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Li Ka-shing seeks to list 25% of Watsons this year

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HUTCHISON Wham-poa Ltd., controlled by Asia's richest man Li Ka-shing, plans an initial public offering this year for A.S. Watson & Co., selling about 25 percent of the division that has more than 10,000 retail stores worldwide.

Hutchison, which Friday posted a 20 percent jump in 2013 profit, plans to list the unit in Hong Kong and another location, according to Li.

"If you look at all the analyst reports, Watson now represents 10 to 15 dollars in our share price, it's way below its value which could be as high as 50 or 60 dollars," Managing Director Canning Fok said at a media briefing in Hong Kong Friday. "We should do an IPO to reflect the value of these operations."

Hutchison, with interests in retail, ports and telecommunications, is expanding in Europe and North America while seeking to sell assets in Hong Kong and China, where long-term economic growth is slowing. Watson would be valued at more than \$20 billion in an IPO, a person with knowledge of the matter told Bloomberg News in December.

Hutchison has picked Bank of America Corp., Goldman Sachs Group Inc. and HSBC Holdings Plc to work on an IPO of its retail arm, two people with knowledge of the matter said in December. This came after the company scrapped plans to sell its ParkShop chain in October.

"Watson can have two listing locations as it has a relatively big market cap," Li said Friday. "Hong Kong will

definitely be one of them. I hope we can do it within this year."

Singapore is a definite possibility for a listing, Li said Saturday, adding the company is considering a few other options. A London listing would require Watson to be registered there, he said at a press conference.

The share sale will exclude the Marionnaud business, which operates more than 1,000 stores in 12 European markets selling luxury perfume and cosmetics and has been hit by weak consumer spending and intense competition, the company said in the statement Friday. Hutchison has no plans to divest this unit, Fok said.

The company will continue to invest and revamp the business while it has no plans to list it separately, Li said.

Net income at Hutchison climbed to HK\$31.1 billion (\$4 billion) last year, matching analysts' estimates, on its hotels and property unit and an expansion of its mobile-phone business in Europe.

The retail division, the biggest unit by sales with health and beauty stores and groceries such as Hong Kong's ParkShop, said earnings before interest expenses and other finance costs, tax, depreciation and amortization rose 11 percent to HK\$14.2 billion. The figure excluded the Marionnaud business.

It saw an 18 percent EBITDA increase from the health and beauty operations on mainland China, the highest profit growth within the retail unit, it said in the earnings statement Friday.

Hutchison plans to add 400 outlets in China this year and to keep gearing ratio below 25 percent for the group, he said. **Bloomberg**

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Serving the elderly and donations to charity ring in 2014 and the Year of the Horse



CNY Spring Cleaning with Macao Elderly

scrubbed, they wiped, and when they were done, they sat down for a friendly chat with the occupants of each home. Each household was also the grateful recipient of a gift pack which included such useful staples as rice, oil, grain and noodles. The elderly visited are users of the Peng On Tung Tele-Assistance programme, which Sands China has supported since 2010 through a monthly assistance subsidy programme. Contributions have totalled nearly MOP 900,000 to date, benefitting over 700 elderly living on their own.

And for the seventh consecutive year, Sands China extended its hand in a gesture of goodwill and friendship to Macao's elderly by inviting 100 elderly members of the Macao Federation of Trade Unions to Bambu restaurant at The Venetian Macao for a delightful afternoon tea buffet Feb. 12.

After dining together, the SCCA volunteers escorted their guests to enjoy the 18 Chinese New Year horses on display at The Venetian Macao's lagoon area – individually hand-decorated by local artists. Each of the elderly participating also received a Chinese New Year gift pack purchased by Sands China from the Fuhong Society of Macao.



CNY Tea Gathering with Macao Elderly

On Valentine's Day, Sands China Ltd. helped spread love by handing out special handmade flowers purchased from the Association for the Parents of the Mentally Handicapped across its properties. Female diners at Portofino, Bambu and the Golden Peacock at The Venetian Macao; 888 Buffet and Copa Steakhouse at Sands Macao; Do Mar at Sands Cotai Central; and Grand Orbit, Dynasty 8 and The Lounge at Conrad Macao, Cotai Central were the lucky recipients of a gorgeous handmade flower. It marked the second year that Sands China has purchased flowers from the Association for the Parents of the Mentally Handicapped to hand out in honour of Valentine's Day.



Valentine's Day Charity Flowers Giveaway

Continuing the spirit of giving, Sands China team members collected over 300 food items Feb. 17 and 18 to donate to Caritas Macao for the benefit of less privileged families in Macao as part of a company food drive. Dry food collection stations were set up in staff areas at The Venetian Macao and Sands Cotai Central Feb. 17 and at Sands Macao Feb. 18. Generous team members dropped by to offer their donations of such dry food items as rice, noodles, biscuits, canned foods, candy, and beverages. The donations to Caritas Macao benefit homeless people, elderly and underprivileged families in Macao – those who do not have the means to sustain themselves and their families through adequate nutrition. In February the year prior, Sands China team members donated food items to Caritas Macao's three local food banks over the course of two days for the collection of low-income families and other people in need.



Team Member Food Donation to Caritas Macao

In addition, the Macau Santa Casa da Misericórdia/Holy House of Mercy was the beneficiary again this year of a Sands China donation in the amount of MOP 300,000 to sponsor SCMM's Welfare Shop, presented by Sands China President and CEO Edward Tracy during the distribution of hamper bags with basic foods and products for disadvantaged households held at the Welfare Shop at the Rehabilitation Centre for the Blind Feb. 8. Sands China has supported the Welfare Shop since last year, having contributed a total amount of MOP 500,000 to the programme to date, benefitting over 500 disadvantaged households. Over 300 households selected among single-parent families and those with elderly, ailing and handicapped members were given the monthly hamper bags with basic goods delivered by a mixed team of 20 volunteers from the Sands China Care Ambassador programme and also members of the SCMM Board of Directors. Each hamper bag was enhanced with a special souvenir offered by Sands China as a gesture of goodwill.