



SWIRENEWS

TWO CENTURIES OF
ENDEAVOUR

January 2016



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NEWSWIRE

The Swire group is a multi-national, 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.

Please send material to the Editor, GPO Box 1, Hong Kong, or email us at cindycheung@jsshk.com. For pictures, we welcome prints, colour slides or computer graphics in JPG format (500dpi and 20cm x 16cm), and digital photos taken by cameras with 8 Megapixels or above.

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PEOPLE

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Charlotte Bleasdale

Reception for CITIC Group Chairman



On 22nd October 2015, the directors of John Swire & Sons Limited hosted a luncheon at Swire House for Mr Chang Zhenming, Chairman of the CITIC Group. Mr Chang was on a courtesy visit to London to discuss various areas for potential future co-operation between Swire and CITIC. The two parties have signed a Letter of Intent to signify interest in jointly developing a property in Dalian (more on page 4).

JS&S directors and their CITIC guests: (front row, left to right) Merlin Swire, JS&S Deputy Chairman and CEO, Mr Chang Zhenming, Chairman of CITIC Group, Sir Adrian Swire, JS&S Honorary President, Barnaby Swire, Swire group Chairman, Ms Hong Bo, Chairman of CITIC Construction. (Back row, left to right) James E. Hughes-Hallett, Mr Huang Xiang, Deputy Director-General, Foreign Affairs Department of CITIC Group, Baroness Dunn and Sam Swire.



John Slosar, Chairman of John Swire & Sons (H.K.) Limited and Mr Zhang Xiaoming.

Swire hosts CLO Director

On 21st August 2015, John Swire & Sons (H.K.) Limited directors hosted a luncheon at the Hong Kong Club for Mr Zhang Xiaoming, Director of the Liaison Office of the Central People's Government in Hong Kong. Mr Zhang shared his views on how Hong Kong can leverage its strengths to tap growth opportunities arising from the 'One Belt, One Road' initiative – a development strategy initiated by the Chinese government that focuses on connectivity and co-operation amongst Eurasian countries.



John Slosar and Mr Tu Guangshao

Shanghai visit

On 14th September 2015, Swire Pacific Chairman John Slosar visited Shanghai with a delegation of senior executives from various Swire business divisions. The Swire delegation met with Mr Tu Guangshao, Executive Vice Mayor of Shanghai Municipal Government, and took the opportunity to express their appreciation for the strong support given by the Shanghai Government to Swire's investments in the city. Mr Slosar discussed progress on Swire's property projects in Shanghai, which include HKRI Taikoo Hui and the Qiantan retail project.

New archive hub

The new Swire HK Archive Service office was officially opened on 11th November 2015. Located in Shipyard Lane, in an area that was once part of the Taikoo Dockyard, the facility is the group's first purpose-built archive and is now home to historical photographs, business records, advertisements, audio-visual recordings and other material that details Swire's key activities and business development, as well as the working lives, experiences and contributions of Swire staff over two centuries. At the heart of the facility lies the repository where the archives are stored and preserved. The repository has been built to the highest archiving standards, including four-hour fire-proof walls, ceiling and floor, an FM-200 gas fire suppression system, smoke detectors and 24-hour temperature and humidity controls. The new facility also serves as a resource centre for academic researchers, students, the media and other stakeholders who are interested in the Swire heritage in Hong Kong.



At the ribbon-cutting ceremony are: (left to right) Rob Jennings, Manager Archives and Public Affairs, John Swire & Sons Limited, John Slosar, Chairman of Swire Pacific, and Bonnie Sze, Archive Manager – HK Archive Service.

Sustainable Development Forum 2015

Over 170 senior executives and sustainability experts from across the Swire group attended the group's fifth Sustainable Development ("SD") Forum, held in Hong Kong on 12th and 13th November 2015. The annual forum was opened by Mark Watson, Head of Sustainable Development, John Swire & Sons (H.K.) Limited. Swire Pacific Chairman, John Slosar, who gave the keynote speech, said that the Board is looking into creating a Swire Pacific SD Fund, supporting SD projects that would usually not meet the required financial criteria for implementation. He was followed by Martin Cubbon, Swire Pacific's Corporate Development & Finance Director, who emphasised the importance of SD in risk management. The afternoon session was opened by Barnaby Swire, Chairman of John Swire & Sons Limited, who reaffirmed sustainable development as one of the Swire



Barnaby Swire (centre) presents the Best Sustainability Project Award to Michael Pennant-Jones (left), James Finlay Group Sustainable Business Manager and Jo Miller, James Finlay Sustainability Officer.

group's strategic pillars. The forum concluded with the announcement of the winners of the annual Sustainable Development Project Competition, which recognises outstanding SD initiatives around the group. This year, the Best Sustainability Project Award went

to James Finlay Kenya, which has made use of solar microgrids to provide electricity to one of its tea estates where 93% of households are not connected to mains electricity.

Board appointments

Swire Oilfield Services Limited



Sam Swire has been appointed Chairman of Swire Oilfield Services Limited with effect from 1st January 2016, taking over from Barnaby Swire.

Swire Pacific Limited

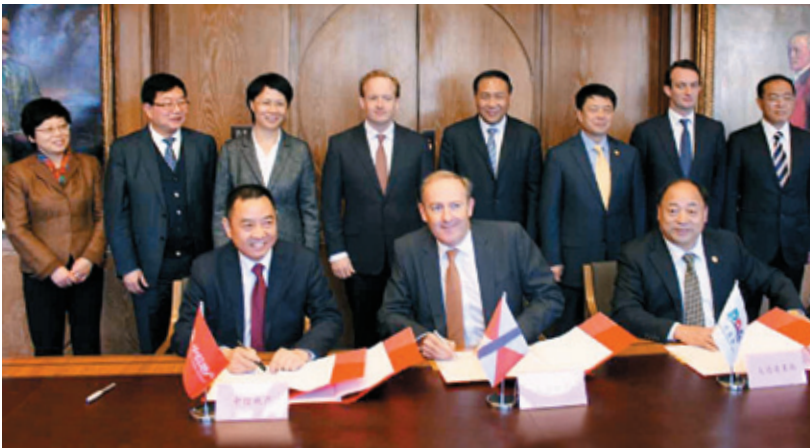


Gordon Orr has been appointed as an Independent Non-Executive Director of Swire Pacific Limited. Mr Orr, aged 53, joined international management consulting firm, McKinsey & Company in 1986 and is currently senior partner of that company.

Letter of Intent for Dalian project

On 27th October 2015, a Letter of Intent ("LOI") for Cooperation was signed between Swire Properties China, CITIC Real Estate and Dalian Port Real Estate, signifying the intention of the three parties

to jointly study the design and advancement of the northern area of Dalian port. The LOI follows a Framework Agreement for the project signed by the three parties in January 2014.



Signing the LOI at Swire House in London were: (left to right) Mr Yang Xinke, Chairman of Dalian CITIC Harbour City Investment Real Estate, Guy Bradley, Chief Executive of Swire Properties and Mr Liu Dan, Deputy General Manager of the Port of Dalian Group, watched by Merlin Swire, Deputy Chairman and CEO of John Swire & Sons Limited, Mr Xiao Shengfeng, Mayor of Dalian and Sam Swire, Director of John Swire & Sons Limited (fourth, fifth and seventh from the left).



Brickell City Centre Phase I nears completion

Construction work on Phase I of Brickell City Centre, Swire Properties' mixed-used development in Miami, is nearing completion, with the final cranes being removed from the site. Phase I of the mixed-use development consists of a shopping mall, a hotel and serviced apartments (to be operated by Swire Hotels' EAST chain), two office buildings and two residential towers, and is expected to be completed in early 2016. Installation

of the 150,000 square-foot trellis system CLIMATE RIBBON™ – a signature structure of sustainability and connectivity at Brickell City Centre – has also been completed; the CLIMATE RIBBON™ will act as a shade for the project's walkways, shops and restaurants and create air flow to optimise temperature. As part of the project, the Metromover light rail station that serves the development has been upgraded and was reopened in October.



A computer rendering of the Metromover light rail station connected to Brickell City Centre.



WHITESANDS draws on the beauty of its natural setting, with each house oriented to capture panoramic views of the South China Sea and the surrounding greenery.

New residential developments

Swire Properties has unveiled its latest Hong Kong residential development, WHITESANDS, comprising 28 modern detached houses on Lantau Island. WHITESANDS enjoys an unrivalled natural setting, with lush greenery and beautiful coastline, including Hong Kong's longest sandy beach, Cheung Sha Beach. The development also has excellent connectivity to Hong Kong Island and Kowloon and is just a 15-minute drive from Hong Kong International Airport and Tung Chung. The 28 houses have four configurations, with saleable areas ranging from 1,954 to 2,598 square feet, and three have their own swimming pools.

Swire Properties has also unveiled its fourth residential development in Mid-Levels West: ALASSIO is named after a city located in the Italian province of Savona that is known for its beautiful natural landscape. Featuring unparalleled views of Hong Kong harbour and the Central District skyline, ALASSIO comprises 197 spacious residences, including two-to-four bedroom units, as well as three exclusive duplex units on the top floors of the development. On completion in 2017, the 50-storey development will join the Mid-Levels West residential community created by Swire Properties at AZURA, ARGENTA and AREZZO.

HKRI Taikoo Hui tops out

Swire Properties and HKR International have topped out the two office towers at HKRI Taikoo Hui, their joint venture mixed-use development in Nanjing Road (West), Shanghai. The two Grade-A office towers – known as “HKRI Centre One” and “HKRI Centre Two” – include over 1.85 million square feet of office space. Set to be an iconic business and lifestyle landmark in Shanghai, HKRI Taikoo Hui will also feature a retail mall and three luxury hotels and serviced apartments. The site handover to retail and office tenants is targeted to begin from the second half of 2016, while the retail mall, hotels and serviced apartments are scheduled to open in the first half of 2017.

Extending partnership

Swire Properties and Tsinghua University have extended their collaboration on the Joint Research Centre for Building Energy Efficiency and Sustainability for a further three years. Established in September 2011, the Joint Research Centre aims to identify, study and test new energy strategies, leveraging on Swire Properties' projects in Mainland China. The Joint Research Centre helped develop the Integrated Design and Whole-process Management (“IDM”) system, which enables commercial developers to make informed decisions on energy

efficiency during the entire building development process. Under the renewed contract, Swire Properties will offer up to HK\$5 million per annum in funding for the Joint Research Centre from October 2015 onwards. The IDM will be implemented and tested on Swire Properties' new joint-venture project in Dalian.

New livery

Cathay Pacific has unveiled the latest update to its aircraft livery. Key changes include the incorporation of an updated “brushwing” logo, a simplified colour palette, and more prominent display of the airline’s name and brushwing. The new Airbus A350 series will be the first aircraft in the fleet to launch with the new livery and the

airline’s existing fleet will be repainted as each aircraft goes through its scheduled maintenance programme over the next five years, with some 150 aircraft getting the new look. The new livery is a continuation of the work begun in 2014 to refresh Cathay Pacific’s brand identity.



The new livery showcased on one of Cathay Pacific’s Boeing 777-300ER aircraft.

Network changes

Cathay Pacific will launch a new four-times-weekly service to London’s Gatwick Airport on 2nd September 2016, subject to government approval. The new service will complement the airline’s current five-times-daily service to Heathrow Airport for a total of 39 flights a week between Hong Kong and London – more

than any other carrier. In addition to serving London, Cathay Pacific also offers a four-times-weekly service between Hong Kong and Manchester in the UK. Cathay Pacific will operate the Gatwick service with its brand new Airbus A350-900 aircraft.

Meanwhile, Cathay Pacific will discontinue its daily flight between

Hong Kong and Doha with effect from 15th February 2016. The service, launched in March 2014, has been discontinued for commercial reasons and Cathay Pacific and Qatar Airways will remain strategic partners within the **oneworld** alliance.



The new Taipei lounge offers a comfortable environment, with an emphasis on understated luxury, where passengers can relax before their flight.

New Taipei lounge

Cathay Pacific has opened a new First and Business class passenger lounge at Taiwan Taoyuan International Airport's Terminal One. With seating for 245 people – approximately 100 more than the previous lounge – the upgraded Taipei lounge is the first to feature the new Solo Chair, a spacious seat with high partitions on either side to give passengers extra privacy. Greater focus on food and beverages has seen the introduction of the airline's signature Noodle Bar, offering a selection of dishes including wonton noodle soup, Dan Dan noodles and authentic Taiwanese beef noodle soup. Lounge guests can also enjoy Taiwanese favourites such as minced pork rice and bubble milk tea.

New service to Hongqiao

Dragonair has launched an additional twice-weekly service from Hong Kong to Shanghai Hongqiao International Airport, bringing the total number of flights to nine per week. The service, which is operated by Airbus A330 aircraft, commenced on 10th November. Together with its existing 13 daily flights to Shanghai Pudong International Airport, Dragonair has strengthened its Hong Kong-Shanghai service to 100 flights per week.

Shareholding restructure

Conditional agreements were entered into on 23rd November 2015 for the restructuring of shareholdings in Hong Kong Aero Engine Services Limited ("HAESL") and Singapore Aero Engine Services Private Limited ("SAESL"). HAESL is to sell its 20% shareholding in SAESL to Rolls-Royce Singapore Pte Limited ("RRSE") for US\$270 million, subject to adjustment. The transaction will result in SAESL being owned 50% by SIA

Engineering Company Limited ("SIAEC") and 50% by RRSE. Meanwhile, Hong Kong Aircraft Engineering Company Limited ("HAECO") and Rolls-Royce Overseas Holdings Limited ("RROH") are to each purchase, and SIAEC to sell, a 5% interest in HAESL for US\$58 million, subject to adjustment. The transaction will result in HAESL being jointly owned by HAECO (50%) and RROH (50%).



Further investment in Damian

James Finlay (“Finlays”) has acquired an additional 20% stake in Damian Foodstuff (Zhangzhou) Co., Limited (“Damian”), the world’s largest manufacturer of tea extracts; the transaction increases Finlays’ shareholding in Damian to 40%. The purchase positions Finlays to capitalise on potential growth of the Mainland China market, which is already the largest and one of the fastest growing ready-to-drink tea markets in the world.

Merlin Swire, Deputy Chairman and CEO of John Swire & Sons Limited and Chairman of Finlays, and Mr Jiang Aiqing, Chairman of Damian, at the contract signing ceremony.

Finlays sells Horticulture Division

Finlays has sold its horticulture business, Finlays Horticulture Investments and its subsidiary companies to an affiliate of Sun European Partners. The transaction includes the sale of Finlay Flowers UK, Finlays Fresh Produce UK, Finlays Horticulture Kenya, Finlays Horticulture Tanzania, Omniflora, Finlay Flowers BV, FV SeleQt, Dudutech and Finlays Horticulture South Africa. Finlays will, however, retain its flower farm business at Kericho in Kenya, located within its tea estates, and will continue to supply Omniflora and Finlay Flowers UK.

Assets acquisition

In December 2015, Swire Coca-Cola USA conditionally agreed to acquire from Coca-Cola Refreshments USA, Inc. certain production assets in Phoenix, Arizona and Denver, Colorado. This followed agreements entered into in September 2015, under which Swire Coca-Cola USA conditionally agreed to acquire certain distribution assets from Coca-Cola Refreshments USA, Inc. in Arizona and was granted the right

to distribute the beverage products of The Coca-Cola Company in Arizona (including the Phoenix and Tucson markets). Completion of the acquisitions is conditional upon, among other things, all necessary approvals being obtained. Completion of the acquisition of the distribution assets is expected to take place in 2016. Completion of the acquisition of the production assets is expected to take place in 2018.

New cold storage facility

Swire Pacific Cold Storage has commenced first-phase operations of its fourth wholly-owned cold storage facility at Ningbo in Mainland China. Located about 5km away from China’s fifth busiest container port, Ningbo-Zhoushan, the new facility is strategically

situated to connect with local seafood processors, who are Swire Pacific Cold Storage’s key customers, and provides 24 temperature controlled chambers with a total of 70,000 pallet positions.

New vessels named

On 31st August 2015, The China Navigation Company ("CNCo") held a naming ceremony for MV *New Guinea Chief*, the last of four multipurpose Chief Class vessels delivered from Zhejiang Ouhua Shipyard in Mainland China. The ceremony, which took place at the Queensland port of Townsville, in Australia, commenced with a traditional welcome performed by representatives of the indigenous Bindal and Wulgurukaba people, to welcome the newbuilding and the guests of honour, including the Lady Sponsor, Mrs Lisa Wallace, wife of Paul Wallace, Shipping Manager for CNCo business partner, Sunrice.

Two other vessels, MV *Hanyang* and MV *Funing*, were named on 10th September 2015 at Chengxi Shipyard in Mainland China. The Lady Sponsors were Mrs Mia Bremridge, wife of Charles Bremridge, retired Director of John Swire & Sons (S.E. Asia) Pte Limited, and Mrs Olivia Harley, wife of Adrian Harley, Director and Chief Representative of John Swire & Sons (China) Limited. *Funing* and *Hanyang* are the 12th and 13th deliveries in a series of 16 fuel-efficient B.Delta39 handy bulk carriers scheduled for delivery from Chengxi Shipyard.



Top: Guests at the ceremony held in Townsville.

Below: At the Chengxi ceremony are: Lady Sponsors Mrs Olivia Harley (left) and Mrs Mia Bremridge, Charles Bremridge, Adrian Harley and Swire group Chairman Barnaby Swire.



SPO welcomes *Pacific Grackle*

On 17th September 2015, Swire Pacific Offshore ("SPO") took delivery of its latest Platform Supply Vessel ("PSV"), *Pacific Grackle*, in Japan. The latest addition to SPO's fleet is the fourth of ten vessels in the G Class series built by Japan Marine United Corporation. The 4,000dwt vessels are powered by a four-engine diesel electric propulsion plant and equipped with highly efficient counter-rotating azimuth thrusters, ensuring excellent fuel efficiency. The G Class series is the latest addition to SPO's fleet and is specially commissioned to meet the increasing demand for PSV vessels in the offshore energy market. "Grackle" is the name of a species of bird native to North and South America.

Volvo flagship service centre opens

On 11th October 2015, Taikoo Motors and Volvo Group officially opened Taiwan's first flagship service centre for Volvo trucks and buses at Chungli. With a total investment of US\$6.7 million, the innovatively designed workshop provides comprehensive and efficient vehicle support, including overhaul, body painting, major repair, maintenance, vehicle wash and pre-delivery inspection. The facility will also serve as a central warehouse and showroom for display and sale of trucks and buses.



Harley-Davidson comes to Fuzhou

In July 2015, Taikoo Motors, trading as Swire Motors in China, was awarded a dealership for Harley-Davidson in Mainland China, marking Swire's first entry into China's growing motorcycle market. A Harley-Davidson showroom and a workshop have been opened in Fuzhou, and will display the latest range of models, as well as offering an array of aftersales services to Harley-Davidson owners.



"Ice & Cosy" White Christmas Street Fair 2015

Returning for its third year, Swire Properties' signature community event, the White Christmas Street Fair, was held at Taikoo Place between 3rd and 5th December. Themed "Ice & Cosy", the Street Fair attracted some 28,000 visitors this year and was organised with the support of over 290 Swire Properties Community Ambassadors. One of the highlights included advanced virtual technology that transported visitors to a virtual Arctic Circle to get up close and personal



with realistic 3D animals such as orca whales, penguins and polar bears. Proceeds from activities at the Street Fair will be donated to

Operation Santa Claus, an annual fundraising campaign which supports local and regional non-profit organisations.



A grand firework display is the traditional climax of the annual Swire Symphony Under The Stars event.

Swire Symphony Under The Stars 2015

Swire Symphony Under The Stars 2015, the annual outdoor musical extravaganza presented by the Hong Kong Philharmonic Orchestra ("HK Phil"), took place on 21st November at the Central Harbourfront event space. Held for the first time on a Saturday night, the concert was enjoyed by an enthusiastic audience of nearly 20,000. Under the baton of Music Director, Jaap van Zweden, with Harry Wong as Master of Ceremonies, and accompanied by a performance by sand painting artist Hoi Chiu, the audience experienced a visual and acoustic feast. The evening was brought to a rousing conclusion with Johann Strauss II's *Thunder and Lightning Polka*, accompanied by a blaze of colourful fireworks, and as an encore the *Radetzky March* by Johann Strauss I. Swire has been the principal patron of the HK Phil since 2006.



Remembrance Day

Representing the Swire group, Andrew West, Cathay Pacific's General Manager Financial Services, laid a wreath at the Cenotaph in Hong Kong on Remembrance Day, to pay tribute to those who fell during the First and Second World Wars and in other conflicts.

Journey of Dreams



Fifty-three teenagers from disadvantaged backgrounds flew on an aircraft for the first time in their lives on 15th November 2015, thanks to the Journey of Dreams programme initiated by Dragonair. The youngsters boarded a Dragonair A330-300

aircraft accompanied by their families and mentors to enjoy a memorable 90-minute flight over the South China Sea. The 170-strong group were able to try out the seat features and in-seat entertainment on the aircraft, as well as enjoying inflight meals

served up by the cabin crew. More than 100 volunteers and operating staff from Dragonair, including pilots, cabin crew and ground staff, provided assistance and shared their aviation knowledge with the participants, to enhance their overall flight experience.

Lae Botanic Gardens restoration programme



Tim Blackburn (second from left), outgoing Managing Director of The China Navigation Company presented the donation to Dr Martin Golman, Acting Director of the PNG Forest Research Institute. Also attending the ceremony were CNC's incoming Managing Director, James Woodrow (fourth from right), Graeme Davis (left), General Manager of Corporate Development, Swire Shipping (PNG), and Michael Loave (third from right), Gardens Curator, PNG Forest Research Institute.

Swire Shipping has donated 70,000 Kina (approximately US\$24,080) towards the Lae National Botanic Gardens Advancement Programme, to help restore the city's public gardens to their former glory. Considered a natural treasure, the gardens were once internationally recognised as one of the most beautiful botanical parks in the tropics, inspiring Lae's nickname of the "Garden City" of Papua New Guinea. However, a lack of funding

and government support has led the gardens to become neglected in recent years. The funding will be used for the development of four world-class landscape designs intended to showcase PNG's natural beauty and diverse plant life, and to draw visitors back to the botanical gardens once they reopen later this year. The donation demonstrates Swire Shipping's commitment to giving back to the communities in which it operates.

Best annual report award

Swire Pacific's 2014 Annual Report has won the Silver Award in the "General" category in the Hong Kong Management Association's Best Annual Reports Awards; it is the third time that Swire Pacific has won this award. The report was commended by the panel of adjudicators for its "outstanding presentation, which discloses detailed and concise reviews of business developments and sustainable growth". The Best Annual Reports Awards is an annual competition which aims to encourage the publication of timely, accurate, informative and well-presented annual reports for shareholders, employees and the public.



Swire Pacific's Finance Manager Alexander Kinloch receives the Best Annual Reports Awards – Silver Award at the ceremony held on 9th November.

DJSI Asia Pacific listings

Swire Pacific and Swire Properties have both been selected for inclusion in the Dow Jones Sustainability Asia Pacific Index ("DJSI Asia Pacific"); it is the second time that Swire Pacific has been included in the index. The DJSI Asia Pacific is the Asia Pacific version of the Dow Jones Sustainability Index, a leading global benchmark that tracks the performance of companies worldwide based on economic, environmental and social criteria. Of 600 sizeable companies in the Asia Pacific region, 145 were chosen for inclusion. Swire Pacific and Swire Properties are among nine Hong Kong-based companies to be listed.

Global winner

Sino-Ocean Taikoo Li Chengdu has been selected as a global winner in the US-based 2015 Urban Land Institute ("ULI") Global Awards for Excellence competition, one of the property development industry's most acclaimed award programmes. The Swire Properties/

Sino-Ocean Land joint venture project has been recognised for its innovative architectural design that pays homage to traditional Sichuan architecture and the neighbouring Daci Temple, while incorporating modern building techniques and materials.



Gordon Ongley, Senior Advisor to Swire Properties (centre), and Han Zhi, Director & General Manager of Sino-Ocean Taikoo Li Chengdu (right) receive the award at the ULI Fall Meeting in San Francisco.

Six in a row

Dragonair has been named Best Regional Airline for the sixth consecutive year at the 26th Annual TTG Travel Awards Ceremony. The TTG Travel Awards is organised by leading

regional publisher, TTG Travel Trade Publishing, and winners are determined by votes cast across the Asia Pacific region by print and online subscribers to TTG Travel Trade publications.



Dragonair Director Operations Captain Peter Sanderson receives the Best Regional Airline award at the 26th Annual TTG Travel Awards Ceremony held in Bangkok.

Excellence in brand strategy

The new corporate identity launched by HAECO group in 2014 has won the Gold award in two categories at the Transform Awards Asia Pacific 2015. The awards for Best brand architecture solution and Best visual identity from the engineering & manufacturing sector recognise HAECO group and its branding agency, Sedgwick Richardson, for their excellence in new brand strategy.



USCS's new 9,010,000 cubic-foot facility at Covington, Tennessee was one of only three projects awarded in the "Industrial/Process/Research" category at the 2015 National Design-Build Project/Team Awards competition.

Exemplary design-build

United States Cold Storage's ("USCS") newest distribution centre at Covington, Tennessee, has won the Merit Award in the "Industrial/Process/Research" category at the 2015 National Design-Build Project/Team Awards competition. Organised by The Design-Build Institute of America, the competition recognises successful design-build projects that achieve best value while meeting design and construction quality,

cost and schedule goals. The Covington warehouse represents several important firsts for USCS, including the company's first automated warehouse and its most energy-efficient and sustainable operational design according to the US Green Building Council's Leadership in Energy & Environmental Design ("LEED") programme. The warehouse is now under consideration for LEED Silver Certification.



Sustainability awards for SPO

Swire Pacific Offshore ("SPO") has won the Leadership in Sustainability Award at the 16th Annual Business Awards 2015 organised by the British Chamber of Commerce, Singapore. SPO was recognised for creating a positive impact through its business operations to achieve a sustainable future. The Annual Business Awards were established to recognise outstanding individuals and companies that have shown notable business excellence in various areas. SPO has also recently won the Environment Protection Award at the eighth Seatrade Maritime Awards Asia awards ceremony held in Hong Kong. SPO was recognised for its investment in green technology, ISO compliance and continuous efforts to reduce the company's carbon footprint and promote environmental awareness. This is the first time that SPO has won this award.



Top: Simon Bennett (centre), SPO's General Manager Sustainable Development, receives the Leadership in Sustainability Award from His Excellency Scott Wightman, the British High Commissioner in Singapore (right).

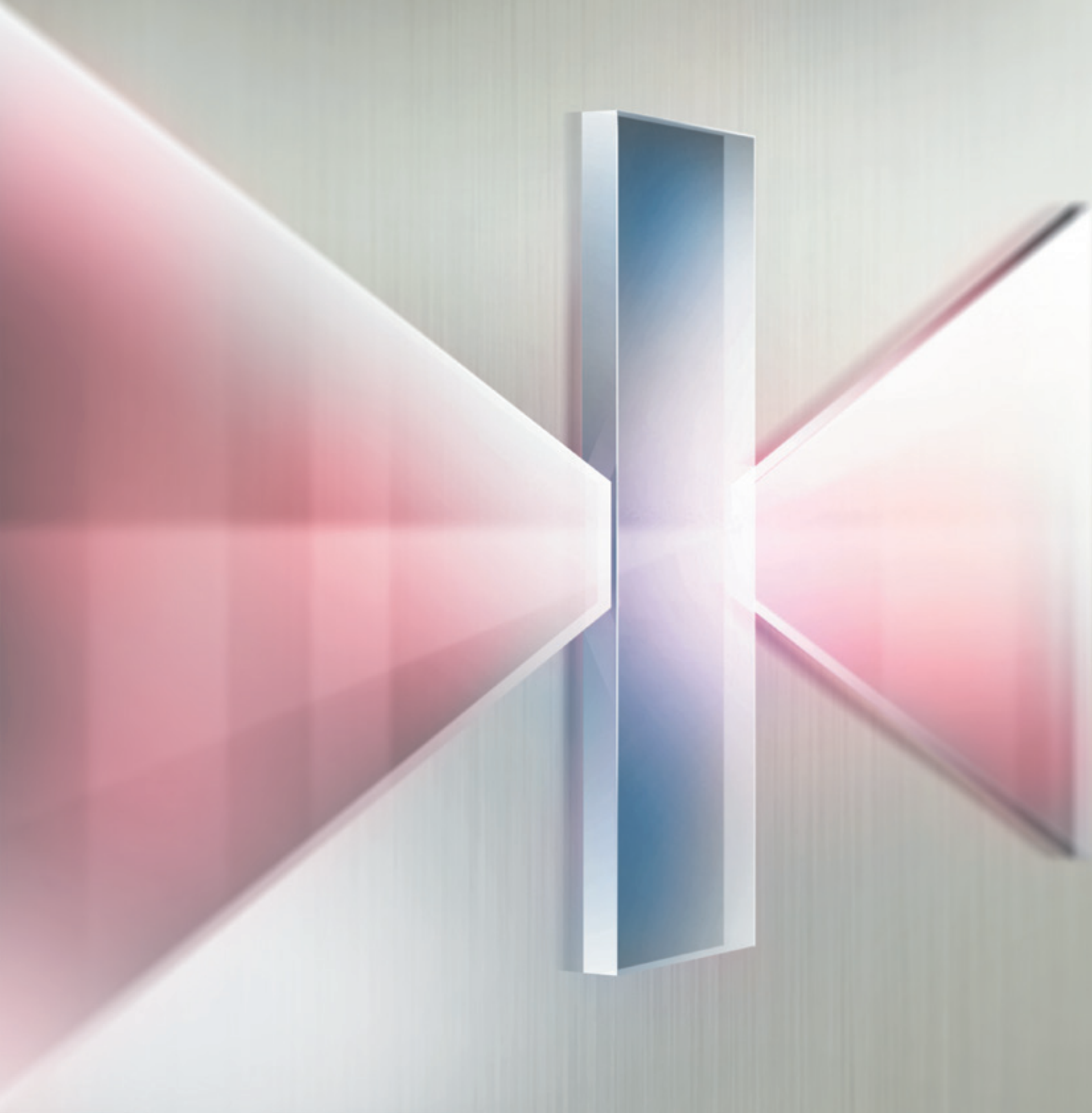
Below: Swire Shipping's General Manager Liner Trades Jeremy Sutton (centre), receives the Environment Protection Award on behalf of SPO from Vanessa Stephens (left), Global Events Director and Managing Director Seatrade Middle East.

Outstanding service

Columbia has topped the Fashion & Accessories – Sports & Outdoor Products category in the 2015 Service Retailers of the Year Award organised by Hong Kong Retail Management Association. It is the fourth time that Columbia has been honoured in the awards scheme, which aims to recognise retailers who have shown excellent service performance. The sportswear chain received the highest overall score in the Sports & Outdoor Products category over three consecutive assessment periods during 2014/15, demonstrating outstanding and consistent service quality across all its outlets.



TWO CENTURIES OF
ENDEAVOUR



Chairman's Message

*Swire's motto is
'Esse Quam Videri' meaning
'To be, rather than to seem to be.'*



Barnaby Swire
Chairman

In 2016, the Swire group is celebrating its 200th Anniversary. By any standard, this is an extraordinary milestone and it is one of which we are extremely proud.

As the group enters its third century, however, new challenges will inevitably arise: alongside an abiding focus on nurturing and developing their own staff, on practical innovation and of course on commercial viability, our existing businesses must adapt to a world in which, quite rightly, everything that they do will be judged by its impact upon the environment and the community. Such an atmosphere will lead to change. Beyond such change, however, we are also committed to invest in new industries which are themselves part of the coming environmental revolution — indeed, we have already taken our first few steps along this path.

Of course, none of this would be possible were it not for the dedication and professionalism of the Swire group's staff, and it is on account of them that the group can face the future with such optimism.

Our Story

The year 2016 marks two significant milestones for Swire: it is the group's 200th anniversary and it is also 150 years since Swire first opened an office in China. There are older firms around the world, but few perhaps have built such a diverse portfolio of business interests from scratch. Very few indeed have had such an enduring association with a single family: the current Chairman and CEO, Barnaby and Merlin Swire, are great-great-great-grandsons of the founder, John Swire – the Liverpool merchant who started it all back in 1816.



The Port of Liverpool as John Swire (1793 – 1847) would have known it.

John Swire of Liverpool (1793-1847) was in fact originally from Yorkshire. His family had farmed near Skipton for a number of generations before John's grandfather – also John Swire – went into the textile trade; his son Samuel followed him into this business. However, both father and son came unstuck financially and their ventures ended in bankruptcy. Family insolvency may well have been the spur that drove young John Swire, eldest of Sam's ten children, to try his

luck in Liverpool. "John Swire, merchant"'s first recorded imports were from America: quercitron bark (used in dyeing textiles) and raw cotton – which was to become a significant commodity in the firm's import trades. He gradually built a successful business based almost exclusively on imports from North America (flour, animal hides, turpentine, tar) and the West Indies (coffee, spices, sugar and rum).

John Swire died young from cancer in 1847 and the business

passed jointly to his two sons, John Samuel and William Hudson Swire, who were then 21 and 17 years of age; when William came of age in 1851, the company took the name "John Swire & Sons". From the outset, John Samuel Swire (1825-1898) was the entrepreneurial driving force behind the development of the business, while William – dogged by ill-health – played a less active role, eventually selling his share to his elder brother.

The firm began to invest in sailing ships: firstly, in 1850, with a 22% shareholding in the barque Theodore, and then in 1853 with a majority 31% of the new Liverpool-built iron clipper ship, *Evangeline*. Both of these ships operated in the New Orleans trade – which primarily involved raw cotton – and sailed under the colours of the Liverpool shipping company, Clint & Co.

By 1854, John Samuel Swire had decided to expand to Australia, where the discovery of gold in Victoria and rapid growth of the new colony offered unprecedented business opportunities. In Melbourne, he established "Swire Bros." and was soon importing a wide variety of goods, ranging from iron bars, arsenic and "blasting powder", to barrels of pork, boots, blankets and bottled beer. After four years, he returned to Liverpool. John Swire & Sons' export business to Australia continued to flourish, but the lasting importance of the Melbourne branch was to switch Swire's trading focus away from the New Orleans cotton trade,

which was severely curtailed by the outbreak of the American Civil War in 1861.

By the early 1860s, John Swire & Sons had begun to ship woollen goods and cotton shirting material to China, after the Treaty of Tientsin opened the door to foreign trade. In Shanghai, goods were consigned to the firm of Preston, Bruell & Co, but John Swire became increasingly frustrated by the poor performance of this agent.

In 1865, he was approached by the brothers Alfred and Philip Holt to buy shares in their projected new steamer service to China. Alfred Holt had designed a series of steamers with innovative compound engines that made them very low on coal consumption. Up to this point, the trades to the Far East and beyond had been dominated by sailing ships, but Holt's new vessels – to be built on the Clyde by the firm of Scott's Shipbuilding – opened up the possibility of making long sea voyages under steam commercially viable. At a stroke, they revolutionised the shipping industry.

John Swire duly became a shareholder in the Ocean Steam Ship Company and *Agamemnon* – the first ship of the line that was to become universally known as Blue Funnel – sailed for Shanghai in April 1866. Preston, Bruell & Co. was appointed ship's agent; however, when it became clear the firm was in financial difficulties, John Swire resolved to open his own China House and take over the Holts agency. To guarantee a stream of goods, he formed a partnership with a woollen manufacturer, Richard Butterfield, and then set sail for Shanghai. Arriving on 27th November, he immediately bought out Preston, Bruell and on 3rd December 1866, established his new House under the name of Butterfield & Swire.

"B&S" began exporting tea and silk to the UK and rapidly acquired agencies for shipping lines, banks and insurance companies, before the end of the century handling Shanghai's biggest fire insurance business and a sizeable marine and accident portfolio; insurance was a core business for Swire for 130 years. Of primary importance was



One of China Navigation's original paddle-steamers, *Pekin*, which entered the Yangtze trade in 1873; here seen alongside the French Bund at Shanghai c.1900.



Taikoo Dockyard was one of the most ambitious projects undertaken by Swire.



Rebuilt after almost total destruction during World War II, Taikoo Sugar was back in production by 1950.

the Blue Funnel agency – entailing management of all aspects of the line's affairs in the East – and Swire would retain this role for more than 120 years.

Within 18 months, however, Butterfield had been ousted from the partnership: *'He was grasping and he bothered me'* wrote John Swire. It would be more than 100 years before the firm finally shed his name; but in common with all foreign traders, John Swire quickly adopted a Chinese name for his "hong" and so it was as *Taikoo* (太古), meaning "Great and Ancient" that B&S soon came to be better known.

By 1870, Swire had branch offices at Yokohama, Hong Kong, New York and Manchester and the firm's headquarters had transferred from Liverpool to London.

John Swire was soon struck by the potential for steam shipping on the Yangtze: the river provided the only access for foreigners to China's hinterland and was vital to the movement of people and goods. In 1872, he formed The

China Navigation Company ("CNCo") and ordered three paddle-steamers for the new company, but before these vessels arrived in China, he snapped up a newly bankrupted line, Union Steam Navigation, with assets that included extensive waterfront property at Shanghai and elsewhere. The Union company's *Tunsin* thus became the first vessel to sail under CNCo colours in April 1873.

Within a year, John Swire had purchased two coasters for a complementary operation which he called the Coast Boats Ownery. By the time the CBO came under the umbrella of China Navigation in 1883, its charter network extended throughout Southeast Asia and regular services had commenced to Australia, New Zealand and Japan.

The growing diversity of shipping trades encouraged Swire to expand into new businesses. The first of these initiatives was the formation of Taikoo Sugar in 1881. A sugar refinery was built at Quarry Bay on Hong Kong Island and quickly began to fill the holds of CNCo's ships with raw cane sugar inbound from Java, the Philippines

and Taiwan, and refined product destined for markets in China, Japan and Australia. In its day, Taikoo operated the largest and most sophisticated plant in the Asia-Pacific region.

It became increasingly clear that the now sizeable China Navigation fleet needed a reliable in-house repair facility. In 1900, construction work began on Taikoo Dockyard, on land adjoining the sugar refinery. This massive project was carried out under the leadership of James Henry Scott (1845-1912), who succeeded John Samuel Swire as Senior Partner of the firm, on the latter's death in 1898. Jim Scott, a member of the shipbuilding family, had joined Butterfield & Swire soon after its foundation in 1866 and was John Swire's trusted right-hand. Taikoo Dockyard was one of Hong Kong's biggest and most progressive employers, providing housing, hospital and a school – which exists to this day.

In 1914, John Swire & Sons became a limited company on the expiration of its original partnership agreement, with John

Samuel Swire's elder son John "Jack" (1861-1933) as its first Chairman. The next two decades saw considerable expansion on the shipping side, under the successive Chairmanships of Jack and of his younger half-brother (George) Warren Swire (1883-1949), who took over the reins in 1927. By this date, CNCo had extended its Yangtze services west to Chongqing, through the turbulent waters of the Three Gorges, and the need to maintain its growing fleet of vessels encouraged a new diversification into paint manufacturing, with the establishment in Shanghai of Orient Paint in 1934.

World War II brought Swire to its knees. More than 30 of vessels were lost to enemy action; the Taikoo Dockyard and Taikoo Sugar Refinery were badly damaged by American bombing. Property throughout China was damaged or destroyed and in London, head office was gutted during the blitz. Following the Communist revolution of 1949, China began to close its doors to the West and Swire was forced to wind up its interests on the Mainland and consolidate its businesses on Hong Kong.

The firm was by now under the Chairmanship of Jack Swire's son, John "Jock" Kidston Swire (1893-1983), and it is largely thanks to J.K. Swire that its operations were rebuilt: it took enormous courage to start again at a time when few would have predicted Hong Kong's future success. By 1950, Taikoo Sugar was back in production and Taikoo Dockyard had launched its first post-war liner for China Navigation.

CNCo turned its attention south to Australia, Papua New Guinea and the Pacific, establishing the pattern for the liner services the company

operates today. In 1952, as a basis for these shipping interests, Swire opened an office in Sydney and in 1956, as part of a strategy to look for new ventures in Australia, purchased a freezer trucking company known as Frigmobile. It was to be the first of a number of investments in cold storage and specialist road transport, which are central to Swire's current Australian portfolio.

Recognising that air transport was the key to the future, Jock Swire was determined to get the firm into aviation – in 1947, channelling part of Taikoo Dockyard's rehabilitation energies into developing an aircraft engineering facility. This company, Pacific Air Maintenance & Supply, merged three years later with Jardine Air Maintenance to form Hong Kong Aircraft Engineering Company ("HAECO").

In 1948, Jock Swire persuaded the board to expend yet more of the firm's greatly depleted capital on a majority stake in Cathay Pacific Airways. Formed in 1946 by American-Australian partners, Roy Farrell and Sydney de Kantzow with a single US Army surplus DC3 – *Betsy* – in two years they had enlarged their fleet to

six DC-3s and a Catalina flying boat. Under Swire management, Cathay Pacific prospered: by 1959, the airline had acquired its first turboprop aircraft, the Lockheed Electra, and in the same year, gained northbound traffic rights to new markets in Taiwan and Japan; now a truly regional carrier, the airline entered the jet-age with the arrival of its first Convair-880M in 1962.

In 1965, Swire purchased Hongkong Bottlers Federal, an American-owned business that held the franchise to bottle Coca-Cola. Hongkong Bottlers offered significant synergy with Swire, since Taikoo Sugar could provide the major ingredients for a soft-drink production business: sugar and water from its reservoirs.

The 1970s were a decade of immense change for Swire. Unable to compete with cheaper producers around the region, Taikoo Sugar closed its refinery in 1972 to concentrate on packaging and distribution. Taikoo Dockyard's Hong Kong Island site had meanwhile been outgrown by the advent of large container shipping. In 1973, Taikoo merged with former rival Hongkong & Whampoa Dock, as Hongkong United



Betsy

Dockyards ("HUD"), moving to new headquarters at Hong Kong's container port.

The question of what to do with the vast acreage of the dockyard and refinery sites led to the creation of Swire Properties and the residential estate, Taikoo Shing, and retail/office complex Cityplaza were the first of a number of prestigious developments that redefined the commercial focus of Hong Kong. In 1974, the shell company left behind by the closure of Taikoo Dockyard became Swire Pacific Limited – a ready-made public holding company for the group's principal Hong Kong-based assets – while Butterfield's long-forgotten interest in the firm was finally laid to rest and replaced by a wider use of "John Swire & Sons", in line with the parent company.

The 1970s saw Swire take a stake in the burgeoning offshore oil and gas industry through the formation of Swire Pacific Offshore in 1975 and the acquisition in 1979 of specialist supplier of offshore equipment, EPD (now Swire Oilfield Services). Shareholdings were also acquired in the Papua New Guinea conglomerate Steamships Trading Company, and in tea trader, James Finlay.

Meanwhile, Cathay Pacific acquired its first long-range Boeing 707 aircraft and then its first wide-bodied aircraft, the Lockheed TriStar, enabling expansion of its route network outside Asia. In 1976, the airline began flying to Bahrain and in 1980 – following the acquisition of its first Boeing 747-200 – to London. Coming at the end of a long and acrimonious battle for traffic rights, it was seminal moment for Cathay, turning it at long last into a fully-fledged international airline.

Elsewhere, this period heralded Swire's first investments in the USA, where Swire Properties acquired substantial real estate for development in Miami, Swire Coca-Cola obtained its first bottling franchise at Salt Lake City, and, in 1982, freezer warehousing company United States Cold Storage became a wholly owned subsidiary.

In 1985 Swire Properties began development of Pacific Place, its flagship Hong Kong property, helping to formulate the company's ongoing strategy, replicated in Mainland China and the US, of creating strategically located, mixed-use developments connected to major transportation hubs. Swire Pacific meanwhile grew its trading businesses, with the acquisition of the Marathon Sports chain in 1983; retailing and wholesaling of sports and leisure shoes, apparel and equipment, as well as automotive trading, became key elements of its trading division.

The 1990s saw major investment in Mainland China, where in partnership with The Coca-Cola Company and the Chinese Government's foreign investment arm, CITIC, Swire Beverages began to develop soft-drink production facilities, after gaining franchises in seven provinces. Swire's aeronautical engineering arm, HAECO, also expanded its operations into Mainland China, as a means of offering more competitively-priced services to its customers, forming Taikoo (Xiamen) Aircraft Engineering Company ("TAECO") in 1993. In partnership with ICI, (which later sold its interest to the AzkoNobel group), Swire also began to manufacture Dulux paint on the Mainland.



Swire Properties' Taikoo Shing and Taikoo Place, built on land where Swire originally refined sugar, built ships, manufactured paint and bottled Coca-Cola.

Swire increased its stake in the regional aviation market through the 1990s, with shareholdings in Hong Kong airlines Dragonair and all-cargo carrier Air Hong Kong and in 1996, the group realigned Cathay Pacific's shareholding structure to increase the stake in the airline held by CITIC. This deal was seen as vital to securing Swire's place in Hong Kong's aviation industry beyond the 1997 Handover to China.

In Australia, meanwhile, John Swire & Sons added to its growing expertise in road transport with the purchase of Victorian bulk haulage operator Kalari in 1994, subsequently expanding the business to offer specialist storage and distribution services nationwide. In the late 1990s, JS&S built on its longstanding presence in Papua New Guinea, to become majority shareholder in national conglomerate, Steamships Trading Company.

In the Year 2000, JS&S increased to 100% its shareholding in long-term associate, James Finlay – a major tea grower and trader with



Wind farm installation vessel, *Pacific Osprey*, launched in 2013.



A lab technician at Argent Energy runs tests on a biodiesel sample.

ancillary interests in growing flowers and vegetables for the UK markets. The group subsequently turned Finlays into a leading supplier to the global food and beverage industry of tea, coffee and herbal extracts.

In 2002, Swire Properties signed a joint venture agreement to develop a major commercial and cultural complex in Guangzhou; the next few years would see Swire Properties invest in a succession of 'anchor' commercial projects in some of China's major cities. The company also established Swire Hotels to create and manage a chain of boutique and business hotels in Hong Kong and Mainland China.

In 2006, a further shareholder restructuring saw Cathay Pacific become a strategic partner to China's flag-carrier, Air China, with a shareholding of just under 20%. Dragonair became a wholly owned subsidiary of Cathay Pacific, operating under its own brand, but with Cathay management; Air China meanwhile acquired shares in Cathay Pacific from both Swire Pacific and CITIC.

The first decade of the new century also saw Swire grow its international cold storage interests. In America, United States Cold Storage continued to expand and in Australia, the group merged its interests in the sector under the national umbrella of Swire Cold Storage in 2004. Swire Pacific Cold Storage was formed in 2010 to develop the Mainland China market and was soon constructing the first of 13 large cold stores to be built by 2020, as the basis of a nationwide network.

The last ten years have seen increasing investment in companies with a "green" focus. These diverse businesses include Alex Fraser, Australia's pioneering construction and demolition waste recycler, and Swire Pacific Offshore subsidiary, Swire Blue Ocean, which installs offshore wind turbines. John Swire & Sons is now a major shareholder in Argent Energy, a UK company which produces biodiesel from waste cooking fat and oil, while Cathay Pacific has a strategic shareholding in a company that has pioneered the conversion of solid waste to bio-jet fuel.

The group has also continued to invest in Mainland China. In addition to its property and aviation interests, Taikoo Sugar has returned to refining there, after a break of over 40 years. China Navigation has just completed a massive fleet renewal programme, with some 40 multipurpose and bulk vessels constructed at Mainland yards, and Swire has increased its stake in China's food chain, with food distribution businesses and a bakery chain.

Swire today employs more than 136,000 people worldwide. With its diverse international portfolio, the group is a far cry from the trading business that began it all 200 years ago. Nevertheless, with the sixth generation of the Swire family at the helm of John Swire & Sons, it is still very much a family concern.

Our Evolution

1872

John Samuel Swire established **The China Navigation Company ("CNCo")** to operate services on the Yangtze River. Over the next decade and more, CNCo extended its network to the China coast and around the region and by World War II was one of Asia's leading shipping companies.



1881

The Taikoo Sugar Refinery opened in Hong Kong. This new business dovetailed with CNCo's shipping trades between Hong Kong and Mainland China, the Philippines and Taiwan at a time when local and regional demand far outstripped production capacity.



1907

Taikoo Dockyard & Engineering Company. While the original rationale was to provide a reliable local repair facility for the 'in-house' China Navigation and Blue Funnel fleets, the dockyard was the largest and most sophisticated shipbuilding yard in Asia – thanks to Swire's relationship with shipbuilder and business partner Scotts of Greenock. Taikoo was listed as a public company in 1959, and in 1974 its name was changed to Swire Pacific, providing a ready-made holding company for Swire's Hong Kong businesses.

1972

Swire Properties was established as a direct consequence of the planned closure of Taikoo Sugar and Taikoo Dockyard, when Swire's marine engineering business was transferred to the new Hong Kong container port. The event freed up a vast land bank for redevelopment on Hong Kong Island.



2016

In addition to its principal Hong Kong portfolios, **Swire Properties** has leveraged its expertise in developing and managing major mixed-use developments with projects in leading Mainland Chinese cities and in Miami, Florida.

A cold storage enterprise



1956

As part of a strategy to look for new business opportunities in Australia, Swire purchased shares in a refrigerated transport business with cold stores in Tasmania and Sydney and in **Frigomobile**, an interstate refrigerated trucking business. By 1967, these businesses were wholly owned and over the next 50 years Swire expanded its cold storage interests to become the largest operator in Australia.

1979

Building on its expertise, Swire acquired a 40% interest in **United States Cold Storage ("USCS")**, which became a wholly owned subsidiary in 1982; USCS expanded to become one of the top five public refrigerated warehouse operators in the States.



2004

Swire Cold Storage was formed with the merger of Swire's interests in this sector in Australia to provide a nationwide service offering.

2010

Swire recognised increasing affluence, a growing appetite for frozen foodstuffs and heightened awareness of food safety issues in Mainland China offered an opportunity in an otherwise undeveloped market. **Swire Pacific Cold Storage** was formed.



2016

Swire Pacific Cold Storage is developing a planned network of 13 large cold stores in Mainland China.



Growth of an aviation group



1940

Swire became agent in Hong Kong, Mainland China and Japan for Imperial Airways. Its marine businesses provided a blueprint for passenger and freight agency services and it was planned that Taikoo Dockyard would lend its engineering skills to aircraft maintenance in Hong Kong. In the event, World War II forced Swire to suspend these ambitions.

1947

Swire established **Pacific Air Maintenance & Supply Company ("PAMAS")** to provide engineering support at Hong Kong's Kai Tak airfield.

1948

Swire acquired a 45% stake in **Cathay Pacific Airways**, formed in 1946 by an American Roy Farrell and an Australian Syd de Kantzow.



1950

PAMAS merged with Jardine Air Maintenance Company to form **Hong Kong Aircraft Engineering Co. Ltd. ("HAECO")**. By 1975, Swire was majority shareholder in this listed company.

1967

Swire formed **Air Caterers Ltd.** in partnership with Hong Kong & Shanghai Hotels.



1990s

Cathay Pacific acquired shareholdings in two new Hong Kong regional airlines: **Dragonair**, and all-cargo carrier **Air Hong Kong**. A later redistribution of shares in Cathay Pacific and Dragonair increased the stake held by Mainland Chinese interests, securing the future of Hong Kong's aviation industry beyond the former British colony's 1997 Handover to Mainland China. **HAECO** expanded its operations with the creation of major heavy maintenance facilities at Xiamen, taking advantage of the rapidly developing Mainland Chinese aviation market.



2006

A further realignment of shareholdings ensured closer cooperation between the key players in the Hong Kong and Mainland aviation markets. As part of this reshuffle, Dragonair became a wholly owned subsidiary of Cathay Pacific.

2013

The **Cathay Pacific Cargo Terminal** opened at Hong Kong International Airport. With almost 40 years' experience in air cargo handling, Cathay Pacific's facility is capable of handling up to 50% of Hong Kong's annual capacity.



2014

HAECO became a global maintenance, repair and overhaul group following the acquisition of **TIMCO Aviation Services** (now known as **HAECO Americas**) – adding North American airframe, line services, engine overhaul and cabin solutions to its portfolio.

2016

Celebrating its 70th anniversary, **Cathay Pacific** has grown from humble beginnings to a world-class international airline.



A strategic partner



1965

Swire acquired **Hongkong Bottlers Federal**, its first Coca-Cola franchise. Hongkong Bottlers was located on land purchased from Taikoo Sugar Refinery, which provided the major ingredients for the business: sugar and water from its reservoirs.

1978

Swire entered the Coca-Cola market in the U.S. by acquiring a family-owned Coca-Cola bottling franchise in Utah.



1989

The Coca-Cola Company invited Swire to be a partner in the return of the brand to Mainland China after a near 40-year absence. Franchises were granted in seven major provinces. The partnership also saw Swire enter the Taiwan market.

2016

Swire Beverages has a franchise population in Greater China and an extensive part of the western USA of over 450 million people.



Maritime ventures

1952

After the loss of its traditional Yangtze River and China Coast trades, **The China Navigation Company** expanded its network to Australia, Papua New Guinea and the Pacific Islands.



1972

The merger of Taikoo Dockyard with Hongkong & Whampoa Dock led to the formation of **Hongkong United Dockyards ("HUD")**, a major regional ship repair and engineering group and Hongkong Salvage & Towage, the port of Hong Kong's leading service provider.



1975

Building on more than a century of shipping and tug operations and a breadth of knowledge and experience of operating in difficult trades, Swire entered the offshore oil support market, with the formation of **Swire Pacific Offshore**.

1979

As part of its strategy to invest in the energy sector, Swire purchased a Scottish container hire company to develop a niche providing cargo-carrying units to transport equipment to North Sea oil platforms. **Swire Oilfield Services** is today the world leader in its field.



2016

When John Samuel Swire established a fragile enterprise on the Yangtze in 1872, he would not have envisaged the growth and diversity of Swire's marine businesses. Today, these range from offshore support to subsea and windfarm construction, while China Navigation operates a global network of multipurpose liner, dry bulk and bulk logistics services.

A Family Business for 200 Years

The Swire group has been led by six generations of the Swire family, all direct descents of John Swire of Liverpool, supported by three generations of the Scott family and one non-family Chairman.



John Swire

(1793-1847)

Born in Halifax, Yorkshire, John Swire established a Liverpool import-export business in 1816. The company he founded is the parent company of the Swire group today.

Merchant

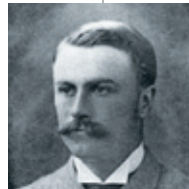


John Samuel Swire (The Senior)

(1825-1898)

John Samuel Swire transformed the small Liverpool business established by his father into a leading China coast 'hong' under the name of Butterfield & Swire. He diversified the business into shipping – forming The China Navigation Company and The Coast Boats Ownery – and also into sugar, building the largest refinery in the eastern hemisphere in Hong Kong.

Senior Partner
1847-1898



John Swire (Jack)

(1861-1933)

Jack Swire oversaw a major shipbuilding programme during the 1920s, swelling the China Navigation fleet to its largest yet.

Senior Partner/
Chairman 1912-1926



John Swire (Jock)

(1893-1983)

After World War II, Jock Swire guided the rebuilding of the firm's shipping and industrial interests, as well as its painful exit from Mainland China. He led the firm's diversification into aviation – Cathay Pacific Airways and HAECO – and into soft-drinks bottling, as well as cold storage ventures in Australia, and took a close interest in staff recruitment and development.

Chairman
1946-1965



Sir John Swire

(1927-)

John Swire's time as Chairman saw the birth of Swire Properties and of Swire Pacific Offshore and the rapid growth of Cathay Pacific Airways. He took a particular interest in the evolution and nurturing of the staff recruitment and development practices inaugurated by his father, Jock.

Chairman
1966-1986



Barnaby Swire

(1964-)

Barnaby Swire joined John Swire & Sons in Hong Kong in 1985 and transferred to London in 1994, becoming a Director in 2000.

Chairman
2015-



Partner
1851-1876

William Swire

(1830-1884)

Trusted deputy to his more commercially astute and driven elder brother, William managed the firm's Liverpool head office during John's prolonged absences overseas. Ill-health led to William's early retirement at 46.



Senior Partner
1898-1912

James Henry Scott (Jim)

(1845-1912)

Jim Scott's outstanding contribution to the firm was the establishment of the Taikoo Dockyard & Engineering Company, the site of which would later form the land bank upon which Swire Properties was built.

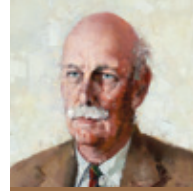


Chairman
1927-1945

Warren Swire

(1883-1949)

Chairman during a period of political turmoil, Warren Swire held the business together, forging closer links to Chinese businesses and pursuing a policy of localisation of management staff. His foresight, organisational abilities and dogged determination prepared the ground for the post-World War II reconstruction.



Deputy Chairman
1961-1966

John Scott

(1901-1972)

John Scott joined Butterfield & Swire in 1924 and was posted to a number of eastern ports. Appointed a Director in 1931, and with numerous responsibilities in London, his most invaluable role was that of intermediary between the strong-minded characters of Warren Swire and his nephew Jock.

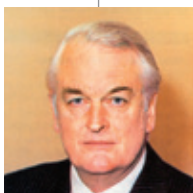


Chairman
1998-2002

Edward Scott

(1939-2002)

Grandson of James Henry Scott, Edward Scott was based for 30 years in Sydney and led Swire's investment in Papua New Guinea and the development of the group's cold storage interests both in Australia and in the USA. James Finlay became a subsidiary while he was Chairman.



Deputy Chairman
1966-1986
Chairman
1987-1997,
2002-2004

Sir Adrian Swire

(1932-)

Adrian Swire contributed significantly to the development of the group's aviation and shipping interests, to the re-establishment after 30 years of operating companies in Mainland China and to the smooth transition of the group's Hong Kong businesses through the 1997 Handover.



Chairman
2005-2014

James Hughes-Hallett

(1949-)

James Hughes-Hallett was the first Chairman drawn from the ranks neither of the Swire nor of the Scott families. During his chairmanship, Cathay Pacific Airways doubled its number of aircraft, the group's marine businesses expanded their fleets dramatically and Swire Properties became firmly established in Mainland China.



Chief Executive and
Deputy Chairman
2015-

Merlin Swire

(1973-)

Merlin Swire joined John Swire & Sons in Hong Kong in 1997 and was appointed a Director in London 11 years later.



Director
2015-

Sam Swire

(1979-)

Sam Swire joined John Swire & Sons in Hong Kong in 2003 and was appointed a Director in London in 2015.

Snippets from the Archives

Swire's Chinese name, *Taikoo* (太古), can be loosely translated as "Great and Ancient". The character *Gu* (古) represents "ancient", while the prefix *Tai* (太) puts it into the superlative form, so the full name, *Tai Gu Yeung Hong* (太古洋行), means something like "Most Venerable Foreign Company".

To Western eyes, the 太古 characters bear a close resemblance to 大吉, the "Big Luck" characters widely seen around Chinese New Year and it has even been speculated this was the original choice for Swire's Chinese name. Not so: the name *Taikoo* was chosen by Thomas Taylor Meadows – a British Consul in Shanghai when Swire opened an office there 150 years ago, in 1866. However, Meadows clearly did intend the name to be a clever visual "pun". It was a stroke of genius, because he gave a doubly auspicious name to the company that carries it: *Taikoo*, the "Great and Ancient", also suggests good luck.

Celebrating two centuries this year, Swire might be said to have grown into the label "venerable". Those years represent decades of experience in many of the businesses in the group's current portfolio – businesses that pride themselves on being amongst the most ground-breaking and innovative in their own fields. The China Navigation Company is over 140 years old; Cathay Pacific Airways celebrates its 70th birthday this year; the group has been involved in cold storage for 60 years, a Coca-Cola bottler for over 50 years, a leading property developer for more than 40 years....and so on....

Did you know?

Here are some interesting facts about Swire which you may or may not have heard before:



THE SWIRE FLAG

The Swire flag is a particularly recognisable one; perhaps it helps that the design is replicated on the "door-close" button in most elevators! The creation of a shipping company in 1872 first dictated the need for a house flag. When The China Navigation Company ("CNCo") went into operation on the Yangtze River, the trade was dominated by the powerful, American-owned Shanghai Steam Navigation Company. Undeterred, Swire's Senior Partner, John Samuel Swire, declared he intended to 'run the river' and the flag he designed threw down the gauntlet in no uncertain terms: Shanghai SCo's flag consisted of two blue triangles, apex to apex, on a white ground; CNCo's was to be identical – but red instead of blue. Perhaps John Swire decided this was a step too far? At any rate, at a meeting to review the design, someone used a blue pencil to sketch a wide vertical stripe through the centre of the flag, where the two triangles met, and the *hung bak lam* (red, white, blue) Swire flag we know today was born.

01



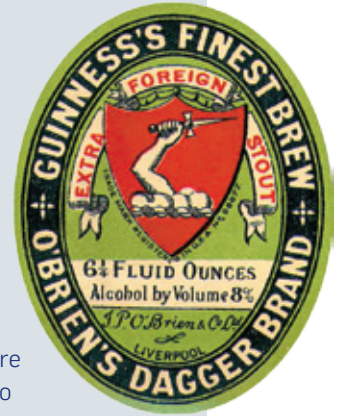
BUILT ON BEANCAKE

Though China Navigation began life on the Yangtze River, the company cemented its success in the 1870s and 1880s on the China Coast, where it took a virtual monopoly of the trade in "beancake". Produced in the north, in what was then Manchuria and shipped south to Xiamen and Shantou, "beancake" was the soya pulp residue from crushing soya beans to extract their oil. It was compressed into large, cartwheel-shaped "cakes", which were simply rolled on and off the ships through the side-port cargo doors that were a feature of CNCo's coasters. Beancake was in demand as a fertiliser in the fruit and vegetable growing areas of southern China; sometimes it was used as animal fodder – and when times were tough, fed humans too. Thanks to this trade, up until World War II, CNCo's coastal cargo steamers were still referred to as "Beancakers".

02

LEADING UK BOTTLER

Swire Beverages is one of the largest Coca-Cola bottlers in the world. Swire acquired its first Coca-Cola franchise, Hongkong Bottlers Federal, in 1965, but the group had a much earlier – and also highly successful – interest in beverage bottling. In 1869, Swire began to bottle and export beer to Australia from Liverpool under licence from major brewers, Guinness and Bass. The new business was managed by John Samuel Swire's cousin, Jonathan Porter O'Brien, and consequently named J.P. O'Brien & Co. Starting with Australasia, J.P. O'Brien expanded its market to include all of Asia and the Americas and became Britain's biggest export bottler – in 1882, exporting 29,000 cases of its most popular brand, *Dagger Stout*, to Melbourne alone. By the late 1880s, the Australian trade had declined, thanks to domestic competition, and Swire sold the business to the O'Brien family in 1894; the company continued to trade well into the 1990s.



03

WORKING FOR THE SWIRE \$

Once upon a time, Swire printed its own money. *Taikoo Tsng* ("Swire Bank") notes went into circulation in Shantou and its environs in 1882 – the year Swire opened an office at the Guangdong port. Shantou was at the centre of the company's coastal trade in beancake, but as the town did not have a bank, foreign trading *hongs* with interests there produced their own printed

'cash' – actually glorified 'chits', or promissory notes. *Taikoo Tsng* notes were available in denominations of \$50, \$25, \$10 and \$5. Issue and redemption were strictly regulated by the Shantou office, but in between, *Taikoo Tsng* banknotes passed from hand to hand just like regular cash. It is believed Swire was still honouring the notes into the 1930s.



04



TAIKOO'S CABLE CAR

From 1893-1932, Swire operated its own aerial cable car system at Quarry Bay in Hong Kong. Powered by a steam-driven winch, two open cars operating on a counterweight system carried passengers more than 2km uphill to *Tai Fung Au* (Big Wind Gap) – the high pass in the hills above. This was the site of the “Sanitarium”: a cool, high-altitude summer refuge for European (mainly Scottish) Taikoo Sugar Refinery and Taikoo Dockyard staff and their families during the sweltering, sticky months when bubonic plague regularly swept across southern China.

05



PIRATE PERIL

Before World War II, China was a notorious pirate hot-spot. Coastal and river steamers carried passengers on deck at very low rates, so it was all too easy for a pirate gang, with weapons strategically concealed, to simply buy tickets and mingle with the crowds. China Navigation vessels were pirated in Chinese waters 12 times between 1925 and 1939. As a result, iron bars and locked gates separated the main deck from the bridge area and saloon passenger accommodation on CNCo ships and squads of well-armed guards travelled on board. Standard issue for every CNCo officer were those cowboy favourites, a Winchester .44 repeater rifle and a Colt .45 revolver – with Smith & Wesson handcuffs to ‘clap in irons’ any captured pirates.



06

EARLY INNOVATION



07

Necessity was the mother of invention for the pioneering engineers of Pacific Air Maintenance & Supply Co. (“PAMAS”)– the aeronautical engineering company started up by Swire in 1947 and which morphed into Hong Kong Aircraft Engineering Company (“HAECO”) in 1950. An early innovation was this mobile engine test unit: a specially adapted truck with a rear gantry arm on which a propeller engine could be mounted. Instruments in the lorry’s cab monitored the engine’s performance as “PAMAS” technicians raced the throttle. It was a far cry from Hong Kong Aero Engine Services’ (“HAESL”) state-of-the-art test cell, capable of handling the largest turbo fan engines in commercial use today.

DELICATE CARGO

Cathay Pacific's first outpost office opened in Bangkok in 1953. Then, as now, live seafood was important airfreight from Thailand for the restaurants of Hong Kong; but in the early 1950s, to keep the tanks aerated, a man sat beside them on a stool, agitating the water with a stick. On one occasion, Cathay's 'Skymaster' DC-4 even carried an elephant from Bangkok; its handler tied live chickens to its forelegs to dissuade the animal from stamping its feet in flight.

08



PREFERRED BRAND



09

Automotive trading is a key business for Swire's trading division. It all began back in the late 1970s, when Taikoo Motors forerunner, Cannon, acquired a franchise for Volvo in Taiwan. Initially, to reassure doubtful local customers that the cars carried the Swire guarantee of quality – and much to the vexation of the brand-conscious Swedes – vehicles were sold with a Taikoo flag on the boot!

PARKING WHERE SHIPS ONCE DOCKED

Swire Properties was established in the early 1970s to undertake redevelopment of the more than 100 acres of real estate released by the closure of Taikoo Sugar Refinery and Taikoo Dockyard in Hong Kong. The area was redeveloped in phases as the residential estate Taikoo Shing, the business/retail centre, Cityplaza, and the office complex, Taikoo Place. Today, shoppers at Cityplaza will find little to remind them of the area's industrial and maritime heritage, apart from a commemorative stone recording the building of the dockyard's huge dry-dock – intended, when it opened in 1907, to accommodate the largest vessels then afloat. This stone can be found by the ground-floor entrance to the underground carpark – which is itself located within the former dry-dock.

10





At the prize presentation ceremony for the 10km Men's Master race: Champion Heung Man Ho from Cathay Pacific, 1st Runner-up JB Rae-Smith, Executive Director of Swire Pacific's Trading & Industrial Division and 2nd Runner-up Ho King Shu from HAECO.

Swire Intra-group Running Competition 2015

Building on the success of last year's inaugural competition, the Swire Intra-group Running Competition was held on 3rd October 2015 at Pak Shek Kok Promenade, at the Hong Kong Science & Technology Parks. It was a beautiful Saturday morning with perfect weather for running. Around 500 contestants from more than 20 Swire companies entered the competition, which included a 1km relay race and a 10km race open to teams and individuals.

In the 10km Individual and Corporate Team categories, Cathay Pacific was once again a big winner this year, with Fiona So, Jinko Takeshige, David Li and Heung Man-Ho claiming the titles in the

Ladies' Open, Ladies' Master, Men's Open and Men's Master categories. Cathay Pacific also claimed victory in the 10km Corporate Team category, but with runners from Swire Beverages and HAECO hot on their heels to win first and second runner-up positions.

Both Cathay Pacific and Swire Beverages shared the spotlight in the 3 x 1km relay. Cathay Pacific came first in the Ladies and Mixed category, while Swire Beverages won the Men's category. This year, a Senior Executives category was introduced, and the inaugural winners were Patrick Healy, Peter Mills and Tommy Chan – all from Swire Beverages.

Memorable Night at Ocean Park



Ian Shiu (left), Director of John Swire & Sons (H.K.) Limited and Honorary Advisor to SHKSA pictured with the lucky draw winners. The grand prize, a pair of Cathay Pacific business class return tickets to any regional destination, went to Connie Yang (second from left) from Cathay Pacific.

On 19th September 2015, close to 7,000 staff and their families and friends turned up for the Swire Hong Kong Staff Association's ("SHKSA") annual event at Ocean Park. The Park was filled with both laughter and screams, as Ocean Park staff dressed as ghosts and ghouls welcomed guests and encouraged them to experience the many haunted attractions on offer for Ocean Park's famed Halloween Fest, and revellers enjoyed themselves on a range of entertaining rides and other family-friendly attractions. Smaller children were able to have a mildly spooky experience in the Doraemon

Haunted House – a themed attraction based on the movie tricks of Doraemon, a much-loved robotic cartoon cat character.

As night took over, the entire park was reserved exclusively for Swire. The highlight of the event took place at the Ocean Theatre, where guests enjoyed a special dolphin performance, with a lucky draw as the grand finale. This annual event is one of the most anticipated events for Swire staff in Hong Kong. SHKSA was set up in 1949 to organise activities of different kinds to cater for the welfare needs of Swire staff.



Staff Director, Nick Rhodes, did the honours by drawing the lucky winners.



Children enjoying games at the Ocean Theatre.

Appointments

Two Group Staff Accountants joined John Swire & Sons (H.K.) Ltd. and are attached to the following companies:

Swire Properties (China) Investment Co. Ltd.

Penny Peng Rui

Taikoo (Xiamen) Aircraft Engineering Co. Ltd.

Alan Yu Cheuk Hung

Other appointments:

HAECO Group

David Kelly

joined as President, HAECO Americas.

John Swire & Sons Ltd.

Manuela Hayes

joined as Insurance and Finance Co-ordinator.

John Swire & Sons (H.K.) Ltd.

Cindy Fu Wing Man

joined Staff Director's Department as Assistant Manager Talent Development.

Brett Jason Lee

joined Staff Director's Department as Manager Talent Development.

Cynthia Lee Sze Wing

joined Group Public Affairs Department as Senior Group Public Affairs Officer.

Se Chea Yong

joined and was seconded to Swire Pacific Ltd. – Swire Foods Holdings Ltd. as Financial Controller.

Winnie Tam Sin Ming

joined and was seconded to Hongkong United Dockyards Ltd. as Commercial and Business Development Manager.

Swire Oilfield Services Ltd.

Teresa Soanes

joined as General Manager for Australasia.

Swire Travel Ltd.

Snowden Chan Siu Kei

joined Corporate Travel Department as Assistant General Manager – System and Business Development, Greater China.

Rex Liu Hon Lung

joined Finance & Administration Department as Senior Manager – Information Technology & Security, Greater China.

Wong Hon Kit

joined Corporate Travel Department as Leisure Travel Manager.

Taikoo Sugar Ltd.

Cherry Cheung Hiu Yee

joined Commercial Department as Assistant Product Manager.

Tsang Wai Kan

joined Commercial Department as Assistant Manager – Repair & Maintenance.

Liz Yeung Man Yee

joined Commercial Department as Category & Brand Development Manager.

Promotions, Transfers & Title Changes

Asia Miles Ltd.

Jenna Yu

has been appointed Market Development & Partnership Manager – North & Eastern China.

Cathay Pacific Airways Ltd.

Evelyn Chan

has been appointed Head of Environmental Affairs.

Jasmine Chan

has been appointed Assistant Manager Corporate Communication.

Gloria Chow

has been appointed Manager Cabin Crew Relations & Communications.

Gavin Haslemore

has been appointed Chief Pilot (Airbus).

Tim Hau

has been appointed Head of Planned Maintenance.

Yolanda Ho

has been appointed Manager People Development & Change.

Richard Jones

has been appointed Sales & Marketing Manager Australia.

Chris Kempis

has been appointed General Manager Flying Designate. With effect from 1st March 2016, he will be appointed General Manager Flying.

Scott McEwan

has been appointed People Manager UK.

Yin Qian

has been appointed Assistant Manager Customer Relationships Management.

Richard Reed

has been appointed General Manager Operations Enhancement Project.

Catherine Sin

has been appointed Manager Cebu.

Ruaraidh Smeaton

has been appointed Manager Brand.

Robert Weider

has been appointed Manager Operations Enhancement Project.

Jennifer Wong She

has been retitled Group Legal and Compliance Manager.

Ethos International Ltd.**Carol Jane Hamilton**

of Learning & Development Department has been promoted to Grade B as General Manager – Learning & Development.

HAECO Group**Patrick Lee Pak Hang**

has been transferred to John Swire & Sons (H.K.) Ltd. and was seconded to Damin Foodstuff (Zhangzhou) Co. Ltd. as Chief Financial Officer.

Mark Peterman

has been appointed President, HAECO Cabin Solutions.

Jose Pevida

has been appointed Senior Vice President of Engineering, HAECO Cabin Solutions.

Hong Kong Dragon Airlines Ltd.**Jason Choi Tung Chun**

has been appointed Manager Changsha.

Rob Holliday

has been appointed Manager Corporate Safety.

Wendy Kwok

has been appointed Head of Inflight Services.

International Automobiles Ltd.**Kira Li Biqi**

has been appointed Key Account & Sales Support Manager.

John Swire & Sons (H.K.) Ltd.**Nicole Cheung Chiu**

of Hongkong United Dockyards Ltd. has been seconded to Swire Pacific Ltd. – Swire Foods Holdings Ltd. as Category & Business Development Director.

Idy Ho Wing Yan

of Philanthropy Department has been seconded to Swire Pacific Ltd. – Group Finance as Accountant.

Denise Kwan Yin Lam

of Hong Kong Aircraft Engineering Co. Ltd. has been seconded to Swire Pacific Ltd. – Treasury as Treasury Manager.

Wayne Leung How Wing

has been transferred to Swire Properties Ltd. as Public Affairs Manager.

Swire Beverages**Jamie Morrison**

has been appointed Logistics Innovation Manager.

Swire Coca-Cola, Taiwan**Sam Sloman**

has been appointed Customer Logistics Specialist.

Swire Shipping (Agencies) Ltd.**Wartic Cheung Chung Wo**

of Commercial Department has been promoted to Grade D as Sales Manager.

Swire Travel Ltd.**Ivan Cheung Hon Wing**

of Corporate Travel Department has been promoted to Assistant Leisure Travel Manager.

Candy Lam Wai Wai

of Corporate Travel Department has been promoted to Corporate Travel Manager.

Wu Sui Kwong

of Finance & Administration Department has been promoted to Grade D as Senior Credit Controller.

Taikoo Sugar Ltd.**Chee Cher Keong**

of Sales & Marketing Department has been promoted to Grade B as General Manager – Trading & Distribution.

Helen Ho Shuk Man

of Commercial Department has been promoted to Senior Manager – Category & Brand Development.

The China Navigation Co. Pte. Ltd. – Melbourne**Antony Riley**

has been appointed Assistant Chartering Manager, Swire Bulk Division.

Retirement

John Swire & Sons (H.K.) Ltd.**Laiman Tam**

Managing Director of Swire Brands Ltd., retired in August 2015 after 28 years of service with the company.

Long Service

35 years

Swire Travel Ltd.

Kitty Chan Mei Lan

– Assistant Accountant, Finance & Administration Department

A long service medal presentation was held in Hong Kong on 8th October 2015 at The Bloomsbury Room, Butterfield's, Taikoo Place. John Slosar, Chairman of John Swire & Sons (H.K) Limited, presented long service medals to the following staff:



(Left to right)
Polly Im,
Candy Lee,
Doris Chung,
Kitty Chan,
John Slosar,
Winnie Chan,
Jackie Kwok,
Mak Tat Ming and
Winnie Lam

30 years

Swire Travel Ltd.

Winnie Chan Yin Ping

– Corporate Travel Manager, Corporate Travel Department

25 years

John Swire & Sons (H.K.) Ltd.

Maisie Chan Mei Ning

– Head of Finance, Swire Properties Ltd. – Swire Hotels

Margaret Lo Kar Wah

– Finance Manager, Finance & Accounts Department

Swire Shipping (Agencies) Ltd.

Winnie Lo Fung King

– Documentation Co-ordinator, Commercial Department

Christine Lai Sau Ling

– Accounting Supervisor, Finance & Accounts Department

20 years

John Swire & Sons (H.K.) Ltd.

Ashley Lee Pui Ling

– Treasury Accountant, Swire Pacific Ltd. – Treasury

Annie Wong Sau Ling

– Executive Assistant to Chairman, Private Office

Swire Travel Ltd.

Ivy Wong Yee Mui

– Accounts Clerk, Finance & Administration Department

Sue Liu Sui Yuk

– General Manager Finance, Cathay Pacific Airways Ltd.

Natalie Wong Pui Fong

– Secretary, Corporate Travel Department

15 years

Airport Limousine Services Ltd.

Ringo Chan Shu Wing

– Senior Limousine Services Supervisor, Control Team

Ethos International Ltd.

Cassandra Wong Siu Sheung

– Office and Training Facility Manager, General Management Department

John Swire & Sons (H.K.) Ltd.

Doris Fu Wing Yu

– Deputy Company Secretary, Company Secretary's Department

Tsang Lam Lee

– Deputy Company Secretary, Company Secretary's Department

Virginia Li Fun Mei

– Assistant to Group Accountant, Swire Pacific Ltd. – Group Finance

Alice Wong Chiu Yin

– Administrative Assistant, Finance & Accounts Department

Swire Travel Ltd.

Ida Leung Wei Yun
– Senior Corporate Travel Supervisor, Corporate Travel Department

Alice Lo Wai Mun
– Corporate Travel Supervisor, Corporate Travel Department

Miranda Ng Sau Ling
– Accounts Clerk, Finance & Administration Department

Maggie Poon Suet Ling
– Accounts Clerk, Finance & Administration Department

Kit Tang Kit Yee
– Projects & Management Information Officer, Finance & Administration Department

10 years**Airport Limousine Services Ltd.**

Gary Sun Yung
– Limousine Driver

John Swire & Sons (H.K.) Ltd.

Benjamin Cheng Tak Man
– Senior I.T. Auditor, Group Internal Audit

Raymond Leung Ka Man
– Commercial Manager (Line Maintenance), Hong Kong Aircraft Engineering Co. Ltd.

Noel Lok Wai
– Finance Director, Swire Pacific Ltd. – Taikoo Sugar Ltd.

Virginia Wong Wai Lan
– Office Assistant, Finance & Accounts Department

Henry Yao Jie
– Manager North China, Swire Pacific Ltd. – Swire Cold Chain Logistics (Langfang) Co. Ltd.

Swire Shipping (Agencies) Ltd.

Wartic Cheung Chung Wo
– Sales Manager, Commercial Department

Swire Travel Ltd.

Elsa Chan Hoi Shan
– Leisure Travel Supervisor, Corporate Travel Department

Jose Cheu Kit Yin
– Senior Travel Consultant, Corporate Travel Department

Betty Chui Kin Shan
– Corporate Travel Supervisor, Corporate Travel Department

Jessie Lam Hoi Yin
– Assistant Corporate Travel Supervisor, Corporate Travel Department

Janelle Lee Oi Yee
– Senior Quality Control Officer, Corporate Travel Department

Wylie Wong Chau Lin
– Senior Accounts Supervisor, Finance & Administration Department

Kiki Yeung Suk Ki
– Corporate Travel Supervisor, Corporate Travel Department

Rika Yip Po Yi
– Senior Ticketing Consultant, Corporate Travel Department

Wendy Yu Kwai Mui
– Senior Corporate Travel Supervisor, Corporate Travel Department

Marriages

William Arblaster of The China Navigation Co. Pte. Ltd. – Singapore married **Neena Deepak Daswani** in November 2015.

Thomas Rhodes of Swire Properties (China) Investment Co. Ltd. married **Kim Naomi Macnamara** in October 2015.

Richard Sell of Swire Oilfield Services Ltd. married **Sarah Wells Stick** in October 2015.

Mark Watson of John Swire & Sons (H.K.) Ltd. married **Sophie Swingewood** of Swire Properties Ltd. in October 2015.

Births

To **Christopher Bowden** of Swire Pacific Offshore – Singapore, and **Zahra**, a son, **Jack Cheikhna**, in September 2015.

To **Mark Celenk** of Cathay Pacific Airways Ltd., and **Jeanine**, a son, **Connor Blake**, in October 2015.

To **Elfreda Chow Chi Tung** of Swire Pacific Ltd., and **Cheung Hong Man**, a son, **Shun Yin**, in April 2015.

To **Jackie Lan Chang Ching** of Swire Pacific Ltd. – Swire Foods Holdings Ltd., and **Hsu Chiao Chen**, a daughter, **Pin Chi**, in July 2015.

Duncan Bluck, CBE

1927-2015



Duncan Bluck, who has died in his 88th year, played a central role in the transformation of Cathay Pacific Airways from a small regional carrier into a fully-fledged international airline.

Born in Shanghai, where his father was manager of the exclusive department store, Whiteaway, Laidlaw & Co., Duncan Bluck was sent to boarding school in England in 1939, just days before the outbreak of World War II; his parents were later interned in Shanghai. In 1944, at the age of 17½, he joined the Royal Naval Volunteer Reserve, seeing service in the Mediterranean and Far East.

After demobilisation in 1947, Bluck found post-war Britain a drab and austere place and applied to a number of companies with Far Eastern interests, including Swire. He was interviewed in London by J.K. Swire early in 1948 and flew out to Hong Kong by Sunderland flying boat soon afterwards. He spent the next five years in shipping – mostly in Japan, which was then still under military occupation.

On his first "Home" leave, Bluck got engaged and he and Stella were married in March 1952; thereafter, she became a strong support to him in his many official roles and together they were well-known for their hospitality and kindness especially to more junior staff, in whom Bluck would show genuine interest and by whom he was very ready to be amused.

In 1953 came a career-changing move, when Bluck was sent to Bangkok to open a new Cathay Pacific office – the airline's first outpost. At the time, the fleet consisted of just two DC-3s and one DC-4 Skymaster (registration VR-HEU). The latter aircraft operated a punishing schedule, flying Hong Kong-Bangkok-Singapore five times a week, as well as a weekly flight Hong Kong-Bangkok-Calcutta – causing a local travel agent to ask in all innocence why Cathay had "HEU" on all its aircraft.

In 1954, at the age of only 27, Bluck returned to Hong Kong to take up the post of Cathay Pacific Commercial Manager – then the most senior post outside engineering in the airline's hierarchy. One of the first successes of Bluck's regime was the acquisition of northbound routes out of Hong Kong. Soon after the war, the Government had allocated traffic rights for the southbound air routes to Cathay Pacific and awarded the northbound ones – to Mainland China, Taiwan and Japan – to Hong Kong Airways ("HKA"), a subsidiary of British Overseas Airways Corporation ("BOAC"). In 1955, however, with the loss of its Mainland market, HKA sold its fleet and chartered-out its traffic rights to the US carrier, Northwest, which operated a service from the States to Taiwan, and was thus able to extend its service down to Hong Kong.

His earlier stint in Japan had given Bluck an insight into that country's huge potential and he recognised it would become the powerhouse of Asia. He therefore appealed to the Government to surrender northbound rights to Cathay Pacific, unless HKA flew its own planes. After a half-hearted attempt to recreate the airline, BOAC swapped HKA for a parcel of Cathay Pacific shares in 1959 and – as Bluck had predicted – the Japan and Taiwan markets began to take off.

In 1962, Cathay Pacific acquired its first jet aircraft, the Convair 880M, and soon afterwards, formed a joint venture air catering company with the Peninsula Group. The Peninsula was already catering for Swissair – for whom Swire was agent – and Bluck wanted to get Cathay's catering onto the same professional footing. The partnership provided the impetus to take on catering for other airlines and led to the eventual development of Cathay Pacific Catering Services. Duncan Bluck joined the Board of Cathay Pacific Airways in April 1964.

In 1968, Bluck was posted to Nassau, to take over as Chairman of Bahamas Airways, which Swire in conjunction with P&O and Blue Funnel had acquired from BOAC. He remained there for two years, but despite many successful innovations to the airline the experiment was not a success financially, due above all the Bahamian Government's failure to honour the clear understanding that it would exclusively licence BAL (as the national carrier) to fly long-haul routes. In the end, Swire was forced to put the airline into voluntary liquidation.

Bluck returned to Hong Kong in January 1971 as Managing Director of Cathay Pacific in time to herald the arrival of the airline's first long-haul Boeing 707s in 1973 and then in 1975, its first wide-bodied aircraft, the Lockheed TriStar. The introduction of these aircraft enabled Cathay to expand its route network substantially and in 1976, the airline began flying to Bahrain, its first big expansion west. For Duncan Bluck, the move was a crucial stepping stone on the way to London.



The London route was Duncan Bluck's Holy Grail. Up to this time, British Airways had operated the route as a monopoly, but in 1980, Cathay Pacific – which was equipping with Boeing 747 aircraft – launched a challenge in conjunction with British Caledonian Airways ("B-Cal") and low-cost carrier, Laker Airways. After a series of acrimonious hearings before Hong Kong's Air Transport Licensing Authority, licences were granted to Cathay Pacific and B-Cal. But in a move that outraged the Hong Kong public, the CAA in London revoked Cathay's licence, on the basis that the DC-10 – B-Cal's choice – was a more suitable aircraft to operate the route. Swire immediately appealed to the UK Minister of Trade, who eventually licenced all three carriers as a political compromise. Receiving the news

overnight, Bluck and his team in Hong Kong were ready: when the shutters went up on the ticketing offices the following morning, huge banners proclaimed the message "Cathay Pacific flies to London!"

It was a decisive victory for the airline: within a year, the Hong Kong-London service had become a daily one and with Cathay's first trans-Pacific flight, non-stop to Vancouver in 1983, paved the way to new European and US West coast destinations through the 1980s.

On 1st January 1981, at the age of 53, Bluck was appointed to the role of Chairman of Swire's interests in Hong Kong. His taipan-ship included a period of substantial expansion for Swire Pacific, particularly in the Property Division. He also held a number of respected public roles, including Chairman of the Hong Kong Tourist Association and board member and finance committee member of the University of Hong Kong; he was appointed OBE in 1984.

In April 1984, Duncan Bluck retired from the East and joined the parent Board of JS&S in London. In this capacity, he remained heavily involved with Cathay Pacific and Swire Pacific's interests over the next 14 years, and in addition, took on outside responsibilities as Chairman of the British Tourist Authority and Chairman of the English Tourist Board; he was appointed CBE in 1990. He was also for many years Chairman, and latterly President, of the Cystic Fibrosis Trust. He retired from the Swire group at the end of June 1998, after a career spanning more than 50 years.

Upon hearing of Duncan Bluck's passing, James Hughes-Hallett recently wrote that "...he has always seemed invincible all his life and even during the latter years of having to struggle with illness he has appeared as with-it and with as ramrod straight a back as ever. He really was a giant in Swires and gave such a clear example of dedication, determination and attention to detail. When I joined the company in 1976 he had a reputation for absolute focus on the goal and not suffering fools too lightly...he was greatly respected within the company, perhaps by the Chinese staff in particular who admired his perfectionism and fairness of treatment, and in the broader Hong Kong community of which he was an important pillar and a much admired taipan...".

Duncan Bluck died peacefully, surrounded by his family, on 6th October 2015, after a long illness bravely borne. He is survived by his wife Stella and their children Penny, Beth, Ali and Michael.

Chris Ryder, OBE

1930-2015

His many friends around the group will be saddened to learn of the death of former John Swire & Sons Limited Director, Chris Ryder, who has died aged 85 years.

Chris Ryder joined Swire in 1957 after Charterhouse School and Worcester College Oxford and National Service in Korea. Following stints in shipping in Hong Kong and Osaka and as Cathay Pacific outpost manager in Bangkok, he was posted to Japan, where he spent six years in Tokyo and Osaka as Shipping and Kansai Manager. He returned to Hong Kong at the end of 1966 and was appointed General Manager of The China Navigation Company in 1968, becoming Deputy Chairman of CNCo, based in London, in 1978. In 1982, he returned to Tokyo as President of the group's interests in Japan – a role for which his earlier years in Japan had prepared him perfectly and at which he shone.

Ryder's tours of duty in Japan coincided with the rise and peak of the Swire group's interests in that country and he played an important role in building relationships with key figures in business and government circles. By the mid-60s, with China in the midst of the turmoil of the Cultural Revolution, Japan was becoming an increasingly important focus for Swire. The group's insurance business in Japan was growing and its trading arm, Swire & Maclaine, had a well-established presence in Tokyo. From 1964, when the Japanese government lifted restrictions on overseas leisure travel, Cathay Pacific started to make serious inroads into this market with its new jet fleet.

Shipping was nevertheless of paramount importance to Swire Japan and China Navigation's growing network of services between Japan and Australia, Papua New Guinea, Indonesia, New Zealand and the Pacific Islands led to alliances with some of the leading Japanese shipping lines. Notably, with long-term partner Mitsui, with whom CNCo would later form New Zealand Unit Express Line. In addition to CNCo, Swire held the Japan agency for many of the major shipping lines of the day, including the Ocean group's Blue Funnel and Glen Lines, as well as Blue Sea Line (another Ocean affiliate),



Cunard, Port Line, Crusader Shipping, Great Eastern Shipping, De La Rama Line and Matson Navigation, the pioneer of containerised cargo; P&O would later join this list. The relationships built in Japan with these players meant Swire was uniquely placed to participate in the first container shipping consortiums to operate in the Asia-Pacific region and they were therefore crucial to the group's long-term survival in shipping.

By Ryder's return to Japan in the early 1980s, Swire's growing interest in container shipping had led to new building contracts with leading Japanese shipbuilders, as well as associated investments in infrastructure, including terminals and container trucking. CNCo meanwhile pioneered and held a 20-year monopoly of the niche seminar cruise market out of Japan, with its passenger vessel *Coral Princess*. Chris Ryder was deservedly awarded an OBE for services to British commercial interests in Japan in 1986.

A man of great courtesy, tact and humour, who took a genuine interest in all those he encountered in the course of his working life, Chris Ryder was a perfect fit for the more "diplomatic" aspects of the role of Japan *taipan*. He was greatly attracted by Japanese culture and excelled at cultivating friendly relations with senior Japanese *zaibatsu* leaders, as well as with the British Embassy in Tokyo, and with the group's own Japanese staff; as such, he did much to cement the high reputation for integrity that the Swire group enjoyed in Japan.

Chris Ryder was appointed an Executive Director of John Swire & Sons Limited in London in late 1986 and Chairman of CNCo in 1988 and continued to advise on Japan and shipping matters up until his retirement in March 1993.

He is survived by his wife Gabriel and step-children Paul, Katharine and Emma.

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