SWIRE

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CENTRE STAGE

Closing the Loop

May 2019

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HONG KONG SESQUICENTENARY

The Swire group is a multinational, multi-disciplined commercial group, with its principal areas of operations in the Asia Pacific region, and centred on the Greater China area. Hong Kong is home to publicly quoted Swire Pacific, whose core businesses are grouped under five operating divisions: property, aviation, beverages, marine services, and trading & industrial. John Swire & Sons Limited, headquartered in the UK, is the parent company of the group. In addition to its controlling shareholding in Swire Pacific, John Swire & Sons Limited operates a range of wholly-owned businesses, including deep-sea shipping, cold storage, offshore and road transport logistics services, waste to energy, mining services, and beverage ingredients with main areas of operation in Australia, Papua New Guinea, East Africa, Sri Lanka, the USA and the UK.

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In taking a lead to achieve sustainable product packaging, Swire Coca-Cola is providing alternatives to single-use water bottles by introducing an extensive network of Bonaqua Water Stations across Hong Kong. More on page 14.

China Development Forum

(Photo courtesy: China Development Forum)

Merlin Swire delivers a speech at the 2019 China Development Forum.

In March, John Swire & Sons (HK) Limited Chairman, Merlin Swire, represented the Swire group at the 20th annual session of the China Development Forum ("CDF") in Beijing.

Over the course of the three-day forum, Merlin took part in a panel discussion entitled "City Clusters: A Driving Force for High Quality Development" and shared his thoughts on how city clusters can yield benefits through wider infrastructure integration and institutional coordination. Merlin was also invited to speak at the CDF's "Guangzhou: A New Chapter of Opening-up" roundtable, hosted by the Guangzhou Municipal People's Government. Building on the group's long history in the Greater Bay Area, he said that Swire "looks forward to continuing to work with the government to improve and develop our businesses in the region".

The CDF takes place immediately after "Two Sessions" – the annual sessions of the National People's Congress and the Chinese People's Political Consultative Conference – and is recognised as China's most significant business and development forum with the objective of "Engaging with the World for Common Prosperity".

Meetings with senior Mainland officials

In February, an official delegation from Zhuhai visited Swire's offices at Pacific Place in Hong Kong. The delegation was led by the Mayor of Zhuhai and Deputy Secretary of the Zhuhai Municipal Committee of the Communist Party of China, Mr Yao Yisheng. Mr Yao and his party were received by John Swire & Sons (China) Chairman, Ivan Chu, who took the opportunity to discuss investment opportunities for the group's property, aviation and beverages businesses in Zhuhai city.

Mr Chu also hosted a delegation led by the Secretary of the Dongguan Municipal Committee of the Communist Party of China, Mr Liang Weidong. Mr Liang said he hoped Swire would seize the opportunity offered by the Greater Bay Area initiative to deepen its cooperation with the Mainland.

Ivan Chu (centre) and Mr Liang Weidong (third from left) with the Dongguan delegation.

Senior management appointment

Cathay Pacific
Paul Chow has been appointed Group General Counsel.

James Ginns, currently Regional GM UK & Europe, will take up a new role of Chief Risk Officer with effect from 29th April.

Swire Pacific Offshore
Richard Sell has been appointed Commercial Director. He will continue to oversee the Marine Services operations.

Grooming future leaders

(Left to right) Youth Development Commission Vice-Chairman, Mr Lau Ming Wai, Swire Properties Chief Executive, Guy Bradley and Chief Secretary for Administration of the Hong Kong SAR, Mr Matthew Cheung Kin Chung at the announcement for the government-initiated "Space Sharing Scheme for Youth".

Swire has announced a number of initiatives aimed at helping to develop the next generation of business leaders. Swire China Scholarship will provide funding for 15 Hong Kong students to pursue tertiary education at nine renowned Mainland Chinese universities. Swire will also support the Hong Kong SAR Government's "Scheme on Corporate Summer Internship on the Mainland and Overseas 2019". The group will provide 20 internship placements at the offices of its operating companies in Beijing, Changsha, Chengdu, Chongqing, Guangzhou, Nanning, Shanghai, Xiamen and Zhengzhou. Both initiatives offer opportunities to familiarise Hong Kong's young people with the economic, social and cultural landscape in Mainland China, and to enhance their understanding of their country.

Meanwhile, Swire Properties is to partner the HKSAR Government in its "Space Sharing Scheme for Youth" programme, a collaboration between the Youth Development Commission, the Hong Kong business sector and NGOs that aims to stimulate creativity and give practical support to budding entrepreneurs. Swire Properties will make 20 desks available at concessionary rates at Blueprint, its co-working hub at Taikoo Place.

Creating a new benchmark for diversity and inclusion

On 29th March, John Swire & Sons (HK), Cathay Pacific Airways, Swire Properties, Swire Coca-Cola and HAECO all signed the Equal Opportunities Commission's Racial Diversity & Inclusion Charter for Employers. By becoming a Charter signatory, Swire has pledged its commitment to workplace diversity and inclusion, with the aim of nurturing a collaborative, supportive and respectful environment that increases the participation and contribution of all employees.

NEWSWIRE CORPORATE

2018 Annual Results

Swire Pacific Limited

	HK$M	Change
Revenue	84,606	+5%
Profit attributable to shareholders (underlying)	8,523	+80%
	HK$	Change
Earnings per share (underlying)		
'A' share	5.68	+80%
'B' share	1.14	
Dividends per share		
'A' share	3.00	+43%
'B' share	0.60	

2018 was a year of consolidation and recovery for Swire Pacific. There were improved operating results, particularly in our Aviation and Beverages divisions, and we saw solid increases in the value of our property portfolio, helped by positive rental reversions in Hong Kong and Mainland China.

Underlying profit attributable to shareholders, which principally adjusts for changes in the value of investment properties, increased by 80% to HK$8,523 million. Disregarding significant non-recurring items in both years, the 2018 recurring underlying profit was HK$7,489 million, compared with HK$4,762 million in 2017. Dividends for the full year increased by 43%.

The Beverages Division made an attributable profit of HK$1,630 million in 2018, compared to HK$2,441 million in 2017. Disregarding non-recurring items in both years, the attributable profit was HK$1,354 million in 2018, compared to HK$962 million in 2017. Revenue increased by 21% to HK$41.2 billion. Volume increased by 16% to 1,755 million unit cases. Revenue and volume grew in Mainland China and the USA mainly due to the inclusion of sales in the franchise territories acquired in 2017. Revenue and volume also grew in Hong Kong and Taiwan.

Swire Pacific Offshore recorded an attributable loss of HK$5,070 million in 2018, compared to a loss of HK$2,255 million in 2017. The losses included impairment charges and related write-offs of HK$3,911 million in 2018 and HK$1,015 million in 2017. Disregarding these non-recurring items, the attributable loss was HK$1,122 million in 2018, compared to HK$1,217 million in 2017. Offshore industry conditions remained difficult. Despite some improvement in vessel utilisation rates, the oversupply of offshore support vessels continued to put pressure on charter hire rates.

The attributable profit of the Trading & Industrial Division was HK$2,904 million, compared to HK$69 million in 2017. Disregarding non-recurring items in both years, the attributable profits were HK$164 million in 2018, compared to HK$163 million in 2017. The results principally reflected a reduced contribution from Akzo Nobel Swire Paints and losses from Swire Foods, largely offset by better results from Swire Retail and Taikoo Motors, and the absence of a loss from the cold storage business (following its disposal) in the second half of 2018.

(Left to right) Swire Coca-Cola Managing Director, Pat Healy, Swire Pacific Chairman, Merlin Swire and Swire Pacific Finance Director, Michelle Low at the Swire Pacific 2018 Final Results announcement.

Swire Properties Limited

Underlying profit attributable to shareholders, which principally adjusts for changes in the valuation of investment properties, increased by 30% to HK$10,148 million in 2018. The increase principally reflected the profit arising from the sale of a subsidiary which owned an office building in Kowloon Bay and of our interests in other investment properties in Hong Kong. This was partly offset by a decrease in profit from property trading.

Recurring underlying profit (which excludes the profit on sale of interests in investment properties) was HK$7,521 million in 2018, compared with HK$7,813 million in 2017. The decrease principally reflected a decrease in profit from property trading. Recurring underlying profit from property investment increased by 11%. Hotel losses decreased.

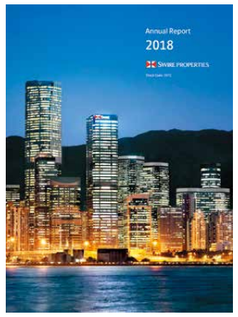
Gross rental income was HK$12,117 million in 2018, compared to HK$11,252 million in 2017. In Hong Kong, office rental income increased due to positive rental reversions, firm occupancy and the opening of One Taikoo Place in the last quarter of 2018. Retail rental income in Hong Kong improved in 2018. In Mainland China, gross rental income increased by 12%, mainly due to positive rental reversions and improved occupancy. In the USA, gross rental income almost doubled,

	HK$M	Change
Revenue	14,719	-21%
Profit attributable to shareholders (underlying)	10,148	+30%
	HK$	Change
Earnings per share (underlying)	1.74	+30%
Dividends per share		
First interim	0.27	+8%
Second interim	0.57	+10%

mainly because more shops were open at the shopping centre at Brickell City Centre.

Underlying profit from property trading in 2018 arose mainly from the sale of houses at the WHITESANDS development and carparks at the AZURA development in Hong Kong, and from the share of profit from the sale of offices and carparks at Sino-Ocean Taikoo Li Chengdu in Mainland China.

The performance of the hotels continued to improve in 2018, with those in Hong Kong and in the USA doing better. This was offset in part by pre-opening costs at hotels in Shanghai in Mainland China.



(Left to right) Swire Properties Finance Director, Fanny Lung and Swire Properties Chief Executive, Guy Bradley speaking at Swire Properties 2018 Final Results Analyst Briefing.

NEWSWIRE CORPORATE

Cathay Pacific Airways Limited

	HK$M	Change
Revenue	111,060	+14.2%
Profit attributable to shareholders	2,345	+3,604
	HK cents	Change
Earnings per share	59.6	+91.6
	HK$	Change
Dividend per share	0.30	+0.25

The Cathay Pacific Group reported an attributable profit of HK$2,345 million for 2018. This compares to a loss of HK$1,259 million for 2017. The profit per share was HK59.6 cents in 2018 compared to a loss per share of HK32.0 cents in 2017. The Group reported an attributable profit of HK$2,608 million in the second half of 2018, compared to an attributable loss of HK$263 million in the first half of 2018 and an attributable profit of HK$792 million in the second half of 2017. Cathay Pacific and Cathay Dragon reported an attributable profit of HK$1,145 million in the second half of 2018, compared to an attributable loss of HK$904 million in the first half of 2018 and an attributable loss of HK$1,538 million in the second half of 2017.

Overcapacity in passenger markets resulted in intense competition with other airlines, particularly those from Mainland China. This put pressure on market yields on key routes particularly in the second half of the year. But the passenger business benefited from capacity growth, a focus on customer service and improved revenue management. Load factors were sustained and yield improved despite competitive pressures. The cargo business was strong. Capacity, yield and load factors increased.

Fuel prices increased for 10 months, before falling somewhat in the last two months of the year. The strength of the US dollar adversely affected net income in the latter half of the year.

Passenger revenue in 2018 was HK$73,119 million, an increase of 10.1% compared to 2017. Capacity increased by 3.5%, reflecting the introduction of new routes and increased frequencies on existing routes. The load factor decreased by 0.3 percentage points, to 84.1%. Yield increased by 6.7% to HK55.8 cents, reflecting improved premium class passenger demand, fuel surcharges and revenue management initiatives.

The cargo business benefited from robust demand in 2018. Group revenue increased by 18.5% to HK$28,316 million. Capacity for Cathay Pacific and Cathay Dragon increased by 2.6%. The load factor increased by 1.0 percentage point to 68.8%. Tonnage carried increased by 4.7%. Yield rose by 14.7% to HK$2.03, reflecting an increase in high-value specialist cargo shipments and higher fuel surcharges.

Senior management team of Cathay Pacific at the Cathay Pacific Group 2018 Annual Results announcement: (left to right) Chief Financial Officer, Martin Murray, Chief Executive Officer, Rupert Hogg, Chairman, John Slosar, Chief Customer and Commercial Officer, Paul Loo and Chief Operations and Service Delivery Officer, Greg Hughes.

The non-statutory accounts (within the meaning of section 436 of the Companies Ordinance (Cap. 622) (the "Ordinance")) in this document are not specified financial statements (within such meaning). The specified financial statements for the year ended 31st December 2017 have been delivered to the Registrar of Companies in Hong Kong in accordance with section 664 of the Ordinance. The specified financial statements for the year ended 31st December 2018 have not been but will be delivered to the Registrar of Companies in Hong Kong in accordance with section 664 of the Ordinance. Auditor's reports have been prepared on the specified financial statements for the years ended 31st December 2017 and 2018. Those reports were not qualified or otherwise modified, did not refer to any matters to which the auditor drew attention by way of emphasis without qualifying the reports and did not contain statements under section 406(2) or 407(2) or (3) of the Ordinance.

This document may contain certain forward-looking statements that reflect the Company's beliefs, plans or expectations about the future or future events. These forward-looking statements are based on a number of assumptions, current estimates and projections, and are therefore subject to inherent risks, uncertainties and other factors beyond the Company's control. The actual results or outcomes of events may differ materially and/or adversely due to a number of factors, including changes in the economies and industries in which the Group operates (in particular in Hong Kong and Mainland China), macro-economic and geopolitical uncertainties, changes in the competitive environment, foreign exchange rates, interest rates and commodity prices, and the Group's ability to identify and manage risks to which it is subject. Nothing contained in these forward-looking statements is, or shall be, relied upon as any assurance or representation as to the future or as a representation or warranty otherwise. Neither the Company nor its directors, officers, employees, agents, affiliates, advisers or representatives assume any responsibility to update these forward-looking statements or to adapt them to future events or developments or to provide supplemental information in relation thereto or to correct any inaccuracies.

Taikoo Li Qiantan officially named

Swire Properties and the Lujiazui Group have announced that their joint-venture retail project in Shanghai is to be named Taikoo Li Qiantan. Located in the heart of the Pudong Qiantan International Business District, this is the third Taikoo Li project in Mainland China and will offer unparalleled retail, food and beverage and leisure facilities to the local communities and the greater Shanghai population. With a gross floor area spanning approximately 1.3 million square feet, Taikoo Li Qiantan is a major component in a larger mixed-use development that includes a 56-floor Grade-A office tower and a five-star luxury hotel, both invested by Lujiazui Group. Taikoo Li Qiantan has commenced the leasing process and is scheduled to open in phases, starting in late 2020.

Taikoo Li Qiantan (computer rendering).

Cathay Pacific to acquire Hong Kong Express

Cathay Pacific has conditionally agreed to acquire a 100% equity interest in Hong Kong Express Airways Limited ("HKE"). On completion of the transaction, on or before 31st December 2019, HKE will become a wholly owned subsidiary of Cathay Pacific.

The transaction is expected to generate synergies, as the businesses and business models of Cathay Pacific and HKE are largely complementary. It is intended to continue to operate HKE as a standalone airline, using the low-cost carrier business model.

HKE captures a unique market segment. The transaction represents an attractive and practical way for Cathay Pacific to support the long-term development and growth of its business and to enhance its competitiveness.

Creative partnership

HAECO Private Jet Solutions ("HAECO PJS") has signed an agreement with Eight Partnership to jointly develop conceptual and industrial cabin designs for private jet owners. Eight Partnership is one of Asia's leading design firms with a diverse portfolio in luxury markets, including ultra-high-end hospitality and residential real estate. HAECO PJS is the first and only Airbus-approved and Boeing-licensed cabin completion centre in the Asia Pacific region. The collaboration provides an opportunity for the two companies to combine their respective strengths in design and technical fulfilment and create leading-edge cabin interiors for this demanding market.

HAECO PJS has joined hands with Eight Partnership to create bespoke, sophisticated cabin interiors for private jets.

A new name for a new era

(Left to right) Officiating at the rebranding ceremony are Swire Coca-Cola's Managing Director, Pat Healy, Swire Pacific Chairman, Merlin Swire, The Coca-Cola Company's President, Greater China and Korea, Curt Ferguson, and Swire Coca-Cola's Executive Director, China Operations, Karen So.

Swire Beverages has been rebranded as Swire Coca-Cola; the announcement was made at the company's Annual Bottlers Conference, held in Wuhan on 21st March. The name change heralds the launch of a new era for the company, following the completion of the acquisition of new franchise territories in the US and Mainland China in 2018. The new name, Swire Coca-Cola, symbolises the mutual commitment between long-term partners, Swire Pacific and The Coca-Cola Company. And by bringing their names into line, will also help to more closely identify the Beverages Division's overarching corporate entity with its subsidiary bottling companies.

Investment in new production lines

Swire Coca-Cola has invested in two new high-speed production lines for its Shanghai Shen-Mei Min-Hang Plant. The new filling and packaging PET and CAN lines, supplied by industry leaders, Krones and KHS, commenced production in April, and are expected to produce 40 million unit cases of soft-drinks a year. The addition of this new capacity will help unify Swire Coca-Cola's recently enlarged franchise territories in Eastern China, by improving supply chain flexibility in the Yangtze River Delta area. With this new investment, the Shanghai Shen-Mei Min-Hang and Shen-Mei Jing-Qiao plants together operate 14 production lines, creating the largest Swire Coca-Cola facility in Asia, in terms of production capacity.

Catering to the evolving market and needs of consumers, two new production lines were installed at the Shanghai Shen-Mei Min-Hang Plant.

One Finlays

In January, Finlays Colombo sold its temperature-controlled logistics business, Finlay Cold Storage (Pvt) Limited, to global cold chain service provider, Emergent Cold. The move is designed to enable Finlays to focus on its core, beverage-related businesses and is a part of Finlays' ongoing, company-wide strategic transformation under the banner 'One Finlays'.

Broadly speaking, there are three aspects to the transformation: an increased investment in technology and capacity to produce high-quality teas and coffees; improvements in productivity across existing beverage businesses, and disposal of non-beverage-related assets. There has been good progress in all three areas over the past year.

In the US, the commissioning of a new brewed tea extract facility in Rhode Island is nearing completion and the expansion of 'cold-brew' coffee capacity in Texas is on track. In China, a new tea processing facility in Guizhou Province is scheduled for completion in April, and in Argentina and Kenya, productivity improvements are delivering positive results on Finlays' tea estates. Plans for similar improvements are well underway in Sri Lanka, where Finlays Colombo has also recently disposed of its 50% shareholding in Finlays Linehaul Express.

New Global Innovation and Applications Centre in Rhode Island.

Breaking new ground in sustainable waste recycling

Swire Coca-Cola has announced a major new investment in the sustainable management of beverage industry waste in Hong Kong. The company forms a joint venture with ALBA Group Asia Limited and Baguio Waste Management & Recycling Limited to operate a state-of-the-art recycling facility for plastic waste in Hong Kong. The facility will be Hong Kong's first dedicated polyethylene terephthalate (PET) and high-density polyethylene (HDPE) recycling facility. It is expected to commence operations in the third quarter of 2020 and will be built at the EcoPark – Hong Kong's recycling and environmental engineering hub at Tuen Mun. (More on pages 14-17)

Strategic acquisition

The China Navigation Company ("CNCo") has acquired the dry bulk shipping businesses of Hamburg Süd. The two companies announced that they had received regulatory approval for the sale on 1st April.

The affected dry bulk shipping units have offices in Hamburg, London, Melbourne and Rio de Janeiro and a chartered fleet of approximately 45 vessels in the Handysize, Supramax/Ultramax and Kamsarmax/Panamax segments. CNCo plans to keep the offices and staff.

Calling the acquisition a strategic fit for CNCo, Managing Director, James Woodrow, said: "We are delighted to welcome on board a very talented and highly-experienced team. The natural synergies between the businesses and the skills and expertise of the new teams will complement those we have at CNCo. This will in turn help to develop our strategic expansion in the larger segments."

NEWSWIRE BEVERAGES & FOOD CHAIN | MARINE SERVICES

120-year history, 40th anniversary with Swire

David Harlan (centre), President and Chief Executive Officer of USCS, celebrates the 120th anniversary of the company with staff members.

Officially incorporated in 1899, United States Cold Storage ("USCS") is the tale of 60 individual businesses acquired through the years. It is also a story that dates back through US history – starting in the early 1800s, with ice harvesting for basic food preservation.

Swire acquired a 40% share in USCS in 1979, complimenting its cold storage interests in Australia, where the group had been involved in the industry since 1950s. In 1982, as demand for public refrigerated warehousing began to take off in the United States, USCS became a wholly owned Swire group subsidiary.

Over the past four decades, USCS has grown dramatically and today manages more than 311 million cubic feet of temperature-controlled warehouse and distribution space at 41 facilities located in 13 states. Along the way, USCS has pioneered and developed its own customised warehouse management systems and introduced global import-export operations, consolidated transportation and shipping and logistics programme analysis.

CNCo orders larger vessels

The China Navigation Company ("CNCo") has announced that it has placed an order for eight new container vessels designed by SDARI, China's leading ship design house, and built in Guangzhou Wenchong Shipyard. They will be CNCo's largest containership new buildings to date in terms of deadweight tonnage (30,450-33,600 dwt) and container capacity (2,350-2,750 TEUs).

The vessels will feature a modern integrated bridge design and will be delivered with VSAT internet connectivity. They will have enhanced cargo capability, including two holds fitted with cell guide stoppers and strengthened tank tops to enable their use in multiple roles, as well as strengthened hatch covers to allow project cargo to be carried on deck.

Considerable effort has been made to reduce the ships' environmental footprint. The hull shape is optimised for fuel efficiency and LED lighting will be fitted throughout. Open loop hybrid-ready scrubbers will be installed to comply with the 0.5% sulphur limit which comes into force on 1st January 2020. Hybrid scrubbers provide the flexibility to collect sulphur emissions onboard and dispose of it responsibly onshore, rather than it washing into the ocean.

The first vessel, *Changsha*, will be delivered in late 2019, followed by *Chefoo*, *Chekiang* and *Chengtu*.

Search and rescue

In November last year, a team on board *Seabed Constructor*, Swire Seabed's multipurpose subsea support vessel, located the wreck of ARA San Juan, the Argentine Navy submarine which was lost on 15th November 2017. Seabed Constructor, which was on charter to the subsea exploration company, Ocean Infinity, located the submarine in 920m of water, approximately 600 km off the coast of Patagonia, following a two-month search operation. The *ARA San Juan* disappeared while on a training exercise, claiming the lives of 44 people, and it is hoped that finding the submarine will bring some closure, comfort and clarity to the families of the victims.

Meanwhile, in March this year, *Seabed Constructor* undertook an ocean search of a very different kind, after receiving a Mayday relay to go to the aid of the French-flagged yacht, *Ti Paradise*, which had capsized in very severe weather conditions in the South Atlantic. One of the sailors on board had sustained acute head injuries and required medivac. After locating the stricken yacht, *Seabed Constructor*'s Fast Rescue Craft was able to rescue the injured crewmember and bring her back on board the ship. The 58-year-old Luxemburg national was then given first-aid before being taken to Port Stanley in the Falkland Islands, from where she was air-lifted to hospital for treatment.

Ride for a good cause

During this year's ride, participants collectively logged 50,000 miles.

Taiwan's exclusive Vespa distributor, Yuntung Motors, recently organised a fundraising ride in Taoyuan County for Vespa owners and their families and friends. More than 180 guests took part in the charity ride, translating their miles into a total of NT$50,000 in donations. The funds raised were presented to the Children Are Us Foundation, a social welfare organisation which offers care and education to children with intellectual disabilities.

Transcending borders with art

As part of its Arts Month 2019 programme, which ran from March to April, Swire Properties showcased artworks by a variety of world-class artists working in different mediums. One of the highlights was the giant interactive installation, LUMENous GARDEN, created by the San Francisco-based art collective, FoldHaus. This custom-designed piece brought large-scale, participatory art from the renowned US annual Burning Man event to Hong Kong audiences for the very first time. A host of programmes, including exhibitions, live performances and talks were also held at ArtisTree in Taikoo Place, Starstreet Precinct and at the Spectrum VIP lounge, as part of Art Basel Hong Kong 2019, which Swire Properties has partnered for the seventh consecutive year.

LUMENous GARDEN, a large-scale origami installation at Pacific Place Mall, grows and glows in response to visitors' movements and actions.

Created by London-based designer Paul Cocksedge, Spectrum is an intimate space wrapped by visually intriguing bands of fabric in red and blue – Swire Properties' corporate colours.

Around 1,000 people took part in a "Tendon Exercise Sports Day" organised by Swire Properties Community Ambassadors at Taikoo Park in January. The Ambassadors attended a training workshop organised by the Sports Change Life Foundation in December last year, to learn how to promote health and wellness through exercises designed to strengthen muscles and improve mobility.

Empowering change-makers

(Second left to second right) Social Ventures Hong Kong Founder & CEO, Francis Ngai, Cathay Pacific CEO, Rupert Hogg, and Bird Tang, VolTra Co-Founder & Executive Director, accompanied by Jasmine Yip and Silas Lam from Cathay Pacific, launch the airline's new community engagement programmes.

Cathay Pacific has unveiled its rejuvenated community engagement strategy, with a focus on youth development, diversity and inclusion, environmental protection and global cultural exchange. At a ceremony in January, the airline launched two new initiatives, "Cathay ChangeMakers" and "World As One", developed in collaboration with Social Ventures Hong Kong and introducing the airline's new approach to facilitating positive change in society.

Cathay ChangeMakers recognises those who have made a positive contribution to the community and environment. The three ChangeMakers who have received this year's awards are Gigi Tung, founder of food rescue and assistance programme, Food Angel; Jeffrey Andrews, a registered social worker who is committed to helping ethnic minorities thrive; and Craig Leeson, director of the award-winning documentary "A Plastic Ocean". Meanwhile, World As One offers young people an unconventional travel experience, including voluntary service and exchanges with local communities. The programme's aim is to promote understanding of social issues and nurture empathy amongst the younger generation. This initiative has been extended through a new partnership with VolTra, a registered non-profit organisation in Hong Kong, enabling similar volunteering experiences to be made available to even more members of the Hong Kong public.

Setting sail towards better education

China Navigation's liner shipping division, Swire Shipping, has partnered with the charity HEAPS International Foundation (Australia) Ltd in an initiative to bring educational opportunities to children in remote villages in Papua New Guinea. Swire Shipping is providing the charity with free container shipping space for educational equipment, including school furniture, books, stationery and other necessities. In the long-term, the company hopes to improve village children's learning opportunities and so equip them with the knowledge and skills to make a better future for themselves.

New classroom furniture delivered to a remote village in the Sepik River region.

Sustainability efforts recognised

Swire Pacific Limited has been admitted to the FTSE4Good Index Series – a world-leading series of benchmark and tradable indices which identify companies that demonstrate strong environmental, social and governance practices; this is the first time that Swire Pacific has been included in FTSE4Good.

The group has also received improved ratings from MSCI ESG Research, up from AA to AAA, and the Hang Seng Corporate Sustainability Index, up from -AA to AA, and was again included in the Dow Jones Sustainability Index. Recognition from these leading global and regional ESG indices demonstrates the group's collective effort to develop its businesses along sustainable lines.

Operational excellence

In January, HAECO Xiamen received the "Most Impressive" award for a second consecutive year from the Union of Japanese Scientists and Engineers, at Japan's Nationwide Quality Control Circle Conference in Kanazawa.

The winning team of six, from HAECO Xiamen's Planning Department, developed from scratch a database and software programme to assist in identifying, transcribing and compiling records of airframe maintenance work for one of the company's anchor airline customers. The task is now fully automated and the time required to complete it has been reduced by an impressive 99%.

HAECO Xiamen wins the "Most Impressive" award at Japan's Nationwide QC Circle Conference.

Triple win for Swire Resources

Leona Tse (fourth from left), Swire Resources' Deputy Head of Learning & Development, receives the QF Top Employer Award.

Swire Resources has won two awards in the 2018 Service Retailer of the Year Awards, with Chevignon winning for the third consecutive year and Repetto winning in its first year of participation. Presented by The Hong Kong Retail Management Association, the awards recognise Swire Resources' employees for providing outstanding levels of service.

The company also won the title of QF Top Employer among 42 participating retail companies. The award acknowledges Swire Resources' efforts in supporting its frontline retail staff to apply for Recognition of Prior Learning credits, a mechanism which enables individuals to translate practical experience and competency gained in the workplace into formal qualifications.

Closing the loop

Swire Coca-Cola is determined to turn the tide on single-use drinks packaging and create a more sustainable approach to plastic.

A total of 300 Bonaqua Water Stations, providing hot and cold mineralised water, will be installed at locations around Hong Kong this year.

Facing down Hong Kong's soft drink single-use plastic packaging problem might best be described as a daunting challenge. As William Davies, General Manager, Sustainability at Swire Coca-Cola puts it, "It's not something that one organisation alone can manage, once that post-consumer packaging enters the environment, it takes many stakeholders – including the government – to deliver a working collection and recovery system."

However, daunting challenges have helped fuel Swire's dynamism over the last two centuries, and this one is no different. Swire Coca-Cola's efforts to create a more sustainable drinks packaging ecosystem – whether via the measures it is taking independently, or in terms of its leadership of the multi-stakeholder initiative, 'Drink Without Waste' (DWW) – cannot be said to lack ambition.

For an idea of the scale of that ambition, consider that Swire Coca-Cola Hong Kong is committed to achieving The Coca-Cola Company's 'World Without Waste' vision of collecting and recycling the equivalent of 100% of the packaging in which its products are sold by 2030 or earlier. And then consider that, in 2017, over 80% of the packaging used for beverages, equating to 1.7 billion units, ended up in Hong Kong's landfills. The collection rate for PET (polyethylene terephthalate), which made up 65% of the total packaging consumed, was a paltry 6.8%, with most of this being baled and exported for processing.

"The urgency of the problem is two-fold," says Davies. "Firstly, Hong Kong's overall approach to municipal solid-waste (MSW) as it currently stands is out of date. There is no real effort to separate waste which results in most of the valuable fractions of MSW being sent to landfill rather than being recovered and repurposed. Secondly, PET is only a part of the overall problem, but it's huge in terms of social impact, for example when plastic bottles that could be recycled end up littering our country parks and beaches."

He adds: "Globally, there's a realisation that this kind of plastic packaging doesn't break down, has traditionally had poor collection rates, and can stay in the environment for 400 years. Because of the exponential growth in its use, people are waking up to the fact that there is a huge problem – not to mention the issue of plastics in our planet's waters. In Hong Kong there's still no joined-up cycle that marries collection and recovery and reprocessing."

Cross-sector cooperation

The picture is not entirely one of doom and gloom, however. According to Hong Kong's Environmental Protection Department (EPD), some 85% of metal cans in the city are recovered – a success rate that Pat Healy, Managing Director of Swire Coca-Cola, ascribes to aluminium having demonstrable monetary value, which creates an incentive for collection. But incentivisation can also work for plastic: the collection rate for PET in Germany, for example, is around 94%.

"If you look at what drives high rates, it's a system that means everybody knows what they're supposed to do with discarded bottles and there are incentives in place to keep the whole thing running," says Healy. "It's about creating the right recycling infrastructure and the right economic incentives at all stages, so that people do the right thing but also get a small reward along the way."

Swire Coca-Cola's plans to put infrastructure and incentives in place are a key driver of 'Drink Without Waste', a cross-sector plan for drastically reducing the amount of beverage packaging that ends up in landfills.

Davies takes up the story. "In 2017, we discussed internally the idea of conducting our own research around the issue, but the more we thought about it, the more we realised it would have more credibility and impact if the research was independent. So we decided to reach out to our industry competitors, as well as a handful of NGOs and researchers, retailers and some of the big companies in Hong Kong that touch everyone, such as the MTR and Hong Kong International Airport."

"Together we formed the Single-Use Beverage Packaging Working Group and launched the initiative #Drink Without Waste. We commissioned an independent study of the issue by Deloitte and in December 2018, in parallel to the publishing of the Deloitte's study, we also published our own Positioning Paper announcing various goals and strategies. The ultimate DWW target is to achieve a 70%-90% recovery and recycling rate for soft drink beverage packaging by 2025."

Investing in four 'R's

In fact, Swire Coca-Cola's own journey towards total life-cycle packaging has a head-start. Well over 90% of all glass bottles sold by Swire Coca-Cola HK are now reusable and recyclable, while PET packaging weight has been reduced significantly by the company since 2010. And efforts to further reduce PET output – not to mention pressure on landfill sites – will be helped by the rollout this year of 300 Bonaqua Water Stations, offering hot and cold mineralised water at locations across Hong Kong, in support of the government's 'Bring Your Own Bottle' initiative.

Looking ahead over the next five years, Swire Coca-Cola HK plans to invest more than HK$150 million in new machinery and technology. According to Neil Waters, who is Executive Director, Hong Kong & Taiwan, of Swire Coca-Cola, and President of the Hong Kong Beverage Association, "This will enable the company to increase the mix and availability of eco-friendly packaging options across its product portfolio and also to leverage these new capabilities to grow beverage sales accordingly. We're also putting resources into developing collection facilities for recyclable waste, and in public awareness initiatives to promote waste sorting and clean recycling."

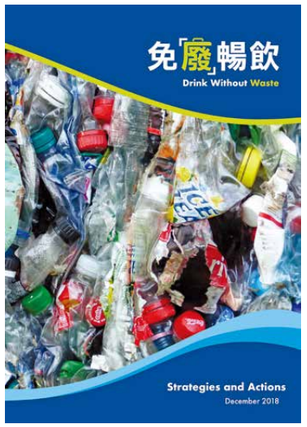
Under 'Drink Without Waste', Swire Coca-Cola's initiatives will also be complemented by various actions taken by other stakeholders, in accordance with the "four 'R's" of Reduction, Redesign, Recovery and Recycling. Reduction means embracing alternative means of beverage distribution, such as installing networks of refill water dispensers and introducing new reusable containers. Redesign refers to the composition of packaging and ensuring that it makes maximum use of recycled materials and is also in turn recyclable. Recovery is likely to involve not only efficient collection of waste but also value-return schemes, while Recycling will demand significant investment in local facilities.

"At its core, DWW is an acknowledgement of our shared responsibility across the industry and the community for creating a sustainable, circular economy that incentivises recovery, recycling and re-use," says Waters.

One example of that ethos of shared responsibility is provided by a recently-announced joint venture to operate a state-of-the-art recycling facility for PET and other plastic waste at the EcoPark in Tuen Mun. Swire Coca-Cola will partner with the German-owned ALBA Group Asia Limited and the Hong Kong waste collector Baguio Waste Management & Recycling Limited in the project, which is expected to be ready to commence operations in the third quarter of 2020.

"ALBA brings expertise in recycling technology, while Baguio can leverage its domestic collection network in Hong Kong," says Healy. "The plant will have sufficient capacity to treat the entire volume of Hong Kong's post-consumer beverage packaging. Whether we're able to hit that will depend on collection rates, but even a rate of 90% would be gold-standard level. We are also an end-user for the recycled PET, which can go back into our supply chain, so it's a significant step towards us becoming self-sustaining in the plastic materials we use and ensuring a closed loop for plastic beverage packaging in Hong Kong as a whole."

Swire Coca-Cola HK is investing in a joint venture, state-of-the-art plastic recycling facility at the EcoPark in Tuen Mun.



'Drink Without Waste', an initiative led by a broad coalition of stakeholders focused on reducing waste from beverage consumption.

The right thing to do

Another contributing factor to Healy's optimism on that front is recognition that the Hong Kong government is emerging as an ally in the city's quest for a more sustainable future.

"Firstly," he says, "they're introducing a producer responsibility system, which involves a deposit being paid on different types of materials that is used to help fund collection and recycling. And they are in the process of introducing a municipal solid waste charging scheme for domestic waste, which means consumers will be asked to pay for the disposal of general waste in landfill. That would really make recycling more attractive, so there's a need to increase domestic capacity. Up until the end of 2017, a lot of waste was shipped to Mainland China for recycling but a change of policy means that is no longer an option. And frankly, there's logic to investing locally."

He adds, "With effective waste charging, there's a financial disincentive to putting recyclable material into general waste and an incentive to making sure it goes into the right bin. To make that work, however, you have to have different collection points for returning recyclable material. For example, you can have reverse vending machines that are basically paying consumers some sort of reward – cash, coupons, or loyalty points. The more collection points, the more viable the whole effort."

Healy says that the investments being made by Swire Coca-Cola make sound economic sense, both in terms of creating a value system for PET and stimulating new demand from consumers for drinks that depend on a more sustainable packaging model.

"We wouldn't be investing if we didn't believe we could make a return on the capital," he says. "But being proactive also gives us a social license to operate, because government, consumers and other stakeholders recognise we are part of the solution and not part of the problem."

For his part, Waters believes the concerted actions of industry, government and non-governmental bodies can create a momentum, driving change. He adds: "The lack of adequate and effective collection, sorting and recycling infrastructure to date has made the public sceptical about waste disposal in Hong Kong. For any waste management policy to really work, the community as a whole must be able to easily return and dispose of their waste and be confident that it will be properly treated and recycled where possible. As the biggest beverage company in Hong Kong, we have to make sure we are leading the way towards a more sustainable future and I think our consumers expect us to take that lead. It's the right thing to do."

Davies adds: "I'm a believer in the public, and I don't think it will take people very long to change their habits, assuming solutions are convenient and transparent. There is a will to change. Translating that will through the obstacles that exist is not straightforward, but the will is there."

(Left to right): Pictured at the launch of 'Drink Without Waste' are Herbert Yung, Director, Risk Advisory, Deloitte Advisory (Hong Kong); Edwin Lau Che-feng, Founder and Executive Director of The Green Earth Hong Kong; Paul Zimmerman, Chairman of the Single-Use Beverage Packing Working Group, and Neil Waters, Swire Coca-Cola's Executive Director, Hong Kong & Taiwan, who is also President of the Hong Kong Beverage Association.

A power of good

Swire News talks to Tina Chan, Head of Philanthropy at The Swire Group Charitable Trust ("Swire Trust"), about the group's platform for altruism and why she has the best job in the world.

Can you tell us about your role and your personal journey into working in philanthropy?

I have always wanted to make a difference. My major in school and postgraduate study was public policy. I started my career in the for-profit sector before switching into public affairs and lobbying, which I thought would enable me to help people through policy change. However, in that environment you are always working for your client's interests and unfortunately you cannot choose your clients.

My next move was working for a family foundation and that was where I started my philanthropy career. I took up my current role a year and a half ago and I really think I have the best job in the world. I get to do what I am passionate about and to work for a company that is genuinely striving to do good in the world.

My role is to recommend initiatives for the Trust to donate to and support, to monitor the supported programmes, and to make recommendations to the Philanthropy Council on strategy and how we should proceed. I also keep the Council informed about social issues that are relevant to our remit.

How would you define philanthropy and how is it distinct from Corporate Social Responsibility (CSR)?

To me, philanthropy is about making the world a better place, and that is something Swire is very committed to. It is in the Swire family and company culture to give back to where we operate. The Trust's approach is altruistic: we have a budget that is separate from Swire's CSR budget and dedicated only to acting for the direct benefit of society and the greater good.

Philanthropy can be part of CSR, but with CSR there is an additional requirement that it has to bring value to the brand. When we do philanthropy, donations are made through the Swire Trust. There is never any consideration of whether it will make us look good or bad. Our only motivation is around helping people.

Can you talk about the strategy behind the Trust's donations and support for projects? Also, how are decisions made?

There are three focuses in terms of where we put our resources: Education, Marine, and the Arts (see sideboxes). Having a strategy around those pillars allows us to pursue giving in a much more focused way.

We invite NGOs and non-profit organisations to apply to us for funding. Before approving applications, we tend to be very critical of what is proposed, but once we approve them those organisations become my clients and I am here to work with and support them. Currently we have around 20 programmes running.

Decisions about major grants are taken by the Philanthropy Council, which has nine members, all senior executives from across the group. Our chairman is Pat Healy, who is Managing Director of Swire Coca-Cola. We meet throughout the year to approve programmes and agree on strategy. The process is that I recommend projects, then the Council will ask questions and approve or reject the applications.

What trends have you observed in philanthropy in Hong Kong or Asia?

The landscape is becoming more dynamic. Doing philanthropy used to be quite reactive in Hong Kong – people would see something that would pull on their heartstrings and they would write a cheque but they would not ask what happens two years down the line. Nowadays, donors are more strategic. Instead of giving people handouts, they are more likely to ask what is wrong with the system. Take poverty as an example: there is more evaluation of the issues around what allows it to occur in the first place rather than just offering band-aid solutions.

Education

Education is one of the Swire Trust's three main priorities. Efforts in this area are focused on enhancing education equity, quality and innovation for children and young people. A new initiative is 'DreamStarter', which engages primary school pupils to initiate and work on "dream" projects that have a positive impact on their communities. The project helps to meet the Trust's core educational objectives of addressing inequalities and fostering experiential, learner-focused environments that challenge traditional, top-down ways of teaching.

Donors also give more support to NGOs in terms of capacity-building. They want NGOs to be professional and the people working for them to be paid and supported properly. Doing charity is not blood, sweat and tears anymore. We need to have people who are effective and professional.

In terms of the issues, they are becoming more complex and more global. At the Swire Trust, we recognise that many issues are global – but we choose to focus on the local. An example would be in the context of our marine programmes. The oceans are all linked together, but you have to do something locally to have a global impact.

How do you feel the Swire Trust contributes to the overall community in Hong Kong?

I think we are doing our part in helping the community – we are part of the ecosystem and are working to make a real impact on society in relation to the issues we care about. We want Hong Kong to be a better place to live in and we look closely at how projects contribute to that.

With each proposal we look at the logic of it. What need does it respond to? What does it hope to achieve? Sometimes when the original hope is not achieved, it is a learning experience and an opportunity to do better and find new issues to work on.

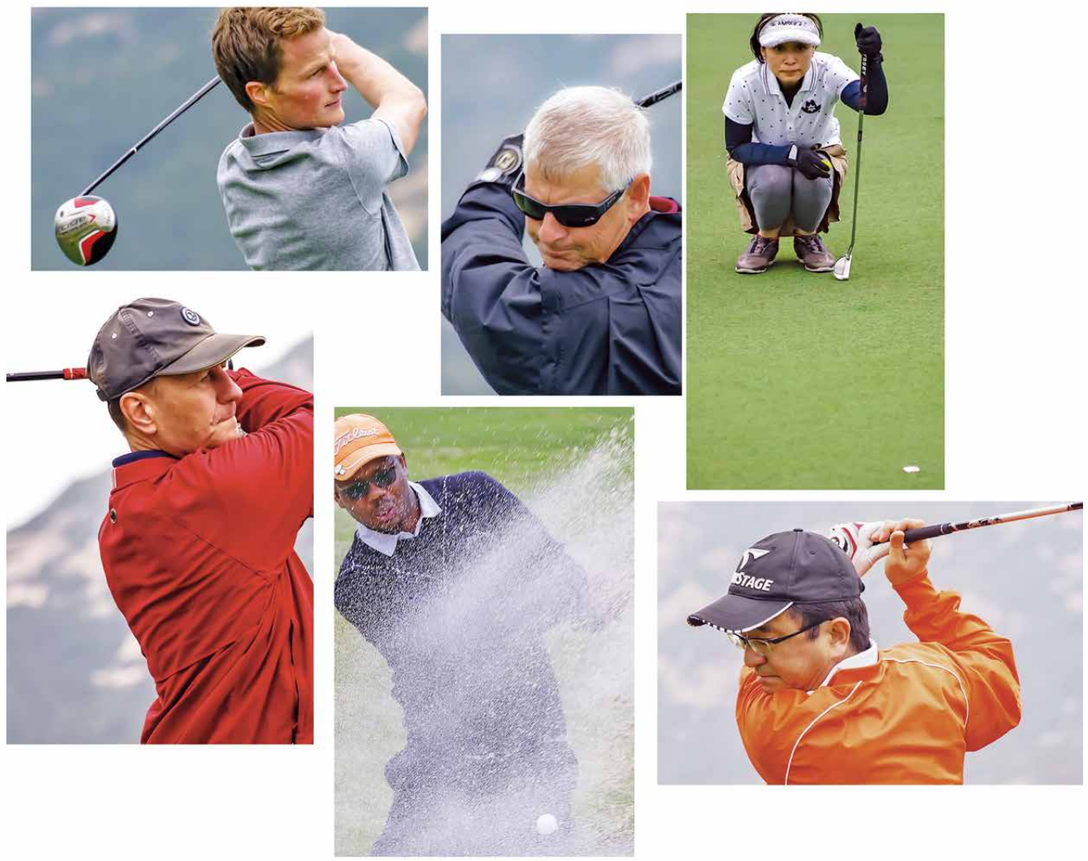
Philanthropy is not like business, where you look at your monetary returns – we look at the outputs in a qualitative rather than a quantitative sense. If there was a definite solution to a lot of social issues, then a lot of programmes would not have to exist. You are never solving an issue completely, you are just working towards something good.

Marine
The Swire Trust is working to create sustainable marine ecosystems in Hong Kong and Mainland China through policy change, public engagement and scientific research. Run in partnership with WWF-HK (the World Wide Fund for Nature Hong Kong), one of the standout projects in this area, 'Sea for Future', strives to safeguard Hong Kong's future marine life and restore its fisheries through increased Marine Protection Areas ("MPAs"). The project has involved completing the first ever marine hotspot exercise in the region by identifying 31 ecologically sensitive coastal habitats around Hong Kong that require stronger protection. The Marine Hotspot Map is an important tool for education and advocacy for more MPAs in Hong Kong.

Arts
The Swire Trust's support for the arts focuses on programmes that promote greater inclusion, such as arts and education for disadvantaged groups and people with disabilities, and use of arts activities to tackle social issues in Hong Kong. One impactful programme, 'The Magic of Audio Description', has driven increased provision of audio description services, allowing the visually-impaired to enjoy movies and live performances. In August 2018, 'Man on the Dragon' became the first Hong Kong film released with a pre-recorded audio description. "We are very proud of this achievement and look forward to audio description becoming more widespread," says Tina.

Scott Cup 2019

The 70th Scott Cup competition took place at the Shek O Golf and Country Club on Friday 18th January 2019. The Scott Cup was first presented in 1950 by John Scott, a Director of JS&S, who would no doubt be delighted to see this event still flourishing. The Alethea Scott Rose Bowl trophy for ladies was first presented by his wife, Alethea, in 1964, while the Taikoo Cup – for the leading score achieved by a Hong Kong-based player – was introduced by Swire group Chairman, Sir John Swire, in 1973.



There were eight overseas winners playing in the Scott Cup this year, from Mainland China, Japan, Singapore, Taiwan, New Zealand, the UK, the USA and the Middle East and one overseas winner, Eunice Korir from Kenya, competing in the Rose Bowl. Together with 53 entrants from Hong Kong, this meant that the competition had one of the strongest fields for many a year.

As a result, the standard of scoring was high. The winner of the Scott Cup, with a very commendable Stableford score of 41 points off a handicap of 14, was Colin Sien of Cathay Pacific. The runner-up was Tom Woolsey from Swire Properties, Mainland China, with a score of 39 points off a handicap of three. Those who understand a little bit about golf and the intricacies of the Stableford scoring system will immediately appreciate that Tom shot a gross score of level par – no mean feat around a tricky golf course like Shek O. Such finesse certainly puts Tom in the running to be a future winner of the Scott Cup!

The Taikoo Cup went to Kelvin Ng of Swire Properties with a score of 38 points – again a good enough score to win the Scott Cup in most years.

The winner of the Alethea Scott Rose Bowl was Vera Yuen, with a score of 34 points, closely followed by runner-up, Chrissie Rhodes, with 32 points.

The winner of the Men's Longest Drive was the Scott Cup Champion himself, Colin Sien. The Men's Nearest the Pin on Hole Number 4 was won by Yan Ming Hoi of Cathay Pacific and on Hole 17 by Y.M. Leung of Swire Properties. The Award for Sportsmanship (better known as the Wooden Spoon) went to Mark Celenk of Cathay Pacific – and possibly not for the first time!

The Ladies' Nearest the Pin Prize on Hole Number 4 was won by Sumiko Nakano from Cathay Pacific and on Hole Number 17 by Elizabeth Mathison. The Ladies' Longest Drive competition was won, by some margin, by popular East African Champion, Eunice Korir.

The Men's Prizes were presented by the Chief Executive Officer of HAECO, Augustus Tang and the MD of Swire Coca-Cola, Pat Healy. The Ladies' prizes were presented by Mrs. Healy. A spectacular buffet dinner, provided by EAST Hotel, followed at the Shek O bungalow – guaranteeing that there will be a strong field again in 2020!

Congratulations to all the winners; the 71st playing of the Scott Cup and 57th playing of the Rose Bowl will take place at the Shek O Golf Club on 17th January 2020.

Reports from the regional qualifiers

UK

The UK Scott Cup qualifier was held on 13th June 2018 at the Royal Wimbledon Golf Club. The course was in glorious condition and proved a true test of golfing skill. The hot, dry weather did mean that many were wilting by the end of the round – though quickly recovered during the after-match socialising. The winner was Cain Atkinson, closely followed by Peter Whitwham and Gavin Watt in second and third place respectively, meaning a clean sweep for Finlays. Prizes were also awarded for big hitting Scott Hutchinson for the Longest Drive and accurate Grant Beattie for Nearest the Pin – both from Swire Oilfield Services.

The winner of Scott Cup, Colin Sien from Cathay Pacific receives the trophy from Augustus Tang.

Kelvin Ng from Swire Properties wins the Taikoo Cup.

Vera Yuen (left), spouse of Cathay Pacific Catering Services staff, receives the Rose Bowl trophy from Mrs. Healy.

Mark Celenk from Cathay Pacific receives the Award for Sportsmanship from Pat Healy.

Mainland China

The Swire Mainland China Scott Cup qualifier was held at Kunming Spring City on 14th September 2018. A total of 11 players joined the competition. The event started at 1:30 pm, after a warm-up round, and finished at 6:30 pm. Thomas Woolsey, Assistant Portfolio Manager, HKRI Taikoo Hui, was the winner, and Clarence Tai, Executive Vice President of Shanghai International Airport Services, was the runner-up.

Japan

The Japan Scott Cup qualifier, which was postponed due to closure of the Kansai International Airport by a typhoon, causing flooding and bridge damage, and closure of New Chitose Airport by an earthquake, eventually took place on 20th November 2018 at Raforet & Matsuo Golf Club. 20 players participated this year and the winner was Yuji Hori, Cathay Pacific's Engineering Manager, from Osaka.

Southeast Asia

The Southeast Asian Scott Cup was held at the Singapore Island Country Club on 21st September 2018. This year's winner was once again James Ong, Marketing Manager for China Navigation, who scored an impressive 39 Stableford points, playing off a handicap of 13. The Nearest the Pin prize was won by Nick Bury, also from China Navigation, who was the only player to get his ball onto the fringe of the green. The Longest Drive was won by Ron Mathison, Staff Director of JS&S (HK), who managed to produce his only decent drive on the hole that counted.

Taiwan

Scott Cup Taiwan 2018 took place on 15th November at the Miramar Golf Country Club in Taipei County. The weather was beautiful and a total of five teams – 16 players – took part, representing Cathay Pacific, Cathay Dragon and Taikoo Motors.

This year's champion was Johnny Yang from Cathay Pacific. Several prizes were also given away for Nearest the Pin and Longest Drive. Derrick Chan, Swire Pacific's Director Trading & Industrial, thanked all the players for their participation and support for this event.

New Zealand

The inaugural New Zealand Scott Cup qualifier took place on 13th December 2018 at the Royal Akarana Golf Club. The weather was fantastic and players from three different groupings teed off without a hitch.

The beginners' group had two players playing their first rounds of golf ever: Clive Pereira and Javed Shaikh, who made an admirable attempt at the game and heartily enjoyed themselves. Steve Chapman was the winner of the middle group, while the winner of the third group and overall champion was Mark Pirihi of Cathay Pacific, with a superb 34 points winning him the opportunity to represent New Zealand in Hong Kong.

North America

The North American Scott Cup was held on 17th August 2018 at the Broadmoor Golf Club in Colorado Springs, Colorado. Tim Franciscus-Timm from United States Cold Storage beat a field of 29 golfers from United States Cold Storage, Swire Coca-Cola USA, HAECO Americas, Swire Shipping and Cathay Pacific Cargo. Tim finished with a score of 39 points, followed by Andrew Kinross of Swire Coca-Cola with 37 points and Alex Pattison from Swire Shipping with 35 points.

Kenya

The Scott Cup qualifier was held on 16th November at Kericho Golf Club, in the Rift Valley Province in western Kenya. There were 42 participants, who played in typically fine Kericho weather. The tournament was open to Finlays staff and Kericho Club golfers.

Eunice Korir from Finlays emerged as the winner with 39 points, playing off a handicap of 19. Chris Birgen was runner-up, while Wesley Bosuben and Sammy Kirui took third and fourth positions respectively.

Middle East

The Scott Cup Middle East qualifier took place on 8th December 2018 at the Trump International Golf Club, Dubai. Stuart Hunter of Swire Pacific Offshore (SPO) won the qualifier with a handicap of seven and a net score of 40 points. Second was Donald Blake of SPO with a handicap of nine and 38 points, while Ryan Smith of SPO placed third with a handicap of 16 and 37 points.

It takes a Village...

Children at the pre-school and day-care centre in the town of California, Pennsylvania.

Clark Harrison is Director Business Development, Power Generation, for Purestream Services, a US-based Swire subsidiary that provides water treatment solutions to a range of industrial users, including the oil and gas and power generation sectors.

At least, that's Clark's day job. But when not working for Purestream, he is Chairman of the Board of The Village – a nationally accredited pre-school and day-care centre in the town of California, Pennsylvania, which he founded in 2006 to help single parents of young children break the cycle of poverty through education.

Clark has always believed that education is the best antidote to poverty. Thirteen years ago, he became aware that many young people in this economically-challenged region were dropping out of school or college because they were single parents and didn't have the money, resources, or a support system to provide day-care for their young children while they completed their studies.

Clark saw a need and decided to do something about it. He felt that if young people had a safe, nurturing place to take their children, they would be able to attend college, trade school or nursing school, and in the long-term improve their opportunities for employment. At the same time, the young children in the programme could receive good pre-schooling, creating a foundation for their own future education and opportunities.

The first Village pre-school class was held in donated space at a local church. Clark recalls: "I knew a lady who was retiring from her career as an elementary school teacher and another lady who was about to become an empty-nester, because her third daughter was in high school. I recruited them as the nucleus to start: the mother of three to be President because she had an MBA, and the teacher to be the Director, because she had the necessary credentials. They both worked for a year without pay". Clark went to a friend who is a senior partner at a major tax law firm and recruited him to do the legal work pro bono. He also recruited four people from the local business community to serve on the Board with him. "We had a very successful fundraiser, got some grants and launched on a wing and a prayer".

Last year, Clark helped to secure a US$1 million grant that enabled the programme to expand to a second campus at a local university. Today, The Village programme cares for around 60 children, ranging in age from infancy to five years old. And by offering free pre-schooling to children of single parents who are enrolled full-time in an educational programme, the initiative aims to give single-parent families a hand up, not a hand out.

International Women's Day

This year's International Women's Day, held on 8th March, took the theme, 'Balance for Better', launching a year-long campaign aimed at building a gender-balanced world. To mark the occasion, the Swire Women's Network hosted their biggest and most successful event to date at ArtisTree in Taikoo Place. Attended by representatives from across the Swire group, the event was a great opportunity for staff to come together to discuss the topic of gender balance and understand how – as a group and individually – we can influence positive change.

On the day, attendees heard from a range of speakers, who talked about what 'Balance for Better' means to them on a personal and professional level. Guest speakers included Jane Morgan, Managing Director of PR agency, Golin, Lindsey McAlister, founder of the Hong Kong Youth Arts Foundation, Kerry Peirse, Cathay Pacific's General Manager IT Infrastructure and Operations and sponsor of the 'Fly with Pride' campaign and Clarence Yang, Chief of Staff and Head of Strategic Partner Programme, BlackRock.

Three talented female leaders – including Candy Cheng, Chairperson of the Gai Wu Rugby Football Club, Theresa Chong, Swire Coca-Cola's HR Director and Carrie Lau, General Manager, Strategic Procurement, for HAECO – then led a panel discussion on what it's like to work in a predominantly male environment. Later, Swire operating company CEOs took to the stage to share their views on creating greater balance in the workplace and how they, as leaders, are focusing on diversity and inclusion. The CEO panel included Guy Bradley, Chief Executive of Swire Properties, Rupert Hogg, CEO of Cathay Pacific, Pat Healy, Managing Director, Swire Coca-Cola, Derrick Chan, Director Trading & Industrial Division and Rebecca Sharpe, Group Director Finance for HAECO.

Delegates were also treated to some memorable entertainment featuring Swire's own home-grown artistic talent, with performances from Cathay Pacific's Elodie Lee and the Cathay Pacific Tai Chi team.

The event has so far received overwhelmingly positive feedback from staff, with the take-home message from the day echoing the theme of International Women's Day 2019 that "Balance drives a better working world."

(Left to right) Swire Properties Chief Executive, Guy Bradley, Cathay Pacific CEO, Rupert Hogg, Swire Coca-Cola Managing Director, Pat Healy, HAECO Group Director Finance, Rebecca Sharpe and Swire Pacific Director Trading & Industrial, Derrick Chan exchanged views on gender diversity and inclusion, during a panel discussion moderated by Mandy Ng, Swire Pacific General Manager Business Development.

Merlin Swire, Chairman of John Swire & Sons (HK), taking part in the group's International Women's Day Event.

CNCo's first female cadets from PNG

(Left to right) Amy-Lee Turia, Lylellah Kunai, Ramesh Gamlath Ganegoda Appuhamilage Don, Glenda Amu, Jamie-Lee Baim, and Irma Rua proudly display their certificates after crossing the Equator for the first time. "King Neptune" is Chief Engineer Andi Magas.

The China Navigation Company ("CNCo") is committed to increasing diversity and inclusion and is working to achieve a better gender balance across both its shore and sea staff. When the company became aware of the Australia Awards Maritime Scholarships initiative – a scholarship scheme offered only to women from Papua New Guinea – it was seen as an excellent opportunity to deliver on greater gender balance and simultaneously raise the economic capacity in one of CNCo's key stakeholder communities.

Last October, CNCo's first female cadets from Papua New Guinea, Amy-Lee Turia, Glenda Amu, Lylellah Kunai, Irma Rua and Jamie-Lee Baim, joined *MV Szechuen* in Port Moresby, after completing six months of cadet training at the Papua New Guinea Maritime College.

The five ladies said of their practical experience working at sea:

"As first-time cadets, we were taught the importance of safety awareness – a critical part of the safety culture that CNCo seeks to embed across the organisation. This was reinforced through lectures, observation of shipboard activities and practical assessments. Topics ranged from navigation and cargo work, to mooring and meteorology. We also had the opportunity to experience a dry-docking, and assisted the deck crew and officers with maintenance work."

"The foundations for our training were CNCo's Safety Management System, Code of Conduct, Policies and Vision Statement – which all employees must adhere to. The procedures, checklists, permits and other documents all serve to create a safer and uniform way of working and we learnt about the importance of every individual's efforts in keeping everyone safe."

"It was our first experience of leaving our home country, and adapting to living amongst people of diverse nationalities. The variety of social activities on board – which included karaoke nights, monthly barbecues, Christmas and New Year celebrations – was great fun, as we interacted and learnt more about one another. We were also given shore leave, so we could go ashore when the ship was alongside. Of course, there were times when it was not fun: getting seasick, for example. But we endured and toughed it out. Despite facing several challenges on board, we worked together as a team, and with support from the officers and crew on board, we overcame these problems."

"The training programme has made us realise that in this profession, learning is very much an ongoing process and there is so much knowledge to be gained. Seafaring as a career can be both challenging and exciting, regardless of your gender. As the first female cadets from our country, we are honoured and at the same time, aware of the tremendous responsibility we have in representing Papua New Guinea. We aim to be become strong and competent officers, committed to excellence and safety."

2020 will mark Swire's 150th year of doing business in Hong Kong. In the lead up to the anniversary, we're featuring a variety of unusual 'treasures' from the group's archives that help tell the story of how Swire's evolution has been closely intertwined through the years with that of its home city.

Fans for the memory

This pretty Chinese silk fan is printed with the menu for a dinner served on the China Navigation Company vessel *Changsha*, circa 1968, and recalls the swan-song of CNCo's regular passenger liner services at the end of the 1960s.

Changsha and her sister-ship *Taiyuan* were purpose-built on the Clyde for the Hong Kong – Australia trade. The ships entered service in 1949 and offered regular calls to ports on the East Coast of Australia, via the Philippines and Port Moresby. The names *Changsha* and *Taiyuan* revived those of an earlier pair of vessels which had served the trade from 1886. Following the sale of those two ships in 1912, CNCo stayed out of Australian waters for more than 30 years – only re-entering the trade after World War II.

In the late 1940s, shipbuilding prices were sky-high and many ship owners chose to re-equip post-war with cheap, mass-produced wartime standard "Liberty Ships". China Navigation, which had lost more than half its fleet to the conflict, opted instead for long-term investment and built quality new tonnage, even though this meant paying a premium. As Swire's first post-war vessels built for a trade outside Mainland China, *Changsha* and *Taiyuan* were expensive, even in the context of such a pricy market. This significant investment reflected the growing importance to CNCo of its trade between Hong Kong and Australia, as its "traditional" China coast services were progressively closed to foreign shipping.

Carrying just over 80 passengers each, in addition to general and refrigerated cargo, *Changsha* and *Taiyuan* were immediately popular – which was hardly surprising given they offered a standard of comfort and service that was hard to come by in those austere post-war years. CNCo ships were famous for their cuisine and the exceptional skill of their Hong Kong chefs. In the spacious dining saloon, gleaming silver plate and snow-white starched linen were presided over by an army of immaculate and attentive stewards. Passengers, too, dressed the part, with jacket and tie mandatory for men at dinner and women in formal dresses. The painted fan souvenir menu for each diner added an elegant touch to a Chinese banquet that was a popular feature of the trip. Other amusements on board were simple by today's standards, including fancy-dress nights, Walport movies, horse-racing (using wooden horses), cocktails and dancing to the ship's Filipino band. A traditional "Line-Crossing" ceremony saw King Neptune and his Queen subject first-time crossers of the equator to a variety of initiation rites (usually involving a dunking in the swimming pool) and certificates were issued. The cabins were roomy, the service excellent and the attention to detail went right down to Swire's London directors selecting the list of books to be found in the library.

By the late 60s, when a passenger took home this fan as a memento of the voyage, the heyday of the service was already at an end, with the speed, convenience and increasing cheapness of air travel meaning passenger numbers were steadily in decline. The ships were withdrawn from the service in 1969; *Changsha* was sold to a Singapore company and *Taiyuan* followed three years later. CNCo continued to maintain a stake in the cruise ship market for another two decades, but scheduled passenger liner services were at an end.