

# Values that Bind Us



Jardine House, located in the heart of Central, was Hong Kong's first skyscraper when it was completed in 1973.

The world today often seems to be described as volatile, uncertain, complex, and ambiguous, often shortened to VUCA, where change is constant and 'fast forward' seems to be the default speed. Industries are shifting rapidly to keep up and the required skills and mindsets must evolve in tandem.

While many companies have made it their goal to move rapidly too, it is vital to ensure that the direction chosen is the right one. This requires context to evaluate the best options and draw on experience and lessons learned over the years.

As a company deeply rooted in Asia, with a 186-year history and more than 440,000 employees, Jardines has seen this dynamic region change beyond recognition. The constant is the Group's diversity and unique core values that provide a rich legacy to draw lessons upon. As a new year arrives and brings new challenges, it is worth taking time to appreciate those values and the milestone events that, while forged in the past, will help shape and influence Jardines' future.

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## A Legacy that Endures

Looking back at Jardines' long history, 1961 stands out as a more recent milestone year when the modern Jardines began to take shape. That year, Jardine, Matheson & Co., Ltd, after nearly 130 years of operating as either a partnership or private company, was listed on the Hong Kong Stock Exchange, a development that would bring lasting changes to the dynamics of the Group. During this fresh new era, the Group's core values became crystallised: integrity, steadfastness, a strong entrepreneurial spirit and commitment to mutual growth had driven the Group in the past, and would continue to underlie the Group's successes in the years to come.



Jardines made headlines when it became listed on the Hong Kong Stock Exchange on 1961.

Jardines flourished in these initial years of transformation under the leadership of former Chairmen and Managing Directors Hugh Barton, Michael Herries and Sir John Keswick. Hong Kong in the 1960s was favourable to businesses, with a large labour force, low tax rates, and expanding industrial and commercial sectors. The Group took advantage of its core businesses in trading, shipping and insurance to expand into new markets and establish representative offices.

Crucial developments related to companies associated with Jardines were made. Many of these companies are still integral to Jardines today. In 1963, the Mandarin Oriental hotel, nicknamed 'Barton's Folly', opened in Hong Kong, followed by Ocean Terminal, a cruise terminal and the city's first shopping mall, in 1966. Amidst the turmoil after the May 1967 riots, the Group continued to make key strategic decisions, such as the redevelopment of the Jardine Eastpoint godown site.



The Jardine Eastpoint site, with the famous noonday gun, remains an important part of the company's history.



The Mandarin Oriental hotel was opened in 1963, becoming a symbol of impeccable service and elegance.



Dairy Farm acquired the Wellcome grocery chain in 1964.

As Jardines entered the 1970s, Sir Henry Keswick stepped in as the Chairman of Jardines. Self-described as having 'Jardines in [his] blood', Sir Henry truly epitomises the Group's values. One of his first triumphs as Chairman was Hongkong Land's hotly contested takeover of Dairy Farm in 1972, a first in Hong Kong. The eventual success was a testament to Sir Henry's strong determination, qualities not lost to Elaine Ho, the Social Secretary at the time who often stated that 'What Henry Keswick wants, Henry Keswick gets'.

In the following years, Jardines widened its horizons into new sectors and regions. Following the Dairy Farm takeover, Jardines, with Robert Fleming of London, founded Jardine Fleming, Hong Kong's first investment bank; and acquired Gammon, Reunion Properties, and Theo H Davies in Hawaii and the Philippines, as well as a 75% stake in Zung Fu. Jardines also had interests in Olayan Saudi Holding Company, and Maxim's. The Mandarin Oriental Hotel Group was formed, a tender to construct the MTR was won, and landmarks were built – the Excelsior Hotel, the World Trade Centre and Jardine House, Hong Kong's first skyscraper.

The turbulent 1980s proved to be challenging times for Jardines, yet the company's steadfastness pulled it through. In 1983, there was growing uncertainty over the future of Hong Kong, and this combined with the depreciating Hong Kong dollar and the fall in rent and capital values, contributed to a property market crash. For Jardines and Hongkong Land, which had a 40% holding in each other, this was a heavy blow. The Group responded swiftly, appointing Simon Keswick as Chairman while Sir Henry, with the able assistance of Rodney Leach, helped to devise a restructuring plan in London. Assets were sold, others were consolidated and reorganised, and Jardine Strategic was formed holding the Group's interests in Hong Kong, Mandarin Oriental and Dairy Farm. These moves laid the foundation of the Group today as a strong, sustainable business.



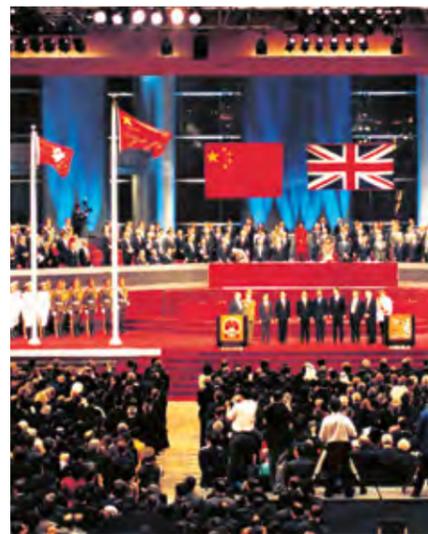
Expanding the Group portfolio.

In the late 1980s, led by Managing Directors Brian Powers and Nigel Rich, Jardines undertook further significant business developments. In 1987, Jardines secured the Pizza Hut and IKEA franchises in Hong Kong, bringing quality and affordable products to the growing middle class. Internally, the Jardines' General Management Programme was launched to teach core commercial skills to staff around the Asia-Pacific region, and the Jardines' People Development Department was created to provide training using innovative techniques.

Despite the looming anxiety over the handover of Hong Kong, Jardines approached the 1990s with the same values of integrity, steadfastness and entrepreneurship. Alasdair Morrison was Managing Director and, with Sir Henry back at the helm, Jardines looked outside of Hong Kong for opportunities. In 1992, Jardine Strategic acquired a minority stake in Cycle & Carriage (C&C). With operations in motor vehicles, properties, food and retail throughout the Asia-Pacific region, C&C went on to become one of the most successful companies in Southeast Asia. The Group also took shareholdings in PT Tunas Ridean and Hero supermarkets in Indonesia, Tata Industries in India and Giant hypermarket in Malaysia. Existing Group companies, such as Mandarin Oriental also extended their reach.



With the introduction of the Pizza Hut franchise, Hong Kong diners could enjoy hearty yet affordable meals in the comfort of their own home.



The handover of Hong Kong had far-reaching connotations for the city and the Group.

From then on, Jardines entered one of the most successful decades in its history with Percy Weatherall, Anthony Nightingale and then Ben Keswick as Managing Directors. The ability to take calculated risks was the Group's strength, and the addition of a significant investment in Astra International was a prime example of this. Sir Henry once declared that the Group's objectives "are simple and that is to make money sensibly for our shareholders... [We] also feel we have a responsibility to [...] the communities in which we operate". Jardines did both remarkably well. Underlying net profit reached US\$1.3 billion in 2010, a nearly

eight-fold increase from US\$171 million in 2001, the share price reached US\$50, a sharp rise from its 2001 level of US\$3.82.

Today, Jardines stands as a living network of companies and people, unparalleled in its diversity and scale in the region. Its long history is testament to long-term thinking, embedded in an international footprint that touches the lives of millions of clients and customers. Together this network creates a more valued future for those the company serves, a level of impact that can inspire its people to succeed.



Astra became part of the Jardines family in 2000.

### Into the Future

How can Jardines continue that success for the next 186 years and beyond? The challenges in the contemporary world are vastly different from before, and every business is now grappling with new technologies, new behaviours and a new economic landscape.

The Group has been quick to adapt, expanding its offerings into previously unexplored regions and sectors. Last year, Jardine Cycle & Carriage acquired a key stake in Vinamilk, increasing the Group's exposure to the growing Vietnamese economy, while earlier in 2018, Astra made a strategic investment in GO-JEK, Indonesia's largest on-demand consumer platform. Internally, Innovate Jardines was launched in 2016 to inspire, incentivise and promote innovations within the Group, a programme that has been met with great enthusiasm.

To continue this growth sustainably, Jardines must find solutions that will help it to become more efficient and productive. New skills must be acquired and collaborative opportunities found for the Group to succeed amid the fourth industrial revolution. The scale, diversity and longevity of its existing operations present Jardines with unparalleled access to data, experiences and opportunities. With these insights, the Group is well positioned to reimagine the way it delivers experiences to its customers.

Moreover, there is a growing need for all businesses to think beyond numbers and consider their broader impact. Faced with a growing global population and finite resources, the success of a modern

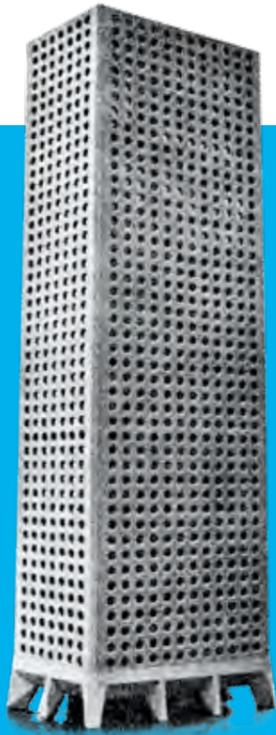
company is not just measured by its revenue, but also by how it made its revenue – its carbon footprint, its staff wellbeing, its community spirit.

Group companies and employees have rallied to this call. From efforts to reduce single-use plastics to the work done through MINDSET in raising awareness of mental health issues in Hong Kong, Macau and Singapore, many within the Group are already working hard to create a positive impact in the world.

This issue of Thistle is just a small showcase of the various ways the Group companies have embraced innovation and sustainability in their work. But as history proves, Jardines is able to thrive in a wide variety of circumstances. Trends come and go, but Jardines' values will always remain the same. Integrity, steadfastness, an entrepreneurial spirit and commitment to mutual growth – these are the core of the solution to any challenge Jardines faces, whatever form it may take.

“Trends come and go, but Jardines' values will always remain the same.”





# Achievements Over the Years

A brief look at how Jardines has evolved from 1961 to the present day.

**1961**

Jardines becomes listed on the Hong Kong Stock Exchange after operating as a partnership or private company for 129 years.

**1967**

Sir Henry Keswick joins the Jardines Board as a Director, overseeing staff management, the export business and overseas interests, becoming Managing Director in 1970.



**1972**

Sir Henry Keswick succeeds Sir John Keswick as Chairman of Jardines.

Hongkong Land acquires Dairy Farm in Hong Kong's first contested takeover.



Sir John Keswick

**1973**



Mandarin Oriental Hotel Group is formed with the acquisition of The Oriental hotel in Bangkok.

**1975**

Jardines acquires Gammon and Zung Fu.



**2000**



Cycle & Carriage acquires an initial 31% stake in Astra International.

Maxim's opens Starbucks in Hong Kong.

**1992**

Jardine Strategic acquires an initial 16% interest in Cycle & Carriage, which is increased to 24% in 1993.



**1994**

Jardines moves its Asian share trading from Hong Kong to Singapore.

**1989**

Jardines' People Development Department is launched to train staff using cutting-edge management training techniques.

**1990**

Jardines and other listed Group companies arrange primary share listings on the London Stock Exchange.

**1987**

Jardines secures the Pizza Hut and IKEA franchises in Hong Kong.



**1984**

Jardine Matheson Holdings Limited is formed as the Group's new holding company incorporated in Bermuda.

**1985**

Hongkong Land completes Exchange Square and sells interest in Hongkong Electric.

**1982**



A new Jardines logo and identity is launched as part of Jardines' efforts to increase public understanding of the Group.

The Jardine Foundation and Jardine Ambassadors Programme are founded on Jardines' 150th Anniversary.



**1979**

Jardines opens a representative office in Beijing.

**1981**

Jardines opens Hong Kong's first 7-Eleven convenience store.



**2002**

Jardines establishes MINDSET, the Group's mental health charity.



**2005**

Astra becomes a 50.1% subsidiary of Jardine Cycle & Carriage.



**2006**

Hongkong Land acquires a 77% stake in MCL Land.

**2007**

Jardines celebrates its 175th Anniversary.

**2009**

Holding in Hongkong Land reaches more than 50%, up from 8% in 1979.



**2012**

Ben Keswick succeeds Anthony Nightingale as Group Managing Director of Jardines.



**2014**

Jardine Strategic acquires a 20% stake in Zhongsheng in China.

**2015**

Jardine Cycle & Carriage invests in a 24.9% interest in Siam City Cement in Thailand.

**2016**

Dairy Farm acquires a 19.99% stake in Yonghui Superstores in China.

**2017**

Jardine Cycle & Carriage acquires a 10% interest in Vinamilk in Vietnam.

Jardine Strategic acquires a 22% stake in Greatview in China.

**2018**

Sir Henry Keswick announced his retirement as Chairman of Jardines on 29th September, on his 80th birthday. Taking effect from 31st December 2018, he became Chairman Emeritus, while Ben Keswick assumed the role of Chairman.

Sir Henry Keswick

