HUTCHISON UPDATES

HUTCHISON WHAMPOA LIMITED

Hutchison Whampea Limited’s unaudited profit attributable to shareholders for the half year ended June 30, 2002 amounted to HK$5,951 million (approximately US$763 million) compared to HK$7,179 million in the same period last year. Earnings per share were HK$1.40 compared to HK$1.68 in the same period last year. The interim dividend was HK$0.51 per share, unchanged from the first six months of last year.

Total turnover increased 7% to HK$46,593 million. Total EBIT was HK$9,834 million, 12% below last year’s comparable period. All of the Group’s core businesses reported EBIT ahead of the same period last year except for Husky Energy and the Finance & Investments division. Ports & Related Services, Telecommunications, Retail & Manufacturing and Cheung Kong Infrastructure divisions all reported EBIT growth of 10% or more while the Property & Hotels division was in line with the previous year’s comparable period. The results include profits totalling HK$1,524 million (2001 – HK$1,129 million) comprised of HK$1,150 million from sales to strategic partners of equity interests, ranging from 1% to 3%, in certain ports and the write-back of a provision of HK$395 million previously made for Hutchison Harbour Ring, which has been trading at a premium to the Group’s book cost.

Consolidated cash and liquid assets totalled HK$121,482 million compared to total borrowings of HK$155,982 million, a debt to capital ratio of approximately 12%.

Full results at www.hutchison-whampoa.com/eng/investor3.htm

TURNOVER AND EBIT BREAKDOWN BY DIVISION FOR INTERIM 2002

<table>
<thead>
<tr>
<th>Division</th>
<th>Turnover (HK$ millions)</th>
<th>Change</th>
<th>EBIT (HK$ millions)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ports &amp; Related Services</td>
<td>9,375</td>
<td>36%</td>
<td>3,164</td>
<td>22%</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>6,398</td>
<td>23%</td>
<td>678</td>
<td>10%</td>
</tr>
<tr>
<td>Property &amp; Hotels</td>
<td>2,377</td>
<td>(11%)</td>
<td>981</td>
<td>0%</td>
</tr>
<tr>
<td>Retail &amp; Manufacturing</td>
<td>16,364</td>
<td>12%</td>
<td>308</td>
<td>13%</td>
</tr>
<tr>
<td>CKI division</td>
<td>4,935</td>
<td>(2%)</td>
<td>2,171</td>
<td>10%</td>
</tr>
<tr>
<td>Husky Energy</td>
<td>5,304</td>
<td>(16%)</td>
<td>938</td>
<td>(29%)</td>
</tr>
<tr>
<td>Finance &amp; Investments</td>
<td>1,840</td>
<td>(34%)</td>
<td>1,594</td>
<td>(53%)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>46,593</strong></td>
<td><strong>7%</strong></td>
<td><strong>9,834</strong></td>
<td><strong>(12%)</strong></td>
</tr>
</tbody>
</table>

HUTCHISON TELECOMMUNICATIONS (AUSTRALIA)

Interim 2002: Turnover HK$1,921.1m, EBITDA HK$492.7m, Operating profit HK$241.7m, Net income HK$2.4m.

Interim 2001: Turnover HK$1,501.0m, EBITDA HK$261.3m, Operating profit HK$241.7m, Net income (HK$181.0m).

HUSKY ENERGY

Interim 2002: Turnover $3,018m, EBIT $841m, Basic earnings per share $0.93, Dividend paid per share $0.18.

Interim 2001: Turnover $3,511m, EBIT $586m, Basic earnings per share $1.15, Dividend paid per share $0.18.

CHEUNG KONG INFRASTRUCTURE

Interim 2002: Turnover HK$1.875m, EBIT HK$1.491m, Basic earnings per share HK$0.66, Dividend per share HK$0.215.

Interim 2001: Turnover HK$1.901m, EBIT HK$1.509m, Basic earnings per share HK$0.67, Dividend per share HK$0.21.

HONGKONG ELECTRIC HOLDINGS

Interim 2002: Turnover HK$5.156m, EBIT HK$2.418m, Basic earnings per share HK$1.14, Dividend per share HK$0.12.

Interim 2001: Turnover HK$4.909m, EBIT HK$2.416m, Basic earnings per share HK$1.14, Dividend per share HK$0.12.

HUTCHISON HARBOUR RING

Interim 2002: Turnover HK$660.3m, EBIT HK$23.3m, Basic earnings per share HK$0.41, Dividend per share HK$0.01.

Interim 2001: Turnover HK$21.5m, EBIT HK$(104.8m), Basic earnings per share HK$(1.88), Dividend per share HK$(0).

TOM.COM

Interim 2002: Turnover HK$679.2m, EBITDA HK$49.6m, Operating profit HK$2.3m, Basic earnings per share HK$(0.72), Dividend per share HK$0.

Interim 2001: Turnover HK$222.2m, EBITDA HK$(12.1m), Operating profit HK$(119.4m), Basic earnings per share HK$(1.43), Dividend per share HK$(0).

On Top

In its World Investment Report 2002, the United Nations Conference on Trade and Development (UNCTAD) has ranked Hutchison Whampea Limited at the top of the list of 100 largest transnational corporations (TNCs) from developing countries / economies worldwide.
Acquisition puts A.S.Watson in Top Three

In its biggest acquisition to date, A.S. Watson Group (ASW) has acquired Netherlands-based Kruidvat Group, making ASW the world’s third-largest health and beauty chain by outlets. The Kruidvat portfolio includes Superdrug in the UK, Kruidvat and Trekpleister in the Netherlands, Kruidvat in Belgium; Rossmann (50% interest) in Poland, Hungary and the Czech Republic; and perfumery retail chain ICI Paris XL in Belgium and the Netherlands. Together these comprise 1,900 health and beauty outlets employing 24,000 people. The acquisition, subject to approval from European Union regulatory authorities, increases ASW’s global reach to 3,200 retail stores in 20 countries. ASW paid approximately €1.3 billion (about US$1.26 billion) for Kruidvat. Combined sales of ASW and the Kruidvat Group are expected to exceed €7 billion this year, rising to €8 billion in 2003. The contribution by the retail division to HWL’s total turnover is expected to increase from approximately 30% to 40%. ASW Group Managing Director Ian Wade said the Group aimed to increase the number of its stores worldwide to over 4,000 in three years and had set a target to become the world’s largest health and beauty retail group within five years, overtaking US giants Walgreens and Rite Aid. ASW has the option to acquire a 40% stake in Rossmann’s German operation within two years of the Kruidvat deal, providing 650 existing stores. The Kruidvat acquisition is the latest move in the Group’s strategic expansion into Europe’s retail market, following the purchase in 2000 of UK-based chain Savers, which currently has 280 stores nationwide. With the addition of 706 Superdrug stores, the total number of shop-fronts in the UK rises to 966 with more openings planned. The Group will use these stores to offer more points of sale for its 3G mobile communications business in the UK through the “store within a store” concept.

PARKnSHOP Megastores Open in China

PARKnSHOP has launched two new megastores in Southern China following the success of the first, which opened in February 2001 at the Cultural Plaza, Dongguan. In July, the supermarket chain launched a 200,000-sq-ft megastore in the City Owner District of Shenzhen. This was followed by the PARKnSHOP Guangzhou Fujing Garden Megastore, which opened for business in September. With an area of 203,880 sq ft, it is PARKnSHOP’s biggest store in China to date. The megastore format offers a huge range of products in its many Mini-Worlds, from groceries and fresh food to textiles, toys, electronics and cosmetics. PARKnSHOP meanwhile was named Hong Kong’s “Most Favoured Brand” in a worldwide survey by research house Ipsos-Reid, which polled more than 17,000 people in 22 countries. Hong Kong was the only country in which a retailer took top spot.

Premier Visits Newest Watsons Store

Symbolising her intent to reduce the price of medicines in the Philippines, President Gloria Macapagal Arroyo in July paid a visit to the opening of Watsons’ latest health, drug and beauty outlet in Manila, the Mandaluyong City store at the SM Megamall. The President was accompanied by Secretary of Trade and Industry Manuel Roxas, Health Secretary Manuel Dayrit, and Dr William Torres, Chief of the Philippines Bureau of Food and Drug, to exceed €7 billion this year, rising to €8 billion in 2003. The contribution by the retail division to HWL’s total turnover is expected to increase from approximately 30% to 40%. ASW Group Managing Director Ian Wade said the Group aimed to increase the number of its stores worldwide to over 4,000 in three years and had set a target to become the world’s largest health and beauty retail group within five years, overtaking US giants Walgreens and Rite Aid. ASW has the option to acquire a 40% stake in Rossmann’s German operation within two years of the Kruidvat deal, providing 650 existing stores. The Kruidvat acquisition is the latest move in the Group’s strategic expansion into Europe’s retail market, following the purchase in 2000 of UK-based chain Savers, which currently has 280 stores nationwide. With the addition of 706 Superdrug stores, the total number of shop-fronts in the UK rises to 966 with more openings planned. The Group will use these stores to offer more points of sale for its 3G mobile communications business in the UK through the “store within a store” concept.

Global Crossing Deal

Hutchison Telecommunications has joined forces with Singapore Technologies Telemedia to invest US$250 million for a 61.5% majority interest in Global Crossing on its emergence from bankruptcy. Global Crossing’s integrated global IP-based network reaches 27 countries and more than 200 major cities.

The agreement was approved by the Bankruptcy Court for the Southern District of New York with the support of Global Crossing’s creditor groups. The company is undergoing a Chapter 11 reorganisation plan and the new investment is expected to fund its emergence from bankruptcy in early 2003, subject to regulatory approvals.

Continuity Solution

HONG KONG

Hong Kong-based Hutchison Global Crossing has changed its English name to Hutchison Global Communications (HGC), effective August 20. The change followed Hutchison’s repurchase of Asia Global Crossing’s 50% interest in HGC in April 2002, making HGC a wholly owned subsidiary of HWL. HGC’s Chinese name remains unchanged.

Meanwhile, building on its fibre optic network, HGC in August launched ContinuityONE, a one-stop business continuity solution that offers seamless connectivity, sophisticated network equipment, networked storage technology and data centre management. With HGC as the service integrator, ContinuityONE also provides consultancy, infrastructure design, installation, network testing and implementation, and disaster recovery operation and management. Customers needing to build a data centre can also take advantage of the world-leading hosting facilities of Hutchison Global Center.
## Hutchison adds Visual Dimension to Communications

**HONG KONG** Since Hutchison Telecom’s June launch of the Orange MMS service, Hong Kong residents have been using their handsets to take and exchange photographs integrated with text and voice. Orange MMS users can take a picture with their MMS handset then send it to their personal “Photo Album” at www.orangehk.com for storage, or to the “Gallery Area”. They can even arrange to have their photos printed via “Fotomax”, the one-stop online printing service. Orange photos printed via “Fotomax”, the one-stop online printing service. Orange MMS offers over 170 choices of images provided by Sanrio, So-net, Ori-sun.com, Hallmark, Yeahmobile and Orange in-house images for downloading. Users can download these images from OrangeWorld’s MMS library, or from the MMS library at www.orangehk.com. Then, send to their friends’ MMS handsets or email accounts. Users can also compose their own MMS and upload to www.orangehk.com.

In another boost for customers, Hutchison Telecom has teamed up with m499.com and Sierra Wireless to deliver the first tri-band wireless datacard in Hong Kong—AirCard 750—on its GSM/GPRS network, allowing Orange users to enjoy reliable access to the Internet, email and other corporate solutions via laptop computers or PDAs. With Hutchison Telecom’s GPRS roaming coverage, users enjoy mobile data services in 21 countries and regions round the world. Services include Orange MMS, BlackBerry Wireless E-mail Solution, Wireless Internet access and OrangeWorld wirefree Internet service (WAP).

## Music on the Move

**ITALY** H3G has contracted Vitaminic to provide content for its radiomobile network. Under the deal, Vitaminic will use its content and technology to create, plan and develop an M-site for the new 3 service. The M-site—an Internet site designed for on-the-move use via mobile terminals—will offer access to music from more than 95,000 artists and 1,500 labels as well as music-related services and information.

## Smart Buildings

**HONG KONG** Hutchison Telecom has been selected by Hong Kong Land to deploy an Integrated Radio Distribution System (IRDS) in the property developer’s nine commercial buildings in Central. Utilising Hutchison Telecom’s Orange network, the system will provide coverage in all public areas, covering shopping arcades, restaurants, podiums, basements, car parks and even underground in the MTR stations. The buildings include One, Two and Three Exchange Square, Prince’s Building, Alexandra House, Gloucester and Edinburgh Towers at The Landmark, Jardine House and Chater House.

## Alcatel Builds Backbone

**ITALY** Alcatel has signed a frame agreement with H3G to implement H3G’s backbone and metropolitan transmission networks in Italy. Alcatel will supply its DWDM and SDH multi-service transport systems and SDH microwave radio systems on a turn-key basis. Their deployment—spanning about 6,000km from Turin in the North to Palermo in the South—will allow H3G’s transmission platform to support a wide range of broadband and UMTS-based services, while maximising savings.

## Ratings Upgrade

**ISRAEL** Moody’s Investors Service in June upgraded the credit ratings of Partner Communications. Partner’s senior implied rating went up to Ba3 from B1, its issuer rating to B2 from B3, and the rating regarding Partner’s US$175 million senior subordinated global notes, due in 2010, to B2 from B3.

## Plug in for Broadband

**HONG KONG** Hutchison Global Communications (HGC) has teamed up with a joint venture comprising Cheung Kong (Holdings) (81%) and CLP Telecom (19%) to provide Hong Kong’s first-of-its-kind broadband Internet service via electric power networks. Meanwhile, Malaysian mobile operator TIME dotCom has contracted HGC to provide voice, data and multimedia services to multinational corporations in Malaysia.

## On the Map

**EUROPE** Hutchison 3G UK has secured the services of content providers Ordnance Survey, the UK’s national mapping agency, and TeleAtlas, which will provide mapping data for the UK and Europe, supplying street plans and routing and navigation information for over 30,000 cities. The service will be available to all Hutchison’s 3G operations in Europe.

## Music on the Move

**INDIA** Hutchison Essar in June launched mobile operations in Chennai, Andhra Pradesh and Karnataka circles under the common brand name Hutch, the first of a family of brands the company will unveil. Hutchison, which continues to operate in Mumbai under the Orange brand, is the only mobile operator in India with a service in all four metros.
Meanwhile, Hi3G is collaborating with equally granted co-location on Hi3G’s masts. Locating and installing Hi3G’s UMTS antennas space on its existing masts in Sweden for co-coverage.

Roaming Agreement

Hutchison 3G Austria has signed an agreement with GSM operator Mobilkom to provide 2G national voice and data roaming, which will give Hutchison 3G almost full national coverage for voice, GPRS and SMS services from the very first day of operation.

Vendor Software Solution

UCI/HEH Acquire Australian Power Company

Cheung Kong Infrastructure Holdings (CKI) and Hongkong Electric Holdings (HEH) in July acquired Australian electricity company CitiPower for a net A$1.418 billion (approximately US$792 million). The acquisition, from AEP Resources, the wholly owned Australian subsidiary of American Electric Power, follows the September 2000 purchase by CKI/HEH of Powercor Australia, and of ETSA Utilities at the end of 1999. CitiPower distributes approximately 5,300 GWh of electricity to around 265,000 customers in the Melbourne area. Consisting of a network distribution business as well as a retail operation, the total consideration for the CitiPower tender was A$1.555 billion. The CKI/HEH partnership will take up the distribution business, valued at A$1.418 billion, and on-sell the retail business to Origin Energy for A$137 million. This follows the practice seen in both the ETSA and Powercor transactions, in which CKI and HEH have focused on building strong critical mass in power distribution while disposing of related retail businesses. Together with Powercor, CKI/HEH will own two out of five electricity distributors in Victoria, supplying almost 14,000 GWh to 890,000 customers. In South Australia, ETSA Utilities supplies 10,000 GWh to approximately 747,000 customers. The three together make CKI/HEH the biggest electricity distributor in Australia.

First Oil from Wenchang

Husky Energy and co-partner China National Offshore Oil Corp (CNOOC) in June achieved first oil production from the Wenchang offshore project in the South China Sea. Blocks 13-1 and 13-2 are producing oil from two fixed platforms and from the FPSO vessel Nanhui Endeavour. Husky has a 40% working interest in the Wenchang oil fields, which have estimated reserves of 83 million barrels.

Meanwhile, Husky has contracted Norway’s Knutsen OAS Shipping for two new-build shuttle tankers to transport oil from the White Rose offshore project to market once production begins in late 2005. Husky and Petro-Canada, as co-charterers, signed the time charter agreements with Knutsen as owner. One tanker will be chartered for 10 years and the other for five years, with options to extend. The shuttle tankers – each with a one million-barrel capacity – will be built by South Korea’s Samsung Heavy Industries. Delivery of the Suezmax-size vessels is planned for the second quarter of 2005.

In a further development, Husky has awarded a C$250 million (about US$159.5 million) contract to Technip CSO Canada for the subsea production system of the White Rose oil field project. The contract covers design, supply and installation.

Collaboration Deals

H3G and Telia AB are working together on the co-location of masts. Under the terms of a September agreement, Telia Mobile will lease space on its existing masts in Sweden for co-locating and installing H3G’s UMTS antennas where there is available space. Telia Mobile is equally granted co-location on H3G’s masts. Meanwhile, H3G is collaborating with Vodafone to allow H3G’s customers in Sweden to use Vodafone’s GSM (national roaming) network in areas where H3G lacks coverage.

Software Sign-ups

Hutchison 3G continues to sign up software vendors to provide key components of the middleware infrastructure of its 3G network. Most contracts allow for the deployment of platforms first in the UK then in other countries where Hutchison 3G has a presence. Recent signings include:

<table>
<thead>
<tr>
<th>Software Sign-ups</th>
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</thead>
<tbody>
<tr>
<td><strong>UK</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Vendor</strong></th>
<th>Software Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>SchlumbergerSema</td>
<td>Usimen – USIM smart cards.</td>
</tr>
<tr>
<td>Elata</td>
<td>Sensors – wireless Java delivery manager.</td>
</tr>
<tr>
<td>Whereonearth / Telcontar</td>
<td>Location-based software services, data engineering tools and professional services.</td>
</tr>
<tr>
<td>IONIC Software</td>
<td>Standards based software such as Web Feature Server (WFS) and Web Map Server (WMS).</td>
</tr>
<tr>
<td>TeleCommunication Systems (TCS)</td>
<td>Location-based software and services, including Xypoint Location Platform (XLP).</td>
</tr>
</tbody>
</table>

Property & Hotels

Our Lucaya Beach & Golf Resort in Grand Bahama has earned a prestigious “2002 Gold Key Award” from Meetings & Conventions magazine. The award is bestowed on “The World’s Finest Meeting Properties” and properties are judged on strict industry criteria including: staff attitude, quality of meeting rooms, guest services, food and beverage service, reservations proficiency, recreational facilities and availability of technical equipment and support.

applause

Metropolis Opens

Harbour Plaza Hotels and Resorts celebrated the latest addition to the family on June 28 when the Harbour Plaza Metropolis opened for business. Located in Kowloon, the hotel boasts stunning views of Victoria Harbour and is minutes away from the MTR, the Tsimshatsui East Ferry Pier and the downtown shopping district. With 690 guestrooms and suites, the Metropolis offers a comprehensive range of top-quality services and facilities.


<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Metropolis Opens</strong></td>
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</tr>
</tbody>
</table>

S P H E R E


**HIT Enhances Service**

Hongkong International Terminals (HIT) has implemented a new phase of its Customer Plus system, a B2B interface used for exchanging terminal/container information with shipping lines. The web-based system offers streamlined access to information about more than 30 registered shipping lines. HIT meanwhile has won the “Best Container Terminal Operator” in this year’s Lloyd’s List Maritime Asia Awards.

**YICT Boosts Productivity**

Yantian International Container Terminals (YICT) has taken delivery of 17 new “one-over-five high” Rubber-tyred Gantry Cranes (RTGCs) from Zhenhua Port Machinery, bringing to 70 the number of cranes in operation. The equipment will increase the container yard’s productivity, accelerating container turnover and improving service to truckers.

**Contract Cemented**

Harwich International Port has signed a 15-year contract with Derby Cement to import cement to the UK. The July agreement will see the construction of a purpose-built 4,800-sq-m cement terminal able to store more than 20,000 tonnes of bulk-bagged cement and with equipment enabling the dispatch of bulk tanker loads or 1.5 tonne bulk-bags. Meanwhile, a new four-lane freight entrance has opened at the Port, giving direct access to the recently opened second phase of the Parkeston bypass. The Port worked in partnership with Essex County Council to build the new bypass at a cost of £1 million (approximately US$1.55 million). The freight entrance is equipped with an automated weighbridge.

**Thamesport Factory Development**

Thamesport has signed a 15-year contract with Winpae (UK) for the development of a purpose-built 30,000-sq-ft factory at the port. With the aim of expanding Winpae’s paperboard operation, the raw product will be transferred directly from the vessel into quayside warehouses, then delivered to the factory for processing, labelling and packaging, and on to waiting trucks for delivery – all to customers’ exact specifications. The factory will be operational by February 2003 and is expected to handle 50,000 tonnes a year initially, rising to over 70,000 tonnes within two years.

**Felixstowe on Track for Growth**

In a move that will significantly reduce the number of lorries on Britain’s roads, Ipswich-based Medite Shipping has contracted GB Railfreight (GBRF) to increase container train links to the Port of Felixstowe. The services from Port of Felixstowe to Selby and Doncaster in North Yorkshire, and from Felixstowe to Hams Hall near Birmingham, will use dedicated resources. Services will increase to five days a week for both the routes, up from three times and twice a week respectively. Rail volumes represent 20% of the port’s available UK domestic throughput. The service is fully supported by a track access grant from the Strategic Rail Authority and will save more than 25,000 long-haul lorry trips a year, per train.

Meanwhile, Port of Felixstowe welcomed its namesake, the 280m long, 5,400 TEU vessel COSCO Felixstowe, on its inaugural voyage in May.

**Balboa Expands**

Panama Ports in July started construction work on Phase III of the Balboa Container Terminal development project. The company is investing US$200 million to expand its container handling facilities at the Port of Balboa, located on the Pacific side of Panama. On completion, the terminal will provide 840m of quay with 12.9m of draft. The project includes a 15.4-ha fully equipped container yard for an annual total handling capacity of one million TEUs.

**A Cruiser Calls**

Harwich International Port in July saw the inaugural call of Royal Caribbean International’s new cruise ship Brilliance of the Seas, the first of six planned calls in 2002. At 292m, the vessel can carry 2,501 passengers and 864 crew and is the largest ship to have berthed at Harwich.

In a further development, Stena Line in September launched a new service from Harwich to Rotterdam.

**TOM Moves in to Mainland**

Marking its first move into the Mainland China publishing business, the TOM Group has teamed up with state-owned SDX Joint Publishing (Sanlian), acquiring a 49% stake for 40 million yuan (about US$4.8 million). Sanlian publishes four national magazines, including Sanlian Life Weekly. TOM has also signed a letter of intent to set up a Sino-foreign JV with Popular Computer Week Publishing House and China Science Media. The JV will operate the distribution and advertising business of Popular Computer Week, Popular Computer Week CD-ROMs, Popular Computer Week Bound Volume and other IT-related reference books. This JV will be a model for similar partnerships in China’s recently re-formed media market. TOM holds 49% interest in the JV, which has a term of at least 20 years.