## A SHORT HISTORY OF BEER IN HONG KONG

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Beer arrived in Hong Kong even before Hong Kong became British. In the months before the opening of the First Opium War in late 1839, a fleet of British merchant ships lay anchored off Hong Kong island, there as part of the manouverings and squabblings between London and Beijing over the continuing import by the British of opium from India into China. The fleet was supplied in September that year with 'good beer', along with selzer water, 'moderately good French claret', bread pigs and poultry, all sent from Manila 700 miles away to the south: I not the last time Manila, Hong Kong and beer would be linked.

Indeed, it is arguable that if there had been more regular supplies of alcohol available in the Pearl River delta area, Britain might never have seized Hong Kong. One of the crucial events leading up to the start of the First Opium War happened a couple of months earlier, on 12 July 1839, when seamen from two sailing ships owned by the British trading company Jardine Matheson, sheltering in the natural harbour between Hong Kong island and the mainland, were on Sunday shore leave on the mainland, Kowloon side. They were joined by others sailors, British and American, and got stuck into the 'sam shu', san shao, distilled rice liqueur, in a Kowloon inn. When that ran out, it appears, they moved on to what was then the neighbouring village of 'Jianshazui', today the district of Tsim Sha Tsui, in search of fresh supplies. Several houses were raided by the sailors, a Taoist temple vandalised, a fight broke out with the locals, in which, according to one report 'many of both sexes, including children and women 70 years of age' were 'desperately wounded',2 and one villager, Lin Weixi, or Wei-hsi, was struck across the chest with a stick, dying the next day.<sup>3 & 4</sup>

The British Chief Superintendant of Trade in China, Captain Charles Elliot, effectively London's representative in the region, was with the merchant fleet, trying to negotiate with the Chinese over the opium question. He paid Lin's family 1,500 silver dollars, put up \$200 as a reward for evidence leading to the murderer's conviction, and handed out \$500 in general bribes to the locals. Elliot also held a court of inquiry into Lin's death on board one of the ships off Hong Kong. Five sailors were tried for the affray and found guilty of riot, but on the evidence as presented, no murderer could be identified. The British sailors blamed the Americans, who, they said, had drunk more of the *san shao*.

The Chinese High Commissioner in Canton (today Guangzhou), Lin Zexu (or Tse-Hsu), had been set in March that year by the Emperor of China, Daoguang, to stop the British bringing opium into the country, and had already destroyed more than a thousand tonnes of British opium. With the weight of a proud and ancient nation behind him, he demanded that the British hand over the murderer of Lin Weixi. Elliot refused to hand anybody over, saying it had not been possible to identify who struck the killer blow. In addition, Elliott knew that anyone who was handed over to the Chinese would quite likely simply have been summarily executed which would have caused outrage back in Britain. In retaliation for this refusal, an angry Lin Zexu ordered his countrymen not to supply the British ships with food or water, poisoned wells known to be used by the British, and told the Portuguese authorities in Macau, the Portuguese-owned settlement on the other side of the Pearl River delta, not to supply the British either, and to drive all British ships there out of the harbour. The Portuguese, who had been in Macau since 1557, complied with Chinese orders. (It appears that one of Lin Zexu's worries was that the dead man's ghost might take revenge unless appeased by a victim.<sup>5</sup>)

Lin Zexu's orders resulted in several skirmishes between British ships and the Chinese fleet in which a number of junks were sunk. The rumbling argument broke out into an official declaration of war in London early the following year, in large part to secure compensation for the opium destroyed by Lin, with 4,000 marines and four steam-powered gunboats sent to the Pearl River delta from Singapore. As part of the subsequent fighting, Elliot, apparently deciding that the Portuguese in Macau could not be trusted and Britain needed its own territorial base in China, seized Hong Kong island in the name of Queen Victoria. This de facto land-grab became de jure in August 1842 with the signing of the Treaty of Nanking that ended the First Opium War and handed Hong Kong officially to Britain.

It could, perhaps, be argued that if the sailors in Hong Kong harbour had had access to supplies of beer, they would never have gone drinking *san shao* in Kowloon, Lin Weixi would not have died, the Portuguese would not have been forced by the Chinese to bar the British from Macau, and the British would never have decided they needed Hong Kong as a secure home of their own to conduct trade with China from. On the other hand, the natural harbour between Hong Kong island and the mainland - quickly named Victoria Harbour by the British - was a prize worth seizing by anyone.

Whatever might have happened, on 26 January 1841 the British took physical possession of Hong Kong. By April 1842, even before Hong Kong's capture had been ratified by the Treaty of Nanjing, Alexander Matheson of Jardine Matheson was reporting that beer, porter and pickles were 'pouring into this market, ten times as much as a whole army could consume', with the company's newly built godown in Hong Kong 'full of the stuff'.6 Two years later, on May 1 1844, when the population of Hong Kong Island had soared from some 7,500 fishermen and their families to 20,000 people, an ordinance for licensing public houses 'within the Colony of Hongkong' was issued, with licences costing \$50 each (that is, 50 silver Mexican dollars, the trading currency in use at the time), increased to \$100 a year later.7

Quite likely the beer in Hong Kong was being drunk ice-cold, as it was in India and mainland China: an Austrian traveller, Ida Pfeiffer, talking about Canton in the 1840s, wrote: 'Portuguese wines and English beer are the usual drinks - ice, broken into small, pieces and covered up with a cloth, is offered with each'.8

In 1851 just 1,305 barrels of beer and ale were imported into HK from the UK: by 1866 this had increased to 11,977 barrels, worth £38,346.9 The British forces were particularly keen to ensure supplies of beer for the troops stationed in Hong Kong: a parliamentary select committee on 'the mortality of troops in China' in 1866 was told that without beer being available the troops would go into town and drink 'a deadly liquor called samshoo' (*san shao* again) which cost four pence for a 'reputed quart', a container the size of a wine bottle. However, the committee was told by Colonel William Sankey, who had commanded the 2<sup>nd</sup> battalion, 9<sup>th</sup> (East Norfolk) Regiment of Foot in Hong Kong in 1864/65:

When we were, in the middle of the summer, able to purchase porter or beer from the merchants in the town, we had in the canteen a large ice box, and we kept ginger beer and similar draughts, and the soldiers drank a great deal of iced ginger beer with porter or ale mixed with it, and at that time there was very little drunkenness among the men ... As long as good and cheap porter remained at the canteen the men always drank there and not in the town.[Sankey also told the committee that] acting on the advice of some of the old medical practitioners in Hong Kong [the men were given at night] a tumbler of beer and some cheese; and we considered that had a very beneficial effect on their health ... because at night, when the miasma and damp arises, if a man's stomach is full he will not suffer so much as he would do otherwise.

In 1867 one local importer Robert S. Walker was advertising Allsopp's ale, draught and bottled; stout from both London (Barclay Perkins) and Dublin (Guinness); and porter from the London-based bottler J.W. Bridges & Sons [Fig. 1]. 10 The same year 'Bass's Pale Ale, in pints', 'ex steamer *China*' was on sale in the colony, along with London stout in kilderkins, and 'J and R Tennent's ale and porter' 11 (sic - that should be Tennant's). In March 1868, Lane, Crawford & Co., a Hong Kong retailer founded in 1850 (and still in existence today), was announcing that its 'first parcel of Bass' October Brew has arrived, per *Chinaman*', 12

FOR SALE,
ULES MUMM & Co.'s CHAMPAGNE,
MUMM & Co.'s HOCK & MOSELLE,
qts. and pts.
Chillingworth's SHERRY and PORT.
CHAMBERTIN, WHISKEY.
WHITE & PRICE'S BRANDY.
ALLSOPP'S ALE, draught and bottle.
BARCLAY & GUINNESS' STOUT.
BRIDGES & SONS' PORTER.
ROB. S. WALKER & Co.
Hougkoug, November 20, 1867.

Figure 1. China Mail, 2 March 1868, p.1 - Allsopp/Barclay Guinness.

while in 1869 Walker now had draught ale from Younger's of Edinburgh as well. 13

By 1869 English beer 'of excellent quality' was being brewed in Shanghai, 900 miles north along the coast, by 'Messers Evans and Co., who during the season have sold between Shanghai and the outports over 50,000 gallons of beer', that is, about 1,400 barrels. 14 However, while it very well might have, there is no evidence that Evans's beer reached Hong Kong. (This mention of Evans's brewery, incidentally, knocks on the head the claim by Tsingtao to be the first Western brewery in China.)

The colony was importing 7,609 barrels of beer from Britain in 1875, worth £29,684. 15 Brewers from the United Kingdom continued to dominate Hong Kong's beer trade through to the end of the 19th century between October 1896 and September 1897, England and Scotland exported 7,686 barrels of beer to Hong Kong, worth £21,424, more than went to either New Zealand (5,076 barrels) or Canada (3,656 barrels).

The end of the 19th century, however, seems to have witnessed a complete change in Hong Kong's tastes, with British ales and stouts being replaced by lagers from other lands. As early as May 1876 Lane, Crawford was advertising Danish beer from the Tuborgs Fabrikker', Tuborg then being just three years old. Right underneath that ad in the *China Mail* was another declaring that the Tudor Ice Company would be retailing its 'natural ice' at one cent per pound: at least the

Tuborg could be drunk cold. 16 In 1886, beer from the Brauerei Zur Eiche in Kiel, North Germany was being advertised for sale in the colony.<sup>17</sup> By 1896 the Seattle Brewing and Malting Co. had opened an agency for China and Japan in D'Agulier Street, Hong Kong, and was selling 'Braun's "Export" Beer' 18 Lager beer from the Anheuser-Busch Brewing Association (brand unstated), presumably imported all the way from St Louis, was on sale in Hong Kong in 1899.<sup>19</sup> Two years later, in 1901, Hongkongers were being offered Kirin from Japan, 'a delicate lager', in quarts and pints, and El Capitan 'Pilsener beer' from the Pacific brewery in Tacoma, Washington, 20 as well as two more West Coast beers, Weinhard's from Portland, Oregon, and Rainier's brewery in Seattle, Washington.<sup>21</sup> In 1905 the *China* Mail carried an ad for 'Prinz Ludwig light Pilsener beer', and by 1906 Augustiner Brau and Kulmbacher Bier from Germany were available in the colony.<sup>22</sup> Meanwhile, by 1900, advertisements for British beers virtually disappear from Hong Kong's English-language newspapers.

Gradually entrepreneurs around the region were starting breweries to compete with imports from America and Europe. In 1891 Enrique Barretto, 'an old and wealthy resident', opened La Fabrica de Cerveza de San Miguel in the district of the same name in Manila, the first in the Philippines. The new San Miguel brewery was using brewing and refrigeration equipment from London, but making beer 'after the German system', specifically 'Culmbacher' beer to begin with.<sup>23</sup> The malt for the San Miguel brewery came from San Francisco via Hong Kong every 10 days, 'which will insure its being fresh'.

Malt passing through Hong Kong seems not to have inspired anyone in the colony to start a brewery locally for another nine years or so. In July 1900, however, it was announced by the *Straits Times* in Singapore that

a brewery has just been started by a company at Hongkong. The whole concern will be under the management of Mr W

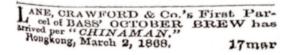


Figure 2. China Mail, 2 March 1868, p.1 - Lane, Crawford.

von Moslowsky, a well-known brewer, who has had many years' practical experience in brewing beer. The working capital is well over 5,000,000 dollars. The number of employès [sic] will be 120, of whom seven are foreigners. The output is estimated at 1,080,000 quart bottles per week.<sup>24</sup>

That 'estimated' output was equal to 7,500 barrels a week, or 390,000 a year, a wildly unlikely figure for a start-up in Hong Kong when the entire population, Chinese and European, only stood at around 284,000, and no more seems to be known of Mr Von Moslowsky. Indeed, he looks to be a figment of the *Straits Times's* imagination.

There was certainly no hint of a previous attempt at making beer in the colony in an item that appeared in the *China Mail* in August 1903 which reported that

We hear arrangements have been made to start a Brewing Company in Hongkong. As Breweries have been conducted successfully in Manila, Shanghai and in Japan for some years, there seems no reason why a similar success should not attend a Brewing Company in Hongkong, provided it is under able management. The amount of beer that is consumed in Hongkong in the course of a year must be tremendous, and the consumption is more likely to increase than decrease, in spite of the efforts of the Temperance Party.<sup>25</sup>

The concern the China Mail<sup>26</sup> had heard rumours about appears to have been the Hongkong Brewery Company Ltd., which held its first shareholders' meeting at 15 Oueen's Road, Central on 15 February 1904. The shareholders were told that the company intended to erect a brewery alongside the Metropole Hotel, on the then Shaukiwan Road (now King's Road) at North Point, some three miles east of what was then Hong King proper, and by what was then the seashore (land reclamation means that today's shoreline is some 250 yards further north). The company's chairman, Mr E.A. Meurer, said the land for the brewery had been bought from Sir Paul Chater, a leading Hong Kong businessman, for \$30,000 (that is, British trade dollars, the currency circulating in Hong Kong at the time, which were worth around two shillings each) along with the Metropole Hotel itself, which cost a further \$50,000. The site was 'practically the bed of a watercourse', which Sir Paul had agreed to divert at his own cost, building a nullah, the Hong Kong term (from Indian English) for a concrete-lined canal, to carry away the water.

Via that watercourse, an 'abundance of pure, good water, suitable for beer brewing purposes' ran through the site, Meurer told the shareholders' meeting,

samples of this water have been submitted to analyses, and have been pronounced to be suitable for the purposes of brewing good beer. Of this water, the company has an abundance for all its purposes, and beyond the expense of laying down pipes to convey it into our brewing vats and tanks it will cost us nothing.

There was also a reservoir at the side of the property and a little higher up, from which the company could draw as much water as would flow through a two-inch pipe, 'so that we are absolutely safe from a water point of view, even if our brewery develops in time into a very large concern'.

The company had been 'in communication with an experienced master brewer in Germany, with who we have arranged satisfactory terms,' Meurer said, and he was

ready to come out and attend to the building and fitting up of the brewery as soon as we are ready for him to come out. A few months would be sufficient to get our brewery up and at work turning out beer, and the brewer I have spoken of has the reputation of being an experienced brewer.<sup>27</sup>

The company was leasing the Metropole Hotel to a hotelier who had agreed to sell the Hongkong Brewery Company's draught and bottled beers, Meurer said, and he expected 'an ample market locally for all the beer we propose to build at first'. But 'what we need now is money. We want the rest of our shares taken up before we can put up our brewery and commence brewing'.

It seems the money never arrived in sufficient quantities: there is no evidence that any work on building the Hongkong Brewery began, let alone that it ever brewed any beer. On 12 July 1906 the land on which the Metropole Hotel was built was sold for \$26,000 at public auction to Mr Ley Sing-kiu. <sup>28</sup> On 16 August 1906 Mr F. Paget Hett, of Bruton and Hett, appeared before the colony's chief justice on behalf of the Hongkong Brewery Company Ltd. and asked for a winding-up order for the company and leave for it to go into liquidation. The petition was granted, with Messers Bingham and Lowe appointed liquidators. <sup>29</sup> The

Metropole Hotel (not to be confused with later hotels of the same name in Hong Kong) disappeared about the same time, and its site is now marked by the 26-storey Metropole Building at 416 King's Road.

About the time the Hongkong Brewery Company was folding, however, the Imperial Brewing Co. Ltd. was founded by a local trading firm, Barretto & Co., which itself had been established in 1895 by a couple of Portuguese businessmen, Messers A.A.H. Botelho and F.D. Barretto. Imperial Brewing was founded in 1905 and began operations in a converted house in Wong Nai Chung Road, Happy Valley, on Hong Kong island late in 1907. A government report in 1908 said the brewery's capacity was a substantial 76,400 barrels a year, and 'Large quantities of their products are being exported to the various ports in China'.<sup>30</sup>

A full and enthusiastic report was published on the brewery's operations that same year, which made it clear the brewery was producing lager:

An industry only recently started in Hongkong is that carried on under the general management of Messrs Barretto & Co by the Imperial Brewing Company Ltd, which was formed in 1905 and commenced operations in December 1907 as soon as the necessary plant had been erected. The premises are situated in the Wongneichung [sic] Road, and the equipment imported from America by Mr FJ Berry, the present works manager, and erected under his supervision, is thoroughly up to date and makes possible the latest scientific methods. The brewing master is Mr AF Weiss, a graduate of the USA Brewery Academy, under whom are employed about sixty men. In brewing beer, the first desideratum especially in a hot country like Hongkong is that a uniform temperature shall be maintained, and to facilitate this a refrigerating plant has been installed The famous Shevilier [Chevallier - MC] malt is used and it is first crushed and made into a mash. This takes place at a temperature of 140F, which is slowly raised in the course of an hour or so to 167F. An hour's rest is then allowed after which the liquid is drawn off and run into a copper kettle to which hops are added in the "woert" [sic]. The brew is brought to a boil for two or three hours, according to the brand of beer required, and is then ready for discharging into a hop jack. This is fitted with a false bottom, and the clear beer is then pumped on to a surface cooler, where it remains for an hour or two. It is then run over a Baudlet cooler, and while at a temperature of 36F, yeast is introduced. The beer is then aerated for from twelve to fifteen hours, when more

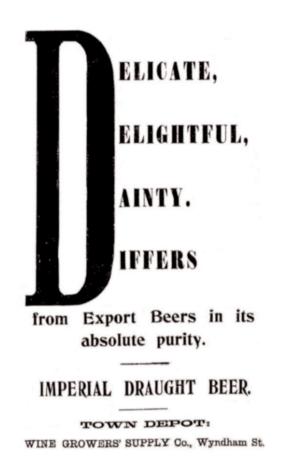


Figure 3. Imperial Brewery ad. China Mail, 24 January 1908, p.5.

yeast is added. The froth caused by the fermentation is removed, the skimming being continued until the fermentation ceases, this process lasting from three to eight days according to the strength required. The beer is matured in tanks for several months, and is then run into chip casks and re-charged with kreausen [sic - krausen]. Twelve or fifteen days later it is ready for filtration and casking or bottling. That intended for bottling is pasteurised to prevent deterioration and give it a palatable fullness. The brewery has an ample supply of good water from the public mains of the Colony, but to ensure a service in the event of this breaking down, a reservoir capable of meeting all requirements for several days has been erected. The beer brewed is of excellent quality as is evidenced by its already wide popularity.<sup>31</sup>

In June 1908 the *Chamber of Commerce Journal*, writing of the Imperial Brewery, said:

The Belgian Consul at Hong Kong reports that a brewery has recently been started there and is already doing an excellent business. The enterprise has been established with local capital, both European and Chinese. The beer which is brewed is of the light pale kind, and is sold both in casks and in bottles. The company makes its own casks. The beer has already met with such an excellent demand that a second brewery is in contemplation by American promoters. There is no doubt that if the Chinese acquire the taste for this beverage to the same extent as the Japanese have done, there is a great future for the brewing industry in Southern China, in which case a considerable demand will arise for the appliances and accessories required in brewing, as well as the ingredients of the beer <sup>32</sup>

The brewery manager is listed in Hong Kong's 1908 voters' list as Francis James Berry, living at the Connaught Hotel, and the same source names the brewery chemist, Adam F. Weis, who seems to have been living at the brewery, at 9 & 11 Wong Nei Chung Road.

However, its beers failed to impress the local consul of the Austro-Hungarian Empire, who wrote to Vienna in 1907:

In Wanchai in the past year the Imperial Brewery was put into operation, but their product has had very little response. Both flavour and clarity have much to be desired and should probably be blamed on the technical management of the company. The whole plant of this brewery, which is in makeshift accommodation in a former private house, points to the low capital strength of the owner.<sup>33</sup>

The Imperial Brewery quickly had a rival. The Austria-Hungary consul continued:

In contrast, in the New Territory, in Lai Chi Kok [in New Kowloon], a large brewery (The Oriental Brewery Ltd) was established, which is expected to start operation in June 1908 and is set for a preliminary production of 150,000 barrels. It is very gratifying that a company from the Fatherland has secured a contract to supply various valuable materials for its operation. The engines and boilers have been procured from England and Germany and from the home country of the founders, America.

In the past year hops and malt were imported only in modest quantities, as the production of a single brewery (the Imperial Brewery) meet only a small sale. Since, however, the nascent second, much larger brewery, Oriental Brewing Co Ltd, is reportedly expected to be operational in the course of 1908, a brisker demand for these two articles, in which our monarchy is undoubtedly competitive, will soon manifest.

(Rather tardily, the Hongkong [sic] Legislative Council never got round to passing a law allowing the licensing of breweries in the colony until May 1908,<sup>34</sup> just in time for the Oriental Brewery's opening.)

The 'American promoters' behind the Oriental Brewery were led by an Englishman, Alfred Hocking, who was born in Cornwall, England in 1852 and emigrated to the United States as a young man. After several years he moved to Hawaii where he ran a lumber mill and a sugar plantation before starting the Honolulu Malting and Brewing Company around 1898, building a brewery on Oueen Street in 1901 which became famous for Primo lager. The land for the brewery in Lai Chi Kok was acquired in the spring of 1907, being purchased by the Hong Kong architects Leigh and Orange on behalf of 'a large brewing firm who intend spending over a quarter of a million dollars on an up-to-date brewery'. 35 The master brewer was reported to be a graduate of the Brewers' Academy in New York, and its specialities were going to be 'draught beer and stout ... but beer will also be bottled for export'.36

"THE BEER THAT'S BREWED TO SUIT THE CLIMATE."
PURITY AND QUALITY GUARANTEED.



Can be obtained everywhere in the FAR EAST.

ORIENTAL BREWERY, LTD., HongkongBREWERS AND ICE MANUFACTURERS.

Figure 4. Oriental Brewery ad. Hongkong Telegraph, 21 November 1911.

The Oriental Brewery opened for business in 1908,<sup>37</sup> with a capacity of 100,000 barrels a year, using brewing equipment imported from the United States, including glass enamel steep tanks made by the Detroit Steel Cooperage Company.<sup>38</sup> It was evidently state-of-the-art: the equipment supplier, Fred Goetz of the Goetz Company of Chicago, wrote in 1912:

As an American manufacturer I am almost ashamed to say that the brew house we equipped with the fewest vessels for its capacity, the most convenient methods for handling water, steam and power, the best arrangement for the master brewer to observe all operations from one floor, the most modern mechanical and labor saving devices, the best materials and simplest and most efficient driving machinery, was installed far away in Hong Kong, China.<sup>39</sup>

There were rumours of yet another start up in the spring of 1908, when the British Beer Brewery was reported to be planning to establish branches in Singapore, Batavia, Bangkok and Hong Kong. 40 In the end, however, only the Singapore branch seems to have been built, opening late in 1908 and brewing Pilsen and Munchen lagers, and stout.

The Imperial brewery looks to have collapsed under the weight of either the new competition or its own failings, and by 1911 the Oriental Brewery was being described as 'the first successful brewery in Hong Kong', 'competing successfully with Japanese and Tsingtau [sic] beers'. (The Tsingtao brewery, still at that time operating under the name of the Anglo-German Brewery Co. Ltd., had been started in the eastern Chinese city of Oingdao in 1903. Oingdao, called Tsingtau in German, had been seized by the German Empire in 1897 for use as a naval base. The brewery, which had a fair amount of its equity owned by Hong Kong-based Britons, changed its name officially to the Tsingtao Brewery in 1915 as a result of Britain and Germany being by then at war. It was sold to the Dai Nippon Brewery Company of Japan in 1916, Qingdao having been captured from Germany in November 1914 by Japan, Britain's ally in the First World War.) The Oriental brewery, which had Hugo Charles Ehrenfels as its general manager (and the magnificently named Charles Bearwolf as company secretary), also had its own ice plant, 'competing for the ice trade with the Hong Kong Ice Co'. The ice plant which had a daily capacity of 25 tons, 'was furnished by the York Manufacturing Co, York, PA'.41

Hocking returned to Honolulu in 1910. Early in 1911 the Oriental Brewery's beer was on sale in Singapore, 1,600 miles away,<sup>42</sup> where those with a 'plebian taste' were recommended 'the excellent brands of the Oriental Brewery of Hongkong, who set themselves out to suit the Far Eastern taste in beer'. Its advertising slogan was 'The Beer that's Brewed to Suit the Climate', and one of its brands was 'Prima', echoing the Honolulu brewery's Primo brand.<sup>43</sup> The brewery had a visit from a group of tourists staying at the King Edward Hotel in March 1911, 'the first time that a direct attempt has been made to interest passing visitors in Hongkong's industries', according to the *Hongkong Telegraph*, which added: 'We hope the practice will become more general'.

Just 19 months later, however, in October 1912, the Oriental Brewery Limited was in liquidation. The receiver, S.T. Waterman of Des Voeux Road, Hongkong, told the *Hongkong Telegraph* that 'to the best of his belief' creditors would be paid in full, and there was 'a very good chance' that the brewery plant would be removed to Manila, in the Philippines, where there was 'plenty of room for a good brewery'.<sup>44</sup>

The whole business was put up for sale by the receiver early in January 1913, as a going concern. 45 It was described as 'the finest and most completely equipped Brewery, Bottlery and distilled Water Ice Manufacturing plant in the Orient', a two to four-storey building and two two-storey godowns (warehouses) sitting on a site 1,015 feet long and 175 feet deep. The equipment included a 150-barrel (American measure) copper kettle, a bottling plant capable of filling 80,000 bottles a day, corking and crowning machines, and 1,100 oak barrels, as well as two steam launches, the Aloha, 65 feet long, and the Oriental, 75 feet long, which came with an insulated hold 'for handling Ice, Beer and other cargo'.

It was announced early in March 1913 that the brewery had been purchased

by Mr Arratoon V Apcar of Messers Arratoon V Apcar and Co, Hongkong ... on behalf of a syndicate of which Mr Apcar is a member. There was at one time a likelihood that the brewery would be shut down altogether, but owing to the enterprise of the new syndicate, the fine plant will continue to work as before, and beer of an excellent quality will be placed on the local and China markets. It is the

intention of the purchasers to bring experienced brewers from Haiphong and other towns who will be able to improve the quality of the brew.<sup>46</sup>

Early in May 1913, rumours started circulating in Hong Kong that the brewery had been purchased by a firm in Manila. Arratoon Apcar, whose family were originally Armenian merchants, via Bombay, insisted to the *Hongkong Telegraph* that there was 'no truth whatever' in the reports, and he 'cannot imagine how the story got out'.<sup>47</sup> Just a week later, however, it was announced that the brewery plant had, after all, been sold to a syndicate from Manila, led by Antonio Barretto, cousin of 'Don Enrique' Barretto, the man who founded the San Miguel brewery. The Barretto syndicate had the Oriental Brewery's equipment dismantled and shipped from Hong Kong to the Philippines.

Enrique Barretto, who had left the brewing business, and had been working in the office of the clerk to the Supreme Court of the Philippines, was appointed general manager of the transplanted Oriental Brewery, which was re-erected in Nagtahan, in the San Miguel district of Manila. Enrique Barretto told the Manila Cablenews newspaper that he was 'highly pleased to get back into the brewing game', and an 'expert brewer with his assistants' would be imported from Germany to take charge of the brewhouse. The brewery plant had an annual production capacity of 14 million litres of beer - 85,500 imperial barrels - while its ice plant could make 130 tons of ice a day, Barretto said.<sup>48</sup> (The business hit a slight roadbump when local residents tried to get an injunction against it being built, but their case was dismissed by a Filipino court, the judge declaring that 'while the brewery might create a nuisance residential rights must give way to commercial interests'.49 In 1919, however, the Oriental Brewery was bought out by its near-neighbour, the San Miguel Corporation, owner of Don Enrique's original Manila brewery, and it later became the Royal Soft Drinks Plant.<sup>50</sup>)

The transplanting of the Oriental Brewery left Hong Kong once again without a brewery of its own, though the colony continued to import beer in considerable quantities: by the end of the 1920s around 17,000 barrels a year, on average were being shipped in. As early as 1922 in was being reported that Ruttonjee & Sons, a wines and spirits company set up by a Parsee from Bombay, Hormusjee Ruttonjee, who had come to Hong

Kong originally in 1884,<sup>51</sup> 'will open a new brewery' in Hong Kong.<sup>52</sup> However, it was not until 1930 that the Ruttonjees' plans seem to have crystallised with the formation of the Hong Kong Brewers and Distillers Ltd., with Jehangir Ruttonjee, aged 50, Hormusjee's son, as managing director and largest shareholder.

By November that year, work had started on a site for a new brewery at Sham Tseng - a name meaning 'deep well' - by the seafront on the Castle Peak Road, in the southern New Territories, and about 11 miles west of Kowloon. The equipment was being supplied by the Skoda Works in Pilsen, Czechoslovakia, home, as the new company pointed out, to the original Pilsen lager, and Skoda was also furnishing 'an expert brewer'.53 The water supply, from the hills behind the brewery site, had been checked by the government analyst in Hong Kong and also the Wahl-Henius Institute of Fermentology in Chicago. The new concern would make its own ice, selling any excess to the Hong Kong Dairy Farm Ice & Cold Storage Co. The plant would also have a distillery. making 930,000 gallons of alcohol a year, 'both for consumption and for industrial purposes', and the excess CO2 the brewery and distillery produced would be used for refrigeration and for carbonating fizzy drinks.



Figure 5. Jehangir Ruttonjee, 1908.

The new company was capitalised at \$8 million (British trade dollars), divided into \$10 shares, but

only 50,000 shares (\$500,000) are now being issued, as it is estimated that only this amount will be required for the formation of the company - including buildings, plant, machinery and working capital.<sup>54</sup>

The men behind the new concern included several of Hong Kong's best-known businessmen, Western and Chinese, among them Sir Elly Kadoorie, the biggest shareholder in China Light and Power, the local electricity company, whose family ran the Peninsula Hotel in Kowloon <sup>55</sup>

By June 1931 Hong Kong Brewers was declaring that the 'large area of sea front which the company is reclaiming is almost completed', and 'the necessary machinery has been ordered and is expected to arrive in the Colony shortly'. It also revealed that the architects for the brewery were the old-established Hong Kong practice Leigh and Orange. Brewing was expected to be under way by March 1932, and 'over a hundred hands will be employed when it is in full swing'.56 The next month the statutory shareholders' meeting was held, at which it was revealed that the capacity of the brewing plant, 'the latest and most up-to-date design' was 10,000 to 12,000 hectolitres a year, approximately 6,000 to 7,000 (imperial) barrels. The brewery plant was due to arrive at the end of December, and the ice-making plant at the beginning of January. The company had also purchased a 200kw emergency power plant. It was repeated that the entire plant 'should be ready to start operations in May 1932', and 'despite the adverse exchange rate, affecting as it does the purchase of raw materials, we hope to be able to offer our beer to the public at a much more favourable rate than could be obtained for imported beer'.57

Later that same July the architects, Leigh and Orange, leaked to the press the news that the new brewery was to begin operations on 14 May 1932, and work on building the brewery would start 'in a few days'. A large part of the building was to be insulated in cork, 'to guarantee a temperature of about 40 degrees Fahrenheit ... all the year round'. The 60-feet-high, two-storey brewery block would be a concrete shell on pile foundations, the machinery and ice-plant houses single storey, and the site would include a malt silo with a capacity of 180

tons, a bottling room, a cooperage and 'several other essential departments'. Annual output was '5,000 hogsheads' - 7,500 barrels - and the total cost was estimated at \$150,000.58

The architects were being optimistic: piling for the brewery foundations only started in November 1931, being completed three months later. The tender for building work was won by the suitably named local firm of Messers Hop Yick & Co., who started erecting the reinforced concrete brewery buildings in March 1932. By May the brewing plant had arrived but was waiting to be installed by engineers from Skoda. The ice-making machinery, supplied by the American firm York Shipley Inc., was also on site. The brewer, Mr V. Woitsch, a graduate Engineer Brewer of the Vienna Brewing Academy, was 'for many years technical and commercial director of one of the largest breweries in Pilsen', the Ceský plzenský pivovar (which traded as Svetovar, or the 'World Brewery'), and later state superintendent of breweries in Czechoslovakia, and his assistant brewmaster, F. Drapal, was a former managing brewer in Czechoslovakia. Meanwhile the company was still negotiating to purchase plant for its distillery and has hired 'an expert distiller and distillery engineer, who has been adviser to some of the largest distilleries in the United Kingdom', and who 'will arrive from Scotland this month' to take up his post.<sup>59</sup>

The distillery never seems to have actually started, but the brewery held its official opening ceremony in August 1933, an event attended by more than 600 prominent citizens from Hong Kong and Kowloon, driven out to the brewery site in more than 100 cars organised by the Hong Kong Hotel Garage. Catering -'teas, cakes, ices etc' was organised by Lane, Crawford in a large open matshed erected for the occasion between the brewery (itself decorated with bunting and hung with flags) and the sea, while music was provided by the Band of the South Wales Borderers. Mrs Borrett, the wife of the General Officer Commanding (that is, commander of British troops in China), Major-General Oswald Borrett, formally opened the doors of the brewery with a silver key (which she was allowed to keep), after which her husband gave a 'witty' speech. 60

The major-general was followed by speeches from the brewery chairman, Stanley Dodwell, another Hong Kong businessman, who had taken over the role four months earlier after the original chairman, Mr Warren, went home, and the managing director, Jehangir Ruttonjee. Dodwell assured the crowd that 'nowhere in the world is beer brewed in more beautiful surroundings', while the picturesque hills behind 'pour down to us a constant supply of ideal water for our purpose, water ... found to be equal in quality to, and just as suitable as, the Pilsen water itself, where the famous Pilsener beer is brewed'. 61

Some had declared that the brewery 'could hardly be declared a British undertaking. That criticism is quite unjust', Dodwell said. 'It IS British - it is going to brew British Pilsener beer'. He told the crowd that

when you have tasted the amber liquid our master brewers have prepared for you, and when we have shown you over the brewery, you will give us your encouragement and support not merely from a sense of duty, but on the merits of the beer we brew and the conditions under which we brew it. An inspection of the various sections of the brewery will convince you that nothing has been spared to make it a model of its kind - in its up-to-date equipment, in its hygienic conditions and in the personal cleanliness of every one of its employees.

Dodwell recalled the Victorian music hall song 'Come Where the Booze is Cheaper', and declared that the new brewery's HB brand beer, on draught and in pint and quart bottles, was just over half the price of the imported product.<sup>62</sup>

Ruttonjee's speech touched on one problem the brewery had had to overcome: the Hong Kong imports and exports department had no experience in assessing the duty to be paid on home-produced beer. However, the Superintendant of Imports and Exports, J.D. Lloyd, 'evolved a most satisfactory method of procedure under which, while the revenue is protected, the working of the Brewery is in every way facilitated'.63

In 1934 the brewery installed another 14 60-barrel aluminium maturing and fermenting tanks, and added a new bottle-washing room.<sup>64</sup> Unfortunately, macroeconomic matters way outside the company's control quickly brought it serious problems. It had paid for its plant at an exchange rate of 11.5 pence sterling to the British trade dollar, but when Britain left the gold standard in September 1931, the pound slumped more

than 30% against the trade dollar, to one shilling and three pence. At the same time, for political reasons - pressure from senators representing the seven electorally important western silver-producing states - the United States government had been buying silver, which dramatically increased the price of the metal, sending it up almost threefold between 1932 and April 1935.<sup>65</sup> Hong Kong and China were the last places in the world to still tie their currency to silver, and higher silver prices hammered their exchange rates. By the middle of 1935 the trade dollar was nearly two and a half times higher against the pound than it had been in 1930.

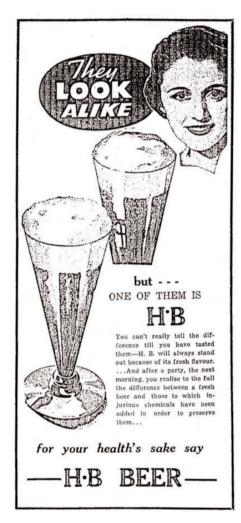


Figure 6. HB Beer. Hongkong Sunday Herald, 23 June 1935.

The rising value of the trade dollar made exports dear and imports into Hong Kong much cheaper, so that British beer was on sale at the same price as the local product, despite the cost of shipping it 12,000 miles by sea: the brewery's chairman, Stanley Dodwell, complained in June 1935 that 'had exchange remained anywhere near where it was when the Brewery project was started, we could have supplied the Colony with very much cheaper beer than that imported from anywhere else except perhaps Japan' .66 At the same time,

export is now quite out of the question, and the cheaper dollar price of all imported beer has of course necessitated a big reduction in our prices. Nobody could have foreseen these violent fluctuations, which were entirely due to outside influences and world economic conditions

## Dodwell said.

Attempts to find an export market were also hurt when some of the brewery's beer turned cloudy. 'It is extremely difficult to prevent non-chemically beer becoming hazy in a humid tropical climate', Dodwell told shareholders in June 1935.

Every precaution was taken with our pasteurising plant to obviate this possibility, but unfortunately it failed us. This defect has now been remedied and acting on the advice of the leading brewing research institutions, we are satisfied that the difficulty has now been overcome and that there is now no better, purer beer of its kind brewed in the Far East. <sup>67</sup>

Ironically another of the brewery's problems had been caused by its being far more successful in getting people to return its beer bottles than anticipated. A contract for bottles had been entered into 'far in excess of our requirements', Dodwell admitted, after 80% of empty bottles were returned to the brewery, instead of the 25 to 30% anticipated.

As a result of its problems, the brewery made a loss for the financial year of nearly \$138,000, Dodwell told the shareholders meeting in June, most of it interest on its overdraft and depreciation. He attacked the Hong Kong government for its lack of support, saying that at one point, because of the exchange rate, the brewery had been paying more in duty on its product than imported beer paid. While that had been altered, the change merely mean that the duty on the Hong Kong brewery's beer

was now exactly the same as the duty on imported beer. Dodwell pointed out that in the Straits Settlements, locally brewed beer paid only 7/10<sup>ths</sup> the duty imported British beer did, which in turn was less than the duty on foreign beer.

In an appeal to the Hong Kong public, Dodwell said the colony and its industries

are passing through what can only be described as critical times - times, indeed in which I feel that we should all stand together. I therefore confidently appeal to the public for increased support. This can be given at no extra cost at all, for during the year we have made two reductions in our prices.

These were now, after the allowance for the return of empty bottles, \$14.06 per case of 72 pints and \$15.16 per case of 48 quarts. 'Appreciating, as I do, the sporting instincts of the Hong Kong public, I refuse to believe that we shall appeal to them in vain', Dodwell said. He added that 'our beer can now be obtained on draught at the principle clubs, hotels and restaurants in the Colony, and the demand for it has been most satisfactory'. 68

The company was cutting costs, Dodwell said - it was moving its offices from Duddell Street in Central on Hong Kong island to the brewery at Sham Tseng, and the directors had agreed to forego three quarters of their fees. He praised the managing director, Jehandir Ruttonjee, 'who as you know is by far the largest shareholder', and who, Dodwell said, 'has rendered the company invaluable help. His optimism and faith in the future of the Brewery have led him to place his resources at the Company's disposal to an extent which I feel very few shareholders realise'.69 However, the bank overdraft was weighing heavily on the finances, and 'some form of reconstruction in the near future will be essential', Dodwell warned. But an appeal to shareholders to subscribe to a new issue of \$200,000 received a response that was 'almost negligible', and the decision was made to wind the company up.<sup>70</sup>

Early in December 1935 it was announced that the brewery was going into voluntary liquidation, its collapse 'in direct consequence of violent exchange fluctuations'. However, 'it is planned to carry out a reorganisation scheme and meanwhile the company's business will continue as usual'. The *Hongkong Telegraph* reported that

its product, HB Beer, has not secured the patronage locally that was expected, but recently it was announced that the earlier troubles experienced in all newly established breweries had been overcome. Since that time there has been much favourable comment on the high quality of the Company's beer.

At an extraordinary meeting on 11 December to wind up the company, chairman Stanley Dodwell complained that after being hit by the plunge in the pound,

we commenced marketing our beer when exchange was favourable, but, just as we were getting into our stride, America's silver policy drove exchange up to so high a level that not only had our prices for the local market to be reduced to an unprofitable point to compete with imported beer but our plans for export business were frustrated.<sup>72</sup>

Ironically, the previous month China had finally untied its currency from the price of silver. A month later, and a week before the meeting that saw the winding up of Hong Kong Brewers and Distillers Ltd., the colony followed, finally abandoning the silver-based British trade dollar and pegging its currency to sterling (and introducing the Hong Kong dollar). The move came too late for the Sham Tseng brewery. Including depreciation and interest, the company had lost '3 lakhs of dollars' - \$300,000 - in two years of working, Dodwell said, and when its overdraft with the Hongkong and Shanghai Bank reached \$110,000, the bank demanded that 'a substantial reduction to be made in it'. 74

The following year, Jehangir Ruttonjee incorporated a new firm under almost exactly the same name, the Hong Kong Brewery and Distillery Ltd., and bought the Sham Tseng brewery from the liquidators, again taking up the post of managing director. The revived operation was sufficiently organised to send an entry to the Brewers' Exhibition in London in November 1936, where Hong Kong beers competed against others from South Africa and Canada, as well as more than 700 entries from British brewers.

The bottles the brewery used were embossed with its name, and on several occasions it summonsed local soy sauce retailers for using its bottles to distribute their sauce in.<sup>77</sup> Ruttonjee told magistrates that the company put regular advertisements in the colony's English and Chinese papers warning people against refilling the

Maltfrom the British Commonwealth is the basis of this Bear



More people are drinking Blue Label

BREWED & BOTTLED BY

HONGKONG BREWERY & DISTILLERY, LTD.

Figure 7. HB Brewery Blue Label lager. Hong Kong Sunday Herald, 9 June 1940.

brewery's bottles with their own products. The bottles could be returned to the brewery's depots in Duddell Street or Canton Road, Kowloon or its agents, and refunds were three cents per pint bottle, or four cents for a quart bottle.

In August 1939 the brewery celebrated its sixth anniversary, with a lengthy write-up in the *Hongkong Telegraph*. The *Telegraph's* report revealed that the malt for brewing came from Australia, Canada and Europe, and the hops from Great Britain and 'the Continent'. It described the landscaped garden, with flowers laid out to depict the words 'H.B. Brewery'; the dormitories for the Chinese staff, 'built on the plan of semi-European flats', with messrooms and cooks; and the separate

quarters for the 'female operatives' who worked in the bottling hall. The women workers 'live like girl students in a school dormitory' under a matron who was also the forewoman during working hours. All the female workers in the bottling hall were required to have 'a complete tub bath' twice a day, before starting work in the morning and again in the evening when they left for their quarters. <sup>78</sup>

The Irish Jesuit Fathers who had a study house not far from the brewery, held religious services on the brewery premises every Sunday. Many of the Chinese staff were recruited from Sham Tseng and other villages in the neighbourhood, and 'the ideal living and working conditions at the Brewery have provided an incentive for them to improve the general lot of their relatives at home. Knowledge of hygiene is thus disseminated into remote households', the *Telegraph* wrote. The brewery also had a 'well-equipped dispensary' which 'under the direction of the Government Medical Department', provided free medical treatment and a midwife for the surrounding villages. The brewery had also undertaken anti-malarial work, 'and the result is already seen in the improved health of the local inhabitants', the Telegraph said 79

The start of the Second World War seems not to have damaged the brewery's ability to get raw materials too much, since it was still advertising its Blue Label 'British Brewed' lager inside the Hong Kong Sunday Herald on 9 June 1940 when the front page of the newspaper was full of the evacuation of the BEF from the beaches of Dunkirk. At the same time Japanese beer was still being advertised in Hong Kong newspapers. But on 8 December 1941 - in the centenary year of British occupation - four hours after the Japanese had struck at the American fleet in Pearl Harbour, Hong Kong found itself in the front line, when the 20,000-strong 23rd Corps of the Japanese Army threw itself at the 10,000 British and Commonwealth troops defending the colony. The Battle of Hong Kong lasted until Christmas Day, when the British finally accepted the inevitable and surrendered.80

Jehangir Ruttonjee avoided being interned in Stanley Camp after the Japanese victory, though he supported the smuggling of food parcels into the camp, where Indians were interned along with Britons, Canadians and other nationalities, and he housed nearly the entire Hong Kong Parsee community in his home, Dina House, in Duddell Street. Ruttonjee and his son Dhun were badly tortured by the Japanese after they refused to encourage members of the Parsee community to collaborate with the occupiers. Meanwhile the Hong Kong brewery was one of a large number of local businesses, including Lane Crawford's department store and the Hong Kong Ice Factory in Causeway Bay, that were 'taken over' by the occupying Japanese under the new governor, General Rensuke Isogai, with the brewery apparently 'farmed out' by Isogai himself to a businessman from Osaka called Inouye Yahei. 4

Japanese authority in Hong Kong lasted until August 1945, when, after the atomic bombings of Hiroshima and Nakasaki, Japan agreed to end the war on the Allies' terms. A British fleet under Rear Admiral Cecil Harcourt arrived in Victoria Harbour on 30 August 1945, and the Japanese forces in Hong Kong formally surrendered to Admiral Harcourt on 16 September.85 Four days before that, on 12 September, Jehangir Ruttoniee, 'accompanied by Royal Navy officers', had travelled out to the Hong Kong brewery to see what sort of state it was in. Ironically, the worst damage had been caused by the United States Air Force 'some months' earlier, when a bombing raid in the near vicinity had scored hits on the brewery site. The China Mail reported that 'some barrels of recently brewed beer' were discovered by Ruttoniee and the RN officers, indicating that Yahei or his successors had been busy, 'but these were found to have soured'.86

The brewery seems to have recovered within a few months from the occupation, with Jehangir Ruttonjee back in charge. By September 1946 its HB brand beer was on sale, since it appears in the official government list of price-controlled goods: HK\$1.10 a pint in the shops, HK\$1.50 a pint in a pub or bar. For comparison, Carlsberg, Pabst Blue Ribbon, Schlitz, 'Kangaroo' and Tuborg were all HK\$1.70 a pint in a bar.<sup>87</sup>

In March 1947 Ruttonjee - who had been awarded the CBE in the 1947 New Year's Honours List 'for courageous and loyal services during the enemy occupation of Hong Kong'88 - was visited by the author Compton Mackenzie, who described him as 'the owner of the Kowloon brewery, a wealthy and respected Parsee'.89 That year, however, the brewery was sold to the San Miguel Brewery Inc., the Philippines brewer.90 It looks



Figure 8. HB ad. China Mail, 27 March 1947.

to have taken some months to sort out the handover, because the inauguration of the new San Miguel brewery was not marked until the following year, on 21 May 1948, with a reception at the Hongkong Hotel attended by 'hundreds' of Hong Kong's leading businessmen, along with David MacDougall, the Colonial Secretary (that is, head of Hong Kong's civil service.) The first stocks of freshly brewed San Miguel beer would be coming onto the market 'immediately', the brewery revealed. First-year sales volume was 4,000 hectolitres - around 2,500 barrels. Page 1920 page 1921 page 2021 page 2

That same year, 1948, Jehangir Ruttonjee, who was now 68, donated HK\$500,000 to fund the building of a tuberculosis sanatorium at the former Royal Navy hospital in Wan Chai, Hong Kong in memory of his daughter Tehmina, who had died of TB during an outbreak in 1943.<sup>93</sup> It was said to be the largest donation to charity in the colony's history. Ruttonjee's total donations eventually reached HK1.3 million.<sup>94</sup> The sanatorium is now the Ruttonjee Hospital.

Under San Miguel the brewery enjoyed a quiet existence, about the only hiccup coming in 1950, when an

accountant, Pedro Jose Tonnochy, 36, fled the firm after stealing more than HK26,600. Tonnochy, who had worked for the Hong Kong Brewery under Jehangir Ruttonjee until it was sold to San Miguel in 1947, escaped to Macao, where he eventually gave himself up to police after eight months. Ruttonjee spoke up for him in court: and Tonnochy was handed the comparatively light sentence of six months in jail.<sup>95</sup>

In 1953 the company began an experimental farm to raise pigs and poultry. Two years later, in 1955, it introduced San Miguel Draught Beer to Hong Kong. A short-lived beer for the Chinese market, Ching San, was introduced in 1966, but disappeared in 1973, the same year a canning line was installed at Sham Tseng. Between 1974 and 1976 the brewery was expanded, with two sets of vertical beer tanks installed. Four years later, in 1981, an aluminium can filling line was installed, and the following year the brewery started brewing Löwenbrau under licence.<sup>96</sup>

By now the Sham Tseng brewery had a rival, for the first time in its existence. In March 1978 the Danish company United Breweries announced that it would be building a Carlsberg brewery in Hong Kong, which would be in operation in 1980.<sup>97</sup> The new brewery was on an industrial estate in Tai Po, on a bay in the east of the New Territories, 10 miles from Sham Tseng, and actually opened on 28 April 1981.

In 1993, by which time Carlsberg had increased its share of the Hong Kong beer market from 3% to between 17 and 19%, it opened a HK\$65 million extension, with a feng shui ceremony featuring lucky money, joss sticks and four roast suckling pigs. 98 The ceremony did not bring Carlsberg the wanted luck, however. Six years later, in March 1999, with Hong Kong in the middle of a recession, the Danes announced that they would be closing the Tai Po brewery the following month, laying off 73 workers, 'in an effort to improve profitability'. Production would be moved to the Carlsberg brewery 50 miles to the north-east in Huizhou in Guangdong province on the Chinese mainland, the company said. 99

At San Miguel, negotiations had been entered into with Anheuser-Busch to sell the Hong Kong brewery to the Americans, but the talks broke down in June 1986 after the two sides had failed to agree a deal. <sup>100</sup> In 1991 San Miguel finally dropped the ceramic bottle labels used

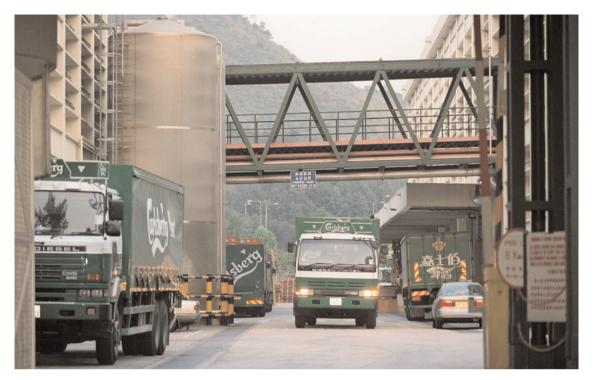


Figure 9. The Carlsberg brewery, Taipo, New Territories, Hong Kong in 1999. © South China Morning Post.

since it arrived in Hong Kong, bringing in paper labels instead.

Three years later, in 1994, San Miguel announced it was moving its Hong Kong brewing operations seven miles north, to an industrial estate in the new town of Yuen Long. Work started on the new site in December 1994. At the groundbreaking ceremony in Yuen Long, Andres Soriano, chairman of San Miguel Hong Kong, declared: 'Our new brewery is needed to maximise the utilisation of the latest brewing technology and to maintain our leadership in the beer industry'. Doubtless the Filipino company was looking at the imminent handover back to Beijing of Hong Kong and the New Territories by Britain, due in 1997, and anticipating the potential sales opportunities among mainland China's billion-plus population.

San Miguel had already made a tidy sum selling the 11-acre Sham Tseng site for redevelopment for HK3.5 billion in November 1994. Eventually, ten 48-storey residential tower blocks and eight seven-storey apart-

ment blocks were developed on the seaside site. <sup>102</sup> At the same time, it had paid just HK\$78 million for the Yuen Long site, thanks to government subsidies. <sup>103</sup>

The move also meant cuts in the workforce: 95 workers, 15% of the total of 630, were laid off in June 1995, 104 even before the Sham Tseng brewery closed in May 1996 after 63 years. They were followed by another 63, and then 53 more in June 1996, three months before the new brewery opened in September. It meant a third of the staff had gone in 12 months. Some of the men got rid of had worked for the brewery for 44 years. 105

The HK\$1.3 billion Yuen Long brewery, like its predecessor in 1933, boasted that it was 'one of the most technologically advanced brewing facilities in the world', and could produce the equivalent of 1.2 million cans of beer a day from 29 combined fermentation and maturation tanks - a million hectolitres (600,000 barrels). This was, in fact, less than the Sham Tseng brewery could produce: but the smaller capacity came with considerably smaller overheads. 106

That cost advantage lasted only 11 years. In June 2007, close to 60 years after it arrived in Hong Kong, San Miguel announced that the Yuen Long brewery would be closed at the end of September, with production transferred to its brewery in Shunde, opened in 1996, again in Guangdong province, again 50 miles away, but this time to the north-west, across the Pearl River Delta, where production and operation costs were lower than in Hong Kong. In October San Miguel said that the Yuen Long brewery would be converted to manufacture soft drinks.

However, just 20 months later, in June 2009, the brewery restarted production of beer. In fact, the decision to begin brewing beer at Yuen Long again was announced in April 2008, only seven months after its closure. Sales were growing fast at the Shunde brewery, San Miguel said, and in a few years it 'may not have sufficient production capacity to satisfy the demand of the Hong Kong and overseas markets'. At the same time the

company expected that continued inflation, and the appreciation of the Chinese yuan, meant that the production and operational costs of the Shunde brewery 'will not be materially different from the Yuen Long plant in the near future'. In addition, the Hong Kong government had just cut excise duty on beer to zero, which also boosted the competitiveness of a brewery across the border from mainland. China. 107

Even while Yuen Long had been closed, Hong Kong had not been completely without a brewery: there had been a small operation on the island itself for more than 20 years. In January 1993, the *South China Morning Post* reported that a company called Micro Brew Systems 'has been appointed by US brew-pub giant JV Northwest as its exclusive representative for Asia [and] hopes to help get bars up and running in Hongkong and Singapore by the middle of this year'. <sup>108</sup> Nothing came of that, though one of the Americans behind Micro Brew Systems, Mark Myrick, did start a microbrewery



Figure 10. David Haines, South China Brewing Company, Aberdeen, Hong Kong in June 1995. © South China Morning Post.

across the Pearl River Delta in Macau in May 1996, the first in the then-Portuguese colony's history, which ran until 2002. 109 But in 1994, another American, David Haines, a 29-year-old psychologist born in Colorado, began working on starting the South China Brewing Company in a converted warehouse in Aberdeen, on the south side of Hong Kong Island. 110 Its first beer, Crooked Island Ale, named for an island in the north of the New Territories, arrived in June 1995.

The brewery, which had a capacity of 5,200 barrels a vear, was backed by HK\$7.7 million from Peter Bordeaux, president of Sanzerac, one of the largest independent producers and marketers of distilled spirits in the United States and a team of investors including the Mexican industrialist Fredrico Cabo, who owned a tequila distillery and an alcohol distribution company, and the American beverage investment firm BPW. It was the first brewery on Hong Kong island for more than 80 years, and, for the first time, Hong King had three operating breweries. Haines told the Sunday Morning Post that he planned to set up eight to ten microbreweries in the region within five years, and 'hot spots at the moment are Taiwan, Singapore, Thailand and Australia. There could even be a chain of brew pubs further down the line'.111

A few months later head brewery Edward Miller, then 27, who had worked at three different breweries in the United States, made a special 'Irish Ale' for one of the best-known Irish bars in Wanchai, Hong Kong's drinking heartland. The following year, Delaney's Irish Ale won a gold medal in the 'English-style ales' category at the World Beer Cup awards in Vail, Colorado. 113

The previous month, September 1996, South China Brewing's holding company, American Craft Brewing International, or Ambrew, with Peter Bordeaux as president, had listed on the Nasdaq stock exchange in the United States, successfully raising US\$6.5 million for a forest of small breweries around the world. David Haines left the company on January 1 1997, but a short while later Bordeaux signed a US10 million contract with a company called Micro Brew Systems to purchase brewing equipment sufficient for 20 more microbreweries made by JV Northwest Ltd of Portland, Oregon. In April 1997 the company had opened a brewery in Ireland, Celtic Brew, near Dublin, making Finians brand Irish and blond ales. The following month it opened a

third small brewery, the 20-barrel capacity Cerveceria Rio Bravo, in the Mexico-California border town of Tecate, making a lager called Cerveza Mexicali. It told the *Sunday Morning Post* that it was talking to people in China, Singapore, Malaysia, India, Greece, Britain, Spain and countries in Eastern Europe and South America 'with an eye to further expanding its business' 114

The brewery in Aberdeen, meanwhile was now making five beers. Stonecutter's lager, named for another island in the colony; Dragon's Back India Pale Ale, named for the crest that ran along the top of Hong Kong island; Crooked Island Ale; Delaney's Ale; and Red Dawn lager, which had been launched in April and was created to mark Hong Kong's handover to the People's Republic of China, due to take place that July. All were made from British malt and American hops. Brewery general manager Scott Ashen said the name Red Dawn would be dropped after the handover, although the lager would be available under a new name. 'Last year we did a Christmas beer, Thunder Monkey, and I know we will probably consider doing one again, because it was very successful', he said. 115 Around 90% of output at the end of 1996 was in kegs. 116

In June 1998 Ambrew ran into problems at its Mexican business, when Frederico Cabo, who was a 20% shareholder in the company, won a court order evicting it from the Rio Bravo brewery, with all the brewery assets handed over to Cervecaria Mexicana, in which Cabo also had shares. 117 Ambrew itself was starting to struggle, as publicly quoted microbreweries fell steeply out of favour: its shares had been US\$5.50 each when the company was floated, and had plunged to about 19 cents a share, Bordeaux said. The company had lost US \$745,703 for the quarter ending 30 April, after losing US\$695,470 in the same quarter in 1997. 'The microbrewery niche has had a terrible time in the stock market in the past 18 months. The capital markets have lost their interest in microbreweries', Bordeaux said.

The planned expansion was also coming unstuck: Singapore was abandoned as a site for a microbrewery because it was seen to be too expensive, while Shanghai was dropped because of bureaucratic concerns, and in other locations no local partners could be found. In January 1998, Ambrew sold its 100% interest in the South China Brewing Company to Golden Crown



Figure 11. Abel Ortiz Pingol, brewmaster at Hong Kong Beer, November 2009. © South China Morning Post

Management Limited, a group of Hong Kong investors, keeping only the distributor rights for South China Brewing brands in the United States and 'certain other markets'. 118

The business continued as South China Brewing, though an attempted revamp of its product line in 1999, dropping Dragon's Back IPA, ran into concerted opposition led by a man with a strong record in battling brewers: Graham Lees, one of the founders in 1971 of the Campaign for Real Ale in the UK. After a brief campaign led by Lees, the brewery agreed to continue brewing Dragon's Back, and drop the Stonecutters and Red Dawn lagers instead. Brewery representative Frank Abrecht told the *South China Morning Post*: 'A lot of people called us, and they were saying, "We love Dragon's Back! Please! Don't discontinue Dragon's Back! 'So we said, 'OK, fine" 119

In 2003 the brewery in Aberdeen was acquired by a Hong Kong investment firm, Harmony Assets, and renamed the Hong Kong Beer Company Ltd, with Amy Yeung Ngar-yee, Harmony Assets' project director, saying: 'We saw it as an opportunity to support a local business.' Harmony was also an investor in the Hong Kong bar chain El Grande, and the brewery's beers were available in all El Grande's bars. By 2009 the Hong Kong Beer Company was producing a lager called Hong Kong Beer, a pilsner called Too Soo and an English-style India pale ale called Aldrich Bay, though with production barely 800 barrels a year. 120 However, it maintains the distinction of being Asia's oldest known microbrewery.

In July that year Hong Kong's brewing fraternity was joined by a third, tiny concern, launched by Pierre Cadoret, a Cathay Pacific airline pilot from Devon, in England. Frustrated at the lack of British-style cask beers in Hong Kong, Cadoret took a course on brewing in England, went for advice to Steve Wright, head brewer at the Hop Back brewery in Salisbury, and started the Typhoon Brewery in a former shop in Sea View



Figure 11. Pierre Cadoret (right), managing director of the Typhoon Brewery, Lantau, Honk Kong and his nephew Olly Perry at the brewery in Mui Wo. © South China Morning Post.

Building in the small settlement of Mui Wo, on Lantau island, which is also home to Hong Kong's international airport. The kit - and the malt - were imported from the United Kingdom. The tiny Typhoon brewery, a three-and-a-half barrel set-up, made only cask-conditioned ales, served by handpump, though both its two regular brews, T8 (named for the second-highest level of storm warning in Hong Kong) and Eastern Lightning, a nod, apparently, to Hopback's Summer Lightning, were influenced by American pale ales, with the T8 containing Citra and Styrian Goldings hops and the Eastern Lightning just Citra.

Unfortunately the brewery only had one regular outlet, the Globe bar in SoHo, Hong Kong island, <sup>122</sup> and late in 2012 Cadoret put the brewery on hold, telling a local web newsletter:

It has been hard work trying to fit in the brewery stuff with my main job as a pilot, and this is why I need new investment and partners to help make the brewery more commercially viable, and to allow me to take on a more developmental role. 123

By late 2013, Cadoret was searching for premises to restart the brewery. 124 Meanwhile, in another sign that the Hong Kong brewing story still has more chapters to come, in the autumn of 2013 a former financier and home-brewer named Rohit Dugar started his own brewery on Ap Lei Chau, an island connected by a bridge to Hong Kong Island to the north, called Young Master Ales. 125 Brewing had begun by November 2013, with six different beers being offered, including the aptly named Island 1842 Imperial IPA, Young Master Classic and Rye Old Fashioned. 126

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Figure 1. San Miguel wall ad, Tsuen Wan, Hong Kong 1950s. © San Miguel Corporation.



Figure 2. Interior of the San Miguel brewery, Hong Kong 1959 - mash tun. © Leigh & Orange.



Figure 3. Interior of the San Miguel brewery, Hong Kong 1959 - lauter tun. © Leigh & Orange.



Figure 4. Interior of the San Miguel brewery, Hong Kong 1959 - brew kettle. © Leigh & Orange.



Figure 5. Exterior of the San Miguel brewery, Hong Kong 1959 - view from the sea front.  $\$  Leigh & Orange.

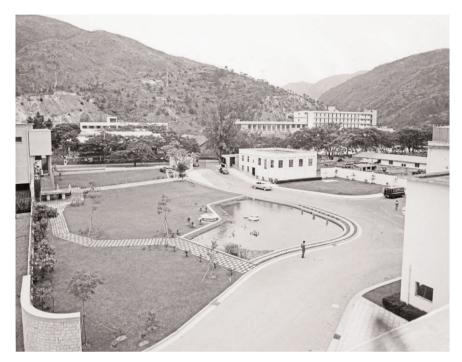


Figure 6. Exterior of the San Miguel brewery, Hong Kong 1959 - view from the south-west corner. © Leigh & Orange.



Figure 7. Exterior of the San Miguel brewery, Hong Kong 1959 - landside view of the premises.  $\odot$  Leigh & Orange.



Figure 8. interior of the San Miguel brewery, Hong Kong 1959 - guest room, view seawards from bar.  $^{\circ}$  Leigh & Orange.



Figure 9. San Miguel brewery, Hong Kong 1959 - bottling hall.  $\$  Leigh & Orange.

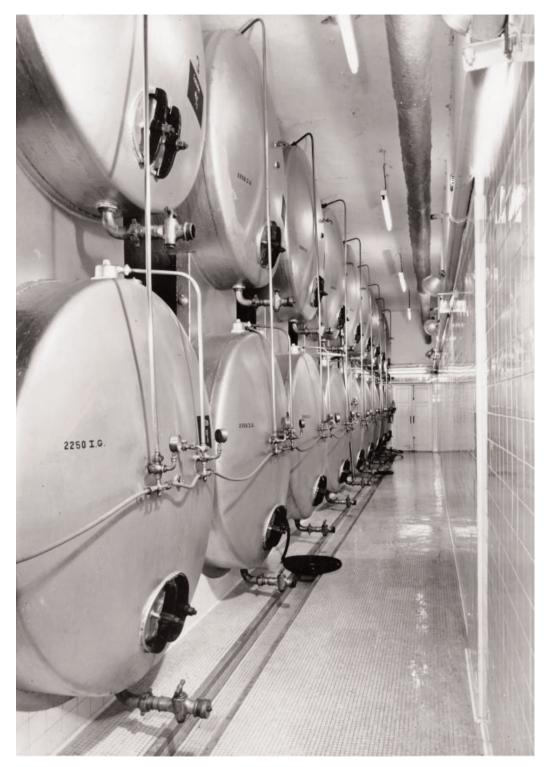


Figure 10. San Miguel brewery, Hong Kong 1959 - storage cellar No 1. © Leigh & Orange.



Figure 11. San Miguel Sham Tseng brewhouse 1960s: rice cooker (foreground) and kettle. © San Miguel Corporation.



Figure 12. Sham Tseng brewery site from hills to the north, circa 1940s-1950s. © San Miguel Corporation.

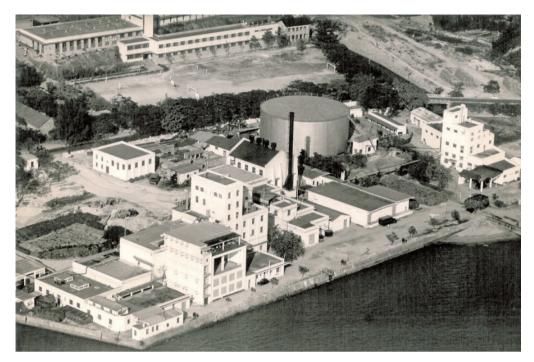


Figure 13. Sham Tseng brewery site from the air, 1960s. © San Miguel Corporation.



Figure 14. San Miguel delivery truck, Hong Kong 1950s. © San Miguel Corporation.



Figure 15. San Miguel Hong Kong delivery team 1960s  $\ \, \mathbb{C}$  San Miguel Corporation.



Figure 16. San Miguel delivery truck 1960s. © San Miguel Corporation.

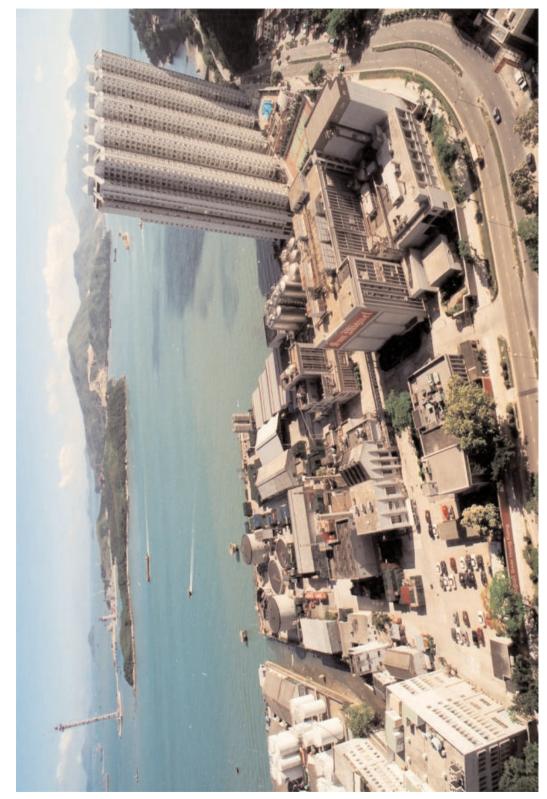


Figure 17. San Miguel brewery site, Sham Tseng from the air in 1994. © South China Morning Post.

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