





## South Korea

In 2002, Hutchison Port Holdings acquired three deepwater container terminals at Busan and Kwangyang from a local company in South Korea. These terminals included South Korea's busiest container terminal – Hutchison Busan Container Terminal, located at the port of Busan; a separate terminal in Busan – Hutchison Gamman Container Terminal and another in Kwangyang – Hutchison Kwangyang Container Terminal.

## HIT Judged “Best Container Terminal Operator”

Hongkong International Terminals (“HIT”) has been named the “Best Container Terminal Operator” in this year’s *Lloyd’s List Maritime Asia Awards*.

Now in its 4th year, the Maritime Asia Awards give recognition to key players in the maritime and transport industry. Readers of *Lloyd’s List Maritime Asia* and a panel of independent judges made up of industry experts chose the winners.

“In light of the increasing regional competition, we are very pleased to have received this recognition,” commented HIT Managing Director, Eric Ip, during the award gala dinner held in Singapore.



## HIT is “Most Intelligent Port”



Hongkong International Terminals (“HIT”) has received an award from the IT publication, *Intelligent Enterprise Asia*, for its development of *Yard Model 3*, a computer simulation model for yard management systems.

Organised by *Intelligent Enterprise Asia*, the annual Intelligent20 Awards showcase

outstanding IT implementations with high business value.

The award highlights HIT’s use of computer modelling to test processes and workflows in the container yard. With limited terminal operating area, HIT continues to lead the field in

developing globally recognised systems and processes.

Commenting on the achievement, HIT Managing Director Mr Eric Ip said, “We are very pleased to have received this award. Our project team works hard, continuously striving to enhance and optimise the service level at HIT.”

## HPH Tops International List

Hutchison Port Holdings (“HPH”) has been selected as winner in the International Award category of the 2002 SCMP/DHL Business Awards. The accolade was in recognition of the spectacular progress it has made in recent years to become the world’s leading port operator and developer and an industry leader in the application of technologies.

HPH operates 31 ports together with a number of

transportation related service companies. It has interests in 15 countries throughout Asia, Africa, Europe, the Americas and the Middle East.

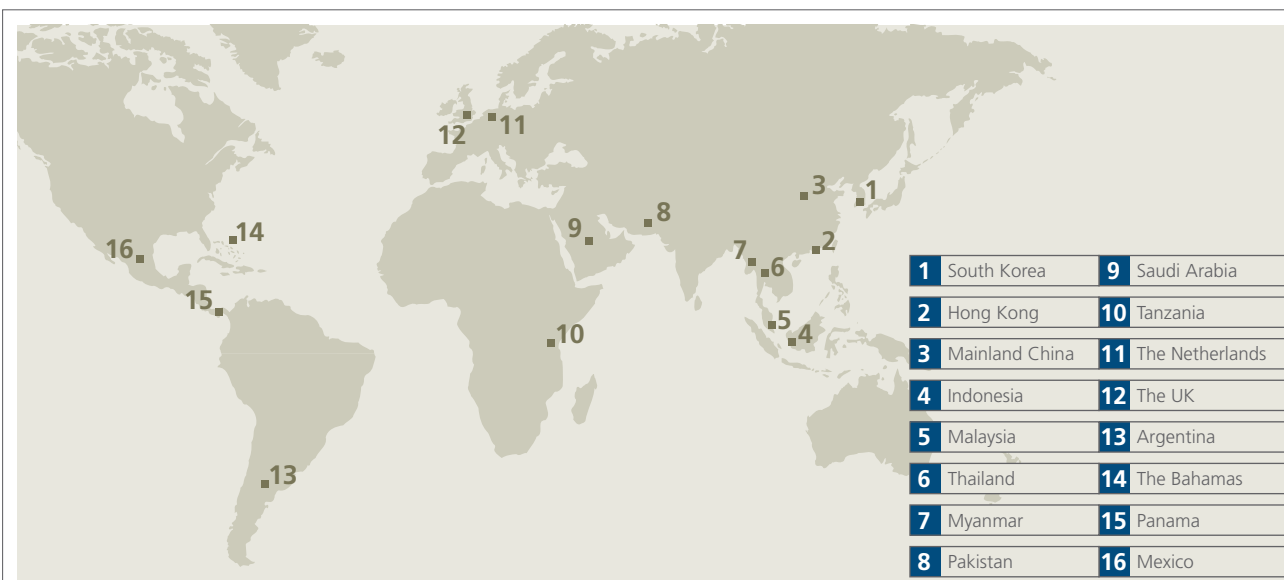
HPH invests in the training of local staff and transferring proprietary state-of-the-art technologies to all the ports it operates. The increasing use of information technology at these ports has streamlined the transportation supply chain and helped local manufacturers and

import-export businesses become more internationally competitive.

HPH also benefited from the financially strong and single entity shareholder, Hutchison Whampoa, which has a clear and defined vision and objective. The company is able to react swiftly to opportunities because it is a private sector operator. HPH also holds prime port locations.

**T**he Group is one of the world's largest independently owned operators of container terminals and currently has interests in 31 ports with 175 berths in 15 countries.

Turnover for the ports and related services division for 2002 totalled HK\$20,572 million, an increase of HK\$5,067 million, or 33%, compared to 2001, mainly due to a 32% increase in annual throughput to reach 35.8 million twenty foot equivalent units ("TEUs"). The increased throughput arose from growth at existing ports and additional contributions from the 13 container terminals acquired in the latter part of 2001 and in early 2002. EBIT from this division increased 17% in 2002 to HK\$6,795 million due to increased throughput and the contributions from the acquired port operations.





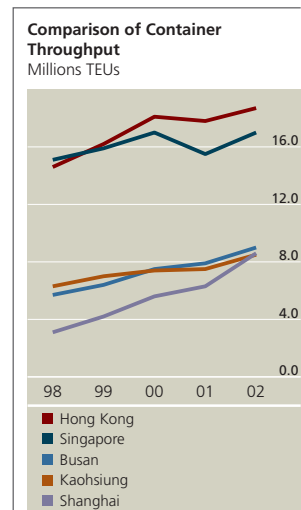
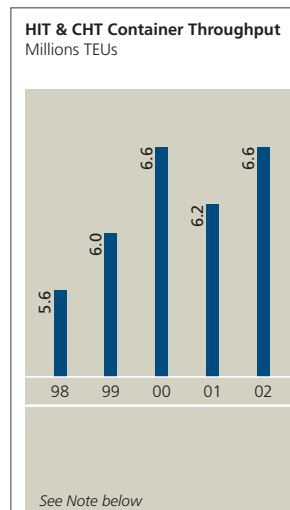
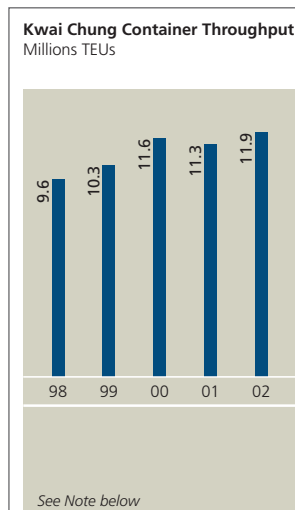


**Left:** Hongkong International Terminals, HPH's flagship operation, is one of the world's largest independently owned container terminals and winner of Lloyd's List Maritime Asia Awards 2002 for Best Container Terminal Operator.

**Right:** In the course of less than a decade, YICT has become a world-class port and an important gateway to South China.

### Hong Kong and Yantian

The Group's Hong Kong and Yantian, PRC deepwater port operations serve the Shenzhen and Southern China manufacturing basin. Combined throughput in these two operations increased 21% and combined EBIT was 11% better than the previous year, reflecting increased export volumes. The port of Hong Kong remained the world's busiest container port in 2002.



*Note:* The published statistics from the Hong Kong Marine Department for the total of local and transshipment throughput in the Kwai Chung Container Throughputs graph incorporate liftings to or from ocean going vessels and containers received from or delivered to ports located within the river trade zone (as defined by the Hong Kong Marine Department) through water-borne traffic. Throughput figures of HIT and COSCO-HIT exclude this water-borne traffic, consistent with the treatment of containers transported to or from locations within the river trade zone by trucks.

In Hong Kong, Hongkong International Terminals (“HIT”) operates Terminals 4, 6 and 7 at Kwai Chung and COSCO-HIT (“CHT”) a joint venture company, operates Terminal 8 East. Combined throughput growth at HIT and CHT, was 7% above last year. Yantian International Container Terminals (“YICT”) recorded another year of growth with throughput increasing 52%.

Construction work continued on the Container Terminal 9 consortium development in Hong Kong in which HIT has the right to own and operate two of the six berths. HIT’s first berth is expected to be completed in the third quarter of 2003 and its second berth in 2005. During the year, construction work commenced on the Yantian Phase IIIA development, which comprises four container berths adjacent to the existing Phase I and II facilities. The first two berths are expected to be completed at the end of 2003 and two further berths in 2004.

Other operations in Hong Kong include the mid-stream and river trade businesses. Mid-Stream Holdings had a satisfactory year handling approximately 2.0 million TEUs, a 40% increase, and EBIT grew commensurately. The River Trade Terminal Company, a joint venture which principally serves the water-borne trade between the Pearl River Delta region and Hong Kong, continued to incur losses.

Name	Location	Group's % Interest	2002 Throughput (thousand TEUs)
Hongkong International Terminals / COSCO-HIT Terminals	Kwai Chung	86.5% / 43.25%	6,587
Yantian International Container Terminals	Yantian, PRC	48%	4,182
Mid-Stream Holdings	Hong Kong	100%	2,075
River Trade Terminal	Tuen Mun	38%	1,797



A view of the automated ECT Delta Terminal at nightfall where the automated guided vehicles are discharging a vessel.

## Europe

The Group's United Kingdom ("UK") port operations, consisting of Felixstowe, Thamesport and Harwich, reported throughput in line with 2001 and EBIT increased 34%, mainly due to a successful cost rationalisation programme. Harwich port's passenger and freight roll-on / roll-off services reported a 6% decrease in passenger numbers and a 20% increase in freight volume.

In December 2001, the European Commission approved the Group's request to increase its ownership of Europe Container Terminals ("ECT") in Rotterdam from 31.5% to 75.5%, subject to a condition that ECT sells its 33.3% interest in the recently completed, adjacent Maersk Delta Terminals ("MDT"). ECT reported throughput 2% below last year, mainly due to Maersk Sealand moving its throughput to MDT after it commenced operation. EBIT was 358% above last year reflecting the Group's increased shareholding and the profit arising from the required disposal of MDT, partially offset by the effect of reduced throughput.

Name	Location	Group's % Interest	2002 Throughput (thousand TEUs)
Hutchison Ports (UK) – Felixstowe, Thamesport and Harwich	United Kingdom	90%	3,212
Europe Container Terminals	Netherlands	75.5%	3,500

### Asia, Middle East and Africa

These operations are comprised of ports in Jakarta in Indonesia, Dammam in Saudi Arabia, Busan and Kwangyang in South Korea, Klang in Malaysia, Dar es Salaam in Tanzania, Karachi in Pakistan, Thilawa (Yangon) in Myanmar and Laemchabang in Thailand. A call option was exercised in June 2002 to purchase additional interests in three operating terminals in Saudi Arabia, Tanzania, Pakistan and one terminal under development in Thailand.

In Indonesia, Jakarta International Container Terminal ("JICT") and the adjacent Koja Terminal reported combined throughput growth of 5% and an EBIT increase of 14%, mainly due to a successful cost reduction programme.



**Left:** JICT North Berth handles a weekly service of the Grand Alliance Consortium sailing direct to Europe. The port is equipped with two Post-Panamax quay cranes.



**Right:** Thai Laemchabang Terminal commenced operations in early 2002. The terminal is located at Laemchabang Port, a deepwater port on the east coast of the Gulf of Thailand, about 100 kilometres from Bangkok and 25 kilometres from Pattaya City.





TICT is situated 3 kilometers from downtown Dar es Salaam, the commercial capital of Tanzania.

In Saudi Arabia, International Ports Services, operates the Port of Dammam which reported throughput of 564,200 TEUs, a 15% increase over the comparable annualised throughput last year and EBIT increased 19% on the same comparative basis.

In South Korea, the Group acquired two terminals in Busan and one in Kwangyang in February 2002, which comprise of seven container berths. In addition, Korea International Terminals is developing a seven-berth Phase II terminal at Kwangyang Port. The first three berths started operations in April 2002 and the remaining four berths will be completed later this year. Both the Busan and Kwangyang operations have performed in line with expectation. In Malaysia, Kelang Multi Terminal reported throughput growth of 41% and EBIT increased 27%.

Name	Location	Group's % Interest	2002 Throughput (thousand TEUs)
Jakarta International Container Terminal and Koja Container Terminal	Indonesia	51% / 47.9%	2,082
International Ports Services	Saudi Arabia	51%	564
Hutchison Korea Terminals (two terminals in Busan and one terminal in Kwangyang)	South Korea	100%	1,986
Korea International Terminals	South Korea	80%	13
Kelang Multi Terminal	Malaysia	31.5%	1,968
Tanzania International Container Terminal Services	Tanzania	70%	166
Karachi International Container Terminal	Pakistan	100%	359
Myanmar International Terminals	Myanmar	85%	65
Thai Laemchabang Terminal	Thailand	88%	39

The Tanzania International Container Terminal (“TICT”), located in Dar es Salaam, the largest city, industrial centre and business capital of Tanzania, reported throughput of 166,300 TEUs, a 12% increase over the comparable annualised throughput last year and EBIT increased 15% on the same comparative basis.

In Pakistan, the Karachi International Container Terminal reported throughput of 358,500 TEUs, a 14% increase over the comparable annualised throughput last year and EBIT increased 16% on the same comparative basis.



NBCT is busy servicing the latest generation vessel.

### Mainland China

Although throughput at Shanghai Container Terminals, a joint venture company, was 16% above last year, EBIT was in line with last year due to competition from nearby ports. A 49% interest in Ningbo Beilun International Container Terminals (“NBCT”) was acquired in January 2002 which reported throughput of 984,000 TEUs and EBIT ahead of expectation. In March this year, the acquisition of a 30% interest in Shanghai Pudong International Container Terminals was completed. This company operates Phase I of Waigaoqiao Container Terminals, which in 2002 handled 1.8 million TEUs.

Name	Group's % Interest	2002 Throughput (thousand TEUs)
Shanghai Container Terminals	37%	3,035
Ningbo Beilun International Container Terminals	49%	984
Shanghai Pudong International Container Terminals (Waigaoqiao I)	30%	–
Pearl River Delta Ports in Southern China – Jiuzhou, Nanhai, Gaolan and Jiangmen	50%	652
Xiamen International Container Terminals	49%	366
Shantou International Container Terminals	70%	63

Hutchison Delta Ports' six joint venture river and coastal ports in Jiuzhou, Nanhai, Gaolan, Jiangmen, Xiamen and Shantou reported improved performances, handling a total of 1.1 million TEUs, a 19% increase over 2001, and also handling 2.5 million tonnes of general cargo. The combined EBIT increased 19% compared to the previous year.

### The Americas and The Caribbean

These operations are comprised of ports in Veracruz in Mexico, Freeport in the Bahamas, Balboa and Cristobal in Panama, Ensenada in Mexico and Buenos Aires in Argentina.

Internacional de Contenedores Asociados de Veracruz, located at the Port of Veracruz on the eastern coast of Mexico, reported throughput of 600,800 TEUs, a 19% increase over the comparable annualised throughput last year and EBIT increased 56% on the same comparative basis.

Name	Location	Group's % Interest	2002 Throughput (thousand TEUs)
International de Contenedores Asociados de Veracruz	Mexico	100%	601
Freeport Container Port	Bahamas	95%	860
Panama Ports Company	Panama	82%	436
Ensenada International Terminal	Mexico	100%	54
Buenos Aires Container Terminal	Argentina	100%	151





An aerial view of Freeport Container Port ("FCP") and Freeport Harbour company ("FHC"). FCP serves as a transshipment hub for the eastern seaboard of the Americas and the principal east / west line haul routes throughout the region while FHC is capable of handling the largest cruise ships.

Freeport Container Terminal on Grand Bahama Island reported EBIT significantly above last year's breakeven EBIT as a result of a 63% increase in throughput. The Phase IV expansion plan is in progress and on completion at the end of this year, will increase the annual handling capacity by 58%.

In Panama, the Group has an interest in the concession to operate the ports of Balboa and Cristobal, located near both ends of the Panama Canal. The combined throughput and EBIT were 4% above and 59% below last year respectively, mainly due to a one time charge for disputed costs. Expansion of the Balboa terminal commenced in mid-2002, which will increase the annual handling capacity to one million TEUs on completion in 2004.