Hutchison becomes a major shareholder of C&T

Continuing the close relationship with Hutchison Whampoa Limited (HWL) by serving its subsidiaries as an information technology (IT) solution and service provider since 1996 and the recent partnership on Electronic Service Delivery (ESD) project as its technology enabling arm, C&T agreed to issue HWL a two-year convertible bond in the principal sum of approximately HK$230 million, convertible at an initial conversion price of HK$7.9 in January. In addition, C&T granted HWL an option to subscribe for shares in C&T of up to 7.5% of C&T's issued share capital at the option price of HK$7.9, subject to adjustments.

On 17 March, HWL fully converted the bonds into 29,148,938 new shares, making it one of the major shareholders in C&T with 11.1 per cent of the enlarged capital of the C&T.

HWL is a Hong Kong-based conglomerate with origins dating back to the 1800s operating five core businesses in over 26 countries: telecommunications and e-Commerce; ports and related services; property and hotel investment and management, retail, manufacturing and other services; and energy and infrastructure.

HWL is also one of the world-largest players on the investment of information technology especially on the field of business-to-business portal services for serving global business community and 3rd generation mobile communication.

In February, both companies **announced a 50-50 joint venture to set up an information technology resource centre named HutchTech Resources Limited (HutchTech)** for providing resources in application development and related systems integration services, particularly for e-commerce applications.

和記黃埔有限公司 Hutchison Whampoa Limited computer technologies

HutchTech will operate under a separate management team to be jointly appointed by C&T and Hutchison. Initial plans have been made for the centre to be located in Shenzhen to employ more than 250 staff within two years with a pool of expertise in application development and support, quality assurance and systems integration.

With the strong backup of HWL from the healthy financial investment and enormous business network, C&T can leverage its technical expertise and resources to gain more projects by serving the growing internal electronic commerce requirements of the HWL Group's business divisions as well as other large corporations.

In March, **C&T appointed Mr. Dominic Lai Kai Ming, executive director of HWL, to the C&T board as a non-executive director**. With many years of management experience in different industries, Lai will bring added strength to the board. He will also help reinforce the alliance between C&T and Hutchison.

Mr. Dominic Lai joined HWL's retail division AS Watson & Co Limited in 1994 as Chief Operating Officer and Finance Director. He was later in 1998 appointed as Group Managing Director of Harbour Plaza Hotel Management (International) Limited, HWL's hotel investment, management and operation division. This year Mr Lai became an Executive Director of HWL, reporting to the Company's Group Managing Director Mr Canning Fok. Lai is also a director of Harbour Ring International Limited.