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The Magazine of Jardine Matheson

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Thinking Smarter

As the half-yearly results reflected, Jardine Matheson Group businesses are trading satisfactorily in spite of the ongoing challenging conditions in many of their markets. However, if we wish to remain competitive in an economic environment where growth is more difficult to achieve than ever before, our businesses must ‘think smarter’ and ‘operate smarter’. They must aim to both sharpen their commercial edge in the short term, and build a more competitive platform for long-term growth. It is a challenge we can all tackle by looking for ways to better understand our customers’ needs, reduce costs and enhance productivity.

As our feature on pages 14-19 shows, one company that continues to build a competitive platform is Hongkong Land. Having established the benchmark for quality in commercial retail and office developments across the region, it has, in more recent years, leveraged this expertise and experience to expand and develop its residential portfolio of premium properties. As a result, Hongkong Land’s activities in the residential sector are now becoming more material to the group in terms of overall profit and return on capital.

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Group Businesses Trading Satisfactorily at Half-Year Mark

AT THE CENTRE
Group Businesses Trading Satisfactorily at Half-Year Mark

Faced with ongoing challenging conditions in many of their markets, Jardine Matheson Group businesses are adapting well and trading satisfactorily, as reflected in the half-yearly results for 2013. Improved contributions from Hongkong Land, Mandarin Oriental and Jardine Motors compensated for reductions in Astra, Dairy Farm and Jardine Pacific, leading to an increase in profit for the period.

Underlying profit for the first six months of 2013 was US$753 million, 7% above the same period in 2012. Underlying earnings per share were 6% higher at US$2.05. The revenue of the Group, including 100% of the revenue from associates and joint ventures, was US$31.4 billion, compared to US$30.3 billion in the first half of 2012. An increased interim dividend of US¢37.00 per share, up 6%, was declared.

Group Managing Director Urges Businesses to ‘Think Smarter’

In addresses to senior management in both Hong Kong and Singapore on the half-yearly results, Jardine Matheson Group Managing Director Ben Keswick urged businesses to ‘think smarter’ and ‘operate smarter’.

He said this was necessary to remain competitive in an environment where growth is more difficult to achieve and the Group's performance is being impacted by the economic headwinds that continue to buffet the region.

Mr Keswick said that thinking smarter initiatives did not just come from the top.

“You have experts at all levels within your businesses who know the systems better than anyone. It is important, therefore, that everyone in the organization is encouraged to think smarter and participate in the search for improvements. It is a challenge we can all continue to tackle,” he said.

Mr Keswick also said that in finding ways to increase productivity, businesses must aim to both sharpen their commercial edge in the short term, and build a more competitive platform for long-term growth.

“To achieve our goals, we must take steps to address the immediate challenges, while balancing this with investment for future growth. And that means thinking and operating smarter at all levels within the organization – by understanding our customers’ needs, reducing costs and enhancing productivity. And fundamental to all of this, we must continue to develop the People that will provide the quality and depth of talent necessary to drive growth,” concluded Mr Keswick.
Group Chairman Attends London Event for Myanmar President

Jardine Matheson Group Chairman Sir Henry Keswick, along with representatives from other multinational companies and ministers from the UK and Myanmar Governments, was present at a lunch and discussion event hosted by the UK-ASEAN Business Council in London for the President of Myanmar, His Excellency U Thein Sein.

The President, who was making a two-day visit to London, delivered a speech on Myanmar’s economic reforms and the opportunities for foreign investment as the country moves towards greater political stability and democracy.

Group Managing Director Visits Interests in Mainland China

Jardine Matheson Group Managing Director Ben Keswick, accompanied by Jardine Matheson (China) Chairman David Hsu, visited Group business interests in the western cities of Chengdu and Chongqing, and was also joined by Deputy Managing Director Adam Keswick on a visit to Shenzhen and Guangzhou.

During his visit to Chengdu, Mr Keswick attended the Fortune Global Forum 2013 where he discussed potential co-operation opportunities with high profile Chinese and foreign entrepreneurs. He also met with Mayor Ge Honglin who praised Jardines’ business developments, thanked the company for providing scholarships to Chengdu students and wished the Group even greater success in the city.

While in Chengdu, Mr Keswick visited Zung Fu Nanxing and Yixing dealerships, Hongkong Land’s WE City Project and a Mannings Health & Beauty store.

In Chongqing, Mr Keswick visited three Hongkong Land residential projects – Landmark Riverside and Yorkville South and North. Mr Keswick also paid visits to a Mannings Health & Beauty store, the site of the Mandarin Oriental hotel in Jiangbeizui Central Business District scheduled for completion in 2016, and the Zung Fu Meiyuan (Chongqing) Mercedes-Benz Showroom and another new dealership.

Meanwhile in Guangzhou, Ben Keswick, Adam Keswick and David Hsu visited 7-Eleven and Mannings stores, a Zung Fu showroom, and the new Mandarin Oriental, Guangzhou. The Group has invested in many projects in Guangdong province and employs approximately 8,000 people there.
Deputy Managing Director Delivers Message on Urbanization in Chongqing

As the city of Chongqing continues the process of urbanization, it must bear in mind that it shall be creating new communities that must stand the test of time. This was the central message of a keynote report delivered by Jardine Matheson Group Deputy Managing Director Adam Keswick at the eighth meeting of the Chongqing Mayor’s International Economic Advisory Council where the theme was ‘Opportunities and Challenges for the Development of Urbanization’.

In his address on ‘The interaction of city cluster and industrial layout’, Mr Keswick said that urbanization would bring with it a range of benefits in areas such as infrastructure, transportation, housing, education, medical services and entertainment. Central to the urbanization process, however, was the need to craft a clear vision of how each contributing factor would impact on the lives of the people that would call these new towns and cities their home for generations to come. It was essential to keep the human factor in mind and remember that new towns were not simply a collection of buildings. They were communities.

“We must be conscious of how individuals and the community as a whole will interact with the environment that is being created for them,” said Mr Keswick.

...It is well known that uniformity is a friend of the planner, but the enemy of the inhabitant. Individual parks and fun play areas, as well as imaginatively designed streets and public buildings, can all help to stimulate the creative thinking that will nourish the enterprising spirit of the workforce.”

Mr Keswick told his audience that Chongqing was well positioned to learn from the mistakes made in Europe and the USA with the ability to plan new towns and districts in which people would feel a sense of community and where they would want to live and raise their families.

“Chongqing has achieved much thanks to its pioneering spirit and forward thinking approach to infrastructure and business development. If these skills are applied to its urbanization goals, then I am convinced that a prosperous future is assured,” he concluded.

Lord Sassoon Leads British Delegation on Multi-City Visit to China

In his capacity as the new Chairman of the China-Britain Business Council (CBBC), Jardine Matheson Group Director Lord Sassoon led a British delegation on a ten-city visit across China, which included Xiamen for the 17th China International Fair for Investment and Trade.

In an interview conducted during the visit, Lord Sassoon predicted that trade and investment between China and the UK would sky-rocket as China increasingly moves into service-based industries such as financial and legal services, design, engineering, architecture, healthcare and education.

“As China moves increasingly towards becoming a consumer-based society, its needs as a nation will match what the UK has to offer,” he told the China Daily.

During the visit, Lord Sassoon and the outgoing CBBC Chairman, Sir David Brewer hosted a series of high-profile events including a reception with local and British retail businesses and China Outbound conference in Shanghai, as well as seminars in Qingdao, Xiamen and Chengdu. Lord Sassoon also met with government and business leaders.
Jardines’ Strong Ties with Japan Commemorated at Special Anniversary

The 150th anniversary of an event, which helped to seal the strong ties that exist between the Jardine Matheson Group and Japan, has been marked in London. It has also been commemorated in Hong Kong with the publication of a special booklet.

Group Chairman Sir Henry Keswick, Director Lord Sassoon, Director Martin Barrow, and Group Corporate Secretary Neil McNamara attended ceremonies at University College London (UCL) for the anniversary of the departure in 1863 from Yokohama of five young Japanese noblemen who travelled to London aboard Jardines’ ships and studied at UCL. On their return to Japan, the five men led the nation’s transformation from an isolated state into one of the world’s foremost technological powers.

The story began when the five young men of the Choshu clan – Hirobumi Ito, Kaoru and Masaru Inoue, Kinsuke Endo and Yozo Yamao – contacted William Keswick, nephew of one of the founding partners of Jardine Matheson and the first foreign trader to set up a permanent office in Yokohama. At a time when it was forbidden to travel abroad, secret arrangements were made for the ‘Choshu Five’, as they were known collectively, to leave Japan aboard a Jardines’ ship. They sailed first to Shanghai and from there embarked on two Jardine Matheson clippers for the perilous 130-day journey.

On arrival in London, the Choshu Five were looked after by Hugh Matheson, then head of Matheson & Co. They were enrolled at UCL and taken under the supervision of Professor of Chemistry, Alexander Williamson. During their time there, the Choshu Five mixed with other students and visited museums, galleries, factories and dockyards.

Hirobumi Ito and Kaoru Inoue returned to Japan after a year but the other three stayed in England until 1868. Prince Ito, the architect of the first parliamentary constitution, was four times Prime Minister of Japan between 1885 and 1907, his country’s most honoured statesman. Marquis Inoue served in successive Meiji Governments as Foreign Minister and Minister of Finance, Trade and Agriculture, and the Interior. Masaru Inoue, who studied engineering in England, laid the foundations of Japan’s railway system as President of the Japanese Board of Railways. Yozo Yamao became Secretary of State in the Ministry of Industry and established Japan’s first Institute of Technology, while Kinsuke Endo introduced the European system of minting into Japan as founding Master of the Mint Bureau.

Jardine Matheson is thought to be the only company that established links with Japan in the mid-1800s that is still trading with the country today where it remains active in the hotel, property and insurance broking sectors. It also has significant Japanese business connections elsewhere in Asia, particularly in Indonesia through subsidiary Astra International.

“We are proud of the role that the Group played in bringing these young Japanese noblemen to Britain and introducing them to UCL,” said Sir Henry Keswick. “It made a tremendous difference to their lives and to the future development of Japan, as well as helping to nurture our long-standing ties with the country.”
Lord Powell Meets with China’s Vice President

Matheson & Co Director Lord Powell of Bayswater met with China’s Vice President Li Yuanchao in the historic Wu Cheng Dian Hall of the Zhongnanhai Chinese Central Government Compound in Beijing.

The 90-minute meeting was an opportunity to discuss UK-China relations as well as economic prospects. This was the sixth meeting in recent years between Lord Powell and Mr Li, previously Minister for the Organization Department and prior to that, Communist Party of China Secretary in Jiangsu Province.

Jardine Foundation Extends Scholarship Programme to Postgraduates

From left: Head of International Office, University of Indonesia, Junaidi, postgraduate Jardine Scholars Ufara Zuwasti and Thanti Octavianti and Jardine Matheson Group Director Anthony Nightingale.

The Jardine Foundation has extended its scholarship programme and added a postgraduate scheme in the form of two major new categories. One is a General Postgraduate Scheme open to candidates who are recommended by the Foundation’s selected Colleges in Oxford and Cambridge, and the second a University of Indonesia (UI) Scheme, which is being made available to alumni of UI with the aim of supporting outstanding young Indonesians.

The changes reflect a need to extend the reach of the Foundation, which believes that the addition of the postgraduate scheme will enhance its work and create greater opportunities for the development of leaders in the countries where the Group has business operations. In particular, it is hoped that the UI Scheme will attract more talented individuals from Indonesia where the Group’s interests have grown significantly in recent years.

In the first year of the new scheme, a total of seven postgraduate scholarships have been awarded for studies at Oxbridge Colleges – four from China and three from Indonesia.

Group Delegation Visits Ho Chi Minh City Chief

Jardine Matheson Group Chairman Sir Henry Keswick and Director Lord Sassoon visited the Chairman of the People’s Committee of Ho Chi Minh City, Le Hoang Quan. The delegation also included Hongkong Land Chief Executive Y K Pang, Jardine Cycle & Carriage Managing Director Alex Newbigging, Hongkong Land Head of Commercial Property, Vietnam and Cambodia, Cosimo Jencks and Jardine Matheson (Vietnam) Country Chairman Alain Cany.

Chairman Quan expressed pleasure at the Group’s expansion in Ho Chi Minh City and Vietnam. Among the matters discussed were two potential Hongkong Land developments in Ho Chi Minh City – one a commercial and retail complex in the Central Business District and the other, the group’s first residential project, in District 2.

The Jardine Matheson Group’s presence in Vietnam continues to grow. During 2013, Dairy Farm opened 19 Guardian Health and Beauty stores, Maxim’s its first Starbucks and Pizza Hut now operates 34 outlets.
Astra Expands its Auto Production Capacity in Indonesia
Astra Expands its Auto Production Capacity in Indonesia

Astra has expanded its auto production capacity in Indonesia with the launch of new factory and research and development facilities.

Indonesia’s Vice President Boediono officiated at the inauguration of PT Astra Daihatsu Motor (ADM)’s Karawang Assembly Plant (KAP) at Suryacipta Industrial Estate in East Karawang, West Java. The plant, which covers a floor area of seven hectares and has an annual production capacity of 120,000 cars, is an integrated facility that incorporates the entire process of four-wheeler production assembly using the Simple, Slim & Compact concept, similar to that of the Daihatsu plant in Kyushu, Japan.

KAP employs more than 2,000 people, bringing the total number of ADM employees to over 10,000. It produces the Xenia and Avanza models and new flagship ‘Low Cost Green Cars’, the Astra Daihatsu AYLA and Astra Toyota AGYA. Both cars are not only environmentally friendly, but also offer excellent fuel efficiency. Their development and launch is expected to further strengthen the compact car segment in the Indonesian automotive market, where the number of compact cars has tripled in the last five years.

The Vice President also opened Daihatsu’s new Research & Development (R&D) Centre, which will help support ADM as Daihatsu’s production and product base outside Japan. The facility includes R&D styling and design experiment buildings and a one-kilometre track for testing.

New Plant for Astra Honda

Meanwhile, PT Astra Honda Motor has held a groundbreaking ceremony for the construction of its fourth plant in Indonesia at Indotaisei Industrial Estate in Kota Bukit Indah, Karawang. The factory, with an annual production capacity of 1.1 million, will employ more than 3,000 new workers and complement the three other existing Honda motorcycle plants in Sunter, Pegangsaan and Cikarang. Together they will bring Honda’s total annual production capacity in Indonesia to 5.3 million units.

Gammon Wins Largest Ever Solo Contract

Gammon Construction has won its largest ever solo contract. The HK$8.66 billion (US$1.12 billion) design and build contract awarded by the HKSAR Highways Department is for the construction of the Southern Connection Viaduct Section of the nine kilometre-long Tuen Mun-Chek Lap Kok Link in Hong Kong.

The project mainly includes the design and construction of a dual two-lane sea viaduct of approximately 1.6 km long between the Hong Kong-Zhuhai-Macao Bridge Hong Kong Boundary Crossing Facilities and North Lantau. It also includes construction of nine approach viaducts and other associated works.

“We are excited to be taking part in enhancing this important strategic road network,” said Gammon Chief Executive Thomas Ho. “We are fully committed to the challenges ahead and are confident that we will safely deliver the project to the highest quality and within the construction programme.”

Work began in June and is due to be fully completed by April 2017. The project will create more than 1,500 jobs in Hong Kong.
Grand Opening of Marina Bay Financial Centre in Singapore

Hongkong Land joint venture Marina Bay Financial Centre (MBFC), the largest integrated mixed-use development in Singapore’s new downtown, has celebrated its grand opening with a ceremony attended by the city-state’s Prime Minister, Lee Hsien Loong and some 250 guests from leading businesses, financial institutions and key government agencies.

To mark the occasion, Raffles Quay Asset Management (RQAM), manager of MBFC, has donated S$1 million (US$785,000) in the form of study grants to four Singapore-based universities with the aim of nurturing the next generation of business leaders.

“MBFC has set a new regional standard for integrated mixed-use developments,” said RQAM Chief Executive Officer Warren Bishop. MBFC comprises three office towers offering nearly three million square feet of prime Grade A office space, two residential towers comprising 649 luxury apartments and retail space of 179,000 sq. ft. Office Towers One and Two are fully occupied and Marina Bay Link Mall is 100% leased, while Tower Three’s occupancy rate has reached 88%.

Jardine Cycle & Carriage Establishes Business in Myanmar

Jardine Cycle & Carriage (JC&C), together with Auto Mobile Century Company, has set up a joint venture in Myanmar to undertake vehicle maintenance and repair, Cycle & Carriage Automobile Myanmar Company (CCAM). JC&C has also been appointed as Daimler AG’s official partner to distribute Mercedes-Benz passenger cars and commercial vehicles and Fuso trucks in Myanmar, and to represent Mazda.

“Jardine Matheson has had a presence in Myanmar since the 1990s,” explained JC&C Managing Director Alex Newbigging. “In 2012, the Group established a representative office there and appointed Dr Wong Yit Fan as its Country Representative.

“Given the increase in economic development in the country, Myanmar’s automotive market is expected to take off in the near future and CCAM presents JC&C with a strategic opportunity to extend its regional presence.”

The joint venture’s first service centre located in Yangon was officially launched at an event held at the Sedona Hotel ballroom, which was attended by Guests-of-Honour, the Chief Minister of Yangon Region, U Myint Swe, and the Union Minister of Commerce, U Win Myint. It also included the unveiling of the new Mercedes-Benz E-Class.

JC&C’s expansion into Myanmar will continue with a new Mercedes-Benz showroom and second service centre, which will open in the next few months.
Jardine Schindler Launches Latest Elevator in Vietnam

Jardine Schindler has launched the next-generation Schindler 5500 elevator in Vietnam. Combining state-of-the-art engineering and top tier performance levels, the Schindler 5500 sets new industry precedents in terms of speed and efficiency, including a version that can travel up to 50 stories in 50 seconds.

The Schindler 5500 can be configured to maximize shaft space utilization and rentable floor areas and represents the latest technological advances in capacity and ride comfort.

Schindler Vietnam became one of the first foreign-owned elevator companies to start operating in Vietnam in 1995 and for many years has been the market leader. In 1998, Schindler Vietnam set up its own factory, which produces brackets, beams and builder’s elevators for both local and export purposes. The new Schindler 5500 elevator is expected to help Schindler Vietnam further strengthen its presence in the mid-rise building segment as Vietnam continues its fast pace of development.

Jardine OneSolution Grows its Product Portfolio

Jardine OneSolution (JOS) has acquired 13 new distributorships with world-renowned brands covering a matrix of consumer electronics & accessories, and consumer and enterprise IT products. The distributorships will further enhance the comprehensive product portfolio JOS currently offers to its vast reseller network in Hong Kong, Singapore and Malaysia.

The new additions result from an ongoing 'New Product Acquisition' initiative, which was introduced in 2011. Since then, newly acquired distributorships have generated some HK$2.52 billion (US$325 million) in revenue. In the first eight months of 2013, the initiative contributed 11% of year-to-date distribution sales.

In another initiative to enhance its service offerings and reflect the latest technology trends, JOS has introduced packaged technical services attached to hardware products. On the distribution front too, JOS has strengthened its value-added model by establishing Grand Technology Services (GTS) in Hong Kong, Malaysia and Singapore. GTS will act as the service delivery arm to JOS’ distribution businesses and as Authorized Service Provider to vendor partners.

Successful Renovation of Rustan’s Supermarket in Manila

Transforming the boards used to close off sections of the store into artwork, Rustan’s successfully turned the renovation of its Rockwell Mall store into a brand enhancement marketing campaign.

Rustan’s Supercenters, Inc, in which Dairy Farm acquired a 50% interest in 2012, has successfully converted its supermarket at Rockwell Mall into the first Marketplace by Rustan’s in the Philippines.

The renovation, which took place in seven stages, created the major challenge of how to manage customers and sales over the six-month period of the project, particularly during the first stage when some 75% of the store’s entrance was closed off and boarded-up. Using the construction boards as advertising billboards and implementing a customer service programme to proactively help customers navigate their way around the changing store, Rustan’s actually saw sales grow rather than fall off.

“Our treatment of the renovation generated great excitement amongst our customers while enlisting a highly motivated store team,” said Rustan’s Supermarket Vice President Frances Yu.

Japanese Audio-Technica headphones are among the cutting-edge consumer products now available to distribution channels via JOS Hong Kong.
THACO Forms Partnership with Peugeot

Truong Hai Auto Corporation (THACO), in which Jardine Cycle & Carriage holds a 32% interest, has formed a partnership with Peugeot to produce the first ‘completely knocked down’ Peugeot models in Vietnam and to become the exclusive distributor of Peugeot cars in the country. Five Peugeot showrooms offering sales, warranty and maintenance services will be opened in the major cities of Thai Nguyen, Hanoi, Vinh, Ho Chi Minh City and Binh Duong by the end of 2013, and a further ten across the country during 2014.

The partnership, which was announced at a ‘France – Vietnam Business Forum’ held to celebrate 40 years of diplomatic ties between the two countries with a series of cultural, art and economic exchange activities, is expected to benefit the development of the vehicle industry in Vietnam.

“Through this co-operation with Peugeot, THACO engineers and specialists will have the opportunity to acquire European-standard automobile assembly and aftersale services techniques while bringing luxurious, modern Peugeot cars to Vietnamese consumers,” said Chairman of THACO Tran Ba Duong.

Highrise Contract for JEC Thailand

JEC Thailand has been awarded the contract for the supply, installation and commissioning of the air-conditioning and ventilation, electrical and communication, sanitary and fire protection systems for AIA Sathorn Tower, a new commercial building in Bangkok which is due for completion at the end of 2014.

The 28-storey AIA Sathorn Tower features green building technology and is designed to meet the ‘Gold Credit’ requirement of ‘Leadership in Energy and Environmental Design’ (LEED).

AIA Sathorn Tower.

Strategic Transformation for Federal International Finance

Astra company PT Federal International Finance (FIF) celebrated its 24th anniversary with the official launch of new names and logos as part of a transformation strategy to support its increasingly thriving business.

FIFGROUP now serves as the holding company while its motorcycle financing business unit has been rebranded as FIFASTRA. The group’s electronic and household appliance financing section remains unchanged as SPEKTRA.

New logos in the shape of a fingerprint that represents the three major elements of ‘Commitment’, ‘Customer Focus’, and ‘Customization’ have also been introduced. While different in colour, their similarity of design reflects the fact that FIFGROUP, FIFASTRA and SPEKTRA are all part of the same business entity.
More than 800 guests attended Zung Fu’s launch of the latest model of the Mercedes-Benz S-Class, which was held at the new Kai Tak Cruise Terminal.

Zung Fu Launches Latest Mercedes-Benz S-Class in Hong Kong

Zung Fu was the first distributorship outside Europe to launch the latest model of the Mercedes-Benz S-Class when it introduced the new vehicle to the Hong Kong market at an event which took place at the new Kai Tak Cruise Terminal and was attended by more than 800 guests.

During the event, an animated film was screened revisiting the evolution of Mercedes-Benz luxury saloons from 1903 to 2013, followed by two other films showcasing the development processes of the new flagship of the S-Class line-up. Local diva Sally Yeh also added glamour to the evening with a live performance of her repertoire against the backdrop of fireworks.

The new S-Class model has been well received by the market in Hong Kong and Macau with orders for more than 300 vehicles placed in a period of just one month following its launch.

With the three key elements of ‘Intelligent Drive’, ‘Efficient Technology’ and ‘Essence of Luxury’, the new S-Class extends the boundaries of technology on many levels for automotive development. It is the world’s first car to dispense entirely with light bulbs in favour of LEDs – almost 500 of them altogether in every vehicle – and the first to offer an energizing massage function based on the hot-stone principle, active seat ventilation with reversing fans, and an ‘active perfuming system’ as part of the air-balance package.

For the first time all of Jardine Lloyd Thompson's London-based teams are housed under one roof at The St Botolph Building, a state-of-the-art facility at 138 Houndsditch.

Working Together at Jardine Lloyd Thompson

Jardine Lloyd Thompson (JLT) has moved into a new headquarters building in London while also extending its reach globally.

For the first time, JLT’s 2,000-strong London-based workforce has come under one roof with the move into six floors of The St Botolph Building, a state-of-the-art development at 138 Houndsditch that forms a key gateway to the City of London. Previously JLT employees were spread across 15 floors of space in five different buildings.

Meanwhile, JLT has launched ‘WorkSpace’, a new single platform, global knowledge-sharing intranet designed to help its worldwide workforce of some 8,000 employees, search, connect and collaborate.

WorkSpace includes a powerful, custom-built search engine and a rich variety of content and documents, plus ‘knowledge hubs’ based around specialist areas of expertise.

“WorkSpace forms a vital part of JLT’s strategic goal to become a more knowledge-led business,” explained Programme Manager Paul Wareham.

In another move, JLT has formed a new division to provide strategic risk advice to large national and multinational corporations in Asia. The ‘Strategic Risk Solutions’ division will provide expert, customized risk treatment advice and solutions to companies within Asia that have complex operations, specifically those in the Communications, Technology, Media and Mining sectors.
Hongkong Land –
Defining Residential Quality in Asia

FEATURE
Hongkong Land – Defining Residential Quality in Asia

As one of Asia's leading property investment, management and development groups, Hongkong Land has for many years established the benchmark for quality in commercial retail and office developments across the region. In recent years, the group has also increased its involvement in the residential sector with the development of premium properties catering for the growing middle class in Southeast Asia and Greater China. In each of the markets it enters, Hongkong Land sets new standards for well-designed products and superior build quality. Currently it is involved in residential projects in Hong Kong, Macau, Greater China, Singapore, where its subsidiary MCL Land is a significant developer, the Philippines and, most recently, Indonesia and Cambodia.

While the capital invested in Hongkong Land's residential portfolio is significantly less than in its highly successful commercial business, its activities in the residential sector are becoming more material to the group in terms of overall profit and return on capital.

“The continuing rise of the middle class in the region is creating increasing demand for Hongkong Land’s residential products, both from owner occupiers and high net worth individuals and investors,” explained Hongkong Land Executive Director, Residential Property, Robert Wong. “Buyers vary from country to country depending on the nature and positioning of each project, but in the longer term, it is this demand that will enable Hongkong Land to further develop its brand and portfolio.”

Setting up and running development projects in different countries in the region, each with their own culture and unique operating conditions, is often challenging. Attracting and retaining the right staff with the appropriate qualifications, and adapting to cultural and other local practices while maintaining Hongkong Land’s reputation for quality, are among the many issues to be dealt with.

“We overcome these by having a clear and consistent set of standards in design and product specifications while taking into account local practices and preferences. Close monitoring of the development and marketing processes, and the placement of the right people in the right job positions, are also essential,” said Mr Wong.

Although the current operating environment generally remains uncertain, exacerbated by cooling measures implemented by the Governments of Hong Kong, Singapore and mainland China in their respective property markets, particularly in the premium sector, Hongkong Land’s residential portfolio is on track for further expansion.

The first six months of 2013 were a ‘pleasing’ half-year with particularly satisfactory sales at Hongkong Land’s projects in Singapore and mainland China where the group is set to benefit further from completions in both markets in the year ahead.

“Significant challenges remain in the overall trading environment, but Hongkong Land’s strong financial and competitive position will enable it to capitalize on opportunities for residential projects that arise as the region’s development continues apace,” said Mr Wong. “We remain very focused on ensuring a high quality product for our residential buyers and this is the foundation on which we will continue to build our portfolio.”
Hongkong Land Premium Properties Set New Standards

China

Mainland China
Hongkong Land’s residential interests in mainland China, where conditions are relatively positive, are making a growing contribution to the group’s earnings with attributable interest in contracted sales at US$369 million in the first six months of 2013 compared with US$200 million in the same period in 2012. The group holds five million square metres of developable area in mainland China with one million square metres of that currently under construction:

Beijing
Hongkong Land’s first joint venture project in the capital acquired in 1997 was a premium low-rise residential development, which was rebranded as ‘Maple Place at Beijing Riviera’. A second joint venture, Central Park, was completed in 2008 and offers 1,900 luxury apartments in 15 blocks.

Chongqing
Hongkong Land has four significant residential development projects ongoing in Chongqing, the largest city in western China. These are Bamboo Grove, Landmark Riverside, Yorkville South and the adjacent Yorkville North.

When completed, Bamboo Grove, a 50%-owned joint venture with Longfor Properties, will comprise some 1.5 million square metres of high quality residential development along the Jialing River including villas, townhouses, low and high-rise apartments, a sports park, chapel, and retail complex. There has been strong sales interest in Bamboo Grove with 1,289 units handed over to buyers in 2012 and a further 1,762 units to be completed in 2013/14.

Landmark Riverside in Nanan District, a 50%-owned joint venture with China Merchants Group, is located at the intersection of the Yangtze and Jialing rivers and will consist of approximately 1.5 million square metres of residential property along with some prime retail space. Phase 1 of the project, which was launched in early 2012 and comprises 1,249 high-rise apartments, is 70% presold with the first units due to be handed over to buyers at the end of 2013. Hongkong Land’s first wholly-owned project in mainland China, Yorkville South is at Zhaomushan on a site of almost 39 hectares next to the forest park of Zhaomu Mountain and Chong Guang Lake. There has been strong end-user demand for Phase I of the development consisting of 324 townhouses, which is due for completion in 2013. A further 52 hectare-site, Yorkville North, was acquired in December 2011. Modelled on the English city of York, the two Yorkville developments are designed to set a new benchmark for luxury living aimed at high net worth individuals in the Chongqing area.

Chengdu
WE City represents Hongkong Land’s first foray into the major regional city of Chengdu where it will set a new benchmark for quality with this joint venture mixed-use residential and commercial development. Sales momentum has been strong regarding the first 1,400 high-rise apartments, which are due for completion in 2014.
**Shenyang**
While Shenyang, the provincial capital of Liaoning Province, is a more challenging market because it has not yet benefitted from the broader recovery elsewhere in China, there is still considerable interest in Hongkong Land’s two prime joint venture residential projects there – Park Life and One Capitol. Both developments are a mix of premium residences along with community retail and other amenities.

**Hong Kong**
In Hong Kong where Hongkong Land was founded in 1889, the group’s four residential projects have further enhanced its reputation for excellence. Apartment developments Ivy on Belcher’s and The Sail at Victoria and townhouse refurbishment Stanley Court are all completed and fully sold. The most recent project, Serenade, which involved the redevelopment of a 37-year-old residential building at Tai Hang Road, has proved a stunning commercial success in spite of the project being fraught with complications and numerous legal and business challenges during the lengthy redevelopment phase.

As a redevelopment project, at least 90% of the original owners had to give their consent before it could proceed – a process normally requiring years of negotiations. Through an innovative package that involved a new flat upon completion, upfront compensation and a sharing of profits, the Serenade team secured a deal in a record 18 months. Further challenges ranging from complicated submissions and appeals to the Town Planning Board and Land Tribunal, to the global economic downturn and tightened mortgage financing, required creative sales and marketing efforts in response.

Since its completion in 2010, the twin-tower luxury Serenade development has outperformed market expectations with over 80% of units sold and achieved a net profit of over US$260 million – almost 300% above the original target.

**Macau**
Hongkong Land’s first residential venture in Macau is an integral part of its highly successful joint venture with Shun Tak, One Central. This waterfront mixed-used development also comprises luxury international retail and the Mandarin Oriental, Macau hotel. Located in the heart of Macau’s gaming district, One Central Residences consists of seven residential towers of 32 to 38 storeys, offering some 800 luxury units. The 92 ‘Residences & Apartments at Mandarin Oriental, Macau’, located on the 15 floors immediately above the hotel, are the first Mandarin Oriental residential project in Asia.

Since its opening in 2009, One Central has become ‘The’ destination in Macau and is an excellent example of the high degree of synergy between Hongkong Land’s commercial and residential businesses on mixed-use sites and the potential they create for mutual reinforcement of brand value.
Singapore

Hongkong Land has a strong presence in Singapore through its subsidiary MCL Land and its premium one third-owned development, the Marina Bay Financial Centre (MBFC) complex, which has played a major role in creating the new Singapore ‘downtown’.

Of the 221 units on offer at Marina Bay Suites, the final residential component of MBFC, 89% were sold prior to completion. This reflects the prime quality of the development and is especially notable during a period when demand in the premium sector has been affected by the Singapore Government's comprehensive measures to dampen the market announced in January 2013.

MCL Land has a long track record of building quality homes in Singapore and Malaysia over the last 40 years with an extensive portfolio of prime residential properties. In Singapore, all MCL Land’s 2013 projects were fully sold and its five projects due for completion between then and 2015 are substantially presold. These include the Terrasse, Uber 388, Ripple Bay, Palms@Sixth Avenue, Hallmark Residences and a 738-unit condominium project in Jurong, J Gateway, which was fully committed within a few days of its launch in June.

MCL Land has also embarked on several residential projects in Malaysia, all through joint ventures. Current projects in Kuala Lumpur include a 391-unit condominium development in the vicinity of Wangsa Walk Mall, a highly successful MCL Land integrated retail and office mall development, and 680-unit Seri Riana, which is due for completion in 2016. In Seremban, the capital of the state of Negeri Sembilan, MCL Land is developing a township on a site comprising 488 acres of freehold land.

Indonesia

With the growing emergence of a significant middle class in Indonesia, Hongkong Land has recently entered the residential market there. Master planning has been completed at 49%-owned residential joint venture development, Nava Park, in the southwest of Jakarta, with construction and pre-selling targeted to commence in 2014. The prime 68-hectare site is strategically located in Serpong alongside a river and next to a golf course, but only five minutes drive from the freeway, giving good access to the city centre via the toll

The Philippines

Hongkong Land has been involved in the residential market in the Philippines since the mid-1990s through joint venture NorthPine Land, which has established a reputation for excellence, high quality, and value-for-money developments. Currently, NorthPine Land has three such projects, Greenwoods, Forest Ridge, and South Hampton. Separately, Hongkong Land also holds a 40% interest in luxury apartment development Roxas Triangle Tower, which is located in the Manila Central Business District of Makati and comprises two 52-level towers with a total of 364 units.

The premium build quality of Marina Bay Suites in Singapore is a prime example of why discerning buyers are attracted to Hongkong Land properties.
Building for the Future

Hongkong Land’s long-term strategy for sustained growth in the residential sector remains focused on developing premium projects in Greater China and Southeast Asia.

In mainland China where the group has established an excellent reputation in the local market, it will continue to benefit from its sizeable footprint and strong brand in Chongqing as well as potential opportunities in other high growth regions. Among these are the Pan-Bohai Rim region, which includes Beijing and Tianjin, the Yangtze River Delta region incorporating Shanghai and Hangzhou, as well as further developments in southwest China.

In spite of the dampening effect of government measures in Singapore, MCL Land is well placed to cater for continuing residential demand there, especially in areas like Jurong which is being developed as a decentralized office location and where the group currently holds two significant sites.

There is much scope in Indonesia too where the country’s fast growing middle class is expected to provide further opportunities for investment in both Jakarta and other cities.

“Indonesia is similar to the market in China ten to 15 years ago,” said Robert Wong. “As people become more affluent, there is an increasing desire to upgrade their residence and Hongkong Land is well positioned to provide products that meet that demand for higher quality.”

Other potential new markets in Southeast Asia include Cambodia, which the group has already entered, and Vietnam and Myanmar.

“With its strong financial position and unrivalled reputation for excellence, Hongkong Land is committed to developing prestigious residential properties across the region, both in our existing markets as well as emerging ones,” said Mr Wong. “Our financial position is strong, our reputation for excellence is unrivalled and we look forward to pursuing attractive new projects as they arise while continuing to set new benchmarks for quality across the region.”
Mandarin Oriental Restaurants in World Top 50

PERFORMANCE
Mandarin Oriental Restaurants in World Top 50

Mandarin Oriental Hotel Group is once again the only hotel group to have two Michelin-starred restaurants listed in the prestigious San Pellegrino ‘World’s 50 Best Restaurants’ awards.

*Dinner by Heston Blumenthal* at Mandarin Oriental Hyde Park, London headed by Executive Chef Ashley Palmer-Watts, rose two places from its listing in 2012 to number seven, while *Amber* at The Landmark Mandarin Oriental, Hong Kong was voted one of the best restaurants in the world for the third time, and rose to number 36 from its listing of 44 in 2012.

*Dinner by Heston Blumenthal* has fast become one of the world’s most celebrated restaurants with a menu that explores Britain’s gastronomic past with a 21st century twist. Earlier this year, *Amber* was also named ‘Best Restaurant in China’ and listed fourth in the inaugural ‘Asia’s 50 Best Restaurants’ Award list.

“These awards reflect the dedication of our culinary teams who aim to offer stimulating and exceptional dining experiences for our guests,” said MOHG Corporate Director of Food and Beverage David Nicholls.

Meanwhile, Chef Richard Ekkebus who oversees culinary operations at The Landmark Mandarin Oriental, Hong Kong, has also been appointed Chef Consultant of *Fifty 8° Grill* at the recently opened Mandarin Oriental Pudong, Shanghai where, together with Chef de Cuisine Jason Oakley, he aims to deliver the best in modern grill cooking.

Astra Companies are Most Admired

Astra was named ‘The First Winner’ of the ‘Cross-Sector Industry’ category at Fortune Indonesia’s ‘Most Admired Companies 2013’ event, making it one of the 20 ‘Most Admired Companies’ in Indonesia. Three Astra subsidiaries also achieved top 20 places in their own industries – PT Astra Otoparts Tbk in Multi Industry, PT Astra Agro Lestari Tbk in Agriculture Industry and PT United Tractors Tbk in the Trading and Services Industry.

Awards recipients were assessed on the basis of a survey conducted among 20,000 respondents active in different business areas in Indonesia. They were selected on nine criteria, which ranged from management quality and the quality of product/services offered, to strong financial position, the ability to attract, develop and retain potential employees, and social responsibility towards the community and environment.

Speaking at the awards ceremony, Astra President Director Prijono Sugiarto said that the secret of Astra’s success was the implementation of its corporate philosophy, Catur Dharma, which he described as “the glue that bonds the Astra family together with more than 186,000 employees at 177 companies.

“This is the year for each of us, Astra people, to refresh our understanding of Astra’s philosophy and to continuously reinforce the implementation of the Astra Management System across the group,” said Mr Sugiarto.
Dairy Farm Singapore Stores Carry Off Green Awards

Giant Suntec City has become the first Singapore hypermarket to be awarded the prestigious GreenMark Gold Plus for energy efficiency and green features by the Building and Construction Authority (BCA). Cold Storage Jelita, Singapore’s first fully integrated green supermarket, has also received a BCA GreenMark (Merit) Award.

With the focus on reducing energy consumption, both stores have been installed with LED lighting, energy-saving chillers and refrigeration facilities. At Giant Suntec, more than 85% of the refrigeration facilities are enclosed while an Energy Monitoring System also forms a significant part of the store’s carbon footprint tracking.

Meanwhile, Cold Storage is the first supermarket chain in Singapore to initiate a ‘No Shark’s Fin’ policy at all its Cold Storage and Market Place stores island-wide. In addition to its environmentally friendly and energy-saving features, Cold Storage Jelita carries a wide selection of sustainable seafood as well as organic vegetables and fruit.

As part of its continuous commitment to reducing waste, shoppers at all Cold Storage and Giant stores are encouraged to bring their own shopping bags.

Awards Sweep for 7-Eleven and Mannings Hong Kong

7-Eleven Hong Kong has won a raft of prestigious awards for its ‘Nostalgic Charms’ reward programme while Mannings Hong Kong commercials featuring a cuddly cat have also been recognized.

7-Eleven won eight awards including the EFFIE Award, Kam Fan Award and Adfest Award for its campaign, which touched the hearts of customers from all walks of life through a series of decorative charms featuring local nostalgic memorabilia. Four films produced for the reward programme gained remarkable viewership on Youtube and the 7-Eleven Facebook fan page.

In a recent survey on brand equity conducted by Nielsen, 7-Eleven was the premier brand in Hong Kong and ranked No.1 in Nielsen’s brand survey worldwide.

Mannings Hong Kong Cat Stars at Awards Ceremony

Meanwhile, at Television Broadcasts Limited’s annual TV commercials awards event, Mannings Hong Kong commercials featuring a cuddly cat were the star attraction, polling the most votes in the ‘Audience Choice Award’ and also winning the ‘Most Popular TV Commercial (General Category)’. This was the third consecutive year that Mannings had triumphed in the consumer vote category.

At the same event, Hong Kong Film Awards Best Actor Sean Lau also drew the highest number of votes as ‘Most Popular Male Talent in a TV Commercial’ for his role in a Mannings beauty commercial.

The popularity of Mannings TV commercials reflects its reputation as a trusted brand and provider of quality services and products in Hong Kong. This is further borne out by the fact that for nine consecutive years, Mannings has been voted ‘Hong Kong’s No. 1 Most Preferred Brand’.
Jardine Aviation Services Strive for Environmental Excellence

Jardine Aviation Services (JAS) representing Jardine Airport Services (JASL) and Jardine Air Terminal Services (JATS) was a participant in the annual Hong Kong Awards for Environmental Excellence (HKAEE) 2012 with the aim of raising environmental awareness within the group and to benchmark its energy savings and carbon reduction achievements.

Following a three-phase assessment process that included interviews and a presentation of JAS initiatives to the HKAEE selection committee, the group’s efforts were rewarded when JAS Chief Executive David Walker was the proud recipient of the HKAEE Silver Award at a presentation ceremony earlier this year.

JATS is already regarded as an environmental leader at Hong Kong International Airport. It operates a fleet of LPG-powered vans and minibuses and electric passenger vehicles, was the first ramp handling operator to invest in pure electric aircraft loading equipment and is currently working with a manufacturer to introduce solar-powered passenger steps to replace the current diesel-powered equipment.

Wellcome Celebrates Ongoing Achievements in Hong Kong

Wellcome Hong Kong has been celebrating achievements which reflect its environmental efforts and long-standing popularity in the community.

For the third consecutive year, Wellcome has been voted 'The Most Liked Supermarket' in an annual survey conducted by the market research agency, IPSOS. The award is testament to Wellcome's dedication to creating a comprehensively 'likeable' shopping experience and its commitment to excellence and the highest possible levels of service.

To celebrate its 68th year in Hong Kong, Wellcome launched a new branding campaign to showcase how the group has grown together with Hong Kong across the generations.

The Wellcome Hong Kong superstore in Lei Yue Mun prominently highlighted the new branding campaign both inside and out.

For the third time, Wellcome Hong Kong received the highest accolade of the Gold Award in the Wholesalers and Retailers Sector at the 2012 Hong Kong Awards for Environmental Excellence. Corporate-wide conservation efforts have included energy-saving appliances at Wellcome's warehouses, Fresh Food Centre, stores and offices as well as the use of LED lighting and specially designed curtains to block heat from sunlight. The use of Wi-Fi to exchange memos electronically, and rope rather than plastic wrapping to bind up loads of products, have saved 220,000 sheets of A4 paper and significantly reduced the use of plastic products along the supply chain.
Tunas Rides High at National Contest

Tunas Dwipa Matra (TDM), the Honda motorcycle main dealer owned by Tunas Ridean in Lampung province, reaffirmed its reputation for service excellence at the 2013 national service contest held by Astra Honda Motor.

In competition with 63 finalists representing 29 main dealers across Indonesia, TDM’s retail representatives won overall second place for frontline service, as well as second and third runner-up prizes. This was the fifth consecutive year that TDM had featured in the top six, including overall first place in 2010 and 2012.

Outstanding Service Campaign from Guardian Singapore

‘Greet, Smile and Thank You (GST) with Passion’ is the theme of Guardian Singapore’s 2013 service campaign, which is designed to inculcate a service-oriented working environment within the organization.

Some 710 team members from Guardian stores and head office attended the launch of the campaign where new Chief Executive Officer Peter Dove inspired the gathering with his emphasis on the need for GST to be applied to all customers who come into all stores, every day. The campaign has also been adopted by Guardian Malaysia.

“The simple, but impactful, action of greeting, smiling and thanking everyone who enters our stores can play a vital role in a service-oriented organization,” said Mr Dove.

In addition to the campaign, Guardian Singapore has attained continuous improvement in customer service satisfaction through a closely monitored and intensive Mystery Shoppers Programme, which was initiated three years ago.

Every month, 99 to 100% of Guardian stores are visited by a ‘mystery shopper’ to monitor and identify areas for improvement in customer experience, engagement, and satisfaction. Guardian’s training specialist and service coaches then analyze the monthly reports from these visits to identify and deal with any issues.

Guardian’s efforts in customer service were officially acknowledged recently when it won the prestigious Singapore Service Excellence Medallion 2013. The award recognizes outstanding achievements by organizations in inspiring and sustaining a culture of service excellence in Singapore.

In the individual category, Guardian Area Manager Kenneth Lee and Pharmacist John Knaggs were presented with the ‘Service Champion’ and ‘Service Professional’ awards respectively.

Greeting, smiling and extending a thank you to every customer is part of Guardian’s commitment to service excellence in its stores in Singapore and Malaysia.
**Pizza Hut Hong Kong’s Campaign to ‘Go Green’ Yields Results**

A ‘Go Green’ campaign launched by Pizza Hut Hong Kong in 2013 to promote environmental protection, increase awareness on the importance of energy saving and echo the benefits of a ‘green’ lifestyle continues to yield positive results. It has also been recognized by CLP Power Hong Kong in the form of the Gold Award (Western & Theme Restaurant Category) and Grand Award (Innovative Energy Saving Promotion Award Category) in the 2013 CLP ‘GREENPLUS Recognition’ awards.

Since launching the campaign, which is targeted at staff, business partners and the public, Pizza Hut Hong Kong has worked with CLP Power Hong Kong to identify different areas where energy saving can be implemented. As a result all new or renovated Pizza Hut stores have adopted LED and energy efficient lamps, saving 87% of electricity on lighting per store per year, compared to using traditional halogen lamps. Effective light zoning and utilization of sunlight have also been implemented to minimize the use of electricity in stores. Exhaust air ducts have been installed in the condensing units of refrigerators to improve energy efficiency, while timers and heat sensors installed in outdoor signs and air conditioners help to monitor and prevent excessive use. All Pizza Hut Hong Kong stores have also joined CLP’s ‘Energy Billboard’, which helps monitor their monthly electricity usage.

Pizza Hut has leveraged its popularity on Facebook to interact, engage and share the ‘Go Green’ message with its fans and by mid-2013, had reached over 90,000. Staff have also been encouraged to embrace energy saving outside the workplace and during April and May, an energy saving competition was held to measure their home electricity usage.

**Hactl Introduces COSAC-Gateway**

Following the successful launch of its Cargo Management System, COSAC-Plus, and associated services COSAC-Mobile, COSAC-AWB and COSAC-Customs, Hong Kong Air Cargo Terminals Limited (Hactl) is introducing another innovative service that enables airline customers to manage their shipments even more efficiently. COSAC-Gateway is an integration service that Hactl can set up for its airline customers to connect their systems with COSAC-Plus.

Currently airline customers have to input all the required cargo information into their own system and then re-enter it into COSAC-Plus for the processing of shipping documents and customs clearance and the tracking of their cargoes. With COSAC-Gateway, airline customers will only have to input the information once into their own system and then COSAC-Gateway will take care of the rest.

“COSAC-Gateway marks another milestone for COSAC-Plus,” said Hactl General Manager Information Service Cindy Ng. “We have already successfully implemented COSAC-Gateway for a couple of airline customers and received very encouraging feedback.”

Meanwhile, Hactl has been named ‘Best Business Enabler’ for COSAC-Plus at the IT Excellence Awards 2013, one of Asia’s leading recognition programmes for progressive and effective enterprise IT deployments. Since its introduction, COSAC-Plus has enabled Hactl to lower document processing times by 60%, despite supporting 1,000 concurrent users conducting more than a million data transactions per day.

“The success of COSAC-Plus has enhanced Hactl’s leadership position in Hong Kong and this latest honour is further recognition of its contribution to Hactl and the wider air cargo community,” said Hactl Chief Executive Mark Whitehead.
CENTRAL Rat Race Breaks All Records for MINDSET
On Mental Health from the Jardine Ambassadors

CENTRAL Rat Race Breaks All Records for MINDSET

The 2013 occasion of Hongkong Land's highly popular CENTRAL Rat Race broke all previous records and raised HK$3 million for MINDSET. The Rat Race, which is in its eighth year and has become one of Hong Kong's signature charity events, involves scores of leading executives scurrying through a fun-filled obstacle course themed on life in the business world while raising awareness of the need for physical and mental health.

To date, the Rat Race has raised a total of HK$18 million for MINDSET.

"Mental health, physical fitness and agility are all essential qualities for excelling in today's frenetic corporate world and leading a happy life," said Hongkong Land Chief Executive Y K Pang. “Our aim with the CENTRAL Rat Race is to promote the importance of work-life balance, as well as teamwork among professionals.”

New challenges in the 2013 event included strong headwinds as participants tried to battle through ‘The Wind Breaker’ tunnel and ‘All the Right Moves’, a 'giant cheese' obstacle course designed to teach them all about the importance of watching their step.

The Rat Race Cup was won by CBRE Limited while Craig Shute from the same company carried off the ‘Big Rat Cup’ for the fastest individual senior executive. The Junior Rat Cup was won by Adrian Chow and the NGO Rat Race by The Mental Health Association of Hong Kong. The ‘Best Dressed Rat Team’ award went to DTZ Debenham Tie Leung Limited and the ‘Fat Rat’ award for the team that raised the most funds, to Gammon Construction.

Facing page, Centre: Jardine Matheson Group Deputy Managing Director Adam Keswick and fellow competitors in the Big Rat Race.

Young competitors in the Junior Rat Race show off their colourful costumes.

Hong Kong. The ‘Best Dressed Rat Team’ award went to DTZ Debenham Tie Leung Limited and the ‘Fat Rat’ award for the team that raised the most funds, to Gammon Construction.

New Jardine Ambassadors Prepare for their MINDSET Roles

Over 100 guests attended the ceremony at Jardine House to launch the latest Jardine Ambassadors Programme and to thank those Ambassadors ending their two-year commitment to promoting mental wellness in the community. Group Managing Director and MINDSET Chairman Ben Keswick welcomed the 40 new Ambassadors and presented certificates of appreciation to the 29 retiring Ambassadors.

The next day, the new Ambassadors attended a two-day orientation camp on Lantau Island in preparation for their roles as mental health advocates. This began with fun, yet strenuous, team-building exercises during which current Ambassadors shared their experiences of working with students, teachers and service users, as well as with fellow Ambassadors. The second day focused on training in mental health including an educational session on basic mental health knowledge, conducted by Kwai Chung Hospital Senior Nursing Officer Francis Woo who shared his experiences of working with people suffering or having recovered from a mental illness.

“I am delighted to have been given the opportunity to become a Jardine Ambassador and mental health advocate,” said Stephen Au Yeung of Jardine OneSolution. “We are better able to live our lives to the fullest when we have a healthy state of mind and I want to spread this message to more people through the MINDSET programme.”

Group Managing Director and MINDSET Chairman Ben Keswick with the Jardine Ambassadors.
Summer Fun for all at Mini MINDSET Days

Activities ranging from leisure outings and educational tours to baking and bowling were organized by the Jardine Ambassadors for service users of various NGOs in a series of Mini MINDSET Days. Each of the eight outings, which were held between June and August, shared the common aim of promoting social inclusion and acceptance of people recovered or recovering from mental illness.

The Ambassadors and colleagues from Dairy Farm, Gammon, Hong Kong Air Cargo Terminals Limited, Hongkong Land, Mandarin Oriental Hotel Group, Jardine Matheson, Zung Fu, Jardine Engineering Corporation, Jardine Aviation Services, Jardine Shipping Services, Jardine Schindler and Jardine OneSolution participated in the Mini MINDSET Days, which were enjoyed by everyone.

Health in Mind Advocates Celebrate Completion of Training

The 128 student advocates who participated in the 2011-13 Health in Mind (HIM) programme celebrated the completion of their two years of training as mental health advocates at the Finale held at The Rotunda, Exchange Square in Central. Those who had demonstrated outstanding performance were presented with awards by Jardine Matheson Group Managing Director and MINDSET Chairman Ben Keswick and given attachments to various Group business units for a two-four week training period to gain exposure in a real working environment.

At the event, Heep Yunn and Cotton Spinners Association Secondary schools showcased their winning dramas from the Joint Schools Drama Competition. With scripts written by the students themselves, these plays demonstrated their acceptance of and building up of positive attitudes towards people suffering from mental illness through the knowledge and experience acquired during the HIM programme. Students representing other schools also shared with guests their experiences of the two-year programme.

To promote mental health to the community at large, a comic competition was held earlier in 2013 with over 300 entries on four subjects – ‘Mental Health’, ‘Self-Image and Eating Disorder’, ‘Addiction’ and ‘Emotion Management’. The winning entries were then subsequently exhibited at The Rotunda where they attracted wide interest.

Meanwhile, over 140 students from schools joining the first year of the 2013-15 Health in Mind programme gathered together for an orientation camp at Wu Kai Sha Youth Village where they participated in a range of activities aimed at building team spirit and self-confidence. To date, 59 secondary schools have joined the Health in Mind programme benefiting more than 89,000 students, parents and teachers.
Maxim’s Supports Food Programmes for Hong Kong Underprivileged

Maxim’s Group has extended its ‘Surplus Bread Donation Programme’ by co-organizing a Hong Kong citywide ‘Bread Angel’ volunteering programme with the Bo Charity Foundation and The Tung Wah Group of Hospitals.

Maxim’s Cakes was the first bakery chain in Hong Kong to initiate surplus bread donations in 2009. The Bread Angel programme aims to promote the volunteer movement in the city and recruit more volunteers to deliver surplus bread from Maxim’s bakery outlets directly to the beneficiary centres of Tung Wah. Volunteers can also register on the Bread Angel website to select their own routes for surplus bread collection and delivery.

In the first phase of the programme, 19 Maxim’s Cakes stores are donating surplus bread to 13 centres, benefiting more than 5,000 people in need.

Community Chest Awards Recognize Maxim’s Support

Meanwhile, Maxim’s Group has continued its commitment to supporting The Community Chest of Hong Kong. In the first six months of 2013, around 300 staff participated in events such as the Walk for Millions and The Chest Corporate Challenge. In addition, Maxim’s has donated over HK$3.1 million (US$400,000), mainly to support the Chest’s ‘Food Recycle’ and ‘Meal Assistance’ services. These efforts were recognized with the presentation to Maxim’s of the ‘Top Ten Donor’ and ‘President’s’ awards at The Chest’s annual presentation of awards ceremony, as well as ‘Distinguished’ awards of the Corporate & Employee Contribution Programme and ‘Outstanding Walk Team’ in the Walk for Millions.

Astra Projects Inspire the Community

Two Astra projects, both part of its Corporate Responsibility Programme, have been inspiring the community.

Astra directors and executives along with university students from Malang, East Java and several judges of the group’s SATU Indonesia Awards attended the taping of an episode of the popular ‘Kick Andy’ Show involving four recipients of the Awards. During the event, Astra President Director Prijono Sugiarto said there had been great public interest in the SATU Indonesia Awards programme since its inception four years ago. From 120 participants in its first year, that number quadrupled in the following year and then doubled to 1,088 in 2012. In the first nine weeks of 2013 alone, there were 450 applicants.

“These young people have a strong passion to develop their surrounding communities,” said Mr Sugiarto. “Through its eight foundations and CSR programmes, Astra is committed to supporting their ambitions and transforming them into young individuals who can build a better Indonesia.”

Meanwhile, in commemoration of World Environment Day and for the third year running, Astra staged Astra Green Lifestyle in Jakarta with the theme ‘GenerACTION’. The annual event encourages the public to adapt an eco friendly lifestyle and to participate in maintaining, protecting and preserving the environment so that future generations can enjoy its beauty.

A green exhibition showcased Astra’s CSR activities and those of green communities while visitors were treated to a range of exciting activities. These included a Green Race, an environment-themed group fun walk competition covering a distance of 3.1 km and attracting 2,000 participants.
Wellcome Hong Kong is collaborating in a third series of ‘I Can Do It!’ Shopping Day initiatives with the Heep Hong Society, a charity dedicated to providing vital support to children with learning disabilities. The 2013 programme has comprised over 50 events, bringing the initiative’s three-year total to more than 100 sessions of ‘Family Shopping Days’.

The initiative involves both classroom training on social skills including shopping ‘manners’ and family shopping at Wellcome stores. As well as helping participating children to learn social skills and adapt to society, it also stresses the importance of families spending time together and living healthily. At the same time, Wellcome store staff and the Wellcome Cares team of volunteers benefit from the satisfaction of a rewarding community service experience.

JLT Supports WorldRide Cycle Attempt for Charity

Jardine Lloyd Thompson (JLT) through its JLT Sport and Cycleguard insurance businesses is supporting a British cyclist in her attempt to become the fastest woman to cycle round the world while raising money for disadvantaged children.

Corporate coaching professional Liz Dimmock set out from London in September to cycle 18,000 miles around the world in less than five months and raise £1 million (US$1.6 million). JLT Sport is helping to underwrite the project whilst Cycleguard is covering the bikes and cycle accessories being used by Ms Dimmock and her support team during the attempt.

“JLT has a long history of supporting sporting and charity activities and in terms of cycling has most recently become the title sponsor of the Rapha Condor JLT,” said Group Corporate Communications Head Paul Dransfield. “Cycling is a pastime which everyone can enjoy and JLT wants to encourage the younger generation to live a healthy lifestyle.”

Good Jardines Turnout at Saigon Cyclo Challenge

Some 200 Jardine Matheson Group employees and their families representing Pizza Hut Vietnam, Giant, Schindler Vietnam, JLT, Hongkong Land and Jardine Matheson Vietnam turned out to support the Saigon Cyclo Challenge.

The annual corporate event organized by and for the Saigon Children Charity involves some 20 corporate teams representing local and multinational firms competing in the streets of Ho Chi Minh City district seven. Urged on by the Group’s vociferous cheer team, Pizza Hut finished third overall and the Giant team reached the quarter-finals.
Jardine Foundation Undergraduates Go Up to Oxbridge

A total of 12 Jardine Foundation undergraduate scholarships have been awarded for the current academic year – five to Hong Kong students, four to mainland China applicants and one each to undergraduates from Indonesia, the Philippines and Vietnam.

Four scholars have begun their studies at Magdalene College, Cambridge. They are Jason Wan, Natalie So and Madeleine Wong from Hong Kong who will read Natural Sciences, Law, and Psychological and Behavioural Sciences respectively and Richard Zhou from mainland China who will read Natural Sciences ( Biological). At Peterhouse College, Gloria Wu from mainland China will read Mathematics and Huynh Cong Bang from Vietnam will read Natural Sciences.

Two scholars have gone up to Trinity College – Mariella Antoinette Salazar from the Philippines will read History while Jonathan Lee from Hong Kong will read Law. Ellie Chen from mainland China will read Natural Sciences at Downing College.

Of the three scholars who have gone up to Oxford, Keith Chan from Hong Kong will read Law at Oriel College, Yolanda Jiang from mainland China will read Mathematics at Exeter, and Rainer Christian Sundjaja from Indonesia will read Engineering at Trinity.

Meanwhile, Jardine Scholar Charles He from mainland China who is reading Engineering at Trinity College, Cambridge has been awarded a Senior Scholarship at the end of his first year of undergraduate studies. The award is made to those who attain First Class honours in any year of their undergraduate studies and there are approximately only 40 Senior Scholars out of a total of some 660 undergraduate students at any one time. Of these, very few are first-year students. In addition, Charles received the Percy Pemberton Prize from Trinity College, which is awarded to the most distinguished first-year undergraduate.

To date, the Jardine Foundation, which was established by the Group in 1982 to mark its 150th Anniversary, has awarded scholarships to 169 outstanding students. In the 2013/14 academic year, there are 45 current scholars studying at Oxbridge under the auspices of the Foundation.
New Group Scheme to Develop Talent for Emerging Economies
New Group Scheme to Develop Talent for Emerging Economies

A new scheme has been launched by Group Human Resources to accelerate the development of young talent to meet the future leadership needs of Group businesses operating within the emerging economies, specifically Vietnam, Myanmar, Cambodia, Malaysia, Indonesia, The Philippines, and Thailand. The two-year Emerging Economies Talent Scheme (EETS), which is being piloted by Dairy Farm, Jardine Lloyd Thompson, Jardine Schindler, Jardine Restaurant Group and Hongkong Land, addresses two categories of executives – existing young talent already in Group emerging economy businesses and new young talent about to commence their careers.

The first phase of the EETS began in Vietnam with a three-day assessment in May followed by a five-day programme in September and addressed existing talent within the Group from Vietnam and Cambodia. The EETS for new talent started in August with the selection of up to 15 graduates, drawn from 700 applicants in Australia and Singapore.

“The EETS has been specifically designed to help business units in the emerging economies develop their leadership strength at all levels, with the long-term goal of having nationals eventually running these businesses,” explained Group Head of Human Resources Ritchie Bent.

Guardian Malaysia Identifies Customer Care Champions

Guardian Malaysia has extended its annual Customer Service Excellence Competition to a quarterly programme to identify and acknowledge employees who have demonstrated exceptional customer service in their respective geographical regions. The 31 quarterly winners for 2012/13 were flown to Kuala Lumpur to compete in the national Customer Care Competition held at Guardian Suria KLCC. This involved a two round, on-the-job competition – round one being cashiering and round two, evaluation of the candidates on the shop floor. Judging was based on the best customer service attributes including greetings, decorum, offering further assistance and going the extra mile. At the end of the process, Mohammad Alif bin Abd Rahaman of Guardian 1 Utama was crowned Customer Service Grand Champion for 2012/13 and inaugurated as Guardian’s Customer Care Ambassador.

“People are our most valuable asset,” said Guardian Malaysia Chief Operating Officer Loi Liang Tok. “It is essential that we have a work environment that provides our people with a positive sense of belonging and promotes a culture of delivering service excellence.”
Senior Management Appointments

There have been a number of Jardine Matheson Group senior management appointments.

Mark Lunt has been appointed to the new role of Chairman of Jardine OneSolution. An IT veteran with over 30 years of experience in the industry, Mr Lunt will be responsible for Chairing the JOS Executive Board, where he will oversee the formulation of JOS’ long-term strategy.

At the Jardine Schindler Group, Chief Executive Officer Fernando Xavier is to retire at the end of December 2013. He will be succeeded by Jujudhan Jena, formerly Schindler’s Area Vice President, North Central in the United States, who joined Jardine Schindler in July to commence the handover from Mr Xavier.

Neil Galloway has joined as Group Finance Director. He replaces Alec Tong.

After 25 years with Mandarin Oriental Hotel Group, Operations Director – Asia Andrew Hirst has retired. Richard Baker has assumed the role of Executive Vice President, Operations Director – Asia and has relocated to Hong Kong from his position as Executive Vice President, Operations Director – The Americas. He has been replaced in The Americas by Jan Goessing, formerly Area Vice President & General Manager of Mandarin Oriental, New York.

Geoffrey Brown, Finance Director of Jardine Pacific and Jardine Motors, has left the Group after 19 years to return to Australia. He has been succeeded by Chartered Accountant Martin Nilsson.

At Dairy Farm, Neil Galloway has joined as Group Finance Director. He replaces Alec Tong.

Mandarin Oriental, Hong Kong Looks to the Future with Design Students

While 2013 has been a year for Mandarin Oriental, Hong Kong to commemorate the past and celebrate its 50th Anniversary, it has also been embracing the future by joining hands with the Hong Kong Polytechnic University in organizing a ‘Hotel of the Future’ competition.

As part of their thesis, 39 Environment and Interior Design year-two students, working in teams of two, were set a seven-week project to design certain areas of Mandarin Oriental, Hong Kong as they thought they would look in 50 years time. The students were encouraged to incorporate the history of Hong Kong and the design elements that the iconic hotel is famed for, into their design solutions. These were then judged by representatives from the university and Mandarin Oriental Hotel Group and the designs of the eight finalists were subsequently displayed in the Clipper Lounge.

The winning design of Lee Kwok Kwong and Mak Chu Leung in the ‘Hotel of the Future’ competition organized by Mandarin Oriental, Hong Kong.
Doing it the ‘Mannings’ Way’

Mannings China has launched its core values known as the ‘Mannings’ Way’ during two staff communication days held in Guangzhou and Shanghai.

The launch follows an earlier two-day offsite workshop when the senior management team of Mannings China ‘brainstormed’ the key aspects of the Mannings’ Way, which include ‘respect, communicate, ownership, change and excellence’.

As part of ensuring that the Mannings’ Way sits at the heart of the organization, other activities to be rolled out will encompass quarterly business updates, a Mannings’ Way Award, and breakfast talks to encourage staff to apply the Mannings’ Way to their daily work routines.

“We are confident that if we collectively embrace the Mannings’ Way, we will achieve our goals and become an even more successful retailer in China,” explained Mannings China Chief Executive Officer Paul Sheldrake.

Farewell Reception for Sue Walker

Jardine Matheson Group Chairman Sir Henry Keswick hosted a reception for Sue Walker to mark her retirement from the Group during a visit to Bermuda of all the directors of Jardine Matheson Holdings for the Company’s Annual General Meeting. Ms Walker had served the Group for 23 years and was the Personal Assistant to three Presidents of Jardine Matheson International Services in Bermuda, Ray Moore, Harry Wilken and John Lang.

During the reception, Ms Walker was presented with a vase and a copy of the book tracing the Group’s long history, *The Thistle and The Jade.*

Over 500 Cycle & Carriage (C&C) staff gathered at The Star Performing Arts Centre in Singapore for the company’s inaugural town-hall session held as part of on-going efforts to engage staff and foster a culture of open communication.

After mingling over popcorn, candy floss and balloon sculpting, the town-hall session began with the ‘Cycle & Carriage Customer Communication Challenge’ where employees competed in groups to pass on messages with speed and accuracy, thus highlighting the importance of effective communication at all levels. This was followed by an address from C&C Singapore Motor Operations Managing Director Eric Chan who shared pertinent points about C&C’s performance in the past year, the challenges and outlook ahead, and key human capital development initiatives. He also answered questions from staff.

“It was a fruitful session as staff gained more insight about our direction and growth strategy, fuelling our desire to raise C&C’s performance to new heights,” said Mr Chan.
When a 2009 Employee Engagement Survey revealed scope for improvement, Schindler Hong Kong decided to fundamentally revisit its tactics and integrate employee engagement into the company’s strategy to overhaul the culture of the whole organization.

“We placed engagement at the heart of our business so that it would become part of our Strategic, Communication and Leadership focus,” explained Schindler Hong Kong Managing Director Rob Seakins.

Firstly, a strategic platform was formed, which expressed Schindler Hong Kong’s vision, mission, values and ambition, and became the vehicle to create and communicate a shared purpose and commitment. Secondly, a ‘Flags and Drums’ approach was adopted, which defined and reinforced a holistic communication model for all levels of the organization, in conjunction with developing an appreciation culture where employee efforts would be recognized in every facet of their worklife. It was, however, the third initiative that proved the real catalyst for change, and drove the momentum for progress.

In order to make the engagement process collaborative from the start, task groups led by key executives with frontline employees’ participation were formed to focus on defined areas for improvement. It soon became apparent that the area which most directly affected employee engagement, and which had not previously been targeted, was that of direct supervisors. A small team management model was subsequently developed which engaged frontline leaders with their own accountability to communicate company messages and manage feedback in small teams of 30-40 employees.

“In essence, we broke the workforce down into smaller groups whose engagement process could be more quantifiably tracked, and made our frontline employees spokespeople who explained the company’s standards and processes in their own community,” said Schindler Hong Kong Human Resources Director Pamela Chung.

“This approach has empowered and engaged the frontline leaders to develop the necessary trust and support to succeed with their teams.”

A Team Scorecard was generated for each team leader. This allows him or her to identify specific issues, strengths and areas of improvement in order to devise appropriate follow-up actions. A series of communication and presentation training workshops for frontline managers was also introduced.

As a direct result of all these measures, the 2012 Employment Engagement Survey yielded outstanding results – an overall improvement of 30%. In addition, Schindler has achieved a continuing market leadership position in New Installations, doubled Modernization sales volume, reduced Lost Work Day Cases and attained various safety awards and certification, as well as reduced passenger entrapments in Key Accounts.

The Employee Engagement programme has also introduced a deep-seated shift in employees’ perception of their roles. Since 2010, Schindler Hong Kong’s mission and ambition have been redefined and successfully cascaded from management to the frontline. Every employee now has a shared purpose and promise and understands their contribution and connection to the organization.
Please address your comments or suggestions regarding Thistle to the Thistle Editor, c/o Group Corporate Affairs, Jardine Matheson Limited, 48/F Jardine House, Central, Hong Kong gca@jardines.com

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