Sphere

ISSUE 32

THE INTERNATIONAL IOURNAL OF THE HUTCHISON WHAMPOA GROUP



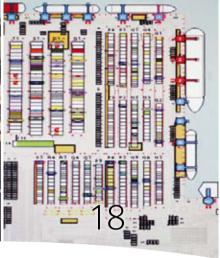


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ISSUE 32 DECEMBER 2012









CHRISTMAS is not only the global, festive, family season, but also a time for business that provides both opportunities and challenges in equal measure. This issue of Sphere unveils how the Hutchison Whampoa Group's divisions including property, telecommunications, hotels and retail prepare for this holiday season and contribute to bring joy and warmth to the Group's customers all over the world.

We also share the Group's secrets of success in different divisions. Hutchison Port Holdings, as the leader in the world's port business, is highly sophisticated in developing and deploying technology to enhance the quality and efficiency of services they deliver. We also unlock the secrets of the Group's worldwide success with the Group's unique ways of celebrity endorsement.

As a keen and committed supporter of the communities in which we operate, the Group also contributes to nurturing of leaders through sponsoring the Hutchison Chevening Scholarship. We share how the Group offers life-changing experiences to their Chevening scholars that form the foundation for future contributions to society and business through this worthy initiative.

Happy reading and we welcome your feedback to SphereE@hwl.com.hk

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- CORPORATE
- PORTS & RELATED SERVICES
- PROPERTY & HOTELS
- RETAIL
- TELECOMMUNICATIONS
- INFRASTRUCTURE
- **ENERGY**
- FINANCE & INVESTMENT AND OTHERS





Meeting the Premier of British Columbia

HONG KONG The investment and growth that the Hutchison Whampoa Group has contributed has always been highly regarded by Canada. During the official visit of the Premier of British Columbia Province, Christy Clark, to Hong Kong in September 2012, the Premier met Mr Li Ka-shing and Mr Victor Li and invited the Group to further invest in competitive projects in British Columbia.

NEW R&D INVESTMENT

CHINA Due to the rapid development and growth, Shanghai Hutchison Pharmaceuticals has decided to build a new research and development and production base in Fengxian District, Shanghai with an investment of RMB 450 million. 😉



The Kind-hearted Crew



HONG KONG The HWL Volunteer Team is deeply committed to ongoing community engagement and helped to implement the Law Enforcement Torch Run. This event was co-organised with the Hong Kong Sports Association for the Mentally Handicapped to raise funds for the Hong Kong Special Olympics.

G

HIGH FLYER!

Guangzhou Aircraft Maintenance Engineering Co (GAMECO) was proudly awarded the "Best MRO (maintenance, repair and overhaul) Performance in China" in the Yearly **China Commercial Aircraft** Forum in June 2012. 🕞



NEW CONTAINER

UNITED KINGDOM Port of Felixstowe set a new rail record of handling a total of 17,211 twenty-foot equivalent units in a single week, following three weeks of record-breaking rail movements.



One Love. One World

HONG KONG 3 Hong Kong is opening a new 4G communications era with the large-scale promotional campaign "One Love. One World". With a wider variety of 4G LTE mobile devices and the more powerful 4G network, the latest transmissions speeds can be up to 100Mbps. 🕕



Linking Each Other

AUSTRIA Wireless connection plays an indispensable role in linking everyone around the globe. Hutchison 3G Austria launched the "Initiative 100%" to provide free mobile access to the Internet for all Austrians.



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TOPPING THE CHARTS

ASIA The Hutchison Whampoa Group topped several charts in the 2012 Campaign Asia-Pacific Top 1,000 Brands study. Watsons won the place of No. 1 pharmacy drugstore brand in Asia. Other chart toppers include PARKnSHOP (No. 1 supermarket brand in Hong Kong), Watsons Water (No. 1 mineral water in Hong Kong), Sunkist (No. 1 fruit juice in Indonesia) and Mr Juicy (No. 1 fruit juice in Hong Kong).



HHO in China

CHINA Hutchison Hain Organic (Guangzhou) Limited officially entered the China market in June 2012, with the mission of bringing a healthy way of life to Chinese customers, after participating in the 13th SIAL China held in Shanghai to exhibit its organic products. 🖯



AUSTRALIA Cheung Kong Infrastructure (CKI) and Power Assets jointly announced that they are expanding the renewable energy power transmission in Australia by investing AUD33.6 million in Victoria, bringing greener energy to Australians.



HOME FOR CHILDREN

BELGIUM Our Group has always been keen on engagement in meaningful charity projects. ICI PARIS XL has completed the construction of a children's home in Kinshasa, Congo with over EURO 200,000 raised for SOS Children's Village Foundation. 🚯



GRAND LAUNCH

Regency Garden residential units at the Holiday Inn was buzzing with guests in April 2012. Eager buyers were excitedly looking for their dream flats at the high profile launch.





Bridging the Digital Divide

November 2012. Mobile broadband is seen as an important resource to reduce the digital divide in small towns. During the ceremony, Mr Corrado Passera, Italy's Minister of Economic Development, made an HD videocall to Mr Canning Fok, HWL's Group Managing Director, via the LTE mobile broadband network. The service will be rolled out to Rome and Milan by the end of the year.

SHINNING LIGHT AT THE LONDON OLYMPICS

UNITED KINGDOM UK Power Networks (UKPN) was proud to have played a part in powering the London 2012 Olympics and Paralympics following seven years of advanced planning. Congratulatory letters have been received from the UK Prime Minister, the Mayor of London, the International Olympic Committee and CKI.



CREDIT: UKPN COLLEAGUE, SUSAN NEVES



New in Ireland

owned **3** Store opened in County Cork, Ireland in September 2012. **3** is expecting to further expand in Ireland in the future.







PORTS & RELATED SERVICES

PROPERTY & HOTELS

RETAIL

TELECOMMUNICATIONS

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UNITED KINGDOM CKI completed the acquisition of Wales & West Utilities in October 2012. The acquisition is the third regulated business investment that the CKI and other member companies of the Cheung Kong Group have made in the past 24 months. •

PAINTING POWER

HONG KONG Students from Yew Chung **International School visited Power Assets'** Lamma Power Station for a sketching exercise and captured the beautiful scenery and landscape.



Unlimited Energy

HONG KONG German unicyclist, Lutz Eichholz, holder of three world champion titles, demonstrated his Guinness World Record skills on "longest distance by unicycle on a line of beer bottles" at Hong Kong's Wonderful Worlds of Whampoa to entertain and amaze residents and shoppers. 🕕

SIM FOR THE FARMERS

VIETNAM Vietnamobile has innovated and launched the first Farmer Sim specially designed for the farmers and rural citizens. The Farmer Sim brings services to meet the needs of farmers, such as daily free agricultural news.





3G in Sri Lanka

SRI LANKA Hutch Telecom Lanka launched its 3G service in April 2012. With only around 10 per cent of the Sri Lankan population having access to the Internet, Hutch Telecom Lanka sees excellent future growth potential. •

HOTEL AWARDS SHOWCASE



- The Harbour Plaza Hotels and Resorts was honoured to receive the award of "Best Local Hotel Chain" by the TTG Travel Awards for the third consecutive year.
- 2 Harbour Grand Hong Kong received the Luxury City Hotel Award and Overall Winner in the 2012 World Luxury Hotel Awards, recognising the best facilities and service excellence the hotel industry has to offer.
- 3 Harbour Grand Hong Kong has won the TripAdvisor 2012 Travellers' Choice Award as one of the top 25 luxury hotels in China.
- 4 Harbour Plaza Hotels and Resorts was honoured to receive the Service Award from the leading business magazine, Capital Weekly, for the second year running.
- 5 Harbour Plaza Hotels & Resorts has been named for the "Asia Excellence Brand Award" for the third consecutive year by the prestigious news and current affairs magazine Yazhou Zhoukan.
- 6 The Harbour Plaza 8 Degrees has been awarded the "Best Mid-Range Hotel in Hong Kong" by the TTG China Travel Award.

Tisthe SEASON

The Hutchison global family celebrates the spirit of the holiday season from storefront decorations to community involvement

No matter where you are in the world, holidays seem to elicit warm feelings, happy memories and the desire to celebrate with family and friends. As a global family, Hutchison's business units around the world find ways to celebrate the holiday season according to local customs. As their communities join in the spirit of the season, the Group's businesses must also perform in top shape in order to meet their customers' expectations.



FOR THE HUTCHISON FAMILY, with a quarter of a million staff in 52 countries, the holidays are seen as more than simply an opportunity for increased sales. Around the world, the Group's divisions participate in the local holiday traditions of the communities in which they operate and often go to great lengths to spread holiday cheer to their patrons. For the Property and Hotels division, this is particularly important.

"When guests choose to stay with us for the holidays, we are excited to prepare our hotel for their stay and fill the air with festive ambience," said Christina Cheng, General Manager of the Harbour Plaza 8 Degrees in Hong Kong. "We decorate the entire hotel, offer special festive room packages and fill our onsite menus with special holiday dishes."

"In Hong Kong, the Christmas festivities are celebrated as a commercial holiday in addition to a formal day off work, and thus, the whole city has begun to participate," shared Andy Castillejos, General Manager of the Harbour Plaza Metropolis in Hong Kong. "We begin organising our festive programme six months in advance, planning our food and beverage menus, lobby and individual venue decorations and special holiday performances, such as live carol singing in our hotel lobby. This advance preparation ensures a smooth, festive atmosphere during the holiday season."

Even in Mainland China, where Christmas is not as widely celebrated compared to Chinese New Year a few weeks later, the Harbour Plaza Chongqing decorates its lobby, restaurant and grounds. "We put up a traditional fir tree outside our hotel every year and include a festive lighting display indoors. We even serve a traditional Western-style Christmas dinner, complete with a roasted turkey and all the trimmings" said

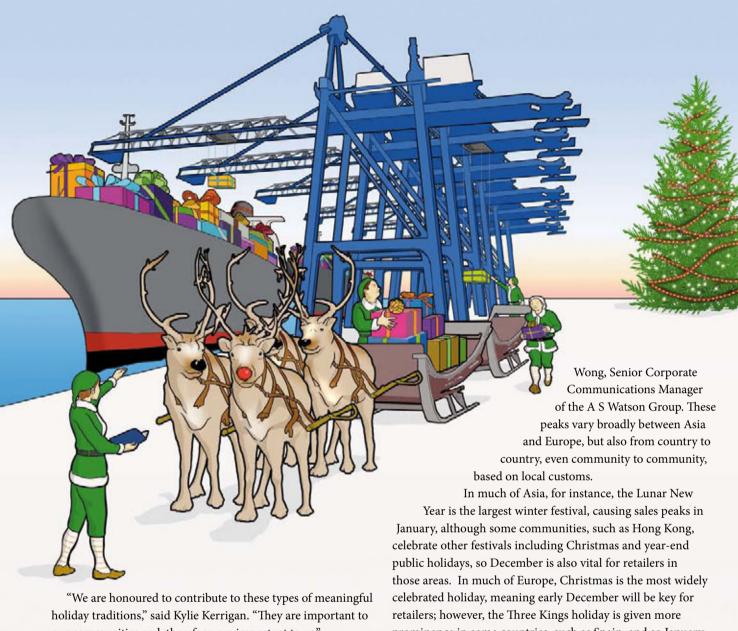
Peter Wong, General Manager.

Holiday decorating is equally important for the other sector of the property group, where shopping malls begin their holiday decorating in early November. "In Hong Kong, the Christmas holiday and the Lunar New Year are back-to-back and so full of joy," said Florence Lee, Chief Manager of PR & Promotions Development and Marketing of Hutchison Whampoa Property. "Thus, we allocate more resources to decorating our properties during this holiday season than for any other festival throughout the year."

This spreading of holiday cheer extends beyond these customer-facing businesses, however. SA Power Networks in Australia, for example, has come to be known in its community for its generous contribution to spreading holiday joyfulness. "For the past 17 years, we have hung holiday lights on the building of our head office in Keswick. This tradition has become a well-known and loved part of Adelaide's Christmas celebrations," said Kylie Kerrigan, Communications Consultant.

In addition, SA Power Networks provides support for the holiday decorating efforts of the communities throughout its service area. "Across the region, we volunteer to hang Christmas decorations on the main streets of our communities, and even occasionally participate in local holiday parades!" For instance, SA Power Networks has contributed to the Lights of Lobethal display, the largest community holiday light display in the Southern Hemisphere, and the Loving Tree light display erected at the Mary Potter Hospice facility in honour and remembrance of community members whose lives have been touched by cancer.





our communities and, therefore, are important to us."

In Hong Kong, even the Telecommunications division takes part in the spreading of holiday cheer. "Each year, we offer a wide spectrum of holiday-themed multimedia content services such as eBooks, music and movies," said Debra Ma, Marketing Director of 3 Hong Kong. "For example, during the December 2011-January 2012 holiday season, we launched the '3Music has come' campaign, which combined our content services with holiday songs and greetings from local pop stars. Customers could download the songs and greetings and send them to friends or set them as the connecting tones for their mobile numbers."

A Season for Sales

In addition to sharing the spirit of the season with their communities, for most of Hutchison's divisions, the holiday season also represents an important time of the year financially. Nearly every business unit, from the more obvious Retail division to the less likely Telecommunications division, sees higher sales and an increased demand for their top services.

"Foot traffic in our retail stores around the globe more than triples during local peak sales months," said Joanna

prominence in some countries, such as Spain, and so January will see higher sales totals than December.

This local fluctuation also affects the Group's Hotels division. "We are usually extremely busy during December and January, as Hong Kong celebrates Christmas, year-end festivities and the Lunar New Year, with occupancy rates steadily between 90 and 100 per cent," said Benedict Chow, General Manager of the Harbour Grand Hong Kong. "We call in additional staff during these two months, particularly for our housekeeping and restaurant departments."

Despite the current sluggish global economy, the outlook for the upcoming holiday season is as bright as the lights that herald its arrival. The Retail and Hotels divisions both anticipate increased sales this season, in accordance with the timing of local holiday celebrations.

Even the Group's Telecommunications division, a less apparent benefactor, has seen a steady increase in sales during the holiday season over the past few years. "Our industry is really benefitting from the rising popularity of smart phones as gifts," shared Maritheres Paul, Head of Corporate Communications of 3 Austria. "The Christmas season



is becoming a promotion-intense period because of this trend, and now the holiday months account for a significant proportion of our yearly sales volumes."

3 Hong Kong and 3 Ireland agree. "We have seen an increase in the purchase of phones and phone plans as Christmas gifts, and thus we often hold promotions during the winter months in which shoppers can buy discounted plans, obtain a free smart phone with the signing of a contract or make use of other rebates and special offers during this time," said Debra Ma.

However, not every division sees the increase in profits one might expect. The Group's Energy and Infrastructure division, for example, sees sales remain steady throughout the holiday season, despite the prevalence of holiday lights and travelling home to be with family. "Surprisingly, the holiday season is not a particularly higher period for electricity consumption," shared Alex Sturge, Communications Manager of UK Power Networks in the UK. "Occasionally we see a slight spike on Christmas Day, for example, when many families are using

their stoves, ovens and domestic electrical appliances at full force, but for the most part, we do not register higher usage rates during the holidays."

Husky Energy in Canada echoes these findings. "Winter is a peak period for energy use, but this is not necessarily driven by the holidays. More likely, the cold winter weather is the root cause, because people must use their central heating systems more steadily," said Carla Yuill, Manager, Corporate Communications.

The holidays signal more than simply an opportunity for financial gain in the Hutchison family, though. Many of the company's divisions take great measures, such as doubling their on-site staff, to ensure that their services go uninterrupted during the holiday season, recognising that many of their customers rely upon them for a smooth and enjoyable holiday celebration.

"The power we supply enables more than a quarter of the UK to relax and enjoy the holiday festivities," said Alex Sturge.

"Whether it is the glow of Christmas lights, the illumination of busy streets and shop fronts or the cooking of a traditional roast turkey with all the seasonal trimmings, the distribution of reliable and secure electricity plays a key role in helping communities across the UK enjoy a happy celebration with family and friends."

Likewise, the Telecommunications division goes to great lengths to ensure that their customers can share holiday greetings at all times. "At 3 Austria, we see a huge surge in the number of text messages being sent during the holidays, alongside a steep increase in data usage as a result of people doing a portion of their holiday shopping online," said Maritheres Paul. "We must ensure that we are able to maintain our service despite the increased load on all our networks." Similarly, 3 Ireland works to keep its networks running smoothly during the holiday season, keeping its customer service centre open 24/7 through the holidays. "It is our goal to always provide our customers with the service they expect and to give them the help they need at all times, regardless of what day of the year it happens to be," said Joanna Kavanagh, 3 Ireland's press office manager.

Around the globe, as the Hutchison family steadfastly works to bring a happy, safe and smooth holiday season to its patrons, the spirit of the season remains strong within the Group. Whether it is decorating the office according to local and seasonal tradition and fashions or simply the fostering of a festive working atmosphere, the Group's divisions work hard to make the holidays enjoyable for their staff, too.

"For Husky's employees, the holidays are a time of giving, sharing and enjoying friends and family. Our company has many initiatives aimed at fostering this spirit of giving and happiness, including donations to organisations such as the Salvation Army and Women in Need," shared Carla Yuill. "As a company, we have also created the Children's Giving Tree programme, through which employees donate toys and gifts to the less fortunate children in their community. This spirit of giving truly generates a warm, festive atmosphere within the company."

Wherever you are in the world, whatever holidays you celebrate, Hutchison wishes you a safe, happy and relaxing holiday season surrounded by the people you care about.





Wondering how you can make your festive season a little greener? Here are a number of useful ideas from our colleagues across the Group that you can implement into your holiday celebration to lessen your environmental impact.

1. Send festive e-cards instead of traditional greeting cards by post

Eliminate the carbon footprint of your holiday greeting cards by sending digital e-cards instead. If you typically send scores of greeting cards to friends and family around the world, the energy savings can be significant. Plus, you will save on postage and supplies – sending an e-card is free!

2. Give gifts au naturel

No wrapping necessary! Today, the packaging provided by many stores is pretty enough on its own, especially around the holidays, that additional wrapping is unnecessary.

3. Switch to energy efficient LED bulbs in your decorative lighting

Switching from incandescent to LED light bulbs can decrease your electricity consumption by as much as 95 per cent. As a bonus, LED lights are safer, too, as they are cool to the touch when they are switched on, even after long periods of time, unlike some traditional bulbs.

4. Use public transportation when doing your holiday shopping and travelling to see family and friends

Using public transportation, such as the bus and subway systems, will decrease your carbon footprint drastically. Even when travelling by more traditional methods, be creative with ways to be more fuel efficient, such as carpooling with friends to the airport to catch a holiday flight.

5. Switch off festive lighting and electrical equipment when not in use

Put outdoor lighting displays on a timer so that they automatically switch off at a pre-determined time, for example, in the middle of the night and during the daytime. When possible, unplug indoor decorations when not in use, rather than simply switching them off to reduce the amount of 'phantom power'. In addition, choose lights for decorations that operate at extra low voltage (less than 50 V AC or 120 V DC) to help you reduce the amount of energy used. Also ensure your festive lights are in good condition and correctly fitted to be, both, energy efficient and do not pose any electrical safety hazards. By the same token, if you have an extra refrigerator or freezer that you only use for special occasions, such as holidays, unplug it until you need it again, for that big occasion.

6. Use reusable mugs for hot and cold beverages

Whether you live in a hot or cold climate in December, bring your own mug to work for that hot coffee and tea or ice-chilled soft drink in the holiday months and make sure to use reusable cups, plates and cutlery at family gatherings, whatever the weather.

7. Be mindful when cooking your traditional Christmas holiday feast

Make a plan for maximising your efficiency when cooking your celebration dinner. For instance, determining how long your turkey will need to bake first and then roasting it for exactly that amount of time, will avoid wasting power, whilst maximising the tastiness of that special seasonal dish.

"Whilst there is a great deal of attention in the media about 'food miles', which comprise the energy used to transport food around the world from farm to plate, it is actually how you cook food that has the greatest impact on the environment," explained Alex Sturge of UK Power Networks. "For instance, boiling potatoes without a lid on the pot is wasteful of power, and has more impact on the environment than flying them to the UK from Kenya or Israel."



Changing the World

The Hutchison Whampoa Group is committed to enriching the future and the lives of its communities through charitable actions, civic involvement and a responsible corporate agenda. One of these efforts, held closest to Hutchison's heart, is the Hutchison Chevening Scholarship, a programme that sponsors Hong Kong's best and brightest scholars as they further their education in the United Kingdom. Many of the scholarship recipients have gone on to become business leaders in many of Hong Kong's most vital and challenging industries.



Left: View over University spires from the Sheldonian Theatre, Oxford, UK. Right: The Old Royal Naval College viewed from the River Thames, in the centre of the Maritime Greenwich World Heritage Site, Greenwich, London, UK.

THE GLOBAL CHEVENING SCHOLARSHIP PROGRAMME was founded in 1983 with the aim of providing talented young people from around the world the opportunity to study in the United Kingdom and immerse themselves in British culture. The initiative is today the British government's largest and most prestigious scholarship programme. The programme targets post-graduate scholars who demonstrate the potential to rise to leadership positions within their chosen fields.

The programme was brought to Hong Kong in 1997, with the purpose of supporting the link between Hong Kong and the UK following the handover of Hong Kong from Britain to China that same year. Since then, over 600 Hong Kong students have received a Chevening scholarship and the opportunity to further their knowledge - both inside and out of the classroom - at some of the top universities in the UK.

Chevening's global budget each year is approximately GBP19 million (approximately USD30.63 million), the majority of which is funded by the Ministry of Foreign and Commonwealth Office in the UK. The remaining funding is donated by organisations around the world, including Hutchison Whampoa Limited (HWL), which began supporting this scholarship programme in 2002, with a total sponsorship of over GBP5.3 million to date.

"Since taking up my post in Hong Kong last September, I have been struck by what a great friend and commercial partner Hutchison Whampoa is to the UK. This is exemplified by the fact that HWL is the most generous funding partner for Chevening," affirmed Caroline Wilson, British Consul General to Hong Kong. "I am very proud that we have The Hutchison Chevening scholarship, and want to thank HWL for their massive contribution. The work ensures that a fantastic pool of talented candidates have access to the opportunities the programme provides."

As committed students, Chevening alumni have received the best academic and professional development opportunities offered by premier British universities, which rank among the top international universities globally. In addition, and just as importantly, they are also given the chance to explore the UK and its people by venturing outside the university and experiencing all the history, heritage, scenery, art, culture and sport the UK has to offer.

Then, upon their return to Hong Kong, these scholars become part of the lively local alumni network and the Chevening global alumni family - a worldwide network of rising business and government leaders and opinion-formers.

Alan Koo is one such alumni of the Chevening scholarship, who studied a master's degree at the University of Cambridge from 2008-2009. Although now busy as a leading Traditional Chinese Medicine (TCM) practitioner in a private medical practice and the Chinese medicine operations at a Singaporean hospital group in Hong Kong, Alan is also an ardent supporter of the Chevening scholarship programme. In fact he has been proudly serving as the president of the British Chevening Scholars (Hong Kong) Association, the official Chevening alumni association in Hong Kong, for the past four years.

"Like many Chevening scholars, my experience in the UK was life changing," reflected Alan. "Upon my return to Hong Kong in 2009, the first thing I did was join the executive council of the alumni association." Alan's fervent passion for the Chevening programme and his desire to lead the alumni association stems from his experience in the programme and the opportunities that were made available to him as a result of that experience.



Connie Chue (first on left) on her way to sit for final exams with classmates, all in gowns.



Chevening

Scholars,

my **experience** in

the UK was

life changing."

River Cam, King's College, University of Cambridge, Cambridge, UK.

To serve all returning Chevening scholars, the alumni <mark>asso</mark>ciation organises regular gatherings, an annual dinner and many networking events throughout the year, along with a presence on numerous social media sites, in order to strengthen and maintain the network of fellow scholars in Hong Kong. "My time in the UK was rich with opportunities and challenged me to grow on both a personal and professional level, a benefit that is present for all Chevening scholars. We are able to come together and share our opinions and experiences and thereby learn from one another," said Alan. "The network Chevening scholars have when they return to Hong Kong is a crucial benefit of the programme. The entire overseas experience – not simply the classrooms - shapes students for the rest of their lives." "Like many

Indeed, the scholarship offers a window of opportunity for Chevening scholars to meet and develop unique and lasting relationships with other alumni from every corner of the world.

To date, Alan has founded two TCM clinics in Hong Kong that provide state-of-the-art, evidence-based traditional medicine and acupuncture services to the community. "My experiences as a Chevening scholar truly drove my aspirations to start my own business," said

Alan. "The most important key for me in opening that door was the world-class education I received through the programme."

Alan hopes that by sharing his experiences as a Chevening scholar, he will inspire more of Hong Kong's future leaders to apply for this scholarship. He has surely been successful, as evidenced by his wife, who was motivated by his experience to complete her own master's degree in the UK. "Our time in the UK made so much of an impression upon us that we decided to name our joint TCM clinics 'River Cam' so that we will always have a reminder of our eye-opening, life-changing experience studying near the River Cam in Cambridge,"

The experiences of so many other Hutchison Chevening

alumni echo Alan's sentiments. "My year at Oxford gave me new friends, new perspectives and new goals, extending well beyond my books and thesis," reflected Connie Chue, vice president of a foreign bank in Hong Kong, who attended Oxford as a Hutchison Chevening scholar in 2004-2005. "Some of my most memorable experiences, and the ones that have shaped my future the most, are the ones that took place outside of the classroom, such as having conversations about the issues of the day with friends made from around the world."

Now a solicitor trainee at an international law firm in Hong Kong, Frankie Tam reaffirms Connie's experience. While studying a Master of Laws at University College

> London during the 2010-2011 year, Frankie interned for Lord Brennan QC at the House of Lords in the UK Parliament. an experience she says was nothing short of "personally transformational". "By attending Parliamentary debates each week and conducting research for Lord Brennan

QC, I learned how effective advocacy can bring about policy change and how to represent the interests of the public in a balanced manner," said Frankie. "This opportunity was indescribably enriching and provided me with the chance to build an impressive professional network.

Although my classroom education was top-notch, none of these opportunities would have been available if I had not anticipated the importance of going beyond the university."

Hutchison Chevening scholars for the 2012-2013 academic year commenced their studies in October. This year's students will study at some of the best educational institutions in the world, including the universities at Oxford and Cambridge and the London School of Economics. Among these students are Amy Leung, Gary Wong, Iris Wong and Jade Siu. Amy, a management associate in the banking industry, was propelled, like many others, to pursue the Hutchison Chevening scholarship because of the changing landscape of the business sector throughout the world.





Above Left: A welcome reception for 2012/13 Chevening Scholars was held at the UK Foreign and **Commonwealth Office** in London. Above Right: Campus of Queen's University Belfast.

"When the global financial crisis broke out in 2008, I seriously reconsidered the industry I worked in and the role that I was to play going forward," reflected Amy. "That curiosity drove me to further my study in the field of finance through the programme, which I knew would provide me with the precious opportunity to study in the UK amongst some of the brightest scholars in the world."

Iris agrees. As a principal finance reporter for a local television station, she, too, witnessed the global financial tsunami first hand and was driven to deepen her own knowledge so that she could better help investors to understand the trends in the financial markets and cope with the turbulence and changes. "The Chevening programme is prestigious. I look forward not only to my own studies but also to interactions with other fellow scholars from around the globe," said Iris.

Working toward his goal of leading what he calls "positive politics" in Hong Kong, Gary was pleased when the Chevening scholarship selection panel recognised his potential of becoming a future leader in Hong Kong, because the competition for this year's Hutchison Chevening scholarships were highly sought after. "I am most honoured by the fact that Dr Li Ka-shing and Hutchison Whampoa Limited will be supporting my studies," said Gary. "Because of this support, I can partake in an academic programme that will greatly enhance my intellectual capability and broaden my horizons and global understanding."

Like Gary and many Hutchison Chevening scholars, Jade understands that the benefits of the Chevening programme will stretch far beyond the walls of her classrooms. "I am looking forward to pursuing my passion of economic development and policy analysis, but I am most excited about becoming highly engaged in the global Chevening community and connecting with and learning from the local people and culture," said Jade.

"For those considering applying for the Chevening scholarship, I highly recommend that you challenge yourself and apply for this world-class opportunity," advises Alan. "Once you receive the honour of being a Chevening scholar, you will have the opportunity to grow yourself personally and professionally like never before - truly an opportunity of a lifetime."





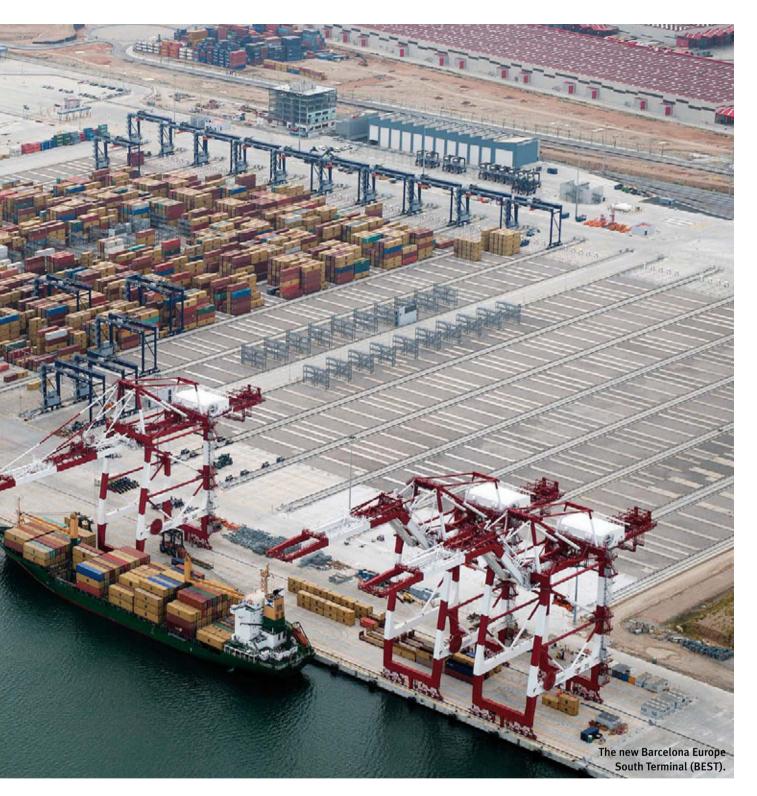




The Chevening global family Clockwise from top left: Iris Wong, Gary Wong, Frankie Tam, Alan Koo.



The logistics and transportation industry has always been a complex industry, where numerous stakeholders' interests have to be taken cared of, be it the shipping lines, terminals, governments, security firms, end-users, along the whole supply chain. Hong Kongbased port operators have to be even more competitive, keeping its edge against the rapid development of ports in Mainland China, while maintaining the enviable reputation of Hong Kong's ports as the world's leading "catch-up port", where time lost on route is assured to be made-up at the facility. *Sphere* is going to tell the remarkable story of the growth and success of the Hutchison Port Holdings' (HPH) worldwide network of ports operations, which is driven by its relentless pursuit of technological innovation and improvement.



BY INCREASING THE USE OF CUTTING-EDGE INFORMATION TECHNOLOGY across its global network of ports, HPH has succeeded in streamlining the global transportation supply chain. As one of the most advanced port operators in the world today, HPH is a soughtafter partner by companies throughout the maritime and transport community.

When HPH, originally founded in Hong Kong, made its first investment overseas in the Port of Felixstowe (PFL) in the United Kingdom in 1991, it took its first step towards exporting its technical and IT expertise and using it to build a

global port network.

Over the following two decades, the group has not only transformed PFL into the UK's largest and busiest port, but also built a global network spanning 52 ports in 26 countries across Asia, the Middle East, Africa, Europe, the Americas and Australasia. Moreover, it is now present in six of the world's 10 busiest ports. In 2011, the HPH global network handled a combined throughput of 75.1 million twenty-foot equivalent units (TEUs), comprising approximately 13 per cent of the world's container traffic, according to Drewry Consultants.

Award-winning Next Generation Terminal Management System (nGen)

Of all the innovations that HPH has pioneered through the decades of growth – including back office automation such as an eProcurement system and an eFinance system, and environmental protection initiatives – its proprietary terminal operating system, nGen, stands at the core of its commitment to endless innovation and developing and deploying state-of-the-art logistics technology.

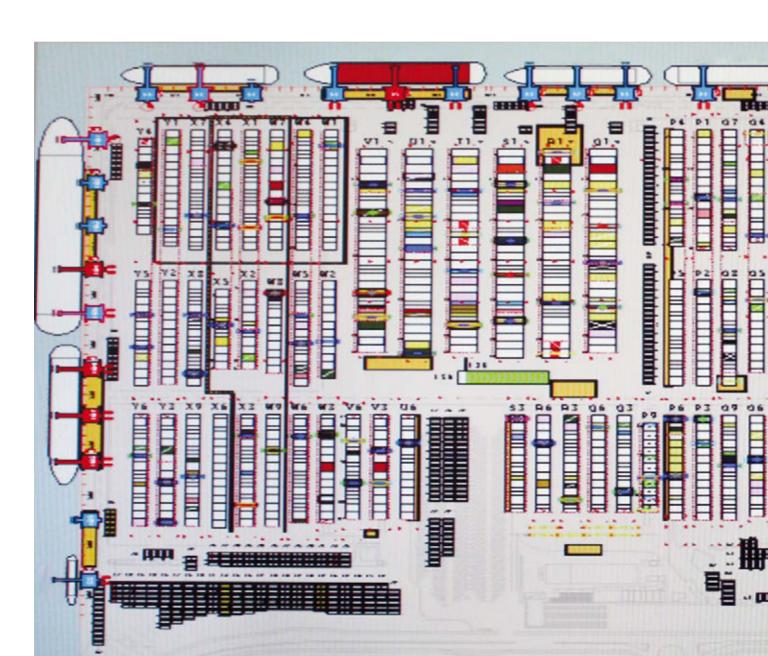
Unlike other commercially available management systems, nGen was initially developed by HPH in-house for Yantian International Container Terminals in Mainland China and Hongkong International Terminals (HIT) in Hong Kong. Following the resultant productivity gains' success, the system has been rolled-out to other ports in the group including Barcelona Europe South Terminal (BEST) in Spain, Tanzania International Container Terminal Services in Tanzania, Jakarta International Container Terminal in Indonesia, and Oman International Container Terminal in Oman. It is scheduled to be gradually deployed to other

ports across the HPH network in the coming years.

nGen controls the entire scope of port operations including ship and yard planning, gate operations, vessel operations and interactions, yard configuration and performance, overall operations monitoring, equipment utilisation, productivity, and cost optimisation. The numbers speak for themselves, as nGen was so successful in streamlining these operations that HIT recorded a 28.5 per cent throughput increase three years after its implementation.

HIT exemplifies, par excellence, the operational efficiencies that can be achieved with a high-tech, highly-automated container terminal over a more conventional container terminal. nGen was designed, in part, to meet the unique challenges posed by the land constraints in Hong Kong.

HIT and COSCO-HIT – a joint venture that became operational in 1994 – have a combined berth length of 5,380 metres and a combined yard space of 141 hectares. Even spanning such a large yard space, the ports are still able to move a staggering 27,000 containers in a single day, reflecting the ability to handle nearly 10 million containers a year, which can



hardly be matched by any port in the region, and comprises testament to the success of the extensive use of technology to improve efficiency through innovation.

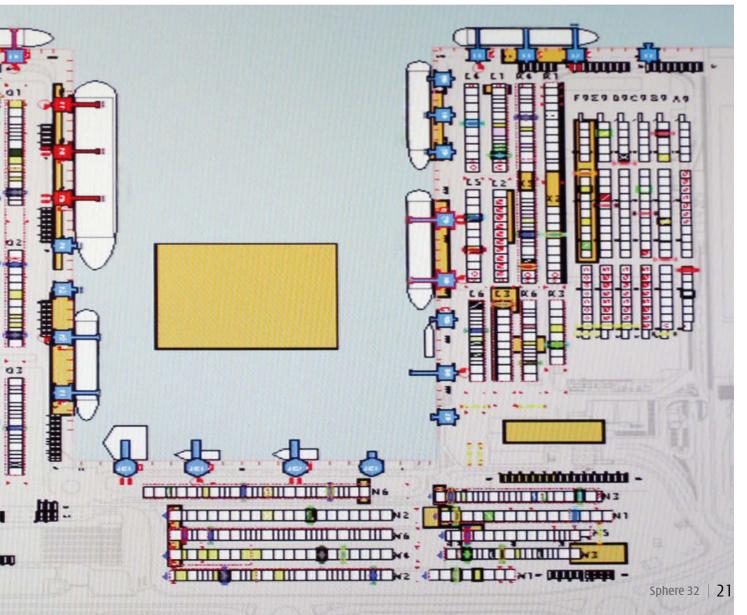
Most recently, nGen has been put to use at BEST, a new semi-automated deep-water container terminal in Barcelona, Spain. It is the first semi-automated terminal in the HPH network and will soon be followed by Brisbane Container Terminals in Australia, which will be operational by the end of the 2012.

Using nGen to run its fleet of Automatic Stacking Carriers and quay cranes, BEST is the most technologically-advanced container terminal in Southern Europe, and is sure to be a terminal of reference regarding productivity and efficiency in Europe. BEST also has the largest on-dock rail facility in Southern Europe and with 1,000 metres of quay and a 16.5 metre draught is capable of serving multiple mega-vessels simultaneously. The nGen operating system will increase both efficiency and productivity at BEST when servicing mega-vessels. In July 2012 the terminal successfully achieved a productivity rate of 30 moves per crane per hour.



Port of Felixstowe in the UK.

A screen shot of HIT's nGen Operation Monitoring System.





Inside the nGen Control Tower.



An RMGC at HIT.

Going green

HPH's commitment to using the latest technology to improve its operations nicely dovetails with another one of the group's pursuits: running green operations. For example, in the mid-90s, it was one of the first international port operators to use Rail Mounted Gantry Cranes (RMGC), giant highly-automated container handling cranes with an auto-stacking capability, made possible by precise laser guidance technology. RMGC cranes were also powered by electricity, unlike more traditional cranes, such as Rubber-Tyred Gantry Cranes (RTGC), which run on traditional diesel.

RMGCs have the flexibility of either full or semi automation similar to the situation in Europe Container Terminals in Rotterdam and BEST. HPH uses remote control booths, allowing the crane operators to work in an office environment and control several cranes at the same time from their desk. This improves safety, efficiency and working conditions. In Hong Kong, the company's IT specialists are currently retro-fitting its existing fleet of RMGCs, enabling it to take the operators out of the crane cab and into the office as part of its overall renovation of the cranes' existing automatic control system.

In regard to RTGCs, HPH has moved steadily forward with technological innovations and pollutants and particulate matter that are a by-product of diesel use. Innovative hybrid RTGC designs that use the a complete replacement of all its traditional RTGCs with hybrid and electric models is underway.

Security first

"nGen recorded

a **28.5 per cent**

throughput

increase three

years after its

implmentation."

The group is also a pioneer in cargo security and actively participates in numerous government-private sector initiatives to ensure the safe and efficient movement of cargo through its network of ports worldwide. It is continually responding to emerging and ever-changing market needs.

HPH has established its own cargo security subsidiary LoadStar (refer to the sidebar story), and all of its ports comply with the International Ship and Port Facility Security Code, developed by the United Nations after the September 11 attacks, a global framework that enhances the security of ships and port facilities.

Some of the HPH ports also work with local governments

with radiation detection and imaging technology. In addition, HPH has long worked with advanced technology system developers to provide vital assistance in the creation of important advancements in the field of security. For example, in August 2012, Decision Sciences International Corporation, an advanced security and detection technology provider, announced the deployment of its first fully operational Multi-Mode Passive **Detection System at Freeport Container** Port in the Bahamas. This comprises a scanning device capable of locating unshielded to heavily shielded nuclear

and radiological threats inside all types of cargo containers, vehicles and rail cars without impeding the flow of commerce and without generating harmful radiation.

Securing the world's global supply chain is vital. As John Meredith, HPH's Group Managing Director puts it, the company has a longstanding commitment to port and cargo security, and strives to make continuous improvements to supply chain security and product integrity. To monitor and ensure the highest security standards, HPH's Executive Committee is regularly updated on port security status from the HPH Security Committee.

The Guarding "Star"

StellarTrak software platform showing the assets location.

Have you ever wondered how the food on our table, the television set in our living room, or the couch we are sitting on, managed to 'arrive' in our lives safely? Thanks to companies like LoadStar, which provides a range of products and services, shippers, freight forwarders, customs agencies, and so on are able to monitor and manage their cargoes and assets using the latest global positioning system and wireless technologies.

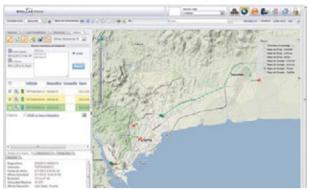
Neil Smith, CEO of LoadStar, a wholly owned subsidiary of Hutchison Port Holdings, said, "We provide a software platform called StellarTrak and hardware wireless services. The software is built specifically for real-time cargo and asset tracking, and we update and improve it on a regular basis through our team of software developers."

Smith pointed out that the technology is so sophisticated that customers can opt for tracking single or multiple shipments with automatic updates on asset location, information alerts. The tracking devices can withstand the tough transportation environment, and have sensors for temperature, humidity, shock and light to provide additional data to customers.

"These devices are specifically designed for ocean and air cargo, and personnel and vehicle fleets or plant equipment. LoadStar can customise the device to meet the customers' needs, including covert tracking or remote security monitoring," he explained.

In addition to tracking cargo, LoadStar can also track a company's truck, automobile, or bus fleets, through its StellarMatrics fleet management system, using the same StellarTrak platform. This means customers can know the status of their cargoes and other mobile assets in real-time, in addition to every cargoes' security status.

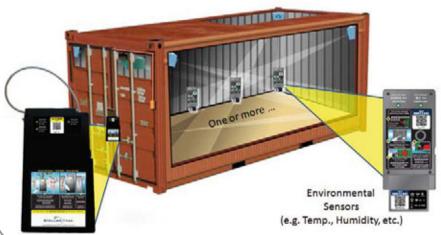
The StellarTrak platform can also be used to track personnel for safety, security and productivity purposes as well as giving visibility to improve utilisation of plant



equipment, mining and construction equipment and materials, and other valuable assets.

LoadStar currently provides its range of products and services to customers globally. Smith emphasised, "Our products are very versatile. Customers from different industries, including major pharmaceutical and food shippers, have come to us with concerns regarding theft of their cargoes, smuggling of illicit drugs, and the integrity of their brands. If a shipment is compromised or spoiled due to unauthorised entry or high temperature, the company cannot put the product into the market without jeopardising its reputation for quality and security."

Smith continued, "LoadStar also has the advantage of knowing the transportation and logistics business first hand through the HPH Group, the world's leading port operator. Security and safety issues have become a top priority in our society and one day virtually everything will be tracked. LoadStar is at the forefront of this new world of real-time visibility, where ever-increasing efficiency and security are the norm. We are a one-stop shop where customers can get everything they need to track their cargoes, assets and personnel, with the assurance that they are getting the most reliable, cost effective and easy to use service available anywhere."



The tracking devices at the container.



CELEBRITIES SPARKLE THEIR MAGIC

In the arsenal of promotional tools, celebrity endorsement has long been used by marketing professionals to tout consumer products and brands. However, to reach today's savvy consumers and connect more deeply on a personal level, some of Hutchison's businesses are looking to partner with celebrities in unique ways. At both international and local scales, and via different levels of involvement that go far beyond image-leveraging, Hutchison businesses work to develop the products that consumers crave and capture the public's attention for charitable causes.

LEADING THE WAY IN INCORPORATING MODERN CÉLÉBRITÉ into the development of its service offerings has been the A S Watson line of companies. Around the world, A S Watson businesses are partnering with local superstars to showcase the products and services offered by their stores, based on the needs and desires of their clientele.

For instance, Superdrug in the United Kingdom has enlisted Welsh actress Joanna Page as its official Brand Ambassador. Page, who is known for her natural beauty and healthy lifestyle, has worked with Superdrug's marketing team to make sure that their mission to bring quality health and beauty products to UK consumers shines through in Superdrug's promotional materials. She has been a very high profile star of Superdrug's TV advertising, ensuring that consumers are excited by the information they receive about the brand.

Similarly, ICI PARIS XL in the Netherlands has partnered with Dutch celebrity make-up artist Thijs Willekes to bring the best insider make-up tips and tricks to ICI PARIS XL customers. These partnerships go beyond surface-level brand and product promotion, however. Rather than simply lending their faces to Superdrug and ICI PARIS XL advertisements, both Page and Willekes' commitments are much more tangible, frequently visiting their host storefronts to meet their brand colleagues and interact with customers in a oneon-one manner.

Another Dutch celebrity, Koert-Jan de Bruijn, a musician and new father, opened Kruidvat's "Nine Months Baby Fair"

in Amsterdam, playing music from his latest album, which is available exclusively in Kruidvat stores. As the Netherlands' largest baby goods retailer, Kruidvat's fair for pregnant women and mothers has become an important platform for baby care manufacturers to generate important exposure. The event itself. in addition to de Bruijin, earned applause from Dutch media.

On the product development forefront has been Hutchison China Meditech Limited (Chi-Med), who has partnered with Australian celebrated stylist to the stars, Kim Robinson, in the development of a range of professional-grade hair care products under Chi-Med's Sen line.

"For the past decade, women have been bombarded with hair care product choices, with many different voices - including those of celebrities - advising them to buy this or that product," explained Robinson, who has worked with the likes of Kate Moss, Cindy Crawford, Jackie Chan, the late Princess Diana and Anita Mui. "Consequently, most of the shampoos available in Asia have been developed in the West and have not been created specifically for Asian hair. These products are not nourishing enough for Asian hair. Even popular Japanese shampoos, which tend to be heavy, are not suitable for Hong Kong girls."

Thus, Robinson, founder of the kimrobinson and kr+ brands, worked with Chi-Med to develop a line of products for Sen that specifically addresses the needs of Asian hair, based on the principles of Traditional Chinese Medicine (TCM) in combination with the latest in Western hair care technology.







A S Watson is partnering with celebrities throughout its retail brands in Europe. (From left to right): Dutch musician Koert-Jan de Brujin at Kruidvat, Welsh Acrtress Joanna Page the Brand Ambassador of Superdrug in the UK, Dutch make-up artist Thiji Willekes at ICI PARIS XL.

What makes Robinson's partnership with Chi-Med unique is that it is not a short-lived celebrity endorsement for a pre-existing product, a tactic employed by many other brands and that is familiar, to increasingly sophisticated, consumers. In contrast, Robinson was truly at the heart of the formulation of his own branded products and will continue to incorporate his 30-plus year reputation for style, quality and attention to detail in Asia into his line's future development and promotion. "Sen by Kim Robinson" (SBKR) will also deploy Robinson's social networks of celebrity friends. This allowed Chi-Med to win Sandy Lam as the face of SBKR. Sandy not only represents and transports the brand values (authentic, confident, natural) but also elevates the brand equity, and incremental media value.

Likewise, Andy Castillejos, General Manager at Harbour Plaza Metropolis in Hong Kong, has collaborated with a team of Hong Kong pop stars and popular home décor store Francfranc in a similar fashion to prepare a suite of hotel rooms - designed entirely by the celebrities - in celebration of the hotel's 10th anniversary.

Led by Kelly Chen, pop singer and actress, the team of local celebrity designers comprises Louis Cheung, Vincy Chan, Rubberband, Steven Cheung, Stephanie Cheng, HotCha, Jinny Ng, Adason Lo and Robynn & Kendy, each of whom was responsible for decorating a room. They were chosen by Harbour Plaza Metropolis because they are young, creative and unique, qualities the hotel knows its customers value in

the design of their hotel rooms.

"From past experience, we know that customer satisfaction is always increased when well liked celebrities participate in the product development process," said Castillejos. "However, this project has been well received by the celebrities, too, as they are actually leading the design process as opposed to simply being our brand's spokespersons."

Although the end result – the finished rooms - has been exactly what the hotel hoped for, the process of coordinating not one but 10 celebrities proved to be a challenge for Castillejos, though it was one worth overcoming.

"Coordinating everyone's schedules for site visits, finding time for everyone to shop for their supplies, directing the videographer and photographer and scheduling the singers to personally set up their designed rooms in a busy hotel, was a real challenge," said Castillejos. "It was well worth it, though, as we have already received numerous inquiries as to the availability and booking of these themed rooms. It seems that they have created a product the public truly looks forward to."

One of the celebrity-designed rooms, Kelly Chen's suite, went one step further than the design process. Kelly took the initiative to donate her proceeds from this Harbour Plaza Metropolis project to the Kelly Chen Children Education Fund. The hopes for this promotion are that the hotel's partnership with Chen and her fellow celebrities will positively impact people in need in the local community.







Celebrities in Mainland China, Taiwan and Hong Kong are casting their spells in the promotions of various companies in the Hutchison family.



Kelly Chen is delighted to join the "Home Sweet Home" theme room design for the hotel, "I have always a passion for interior design, and am so proud and satisfied to complete redecorating the whole room."

Another Hutchison division, ComPass Visa, also sees the value in partnering with celebrities to develop charitable initiatives. In September 2012, ComPass Visa joined forces with local actor Chapman To Man-chak, perhaps best known for his role in "Infernal Affairs", to raise money for ORBIS, a philanthropic organisation dedicated to creating a world free from preventable blindness.

To, who was diagnosed in April 2012 with Miller Fisher syndrome, a rare variant of Guillain-Barré syndrome that is characterised in part by the paralysis of the eye muscles, inspired ComPass Visa's "Live Wholeheartedly" campaign. The initiative centred around one of To's biggest passions: photography.

First, the public was encouraged to upload photos they had taken to the ComPass Visa Facebook page; for every one 'like' the photos received, ComPass Visa donated one Hong Kong Dollar (USD 0.13) to ORBIS. Then, for a week in mid September, an exhibition of these uploaded photos, alongside 30 of To's photographs, was held at the Hong Kong Arts Centre. For every person who 'checked in' at the event via Facebook, ComPass donated an additional one Hong Kong Dollar. In total, ComPass Visa donated more than HKD80,000 to ORBIS.

"Celebrities have a strong influence on the public's actions and have an unmatched ability to relate to the younger generation fluently," said Castillejos. "Their huge numbers of fans mean that disseminating one positive message or gesture for our community can be extremely far-reaching and effective."

For these Hutchison companies - and the dozens of others who are following suit partnering with celebrities has proven to not only intensify their sales numbers and enhance their public images, but also the satisfaction of their customers with their products and services - the true objective behind each of these partnerships.

Bringin to the She

What it takes to create a beauty product with a celebrity twist

CHI-MED'S DECISION TO PARTNER with celebrity stylist Kim Robinson to develop a new product range for their Sen line of hair care products specifically for Asian consumers stemmed from their aligning view that what Robinson calls 'believable beauty' should be available to all women, regardless of their budget.

"I come from a simple Australian farm; not from a highsociety background," said Robinson of his ultimate vision for his Sen range. "I know that not every girl can afford to visit my salons for a haircut, so I wanted to develop a product that is within an affordable price range and that includes the characteristics of the products I use in my salons. It was important to me that these new products be performance-driven, organic and natural."

In accordance with this vision, Kim set to work developing his

line for Sen, "Sen by Kim Robinson" (SBKR), calling upon his 30-plus years of experience in caring for Asian hair. Five years in the making,

Robinson was personally involved in every step of the development process, from working with Chi-Med's laboratory technicians, to perfecting the aroma, to testing the product - even providing creative direction for the packaging

design.









(Left) Robinson works
with the R&D in Chi-Med
to create the perfect
formula for the SBKR
hair care range.
(Right) Renowned singer
in Asia and longtime
friend and client of
Robinson – Sandy Lam's
natural and confident
beauty perfectly
matches the image of
the SBKR hair
care products.

Seeing a legitimate market gap, Robinson worked to make sure his SBKR products would fulfil the unmet needs of Asian women. "Asian women need a product that is lighter and more tailored for their unique hair type, which tends to be finer than that of western hair," explained Robinson. "Given that most of the products in Asia are developed in the West, I needed to ensure that my products fulfilled this need."

Thus, the Kim Robinson line for Sen was born out of Robinson's keen market eye and expertise in the Asian hair care niche. The results are three product varieties, each of which features shampoo, conditioner and a deep-conditioning treatment mask.

Marketing to the Masses

While Robinson was busy formulating his SBKR line for the unique needs of Hong Kong women, Chi-Med was concurrently busy crafting an aligning marketing strategy. Their strategy has been to reinforce Robinson's reputation for professional expertise in Hong Kong and remind the public of his work with some of Asia's – and the world's – most beautiful women, all while underlining the affordability of the SBKR line.

Furthermore, the strategy aims to fully capitalise on Kim Robinson's PR value and ability to generate editorial content to multiply consumer touch points through publicity and interviews, make overs, hair trends and tips within this strategy. Robinson has played a direct and integral role in

both social media and public relations, which gives the brand a unique point of brand differentiation.

In line with this strategy of promoting the Kim Robinson for Sen line as a 'masstige' product that offers women truly affordable luxury, sachet sampling with coupons on-pack, immediately following SBKR's in-store launch, will make trying the products even more affordable. Additionally, product samples will be given away at key locations, including in-store sampling, some luxury residential Club Houses, and reaching cross border tourists staying at some of the Harbour Plaza hotels in Hong Kong. "This project is special as it perfectly blends Chi-Med's Traditional Chinese Medicine proficiency with Kim's exceptional hair expertise and publicity", said Ole Walter, General Manager – Consumer Products Division of Chi-Med.

"My hope is that, after seeing our promotional materials and trying my SBKR line first hand, women will begin to budget for their beauty products based on quality," explained Robinson of his vision for the marketing of SBKR. "Women have so many choices when it comes to caring for their hair; I hope they will recognise that the high quality of SBKR products is worth the investment."

SBKR products are now available exclusively in selected Watsons and PARKnSHOP stores, with two additional SBKR varieties launched in Watsons in the coming months, and then the entire SBKR line will debut in Taiwan and Singapore in 2013 followed by Mainland China.