

Corporate Social Responsibility

As a public company, the Group understands its primary obligation to its shareholders. In 2006, the Group continued to demonstrate good corporate citizenship by either participating in charitable activities or sponsoring initiatives that serve the betterment of people around the world.

Environment

The notion of environmental protection has a broader meaning to the Group and is manifest in its endeavours to improve not only the living environment of people but also the survival of wildlife.

In Hong Kong, Hongkong Electric ("HKE") donated over HK\$200,000 to the World Wide Fund for Nature ("WWF") and joined WWF's Corporate Membership Programme 2006 to help enhance public awareness of environmental protection. In addition, events that lent direct support to the environment were also organised, including participation of the Tree Planting Challenge 2006 by the A S Watson ("ASW") group employees and PARKnSHOP's involvement in the "Say No to Plastic Bags" campaign, a big success with customers cutting back on using plastic bags and the sale of 200,000 environmentally friendly shopping bags.

In Canada, Husky Energy ("Husky") continues its support to important environmental protection programmes. Ducks Unlimited (Canada) has been a main beneficiary of the company's community-giving initiatives over the past 16 years. In 2006, Husky added C\$60,000 to its cumulative total of C\$600,000 donation to the organisation in support of Ducks Unlimited's efforts in wetland habitat restoration and education.

Husky also renewed its donation to the Calgary Zoo and its commitment of C\$250,000 over the next five years will allow the Husky Energy Endangered Species Reintroduction Research Programme to expand to include two more endangered species. The donation will also assist the Calgary Zoo's Centre for Conservation Research to become North America's leader in reintroduction research.

Cheung Kong Infrastructure's ("CKI") associated companies in Australia demonstrated their environmental responsibility through various means. In 2006, ETSA Utilities contributed A\$91,000 to "Trees for Life" and SA Museum while CitiPower and Powercor allocated an annual environment sponsorship budget of A\$150,000 to fund The Education Foundation.

To help the globe in combating carbon emission, 3 Italia has developed a carbon management system that measures its efforts in reducing carbon production. In order to lower the indirect emissions as a result of its energy consumption, 3 Italia decided to purchase electricity from renewable energy sources. During 2006, all of its offices, shops and around 75% of its base stations switched to green energy, reducing about 70% of the company's total carbon emissions.

HWL volunteers convey the 3HS message through a series of interactive activities.



CORPORATE SOCIAL RESPONSIBILITY

Community

Showing support to its Hong Kong hometown, the Group sponsored the ITU Telecom World 2006, held for the first time outside ITU's home base in Geneva.

The Group's aspiration to serve the community is reflected in the enthusiastic support of the HWL Volunteer Team formed by its employees in Hong Kong. Under the theme of 3Hs - Harmony, Health and Happiness - hundreds of HWL volunteers have contributed their time and energy to help children and families lead a harmonious, healthy and happy life through a range of interactive events.

During the year, Hutchison Port Holdings ("HPH") extended its sponsorship to the Hong Kong Maritime Museum by contributing HK\$1 million for the museum's operating expenses for the next four years. This donation is in addition to the HK\$2 million made by HPH in 2004 to fund the museum's construction as well as its operating costs for the first two years.

In Europe, several ASW's subsidiaries made significant community contributions in 2006 to improve the well-being of people. Donations and sponsorships in kind to the respective local societies valued over US\$1 million altogether. Highlights include Superdrug's partnership with the Prince's Trust, a charity that helps young people in the UK to overcome barriers. Meanwhile, Marionnaud provided financial and material support to the Federation Nationale Solidarite Femmes, an association that campaigns against domestic violence in France.

Husky also contributed C\$50,000 to the Society for Treatment of Autism to build the Husky Energy Gymnasium, a facility especially designed to meet the physical needs of children with autism.

Education

Nurturing talent and facilitating education development of local communities have been a focus of the Group to help build a better world.

In 2006, the Group pledged further financial support for the Hutchison Chevening Scholarships to allow postgraduates from Hong Kong and the Mainland to study in the UK. The new commitment of £504,000 will fund 60 outstanding young postgraduates to study at Cambridge and leading British universities.

The HPH Dock School Programme added seven more schools in Asia and Europe during the year, bringing the total to 18 Dock Schools around the world. All the Dock Schools lend support to students by offering scholarships and school supplies in various forms.

Individual ports of HPH also support the education sector of their local communities in a variety of ways. In 2006, Panama Ports Company contributed over US\$120,000 to support various education institutions, launch the "Rural School Programme" and sponsor school sports tournaments. HPH's subsidiary in Mexico helped build computer centres equipped with Internet access for eight public primary and secondary schools across four Mexican states, while its counterpart in Argentina donated computer equipment to schools and charitable organisations.

Hutchison Telecommunications International's Thailand operation continued its support by installing wireless Internet access to schools in the mountainous areas during the year.

Hutchison Whampoa Property also donated computers to a primary school in Zhuhai's rural area, benefiting about 400 students.



Tanzania International Container Terminal Services donates 500 bags of cement to Visitation Girls Secondary School for building additional dormitories.

Husky vigorously supports the Calgary Zoo's endangered species research programme.



CKI's associated companies in Australia launched The Endeavour Australia Cheung Kong Scholarship Programme in conjunction with the Australian government to encourage educational exchange between Asia and Australia. Under the programme, the CKI companies will provide funding of A\$3.75 million over a period of five years.

3 Italia raised funds of over €135,000 in total for nine projects dedicated to education during 2006. In particular, the "Smile Factory" project had raised €90,000 for a charity called Mediafriends Onlus which promotes education and supports underprivileged children.

Back to Hong Kong, HKE continued to foster development of the local education sector. HKE established the "Hongkong Electric Clean Energy Fund", which will provide HK\$1 million to promote better understanding and application of renewable energy.

Medical

The Group is also keen on supporting initiatives that aim at promoting public health and medical research and development. Substantial donations were made to various medical establishments and social service organisations to either fund medical research projects or purchase expensive equipment during the year.

ASW donated HK\$150,000 during the year to "Art in Hospital" to help make the environment of Hong Kong hospitals warmer and livelier. Watsons Your Personal Store contributed over HK\$800,000 to Sheen Hok Charitable Fund and the Hong Kong Marrow Match Foundation to support youngsters and children, especially those who need marrow match operations.

In Europe, Kruidvat, ASW's subsidiary in the Netherlands, continued its support to the Groningen Expert Centre with a donation of €2.25 million to fund the on-going research on the metabolic processes that can lead to obesity in children, and ways to treat and prevent it.

In the UK, Superdrug ran a "SAFE" campaign to heighten public awareness of skin cancer and raise funds for research projects. It also lobbied the UK government to reduce Value Added Tax on children's sun protection products.

Fighting cancer is traumatic enough for children and having to travel long distances for medical treatment only adds to this burden for both the children and their families in Panama. With the help of Panama Ports Company and other sponsors, a 16-room inn was opened by the Foundation of Children with Leukemia and Cancer, providing accommodation to children who come from all over the country to receive cancer treatment.

Having established a long-term cooperation with the Youth Red Cross, 3 Austria has donated €20,000 for the organisation's social work. In addition, they also paid €1.50 to the Youth Red Cross for each used mobile handset it collected from schools.

In Australia, financial support was given by CKI's associated companies to auxiliary medical services and hospice care home. In 2006, they contributed US\$570,000 to the Lifeflight Children's Helicopter and made donations and sponsorships in kind worth US\$41,000 to the Health Kitchens of Mary Potter Hospice.

Arts and Culture

The Group's concerns about the well-being of the communities extend to arts and cultural events in different countries and territories. Regardless of the forms of assistance, support in this area does not only foster our group companies' relationships with key stakeholders, but also promotes social development in a far-reaching way.

Recipients of Hong Kong Student Sports Awards, sponsored by A S Watson, join a sports exchange tour to Beijing.



Apart from sponsoring festive events, HKE donated HK\$100,000 to the Solar Project 2006 Concert. Hutchison Whampoa Property Group's residential properties in Xian and Chengdu held a large-scale children drawing competition, which attracted participation of over 10,000 primary school students in their cities. At the award ceremony, around 1,000 students and their families gathered to draw picture scrolls of 160-metre long in Xian and 200-metre long in Chengdu, creating records of the longest picture scroll in their cities respectively.

Sports

Sports development is also within the social responsibility spectrum that the Group has been offering its support. The Group continues to support the Beijing 2008 Olympic Games that will be held in the Chinese capital and many co-host cities including Hong Kong. The Group's subsidiary companies have either developed on-going award programmes or sponsored major sporting events that enhance sports development and kindle public interest.

ASW made tremendous efforts in this regard by setting up the Hong Kong Student Sports Awards in 2005. The company has channelled HK\$1 million into the programme to encourage young people to strive for sports excellence. Enthusiastic response was received in 2006 from primary and secondary students applying for the awards.

Watsons Water and TOM Group continued to play as major sponsors for two star-studded tennis tournaments, namely the Watsons Water Champions Challenge in Hong Kong and the China Open Tennis Tournament in Beijing.

In a country famous for its sporting prowess and quality lifestyle, ETSA Utilities in Australia actively endorsed sports-related activities and sports associations during the year with donations and sponsorships in

kind worth nearly A\$100,000. The beneficiaries include ETSA Park, ETSA Contax Netball Club and South Australian Football League.

3 Australia became a major sponsor of Essendon Football Club in the Australian Football League in 2006. Essendon has one of the largest memberships among Australian football clubs. 3 Australia also cooperated with Cricket Australia to sponsor the national cricket team. The sponsorship allowed 3 Australia to launch an exclusive live mobile cricket TV channel which had buoyed subscriber take-up.

Disaster Relief

At times of natural disasters, our Group responds in zero time delay to deliver the best support to the devastated cities or territories. Help is given in financial terms or by delivering daily necessities that resolve the urgent needs of the victims.

Yantian International Container Terminals donated RMB3 million to help victims affected by Typhoon Bilis, which caused a loss of hundreds of lives in the Guangdong province in July 2006. Elsewhere, Karachi International Container Terminal donated new computers to the schools in northern Pakistan which were rebuilt following an earthquake in late 2005. Meanwhile, HPH's port operations in Tanzania and Jakarta each donated US\$100,000 to help drought and earthquake victims in March and May 2006 respectively.

Earthquake victims in Indonesia were also aided by PARKnSHOP in Hong Kong, which collected customer donation of almost HK\$600,000 and channelled the funds to the needy via the Red Cross.

Thailand was hit by serious floods in May 2006 and Watsons Thailand immediately delivered a selection of essential items, including soap, shampoo, drinking water and medicine to help villagers who were affected by the disaster.

The "Hongkong Electric Clean Energy Fund" supports the study and development of renewable energy in the local education sector.

