrance – blatant erotic advertising generated enormous attention for designer Calvin Klein when he launched Obsession, and image and gimmick caught the public's attention for Jean Paul Gaultier's glass torso in a tin.


The 1990s were marked by the popularity of fresh scents such as Issey Miyake's L'Eau d'Issey. A new trend emerged as more and more consumers began to use more than one fragrance. Celebrity endorsements were fashionable and popular – in 1991 one of the most



**DID YOU KNOW?**  
*The pharaohs of ancient Egypt were always buried with perfumes in their tombs. The scented oils buried with Tutankhamen were so potent that a trace of fragrance could still be detected when his tomb was opened – after more than 3,000 years.*

successful fragrances ever was launched. Lancome's Tresor was promoted by actress Isabella Rossellini and had sales of US\$36 million in its first year.

Today, launching a perfume can cost US\$1-2 million so the scent has to be carefully assessed to make sure that it matches the mood of the era. To keep up with the consumer's desire for new fragrances, many fragrance houses are now producing limited edition perfumes for just a few months in bottles designed to become collector's items. Celebrity fragrances continue to be big news, with scents from Jennifer Lopez, Britney Spears and Beyonce proving to be big sellers in the worldwide marketplace.

Whatever it is that captures the imagination about a particular fragrance, there is no shortage of contenders for the Next Big Thing. Perhaps Giorgio Armani, who has been responsible for some of the most memorable fragrances of recent years, summed it up best: "Perfume" he has said, "is more than an extraction; it is a presence in abstraction. A perfume, for me, is a mystique." A mystery indeed, as elusive as smoke. 

## A.S. WATSON'S BEAUTY TOP SPOT

**T**HE RECENT PURCHASE of French toiletries retailer Marionnaud by A.S. Watson marks a further advance into beauty and cosmetics retailing for the group. "What this deal has done is put us on the world map in terms of retailing," says Mr Ian Wade, A.S. Watson Group Managing Director. "It has given us a lot of exposure and made us one of the significant contributors to the group."

A.S. Watson, which will acquire 1,300 Marionnaud outlets in Europe through the deal, already owns several toiletries and cosmetic chains in Europe, including Superdrug and Savers in Britain and ICI PARIS XL in Belgium and the Netherlands. "We got our first taste of this sector with acquisition of Kruidvat and ICI PARIS XL. We liked the category and looked around for other opportunities. We've been looking at Marionnaud for about two years and the time was finally right," says Wade. Marionnaud is a natural fit for A.S. Watson, which previously did not have a presence in France or many of Marionnaud's key markets, including Italy, Spain and Austria.

Marionnaud is Europe's number one perfume retailer in terms of outlets. Nearly half of its stores are in France, where it has a 30%

market share. Marionnaud is also expanding in Southern Europe through acquisitions in Spain, where it has about 180 shops, and Italy (with 130-plus perfumeries). Marionnaud Parfumeries operates about 150 perfumeries throughout Eastern Europe.

"This deal will have considerable impact on our business," explains Wade. "It builds on A.S. Watson's existing health and beauty retail operations and greatly strengthens our position in the perfumeries and cosmetics sector". The deal makes

A.S. Watson the world's largest health and beauty retailer in terms of outlets. The family of branded stores extends over 31 markets around the world. A.S. Watson also operates airport retail specialist Nuance-Watson, a joint venture with the Nuance Group of Switzerland. The Marionnaud deal means A.S. Watson will now have more than 6,200 retail stores worldwide, ranging from health, beauty and perfumeries to food, electronics and fine wines. "In the future, we will consolidate our position and look around for other geographical opportunities that may present themselves. We are always looking to add to our portfolio at the right time," says Wade.





# Hi-Energy Empowers Hong Kong

**A**N ELECTRICITY INDUSTRY PIONEER, The Hongkong Electric Co., Ltd. (HEC) was incorporated in 1889. It has seen many changes since then.

HEC's substations illustrate one of the most visually striking changes. A vital part of the supply process, substations gather and distribute electricity for a given population area.

**Then ...** In the early 1920s, when land was needed for substations, Hong Kong's prime real estate prices were probably the highest in the world. So even though the first substations required sites of just 1,200 sq ft – and HEC had fewer than 50 then – they often had a dual purpose. In many of them, the upper floors were used as living quarters for staff. Other substations served as retail shops.

**Now ...** The impressive tower that is the HEC Tamar Substation on a 20,000 sq ft site on Hong Kong Island, shows how things have changed. It is one of HEC's most modern substations – out of more than 3,000 – and almost indistinguishable from the surrounding commercial high-rises. Tamar is truly a power house, whose 240 megawatt-ampere capacity meets the huge demand for electricity from the Central, Admiralty and Wan Chai districts.

And this giant facility can even be operated unmanned: all switching is handled by a remote system control centre on the other side of Hong Kong Island. A far cry indeed from the days when Hongkong Electric's engineers were literally "living over the shop"!

