

SPHERE

15



Thinking out of the box

How Hutchison keeps track
of the global supply chain

S P H E R E

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NUMBER 15 NOVEMBER 2005

Editor's Message

WELCOME TO ISSUE 15 of *Sphere*, your in-house company journal.

In this issue, we take you to London, San Francisco and Eastern Europe and also look at how technology is changing the world of transportation. Congratulations are in order too, Hutchison's 3G customer base has reached 10 million!

But first to London where we look at two important developments - elegant retailer Sen is offering Chinese healthcare in an authentic modern setting and a striking new Hutchison residential complex has become the talk of the town.

In California, a generous donation from the Li Ka Shing Foundation is helping the University of California, Berkeley, to fight disease while in Eastern Europe Hutchison is helping consumers to enjoy the good life.

We hope you find these articles interesting. This is your journal so please let us know what you think. Feedback and story ideas can be sent to info@hutchison-whampoa.com.

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Hutchison Whampoa Limited



Newsbites



A.S. Watson on the Acquisition Trail

NETHERLANDS It's been a busy time for the A.S. Watson Group. A.S. Watson Health and Beauty Continental Europe has acquired Portegies Drugstore in the Netherlands. An agreement to integrate the Dutch operation into the Group's health and beauty portfolio by rebranding all the stores under one of the A.S. Watson operating brands started from August.

In the UK, the Group has also completed the acquisition of the Merchant Retail Group, including The Perfume Shop, that will continue to run as a stand-alone business.

In Asia, Watsons' Personal Care Stores Sdn Bhd (Watsons), the Malaysian unit of A.S. Watson Group, has announced the successful acquisition of Apex Pharmacy Sdn Bhd from Apex Healthcare Bhd. **R**



BROTHERLY LOVE

AUSTRALIA The winners of this year's Big Brother show in Australia attended the opening of the 3 Shop in Canberra to the delight of hundreds of fans. 3 is the first operator to give Canberra's retail consumers a full 3G offering, comprising handsets, content, services such as video calling, and capped voice pricing. **T**



Striking Silver

HONG KONG The quality of Hutchison Whampoa Limited's (HWL) annual reports has again been recognised, with the latest annual report winning a Silver Award in the Conglomerate Category of the 19th Annual International ARC Awards. Creativity, clarity, effectiveness and innovation shown by the Group's 2004 Annual Report won recognition in the competition that attracted close to 1,900 entries from 25 countries and more than 200 industries. HWL's 2003 Annual Report won a bronze award in last year's competition. **C**



DOUBLE TOPS

HONG KONG Hutchison Whampoa Limited (HWL) was No 1 in the Yazhou Zhoukan Top 500 Chinese Companies in the world rankings for the ninth consecutive year. The rankings are based on market capitalisation.

Meanwhile, *Global Finance* magazine rated HWL as the best company in Asia in the conglomerate category. **C**



That's What You Call Networking

HONG KONG 3 Hong Kong has again taken the lead in local 3G network development by being the first mobile operator to provide full 3G coverage for the entire MTR network, including the Island Line, Airport Express Line, Kwun Tong Line, Tung Chung Line, Tsuen Wan Line, Disneyland Resort Line and Tseung Kwan O Line. By extending 3G coverage to all the MTR stations, 3's 3G network will provide customers with truly seamless 3G video communication and high-speed video content. **T**



Rain-ing at the Harbour Plaza

HONG KONG Harbour Plaza Hong Kong is well known for playing host to the hottest recording artists and entertainers so it was no surprise when South Korean

music sensation Rain checked into the hotel's 3,500 square foot Presidential Suite in July. The artist was more than accommodating to the throngs of fans and press who waited outside the hotel for a glimpse of their idol, signing autographs and posing for photos.

On the sporting front, National Basketball Association (NBA) stars Luke Walton (left) and Dwight Howard (right) stayed at the hotel in June while supporting the NBA's grassroots development programmes in the region. In August, the hotel sponsored the first

NBA Celebrity Jam featuring artists and entertainers from Hong Kong, and hotel guests included the famous Los Angeles Lakers' cheerleaders. **H**



TOM ONLINE TEAMS UP WITH SKYPE

CHINA TOM Online Inc, China's leading wireless Internet company, and Skype, the pioneering global Internet communications company which enables free and high-quality phone calls via the Internet, have signed an agreement to establish a joint venture to further cement their strategic partnership in China's rapidly growing online communication market. Working together will allow an even deeper level of integration between Skype's award winning software and services with TOM Online's over 70 million wireless Internet users. **R**

IRELAND ON THE 3G MAP

IRELAND 3 has launched in Ireland, bringing much needed competition to the country's mobile phone market by offering an unprecedented level of value and service to consumers as well as access to the most advanced 3G network

in the country. 3 is the first network to include a huge range of 3G video entertainment services with every price plan at no extra cost. **T**



FLYING HIGH
 Hutchison Whampoa Limited is ranked 347th in the Fortune Global 500 list, 150th in the Forbes Global 2,000 and 103rd in BusinessWeek's Asian Top 150.

Think Lamma, Think Green

HONG KONG Lamma Island will be going greener in a few years' time. Green Lamma Green is a three-year project by Hongkong Electric and the Conservancy Association to enrich the existing Family Trail for hikers and holidaymakers, enhance ecological values and foster the public's environmental awareness. The project kicked off with more than 100 students and a group of 20 Green Lamma Leaders recruited from Hongkong Electric's Volunteers Team planting trees by the Family Trail linking Sok Kwu Wan with Yung Shue Wan.

Meanwhile, 23 primary school students were recognised for their achievements as young green crusaders in learning energy efficiency at a special graduation ceremony as the finale of this year's Hongkong Electric Smart Power Campaign. **E**





A REAL GOURMET EXPERIENCE

HONG KONG The A.S. Watson Group launched Hong Kong's first boutique-style fine food hall, Gourmet, in the Lee Gardens, Causeway Bay, with a fashion show. Offering a new concept in fine food shopping, Gourmet features the highest quality and most exclusive international food products and some of the most personalised customer services. Customers are guaranteed a gourmet experience at this new haven for Hong Kong connoisseurs. **R**



HUNGRY FOR SUCCESS

HONG KONG Crowds and media flocked to watch Kobayashi Takeru, the five-time world hotdog eating champion, in action at a speed-eating contest at Whampoa Gourmet Place organised by Wonderful Worlds of Whampoa. He lived up to his reputation and won the contest by gulping down 83 dumplings in eight minutes in the semi-final and 100 roasted pork buns in 12 minutes in the final. **H**



Happy Anniversary!

HONG KONG Harbour Plaza Hong Kong celebrated its 10th anniversary in style. Around 500 guests, including corporate and travel trade clients, media, residents of serviced suites and restaurant patrons, gathered on the hotel's renowned Victoria Harbour promenade for cocktails and a sumptuous seafood feast. It was the perfect way to start the hotel's second decade. **H**



HHR Profits Rise

HONG KONG Hutchison Harbour Ring's (HHR) profit attributable to shareholders increased 11 per cent to HKD48.8 million in the first six months of 2005 compared to a year earlier. Turnover, including its share of associates' turnover, increased seven per cent to HKD1,020.3 million. **R**



CONGRATULATIONS!

Nuance-Watson Hong Kong and Singapore have both been recognised at the prestigious Raven Fox Awards for Travel-Retail Excellence.



Party Time in Denmark

DENMARK Celebrities, journalists, partners, suppliers, customers and 3 employees gathered for the first ever 3 Award Show in Denmark. Approximately 200 guests attended the show celebrating the most downloaded services. Guests took a boat ride from the old centre of Copenhagen to the trendy and newly restored harbour front at Holmen. A magnificent high tech presentation was run on two large TV screens, putting everyone in the right mood to party until 2 am. **T**



VIP VISIT

HONG KONG The Vice President of China, Zeng Qinghong, stayed at the Harbour Plaza Hong Kong during an official visit to the SAR. He is pictured with General Manager Jonathan Wilson. **H**



CALL THE MUSIC POLICE!

UNITED KINGDOM The new **3** campaign, shot in Hong Kong, is set on Planet 3, a place where east meets west in a collision of cultures. Planet 3 is inspired by Asia, the birthplace of new technology, where life is designed to be fun, playful and enjoyable. In the new ad, music has become illegal, something that can only be enjoyed behind closed doors. But the "sound police" are never far away. They burst in with their oversized orange earmuffs but after a while even they can't resist the allure of music. The brand film will be supported by a multi-media campaign to promote 3's music offering of tracks and full-length videos from major artists and record labels including Robbie Williams and Britney Spears.

Meanwhile, **3** has been recognised as the best new brand of the year at the Marketing Society Awards for Excellence in the UK. "3's brand personality is simple: we're young, fun and a little bit cheeky," said 3 UK's Chief Executive Bob Fuller. "3 is different and proud to be so." **T**



Strong Half-Year Results for HWL

HONG KONG Hutchison Whampoa Limited recorded strong results in the first six months of 2005. Profit attributable to shareholders from the established businesses, excluding investment properties revaluation and profit on disposal of investments, increased 30 per cent to HKD7,976 million. The 3 Group's businesses have improved steadily and continue to build a quality customer base. **C**

HIGHLIGHTS

- Turnover grew 33 per cent to HKD109,184 million
- First half year profit increased 10 per cent to HKD11,824 million
- Earnings per share increased 10 per cent to HKD2.77
- 3 Group's funding requirements are to decline in the second half of this year and it is positioned to contribute significant value to the Group
- Cash and liquid investments totalled HKD141,714 million

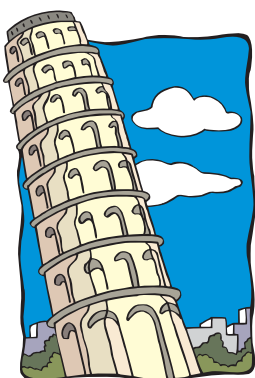


TALENT SPOTTING

CHINA More than 200 children aged 4-13 took part in a talent show organised by Zhuhai Horizon Cove and Zhuhai Xiangzhou District Education Bureau. The competition was divided into music, dance and drama sections and the excellent performances spotlighted the wealth of young talent in Zhuhai. **H**

HPH INVESTS IN THAI PORT

THAILAND Hutchison Port Holdings Limited (HPH) is investing in a roll-on roll-off (ro-ro) terminal in the Laem Chabang Port, Thailand. A new joint venture company, formed by an HPH-led consortium, has been awarded a 30-year concession to build and operate the new terminal that will also handle general cargo. The terminal will have a total quay length of 500 metres and a depth alongside of 16 metres. **P**



3 ITALIA LISTING PLANNED

ITALY Hutchison Whampoa Limited has filed a listing application with regulators in Italy to offer shares of 3 Italia. This is the first step towards an initial public offering of the shares. **T**

Tom Group Achieves Core Earnings Growth

HONG KONG TOM Group Limited, the Chinese-language media company in Greater China, has announced interim results for the six months ended 30 June 2005. The Group achieved revenues of HKD1.416 billion, an increase of 18 per cent compared with the same period last year. Year on year all divisions except Sports Group registered revenue growth. EBITDA was HKD178 million, representing an increase of 11 per cent. Profit attributable to shareholders was HKD169 million, compared to HKD683 million in the first half of 2004, which included the one-time non-recurring items, net of minority interests, of HKD626 million, mainly contributed by the spin-off of TOM Online. **R**



SEAROSE IN BLOOM

CANADA **Husky Energy**

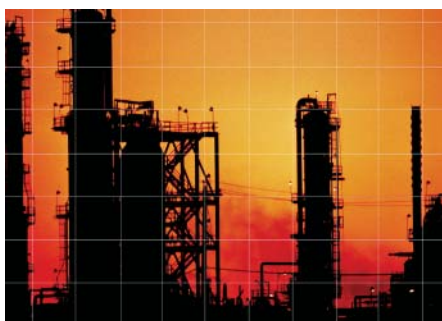
Inc's SeaRose FPSO (floating production, storage and offloading vessel) has arrived at the White Rose oil field. The vessel will now be connected to a deep sea production system and then undergo approximately three months of offshore hook-up and commissioning in preparation for receiving its first oil. Husky Energy owns 72.5 per cent of the White Rose project.

Discovered in 1984, the White Rose offshore oil field is located in the Jeanne d'Arc Basin 350 kilometres east of St John's, Newfoundland and Labrador, Canada. **E**

CKI Turns Up the Power in Zhuhai

CHINA **Cheung Kong Infrastructure (CKI)**

is investing in the expansion of the Zhuhai Power Plant to help make it one of the largest coal-fired thermal power plants in Mainland China. CKI and the Guangdong Yudean Group have pledged a joint investment of RMB6 billion (about USD742 million) for Units Three and Four of Phase One of the Zhuhai Power Plant. The two new units will have an installed capacity of 600MW each and are expected to commence commercial operation in phases during the second half of 2006, with an annual generating capacity of approximately seven billion KWh. The project will include the installation of an SO2 desulphurisation plant to meet the environmental regulations in Guangdong and the PRC. The new extension will help the Zhuhai Power Plant contribute to the stability of the electricity networks in Guangdong and Macau, and will play a pivotal role in promoting economic development in the Pearl River Delta region. **E**



HWL LAUNCHES KNOWLEDGE QUEST PROGRAMME FOR STUDENTS

HONG KONG **Hutchison Whampoa Limited** has launched a Knowledge Quest programme, inviting secondary school students to visit its operations in order to increase their general knowledge, widen their perspective and develop a better understanding of the modern world. Students have taken guided tours to see the daily operations of business activities such as container handling, hotel housekeeping, centralised fresh food distribution and the power generation process. **C**



Strategic Alliance Makes HIT Stronger

HONG KONG **Hutchison Whampoa Limited** has sold 20 per cent and 10 per cent effective equity in **Hongkong International Terminals (HIT)** and **COSCO-HIT** respectively through a subsidiary to PortCapital Limited, an investment holding company backed by Singapore's PSA International, for USD925 million. Commenting on the transaction, John Meredith, Group Managing Director of Hutchison Port Holdings Limited, said: "We are confident about Hong Kong's container terminal business. The strategic alliance will make HIT and COSCO-HIT even stronger players in this highly competitive market of container terminal operations." **P**

stronger players in this highly competitive market of container terminal operations." **P**

Partner Profits

ISRAEL **Partner**

Communications Company Limited, a leading Israeli mobile telecommunications operator and subsidiary of Hutchison Telecom, increased its operating profit by 5.3 per cent in the second quarter of 2005 from the same period last year. **T**

Let's Rock in Sweden

SWEDEN **3** is really rocking the Swedish mobile market, launching a new combined flagship store and espresso coffee house at Stockholm's most upmarket location, Stureplan. To mark the occasion, heavy metal band Crashdiet – also seen in 3's TV advertising campaign in Sweden – performed for their fans and some pleasantly surprised passers by. **T**



TV advertising campaign in Sweden – performed for their fans and some pleasantly surprised passers by. **T**



FOSSIL FUN

CHINA To celebrate its eighth anniversary, Chongqing Metropolitan Plaza held a dinosaur exhibition

with the Chongqing Museum of Nature that showcased fossils up to 140 million years old. **H**

A HELPING HAND

HONG KONG Celebrity Nancy Sit (second right) was joined by PARKnSHOP volunteers to cook rice with the elderly in the Helping Hand cooking competition. **R**



Welcome to Hutchison Essar

INDIA Hutchison Max Telecom Limited, a major player in the Indian mobile telecommunications market, has been renamed Hutchison Essar Limited. The move follows the consolidation earlier this year into Hutchison Max Telecom of Hutchison Essar Mobile Services, Hutchison Telecom East, Hutchison Essar South,

Aircel Digilink India and Fascal. Further,

Hutchison Essar has signed agreements to acquire BPL Mobile Communications Limited and BPL Mobile Cellular Limited, which hold licences in Mumbai, Maharashtra, Tamil Nadu and Kerala. It has also entered into a conditional agreement to acquire Essar Spacelink Limited, a company that has applied for licences in seven areas not presently serviced by Hutchison Essar. **T**



NO HOLDS BARRED

UNITED KINGDOM 3, the UK's first video mobile network, and Granada, a world leader in television production and distribution, are bringing the latest ITV hit show, Celebrity Wrestling, to video mobiles for the first time. Thanks to the new agreement, more than three million customers on 3's network can watch the show's highlights. **T**

Hutchison Telecom Rings Up Strong Numbers

HONG KONG Hutchison Telecommunications International Limited (Hutchison Telecom) announced strong growth for the six months to 30 June 2005. The operating profit before disposal of investments reached HKD1,014 million, a 297.6 per cent increase compared with the first half of 2004, boosted by strong operating results in India and Israel and a reduction of losses in Thailand. All markets reported growth in customer base, which rose overall by 30.9 per cent to 14.1 million. The vigorous growth in worldwide customer base fuelled the surge in turnover to HKD10,757 million, an increase of 56.1 per cent compared with the same period a year earlier.

Hutchison Telecom has announced management appointments to further drive development of its mobile business. Agnes Nardi has been made an executive director, moving over from Hutchison Telecom Hong Kong (HTHK) where she was managing director of the mobile business. Peter Wong, Chief Executive Officer of the Hong Kong fixed line business Hutchison Global Communications, will assume the additional responsibility of CEO of HTHK.

Meanwhile, independent shareholders of Hutchison Global Communications Holdings (HGCH) have approved a proposal by Hutchison Telecom to take HGCH private. **T**

CKI Profits Increase

HONG KONG Entering its 10th year since listing, Cheung Kong Infrastructure Holdings Limited reported continued growth momentum in its interim results for 2005. Profit attributable to shareholders increased by 10 per cent to HKD1,528 million for the six months to 30 June, 2005 and earnings per share were HKD0.68. **E**

HIGHLIGHTS

- Interim dividend of HKD0.24 per share, up nine per cent
- Substantial profit contribution recorded from:
 - Hongkong Electric: HKD872 million
 - Australian portfolio: HKD612 million
 - Investments in Mainland China: HKD327 million
- Strong balance sheet and financial platform:
 - Cash on hand of HKD6,074 million
 - Net debt to equity ratio of 25 per cent

Healthy Husky

CANADA Husky Energy Inc reported net earnings of CAD556 million (USD472 million) in the third quarter of 2005, an 87 per cent increase over the same period last year. A dividend of CAD0.25 per share was declared, along with a special dividend of CAD1.00 per share, allowing shareholders to benefit from high commodity prices and the imminent completion of the White Rose offshore project. **E**

Telecom Revenue Up 73 per cent in Australia

AUSTRALIA Hutchison Telecommunications (Australia) Limited reported solid improvement in the first half of 2005. Service revenue from its two businesses, Orange and 3, increased 73 per cent sup-ported by strong growth in non-voice revenue. **T**

Hongkong Electric Profits Rise 4.4 per cent

HONG KONG Hongkong Electric Holdings Limited's unaudited consolidated profit for the first six months of 2005 after tax and Scheme of Control transfers was HKD2,287 million, an increase of 4.4 per cent compared to the same period last year. An interim dividend for 2005 of 58 cents per share was declared. **E**

Kruidvat to Finance Childhood Obesity Research...

NETHERLANDS Dutch drugstore Kruidvat is financing a study into the cause of child obesity. The company, part of A.S. Watson Health & Beauty, will donate EUR2.25 million (about USD2.7 million) to Groningen Expert Center for Kids with Obesity to fund the research. One out of 10 children in the Netherlands is overweight and that number is growing. **R**



SUPER'S JEWEL IN THE CROWN

UNITED KINGDOM Superdrug, the UK health and beauty retailer, has launched its first range of jewellery and accessories. **R**



PHOTO: MICHAEL BAZ FOR TOM GROUP LIMITED

SERVING UP A TENNIS TREAT

CHINA Tom Group was one of the co-organisers of the successful China Open tennis tournament held at the Beijing Tennis Centre. Spanish sensation Rafael Nadal was crowned men's singles champion and Russia's rising star, Maria Kirilenko, captured the women's crown. **R**

Property Purchase

CHINA Hutchison Harbour Ring is expanding its investment property portfolio by buying an A grade office tower, The Center, at 989 Changle Road in Shanghai for USD300 million. The purchase includes 204 underground parking spaces and a clubhouse in an adjacent residential development. **H**

What a Game!

HONG KONG Hutchison Global Communications sponsored cash prizes totalling HKD100,000 for the CGM Cyberport Cup during the Cyberport Games Marathon, the premier local event in the electronic gaming industry. Pictured are the champion team from China receiving their cash prize of HKD64,000. **T**



10 Million and counting

Hutchison's global 3G customer base has broken through the 10 million barrier



IMAGINE OLD TRAFFORD on a Saturday afternoon as Manchester United's players take the field. A capacity crowd of 68,190 packs the famous English Premier League ground to watch the most famous soccer team in the world.

Now imagine if you can 147 Old Traffords placed side by side. The total number of people would be 10 million, and that is how many 3G customers Hutchison has today.

All around the world, from Australia to Austria, from Ireland to Israel, 3 customers pick up their handsets every day to use an extraordinary range of services. From video clips, SMS, horse racing, cricket and soccer results to e-mail, digital photography, financial data and browsing the Internet, 3 quite simply has it all.

The mobile phone – once seen as just a convenience for talking on the move – is taking the place of a whole range of other devices. The availability of a range of applications means that the 3G handset is the most ubiquitous and versatile lifestyle device available in the world today.

Hutchison's 3 brand, with its emphasis on multi-media mobile content, has captured the spirit of this consumer revolution like no one else. In the UK alone, customers have downloaded more than 15 million music videos, 2.5 million computer games and one million reality TV show clips in the past 12 months.

But there is more to come. 3 UK is unveiling a number of groundbreaking initiatives, including the launch of a customer-created content channel called "See Me TV" and a new approach to delivering music tracks. Every audio download will also be available online so customers can play the track on their laptop or PC, transfer it to an MP3 player or burn it onto a CD.

Today, 3 is a dominant global brand with an impressive operational track record in nine markets - Australia, Austria, Denmark, Hong Kong, Ireland, Israel, Italy, Sweden and the UK. It achieved the fastest global network rollout in history and is the first operator in the world to launch dual mode WCDMA networks and multi-media video mobile services. 3 has already marketed more than 30 models of 3G handsets and over 30 million music clips have been downloaded over 3's networks.

Canning Fok, Hutchison's Group Managing Director, said: "We are continuing to introduce new and innovative products and services and I am confident that we will maintain our leadership position in this industry as we move into the important Christmas market season ahead."

Congratulations 3, 10 million and counting, you've come a long way in a very short time.



ONE LOGO, many faces

3 has evolved into a new kind of brand for a new kind of business

By Keith Kirby

IT'S A DRAGON, a football, a guitar or even a racing car accessory, depending on the mood or the occasion. The 3 brand logo has certainly come a long way since it was launched in 2003.

The original logo was an innovative three dimensional design with a cool titanium outer shell representing key qualities such as reliability and usefulness. The ever-changing animated inside represented all the fun and entertainment that 3G technology has to offer. It was designed to be different, not a name but a number; not flat but 3D; never still, always moving.

Of course it couldn't be animated in all applications such as print, so it was decided to take six snapshots at different stages of the animation, producing six colour versions. The logo was also designed to only appear on white and a keyline version was created for tricky applications where the colour logos couldn't be reproduced.

As the business has developed, the International Brand Group, part of Hutchison Whampoa Services, has focused on a more iconic version of the logo that allows much greater flexibility in application, reducing the original coloured versions to the now familiar keyline. The keyline logo has become the single most important version.

This is a creative business. 3 is not simply a new telephone network, but a rich multi-media service distributing a wide range of information and entertainment as well as state of the art communications that includes video calling and downloads, web access and TV. In Italy, 3 is the country's biggest digital distributor of music and offers several TV channels as well as opportunities for customers to contribute content they make themselves. To reflect this rich and diverse service the brand identity needed to develop so as to have greater resonance with customers.

We began to look at how the logo could come alive in three dimensional form. An early example was a version created to help promote a new game on the UK service called Dragon

Island. Suddenly the logo became a fire-breathing dragon. We started to see that this modern brand could break with convention and present itself more like a multi-media business than a conventional telephone company. Other examples include the logo in the form of a tennis ball or football for promoting sports, or more recently in the form of a car tyre and wheel for motor racing.

Today we have more than 100 versions of the logo. The special logos are created for specific purposes and never "just because we can". Each has a particular relevance. For example, 3 offers customers various music related products and services including audio and video downloads. What better then than to have 3 represent itself as a guitar, a "special" version that has been used around the world. Taking on the form of a music icon helps demonstrate that 3 is as into music as its customers; 3's passion for music sets it apart from competitors that merely sell music because they can. Italy has taken this version a stage further and has made four real rock guitars in the shape of the logo.

The International Brand Group comprises a group of talented specialists. The team continues to develop the brand working with all the operating companies, including creating new versions of the 3 logo as they are needed and making them available on line to all brand users. A specialist designer in the creative team creates full three-dimensional computer models, adding textures and details as required. A powerful computer helps reproduce images of the highest quality, even at the scale of an advertising billboard.

Currently the International Brand Group is developing a creative platform for presenting 3's content across the handset, in retail and in communications, so the identity will stay fresh. A living brand evolves constantly and helps us stay ahead of the competition by demanding that we always remain relevant to customers.

We are always different but always 3.



*We began to
look at how it could
come alive in three
dimensional
form*

Keith Kirby is Director of Branding and Culture of the International Brand Group, part of Hutchison Whampoa Services.

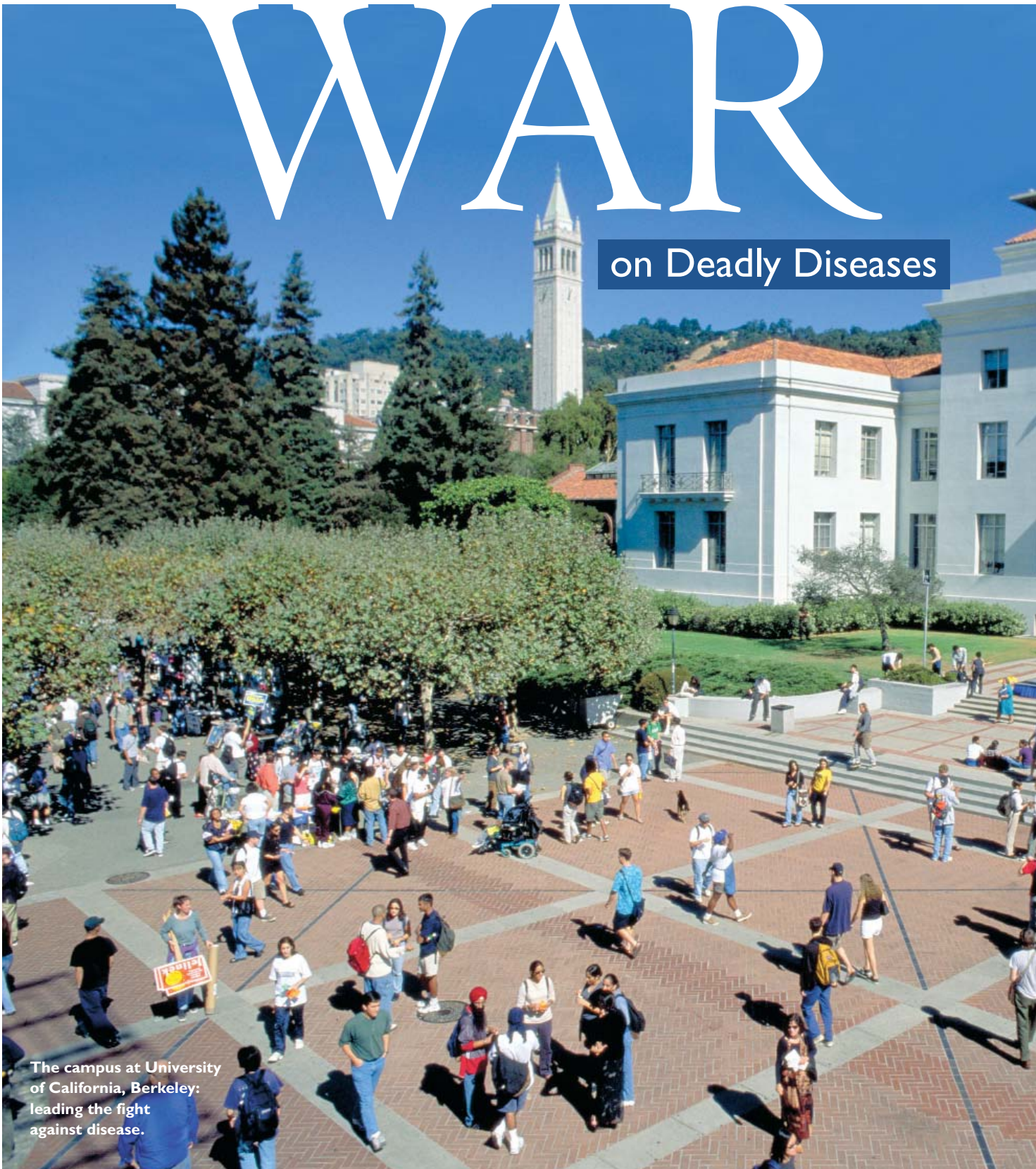


The Li Ka Shing Center at UC Berkeley: a new research facility, a new approach

By Andrea Li

WAR

on Deadly Diseases



The campus at University of California, Berkeley: leading the fight against disease.



MORE THAN A DECADE AGO, a group of scientists at the University of California, Berkeley, had a vision they named the “health sciences initiative”. This was a new approach to scientific research, and involved building the kind of state-of-the-art facilities that would not only ensure the university maintained its position as one of the world’s premier teaching and research institutions, but also maximise the economic and social benefits that would flow from their discoveries.

The scientists then set out to raise the funds needed to construct two new cutting-edge research facilities that would encourage cross-disciplinary collaboration and group together leading scientists from a wide range of disciplines to fight some of the deadliest diseases on the planet.

Now, 10 years and three university chancellors later, their dream has almost come to fruition, with one building about to be completed and construction of the second commencing soon, thanks to a generous USD40 million donation from the Li Ka Shing Foundation.

This is the largest-ever international donation in the university’s history and is considered to be the “cornerstone” gift to the USD160 million second-phase initiative. The Li Ka Shing Center for Biomedical and Health Sciences is expected to make a huge contribution to the advancement of medical research. The facility will house computer scientists, biologists, physicists, engineers, chemists and mathematicians under one roof and enable a collaborative medical approach towards four key medical issues: stem cell research, infectious diseases including HIV and dengue fever, cancer, and neurosciences including Alzheimer’s disease. Several Nobel prize laureates will also work in the centre.

Scheduled for completion in 2009, preliminary designs show the 210,000 gross square foot building will have five storeys and 30-35 research and teaching laboratories, as well as lecture halls and seminar facilities. It will also provide highly specialised facilities for instrumentation and containment areas to handle viruses and stem cell cultures.

“The centre is expected to be a magnet for people from all over the world,” said Robert Tjian, professor of biochemistry and molecular biology, also faculty director of the health sciences initiative at UC Berkeley. “We plan to later recruit world-class scientists and feel confident we will attract new talent both nationally and internationally.”

So far, UC Berkeley scientists have already made significant progress in using their research to bring science to ordinary people. It is this philosophy behind the health sciences initiative that may have most strongly resonated with Hutchison Whampoa Limited Chairman Li Ka-shing. “The fundamentals of the initiative are almost exactly what Mr Li himself has done in China; by bringing education, medicine, and the modern world to people in rural parts,” said Professor Tjian. “Perhaps this is one reason why



Berkeley attracted the tycoon’s attention more than any other institution outside China.”

UC Berkeley is the kind of place where action follows words. The idea of bringing science to ordinary people is not some lofty goal created by academics in their ivory tower, but a very real way of implementing research done there every day. This can be seen in what the university has done for the prevention of dengue fever, an infectious disease carried by mosquitoes and caused by any of four related dengue viruses.

Scientists at Berkeley recognised that the disease predominately occurs only in small rural villages, where medical access is not easy, so they developed a robust prevention kit that is effective and relatively inexpensive, enabling people to self diagnose for dengue fever when they are out in the field anywhere in the world. It is this type of pioneering prevention measure that scientists hope to see more of in the future.

Battling against deadly diseases like cancer is another huge challenge but scientists are already heading in the right direction with the development of some less invasive cancer treatments. It is hoped new medical advances will eventually spare patients the brutal side effects associated with cancer treatments like chemotherapy or radiotherapy.

“In the future, we will be able to identify individual tailor-made treatments for different types of cancers once we identify where the cancer is located, and in which gene. We can then gear

*UC Berkeley
is the kind
of place where
action follows
words*

treatment to that particular area,” said Randy Schekman, professor of molecular and cell biology. “This is something we couldn’t have dreamed of doing a few years ago.”


Meanwhile, research on killer diseases like HIV will focus on the finer points of how the virus works, the virus cycle and how it hides out, said Professor Tjian.

Further funding for the project is likely to come from the California Institute for Regenerative Medicine which awards grants for stem cell research to California research institutions and industry. “We hope to leverage our collaborative research agenda and the construction of the centre to request matching funds from the California Institute for Regenerative Medicine directed for stem cell research at Berkeley. Mr Li’s leadership gift is critical to our opportunity to leverage these funds,” said Professor Tjian.

Global health problems and disease security are two of the most pressing problems facing the world today. “There is no doubt infectious diseases are a global problem,” said Professor Tjian. “We now end up looking at the world as a whole and think about how everything is really inter-related. Take SARS for example. Within 24 hours it could go from China to San Francisco, so it essentially becomes everyone’s problem.”

The global nature of world medicine also has a human face at UC Berkeley. The Department of Molecular and Cell Biology has one of the university’s largest undergraduate populations, attracting several hundred undergraduates each year, many from Asia.

“The undergraduate numbers began increasing in the 1990s, partly as people began realising how important and lucrative the biotech industry had become, and also the difference they could make to the world through research,” said Professor Tjian.

Whatever the future holds, there is no doubt the world will need many more of these passionate doctors and scientists in the future if the war against global diseases is to be won. 



From far left: The university's landmark bell tower; Jay Keasling, who is developing a cheap new anti-malaria drug; faculty director Professor Robert Tjian; a research programme at the Henry Wheeler Brain Research Center that will be housed at the new Li Ka Shing Center; students attending a lecture; Governor of California Arnold Schwarzenegger thanks Mr Li for his generous donation to UC Berkeley.



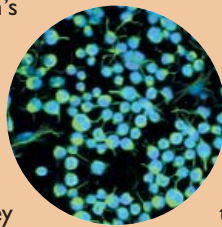
STEM CELL RESEARCH

WHAT DO THE ACTOR Christopher Reeve, President Ronald Reagan and former world heavyweight boxing champion Muhammad Ali have in common? The answer is their medical conditions.

Reeve suffered spinal cord injuries after a riding accident that left him paralysed; President Reagan's Alzheimer's disease left him unable to recognise family members in his final years; Ali is battling Parkinson's disease, a progressive neurological condition. All could have benefited in some form from human stem cell research.

Scientists believe stem cell research holds the key to unlocking countless medical mysteries. They are hopeful it will one day help find new treatments or even cures for some of the deadliest diseases, including cancer, heart disease, cystic fibrosis, multiple sclerosis, HIV/AIDS, and even help severe burn victims.

Stem cells have the ability to generate healthy new cells, tissue and even organs that can replace diseased or dysfunctional cells. This provides an alternative and renewable source for specialised cells in the event that donors cannot be found for a particular organ or specific tissue. Researchers are currently investigating the use of adult, fetal and embryonic stem cells as a resource for various specialised cell types which range from nerve cells to muscle, skin and even blood cells, to treat a host of diseases.



For example, in Parkinson's disease, stem cells may be used to form a special kind of nerve cell that secretes dopamine. Transplanted into a patient, these cells will work to rewire the brain and restore function, thus curing patients of the disease.

"Stem cell biology is incipient. Real solutions and therapies can only be effectively explored once the basic biology of stem cells is understood," said Robert Tjian, professor of biochemistry and molecular biology, also faculty director of the health sciences initiative at UC Berkeley. "One of the major challenges facing stem cell research is to understand the molecular and underpinnings of stem cell differentiation and developmental biology, areas of research in which UC Berkeley is premier."

Looking ahead, there is no doubt stem cell research at UC Berkeley will benefit from the inter-disciplinary approach brought on by the health sciences initiative, while the physical infrastructure of the Li Ka Shing Center will provide research facilities of the highest standard.

By leveraging on the university's excellence in molecular and cell biology, genetics, genomics, neuroscience, chemistry, biophysics, bioengineering, computational biology and even advanced imaging techniques, UC Berkeley scientists hope to contribute to discoveries that could mean the difference between life and death for patients.



Thinking out of the box

Delivering the goods – how HPH supports the global supply chain

By Andrew Ashley



SHOPPING IS WIDELY REPORTED to be the world's number one leisure activity. We all do it. And increasingly we're buying goods sourced from every corner of the earth. In an era of globalisation the things we buy may have been transported thousands of miles before we ever see them.

We all shop. But we rarely stop to think about how our purchases reach the store. We take for granted all the logistical effort that goes into moving goods from the place of manufacture to the point of sale. Until there's a problem, that is.

Recent events have shown how easily the global supply chain can be disrupted. When Hurricane Katrina hit New Orleans, it

knocked out one of the largest ports in the US and made a huge hole in the country's ability to import the goods it needs. Just to take one example, all the Starbucks coffee drunk in America enters the country through New Orleans. So if the port is out of action, the coffee en route for the US has to be redirected and landed elsewhere – or consumers will have to go without their lattes and espressos.

It's not just natural disasters that can affect shipping. International trade disputes can also hold up cargoes. Until China and the European Union reached agreement on quotas in September, shipments of Chinese textile products were stacked up, unable to gain access to European ports – leaving consumers unable to buy the clothes they wanted.



Katrina was an extraordinary event. And trade disputes are generally resolved sooner or later. But every day there are large and small events that have an impact on the movement of goods. And that means an impact on what people can buy in stores and malls around the world. Here we take a look at how Hutchison Port Holdings (HPH) is making sure you can buy the goods you want, by ensuring transparency in every link of the supply chain.

Creative use of technology

Hutchison Whampoa Limited (HWL) has long brought an innovative approach to the transportation business. Hongkong International Terminals (HIT) had a key role in the development of container terminals in Hong Kong during the early days of

containerisation. And HPH, formed in 1994 to bring together all the port operations and related businesses within HWL, has consistently achieved success through the creative use of technology.

Now with 40 ports in 19 countries, HPH continues to play a leading role in the global supply chain. Its latest initiative is the best example yet of how technology can be used to ensure supply chain visibility, enabling shippers to provide consumers with the goods they want, when and where they want them.



In April 2005 HPH formed a joint venture called Savi Networks with US-based Savi Technology Inc, a leading provider of active Radio Frequency Identification (RFID) supply chain solutions, to develop and operate an RFID-based information network to track and manage containerised cargoes.

Using active RFID “tags” located in each container, this network provides shippers with real-time information about the status of their cargoes from origin to final destination. The available information includes location, regardless of whether the containers are in transit on land, being held in a port facility or at sea, environmental factors that might affect the condition of the goods, such as temperature, light or humidity, and the integrity of the sealed container.

This information is easily accessed by all parties with a

legitimate interest in a shipment through a web-based application. On a subscription basis, trading partners can obtain and share data in a common format through an infrastructure that can be integrated with existing enterprise systems.

Specific features of the system include automatic notifications of abnormal conditions during transit, warnings of tampering with sealed containers, audit trails, a designated chain of custody control at key hand-off points and customised supply chain measurements and analytics.

HPH and Savi are building this network by installing active RFID equipment in as many ports as possible – not just those managed by HPH. Interested parties, including shippers, transport companies and logistics service providers will be able to connect to the network by installing compatible equipment at their own locations. HPH and Savi will work together

to extend the network by establishing relationships with other port operators, as well as with providers of complementary technologies and services.

Enhancing your shopping experience

RFID tracking networks may not sound particularly relevant when you're doing the rounds in a vast shopping mall, hunting for the jacket you want in the exact style, size and shade. Or hunting for anything else, for that matter.

But Savi Networks' automated tracking capabilities have huge implications not just for shippers of goods, but for all the consumers who are buying those goods in the shops. That's all of us.

We don't usually think about supply chains, lead-times, inventory, pipelines and labour requirements on shopping expeditions. But it's because automated tracking is having such an impact in precisely these areas that we are more likely to be able

They can reduce supply lead-times and provide retailers with the goods their customers want at short notice. They can minimise pipeline inventory and the level of "safety stock" held to cope with cases of supply chain disruption. They can help retailers reduce the proportion of items that are out of stock at any time. And underpinning all this is the holy grail of cost reduction. A single efficient cargo tracking network reduces the cost of multiple supply chain IT systems and cuts labour requirements. Result: the goods that customers want, delivered efficiently and cost-effectively.

Making the world a safer place

HPH didn't venture into the initiative with the sole objective of making the supply chain more efficient. Safety and security were key considerations.

Savi Networks' tracking capabilities address the many security issues inherent in any large-scale global transportation

tracking network cuts costs and labour requirements

to buy what we want, without waiting and at an attractive price.

When shippers can combine easy access to information about the location and content of shipments at any point in their journey with the ability to switch routes and destinations at short notice, they are in a strong position to meet demand and cater to changing requirements in markets around the globe.

system: theft, damage, loss, unauthorised tampering, smuggling and illegal immigration. The data provided by active RFID tags in containers can help combat all these problems. But since this technology was first developed, new considerations have emerged.

Using container tracking for security purposes was given a

SMART CONTAINERS – HOW THEY WORK

SAVI NETWORKS, the company formed by HPH and Savi Technology Inc, is developing and operating an RFID-based network to provide a state of the art container tracking and management system.

The network concept is significant. When HPH first started exploring the possibility of using RFID technology, its plans were based on the analogy of providing a mobile phone service. Now it is effectively setting up a complete infrastructure and offering a network which will also be used by other service providers. It will also offer a range of value-added services utilising the network.

HPH and Savi are building this network by installing active RFID equipment in ports. Interested parties, including shippers, transport companies and logistics service providers will be able to connect to the network by installing compatible equipment at their own locations.

Savi Networks operates rather like a telecommunications network service provider as it owns and operates the core infrastructure. The company uses this infrastructure to offer information services on a per-container trip basis. It will also offer active RFID hardware and related services that will enable users to extend the functionality of the net-

work to the origination and destination points of cargoes.

The network is based on an interoperable architecture designed to accommodate Automatic Identification Data Collection technologies, such as barcodes, passive RFID technologies, and Global Positioning Systems to track ships and trucks that transport ocean containers.

Savi Networks also offers a number of active RFID "tags" that will effectively turn ordinary containers into "smart containers", capable of communicating with the network. Based on the ISO 18000-7 suite of standards, these tags can transmit information about the contents of the container, as well as data on security, location and environmental conditions, including temperature, humidity and light

Originally bolted to the outside of the container, these tags can now be placed inside, with only a small antennae attached externally. This makes the tags highly secure, protecting them from accidental or deliberate damage that could render them inoperable.

HPH is currently actively involved in the ISO standardisation process to establish a common platform tracking services. 433 MHz looks set to be adopted as the standard for the radio frequency.

now a container's journey



major impetus by the horrific events of September 11, 2001. Even before 9/11 the potential dangers of attacks through civil transport networks had been recognised. Stephen Flynn, a port security expert and senior fellow at the US Council for Foreign Relations who had worked for both the Clinton and Bush administrations, had repeatedly warned about how containers could be turned into lethal weapons.

With 9/11 the threat of huge attacks became real. Preventing the use of transport facilities as terrorist weapons became an overriding imperative. HPH recognised the huge contribution that cargo tracking technology could make to transport security. Although it does not own ports in the US itself, as the world's largest port operator a large proportion of cargoes bound for the US are routed through its ports. At least 40 per cent of containers entering the US are handled by HPH at some point in their journey.

This put the company in a unique position to work with the US government on ensuring the integrity of boxes moving in and out of the country. So HPH took the initiative to work with the US authorities on how Savi Networks technology can be used to alert the authorities to any tampering with containers during transit. Since 9/11 John Meredith, HPH Group Managing Director, has spent a lot of time working with US government agencies to explore how HPH can help ensure the security of cargoes entering the US. This task has been com-

plicated by the fact that no single department is responsible for port and transportation security issues. Mr Meredith has been working with US Customs, the State Department and other agencies, as well as with committees of the Senate and the House of Representatives.

Mr Meredith's work has led to many initiatives to reduce the risk of major terrorist attacks. For example, in close partnership with the US Department of Energy and with European Union security agencies, HPH has installed "sniffer" devices to check for radiation in a number of ports, including Hong Kong, Felixstowe (UK), Rotterdam and the Bahamas. These sniffers can detect the neutrons given off by "dirty bombs", which could cause huge damage to life and property if they were to reach targets in densely populated urban areas.

HPH and Savi have now undertaken many trials, involving thousands of containers. These trials have been so successful that use of container tracking technology is likely to be made mandatory very soon, first by the US and then by EU member states. All container traffic originating in or destined for these countries will have to be monitored, significantly reducing the likelihood of any security breach.

Win-win situation

With its Savi Networks initiative, HPH is in the position of promoting a service that offers huge advantages to all con-

HPH took the initiative to work with

can be tracked, from loading to the final destination

FROM GUANGDONG TO LONG BEACH - RFID TRACKING IN PRACTICE

HPH's joint venture with Savi Technology launched its SaviTrak™ information network in September. In co-operation with Mitsui & Co (USA) Inc, a service provider in IT and logistics and financial technology, Savi Networks is now providing real-time information and logistics services to a major Japanese supplier of consumer goods to leading US retailers, including Wal-Mart.

The supplier ships the goods to Yantian, a major port in Guangdong, where they are loaded onto vessels and shipped to the Port of Long Beach in California and then trucked to a holding centre from which they are distributed to retailers. Throughout this process the containers are constantly tracked by Savi's real-time network.

SaviTrak's system was designed to achieve supply chain best practices, offering shippers a number of valuable benefits:

- **Nested Visibility** – by linking data from passive RFID labels on cartons of goods to information stored in and transmitted by Savi Technology's active RFID tags on cargo containers, users have full real-time visibility of container shipments and their contents

- **Source Tagging** – tagging EPC-compliant labels at the factory where the goods are sourced is more cost-effective than

further downstream in the supply chain, and means that users can move beyond "slap-and-ship" compliance programmes to gain economic benefits within their own supply chain

- **Dynamic Management** – Savi Technology's network, combined with automated event and exception-driven alerts, provides real-time information and reports on the location, status and security of shipments as they move through the supply chain.

The operational launch by Savi Networks is the culmination of several years of industry and government-driven programmes that have successfully validated the RFID technologies and software now being deployed. It's a clear illustration of HPH's strategy of achieving continuous improvement through supply chain innovation. Advanced technologies are providing users with added business value and competitive advantages.


As Lani Fritts, COO of Savi Networks, says: "This initial project marks the operational readiness of Network and SaviTrak, and demonstrates how our use of passive and active RFID technologies can help suppliers improve transportation security concerns and achieve better operational efficiency and customer service at the same time."

cerned. Shippers and the businesses they're supplying stand to benefit commercially, while governments appreciate that container tracking will make it much easier for them to protect their populations from terrorist attack.

Legal requirements for use of the technology are likely to be introduced soon but HPH hasn't lost sight of the fact that the original objective of Savi Networks was to provide shippers with complete supply chain visibility.

As Mr Meredith points out, the real-time information that HPH can now offer gives shippers more control over cargoes. "Now they can track every aspect of a container's journey, from loading at the factory, through the journey to the port, the time at sea to the final destination ... even whether the cargo is stuck in port somewhere," he said. The necessary equipment is installed in all major ports around the world and HPH is not waiting for legislation or the results of the standardisation process. Strong demand from shippers ensures

that take-up will be rapid and widespread.

So next time you're out shopping, you might reflect how HPH's commitment to technological innovation is helping to deliver the goods. 

the US authorities





IF YOU HAD BEEN living in the West 10 years ago and told a friend that you were being treated by a practitioner of Traditional Chinese Medicine (TCM) the response might have included a raised eyebrow or two. Back then, mainstream western society frowned on

traditional medicine, regarding it with deep scepticism. How times have changed.

Acupuncture, herbal treatments, reflexology and other forms of traditional medicine have all established great credibility in Europe and the United States. In the UK alone, there are more than 1,500 qualified acupuncturists and herbalists, with four universities offering degree programmes in TCM.

Among those spreading the word is author and teacher Jeremy Ross, who has practised and taught acupuncture and herbal medicine in both England and the United States since 1977. He is not only an expert clinician but also trains practitioners in how to create balanced herb combinations that are both effective and safe.

“What we have now is where the integrative ideas of modern physics, the integrative ideas of modern ecology, and the integrative ideas of Qi theory (a key element of TCM) are now slowly entering modern medicine so that it begins to take in these philosophies,” he said. “Medicine is slowly beginning to understand it is from within the patient himself that the disease originates. Yes, there are external environmental factors, but until you support the vital energy, the Qi, medicine won’t change. I think one of the important contributions of Chinese medicine is to bring this to the knowledge of western doctors.”

TCM is moving out of Chinatown and into the High Street of cities in the UK. This process has been accelerated by support from bodies as illustrious as the World Health Organisation, which has this to say about acupuncture: “The effectiveness

of acupuncture analgesia has already been established in controlled clinical studies. Its effective rate in the treatment of chron-

Left: Sen means “forest” in Chinese, a perfect metaphor for the human body. Facing page: New outlets are opening in London; lotus plants used in the herbal preparations.

ic pain is comparable with that of morphine.”

For proof that TCM is establishing itself in mainstream western culture look no further than Sen Medicine Company Limited, a retailer in London that represents a small but visible part of Hutchison Whampoa’s investment in this field. Located in bustling South Molton Street, just off Oxford Street, Sen is bringing centuries old Chinese healthcare to an upmarket clientele. Sen offers everything from consultations, massage, reflexology and acupuncture to herbal remedies, body and skin care.

“We are seeing a great deal of receptivity to our products,” said Mel Tung, Retail Operations Manager of Sen. “Alternative medicine is something that people in the West are really interested in. People are more and more open to trying new things. They realise that western medicine is not infallible and does have side effects.

“We are introducing both the concept and reality of Chinese medicine to a sophisticated western audience. We are taking the best of Chinese medicine and combining it with western marketing. It’s the best of both worlds. Certainly, the feedback has been very positive. Word of mouth is very important to our business.”

The clientele is 70 per cent women aged between 30 and 55. It’s a very high-end, high-income demographic. Many American tourists and visitors from the Gulf States are also regular customers.

So, what is the Sen experience all about?

As you enter Sen, the feeling is one of calm. The clean, simple layout follows *feng shui* principles and natural materials such as walnut and stone dominate. Once inside, customers can stop off at the liquid health bar offering low calorie, caffeine-

the
art
of

free alternatives to tea and coffee such as herbal fruit smoothies and juice mixes.

Just beyond the health bar is the retail area where Sen has used its knowledge of TCM to create packaged consumer products with Chinese herbal ingredients and teas. The range of more than 50 bodycare products incorporates Chinese herbs, more

SEN

London is the home to a retailer offering an authentic Chinese medicine experience that is both accessible and credible to a western audience

By Jon Marsh



than 30 herbal tea formulae, and a range of 11 of the highest quality Chinese green teas available in the West. This range is being expanded into prestige high-end skin care and other categories such as cosmetics and bottled drinks will soon be available.

Further into the store, qualified TCM practitioners from Mainland China offer over-the-counter remedies. Sen’s senior practitioner is Dr Wei Chunrong, a TCM

expert with over 20 years of experience. Full

consultations are available for more serious ailments which may require acupuncture, reflexology or long-term herbal prescriptions.

“Weight, sleep and stress are the big three problems that our customers come to us with along with back and joint pain caused by sitting for long stretches of time. These all reflect life in a big city,” explained Mr Tung. “Ginseng is probably the most popular herbal remedy as it boosts energy levels. One of our herbal treatments called ‘Poria + 10’ speeds metabolism and reduces appetite and is quite effective in weight reduction programmes.”

There are three main ways to describe the effect that herbs can have on the energy flow within the human body. The first is temperature. Each herb is said to be either hot, warm, neutral/cool or cold. Typically, hot herbs are used to alleviate cold conditions such as certain types of arthritis and coughs. Cold herbs are used for conditions like high fevers, excessive thirst and constipation.

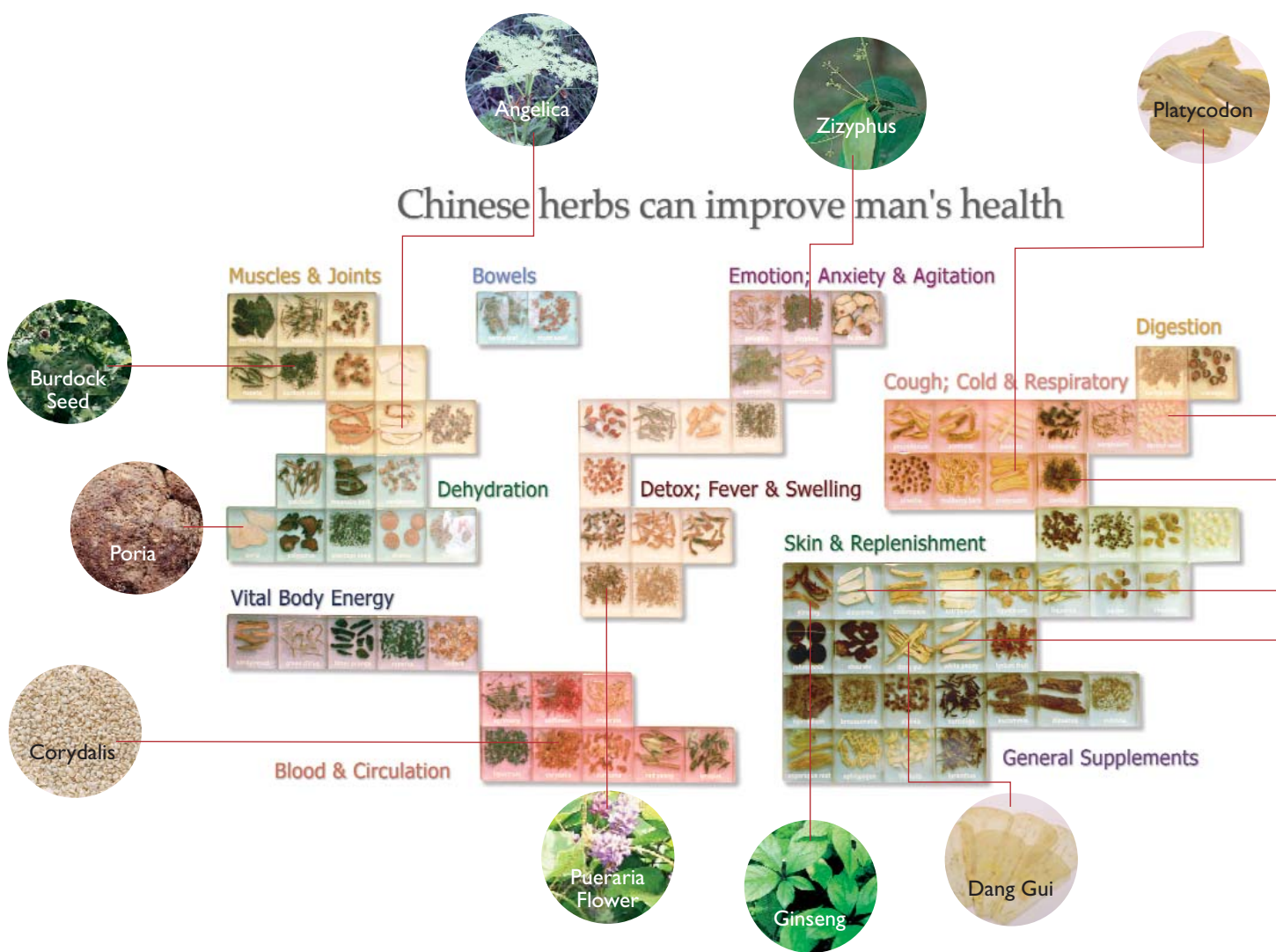
The second is taste. There are five tastes, each of which indicates the active nature of the herb. A pungent taste tends to be dispersing; bitter is cooling and draining; sweet has a toning effect; salty softens; sour substances are astringent. Finally, each herb is also linked with specific organ networks. For example,

peppermint is cool and is linked with the lungs and the liver.

Along with herbs that are known in the West, TCM uses a huge variety of other medicinal herbs including tree bark, flower petals and clay. The herbs are conventionally classified into about 20 distinctive functional categories. There are those which nourish the body energy, those which calm the mind and those used to warm the interior. Usually several



Chinese herbs can improve man's health



PERFECT PITCH

SEN is putting Chinese medicine in front of western consumers in an accessible yet sophisticated way and this approach is reflected in the branding. The warm, red shade of the Sen logo conjures up images of festivals and celebrations in China. Products are displayed in packaging that combines unbleached surfaces overlaid with Chinese motifs in warm earthy shades. This strategy has not gone unnoticed. Wolff Olins, the agency that worked with Hutchison on the Sen launch, received a coveted nomination in the 2003 Design and Art Direction Awards. Sen also won two awards in the 2003 London International Advertising Awards which attracted 13,000 entries from 71 countries.

herbs are combined together with each herb performing a specific role. Some assist the action of the primary herb, while others target secondary symptoms or focus the action of the formula on a specific organ or part of the body.

These concepts are completely foreign to western consumers and can be quite confusing. While most accept herbs are beneficial due to their natural qualities and others believe in their efficacy because of the long history of usage in Asia, almost none understands how or why these products work. Sen's mission is to simplify the concepts of Chinese medicine and inform western consumers in "their own language" about the advantages of this treasure of China. One simple example is explaining the complex concept of "Qi" more simply as "body heat and energy." Most west-

erners understand that the temperature changes when the body is sick and that "rebalancing of Qi" is simply the use of herbs to regulate the temperature. To explain these simplified concepts to consumers, Sen employs a team of high-energy staff, many of whom are mainland Chinese who have studied in the UK. Western consumers thoroughly enjoy engaging with these bright young people to try to learn more about China and the wonders of TCM.

Sen prepares these herbal remedies in a variety of convenient forms including tasteless tablets and blended juices. As Sen states proudly on its website (www.senhealth.com): "Sen is a brand new approach to health. We've taken over 5,000 years of Chinese expertise and made it easy to swallow."

Considering that so many people dis-


"I love this shop and the friendly staff. I have had acupuncture many times for stress and detox."

Maureen, London



like needles, the popularity of acupuncture is perhaps a little surprising and shows how much TCM has moved into the mainstream of healthcare. As Mr Tung explained: “In my experience, there has been very little resistance to acupuncture. Perhaps it is because there has been a lot of publicity about it. I’ve come across a patient. He is the foreman working at our new store in London and is a tough sort of guy in his fifties. He told me he had used acupuncture for pain in his neck and back. It shows the levels of awareness are very high.”

Indeed they are. Sen opened its doors in January, 2003, and has not looked back. Today, about 4,000 customers come through the store every month and it is no surprise to hear that Sen is expanding. A second store has just opened near Spitalfields Market in the

heart of London’s financial district. “The area is full of international banks and legal firms,” said Mr Tung. “It’s perfect – hundreds, perhaps thousands, of stressed out bankers and lawyers in need of a soothing massage or a calming herbal tea!” A third outlet will open in early 2006 across the road from Harrods, perhaps the most famous department store in Europe. It will be part of “Harrods 102,” an extension of the main department store that will provide upscale convenience shopping for a sophisticated, primarily local clientele. Sen also has a concession at Fenwick, a leading department store on Bond Street in London’s West End, and is planning to open soon in Chelsea’s trendy King’s Road. Sen’s future, just like that of TCM in the West, looks very bright indeed. 



“Our little oasis of calm to escape the bustle of London.”

Deborah and Rebecca from Little Kingshill

HOW TCM WORKS

THE NAME SEN means “forest” in Chinese – the perfect metaphor for the human body. It is an ecosystem that is in constant flux and needs to maintain a healthy balance through different seasons and physical conditions.

Traditional Chinese Medicine (TCM) can be used to treat almost all health problems, from minor imbalances to chronic disease. The basic concepts are quite simple. TCM holds that the human body must remain in equilibrium with both the external and internal factors that influence it. These factors include climate (eg, wind, cold, heat and damp) and emotional state (eg, grief, anger, fright). TCM uses herbs, reflexology and acupuncture to help counteract these forces. Without treatment, minor ailments can become chronic illnesses that affect the internal organs and lead to a serious decline in health. Achieving a physical, mental and spiritual balance is the Chinese ideal.

“Yin” and “yang” symbolise the essential Chinese ideal of perfect balance. Literally, they represent the sunny (yang) and the dark (yin) sides of a mountain. They are two opposing forces contained within the circle of life. According to Chinese philosophy, the world and all life within it contains this pair of mutually dependent opposites and only when they are in equal balance is life itself in har-

mony. TCM attempts to harmonise the opposing forces of your mind, body and spirit. Only when your yin and yang are balanced will you feel 100 per cent.

TCM often refers to the “four pillars”- observing (the patient’s facial, skin and tongue colour); smelling (the breath, body odour) and listening (to the tone of the voice or the sound of a cough); asking (symptoms and past treatment) and palpitation (for example, feeling the pulse). These methods enable a practitioner to assess the physical and psychological state of the patient.

The idea of “organ networks” is another central concept and was developed in ancient China to explain the relationship between a healthy body and a healthy mind. According to the theory, five main

and six subsidiary organs regulate the correct functioning of body and mind. For example, the liver stores blood, ensures a smooth flow of energy around the body but also “opens” into the eyes, “manifests” in the nails and plays a vital role in social interactions, creativity and a good night’s sleep.

Over the centuries Chinese doctors charted the common ways in which these networks could break down and result in illness. At the same time they developed methods of restoring the networks back to a state of health and harmony by administering herbs and acupuncture.



IN JUST OVER A DECADE, the former Soviet Bloc states of Eastern Europe have sloughed off the shackles of socialism, armed themselves with the tools of capitalism and forged out a prominent economic role in the New Europe.

Such is the growing confidence of these formerly poor and depressed states, that many are now fully-fledged members of the European Union, their delegates sharing the same tables as emissaries from France, Germany, Britain and Spain.

Confidence is at such a soaring level that the new players, particularly those in the Baltic states of Latvia, Estonia and Lithuania, prefer to refer to themselves as founder members of a New Europe, a subtle, self-given designation that suggests, not inaccurately, that they are nations filled with fresh, innovative and young-minded people, ready to challenge the old order.

Anyone who has spent time in Eastern Europe would generally agree with that description. In the time since the 1989 collapse of the Soviet Union and the subsequent gleeful establishment of independence by its former satellite states, they have gone from grey and regimented places, firmly under the stifling socialist thumb of Moscow, to bustling, energetic and ambitious nations. Among the 10 new entrants to the EU last

nightclubs began to emerge.

“It became easier and easier and easier, and then the main airlines started flying in – Lufthansa and British Airways. There was also a change in attitude and a change in style; the big thing of course was the application to join the European Union; they had to change the laws to get eligibility.”

The short, and dynamic, history of the bank Mr Bourke heads up illustrates the changes well. It was founded from scratch in 1992 as a western-style bank (the name translates directly as Western Bank), aimed at corporate customers, small to medium business and large companies and corporations. Within three years Rietumu had become the fifth largest bank in the country and is still expanding rapidly.

A glance at a regional map quickly reveals why countries like Latvia, and neighbours Estonia and Lithuania, have come such a long way in such a short space of time. The nations are small, and therefore adaptable to changing circumstances, but more importantly all are located on the Baltic Sea, blessed with ports that allow quick and cheap shipment of goods to the world at large. Also, the countries are located just across the water from Finland, a modern, affluent and open-minded

EASTERN

Many former Soviet Bloc countries are now members of the European Union and are in a hurry to enjoy the good life

By Mark Graham



year were the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Slovakia and Slovenia.

Banker Michael Bourke has personally witnessed the seismic changes: he was initially posted by the International Monetary Fund to help the Baltic states modernise their banking systems. The work was a great success, so much so that Mr Bourke ultimately decided to become a more permanent part of the local financial scene, taking up the role of president and chief executive officer with Rietumu Bank in the Latvian capital of Riga.

“When I first came in 1992 it was pretty miserable and depressing,” he recalls. “There were not many shops or bars and restaurants, and it was very quiet in the evenings. The changes were slow at first but by the mid 1990s you could begin to see the results – new hotels, bars and restaurants and

neighbour that has acted as a role model for entry into the outside world, post independence.

The Baltic states, which have a combined population of around seven million, have also been able to use their former Soviet satellite status as a business advantage. The large pool of ethnic Russians, and Russian speakers, allows easy communication and transactions between them and their hulking neighbour.

The seeds of their freedom were sown long before the Soviet Union finally collapsed by an unknown Polish shipyard electrician called Lech Walesa. Some 25

Clockwise from top left: The old days, queuing in Lithuania in the early 1980s; Central Square in Parnu, Estonia; family fun at the Art Fair in Tallinn, the capital of Estonia; fine dining at the restaurant “Bocca” in Tallinn.



PROMISE





Clockwise from above:
The old town of the Latvian capital, Riga; clubbing and enjoying the good life in today's Eastern Europe.

years ago he led a strike by the trade union Solidarity at the Gdansk shipyard, calling for greater workers' rights. Protests quickly spiralled into a nationwide strike, forcing the Soviet-puppet government into making major concessions.

It was the beginning of the end for the whole Soviet system of satellite states. A decade later, it was President Walesa who set Poland on the road to economic prosperity with wholesale privatisations of industries, the beginning of the liberalisation and western-leaning processes that has seen the nation recently become a member of the EU and NATO.

Another former Soviet satellite, landlocked Hungary, has also dismantled the state machinery that once so effectively suffocated

ed free enterprise and independent spirit. Its self-made millionaire premier, Ferenc Gyurcsany, recently went to Hong Kong and Mainland China in search of opportunities and investment that would benefit his 10 million fellow countrymen. This is a region hungry for consumer goods and with new purchasing power to afford luxuries.

The GDP growth rate in Latvia last year was 7.6 per cent, slightly stronger than Lithuania (6.6 per cent) and Estonia (6.9 per cent), but way ahead of the 2.4 per cent for the EU as a whole.



“It is one of the emerging markets,” says Wing Chu, the Hong Kong Trade Development economist for the region. “Trade will grow bigger and bigger, the market potential is there.”

A.S. Watson is one of the Asian-based companies that has made significant forays into the region, convinced that now is the right time. Early arrivals such as Michael Bourke take enormous satisfaction in being a major part of that change, bringing the former Soviet states charging full tilt into the 21st century, with a young, English-speaking, internationalised population, modern banking and finance facilities, good transport links and democratic forms of government.

Mr Bourke can regale people at De Lacy's, the Irish pub he owns in Riga, with stories of the dark old days when entrepreneurs were few and far between. In fact it was easy to spot the neophyte businessmen by their huge, brick-sized mobile phones. “They used to carry them round like handbags,” he recalls. “I went in a restaurant and there were two guys with phones and I'm sure they were talking to each other from each end of the restaurant...”

POLISH PORT READY FOR GROWTH

IT IS NOT JUST consumer goods that are providing great business opportunities in Eastern Europe. Transport and logistics are needed to get these goods to market and that means bigger, better ports. Later this year, the first phase of upgrading at the Hutchison Port Holdings (HPH) container facility in Poland should be completed, ready to take advantage of the trade boom expected to follow the nation's recently-acquired membership of the European Union.

HPH acquired Gdynia Container Terminal (GCT) last year and began to develop it into a major port in the Baltic region. With a quay length of 550 metres and a depth alongside of 10.5 metres, GCT will handle boxes to and from Hamburg, Rotterdam, Antwerp and Felixstowe.

John Meredith, Group Managing Director of HPH, said: “Gdynia Container Terminal will become a major container port in the Baltic region as we embark on a series of investment programmes to convert the terminal into a modern container handling facility. HPH considers this a very significant step towards developing our presence in the region.”



SPLASHING CASH

EASTERN EUROPEAN CONSUMERS, starved of quality goods for so long, are relishing the change to shop at A.S. Watson-run stores springing up in the region's new republics.

The company is using the Latvian capital of Riga, on the Baltic Sea, as a beachhead for developing business in the surrounding states. Even though the states have been free of stifling Soviet rule for more than a decade, it is only in recent years that people have become affluent enough to splash out on once-extravagant items such as branded cosmetics, sleek tights and packaged toiletries.

Latvia, Lithuania and Estonia have all blossomed under the new openness. The younger generation are reaching adulthood with good English-language skills, Internet and e-commerce fluency and exposure to television and movies. They are demanding the kind of consumer choice their counterparts in the West have long taken for granted.

A.S. Watson has tapped into that market with its acquisition of the Drogas chain in 2004, which has 63 stores in Latvia and 31 in neighbouring Lithuania. The Group also has a joint venture with the Rossmann group which expanded its portfolio into Poland, Hungary, Czech Republic and Germany. Recently, two stores opened in Estonia under the Watsons brand.

Supervising the rapid expansion is Dennis Casey, Chief Executive Officer of Health and Beauty for Eastern Europe. Mr Casey is a long-serving employee who worked on the A.S. Watson expansion in Singapore, Malaysia and Taiwan during the late 1980s and 1990s; he is seeing the same spending patterns emerge in Eastern Europe, as people exercise their new-found consumer power.

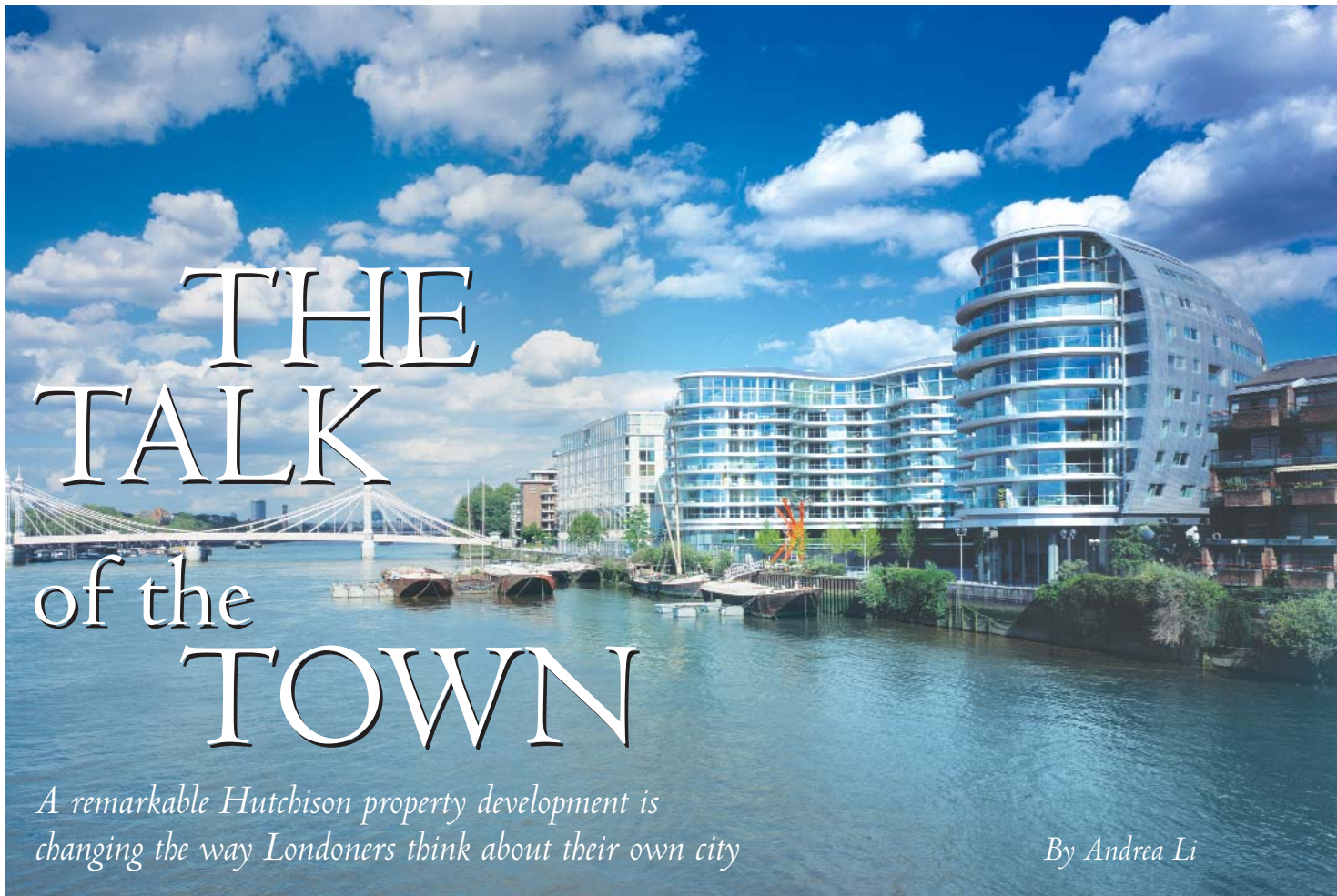
Women in the region, known for their fair-skinned beauty, are flocking to the Drogas stores that are stocked with a wide range of international-standard products. "People here spend a lot of money on fashion and cosmetics," says Mr Casey, who is based in Riga. "I think these are new frontiers. The work ethic here is very, very strong. People want to get out and get on."

Mr Casey is impressed by the elegant architecture of Riga, the long, clean beaches outside the city, its burgeoning nightlife and the ultra-modern airport. Working in the region has also given him a chance to visit Russia again, a country he first went to 32 years ago when securing a visa was extremely difficult.

Returning to Russia to scout out business possibilities has been like going to another country. "Retail is coming on in leaps and bounds," said Mr Casey. "People have more money to spend on fashion and the changes are phenomenal."

The next stage of A.S. Watson's growth in the region has just been announced with the acquisition of the Russian health and beauty retail chain Spektr Group in St Petersburg. Further expansion is planned in the Commonwealth of Independent States such as Georgia and Ukraine as well as the Nordic countries of Finland, Denmark, Sweden and Norway. Add the populations together and that is close to 300 million potential consumers.





THE FACE OF LONDON is changing. The banks of the River Thames, neglected for decades as they drifted into industrial decay, are again reclaiming their place in the hearts of residents and city planners alike.

Today, prestigious cultural landmarks compete for attention with luxury property developments, especially south of the river where the opening of the Tate Modern art gallery on the site of a decommissioned power station has helped tilt London's cultural centre of gravity.

Take Albion Riverside, for example.

This development is much more than a residential complex. It is designed to be the heart of a vibrant new neighbourhood, expanding modern urban living options in the busy capital.

The widely acclaimed structure, famously dubbed “The Glass Doughnut”, was designed by the world renowned and award-winning architect Lord Norman Foster, whose other masterpieces include the passenger terminal at Chek Lap Kok Airport and the HSBC building in Hong Kong, the Bilbao Metro in Spain and more recently the Swiss

Reinsurance headquarters “Gerkin” in the City of London.

Albion Riverside lies between the historic Albert and Battersea bridges, offering phenomenal views of the Thames. It has all the hallmarks of a Lord Foster creation: calm, airy interiors encased in a stunning visual exterior. “The aluminium and glass curved design gives the building maximum view, as well as ensuring a high degree of privacy,” said Dr Edmond Ho, Executive Director and General Manager of Hutchison Whampoa Properties (Europe).

Completed in early 2004, the building has set a new standard for urban living, attracting a strong following among celebrities and the super rich normally associated with the affluent strongholds of Belgravia, Knightsbridge and Kensington north of the river. The Albion Riverside development won the Best Apartment Building award at the

ALBION RIVERSIDE FACT FILE



- Address:** 8 Hester Road, Battersea, London, SW11 4AP.
- Number of units:** 196 apartments, including 13 penthouses.
- Size:** 1 bedroom (550-750 sq ft) to 4 bedrooms (2,000 sq ft). Penthouses: 3-6 bedrooms (3,000-8,500 sq ft).
- Amenities:** Gym, swimming pool, underground car park, 24-hour concierge service, private podium garden.

Mail on Sunday Design Awards 2005.

Suddenly, the South Bank is very much in fashion. Boosted by opulent developments such as Albion Riverside, only a 10 minute walk from the shopping mecca of King's Road, the South Bank today is emerging as a new oasis of culture and style.

The sales figures speak volumes for Albion Riverside. No flashy advertising campaign or marketing gimmicks were needed in high society London where word of mouth is far more effective. The flats sold very well, attracting celebrities such as Oscar-winning composer Leslie Bricusse, golfer Colin Montgomerie and several members of the Chelsea soccer team.

Around 75 per cent of the apartments have so far been bought by UK buyers, with the remaining going to overseas buyers, Hong Kong included. It goes without saying that the *feng shui* is excellent.

If you have the cash, the going rate for the largest penthouse duplex, which has up to six bedrooms, has been priced at a whopping GBP10 million. Those who can

control options. They can even be accessed via the Internet or a mobile phone when you are away from home. "The control panel allows you to remotely control lighting and audio, as well as other types of functions within the flat," said Dr Ho.

Inside, a massive entrance hall leads visitors to a majestic staircase that takes them up to a glazed cloister running the length of the building, giving access to four lifts and a private riverside garden. Residents can also make use of an impressive health and leisure centre, and a 20-metre indoor pool.

Meanwhile, the retail space has attracted the likes of major art dealer Michael Hue-Williams and his spectacular Albion Gallery is a major attraction emphasising the cultural shift away from London's West End. On the more conventional retail front, elite kitchen and bathroom outfitters, Alternative Plans, have joined a leading personal training facility in the complex.

Other exciting retail opportunities are on the way, including discussions about the opening of a leading restaurant that could take up 6,500 square feet of floor

space. "We are negotiating the contract now. It is taking a little bit longer than expected because as it is a restaurant, the restaurateur is being very careful to ensure the kitchen and designs are what

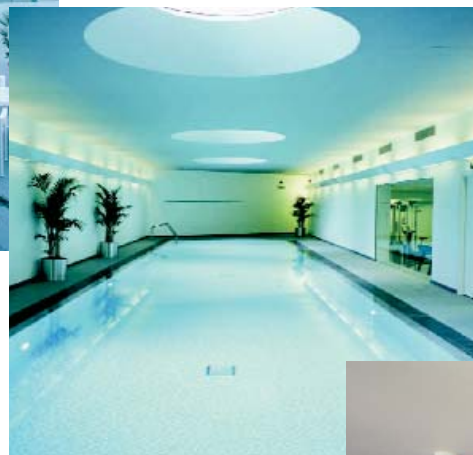
he wants," Dr Ho said. "I hope the deal will be announced very soon."

It would be wrong to suggest that Albion Riverside is a compound created just for the wealthy. As part of a new planning commitment to the local community, the mixed-use development has two other buildings. A low-rise apartment building caters for professional key workers such as nurses and teachers, while Hutchison Whampoa has its European headquarters in another separate low-rise office building on the same site, putting all its European operations including Ports, 3G, Properties and Watsons under one roof.

If Hutchison continues to take up projects on such a scale and employs the same sense of adventure, there is no doubt it will change not just the physical landscape of historical neighbourhoods but also challenge cultural perceptions about them.

"While traditionally focusing on developing residential properties in prime London locations, we are also looking at developing retail and office space," said Patrick Leung, General Manager, Hong Kong Development and Marketing, Hutchison Whampoa Properties. "In addition to London, the company is also looking at other big cities in the UK as well as seeking out properties in other countries." 

The building has set a new standard for urban living



afford such luxury will remain under the Lord Foster spell long after they have gone home and shut the front door. Everything, from the layout of each apartment, bespoke bathrooms and kitchens down to even the lighting and the door handles, were designed by Lord Foster's team.

The strong aesthetics aside, every home is also equipped with smart technology, which makes available a whole new world of cutting-edge remote con-

The lap of luxury: interior shots of the award-winning Albion Riverside; Opposite page: The development has the perfect riverside location.

From ship to shore



THE HISTORY OF Hongkong & Whampoa Dock Company Limited, a forerunner of Hutchison Whampoa Limited (HWL), is as long and rich as Hong Kong itself. The company was established in 1863 to acquire docks and repair yards at Whampoa on the Pearl River, and dry docks on Hong Kong Island.

Then... The Hung Hom dockyard in Kowloon established a worldwide reputation as one of the largest ship repair and shipbuilding enterprises in Asia. By 1960, it was servicing ships from no fewer than 23 different countries and nine navies.

Now... Whampoa Garden was completed in 1991 and was HWL's first "Garden City" development comprising 88 residential blocks. Today it sits alongside the Wonderful Worlds of Whampoa shopping centres, The Harbourfront twin office towers, Harbourfront Landmark residential and commercial building and the spectacular Harbour Plaza Hong Kong.

