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

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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Bicentennial celebration

Lengthy public transport delays due to flooding, as well as record crowds of voters polling for the Brexit referendum, failed to dampen the enthusiasm of guests at a luncheon held on 23rd June to celebrate John Swire & Sons’ 200th anniversary. More than 180 attendees – including staff, pensioners and shareholders – enjoyed the historic event, which was held at the Fishmongers’ Hall in the City of London and hosted by Swire group Chairman, Barnaby Swire, whose great-great-great-grandfather founded the firm.
This year marks two very significant milestones for Swire: 2016 is the 200th anniversary of the establishment in the UK of the group’s parent company, John Swire & Sons, and it is also 150 years since John Samuel Swire arrived in Shanghai in 1866 to open the firm’s first China office; soon afterwards, he gave his company the Chinese name “Taikoo”.

To commemorate the group’s sesquicentenary in China, Swire has commissioned a new Chinese-language history: “The Taikoo Way – Swire in China for 150 years”, compiled by Professor Stephanie Chung Po-yin of Hong Kong Baptist University. The book tells the story of how a small trading firm evolved into the global conglomerate it is today. After establishing the Shanghai branch, Swire ventured into shipping, insurance, sugar refining and dockyards; later, the firm developed world-renowned Cathay Pacific Airways, acquired a Coca-Cola bottling franchise, and diversified into property.

The story of Swire’s 150-year history in China is a testament to the group’s long-term business strategy and also reflects the many socio-economic changes in China over the period. Launch events were held in May at Bund 22 in Shanghai (a very significant venue, since this building was headquarters to Swire’s China businesses for many years) and in Beijing at The Opposite House, Taikoo Li Sanlitun. An exhibition showcasing key milestones, as well as a diverse collection of Swire group artefacts, accompanied both events.

Global CEO Council

In June, Merlin Swire, Deputy Chairman and CEO of John Swire & Sons Limited, met with Chinese Premier Li Keqiang during the fourth roundtable summit of the Global CEO Council at the Great Hall of the People in Beijing. Attended by the Presidents and CEOs of 15 multinational corporations, the themes of this year’s summit were the opportunities and challenges of China’s 13th Five-Year Plan. Mr Swire shared his views on the role of Hong Kong as a “super connector” in the One Belt One Road initiative, and discussed the significance of the aviation industry in enhancing connectivity between China and the rest of the world. The summit also saw the business leaders visit the headquarters of the Asian Infrastructure Investment Bank and meet with its President, Mr Jin Liqun.
Senior management appointments

John Swire & Sons Limited
Philippe de Gentile-Williams has been appointed Staff Director.

John Swire & Sons (H.K.) Limited
Clement Lam has been appointed Director.

Swire Pacific Limited
Sean Pelling has been appointed Director of the Office for Financial Planning.

Swire Pacific Trading & Industrial Group
Derrick Chan has been appointed Director Trading & Industrial.
Richard Sell has been appointed Director Trading & Industrial.

Samson Wong has been appointed Chief Executive Officer, Taikoo Motors Group.

Swire Pacific Cold Storage
Mike Hsieh has been appointed Director Trading & Industrial.

Cathay Pacific Group
Arnold Cheng has been appointed Director Corporate Affairs, Cathay Pacific Airways.

James Tong has been appointed Acting Chief Executive, Dragonair, while Algemon Yau is taking a leave-of-absence from his role as Chief Executive.

Swire Beverages
Karen So has been appointed Director Trading & Industrial.

Swire Properties
Kieran Bowers has been appointed Executive Vice President, Swire Properties Inc., and will be appointed President with effect from 1st January 2017, taking over from Stephen Owens, who will retire in December 2018, after more than 40 years of service with the Swire group.
Han Zhi has been appointed Director, Business Development, Mainland China, Swire Properties.
Elizabeth Kok has been appointed Director & Senior Advisor, Swire Properties.
Fiona Ma has been appointed Director, Marketing & Communications, Swire Properties.

Steamships Trading Company Limited
Michael Scantlebury has been appointed Finance Director.

The China Navigation Company
Chris Daniels has been appointed Chairman, Swire Properties.

Forecasting industry trends

On 25th May, John Slosar, Chairman of Swire Pacific and Cathay Pacific, gave a speech on major trends in aviation during a lunch hosted by Orient Aviation media group in Hong Kong. Addressing over 120 industry guests and media representatives, Mr. Slosar said that aviation will remain a force for economic and social good that creates job opportunities. He also touched on the trend for consolidation in the industry, as well as the rise of Mainland carriers amid huge growth in outbound tourism. Mr. Slosar concluded that aviation will continue to deliver value to shareholders, customers and national economies.

Farewell to Davy Ho

On 26th May, a lunch was held in Hong Kong to mark the retirement from the Swire group after 46 years of shipping veteran Davy Ho, whose most recent position was Senior Advisor, Mainland China, to Swire Properties.

Swire News

Sep 2016
2016 Interim Results

**Swire Pacific Limited**

<table>
<thead>
<tr>
<th></th>
<th>HK$M</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>30,075</td>
<td>-5%</td>
</tr>
<tr>
<td>Profit attributable to shareholders (underlying)</td>
<td>3,548</td>
<td>-27%</td>
</tr>
<tr>
<td>Earnings per share (underlying)</td>
<td>HK$</td>
<td>Change</td>
</tr>
<tr>
<td>'A' share</td>
<td>2.36</td>
<td>-27%</td>
</tr>
<tr>
<td>'B' share</td>
<td>0.47</td>
<td>-11%</td>
</tr>
<tr>
<td>Dividends per share</td>
<td>HK$M</td>
<td>Change</td>
</tr>
<tr>
<td>'A' share</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>'B' share</td>
<td>20.0</td>
<td>-11%</td>
</tr>
</tbody>
</table>

Underlying profit attributable to shareholders, which principally adjusts for changes in the valuation of investment properties, decreased by HK$3,938 million in the first half of 2016 compared to HK$3,559 million in the same period in 2015. The decrease in underlying profit reflects worse results from all divisions and the absence of profits from sales of units at OPUS HONG KONG recorded in the comparative period.

Attributable profit from the Beverages Division decreased by 28% to HK$538 million. Overall sales volume fell by 7% to 511 million unit cases. In Mainland China, the business was affected by slower economic growth and competition from new types of beverages. Sales volumes and profits fell in Mainland China, Hong Kong and Taiwan. The business in the USA continues to grow, with existing and new territories doing well. In February, a letter of intent was signed with The Coca-Cola Company (“TCCC”) to acquire additional territory rights in the states of Washington, Oregon and Idaho. In July, the acquisition from TCCC of distribution rights and assets in Arizona and Albuquerque, New Mexico was completed.

**Swire Properties Limited**

Underlying profit attributable to shareholders, which principally adjusts for changes in the valuation of investment properties, decreased by HK$3,579 million from HK$5,358 million in the first half of 2015 to HK$3,559 million in the first half of 2016. The decrease in underlying profit reflects lower trading profits from the sale of luxury residential properties in Hong Kong.

Underlying profit from property investment decreased slightly. This principally reflects a lower contribution from retail properties in Hong Kong and pre-opening expenses at Brickell City Centre in the USA. Aggregate gross rental income was little changed at HK$5,367 million. Gross rental income from office properties in Hong Kong and Mainland China and from retail properties in Mainland China grew slightly.

There was an operating profit of HK$525 million from property trading in the first half of 2016, compared to an operating profit of HK$1,025 million in the first half of 2015. Profits in the first half of 2016 largely arose from the handover of 226 pre-sold units at the Reach development in the USA and from the sales of units at the AREZZO development in Hong Kong.

The increase in operating losses of the hotel division principally reflects pre-opening expenses at EAST, Miami in the USA.

**Cathay Pacific Airways Limited**

<table>
<thead>
<tr>
<th></th>
<th>HK$M</th>
<th>Change</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>45,683</td>
<td>-9.3%</td>
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<tr>
<td>Profit attributable to shareholders (underlying)</td>
<td>353</td>
<td>-82.1%</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>HK$M</td>
<td>Change</td>
</tr>
<tr>
<td>Dividends per share</td>
<td>HK$M</td>
<td>Change</td>
</tr>
</tbody>
</table>

The Cathay Pacific Group reported an attributable profit of HK$353 million for the first six months of 2016. This compares to a profit of HK$1,972 million for the same period in 2015.

The operating environment in the first half of 2016 was affected by economic fragility and intense competition. There was sustained pressure on revenues, reflecting suspension of fuel surcharges, weak currencies in some markets, weak premium class demand, particularly on long-haul routes, and a higher proportion of passengers transiting through Hong Kong.

**Hong Kong Aircraft Engineering Company Limited (“HAECO”)**

The HAECO Group reported an attributable profit of HK$1,111 million for the first six months of 2016, which included a gain of HK$805 million on disposal of the interest of Hong Kong Aero Engine Services Limited (“HAESL”) in Singapore Aero Engine Services Pte Limited (“SAESL”). This compares with a profit of HK$254 million for the equivalent period in 2015. Demand for airline services provided by HAECO Hong Kong was less in the first half of 2016 than in the first half of 2015. Line services benefited from increased aircraft movements and more work being done per movement. More component maintenance manhours were sold in Hong Kong.

The operating profit of HAECO ITM Limited increased as services were provided for more aircraft, but increased finance charges resulted in reduced attributable profits. The profits of HAESL increased. More engines were overhauled and more work was done per engine. HAECO Americas made a loss in the first half of 2016 similar to that in the first half of 2015. The airline services performance was better, but fewer seats were sold.

The Group’s passenger revenue in the first six months of 2016 was HK$33,413 million, a decrease of 7.8% compared to the same period in 2015. Capacity increased by 4.2%, reflecting the introduction of new routes and increased frequencies on other routes. Load factor decreased by 1.4 percentage points, to 84.5%. Revenue was adversely affected by the suspension (from February) of fuel surcharges, which remained suspended for the rest of the period despite a subsequent rise in fuel prices. Yield fell by 10.1% to HK$4.3 cents, reflecting the suspension of fuel surcharges, strong competition and adverse currency movements. There was a significant reduction in premium corporate travel, particularly on long-haul routes.

The Group’s cargo revenue in the first six months of 2016 was HK$9,415 million, a decrease of 17.2% compared to the same period in 2015. The cargo capacity of Cathay Pacific and Dragonair increased by 0.6%. The load factor decreased by 1.8 percentage points, to 62.2%. Tonnage carried decreased by 0.2%. Yield fell by 17.6% to HK$1.59, reflecting strong competition, overcapacity and the suspension (from April) of fuel surcharges.
Taikoo Place redevelopment

Swire Properties has unveiled its design plan for the Taikoo Place redevelopment project – a HK$15 billion investment which will further elevate Taikoo Place’s status as a world-class commercial hub. A key highlight of the redevelopment is the addition of two triple Grade-A office towers, each spanning a gross floor area of one million square feet. The first tower, “One Taikoo Place”, is expected to be completed in 2018, followed by “Two Taikoo Place” in 2021. Both buildings will be linked to the existing eight office towers at Taikoo Place by elevated, air-conditioned walkways and surrounded by landscaped gardens with cascading water features and alfresco dining areas. Additional outstanding features will include the creation of “Taikoo Square” and “Taikoo Garden”, which will provide a total of 69,000 square feet of open space for the enjoyment of the community. Meanwhile, “Via Fion”, the popular landscaped area facing One Island East, will be renamed “Taikoo Park”.

Swire Hotels launches EAST, Miami

Swire Hotels has opened EAST, Miami, the anchor hotel in Swire Properties’ mixed-use development, Brickell City Centre, in Miami, Florida. Offering 352 guest rooms, with eight suites and 89 residence suites, the hotel brings to its guests distinctive views of the Miami skyline and Biscayne Bay and features destination dining, state-of-the-art fitness facilities and quality amenities such as walk-in rain showers. EAST, Miami is the third hotel launched by Swire Hotels’ Hong Kong-based EAST brand, after the successful openings of EAST, Hong Kong in 2010 and EAST, Beijing in 2013.

New PNG hotel

Steamships Trading’s property development arm, Pacific Palms Property, has partnered with Ok Tedi Development Foundation to build a new Cassowary Hotel in Kiunga in the Western Province of Papua New Guinea. A ground-breaking ceremony for the new 40-room hotel was held on 18th June. Pacific Palms Property is responsible for the design and construction of the hotel, while Coral Sea Hotels, Steamships’ hotel division, will operate the hotel following its scheduled opening in January 2017.

First A350 joins CX fleet

Cathay Pacific Airways’ first Airbus A350-900XWB aircraft entered service on 1st June; it is the first of 48 A350s scheduled to join the airline’s fleet. With its extra wide body, panoramic windows, quiet cabin and LED mood lighting, the aircraft offers a new standard of comfort and relaxation to passengers. Other features include enhanced seat comfort, huge overhead lockers and a new inflight entertainment system, equipped with a wider screen in all classes; internet connectivity is also available for the first time on a Cathay Pacific aircraft. The A350-900XWB’s state-of-the-art design and use of advanced construction materials, together with the latest generation Rolls-Royce Trent XWB engines, deliver a 25% improvement in operating costs and the A350 is also 25% more fuel efficient.

Cathay Pacific aims to use the A350 to operate more flights to destinations throughout its network and it will be deployed on long-haul routes – including London Gatwick and Düsseldorf – from the third quarter of 2016. (More on page 16)
New lounges

Cathay Pacific recently opened a new First and Business Class passenger lounge in Vancouver and unveiled its newly refurbished and expanded Business Class lounge, The Pier, at Hong Kong International Airport. A relaxed aesthetic is created by using warm, natural materials such as limestone and cherry wood, alongside softened acoustics and lighting and an abundance of plant-life. Both lounges offer comprehensive facilities for business travellers, as well as a range of dining options, including Cathay Pacific’s signature Noodle Bar, featuring Asian favourites.

Cargo service partnership

In May, Cathay Pacific and Lufthansa Cargo signed a cooperation agreement to work together on network planning, sales, IT and ground handling on routes between Hong Kong and 13 European destinations. Covering more than 140 direct flights per week, the joint network will bring greater flexibility and time savings to customers, alongside service enhancements, including one point for export drop off and import delivery. Both airlines plan to ship the first consignments under the cooperation framework from early next year.

Milestones for HAECO Xiamen

In April, HAECO Xiamen completed its 2,500th aircraft input since it commenced operations in March 1996 and in June, the company completed its 750th aircraft input for scheduled customer, Cathay Pacific Group. Over the past two decades, HAECO Xiamen has provided world-leading airframe services on more than 1,000 Boeing 747s, 250 Boeing 767s, 170 Airbus A330s, and 650 narrow-body aircraft, and the MRO has also completed 61 passenger-to-freighter conversions on Boeing aircraft and over 300 cabin modification projects for airlines and private jets from around the world.

Zen-like tranquillity takes flight

In May, HAECO Private Jet Solutions launched a new concept in cabin design for narrow-body aircraft at the European Business Aviation Convention & Exhibition in Geneva. “Zen” takes its inspiration from the Zen school of Buddhism, whose tenets are harmony, relaxation and balanced living.

The “Zen” design concept includes a free-flowing layout, with colours of the four seasons blended gracefully into the cabin’s living spaces. The essence of spring is captured in the lounge, with its light green furniture and cherry blossom motif; lotus flowers and a red carpet in the galley evoke summer. Chrysanthemums bring autumn tranquillity to the dining and tatami area, while pure white and plum blossoms offer a relaxing hint of winter in the bedroom.
USCS expands into new market

United States Cold Storage (“USCS”) has opened a new facility in McDonough, Georgia, offering 8.6 million cubic feet of warehouse and distribution space. Located within the Atlanta metropolitan area, the new facility has over 26,000 pallet positions, 33 truck doors and four rail doors serviced by Norfolk Southern railroad, as well as a secure 3D-spot drop lot. The McDonough site offers value-added services including repack, specialised case picking and order assembly. With the addition of McDonough, USCS offers a total of 261 million cubic feet of warehouse space at 38 facilities across 13 states.

Swire Foods expands presence in Chongqing

On 16th May, Swire Foods’ wholly owned subsidiary Chongqing New Qinyuan Bakery Company Limited (“Qinyuan”) opened a new bakery plant in the Jiulongpo district of Chongqing. Equipped with modern machinery and automated production lines that comply with the very highest environmental standards, the plant is the latest and biggest addition to the Qinyuan chain, supplementing two existing plants located respectively in Chengdu and Guiyang. The three plants together will supply a diverse range of pastries and bakery items to over 500 Qinyuan stores across southwest China.

On the same day, Swire Foods opened new regional headquarters in Chongqing, marking a new chapter in Swire’s food business in Mainland China. The move will enable Swire Foods to tap into the logistical advantages of the city as a regional hub, to satisfy the increasingly discerning tastes of Chinese consumers with a series of premium quality food products.

Bulk carriers named

On 19th May, The China Navigation Company (“CNCo”) named the last two in the current series of B.Delta39 handy-size bulk carriers built at Zhejiang Ouhua Shipyard at Zhoushan in Mainland China. MV Powan and MV Poyang were christened by Mrs Sarah Woodrow, wife of CNCo Managing Director, James Woodrow and Mrs Linda Bradley, wife of Swire Properties Chief Executive Guy Bradley; the ships are CNCo’s 234th and 238th new-buildings respectively.

On 27th June, CNCo named MV Taiyuan, its first Imabari Bari-Star 38,000 dwt log-fitted bulk carrier, at Imabari Shipyard in Japan. The Lady Sponsor was Mrs Rebecca Rae-Smith, wife of JB Rae-Smith, Executive Director of Swire Pacific’s Trading & Industrial Division. Taiyuan is the first of four handy-size vessels contracted by CNCo from Imabari, all to be delivered in 2016.

Pacific Legacy opens to public

Swire Pacific Offshore’s (“SPO”) Platform Supply Vessel, Pacific Legacy, was berthed at the waterfront promenade of Singapore’s VivoCity shopping mall, from 21st to 23rd April as part of the OSV@Vivo Open House organised by the Singapore Shipping Association. The rare opportunity to go on board an offshore support vessel was well received by members of the public, with more than 3,200 people visiting the vessel.
Swire Pacific Offshore subsidiary, Swire Blue Ocean, has signed a key contract with Siemens Plc. to provide a wind farm installation vessel for the installation of 84 Siemens 7MW WTG wind turbines in the Beatrice Offshore Windfarm, in the Outer Moray Firth, off the east coast of Scotland. The contract is just one of a number of projects in the pipeline for Swire Blue Ocean’s windfarm installation vessels, Pacific Osprey and Pacific Orca.

Clean water support
In June and July, heavy rain in Anhui Province in Mainland China caused severe flooding and affected drinking water supplies in the counties of Xiuning, Susong, Wuwei, Chaohu, Tongcheng, Shucheng, Zongyang and Feidong. To provide urgent relief to around 50,000 residents in the worst-affected areas, Swire Coca-Cola Beverages Hefei launched a “Clean Water 24” campaign, delivering more than 825,000 bottles of Ice Dew Water to local communities in need.

Cyclone relief efforts
In April, Swire Shipping donated US$10,000 to the Fiji Red Cross Society in support of its recovery work for those affected by Tropical Cyclone Winston. In addition to this cash donation, Swire Shipping provided free shipping and warehousing of aid relief cargo into Fiji. Its local agent, Pacific Agencies Fiji, provided manpower, warehousing and logistical support to assist in on-ground relief operations, including the distribution of essential supplies to remote islands and villages that were badly affected. Tropical Cyclone Winston hit Fiji in February this year, rendering tens of thousands homeless.

Recognitions for bottlers
In March, Swire Coca-Cola Beverages Zhengzhou won the “2015 Top Quality Cup, Coca-Cola Greater China & South Korea Region” at the Coca-Cola Technical and Supply Chain Annual Conference held in Changsha, Mainland China; the award recognises the bottler’s outstanding performance in quality assurance. In the same month, the bottler was named “Work Safety Standardisation Second-Grade Enterprise” by the Henan Provincial Work Safety Administration. Meanwhile in April, Swire Coca-Cola Beverages Shaxinxi was awarded “Excellent Foreign Company for Fulfiling Corporate Social Responsibility” for the third consecutive year by Xian Association of Enterprises with Foreign Investment.

LEED Gold Certification for Tennessee facility
United States Cold Storage’s ("USCS") Covington facility has earned LEED Gold Certification in the US Green Building Council’s Leadership in Energy and Environmental Design (“LEED”) programme. Completed in January 2015, the 9,010,000-cubic-foot dedicated ice cream storage facility is USCS’ first LEED-certified warehouse. Projects pursuing LEED certification earn points across several areas in sustainable design and construction practices. The Covington facility has implemented a range of energy-efficient technologies that have helped reduce the warehouse’s energy consumption by 32%. Other initiatives include the use of vegetated swales to reduce storm water discharge, native species landscaping to eliminate irrigation requirements and the installation of bicycle racks to promote alternative transportation practices and reduce vehicle emissions.

Outstanding people development
Swire Resources has won the Manpower Developer Award in the sixth Employees Retraining Board ("ERB") Manpower Developer Award Scheme in Hong Kong. The scheme was launched by the ERB in 2009 to recognise companies with outstanding accomplishments in manpower training and development. The award’s judging criteria include learning culture, resources planning, training and development systems, performance management, and corporate social responsibility in manpower development.

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Creating a Life Well Traveled

With the aviation industry facing a host of challenges on the eve of Cathay Pacific’s 70th Anniversary, Chief Executive Ivan Chu discusses how a new fleet of aircraft, greater offerings for passengers and more imaginative destinations will ensure long-term success.

When Cathay Pacific was founded as a small regional carrier after World War II, few could have predicted how strong a pivotal role it would play in the development of Hong Kong as Asia’s World City. But for Ivan Chu, Chief Executive of Cathay Pacific, the fortunes of the airline and its home city have grown hand-in-hand.

“Seventy years ago, I don’t think it was ever envisaged that Cathay Pacific would become the world-class network carrier we are today; but with Hong Kong’s growth as a manufacturing centre in the 1960s, through to becoming a major financial centre in the ’70s and ’80s, we have always been here. If you look at the city’s pillar industries – financial services, tourism, trading and logistics, professional and producer services – there are 3,500 regional headquarters here, making Hong Kong an important centre, and we have played a major supporting role in that,” he says.

Chu, who has worked for Swire for the past 32 years, was appointed Chief Executive of Cathay Pacific in 2014 and is also Chairman of Dragonair – soon to be rebranded as Cathay Dragon. In leading Hong Kong’s flagship carrier, he takes pride in its illustrious history and association with the city’s growth. Although the airline has had many triumphs over the years, it is now – like all airlines globally – facing a slew of challenges unique to our time.

“The whole industry is experiencing difficulty at present. Undoubtedly we’re seeing a good trend in lower fuel prices – which make up 30 to 40 percent of our costs – so that’s very welcome. However, the fluctuation in fuel price is volatile, which makes it notoriously difficult to manage costs overall. There is also a general softening in demand for passenger services and cargo, and this is directly related to the state of the global economy. If you look around the world, many of the major carriers – ourselves included – have had to scale down capacity to match present demand,” he says.

Indeed, with the World Bank revising its 2018 growth forecast for the global economy to just 2.4 percent, Chu feels that expedient measures are necessary to remain sustainable. “Cathay Pacific has always had the highest load factor in Asia Pacific. Last year it was 86 percent, but this year it dropped to 84 percent. Although this figure is high compared to our peers, it’s still a significant drop for us. The macro-economic situation has forced us to revise our own growth target from close to five percent to just above three percent.”

A further challenge Chu cites is the current geopolitical landscape.

“We have been watching the trend of sluggish demand gradually unfolding since the last quarter of 2015, and much of it can be ascribed to political events, specifically the US presidential elections, Australia’s elections and the unknown consequences of the UK’s decision to leave the EU. In times of uncertainty, businesses tend to invest less and hire fewer people, which in turn slows demand for travel and freight,” he says.

Outstanding products

Despite the ups and downs currently facing the airline, Chu is unshakably optimistic about Cathay Pacific’s future – both regionally and globally. Hong Kong is a major aviation hub, and this position places it at a great advantage for future development and for writing the next chapter in what Chu calls the city’s “story of connectivity.” A major step in that direction is the introduction of a new fleet of aircraft – Cathay Pacific’s first for more than 20 years.

With 22 Airbus A350-900s scheduled for delivery between this year and next, followed by a further 26 A350-1000s between 2018 and 2020, this mid-size long-haul aircraft will further Cathay Pacific’s ambition as an international network carrier. “Crucially, the A350 will advance our business model. Its lightweight design and composite construction allows Cathay Pacific to spread its wings by increasing our connectivity to more long-haul destinations,” he says.

Chu is confident that passengers will appreciate the new aircraft’s credentials: “It will be of tremendous benefit to our customers. The A350’s extra-wide cabin has windows affording panoramic views, better than what our peers offer? That must be replicated on the ground. In June this year, The Business Class Lounge at The Pier reopened at Hong Kong International Airport to great acclaim.

“It’s simply beautiful. Every time we invest in a new product, we ask ourselves three questions: what’s new, is it better than before and is it better than what our peers offer?”

For Cathay Pacific, providing outstanding products is very quiet, extremely comfortable and showcases vast improvements in Business Class, Premium Economy and Economy cabins, which will set a new standard for service of our airline. On an environmental level, it is also the best aircraft available on the market today, as it is more fuel efficient and generates fewer emissions. This is the aircraft of the future.”

The lightweight design and composite construction allows Cathay Pacific to fly to more long-haul destinations.

The A350’s extra-wide cabin has windows affording panoramic views, while relaxing interior aesthetics and state-of-the-art technology help take passenger comfort to new heights.
This lounge definitely ticks these three boxes,” Chu says. Accordingly, passengers have a lot to look forward to when they check in. “Just purely in terms of food and beverages, we’ve got some amazing offerings. Our Tea House serves carefully curated blends with refined dim-sum. The huge Food Hall dishes up everything from tapas and the Iberian Peninsula.”

Hub and spokes

With the A350 fleet and its First and Business Class lounges raising the bar ever higher for customers, Cathay Pacific is also launching new routes. Chu encourages people to think of Cathay Pacific’s network as a wheel. If Hong Kong is the hub, then more “spokes” are required around the globe.

This year, Cathay Pacific launched its first direct flight to the Spanish capital Madrid. Chu explains: “As well as being a major city that appeals to many passengers from Asia Pacific, Madrid is also the shortest route from Hong Kong to South America. In terms of cargo, Madrid is ideal for serving the huge demand in Asia for high-quality wine, Iberian ham, wonderful cherries and other produce. This strengthens the import-export business in our region, which is good both for Hong Kong and the Iberian Peninsula.”

An integrated future

Chu maintains firmly that the best is yet to come for the aviation industry. “The big story of our time is the rise of China. Last year, more than 100 million Chinese travelled abroad, and in five years’ time, the World Tourism Organisation is expecting this to rise to 200 million. In terms of inbound traffic, they are expecting 130 million people to visit Mainland China by 2020, whether as tourists, investors, traders or students. The emerging middle class in Southeast Asia – home to more than 600 million people – is also seeking to travel within the region, as well as to North America and to Europe. That is why it’s essential we look past this current volatility. Put simply, the continuous growth in passenger numbers can only be a good thing for Cathay Pacific.”

Summing up his thoughts on Cathay Pacific’s position on its 70th anniversary, Chu says. “We want to make this year special for our passengers and our staff. While the past should indeed be celebrated, we must keep the future in our sights so we stay relevant, offer service straight from the heart and continue to embrace innovation.”
A very personal history

Angharad McCarrick and Matthew Edmondson are professional archivists at Swire’s Hong Kong Archive Service (“HKAS”). They are responsible for the repository of the group’s priceless documents, film, photos and artefacts. Here, they discuss what fuels their passion for the past and the challenges facing archives in the future.

What does an archivist actually do?

Angharad: We help bring the past to life by creating a repository of memory for the future. The job itself can be hugely varied. One of the misconceptions about us is we’re constantly locked away in a room sorting through dusty old papers. This simply isn’t true. We do undertake traditional archive work, such as appraisals, cataloguing and preservation, but we also spend a great deal of time engaging directly with various companies in the group.

Matthew: I work with the aviation division and attend regular meetings with various stakeholders to assess – via presentations and interactive discussions – which documents they need to keep for historical reasons and what can be discarded. We also offer suggestions about how companies can make the most of our services.

Why did you choose a career as an archivist, and what do you enjoy most about it?

Angharad: What appealed to me was that an archivist’s role can be so varied and isn’t necessarily confined to just one industry. Something else that attracted me was that the role translates to other countries, which is why I chose to study an MSc in Information Management and Preservation. A qualified archivist possesses the skills to work in any industry, anywhere in the world.

Matthew: I’ve always been fascinated by history so, after completing my undergraduate studies, I worked at a local government archive in the UK, before returning to university to study Archives and Records Management. Since then, I’ve worked in corporate archives. Organisations can add value by assimilating their archives and business heritage into their identity, and I’m incredibly passionate about that.

What’s the most challenging aspect of your role as an archivist?

Matthew: With the rise of digital, there’s a real risk of there being an information ‘black hole’ because of constant technology and format changes. For example, if an in-flight magazine is only available as an iPad app, how do we go about preserving it for all time after the technology or app become redundant? This presents an exciting challenge for archivists everywhere.

What is your proudest achievement to date of your time with Swire?

Matthew: Being part of the team building the archive has been a great experience. In the five years since our establishment, we’ve gathered more than 3,400 standard archival boxes of documents and 3.59 terabytes of digital and born-digital material (i.e. material that originates in digital format, as opposed to material reformatted from analogue to digital). The setting up of Swire’s first purpose-built archives repository in late 2015 has also been a big achievement for us. It’s been wonderful that other firms considering opening their own archives have consulted us about how best to go about it.

How are the archives being used by people both inside and outside the organisation?

Angharad: Often we get inquiries relating to specific records — a legal document, for instance. We can give advice and assistance about how to access that document, how to interpret it in its historical setting, and how best to use it. And for some group companies, we form a key part of their induction training for new employees. A fascinating tour of our archives really helps instil in new joiners a sense of Swire’s business heritage.

Matthew: We get questions from researchers and members of the public as well. Recently I had an enquiry from a pilot about an image from a novelist in America whose grandfather travelled on a Butterfield & Swire-managed vessel. As part of her research for her latest work of fiction, she wanted to get a better idea about what that voyage from Hong Kong in the 1930s would have been like. She must have been pleased because she told me she would name a character in her novel after me!

What can we expect from the archives in the future?

Angharad: As well as finding a solution to the digital challenge, we want to help others within Swire companies to enjoy the collection. There’s a great opportunity to use this material in an immersive way — whether it’s for marketing, speeches, reports, events or presentations. There are also some companies we’ve only just touched upon, so there will be even more fascinating artefacts to emerge from the past.

For an archivist, this makes for an exciting future.

Do you have any anecdotes or stories regarding requests?

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early years of Cathay Pacific, and it turned out to be a picture of his father, who was one of the airline’s first pilots. When you get requests like this, you get a real sense of the personal value of what we do.
In May, Swire volunteers took part in a soap-making workshop and packaging session at St. James’ Settlement’s (SJS) upcycling centre. Their goal was to make and package 800 bars of soap using “recycled” Chinese New Year kumquats collected at Swire Properties’ managed buildings around Hong Kong.

The all-natural, handcrafted soap was donated to underprivileged families supported by the SJS’s People’s Food Bank, which helps people in need with temporary free food assistance. A special charity sale for Swire staff was also held, raising a further HK$83,360 to support this meaningful initiative.

Since 2011, Swire group volunteers have helped to produce “Swire Jam” from Chinese New Year kumquats in collaboration with SJS. This is the first year they have turned their attention to making Swire Soap and the initiative has been well received by the community.

The Jock’s Pot 2016 football match between Swire and Jardines took place on 19th March at the Hong Kong Football Club. Initiated more than 60 years ago by two staff members named “Jock”, one from Swire and the other from Jardines, the first game was played in 1953. The last fixture was held in 2013 and Swire took the trophy home.

This year’s competition attracted a squad of 16 players from all across the Swire group. With a smattering of support from both firms in the stands, Jardines applied early pressure and their persistence was rewarded with a goal during the first half of the game.

By the start of the second half, the Swire team had found their groove and were starting to play some elegant football. The breakthrough came from a testing corner, with Don Taylor from Swire Properties scoring their first goal.

Jardines’ occasional bruising tackles didn’t put the energetic Swire team off their game and in the dying minutes, Alex Style from Swire Beverages broke down the right flank with the ball, which was slammed into the back of the net by Jamie Coates from Cathay Pacific. The match ended with a 2-1 victory for Swire. Congratulations to the Swire team, who showed great character on the field and triumphantly retained Jock’s Pot.
Swire Pacific Offshore’s Country Manager, Angola, Alfy Weston, and travel journalist Oscar Scafidi, completed the first-ever source-to-mouth expedition along the Kwanza River in Angola in July. The trip was to raise funds for the HALO Trust, a UK-based NGO dedicated to creating safe and secure environments in war-torn communities by clearing landmines and war debris in 16 countries worldwide including Angola. Angola remains one of the most landmine-impacted countries in the world, after a nearly 30-year civil war that ended in 2002.

At 1,300km, the Kwanza is Angola’s longest river and it took the pair five weeks to navigate, using a combination of walking and paddling a foldable wooden kayak. During the trip, Alfy and Oscar also collaborated with the National Geographic project ‘Into the Okavango’ to record bird species along the river. The sources of the Okavango and Kwanza rivers are found alongside one another at 1,500m in the Bié Plateau of central Angola and the data collection from both trips provides the first log of bird species stretching 3,600km along the two river systems.

Alfy’s charity challenge has raised over US$23,000 in support of HALO Trust’s demining project near the source of the Kwanza River.

Tuen Ng Festival this year meant something more than rice dumplings for two John Swire & Sons (HK) Limited dragon boat teams, and the loyal support teams keeping them fed and watered and cheering them on to greater efforts.

As the team names suggest, the Swire Dinosaurs are senior staff members, whose key strength lies in their staying power, while the Swire Dragons are young Management Trainees, keen to flex their muscles and show off their greater speed. For this year’s race, some paddlers were dragon boat veterans, while others were newbies to the sport, so there were varied styles and levels of experience – but all shared the same Swire spirit to strive for excellence.

Both teams drew participants from a variety of different companies and locations, but despite the logistical challenges this presented, everyone made great efforts to get together to put in hours of diligent practice in the weeks leading up to the Sun Life Stanley International Dragon Boat Championships on 9th June. On the day, the teams competed neck and neck with the other challengers, with the Swire Dinosaurs demonstrating that age and experience do count, by earning a creditable place in the final and then posting a new JS&S record, with a race time of just one minute and 18 seconds.

Performance aside, the chance to enjoy a day on the water at Stanley Beach provided a rare treat for all involved.

The Dinosaurs and Dragons are already discussing their 2017 paddling strategies!