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Cover: PARKISHPH is replicating its winning formula across Hong Kong and China. Photography by Gary Chen.

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**CORPORATE**

Hutchison Whampoa Limited recorded an unaudited profit attributable to shareholders for the half-year ended June 30, 2001 of HK$57.193 million (about US$7.32 billion), compared to HK$51.120 million in the same period last year. Earnings per share were HK$0.49 down from HK$0.59. The interim dividend was HK$0.51 per share (HK$0.51 in 2000). 69% of profits were generated outside Hong Kong.

Turnover totalled HK$43.62 billion, a 5% increase over the comparable period last year. Total EBIT was HK$61.201 million, a 7% increase, reflecting growth in the Energy & Infrastructure businesses.

**NOTED**

Hutchison has been ranked 96 in The Banker’s Global 500 list in July, up from 109 in 2000. The Group has also been named Best Continental and received the Best Logistics award in the fourth annual Global Finance Asia Pacific Companies Awards 2001, which ratas Asia Pacific companies from 25 industries sectors.

**HUTCHISON WHAMPORA LIMITED**

Hutchison paid HK$52.8 million for a 17% stake, while leading investor (Holdings) (CDO) have increased their stake in US-based priceline.com by purchasing an aggregate of 29,500,023 shares from priceline’s founders Joy Wu and his wife. As a result of this acquisition, each company holds approximately 19% (a combined 38%) equity interest in priceline.com.

Hutchison will receive 2 additional seats on priceline.com board, bringing the total to 11 seats. Priceline.com recently announced an agreement to spin off its OSIS division into a new company.

**HHLA Acquires ICX Asia**

HHLA, a wholly owned subsidiary of ICX Asia, entered into a joint venture agreement with Reading Investments of a 53.9% stake in the ICX Continental Group (CGL).

HHLA and Reading made a voluntary conditional cash offer in June to acquire all the remaining issued shares, along with the remaining 66+6% ICX Asia and the 16% of ICX for each HK$1.

**TELECOMS**

H3G Chooses Partners

H3G chooses Ericsson and Siemens-NEC to build its 3G infrastructure network. H3G, which is 76% owned, will become the first operator in Europe to offer customers a full-scale 3G service. Ericsson will also build its core network infrastructure as well as 45% of the radio access components with Siemens-NEC building 55% of the radio access components. An estimated 3,000 sites will be in service in the summer of 2002. These are expected to be in use in late 2003.

On the Ball

HUTCHISON WHAMPORA LIMITED

Hutchison Whampoa Ltd. (HHLA) is the holding company of the Hutchison Whampoa Group of companies, which has operations in telecommunications, information technology, and real estate.

HHLA is 81.7% owned by the Hutchison Whampoa Group, while the remaining 18.3% is held by the ICX Continental Group.

HUTCHISON WHAMPORA LIMITED

Hullaschw Waipapa Limited (HHLA) is the holding company of the Hutchison Whampoa Group. The Group has operations in telecommunications, information technology, and real estate.

In 2000, Hutchison announced a major expansion of its telecommunications services, including the launch of a new mobile phone service and the development of a new broadband internet service. The Group also has significant investments in the US, Europe, and Asia.

HHLA is 81.7% owned by the Hutchison Whampoa Group, while the remaining 18.3% is held by the ICX Continental Group.

**LEADING THE WAY**

Partner Communications has been in operation since 1984. The company offers a range of services, including voice, data, and video transmission, as well as network management and support. The company has a presence in over 100 countries around the world.

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**TELECOMS**

Partner Communications has been in operation since 1984. The company offers a range of services, including voice, data, and video transmission, as well as network management and support. The company has a presence in over 100 countries around the world.
Hutchison Global Crossing and Guangdong Telecom are cooperating on the construction of two 3G networks for the Guangdong-Hong Kong area. The two companies have signed an agreement to develop a joint network for the region, which will provide high-speed data and voice services to residents and businesses in the two territories.

Hutchvision Telecommunications has stored licences for a number of new telecoms in the region. The licences cover Nauru, Kiribati, which includes the Cook Islands and Tonga, and the Federated States of Micronesia, which includes the Marshall Islands and the Federated States of Micronesia. Hutchvision has also stored licences for several other territories, including the Cook Islands and the Federated States of Micronesia.

Hutchison Whampoa has also been awarded licences for a new network in the region, which will provide high-speed data and voice services to residents and businesses in the two territories.
HUTCHISON UPDATES

Newsgates

ENERGY & INFRASTRUCTURE

Husk Earnings Soar

Husk Energy posted earnings of $215 million (about $156 million) for the first quarter 2001 ($0.56 per common share), an increase of 44 times over earnings of $5.5 million in Q2 1999. Husky’s cash flow from operations increased 29 times to C$1 billion (C$ 22 per common share) vs. C$32 million in Q2 2000.

Husk’s operations are in the province of Saskatchewan, Canada, and the company’s operations include: Husky Oil, Husky Energy, Husky Oil Canada, and Husky Energy Canada. Husky Energy has acquired two new projects: Athabasca Oil & Gas and Canadian Oil & Gas. In addition, Husky Energy has entered into an agreement to purchase Husky Energy’s remaining stake in the Horn River Project in British Columbia.

China Alliance

Husk Earnings Soar: Husky Oil China has signed an agreement with China National Oilfield Oil Corporation (CNOC) to explore and develop the Wenchang 15/18 oil field in the South China Sea. Husky has an interest in three of the four oilfields in the South China Sea. The agreement will allow Husky to participate in the development of the Wenchang 15/18 oil field.

NEC Results

The chairman and CEO of NEC, Naoki Tanaka, noted that the company achieved record revenues of 3.7 trillion yen ($30.6 billion) in the fiscal year ended March 31, 2001. The company’s net income was 350 billion yen ($2.9 billion), an increase of 4% from the previous year. NEC’s revenues came from three main business areas: network, communication, and IT services.

HKU Extends Port Services

HKU Port Holdings (HKU) has extended its port service operations by acquiring a new terminal in Malaysia. The terminal will be used to handle containers and other cargo.

Ports

The report highlights the importance of ports in facilitating international trade and transportation. It mentions the role of ports in the development of economies and their strategic significance in global trade. The report also discusses the challenges faced by ports, such as increasing cargo volumes, environmental regulations, and the need for efficient operations.

Property & Hotels

Perfect Balance

More than 100,000 people gathered at the annual Taiwan International Chorgung Metropolitan Plaza in Taipei, Taiwan, to enjoy the cultural and culinary offerings of the event. The event is known for its diverse and vibrant atmosphere, attracting visitors from all over the world.

At Home on the Beach

The Costa del Sol residential development in Singapore is poised to become a landmark address. The development features beachfront villas, a private marina, and a range of amenities, including swimming pools, tennis courts, and a state-of-the-art gym.

For the Record

A new workshop on renewable energy was held in Beijing, China, attracting experts from around the world. The workshop aimed to discuss the latest advancements in renewable energy technologies and their potential applications. The event was organized by the International Renewable Energy Agency (IRENA) and the Chinese Academy of Sciences.

SPEIRE 8

SPEIRE 9
Tony Chan didn’t know how lucky he was. Working for a global investment bank in Hong Kong, he took the bank’s speedy Intranet for granted and regularly used videoconferencing to conduct meetings with his office associates. At home, meanwhile, he could use his dedicated broadband line to download music and video from the Internet in a matter of seconds.

All this changed, however, when Chan was transferred to the bank’s Chicago branch. Although one of the world’s most connected cities, he soon learned that a slow network made videoconferencing impossible, while at his loft apartment the only available Internet connection was a dial-up service that would take over an hour to download a three-minute video clip. For Chan it was a depressing return to yesterday’s technology.

This scenario may strike some as fanciful but is firmly rooted in reality. Chicago possesses a telecommunications infrastructure that pales in comparison to that of Hong Kong. The same, furthermore, can be said of London, Milan, Paris, Tokyo and Sydney. Despite their vaunted positions in the vanguard of global business, culture and style, the telecommunications networks of these cities are more 20th century than new millennium. Only New York’s Manhattan district comes close to Hong Kong in terms of broadband penetration. The reason for this disparity in technology is largely due to the considerable efforts of Hong Kong’s premier telecommunications provider, Hutchison Global Crossing (HGC).

With Hong Kong angling to become Asia’s telecommunications hub — a position that many experts see as the Special Administrative Region’s ideal role — HGC will undoubtedly be the driver behind its development. The company, formed in 1999 as a joint venture between Hutchison Whampoa Limited and backbone provider Asia Global Crossing (AGC), has set its sights firmly on reaching this target — so much so that CEO Peter Wong considers the issue almost moot.

“If Hutchison Global Crossing continues to develop its network, then Hong Kong will automatically become a hub in telecommunications,” Wong says.

UNPARALLELED CONNECTIVITY
The network referred to is the key to the world-beating Internet and network speeds HGC is able to offer business and residential customers alike. Constructed from revolutionary fibre-optic cabling and stretching across the city through 2,000 km of ductwork, it allows the provision of significantly greater bandwidth, which enables the remarkable speeds that Tony Chan so missed when he moved to Chicago. Leveraging on both Hong Kong’s geographical compactness and its high Internet penetration rates, HGC has been able to construct a network that is the envy of cities around the globe, where traditional copper wiring places severe constraints on network speeds.

“The reason why we’re leading the world in this respect, is because of Hong Kong’s unique topology,” says Wong. “As it is a very small, compact place, we have been able to build a fully fibre-optic network relatively easily, compared with North America where you would need to lay miles and miles of fibre.”

HGC’s Broadband service is the most prominent beneficiary of fibre-optic technology. Offering Internet transmission speeds of 10 Mbps for both uploading and downloading data, HGC’s service is significantly faster than the Hong Kong industry standard of 1.5 Mbps. Also, importantly, this speed is dedicated to each line, meaning that each household or business customer is guaranteed a speed of 10 Mbps. (In the past, broadband providers have been able to provide speeds of up to 10 Mbps, but with all the customers in each building sharing the service. Thus, if a building had two customers, transmission speed could drop to 5 Mbps each, and so on.)

Once you have experienced this kind of dedicated speed, it is difficult to return to a slower broadband offering or, worse, a plodding 56K dial-up service. The sheer range of applications is particularly attractive: The service is always on and extremely user-friendly — requiring only an Ethernet card and telephone socket to connect — and both residential and business users can take advantage of a number of services that are only realistically accessible with a HGC broadband line.
Killer Applications
For residential customers, the promise of digital media and interactive television are the key drivers behind broadband demand. Users can watch streaming video and download music tracks in a matter of seconds (a practice that fuelled the rise of websites such as Napster and Broadcast.com). Online gaming is another popular pastime that relies on high-speed broadband access, and Video on Demand (VoD) looks set to revolutionise entertainment in the coming decade. Uploading sophisticated content onto the Internet, meanwhile, is becoming increasingly commonplace, and HGC’s 10 Mbps-upload speed provides users with the ability to transmit complex documents, pictures and video in seconds.

HGC’s Peter Wong is quick to point out that entertainment services are only one aspect of broadband’s attractiveness. One “killer application”, Wong says, is the Hutchison Global Crossing broadband school project, in which a number of schools have been provided with broadband connectivity at discounted rates (see sidebar, below). The advantages for both teach-

Lessons from School
At Shatin Government Secondary School, Assistant Headmaster Allan Chan Yau is a great believer in developing his students’ creativity. Unfortunately, for years he had been stymied by poor resources. Things began to change three years ago when the school was chosen to spearhead a Government pilot scheme to bring computers, the Internet and students together to enhance education in Hong Kong. With increased funding, Chan filled four labs with computer workstations. But his dream of seeing students learn in a fully networked interactive environment remained elusive, with inadequate bandwidth placing severe constraints on network speeds.

Enter Hutchison Global Crossing (HGC). Several months ago, the company started providing broadband connectivity to schools via its pioneering fibre-optic network. By offering schools substantial discounts on their 10 Mbps-bidirectional speeds, HGC has effectively revolutionised teaching and learning at a number of pilot scheme schools.

These days Chan is a much happier man. The increased bandwidth has opened up a whole new world of project-based learning applications for his students. For example, in addition to researching the subject and downloading images from the Internet, students now use one of the school’s digital video cameras to shoot video clips for their projects. Once they are finished they can present the project to teachers and their peers by uploading it onto the school Intranet, utilising HGC’s superior broadband speeds. Chan believes that this kind of multimedia technology is key to student development.

“We teach students how to make films because we believe it is a very effective tool to develop their potential creativity,” he says. In addition, Chan has found that English language skills in his school are improving. With students becoming increasingly conversant in making complex, colourful multimedia presentations to teachers and fellow students alike, their confidence and communication skills have increased.

Peter Wong, CEO of Hutchison Global Crossing, believes that educational initiatives like this are a “killer application” for the
media advertisements, HGC’s fibre-optic technology provides the necessary medium to deliver the requisite levels of bandwidth to corporate customers. Consequently, HGC’s broadband network supports a wide range of high-speed data services for wholesale customers such as mobile operators and Internet Service Providers. These dedicated lines are also leased by large corporations for their private communication networks, and provide the highest bandwidth levels currently available in Hong Kong.

**GLOBAL REACH**

In addition to local data transport services, HGC provides business customers with international bandwidth through its undersea cable network and unique links to China Telecom. After being given the go-ahead to provide these services in January 2000, the company has connected its Hong Kong fibre-optic network to China Telecom’s Mainland telecommunications network through the Guangzhou-Shenzhen-Hong Kong SDH (Synchronous Digital Hierarchy) ring. This enables data traffic from factories in southern China. With this facility, they can control their inventories online using HGC’s superior bandwidth.

“There is a lot of latent demand for international services from China and we are well positioned to serve that demand,” says Wong. “We have a direct and reliable connection with China.”

The key to HGC’s ability to provide a full range of international bandwidth services is the East Asia Crossing submarine cable provided by Asia Global Crossing (see sidebar, p.12). This cable, which stretches from the USA to Hong Kong via Japan, landed in Tseung Kwan O on January 10, 2001, and allows HGC to offer, in effect, a one-stop service company’s innovative fibre-optic technology.

“We are into something that is very cutting edge,” he enthuses. “If we are doing it right then we are not just leaders in Hong Kong but possibly in the region and the rest of the world.”

In the future, when transmission speeds increase even further, the possibilities appear endless. However, Chan does not feel that a virtual classroom, where everyone learns from home, would be an ideal development. “Personal interaction is still vital if children are to grow up healthy,” he says. “We must use technology opti-
for customers looking for international bandwidth.

“We have formed a seamless, end-to-end connection with Asia Global Crossing,” says Wong of HGC’s parent company. “Seamless because we have a very strict and tight service support agreement with AGC, so the customer receives a single point of support rather than having to deal with multiple providers.”

Reaching this stage has not been easy for HGC and illustrates the difficulties incumbent in rolling out a fully fibre-optic network. The process is time-consuming and prohibitively expensive, with only a handful of companies worldwide able to surmount these barriers to market entry.

INVESTING IN INFRASTRUCTURE
Development of the network began in 1995, when the Hong Kong Government deregulated the telecommunications market and awarded a Fixed Network Telecommunications Services (FNTS) licence to Hutchison. The company had already decided on its long-term strategy and eschewed slower alternatives in order to build a fully fibre-optic network across the city.

The decision was not taken lightly. Laying new fibre-optic cabling is considerably more expensive than tapping into existing copper or coaxial cable alternatives. But Hutchison believed that only fibre-optic technology would stand the test of time and provide the kind of bandwidth that is now regularly in demand. In addition to cost considerations, a number of logistical difficulties have had to be overcome.

“Obviously there were a lot of challenges along the way,” says Wong. “That’s why it has taken a long time to lay the network, over five years so far.”

If you build it, they will come. Asia Global Crossing’s (AGC) simple strategy has revolutionised the world of fibre-optic networking, and brings substantial benefits to Hutchison Global Crossing.

To begin with, the private company has access to the largest telecommunications network in the world. Backed by major shareholder US-based Global Crossing, AGC has rolled out submarine cables throughout Asia as part of Global Crossing’s 160,000-km network. Global Crossing, in fact, was the first company to build its own cable, and its foresight has proved particularly prescient.

Created in 1999 as a partnership between Global Crossing, Microsoft and Softbank, AGC was formed to meet the rapidly growing demand for new communications capacity and services in Asia. The company has built the first pan-Asian network, connecting countries in the region to each other and the rest of the world. Upon completion, the AGC network will consist of more than 40,000 km of submarine cable, providing state-of-the-art broadband communications services in East Asian countries, including Japan, Taiwan and Korea. Additionally, the company is ready to connect its network to China, as and when regulations permit.

The key to the company’s growth in the region is strong partnerships with quality local providers. In this respect, AGC’s Vice President for Greater China, Alex Ng, is particularly happy with his company’s association with Hutchison.

“Hutchison is the ideal partner for us,” says Ng. “Hutchison shares the same standards of service quality and we share a common vision about how we will develop telecom growth in Asia.”

In other Asian countries, AGC has teamed with companies such as the Marubeni, DACOM and Singapore Technologies to deliver its “next-level networks” to local markets. Most recently, in partnership with Microelectronics Technology, it celebrated the landing on July 25 of its subsea cable system in Taiwan. The synergies that its participation in these ventures produce are particularly attractive, and underline its importance to HGC. In addition to the East Asia Crossing, which links Hong Kong to Japan and on to the United States via the Pacific Crossing, the company also brings a well-established reputation of providing services to blue-chip multinational clients. These include Bear Stearns, the UK Government and Swift — an industry-owned cooperative that supplies software and services to 7,000 financial institutions.

Ng sees Hong Kong as the key regional market, pointing out its ideal geographic location. “Hong Kong is the telecommunications hub for Asia,” he says. “It is the logical choice for connections to both North and Southeast Asia.”
Those challenges might have broken the resolve of a less established company, but Hutchison has demonstrated admirable perseverance. The entire operation proceeded through three distinct stages, each presenting its own set of obstacles.

Stage one saw the building of a fibre-optic cable backbone, connecting all the major areas of Hong Kong, including the crucial landing points for submarine cables and border inter-

connection points. The construction of this backbone required permission from various government departments. For example, a permit is required to dig up a road, and once a permit has been granted the road in question cannot be opened up again for the same purpose for a restrictive time period. For a small road, typically, this period is only one or two years, but for major roads it can be considerably longer.

“For some routes you have a once-in-a-lifetime chance,” confirms Wong.

Stage two was the rollout of the access network connecting the backbone to major residential and business areas. In this respect, HGC has been helped by the relative lack of delineation that exists between residential and business areas in Hong Kong.

The third stage was to construct the in-house infrastructure in the buildings themselves. This has been a particularly delicate operation, due largely to space constraints — the “telecom room” in most Hong Kong buildings is, typically, no more than a square metre and already houses the incumbent’s equipment.

“You need to hang your very delicate equipment on the walls or ceilings — it’s a major, very complex project,” says Wong.

Connecting building floors to the telecom room poses an additional challenge. Wires must be routed through the building ducts, known as risers, and, again, space is very limited. The whole process, consequently, has been complicated and time-consuming, and HGC is only now beginning to reap the rewards of its exhaustive long-term planning.

**FUTURE PROSPECTS**

The operation received a major boost in 2000, when Hutchison partnered with Asia Global Crossing, resulting in a 50-50 joint venture: Hutchison Global Crossing. With AGC’s international infrastructure and technical expertise bringing immediate benefits to the company, Peter Wong is now understandably confident about its prospects. He notes that HGC’s impressive network will be able to deal with increased bandwidth as and when the technology becomes available, and he has good reason to feel secure about a positive market reception.

“Our intention is to cover half of Hong Kong’s population within the next few years,” he states. “There are numerous examples from overseas that show how long it can take the second operator to penetrate the market. We’re very happy with the progress we have made, and with our market share.”

HGC’s bankers appear to share Wong’s confidence. The company recently enjoyed a very positive response in securing a HK$4.4 billion (approximately US$564 million) loan to fund its infrastructure expansion plans.

As Peter Wong succinctly puts it, for Hutchison Global Crossing, “the future looks very good indeed.”
Leader of the Pack
PARKNSHOP takes the lead in trailblazing Hong Kong’s supermarket revolution.

By Tom Metcalf

Browsing customers can hardly resist the sales pitch: “Look! Our fish is so fresh and so cheap, they’re taking photographs of it!” the saleslady belows. Her audience takes the bait and quickly crowds around the refrigerated seafood, probing for more information about the quality and the price. The photographer is on a shoot for this article, and the saleslady, in the grand improvising tradition of market traders, has spotted an extra opportunity to promote her products.

The atmosphere, bustle and flipping fish are familiar aspects of any traditional Hong Kong wet market. But any similarities between them and my current location end there. Here, a quantum leap in hygiene standards is immediately apparent. Unlike a typical wet market, modern air-conditioning and extractors keep the air comfortably cool and fresh, and the ground underfoot is spotted and dry rather than slippery from fish scales.

Staff wear clean white smocks and rubber boots. None has a cigarette dangling from their mouth or splashes of blood on their uniform — which are numbered daily. They are graduates of the Fresh Check Food Hygiene Academy.

Behind the ornate market stall, ice cascades from the ceiling to replenish the frozen display cases. Some customers still satisfy their Hong Kong habit of handling fish before they buy to test the firmness of the flesh, so a small sink is provided for customers to wash their hands so they don’t end up with “fishy” fingers.

To stress the seafood’s freshness, one slogan above the stall declares: “Nobody’s Faster, Nobody’s Fresher.”
COME THE REVOLUTION

Welcome to a 21st-century wet market. This one is at PARKSHP, Hong Kong's latest supermarket in Asia by May, Thai and China, offering more than 2,000 sq ft of fresh produce, meats, and seafood. It’s a model of how the future of grocery shopping might look.

Until recently, local supermarkets lagged far behind their counterparts in North America and Europe. But an executive from Sainsbury’s, the UK’s largest supermarket chain, recently toured the Hong Kong supermarket and declared it to be “world class.”

In fact, a shopping “revolution” is underway in Hong Kong and PARKSHP is unquestionably the trailblazer for changes in the industry. In 1995, the Hong Kong government introduced a new law that prohibited the sale of live animals in supermarkets, thereby eliminating the need for consumers to buy fresh meat and fish at wet markets. As a result, PARKSHP has been able to offer a wider variety of fresh products at competitive prices.

PARKSHP’s unique selling proposition is that it offers customers the quality of fresh produce and meats that they would expect from a traditional wet market, but in a more sanitary and convenient environment. The company has invested heavily in refrigeration and air conditioning systems to ensure that its products remain fresh and juicy.

As a result of this approach, PARKSHP has gained a reputation for offering the highest quality produce and meats in Hong Kong. The company has also expanded its product range to include a wide variety of fresh fruits and vegetables, as well as processed foods such as sushi and Korean-style bbq.

PARKSHP’s success has been achieved through a combination of innovation, customer service, and a commitment to quality. The company has also invested heavily in branding and marketing, which has helped to build a strong customer base.

For PARKSHP, the future looks bright. The company plans to open additional locations throughout Hong Kong and expand into other markets in Asia. With its focus on fresh produce and meats, PARKSHP is well positioned to continue its success and growth in the years to come.
“When I joined in 1990 there was no recognizable quality assurance in our business,” says Johnston. PARIKH STOP was starting to open more supermarkets selling a range of fresh foods, but there was an array of food scares—from clams and E. coli to toxic poisoning of cod, fish, red tides and toxic pesticides in vegetables from China.

“We realized that if we wanted to succeed in selling fresh foods, we couldn’t put up to the existing supply chain of the wet markets without addressing all their inherent vulnerabilities.”

So a clanging new benchmark standard was set: that fresh food at PARIKH STOP would “match the best food safety standards in the world.”

“Fresh Choice” stands for quality assurance, all the way down the PARIKH STOP food chain, from the farm (or ocean) to the supermarket. The concept embraces suppliers, storage, delivery, staff hygiene training, medical testing, store hygiene, laboratory testing and consumer information.

“The programme was the first of its kind in Hong Kong and initially there was some mistrust,” says Johnston. PARIKH STOP was placing such emphasis on food safety, as no one had fretted much about it before,” says Johnston. “I was constantly reminded that Hong Kong people don’t care about food safety because they are too busy making money, and when it came to food they were only interested in price, long, long (cheap, nice and good). But our customer surveys revealed a very different picture—that Hong Kong people really do care about food safety. This was clearly demonstrated by plunging sales figures of almost any item involved in a food scare.”

**CHALLENGES AND REWARDS**

Tackling the entire food chain was (and continues to be) an enormous challenge. Every one of $50 suppliers of fresh food was found to require strict compliance with international hygiene standards. For many this required substantial investment, but the alternative was losing their PARIKH STOP business, and most accepted the necessity to improve.

“We have had some great success stories with suppliers, many of whom”
**Perfect Pork**

An alliance between PARKISHOP and Ng Fung Hong, a leading fresh food distributor and wholesaler, has taken fresh pork on sale to new levels of hygiene.

Historically, the supply of pigs to the Hong Kong market has been conducted without a cold chain, despite the fact that meat spoils rapidly in hot temperatures. It was not unusual to see butchered meat being carried in open trucks in the heat of the sun, or sides of pork being wheeled around the city on a bicycle.

Raising the bar in this process, PARKISHOP worked with Ng Fung Hong to develop a new pork-cutting facility at festival in the New Territories. Designed in line with the world’s best hygiene operating principles, the multi-million-dollar plant is close to the government-controlled slaughterhouse in Sheung Shui. The pigs selected for PARKISHOP are brought quickly from the slaughterhouse, chilled, sealed into the cutting plant, processed and cut in an environment of the highest standard of hygiene and transported to stores in the same chilled truck. The process takes only around six hours from slaughter to arrival at stores.

The alliance provides PARKISHOP with a fresh pork supply chain whose standards equal the best in the world. PARKISHOP pigs, and samples of pork, are also tested for biological or chemical contamination, including Cladiumal, a drug used illegally to enhance growth rates. Pork accounts for over 50% of all meat sold in Hong Kong, but the traditional supply chain has been vulnerable. PARKISHOP’s new system means pigs are now isolated, monitored and tested, all the way from the farm to the stores.

**Fishy Business**

Over 100 varieties of fish are currently being distributed through PARKISHOP’s new Fresh Fish Centre (FPC) in Aberdeen. The £100m facility only opened in January 2001 but has already proven to be so popular that FPC manager Joseph Li is extending the range of species sold: shellfish, abalone, squid, crab and lobster.

The FPC’s 33 holding tanks currently contain around 15,000-20,000 tonnes of fish at any one time, he says. “Most importantly, the water is uncontaminated and well circulated, so they are fresh fish.”

Happy fish! “You can certainly tell very easily,” he laughs. “When fish are happy they swim slowly when they’re not happy they swim crazily.”

The new system was designed by Professor Daniel Kwok On Chian, an expert on seafood and seawater safety who is Chair Professor of the University of Hong Kong’s Department of Zoology and Director of the Kadoorie Agricultural Research Centre.

Sourcing a supply of seawater was an interesting challenge. Chemical salt would be used but is very expensive, while harbour waters are too polluted to use as a constant source. So PARKISHOP decided to fill a giant tank with a giant water tank. The boat makes daily trips offshore to collect water in aimers for red tide and dead fish. Using its Global Positioning Satellite System, the boat can switch to another area to collect material for delivery. The boat then returns to the dock in Aberdeen where the water is pumped out to the FPC for filtration. The boat is then sent back to the holding tanks.

**Fresh Food Supply Chain**

1. **Shipping**
   - Over 2,000 products lines of meat, dairy, fruit, vegetables, frozen foods and packaged items are shipped daily by air and sea from around the world. Each product is also packed in from 100 suppliers in China.

2a. **Goods in**
   - Goods are taken to the Fresh Food Distribution Centre at Sheung Shui. The warehouse complex is the most advanced of its kind in Hong Kong with ISO 9001 certification. It handles 80,000 cases of fresh food a day and can process 3,000 boxes of imported goods on site as well as in storage, as many as 60,000 boxes in a single shift.

2b. **Sorting and Testing**
   - Goods are sorted and checked. Professor Chian oversees the testing department at the FPC. The department is responsible for testing 300,000 products a month. The analytical lab tests for antibiotics and pharmaceuticals, and conducts nutrition tests to meet consumer demands for testing bacteria and food they are moved to: e-commerce division has samples of each batch of food tested for bacteria and food. The tests are conducted in China before sent to stores.

2c. **Goods Out**
   - Goods are sorted into categories to match orders from retailers, then loaded onto trucks for delivery.

3. **To Market**
   - Goods are transported to 100 PARKISHOP supermarkets and 42 superstores – ready for consumers.
BIGGER IN CHINA

PARKSHOP, the trialable supermarket revolution it is now being exported across the border to China, where the chain’s biggest outlet to date has just opened.

The new PARKSHOP Mega Store in Guangdong’s Foshan. He describes it as essentially a supermarket. It is an entirely new model, larger than anything we have ever seen in Hong Kong. It was owned by Box, managing director of PARKSHOP in China.

Designers and planners spent 18 months perfecting the “hypermarket” model, which is a first for any supermarket in Guangdong province. We did not want to copy others. We wanted to create something new. And we are the first to do it.

In fact, by adding the supermarket dimension, PARKSHOP believes it has gone one better than any other retailer in Asia.

Co-founder Steve Evans says: “I don’t know of any other retailer that encompasses all the three major retail formats, from traditional small supermarkets to discounters and hypermarkets.”

The Guangzhou Mega Store is essentially a “one-stop-shop” for virtually everyone’s needs.

The enormous range over two floors incorporates: electrical products and household appliances; a Home World selling everything from bedding and kitchen appliances to personal computers; a World’s Beauty Zone offering cosmetics, bedroom products and baby apparel; an Expert Corner featuring imported European and a giant supermarket including the immensely successful “watermark” concept pioneered in PARKSHOP’s 45 Hong Kong supermarkets. The store alone expands to 8,000 sq. ft.

PARKSHOP was the first foreign retailer in China, having opened its first store in Shanghai 17 years ago.

Over the years, PARKSHOP grew to a total of 71 stores, but they were all very small supermarkets known for selling only imported products from Hong Kong. “Our reputation was very good,” says Evans.

“But shopping habits have changed dramatically in China, and when rivals started opening hypermarkets, PARKSHOP was left behind.”

So in 1999 it decided to completely change its format. We closed down all our “mini” stores, the model stores we opened in the late 1970s.”

“We have stores in Beijing and Shanghai, but the thrust of our operation is in Guangdong, which we see as an extension to Hong Kong — and where we see our future.”

PARKSHOP is following just two models for new outlets in Guangdong. First will be downtown supermarkets of around 50,000 sq. ft. similar to Marion City in Hong Kong. The first of these opened last year, in the China Travel Services building in Guangzhou, and has proved enormously popular.

But the strategy now is to also build giant hypermarkets in the fringes of Guangdong’s major cities.

“There are exciting times for PARKSHOP,” says Evans. “We met the challenge we’ve been equipped by an entirely new management team, mostly after all, because young, ambitious, graduate, it’s actually the youngest management team in retailing in China, with an average age of only around 30, and the new breed is extremely ambitious!”

PARKSHOP, with a 50-year-old heritage, is a leading supermarket chain in Hong Kong. In 2002, PARKSHOP opened its first supermarket in China, a joint venture with a Chinese company.

Its expansion plans include opening 10 new stores in China by the end of this year. PARKSHOP has already opened two more stores in Guangdong, and has confirmed plans to open four more in the coming months.

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“We have transformed our facilities to achieve hygiene standards as good as anywhere in the world,” says Johnson.

“We are working closely with local suppliers to ensure that all our products meet the highest standards.”

“We have worked hard to improve food hygiene within our supply chain and most of our food is now imported from Europe.”

“We believe in continuous quality improvement, and we are satisfied.”

“Par TRUST, world-class quality assurance and traceability of the food chain is an extended Chinese vegetable, to local people, and beef. Most recently, the initiative has been applied to live fish, with the opening of the PARKSHOP Fresh Fish Centre (PFC) in Shanghai.

The state-of-the-art central storage depot for live seafood is another new initiative for Hong Kong’s fresh food industry by enabling PARKSHOP to source seafood directly from suppliers — and keep it in pristine water during the crucial stage between delivery from retailers and distribution to the supermarkets. Unique hygiene features include two separate purifying systems, temperature-controlled water, biological filters and UV lights installed on each of the 35 independent tanks to prevent bacteria. The tanks contain temperature-controlled water, which is then filtered through UV lights to kill any bacteria.

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The Right Club

The Harbour Plaza Golf Club Demagun offers great golf and an idyllic lakeside lifestyle.

By Mark Caldwell

Golf has famously been described as "a good walk spoiled," but few players would agree with Mark Twain's wary assessment of the game. Even in the days when things don't go according to plan, most players count a round of golf as "a good walk made more interesting."

Though club golfers generally play the same course every week, each round is a new adventure. The path walked, the holes played, the character of the course, the cut of the greens and fairways, the nature of the breeze and, most of all, the intangible brew of mood and matter that determines a player's "form" - these elements all conspire to make the escapade.

When a golfer plays a course for the first time, his sense of adventure is heightened.

The Harbour Clubhouse and 27-hole, 10,567-yard golf course are the centerpiece of this 7,000-acre property.
My first view of the Harbour Plaza Golf Club Dongguan is from the window of the Club courtesy bus. Our half-hour journey from the Fuzhou Pier coach bus takes us past the industrial developments that line the highway in this region, through the town of Fuzhou and on into the lush south China countryside. We drive through the Club gates to the reception area and are greeted by smart, uniformed staff. Our bags are whisked away while we are shown into the Gallery Restaurant for refreshments. The trip from Hong Kong has taken just 90 minutes.

On Course
To find out more about this golfing jewel, I’d been invited by General Manager Ken MacDonald to experience the Club first-hand and, as most golfers would attest, there’s no better place to have a “strengthening” run on the golf course itself.

The format is well suited to conversation, demanding moments of intense concentration for each stroke interspersed with periods of relaxation—time to stroll, talk and enjoy the environment. (Who else but a golfer studies the slope of a hill or the cut of the grass so attentively? And where else is the air so fresh?)

In radiant sunshine we approach the first tee of the Lake Course—named Lakeview—part of the 18-hole course bisected by a stream. My swing is somewhat agricultural and results in an unimpressive first shot. But the handicap system enables the very best practitioners to enjoy a round with ordinary mortals and still be competitive. Ken has a stimulating drive. His ball travels down some 295 yards, some 50 yards short of the pin. We go up to the tee and Ken apologizes for his ball going out of bounds. His drive was not far off the fairway. Our caddie acknowledges his effort—“good shot”—and off we go.

As with his game, so too with his job—Ken has very high standards. It is his aim to make every aspect of this young Golf Club development to superlative levels—to create and maintain a steep-sloped culture of quality and service.

After only two years in operation the facility is a marvel. Designed by Robert Trent Jones II, the 27-hole, 10,607-yard masterpiece is bejeweled with clear lakes and silky greens, and weaved with groves of live oaks trees. With the contours and character of a classic, it is already rated as one of southern China’s premier championship courses.

We play a few holes then reach a high point on the course. As we line up our putts we enjoy panoramic views in all directions. The clubhouse is a long way off, fronted by undulating fairways, and a large pond whose circumference is an animated five-vector-high fountain.

To one side is the great green swamp of Dongguan Lake. Across a fairway, beyond an explosion of wildflowers is the Laguna Venosa residential development.

Quality Development
Set on the shore of the lake, the 431-unit Laguna Venosa Phase I Harbour Plaza Golfers’ Villas have been developed as an integral element of the Golf Club environment. The first phase has already been sold out and the second phase, “The Lakeside” will go in the market soon.

While individuals can join the Golf Club for a fee, the Club has a membership program. Venosa homeowners who have bought into a facility which, with its leafy lanes and lakefront vistas, offers them a refreshing antidote to the fast-paced lifestyles of Hong Kong, Guangzhou and Shanghai.

Owners of these homes may enjoy membership of the Golf Club as well as access to the residents’ Club, which

boasts a restaurant, indoor and outdoor swimming pools, tennis, billiards, squash, basketball, badminton, a golf simulator, and a children’s playground.

In a highly competitive golf market, parent company Ladera Venosa (Laguna Venosa) has paid careful attention to developing and maintaining the right strategy.

“The manufacturing boom in southern China has led to some 50 golf courses being built in this region in a relatively short time,” Ken explains. “Unfortunately, many clubs cannot sustain full memberships and so cannot afford to close their doors to nonmembers. They have gone away from the original intent, which was to be private and exclusive. As a result, some existing members feel shortchanged.

“Anyone wanting to join a golf club should weigh up the commitment of its management. Will this club continue to provide the same level or enhance the level of service during the period of membership? Will the club be rocked in 20 years?”

Ladera is committed to ensuring that the value of memberships is maintained. That’s why we don’t allow nonmembers to come in. We are totally committed to ensuring that when you make an investment with us you benefit not just in terms of enjoying the facility, but also that the investment doesn’t decline. There are very few clubs in southern China where the value of memberships has not declined. At Harbour Plaza Golf Club we’ve been very tough on maintaining our exclusivity and therefore the value of our membership.”

Building a Community
“Some golf housing developments can be described as a lot of little houses,” Ken adds. “Our development is modelled on those in North America. As we move into the next phase and into future phases, we’re determined to

Laguna Venosa incorporates 431 European-style villas and a residents’ clubhouse set in a lush, watercourse environment. The Phase Two development comprises 150 deluxe North American-style homes scheduled for completion in phases until 2012.
create houses that are in balance with the environment and which will contribute to the overall community.

The Lakeside development comprises 198 individual reinforced steel-framed houses with spacious gardens and unobstructed views across the Water. As the community evolves, decisions will be made on the need to add more houses, golf holes or other facilities residents may require. The Company has thus far utilized only 25% of its 7,000-acre holding. In the future, Members and their guests may be able to take advantage of conference amenities, while shops, fitness recreational facilities and schools also may be developed.

Our long-time vision is to promote a quality residential development and facilities, and to promote the game of golf in a way it should be played — in more idyllic surroundings rather than in a factory-type environment as many golf clubs have tended to do," says Kent. "We want our Members to have a real golfing experience; we want them to know each other, be involved and feel part of the community."

**EXTRAVAGANZA SERVICE**

In a fast-paced world in which many clubs maximise their operational revenue through cut rates and shorter playing times, it's a luxury for players to be able to walk the course. While Members can opt to use golf carts, at the Harbour Plaza Golf Club they are not mandatory. Little touches like this make a huge difference to the overall experience.

"Exceptional Personalised Service is our operating philosophy," says Kent. "We try to be very attentive in catering for every Member's need. It's something we pride ourselves on. It's important."

To this end the facility employs highly trained staff, including a Member Relations Team that provides personalized attention to every detail for its Members. When a golf club has an overabundance of course patrons, the course must be able to offer umbrellas or a tee box back to the clubhouse. At our end of the game we are handed refreshing chilled browns by smiling staff. Our caddies ensure our clubs are in good order. Golf shoes are taken away for cleaning while we sip our coffee. The experience has been a very "good walk" indeed, and I look forward to the next one.

**TEAM SPIRIT**

On day two I play a round with Golf Operations Director Tim Slover. The American has a wealth of golfing experience and he curates the "Ideal Course" with the authority and finesse of a hardened campaigner. The dramatic par-294, named Double Delight, is a great example of the "easy bogey, tough par" concept of golf design and is one of the Harbour Plaza's signature holes. It plays twice over water when the golfers take the conservative route, but Tim opts for the "high risk, high reward" approach and hits the green in two. He tells me through the micro of each hole and it is an education to observe how this remarkable course can reward or punish an expert player.

Next up is a round with another expert — Martin Lai, who is in charge of the Golf Academy. Martin started his career as a caddy. During our round he shows why he rose through the ranks to become one of the first generation of Hong Kong Chinese to turn pro. Over the years, he has helped tailor the swing of countless players, and many Members have some stage

**THE PRO SHOP STOCKS EQUIPMENT AND ACCESSORIES WHILE CLUB-TRAINED CANDIES CAN OFFER REPAIRS AROUND THE COURSE.**

**UNCOMMON GROUND**

One of the joys of golf is the opportunity to interface with the environment. But few players appreciate the enormous effort that goes into keeping a golf course in pristine condition, or of the disasters nature can unleash.

Chris Norton has the mammoth task of ensuring that the Harbour Plaza Golf Course is as good as it can be. The 250-acre course is vulnerable to the risks of floods, droughts, pestilence and disease. Norton, a Golf Management graduate of top US school Michigan State University, must apply his substantial scientific knowledge to ensure that it thrives.

Norton manages 36 greens staff, 59 of whom are dedicated to the upkeep of the golf course. They ensure that the 27 greens are kept in pristine condition. Every morning the greens are cut to a precise length, ranging from 1.5 to 4.5 cm, depending on the season. A team of mechanics keeps the mowers and other machines running. Turf burners must be fueled and replenished, greens filled, turf watered, trees pruned, winds rotated and pin placements changed. The cycle never ends.

Dongguan's bountiful climate presents specific challenges. Some courses must survive in very dry times and must seek a lot of watering, but at the Harbour Plaza the challenge is more likely to be an excess of water. The rainy season can wreak havoc. Too much rain and lack of sunlight can prevent precipitation and cause the growing process to shut down. The water quality is to ensure that it rolls off the hills, and excess water must be replaced. In the dry season the course concerns are stering 350,000 cubic meters of water per day, piped from the course reservoir.

As with all courses, there are also constant threats from insects, weeds and disease. From June through to September, for example, army worms can march across the grass, leaving a trail of devastation. Mole crickets and earthworms are another worry. These hungry creatures feed on grass roots and can tunnel under the turf. When numbers become too high, action must be taken to prevent disaster. Grass is vulnerable to many diseases. Most won't do much damage, but when conditions are right, a green can be destroyed overnight.

"Wetts, defined as plants out of place, are the biggest problem of all," says Norton. "In most environments grass grows in cycles, but in this climate they grow all year round."

Norton pays close attention to grass environmental practices. The course is managed according to stringent Integrated Pest Management (IPM) procedures. If we have a problem, we will not just get out and spray. We will wait until a threshold is reached before we take action. Then we will choose the most effective, safest treatments possible.

The grounds maintenance facility has a dedicated "seed area", where insects, birds or weed killers are mixed. When we mix chemicals, the fresh water drains are dosed to ensure that no chemicals enter the water system." Norton explains. 

The course is already a haven for various bird species and other wildlife. There are fish in the waterways and a few snakes in the rough. In sum, Norton hopes to introduce other wildlife — owls or ducks perhaps — but even then all plans for diners.
The Golf Academy

Conveniently close to the main clubhouse, the Harbour Plaza Golf Academy has a 100-yard open driving range, 18 covered targets, natural grass tee, a generous practice putting green, uneven lie, hunters and target greens. With night lighting and a food and beverage service, it caters to a golfer's every need.

Under the direction of veteran Golf Professional Mervyn Lai, beginners and experienced players alike are guided towards playing better, more enjoyable golf. The Academy incorporates dedicated teaching bays with full-length mirrors, an air-conditioned classroom, instruction videos, teaching aids and video technology which enables students to see footage of their progress. The Academy offers free introductory classes to Members and their spouses while non-members are also welcome to participate for a fee.

With dedicated clinics for children, women and men, there is no better way to learn and develop your game.

This young Golf Club is already building a noble tradition. On the wall, the hole-in-one list contains a full dozen Members' names. The first ace was scored on November 7, 1999; the most recent in January. A small piece of Club history was made on that November day when a shot from the 24th tee sent the ball rolling into the cup. As the list grows longer, that milestone will take on a deeper significance; in time, perhaps the son or daughter of one of these first Members will also achieve a hole-in-one, thereby adding another stitch to the Harbour Plaza's proud tapestry.

Like the young saplings that ring the course, the Harbour Plaza Golf Club Dongguan has the pedigree and resources to grow strong. The time has been set, the foundation laid with care. Devotees of the game appreciate the importance of club selection, and Members of the Harbour Plaza are united in their opinion that this is indeed the right club.

Location: Midway between Shenzhen and Guangzhou, near the town of Huizhou.
Getting there: from Hong Kong, Turbojet ferry (travel time: one hour) departs from the China Hongkong City Ferry Terminal (Kowloon) to Huizhou. From there, a courtesy bus (travel time: 20 minutes).
By shuttle bus: there are several pickup points in Hong Kong as well as from Fuyong Ferry Terminal. Players can book the shuttle bus up to two weeks in advance.
Bookings and Information: The booking office is open seven days per week except for PRC holidays. Members may book by telephone (86 769) 581-8080 (Club) or (812) 2122-8999 (Hong Kong), or over the Internet at www.hongkonggolfclub.com. There is also an online weather information service.