

# Three Mackerels

The Story of the Jebsen and Jessen  
Family Enterprise

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THE STORY OF THE JEBSEN AND JESSEN  
FAMILY ENTERPRISE



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All rights reserved. No part of this publication may be reproduced in any form or by any means without prior permission of Jebesen & Co Ltd.  
Front cover: 19th century oil painting of Shanghai.  
Back cover: Oil painting of Aabenraa by Jes Jessen (1743–1807), great grandfather of company co-founder Heinrich Jessen.  
Title page: Jebesen & Co's original trademark, also known as “chop”.

# FOREWORD

On March 1, 1895 Jacob Jebsen and Heinrich Jessen established Jebsen & Co in Hong Kong. Both partners shared the long seafaring traditions of their home town, Aabenraa, Denmark. The first contacts between the Jebsen and Jessen families and the China Coast trade go back to the beginning of the 19th century, when journeys between Europe and China were treacherous and could take up to six months.

In China the founders met with a distinctly different culture. A bond, however, was soon formed and strengthened, and stood the test of time through many ups and downs in the region’s sometimes volatile history.

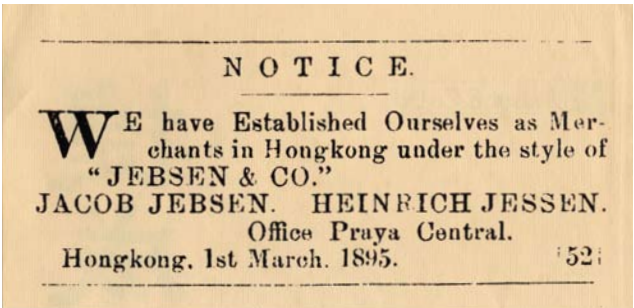
From the beginning, the group has acted as a bridge – between continents and cultures, suppliers and consumers. A guiding principle, and much of the success of the Jebsen and Jessen family businesses was, and remains to this day, teamwork between people from many different backgrounds working for a common goal. This winning formula was and is inspired by the Chinese philosopher Mencius’ creed from the third century BC: “Within the four seas, all men are brothers.”

The group’s present-day activities are greatly diversified, encompassing trade, services and manufacturing.


From its roots in Hong Kong, various entities with a combined workforce of almost 5,000 have emerged. Hong Kong-based group Jebsen & Co today is a marketing and distribution organisation which specialises in serving China and Hong Kong. Jebsen & Jessen Hamburg is a leading trading house in Europe with links from South America to Asia. Jebsen & Jessen SEA is a diversified entity active in manufacturing, trading and industrial contracting and focuses on Southeast Asia. Triton Textile and Bodum Export are involved in the garment industry and Jebsen & Co in Denmark deals with work protection materials. The most recent member to join the Jebsen and Jessen family businesses is GMA Garnet, based in Perth, Western Australia, a world market leader in industrial abrasives.


Loyalty is a well-bred virtue in all cultures. For the group, the unbroken chain of four generations’ commitment to Asia, on both sides of the founders’ families, is a mark of pride. This commitment is also reflected by a great number of executives, whose dedication to the group’s success in many cases spans several generations.

The founders of the company would surely recognise this spirit of continuity symbolised by the trademark they chose, the well-known “three-fish” insignia derived from the heraldic crest of Aabenraa. “Three Mackerels” today, as throughout the past century, stands for respect for traditions and cultures and the commitment of the Jebsen and Jessen families to their businesses and employees. These are strong foundations for the future.



China Mail, March 1, 1895.

  
Hans Michael Jebsen

  
Heinrich Jessen



Chapter One

# A TRADING HOUSE EMERGES



Hong Kong harbour, 1860s.

## TWO FAMILIES IN ASIA (1895–1900)

### RENDEZVOUS IN SHANGHAI

Insulated from the clatter of rickshaws and the wintry chill creeping over cobbled streets and Shanghai’s famous Bund, two young men spent New Year’s Eve 1894 huddled together in the warmth of a city club planning their future. Ignoring the well-heeled revellers around them, the pair mapped out a partnership they hoped would make their fortunes in this land of opportunity.

Shanghai’s artery to the markets of the West, the Huangpu River, was crowded with stately sailing ships, new-fangled steamers and busy sampans, laden with goods destined for Asia, Europe and the Americas. Buoyed up by a spirit of adventure, these scions of seafaring families were eager to be a part of this vibrant trade.

Cousins Jacob Jebsen and Heinrich Jessen both hailed from Aabenraa<sup>1</sup>, a small yet renowned historical town in Denmark steeped in age-old seafaring traditions.

1. Located close to today’s German-Danish border, the town changed hands several times over the centuries and was called Apenrade when under German jurisdiction.

Their hometown’s bucolic setting was a far cry from Shanghai’s densely populated streets, but with its long shipbuilding and seafaring history, the two places had more in common than one might have thought.

At 25, Jacob Jebsen was the younger of the two men and had travel in his blood. His father, Michael Jebsen, had been born into a seafaring family in 1835 and had spent several years commanding sailing vessels trading along China’s coast. As captain of the barque, *Notos*, he had visited Hong Kong as early as 1864 and been struck by the advantages of steam over sail. But his plans to found his own steamship company and renew the flagging shipping industry in his hometown were postponed by the outbreak of the Franco-Prussian war in 1870.

With French warships blockading trade with China, Michael Jebsen headed instead for North America on his 400-ton barque *Galathea*.

Travelling from Hamburg by way of South America and Eastern Siberia, he was accompanied by his wife Clara, née Offersen. While it was customary for a ship captain’s wife to travel with her husband,

conditions were often harsh and the voyage cannot have been easy for a pregnant woman. In December that year, soon after *Galathea* had arrived in Port Townsend, in what would eventually become Washington State, Jacob was born. It is said that he enjoyed the journey home “with a hammock for a cradle, and a basket with wheels from a ship’s cannon as a pram”.

On return to his own turf in 1871, Michael Jebsen settled his family into his childhood home in Aabenraa. There they stayed until 1875, when German steel magnate Alfred Krupp offered Michael Jebsen the job of supervising his shipping operations in Holland. Four years later, the nine-year-old Jacob Jebsen was sent back to Aabenraa to continue his education, graduating in nearby Flensburg in 1889.

During Jacob Jebsen’s school years, his father’s business interests focussed mainly on European markets. But Michael Jebsen maintained his interest in China and three years after finally launching his long-held dream of a shipping company in 1878, he ventured into the burgeoning freight-forwarding market in East Asia. The *Vorwärts* became the first Jebsen steamship to arrive in Hong Kong, and the first ship anywhere to fly what became known in Hong Kong patois as the “three-piecy-fish” flag. This distinctive logo was fashioned after the heraldic shield of Aabenraa. Bearing three scombers, or mackerels, fighting fish which must remain perpetually in motion to stay afloat, it was – and still is – a fitting symbol for the company.

Jacob Jebsen completed his education by studying chemistry in Karlsruhe and Berlin for three years before he was permitted to start learning the trade he was impatient to master – the trade that would lead to his own departure for the East. He was apprenticed to his family’s firm in Aabenraa, followed by a stint with a shipping company in Antwerp.

Finally, in October 1894, he left for Hong Kong on board the new steamship, *Marie Jebsen*. Arriving just over a month later, he acquainted himself with the customs and mores of this exciting new city, all the while formulating plans to establish his own enterprise to take advantage of the opportunities and business potential he saw all around. In December that year, he continued his journey to Shanghai where his cousin, Heinrich Jessen, was expecting him.

Heinrich Jessen, the older of the two cousins by five years, was born in 1865 in Aabenraa, also to an established family of captains and ship-owners. Brought up in the care of his eldest uncle, Jes Nicolay Jessen, who was married to Marie, the elder sister of Michael Jebsen, he had been thrilled by the stories of his father. Johann Heinrich

Jessen had sailed around the world in his barque *J.H. Jessen* and made several journeys along the coast of China. In 1871 he had caught a tropical disease. Severely weakened, he set out on the long voyage home from Amoy (now Xiamen), and managed to reach Aabenraa to see his young family one last time. He died five days later at the age of only 39.

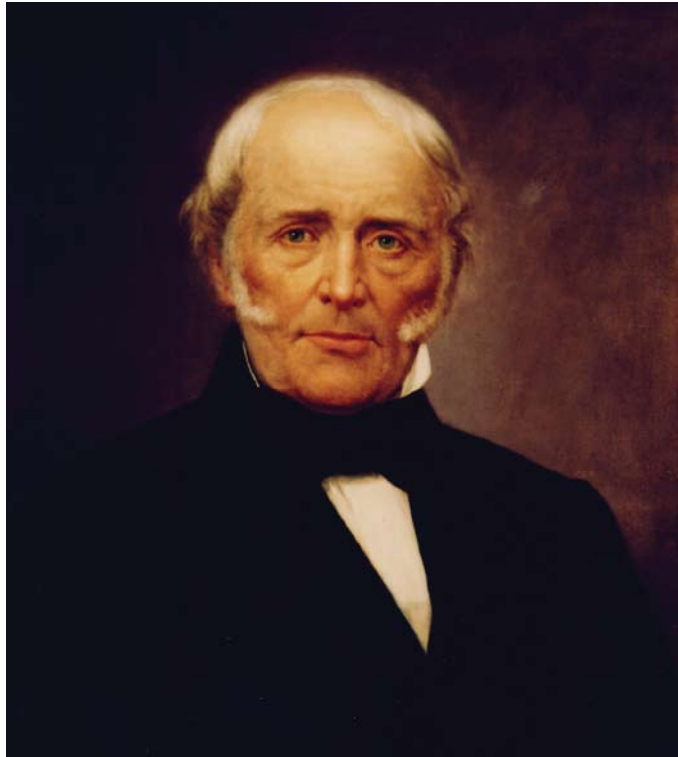


Jacob Jebsen (1870–1941) in a 1922 portrait by Sophus Hansen.



Heinrich Jessen (1865–1931) in a 1927 portrait by Leopold Kalkreuth.





Michael Jebsen (1790-1863), shipowner and captain.



Michael Jebsen (1835-1899), shipowner and captain, founder of the M. Jebsen shipping line, member of the German Reichstag.



The full rigger *Matzatlan* under the command of Captain Michael Jebsen (painted in 1865).



Johann Heinrich Jessen (1792-1866), shipowner and captain.



Johann Heinrich Jessen (1832-1871), shipowner and captain.



The clipper barque *J.H. Jessen* under the command of Captain Johann Heinrich Jessen (painted in 1865).



After leaving school, Heinrich Jessen, keen to follow in his father’s footsteps, was apprenticed to a major export firm in Hamburg, which operated a number of sailing vessels plying between Europe and South America.

During his three years in Hamburg, his keen business mind attracted the attention of the China-based firm of Gipperich & Burchardi, which offered him a job. In July 1888, he departed aboard

the steamer *Electra*, and two months later reached Shanghai. One can only imagine his first impression of the teeming port and booming Chinese city. Shanghai in the late 19th century housed extremes of wealth and poverty that would have been a shock to any European fresh off the boat. The sheer number and diversity of people must also have been a novel experience. Shanghai boasted a population consisting of more than 40 nationalities.



Heinrich Jessen (front right) with staff of the trading house Gipperich & Burchardi, Shanghai, 1894.

Heinrich Jessen’s time with Gipperich & Burchardi had provided him with valuable experience in the demanding yet sensitive art of trading in China. His employers traded in Chinese products such as wool, cotton, tobacco, brushes, rhubarb and pongee silk on a commission basis. They imported European goods required by the evolving industrial sector, as well as items such as needles and piece-good cloths – far cheaper than silk.

Although he extended his three-year contract with Gipperich & Burchardi for a further three years, Heinrich Jessen yearned for a chance to strike out on his own. Well aware that China was the new frontier of pioneering international trade and that Hong Kong was an important gateway for the brokerage of freight along the China coast, he sensed an opportunity to use what he had learned and do better with his own company. He was approached by a number of firms, but without the prospect of a partnership, the offers held little attraction for him.

Heinrich Jessen was mulling ideas for the future over in his mind when he received a letter advising him of his cousin’s impending arrival. The meeting that fateful New Year’s Eve 1894 proved to be a catalyst that set in motion the fulfillment of the dreams of two ambitious young men, and the founding of a family business that would grow to a diversity, which they cannot have imagined.

READY FOR BUSINESS

The registration of the new partnership between Jacob Jebsen and Heinrich Jessen took place in Hong Kong on March 1, 1895. The company was funded by a remittance of 10,000 German marks from Jacob Jebsen’s father, Michael Jebsen; Heinrich Jessen injected another 10,000 marks and Jebsen family friends, Carl and Gustav Diederichsen of

Kiel, Germany, loaned the cousins 20,000 marks. Jebsen & Co was ready for business.

The timing was fortuitous. The Age of Exploration had dawned in Europe and the New World and by the 19th century, the West had developed an insatiable appetite for Chinese tea, silk and porcelain. But when it came to trade, the Chinese showed little interest in Western goods, only for the hard currency of the day – silver. The result was an outpouring of silver from the treasuries of the Western world until traders from one country, Britain, discovered a commodity the Chinese craved. Opium. This drug, produced in British India, had turned the British trade deficit into a massive surplus.

Wary of European imperialism, the Qing Dynasty rulers sought to restrict trade with foreigners to the port of Canton (now Guangzhou). But this was not enough to prevent opium addiction spreading throughout the land. Efforts to halt the scourge came to naught. China suffered humiliating defeats in the “Opium Wars” of 1839–1842 and 1856–1860 and was forced to open five “treaty ports” to foreign trade and cede Hong Kong to the victorious British. The Qing emperor’s authority was undermined.

By 1894, when Jacob Jebsen and Heinrich Jessen met in the undisputed queen of the treaty ports, Shanghai, to hammer out their partnership, a number of port cities along the Chinese coast were open to trade. The political situation also seemed stable. The ruling Qing Dynasty, established by the Manchus from the north side of the Great Wall when they overthrew the Ming Dynasty in 1644, was unpopular. The Han Chinese populace regarded them as interlopers, even after three centuries. But 30 years had passed since the quashing of the large-scale revolt against the Qing, the Taiping Rebellion of 1850–1864, and Sun Yat-sen’s plans to overthrow the dynasty were still underground.



A HEAD START

After commissioning the *Vorwärts* in 1881, Michael Jebsen had added a second vessel, the *Alwine*, to his growing fleet. By the time Jacob Jebsen and Heinrich Jessen set up their company, there were 14 steamers plying Chinese waters under Michael Jebsen’s flag. The fledgling partnership, Jebsen & Co, became agents for his shipping company. This put a considerable fleet at their command which helped to cover costs as their business developed, and by drawing commission on freight charges, the business soon began to show a profit.

Michael Jebsen benefited from having Jebsen & Co represent his interests in the Orient. Instead of having to deal with numerous agents, he could now depend on a single company with which he had very close ties. In addition to chartering vessels to various mercantile interests seeking to ferry their goods around Chinese, Russian, Japanese and other East Asian and South East Asian ports, the partners wanted to start trading on their own account. In his memoirs Jacob Jebsen wrote: *“Of course our business began on a very small scale. In those days it was not easy to found a new business in China as the established trademark, the ‘Chop’, dominated the market. New goods could only be imported in individual cases, and equivalent goods with a trademark that differed from the usual were often unsaleable. We later saw that the same aniline dye, in a particularly well established packaging, could obtain a price 25% higher than the same goods from the same factory in a different package.*

*“Because, in addition to this, the import business was restricted to a very limited range of articles, it was not easy for Heinrich Jessen, who had started in the import business, to become established...Fortunately, as agents for my father’s shipping company we had a source of income which more than covered our costs, and made it possible for us to await the development of the rest of our business. The takeover of the agency went quite smoothly. The ships were well known to the Chinese freight*

*brokers and our captains were usually very experienced.”*

In his memoirs, Heinrich Jessen also wrote of the challenges of becoming established:

*“My goal of doing business independently and on my own account was achieved with the founding of the company. However the preparations for this had brought me to the age of 29 and I had learned that anyone seeking to carve out a professional path must overcome many obstacles with patience and endurance before the way ahead is clear. If following generations are able to be spared such a period of searching for their path, they will be able to do even more as long as they seek the source of true pleasure in life in their work, regardless of whether this serves real or idealistic ends. When I look back today on the years which were devoted to building up our company, the memory of this life’s work fills me with pleasure and satisfaction.”*

IMPORTANT TIES AND THE FIRST AGENCIES

It was customary in those days for foreign firms to employ a Chinese middleman or comprador.<sup>2</sup> The fact that this individual served as intermediary between the foreign businessmen and the Chinese community made it even more crucial to select the right candidate.

Jebsen & Co was fortunate to find, in Chau Yue Teng, a man eminently qualified for the post. He came from an educated background, and had an excellent and extensive network of ties with the local trading community. His father, Chau Kwang Cheong, was owner of the Chinese firms of Yuen Cheong Lee & Co in Hong Kong, and Yuen Fat Lee & Co in Hoihow (now Haikou), on Hainan Island in the south of China. As part of these businesses he operated a regular steamship route between Hong Kong, Hoihow and Pakhoi (now Beihai) and for this service he regularly chartered one, and at

2. The word ‘comprador’ derives from the Portuguese and had its roots in Macau, where the first European traders settled in the early 16th century.

times several, Jebsen steamers. During discussions with Chau Kwang Cheong, Jacob Jebsen became acquainted with his talented son Chau Yue Teng, and invited him to join Jebsen & Co as comprador.

The relationship would work out very well for all concerned, and quickly bore fruit. In 1896, the French, aspiring to take control of Hainan Island, managed to force the intimidated Qing government to prohibit Chinese cargo companies from using Chau Kwang Cheong’s steamers. The routes were taken over by the French shipping company of A.R. Marty.

From the outset, Jacob Jebsen had been looking to establish a shipping service rather than simply chartering out his father’s vessels. With the blessing of Chau Kwang Cheong, M. Jebsen steamers were

soon plying the same routes as A.R. Marty between Hong Kong, Hoihow and Pakhoi – but with a distinct advantage. Chinese cargo companies, resenting the fact that business had been diverted from their fellow countryman by French pressure on their weak government, transferred the bulk of their patronage to the Jebsen flag because of its allegiance to Chau Kwang Cheong.

1896 also saw Jebsen & Co becoming a member of the Hong Kong General Chamber of Commerce, a move that delighted the young partners. Little did they know that more than 100 years later, Jebsen & Co, along with just a handful of other companies out of the approximately 1,000 originals, would rank among the Chamber’s oldest and most esteemed members.



Michael Jebsen (centre) surrounded by his family at his summer residence “Villa Clara” close to Aabenraa, early 1890s. Jacob Jebsen stands behind his father.





Jacob Jebsen (centre with boater and white tie) at a picnic organised by the German Club, Hong Kong, 1896.

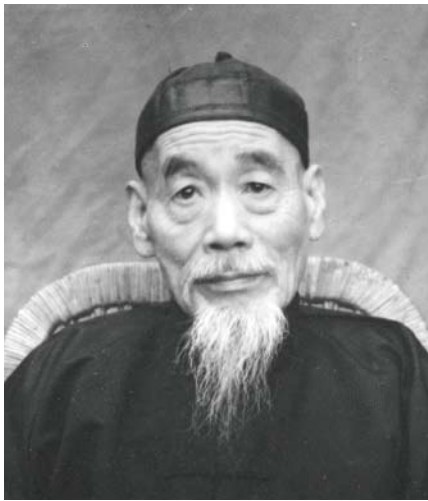


Jacob Jebsen (centre) with A. Ehlers, P. Borrowsky, O. Wegener, H. Witte, G. Melchers and Mrs Melchers on a houseboat near Shanghai, Easter 1898.





Chau Yue Teng, Jebsen & Co's first comprador.



Wong King Chuen, Canton comprador.



Simpson Sung, Shanghai comprador.



Chau Kwang Cheong, Jebsen & Co business partner, father of Chau Yue Teng.



Choi Leung Yu, Swatow comprador.

Alongside the development of its shipping business, the trade angle also began to bear fruit as the first agencies came onboard. The knowledge Heinrich Jessen had acquired during his years with Gipperich & Burchardi in Shanghai proved very useful in setting up a goods department. Through a mutual friend of the cousins, he established early links with the Manchester firms of Hiltermann Brothers and Edmund Heuer & Co. Set amid the “dark, satanic mills” of northern England’s industrial revolution, the city of Manchester was at that time the international hub of the cotton and textile processing industries and was dubbed the world’s “Cottonopolis”. Both Hiltermann Brothers and Edmund Heuer & Co exported dyed satin, and Jebsen & Co developed considerable business trading these materials in south China over the ensuing years.

In addition to the trade with Britain, the newly-founded enterprise was also quick to establish a market for German engineering products. On the recommendation of Jebsen family-friend Carl Diederichsen, the firm H. C. Bock was appointed with responsibility for purchasing in Hamburg.

An even more significant development followed in 1897, when Jebsen & Co acquired the agency for Badische Anilin & Soda Fabrik, which would later become known the world over by its acronym BASF, a relationship that would endure two world wars, lasting until the early 1980s.

Acting as agents for BASF, Jebsen & Co dealt with dye-stuffs that introduced the famous indigo to China on a grand, industrial scale, and gave the new partnership a firm foothold in China trade. Within the next 10 years Jebsen & Co boosted the annual sales of BASF in China tenfold.

The size of the task of representing such a large client required Jebsen & Co to establish a department of its own within the company. Heinrich Jessen, who

took personal charge of the department, described the major step this represented:

*“On each return from China, my first visit was always to the BASF directors in Ludwigshafen. Now that the BASF agency for South China had been included in our business, our firm in Hong Kong was in a state of continuous development at the start of 1898.”*

Trade in export goods from China to the European market also continued to add to Jebsen & Co’s coffers. European interest in wares such as porcelain, lacquer and ivory objects had waned, but products such as those overseen by Heinrich Jessen in Shanghai as well as soy and tea, were as popular as ever. One product Jebsen & Co was never involved with, however, was opium, a fact that was no doubt quietly but significantly noted by its Chinese trade partners over the years.

A NEW PARTNERSHIP

As 1898 dawned, fresh opportunities opened up in Shandong province in northeast China. The Chinese government agreed to lease the small town of Tsingtao (now Qingdao) in the Bay of Kiaochow (now Jiaozhou) to the German Empire for a period of 99 years. The area was officially put under German protection and administered by the Imperial German Navy. It was clear that Tsingtao could develop into a lucrative trading post for the whole of North China, especially if the hinterland was opened up with a railway, and the inner bay developed into a modern harbour.

The possibilities aroused the partners’ curiosity and in January 1898, Jacob Jebsen decided to take a look for himself. While his first impressions were not promising, he concluded that the port definitely had potential.

Shortly after Jacob Jebsen’s return from this reconnaissance, his father concluded a contract with the imperial German postal authority, under which



Jebsen & Co would operate a regular steamer service to make post reliable and secure between Shanghai, Tsingtao, Chefoo (now Yantai) and Tientsin (now Tianjin). With today’s instant communication, it is easy to forget how important the postal service was a century ago. While many cities were designing telegram and cable lines, and even neighbourhood telephone systems, overseas communications with the China coast still depended entirely on the mail.

While Jacob Jebsen and Heinrich Jessen were debating how to implement this important contract, a telegram arrived from Kiel. It was from Heinrich Diederichsen, brother of Carl and Gustav Diederichsen who had provided a loan for the young firm. Heinrich Diederichsen informed the partners that he had concluded a contract to supply coal to the German navy in Tsingtao as the agent of the Rheinisch-Westfälische coal syndicate and he proposed a partnership with Jebsen & Co. Thus Diederichsen, Jebsen & Co was established, with Heinrich Diederichsen holding a 50 per cent share and Jacob Jebsen and Heinrich Jessen 25 per cent each.

However, in those early days there was little to occupy the hopeful colonists in Tsingtao and many spent their time complaining about the government and consuming what Jacob Jebsen saw as “enormous quantities of alcohol”. For months, he reported, the only export from Tsingtao was a large quantity of empty beer bottles! Ironic considering that Tsingtao beer is now a prominent brand worldwide.

Once the harbour began to take shape however, business started to improve. Heinrich Diederichsen sent out a large sailing ship “at just the right time”, loaded with cement and other building materials to bring the new company its first respectable profit. In association with its steamer forwarding service, Diederichsen, Jebsen & Co founded a lighter company under the name Kiaochow Leichtergesellschaft.

Without these flat-bottomed barges, cargoes from Hamburg, mostly material for the railway, could not have been brought ashore. During the period the harbour was under construction, the lighter business made excellent profits and proved a great help to the embryonic colony.

Jacob Jebsen and Heinrich Jessen took turns being based in Tsingtao and Hong Kong respectively, and business was soon coming in from all sides. By making room for other cargoes on its coal ships, the company imported a variety of commodities needed in Tsingtao, from nails and window glass, to matches and beer. They also acquired the agencies of several insurance and shipping companies, including Norddeutscher Lloyd.

### A SAD HOMECOMING

At the end of March 1899, with Jebsen & Co on an even keel, Heinrich Jessen felt free to return to Europe for the first time in more than 10 years. His first destination was Ludwigshafen, where he called on BASF, the firm that would prove his company’s mainstay in the coming years. Back in Aabenraa, he called at the Jebsen home and was met at the door by Jacob Jebsen’s sister, Johanne, whom he had last seen as a young girl. It was a case of instant attraction and within weeks, on May 28, the couple announced their engagement. Through this union, the partners were linked in a still closer family relationship as brothers-in-law.

Then came grave tidings. Johanne’s father, Michael, who had gone to a spa, was suddenly taken ill and had to undergo an operation in Berlin, where he died in September 1899. Inevitably the death of Michael Jebsen, one of his home town’s most distinguished figures, cast a shadow over the wedding plans of his daughter Johanne to Heinrich Jessen. With

Johanne’s brother, Jacob, unable to leave the office in Hong Kong, Heinrich Jessen had first to secure his partner’s business legacy in order to preserve the shipping company under the Jebsen family name. His wedding to Johanne was celebrated quietly and with little ceremony on December 15, 1899, and at the beginning of the New Year the young couple travelled to Hong Kong in order to relieve Jacob Jebsen, so that he could return home.

On his way back to Europe, Jacob Jebsen travelled via Tsingtao and Shanghai and, while mourning the passing of his father, he was pleased with the progress of business.

*“This concluded an important period of my life. I had arrived in China just five and a half years before, at the age of 24, without much commercial knowledge and only very small means. In the course of this time I had built up a secure commercial basis and acquired all kinds of knowledge and valuable connections. I had had a good time.”*

Business in both Tsingtao and Hong Kong had developed so well that Jebsen & Co’s year-end net profit for 1899 was HK\$62,401.42, more than double that of the previous year. This upward trend continued during the first half of 1900, until the Boxer uprisings in North China brought a sudden and completely unexpected turn of events.



The foreign enclave in Canton where early European traders had their factories or “hongs”.





A hand painted aerial view of Tsingtao, 1914. Acquired by Hans Michael Jebsen in 2007 and on loan to the Hong Kong Maritime Museum.



# A FLEDGLING ENTERPRISE

(1900–1914)

## RIGHTEOUS AND HARMONIOUS FISTS

During the mid-1890s, the Chinese government had been dealt another blow with its defeat in the First Sino-Japanese War. The defeat had come to symbolise the enfeeblement of the Qing Dynasty and was a great insult to Chinese national pride and dignity.

A secret Chinese society known as *I-ho ch'üan* (Righteous and Harmonious Fists) had been gaining strength in, and spreading outward from, the coastal province of Shandong. Dubbed the Boxers because they practised martial arts, which they believed made them impervious to bullets, their original aim had been the dethroning of the Qing and the expulsion of

Westerners, who enjoyed extra-territorial rights giving them privileged status in China. But when in 1898 conservative, anti-foreign Manchu forces won control of the government, they persuaded the Boxers to drop their opposition to the Qing Dynasty and instead unite with it to eject foreigners from the country. As a result, Qing officials and the Empress Dowager Cixi – the *de facto* ruler of China – began to cultivate and encourage the group.

Many of Shandong's local population rallied to the Boxers' cause, believing that the building of the railroad across the province disturbed *feng shui* and seeing it as further evidence of foreign interference in their affairs. The activities of Christian missionaries, who encouraged their converts to ignore traditional Chinese ceremonies, fanned the flames. By late 1899, the Boxers were openly attacking Chinese Christians and Western missionaries. By May 1900, Boxer bands were roaming the countryside around Peking (now Beijing), and on May 28, the Boxers struck their first major blow by destroying the newly-built railway line.

Encouraged by their success, the Boxers marched on Peking. Foreign legations assumed that the Chinese government would protect them but they quickly realised that their trust was misplaced when the German ambassador, Klemens Freiherr von Ketteler, was murdered on his way to the court in June, 1900. The threatened Westerners barricaded themselves into the semi-walled area reserved for foreign embassies, a short distance from the Forbidden City, and were besieged for two months before a multinational coalition force of 20,000 men marched to the rescue, reaching the capital on August 14.

Despite the disturbances, demand for goods and commodities continued to thrive, benefiting the shipping industry. Both Jebsen & Co Hong Kong and the Tsingtao-based Diederichsen, Jebsen & Co saw business increase, and a branch office of the latter was set up in Chefoo.

Jebsen & Co were contracted to supply provisions to German troops in Tsingtao and contributed to the smooth running of transport and supplies required by the large German expeditionary force under Alfred Graf von Waldersee in Peking until the rebellion was finally quelled in mid-1901.

Jacob Jebsen described the impact of the rebellion on the fortunes of Jebsen & Co:

*“When the Boxer uprisings started in China in the summer, and the battleship squadron and the Waldersee expedition were sent to the East, a rich field of activity opened up for us. Not only were the coal transports increased... but also, by taking on transports out there for all kinds of supplies, there were good opportunities for profit.”*

## BURGEONING BUSINESS

The year 1901 brought more success. Recognising that the Boxer uprising was coming to an end and that competition would heat up once the coalition forces were sent home, the partners agreed to sell their postal service steamer line to the German company Hapag at a substantial profit.

Diederichsen, Jebsen & Co had been represented by H. Diederichsen of Kiel in Europe, but with an eye to the future when Jacob Jebsen and Heinrich Jessen might want to spend more time at home, a branch office of Diederichsen, Jebsen & Co was opened in Hamburg in April 1901 to handle European exports. The company expanded and diversified its trading department in response to increasingly specialised markets at both ends. The huge demand in China for indigo dye supplied by BASF led to the formation of a syndicate of Chinese indigo dealers and dyers. This also led to a monopoly contract for supply. Export services from Tsingtao surged in response to fashion trends in Europe, and shipment after shipment of straw braids, pongee silk and hairnets headed west.



Heinrich Jessen visiting indigo-dyers in Fatshan, 1912.



By 1902, the shipping line M. Jebsen operated 16 steamers in Asia and all trading sections in the Hong Kong company showed considerable turnover even though world trading conditions were not particularly favourable. Despite a drop in the value of silver, which resulted in many international traders suffering heavy exchange losses, the company launched a regular shipping service between Swatow (now Shantou) in China and the Indonesian island of Sumatra. In the ensuing years, it carried up to 10,000 passengers annually.

With the success of Diederichsen, Jebsen & Co in Tsingtao and Chefoo, a decision was taken to open a branch in Shanghai, under the management of Heinrich Jessen's brother, Johann Jessen. It opened in March, 1903. This was to prove an “industrious year crowned by a happy event”, for Heinrich Jessen. A son Johann Heinrich Jessen – nicknamed Heinz – was born on December 2, 1903. Heinz's arrival brought an heir and reinforced his father's decision to invest in what would then have been deemed rather expensive Hong Kong real estate. In his memoirs, Heinrich Jessen mused on this investment:

*“I could justify purchasing a beautiful property on the Peak, which had just come up for sale, for HK\$44,000, to secure a healthy place for my family to live... We called it ‘Lysholt’ in memory of the homeland strand.”*

### A WAR AND A NATURAL DISASTER

The Russo-Japanese War began on February 8, 1904, when Japan attacked the Russian Far East Fleet at Port Arthur (now Lüshun) and then, three hours later, issued a formal declaration of war. Tsar Nicholas II of Russia was stunned, unable to believe that Japan could initiate such an act without warning. It took eight days for the Russians to issue a reciprocal declaration, but by then much of the damage had already been done.

The war would last until September 5 the following year, ending in crippling defeat for the Russians and humiliation for their Tsar.

Because Germany supported Russia in this war, Diederichsen, Jebsen & Co supplied Vladivostok with coal from Cardiff, purchasing nine additional vessels to participate in the supply, and opening a temporary branch in Vladivostok to receive it. Heinrich Jessen spent much of the war in Europe, arranging the shipments. It was a hazardous process, with vessels under constant risk of capture by the Japanese navy. And, even though it paid handsome dividends, the company naturally welcomed the end of the war in 1905 and the resumption of normal trade.

Unfortunately, during the war, an influx of new ships had joined the traffic in the Far East looking to exploit the exceptional circumstances arising from the conflict. In peacetime, only the regular routes made a profit and many of the vessels that plied for hire were either laid up or made a loss due to falling freight charges. A recession hit the shipping industry that would last until 1910.

Trade in North China also experienced a period of stagnation. Wartime goods ordered in excess of actual requirements put pressure on the market, prices fell and several Chinese traders withdrew from their obligations by going “up country” or “Ningpo more far”, which meant they disappeared into the hinterland without trace.

South China had been less affected by the war, and trading continued as usual until a natural disaster in the autumn of 1906 caused chaos. On September 18, Hong Kong was struck almost entirely without warning by what is still considered the worst typhoon in its history. More than 10,000 people perished and some 140 ships in Victoria Harbour were either sunk or severely damaged. Heinrich Jessen recorded his own experience of the aftermath:



Heinrich Diederichsen (1865–1942).



Brickworks of Diederichsen, Jebsen & Co, Tsingtao, 1900.



Warehouse of Diederichsen, Jebsen & Co, Tsingtao, 1904.



A view of Tsingtao with the Diederichsen, Jebsen & Co building on the far left, 1898.





Hong Kong after the great typhoon of 1906.



Damage done by the great typhoon of 1906.



Jebsen & Co warehouse complex, Westpoint Godowns, Hong Kong, 1907.

*“When I went to inspect the damage in the afternoon, I saw that the Apenrade had sunk at the harbour entrance, Johanne and Signal were badly damaged and our warehouse had been crushed by the force of the storm. There were our stocks to the value of about two million marks exposed to the torrential rain. We began to salvage the goods that evening...It was a terrible sight, and even though the damage later proved to be less than it initially appeared, these days were a great strain on the nerves.”*

But there were several silver linings even to this storm. In Hong Kong, plans for a better typhoon warning system were put into place. The collapse of the company’s old godown (warehouse) prompted Heinrich Jessen to purchase, the Westpoint Godowns, a complex of five large warehouses at the west end of the town with ample room for the growing business.

Jebsen & Co bought out several businesses which had decided to withdraw from China trade. They included Lauts, Wegener & Co with its established agencies for the Remmer Brewery in Bremen, as well as a number of old and well-established *chops*. The brewery business in particular would prove a sound investment. More than 100 years later Blue Girl Beer would be one of the company’s most successful brands.

The resulting expansion of the goods business in Hong Kong soon required the firm to hire additional personnel and lease larger offices. In October 1906, the company moved to the second floor of King’s Building in Connaught Road Central, located where Chater House now stands. Jebsen & Co also purchased premises and opened a branch office and warehouse in Canton, on Shameen, literally ‘sandflat’, where the first foreign hongts were established. This office enjoyed one of the latest Shameen conveniences – electricity.

Business in BASF dye-stuffs, piece-goods and the import of printing paper from Europe expanded rapidly, and in May 1907 another branch of Diederichsen, Jebsen & Co was established in the

north at Tientsin, dealing in the export of leather, feathers, jute, cotton and wool, and imports of textiles, tools and machinery.

### A PARTING OF WAYS

The next two years were to bring a devastating personal loss to Heinrich Jessen and a parting of ways with long-time partner Heinrich Diederichsen.

After attending the inauguration of the Tientsin branch in May 1907, Heinrich Jessen, his wife Johanne and their children were travelling back to Hong Kong, when fortune turned against the happy family. Johanne became seriously ill and died on June 16, leaving a bereft Heinrich Jessen and their two small children, Heinz and Christa.

Jacob Jebsen, who keenly felt the loss of his sister, had commitments at home and could not immediately relieve Heinrich Jessen in the Hong Kong office. Like his father, he had taken on several honorary posts in Aabenraa, and he had also just become engaged to Käthe Bock, the eldest daughter of Hans Christian Bock, owner of a large agricultural estate in Mecklenburg and grandson of the founder of the renowned trading company H.C. Bock, Hamburg.

The urgency of returning to Asia once again precluded any protracted engagement. Jacob Jebsen and Käthe Bock were married on October 3, and their brief honeymoon was combined with a business visit to BASF in Ludwigshafen on the Rhine. Between the engagement and the wedding, Heinrich Jessen and his children had arrived home and the family moved to Hamburg where Heinrich Jessen made the branch of Diederichsen, Jebsen & Co his workplace.

Jacob and Käthe Jebsen set sail for Hong Kong where they moved into the beautiful “Haus Lysholt” on the Peak, in which the Jessens had lived for several years, and which at the end of 1907 had been acquired



Canton, early 1900s.



Canton, early 1900s.



Jebsen & Co Canton office, 1920.



by the company. Jacob Jebsen wrote of “idyllic days” spent up there:

*“Although the way to the business area was so far that one could not come home for lunch, when one reached the house in the evening after work in the hot and loud town about 500 metres below, it was like being in a different world. Especially the cool of the nights was a blessing in summer, and one slept completely differently to down below, where the temperature hardly fell at night... We had a wonderful view from our house, far out to sea over the groups of islands which surround Hong Kong. Hong Kong justifiably claims to be one of the most beautiful ports in the world. Usually Rio, Sydney, Naples, San Francisco and Hong Kong are said to be the most beautiful. I don’t know Rio, but the others are not superior to Hong Kong, and our house stood on one of the most beautiful spots.”*

Business was thriving. But as 1908 rolled round, differences of opinion between Heinrich Jessen and Jacob Jebsen on the one side, and Heinrich Diederichsen on the other, led to a mutually agreed separation of their common enterprise in north China. According to Jacob Jebsen:

*“A certain tension had grown up in our relationship with our partner Diederichsen. He had an irrepressible urge for expansion, and had taken over a company in Singapore, one in Japan and finally one in Vladivostok, whilst Jessen and I had restricted ourselves to China and firmly held back.”*

He went on to add:  
*“My relationship with Diederichsen, whose business acumen I had always respected, remained good and I later maintained regular contact with him.”*

Business relations between the now separated firms of Jebsen & Co and H. Diederichsen & Co remained amicable. Heinrich Diederichsen paid the cousins 1,370,000 marks in settlement for the Diederichsen, Jebsen & Co branches in Tsingtao, Shanghai, Chefoo, Tientsin, Vladivostok and Hamburg, and operated them as sole proprietor.

For a period of three years, he agreed to

desist from doing business in South China where Jacob Jebsen and Heinrich Jessen operated out of Canton and Hong Kong. In 1909, around the same time that Jacob and Käthe Jebsen welcomed the arrival of their first child, the cousins established the company Jebsen & Jessen in Hamburg to act as agents for Jebsen & Co in Hong Kong in place of their former associate. This company would grow over the course of a century to become one of the cornerstones of today’s Jebsen and Jessen family enterprise.

### HOTBED OF REVOLUTION

Born in a village near Canton in 1866, Sun Yat-sen had spent much of his youth in Hawaii where his brother had become a prosperous merchant, before moving to Hong Kong in 1883, where he studied to become a doctor. Strongly influenced by the ideas of Abraham Lincoln, he was greatly troubled by what he saw as a backward China with an ineffective government that demanded exorbitant taxes and levies from its people. Sun Yat-sen saw Hong Kong as the springboard for launching an assault on the decaying Qing Dynasty. He founded two organisations, the Society for the Revival of China (*Xing Zhong Hui*) and the China Revolutionary League (*Tong Meng Hui*). The British colony was soon a hotbed for revolutionaries.

Undaunted by the failures of the Taiping Rebellion and other uprisings against the government in past decades, and spurred on by these underground organisations, the Chinese populace rose up. In October, 1911, the revolution which was to overthrow the Qing Dynasty and end more than 2,000 years of imperial rule, began. The conflict ended with the abdication of Emperor Puyi who had succeeded Empress Dowager Cixi on her death four years earlier. He was six years old.



Jacob Jebsen (fourth from right) visiting the Mandarin of Weih sien, Shandong, 1912.

Now known as the Father of Modern China, Sun Yat-sen was declared provisional President of the Republic of China on January 1, 1912. But the country was politically fragmented and internal conflict persisted. The People’s Republic of China would only be officially established under the leadership of Mao Tse-tung on October 1, 1949. The intervening time was a period of chaos, of battling between warlords for control of the country, followed by the Chinese Civil War between Sun Yat-sen’s successor as the leader of the Kuomintang, or Nationalist Party, Chiang Kai-shek, and the Chinese Communist Party led by Mao Tse-tung.

Inevitably the 1911 Revolution had a profound impact on company business. With high hopes

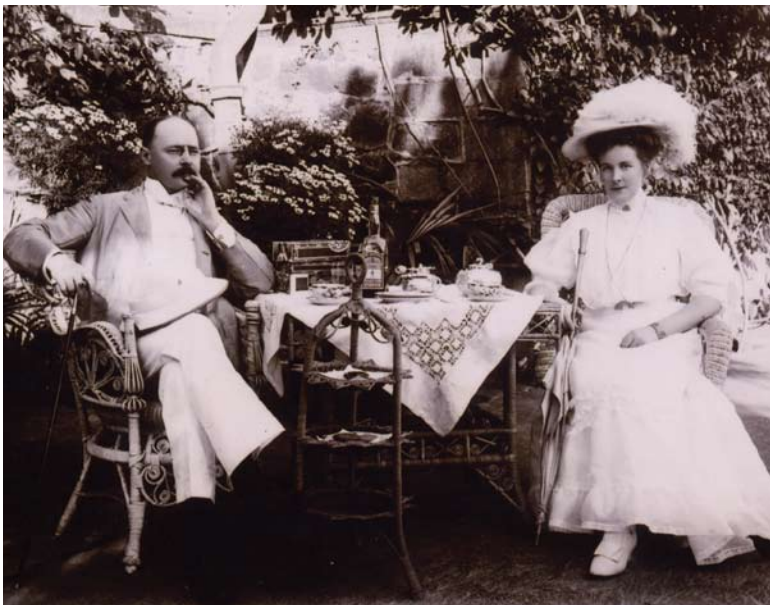
but more questions about the future, Jebsen & Co withdrew all but a skeleton staff from Canton and diversified its business. It joined forces with the Swedish motorworks company, Bolinder, to form a partnership in a coconut plantation in New Guinea, and took on the representation of an oil company based in New York, Fiske Brothers Refining Co.

In Hong Kong itself, with its widespread network of customers, the economic fallout from the revolution was not so immediately apparent or patently unfavourable. Rather, as in other times of crisis, Hong Kong experienced an influx of Chinese refugees, who in these unsettled times preferred the safety of the British colony.

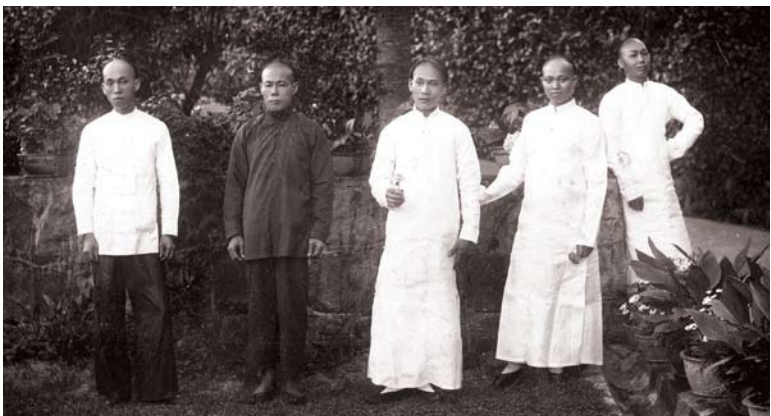




“Lysholt”, the partners’ residence on the Peak of Hong Kong.



Jacob Jebsen and his wife Käthe in the gardens of “Lysholt”, 1908.



Staff at “Lysholt”, 1907.



Interior of “Lysholt”.



Heinrich and Johanne Jessen, 1899.



Heinrich Jessen, his wife Johanne and their eldest daughter Christa, 1901.



Picnic in Hong Kong.  
Jacob Jebsen sitting in front, Heinrich Jessen standing in back row, third from left.



Jacob Jebsen (back row, fourth from left) at a Jebsen & Co costume party, early 1900s.



In February 1912, Jebsen & Co's comprador, Chau Yue Teng, wrote to Jacob Jebsen predicting that imperial troops would ultimately prevail against the revolutionaries. He was wrong. However Chau was right in his assumption that the country would suffer from endless disturbances for many years to come.

As Jacob Jebsen and Heinrich Jessen's enterprises sailed into the century's second decade, the demand in China for steel, fertilisers and grain grew. These products signified the country's enormous efforts to modernise, a process which many Chinese, including Sun Yat-sen, believed the Qing Dynasty rulers had been preventing.

### HOME FRONT

On the other side of the world, in Hamburg, events close to his heart prompted the following admission in Heinrich Jessen's memoirs:

*"In 1911 my luck returned once more when I met Eva Bourwieg in Eisenach and on the 4th May she agreed to marry me. From then on my life entered a new phase thanks to her. On 30th May, I took Eva to Laimun where she spent Whitsun with us. On the 24th June we were married in Berlin."*

Later that year, Jacob Jebsen also had happy tidings to relay:

*"On the 13 September 1911 our first son, the son and heir, was born and according to tradition was baptised with the name of Michael."*

Heinrich and Eva Jessen welcomed their own son, Uwe, a year later. The marriage was to produce four children, including Arwed Peter

who would become one of the four second-generation partners. On the business front, the completion of the railway link between Hong Kong and Canton in 1911 and the end of the shipping crisis were further cause for optimism, as was a healthy upswing experienced by the Hamburg firm.

Blue Girl Beer, Bolinder engines and other Jebsen & Co trademarks were doing well in China, and BASF products were, as ever, in great demand. Additionally, trade in scrap metal, rubber waste, hog bristles, duck feathers, ginger, tungsten, antimony and rattan brought in profits.

By the end of 1913, Jebsen & Co had moved into a brand new Queen's Road Central building and that same year, Jacob Jebsen's cousin, Carl Offersen, had joined the firm in Canton. In the spring of 1914, Jebsen & Co's balance sheets showed that operations had provided its two owners with a cumulative capital of some five million marks after 20 years of work, and that all the goods departments had far outstripped the shipping department, which had originally been the cornerstone of the firm.

But in Europe, political events were brewing which would throw the world into turmoil. On June 28, 1914, the Archduke Franz Ferdinand of Austria, heir to the Austro-Hungarian throne, was assassinated in Sarajevo, sparking the Balkan incident that would serve as catalyst for the greatest European conflict in history.



Blue Girl Beer original label, 1906.



A view of Hong Kong harbour, early 1900s.





Shanghai Bund, early 1900s.



# A WORLD AT WAR

(1914–1945)

## “SOMETHING NOBODY COULD HAVE IMAGINED”

Jacob Jebsen arrived back in Hong Kong at the end of February 1914 for what he intended to be a brief visit. He had booked his return trip on the Trans-Siberian railway to depart on August 10, with his luggage sent by sea via the Suez Canal. But by the time he was ready to set off, the political horizon had darkened to the extent that he considered it his duty to stay put in order to protect the interests of Jebsen & Co in Hong Kong. He recorded his thoughts in his memoirs: *“Consequently the separation from my family, which had been estimated to last eight months, was now unforeseeably extended and I was to experience something that nobody could have imagined.”*

News had arrived by telegraph of the assassination of the Archduke and, viewed from the other side of the world, the confused political situation seemed fraught with the direst possibilities. On a visit to the Hong Kong Club, Jacob Jebsen encountered the head of Butterfield & Swire, who shook his hand and said how sorry he was about what was going to happen, and that he hoped the matter would end quickly so that the former good relations would be restored. In Jacob Jebsen’s words: *“As this man, who worked very closely with the British government, clearly received news directly from London, it dawned on me what the situation was, and I immediately made all possible arrangements.”*

Within a month, much of Europe was at war. Britain declared war on Germany on August 4. All senior employees of Jebsen & Jessen in Hamburg were drafted into the German armed forces, leaving Heinrich Jessen in sole charge of the German company. The Jebsen ships were confiscated. None would be returned to their owners at the end of the war.

With Aabenraa at that time being a part of Germany, Jacob Jebsen held a German passport and therefore suddenly found himself an enemy citizen in the British colony of Hong Kong, along with the rest of the colony’s German population of more than 350 men and women. The colonial government blocked their bank accounts, obliged them to report in person to the police, prohibited their departure from Hong Kong and put parts of the city out of bounds. Enemy nationals were permitted to continue to do business with neutral countries, but this was mostly so difficult as to prove impossible, and even this dispensation was soon withdrawn. Hong Kong’s German population relied on the Chinese to bring them news from Germany, as well as business information from Canton. One messenger who brought news to Jacob Jebsen was particularly resourceful:

*“He came to me with a large basket on his arm, in which there were some dozen large blue crabs. He put the basket on the table, took one of the live creatures out of the basket and opened up its shell, below which lay the news in a roll of tin foil. In this way at least we received the German military reports which we used to correct the Reuters news reports that were to begin with, quite untrue.”*



Heinrich Jessen (second row, centre) with executives of Jebsen & Co, Hong Kong, 1913. Left corner: A BASF indigo barrel.

By mid-October 1914, there were rumours of internment. Jacob Jebsen initially disregarded these, since the Governor, Sir Henry May, whom he knew to be a reasonable man, had informed him through the consul that if Jebsen & Co personnel acted properly and did nothing against Britain, they could remain in the colony without any further hindrance.

But the rumours proved true. Jacob Jebsen and his fellow countrymen were informed by the American consul, who was charged with their protection, that they would be interned and their businesses wound up.

Jacob Jebsen was proud of the fact that, between the outbreak of the war and the enforced winding up of the company, he had used the income to pay off all debts to British associates. He protested in vain

against the appointment of a liquidator who was also a competitor. The liquidator was the owner of a small British import firm, W.G. Humphreys & Co, which had never really amounted to much because it lacked both capital and insight. The banks were supposed to have a say in who was appointed, rejecting those who could use to their own advantage the knowledge acquired from studying the business processes, books and invoices of the firm being wound up. But, as Jacob Jebsen averred: *“Few liquidators could have resisted the temptation represented by this uncontrolled access to foreign assets. They may have eased their conscience with the fact that they were following the war maxim issued by their government, which was to harm the enemy wherever and whenever this was possible. There was sufficient opportunity for this.”*





Jacob Jebsen (back row second from right) in a Hong Kong internment camp located at the site of the present Peninsula Hotel, 1915.

For two years, Jacob Jebsen was held in an internment camp on the tip of the Kowloon peninsula, situated between the sea and the Kowloon Canton Railway platforms. It was surrounded by four barbed wire fences, patrolled on the outside by guards, and consisted of little more than a row of huts made from matting and bamboo, and an open space used on certain days for exercise. Jacob Jebsen found that: “Life in the camp was naturally extremely boring... Some music and a very primitive type of theatre brought a little diversion to our lives, and the stupid fear in the camp command of attacks by our side was the source of much amusement. The following

episode was highly amusing: a few of the young people who had set up a Chinese language course managed to acquire from the canteen a map of China about the size of a notebook page, with markings in Chinese. Immediately afterwards a company of soldiers appeared with fixed bayonets and they occupied all the huts. The senior staff officer with other officers appeared. Then those taking part in the language course were arrested and were taken away under a splendid escort, then the whole camp was ransacked from top to bottom, while we were taken to the playing fields. There was the utmost agitation amongst the British, as it was suspected that there was a terrible plot in which the little map played an essential part.”

In early 1916, Jacob Jebsen was transported to Australia. He and his fellow prisoners-of-war boarded the ship after what he described as a thoroughly degrading experience being led through lines of Hong Kong Volunteers all swearing and jeering at the unfortunate captives. He described what followed: “The entire ship was covered with bars like a cage for beasts of prey. Steam-hoses, a machine gun and a guard of some 80 men were in place to keep us in order. No British person dared go into the cage; even medical rounds took place from outside, and a marine had a tooth pulled out while two comrades pressed his head against the bars and the medical aid reached through the bars from the other side with pliers. We found above all that our guards assumed we had supernatural strength and shrewdness. We were 300 peaceful people who were not guilty of any acts of violence that would have necessitated such precautionary measures.”

In Australia, prisoners from Hong Kong were held at first in a prison north of Sydney at Trial Bay where the kind climate improved the general health of the inmates. Unfortunately, they were later inexplicably moved to a notorious internment camp named Liverpool on the outskirts of Sydney. Here the prisoners were accommodated in open wooden huts, each accommodating 36.

Wrote Jacob Jebsen: “Living in close proximity to others soon became an irritation and more and more unbearable, and the length of the internment and the worsening prospects for the outcome of the war tried our nerves even more.”

THE END IN SIGHT

Just when it seemed things could get no worse for Jebsen & Co, they did. China declared war on Germany on August 14, 1917, and proclaimed that all treaties, agreements and conventions concluded with the German Empire were null and void. This meant that the Canton branch of Jebsen & Co – as with all

other German firms – was seized and compulsorily wound up.

Jacob Jebsen was still interned in Australia when news arrived of the Armistice, signed on November 11, 1918. Like many of his comrades, Jacob Jebsen submitted an application to travel home at his own expense on a neutral steamship, and he left Sydney at the end of May 1919. But the hardships he was to endure were far from over. Conditions onboard the *Kursk* were horrific and as the worst influenza pandemic on record began to sweep the globe, eventually killing around 30 million people worldwide, passengers began dying daily. The guards were also affected so the ship changed course for Durban as a port of refuge. After rounding the Cape, the warmer weather led to a vast improvement in the health of the passengers and to renewed hopes that they would live to see their homelands once more. When they reached Plymouth, Jacob Jebsen learned that they would be taken on to Rotterdam, where they would be released.

Jacob Jebsen finally made it back home in August 1919. It was a bittersweet occasion. “In Hamburg I met Heinrich Jessen at the station. I travelled with him and after a 12-hour journey I arrived in Aabenraa; after an absence of 5½ years instead of the planned six months. I found my wife and children in the best of health. The children naturally did not know their father and welcomed the stranger with a little reserve, which disappeared, however, after a few days.

“All other impressions were of course somewhat grim. We mourned the two brothers who had fallen in France, and my sister Tille’s two sons who were still in France. The extremely sad atmosphere pervading the fatherland and the loss of my assets, temporarily at least, and the doubt as to whether and when the shipping company and the business in China could ever be built up again – all contributed towards revealing a fairly gloomy future. In any case it was clear that there were years of hard work before us.”





The harbour of Aabenraa, hometown of company founders Jacob Jebsen and Heinrich Jessen, early 1900s.



### POST-WAR REVIVAL

As the newly established League of Nations wrestled with disarmament, international administration, labour legislation, health issues and border disputes, one of the first things on the agenda for citizens of Aabenraa was a German/Danish referendum to decide the future border between Denmark and Germany in accordance with the Treaty of Versailles. The referendum date was set for February 10, 1920.

Jacob Jebsen, meanwhile, focussed on rebuilding his father's shipping business, and both he and Heinrich Jessen were concerned with what appeared to be the end of their business in the East. It seemed that after 20 years of trading in Chinese waters, a line had been drawn under the firm of Jebsen & Co.

Every single one of the M. Jebsen shipping line's vessels had been lost during the war and what greeted Jacob Jebsen when he returned from captivity was, as he put it himself, "a pile of rubble". He began the daunting and arduous task of collecting the large debts due to the company in the many countries where it had previously operated, but the intervening four long years of war made this extremely tough.

However, for all the heartbreak and destruction, wars often throw up inspiring examples of human perseverance. Soon after Jacob Jebsen's return to Europe, the partners were amazed and uplifted to receive a telegram from Georg Krüger, who had been manager of their Canton office during the pre-war years, and who had managed to stay in China during the war. He suggested that marketable goods were needed in China and the partners responded immediately asking to whom they should be consigned. For Georg Krüger, this was a sign that the Jebsen & Co spirit was as indomitable as ever.

Georg Krüger managed to contact the firm's former comprador and agent, Chau Yue Teng, who

arrived in Canton in August 1919, and helped him obtain an office and warehouse in the Chinese business district. Chau Yue Teng also agreed to continue working as agent for Jebsen & Co in Hong Kong.

This first ray of light for Jebsen & Co's China trade business was followed in September when the Chinese government declared the war with Germany over. Heinrich Jessen oversaw the re-establishment of the company's Hamburg office, and soon after, a branch of Jebsen & Jessen was opened in Aabenraa.

As Georg Krüger had predicted, there was a desperate need for goods in China after years of war. In early 1920 the first steamship sailed from Hamburg to the Far East carrying goods, most of which had been stored in Hamburg throughout the war years. In Rotterdam a number of batches of BASF dyes were loaded, paid for with a loan of US\$44,000 from Chau Yue Teng. Together with goods that had been held at Sabang in the Dutch Indies, these cargoes were sold in 1920 at very high prices through the re-established Canton office, earning a handsome profit that helped with the rebuilding of the firm and its reputation.

For Jebsen and Co, trade relations with countries still officially at war with Germany opened up when, as a result of the February referendum, Aabenraa once again became part of Denmark. In June 1920, its citizens, including Jacob Jebsen and Heinrich Jessen, were issued with Danish passports. The partners enjoyed a windfall in 1921 when Jebsen & Co, newly recognised as a Danish company, received compensation of about 50,300 taels (about £10,000) from the Custodian in China of Enemy Property for its holdings in Canton confiscated during the war.

Canton was experiencing significant changes as road networks were expanded, a sewerage system was built and an electric tramway was planned – all of which brought business opportunities. The old city wall, a symbol of insiders versus outsiders, was demolished.



Jacob Jebsen's children Irmgard, Michael, Ingeborg and Clara (from left), Aabenraa, 1915.

Having long enjoyed a good relationship with their Chinese business partners, Jebsen & Co embraced the post-war spirit of inclusion and started employing Chinese office staff. In August 1920, Julius Riecken, a manager of Jebsen & Co before the war, who had been repatriated from Shanghai, took over the Canton office after turning down an offer to join BASF. Georg Krüger went home for the first time in 10 years.

### REGAINING LOST GROUND

Yet re-establishing Jebsen & Co in China was not easy. Despite Sun Yat-sen's dream of unity and freedom in China, the country was under the control of several major and lesser warlords, each endeavouring to establish supremacy. Sun Yat-sen sought help from foreign powers to defeat these warlords and when aid from Western democracies was not forthcoming, he turned in 1921 to the Soviet Union. The Soviet leadership initiated a dual policy of support for both Sun Yat-sen's Kuomintang (KMT) and the Chinese



Jacob Jebsen with his children Irmgard, Michael, Hans Jacob, Ingeborg and Clara (from left), Aabenraa, 1923.

Communist Party (CCP). Thus the struggle for power began. Outright civil war between the two did not erupt until 1927, but in the meantime the uneasy political situation, civil strife fanned by contending warlords, as well as unrest directed at foreigners created chaos and confusion that did not bode well for trade.

Most of Jebsen & Co's old business ties had been severed, and British, American and Japanese companies had made great inroads into its former strongholds, even gaining a foothold in the dyestuffs business which, before the war, had been dominated by German manufacturers. German goods, however, had always enjoyed a good reputation, and while Japanese goods were certainly cheaper, they were of poorer quality and largely rejected by the resentful Chinese.

A further obstacle was posed by unusually wide fluctuations in the rate of exchange based on silver – fluctuations which would continue throughout the next two decades until the World War II. The rapid decline in the value of the Hong Kong dollar in the early 1920s led to huge losses for some companies. Jebsen & Co's



wartime liquidators, W.G. Humphreys, fell victim to this depreciation and were forced into liquidation. Many other large British companies lost more than their total war and post-war profits during this period, while a large number of smaller non-German companies had to close their doors.

Despite these hurdles, Jebsen & Co began to grow from its Canton base. A rewarding connection was made with Robert Bosch, makers of automotive equipment in Germany, and this later led to a full agency agreement. In 1922, the company secured the agency for the Norddeutscher Lloyd line. As a result, the shipping department in Canton was able to cope with larger orders, particularly from 1924, when the first Jebsen steamships returned to China. Many new opportunities also arose in the sundries business, including the import of lace trimmings made in Germany to Chinese designs.

Since starting up again in the East, the partners had resumed business in Hong Kong with the Chinese dealers they had dealt with before the war, but due to the initial strong anti-German sentiment, the partners had postponed the reopening of a Hong Kong office. Instead, Carl Offersen had joined Julius Riecken in Canton and travelled every three weeks to Hong Kong to visit the dealers and record their orders. This travel became tiresome, especially when trying to settle disputes with dealers over damaged products, but by late 1922, the general mood had shifted towards forgiveness and the belief that exclusion of Germans was not compatible with the status of Hong Kong as a crown colony and free port.

Upon inquiry in July 1922, Jacob Jebsen and Heinrich Jessen were advised that, because they were now recognised as Danish nationals, no objections would be raised to them re-establishing their business in Hong Kong as long as no German nationals were employed – a restriction which was lifted a month later.

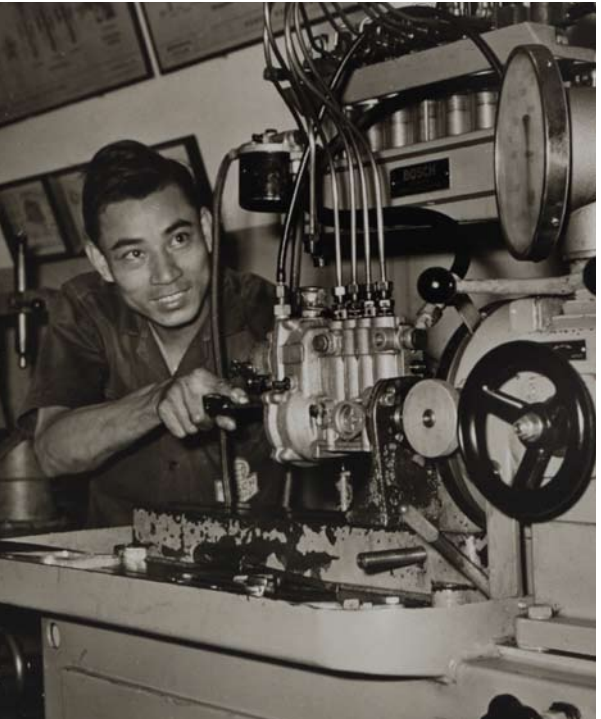
Hong Kong was not without problems of its own. Civil unrest in China had spilled across the border and by 1922 the colony had experienced its first crippling seamen's strike against unfavourable wages and conditions. Hong Kong was still an important gateway to the East however, and business had already picked up considerably in the post-war years. There was no doubt that it made sense for Jebsen & Co to have a branch there.

Heinrich Jessen, together with his wife Eva, travelled to China in early 1923 for what was to be his last visit. Before returning home via Japan and the United States, narrowly missing the Great Tokyo Earthquake by a few days, he must have relished witnessing in July 1923, the re-establishment of the Hong Kong office of the company that he had started with Jacob Jebsen more than a quarter century before. Jebsen & Co moved into 6 Queen's Road Central, opposite the City Hall, and undeterred by the civil unrest, unsullied by the opium trade, and committed to China, Jebsen & Co started to make up for lost time.

### REBIRTH IN HONG KONG AND SHANGHAI

Carl Offersen took charge of the reopened Jebsen & Co office in Hong Kong, assisted initially only by a handful of employees. One of these was Ng Chee, who served as clerk, office boy and watchman. He was also the person who fixed the first company plaque to the wall outside, a plaque he had crafted from crate tops. He had carefully hand-painted the name of the company in English and Chinese.

The company was re-admitted to the Hong Kong General Chamber of Commerce a year after its relaunch, the same year that Chiang Kai-shek, having returned from Moscow where he was trained in political and military theory, succeeded Sun Yat-sen as leader of the KMT.



Bosch service station, 1933.



Jebsen & Co Bosch office, Tientsin, 1933.



Bosch Products, Tientsin, 1933.



Bosch service station, Tientsin, 1933.





Binding straw braids, Shantung Overseas Trading Co warehouse, Tientsin, 1923.



Outside the Shantung Overseas Trading Co warehouse, Tientsin, 1923.



Staff members of the Shantung Overseas Trading Co, Tientsin, 1923.  
Jacob Jebsen and Heinrich Jessen were partners in the Shantung Overseas Trading Co from 1922–1925.

Jacob Jebsen continued to journey to China. As well as absorbing the atmosphere of political factionalism in Canton in late 1924, he also recorded his observations of the Soviet Union's presence and influence in China, and showed his nephew, Heinz Jessen, who had joined him in the Victoria Hotel, the ropes.

Heinz Jessen, who had been born in Hong Kong in December 1903, the eldest son of Heinrich Jessen and Johanne, née Jebsen, had grown up in Aabenraa and Hamburg. He had completed his apprenticeship in Jebsen & Jessen Hamburg and now, at 22, was eager to take his place in the family business.

On their arrival in Hong Kong at the end of March 1925, the same month that Sun Yat-sen died, Jacob Jebsen made arrangements for the company to take over the agency for the illustrious Hapag shipping line. Heinz Jessen was put in charge. This was to prove a happy marriage, and Jebsen & Co held the agency until 1970, when Hapag and Norddeutscher Lloyd merged to form Hapag-Lloyd, which Jebsen & Co represented until 1995.

In 1925, Jebsen & Co's head office moved from Canton to Hong Kong. The new, bigger office space occupied an entire floor of the Pedder Building at a monthly rental of HK\$540. The company remained there until 1965 before relocating to nearby Prince's Building. In 1993, Jebsen & Co moved to its present location in the Caroline Centre, Causeway Bay.

Back in 1925, Julius Riecken moved south from Canton to Hong Kong and was appointed a partner. He took up residence in a house on Stubbs Road, "Kiek Ut", that was to remain the director's residence for many years. "Lysholt", the house bought by Heinrich Jessen back in 1903, had been confiscated by the British during World War I. More junior members of staff, including Heinz Jessen, resided in bachelor quarters on the Peak, in what were dubbed "The Peak Slums".

Carl Offersen replaced Julius Riecken in Canton, which would now be run as a branch office.

Working to build their business to its pre-war heights, Jacob Jebsen and Heinrich Jessen began to weave a tapestry of partnerships with various firms operating in north China, and as far south as the nation's control extended – to Haichow (now Haizhou). They focussed on re-establishing trade with partners in Shanghai, including the Shantung Overseas Trading Co (SOTCO), and on plans to establish a shipping route between Haichow and Tsingtao in joint operation with Captain Theo Hannig, whom Jacob Jebsen had met while interned in Australia. Unfortunately, this was not to be. Civil unrest encroached on the site of harbour expansion in Haichow, and foreigners were forced to leave.

In Germany, BASF and other major manufacturers of dyestuffs merged in 1925 into a single concern, I.G. Farben Industrie, which established its own state-controlled distribution organisation, DEFAG, with branches in many Asian countries. In recognition of Jebsen & Co's valuable contribution, it was awarded the sub-agency for South China.

The shipping department also profited from the expansion in 1925, and, in addition to the agencies for the Norddeutscher Lloyd line and the M. Jebsen shipping line, began representing the Tung On Steamship Co Ltd, which operated between Hong Kong and Canton.

Other old connections were reinstated, including the partnership with Hiltermann Brothers and its inexpensive dyed satins. This, together with a range of other agency and trading agreements, meant the company was fully operational once more, and on a very firm financial footing. A deal with AGFA in 1926, the large German producer of film chemicals and photographic paper, led to another long and prosperous partnership.



Despite the social turmoil in Hong Kong and China, the partners decided to take advantage of valuable contacts they had obtained in the north of the country through their association with SOTCO. This business had closed in 1926, but the partners sensed the time was right to reopen a branch of their own company in Shanghai. Operations of the Jebsen & Co Shanghai office commenced in January 1927, under the leadership of Heinz Jessen, and began with representing Mannheim Motor-Werke and Robert Bosch.

Venturing back into Shanghai was a savvy move that would prove invaluable for Jebsen & Co during World War II, but in 1927 things were hotting up on the Chinese political front. Shanghai’s international settlement had just been placed under the protection of foreign troops as relations between Chiang Kai-shek’s KMT and the Communist Party deteriorated. On April 12, 1927, Chiang Kai-shek ordered the massacre of thousands of Communist Party members – an action which would have unforeseeable consequences. Chiang declared a new government based in Nanking (now Nanjing) and the Communists retreated to the countryside to prepare for civil war.

### SLOW PROGRESS AND A SAD FAREWELL

As civil war began to divide the country, conducting business was anything but easy. Nonetheless, progress was made. One advantage to China’s immense proportions was that trouble was usually localised. Hence, as Chiang Kai-shek launched campaigns against the Communists in the north of the country, pressure lessened in the south and life was relatively normal. As the year progressed, Jebsen & Co developed new business trading coal, feathers and chemical fertilisers.

The partners’ interest in the artificial chemical fertiliser business predated the war. In a letter to BASF dated April 29, 1914, Jacob Jebsen had written:

*“My personal opinion is that a large business is bound to develop, especially in ‘Stickstoff’ (nitrogen), as the supply of cowdung is so small and beancake, which was formerly extensively used, is becoming too dear on account of exports to Europe. Even if BASF can readily dispose of their production at home, I think it would be advisable to reserve a small part for China, to get a hold on the market and introduce a chop in time.”*

But circumstances had dictated otherwise and it was not until 1927 that Jebsen & Co was awarded the sub-agency for ammonium-sulphate (a compound of nitrogen and hydrogen) for south China, by I.G. Farben Industrie.

Although nitrogen-based fertilisers were more effective than the traditional cow dung or bean-cake used in China since time immemorial, Chinese suppliers of traditional fertilisers were understandably not too happy with the competition, and launched an aggressive propaganda campaign often stating that chemical fertilisers would turn the earth to stone. Despite their resistance, however, the artificial fertilisers prevailed and many bean-cake dealers later began to sell chemical fertilisers themselves.

In 1928, additional office space was rented on the eighth floor of Hong Kong’s Pedder Building to house Jebsen & Co’s nitrogen department, and in Shanghai, the company acquired processing equipment for fertilisers that put it into a very select group of entrepreneurs equipped to deal with this complex but profitable trade. By 1930, the turnover in nitrogen sales had grown to the extent that Jebsen & Co established branch offices in Swatow and Amoy (now Shantou and Xiamen).

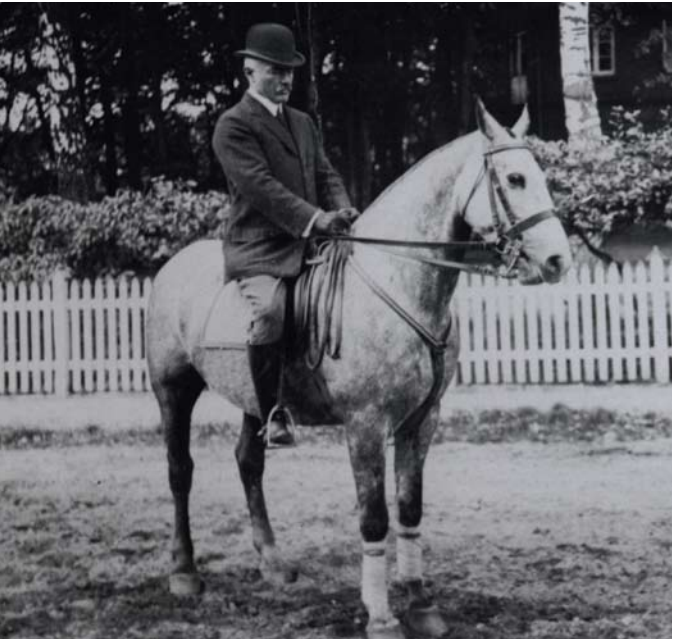
1930 was also the year that Heinz Jessen travelled to Europe via the US where he visited the firm’s major principals and business contacts. Back home, he married Etha Rickmers, daughter of shipping magnate Paul Rickmers, in Hamburg.



Heinrich and Eva Jessen, late 1920s.



Heinrich Jessen with his children Uwe, Heinz, Eva, Elke and Arwed Peter (from left), Hamburg, 1926 .



Heinrich Jessen, Hamburg, late 1920s.



Heinrich Jessen and his youngest son Arwed Peter.

Over the previous five years Heinz Jessen had learnt all the ins and outs of the business, and had shown himself to be adept at managing a business in a volatile political climate. The following year therefore saw him entrusted with the management of the China firm and he became a Jebsen & Co partner.

With his young wife Etha, Heinz Jessen travelled back to China in early 1931 via Siberia, and after a short stopover in Shanghai was in transit to Hong Kong aboard the steamship *President Wilson* when devastating news was conveyed to him by telegram. His father had passed away. Heinrich Jessen died on February 19 from a sudden heart attack during an evening ride on his horse.

Heinrich Jessen’s sudden demise hit both the family and the company very hard. His youngest son, Arwed Peter (AP) Jessen, was only six years old, and Heinz Jessen’s arrival in Hong Kong to take over the management of the business from Julius Riecken was overshadowed by these sad tidings.

### GROWTH IN TRYING TIMES

At the start of March 1931, Julius Riecken left Hong Kong with his family and ended 30 years of service in China. Since 1901, when he began working for Diederichsen, Jebsen & Co in Chefoo, he had earned a reputation as one of the most competent and successful German businessmen in China. On May 1, 1931 he took over the management of Jebsen & Jessen in Hamburg.

Heinz Jessen moved with his wife into “Kiek Ut”, the house at 48 Stubbs Road which had previously been the Riecken family residence. It occupied an excellent vantage point high up on the road leading to the Peak, and offered splendid views over Kowloon and the eastern part of the island. Heinz Jessen could observe ships passing through the Lei Yue Mun channel, the narrowest point between Hong Kong and the Kowloon

peninsula. This was particularly useful for one who frequently received visitors, or the captains of incoming vessels. All he had to do was leave home as soon as the ship came into view in order to be standing on the wharfside when the vessel arrived.

Under Heinz Jessen, the company’s shipping department in Hong Kong expanded when it took on the agency for the Danish Mærsk Line of Arnold Peter Møller. Mærsk Line had introduced a monthly service between the Atlantic coast of the US and East Asia. In February 1931, Arnold Peter Møller came in person to Hong Kong and Shanghai from Yokohama, in order to confirm the details of this arrangement. From a letter which Heinz Jessen wrote him on February 28, it emerged that in the previous year Jebsen & Co had shipped over 1,500 tons of export goods from Canton and Hong Kong to the US. Heinz Jessen held out the prospect of conveying the bulk of future shipments aboard Mærsk Line ships, which no doubt contributed to securing the contract. Jebsen & Co remained agents until 1979.

Another successful venture was the introduction of the Mercedes-Benz diesel motor bus into China. In 1931 Jebsen & Co was the region’s representative for Daimler-Benz AG, and with it had taken on the role of pioneering a totally new market for German industry in China. Happily this coincided with a conspicuous resurgence of road construction. The KMT government had set out to rebuild China – not only its cities but also the countryside – with heavy emphasis on transportation. This made possible the motorisation of China. American cars dominated the streets, British or Italian automobiles were occasionally to be seen but there were no German vehicles.

German cars were good, but they were expensive. They were more fuel efficient than their American counterparts but this was considered of little importance at the time. Thus Jebsen & Co faced the difficult task of persuading a price-conscious

new market to invest in automobiles with a higher acquisition cost on the grounds the consumer would save money further down the line on fuel and repairs. They also had to convince Daimler-Benz AG that China was a viable market. As a result, Jebsen & Co bought the first vehicles on its own account and transported them to Canton and Shanghai. Even though prices were double those of Ford vehicles, the trucks were sold, leading to further orders.

A major breakthrough was achieved when the head of the Reconstruction Bureau, Soong Tzu-wen, known in the West as TV Soong, placed a government order for 24 trucks. This followed a gruelling demonstration of Mercedes-Benz’s capabilities. Three of Jebsen & Co’s mechanics and a few National Economic Council officials, drove across the still largely unsurfaced route of the old Silk Road, from Sian (now Xi’an) to Lanchow (now Lanzhou) and back in barely a week. In the years 1934 to 1937, Mercedes-Benz diesel vehicles achieved huge success throughout China, infiltrating almost all transport companies in Shanghai, Nanking, Wusih (now Wuxi) and Peking, as well as other cities, together with their intercity transport companies.

Jebsen & Co also continued to deal in many miscellaneous trade goods during the early 1930s. Exports included tungsten ore, straw mats, wood oil, cassia oil and aniseed oil, duck and goose feathers, lambskins and green tea. Much of the green tea was shipped to the Middle East. Imports of European products into China were definitely more profitable however.

But while progress was being made in the business arena, the devaluation of silver, which had worried the partners for quite some time, continued to play havoc with the finances of many international companies, including those of Jebsen & Co. In 1931, the firm suffered a loss, but after streamlining the import and export departments in Shanghai in 1932, the company’s financial situation showed some

improvement. The following year brought a visit from Jacob Jebsen as well as an incident which caused a sensation in Hong Kong – pirates attacked the Jebsen steamer *Gustav Diederichsen*.

The mid-1930s also saw Michael Jebsen, Jacob Jebsen’s eldest son joining the company. He would play a crucial role in the survival of the company over the next decades and would lead it until his retirement in 1997 at the age of 86. Born in Aabenraa on September 13, 1911, Michael Jebsen had worked as a volunteer at the A.P. Møller shipping line in Copenhagen from 1931 to 1933 and then for the Levante Line in Hamburg. He began his Hong Kong career in Jebsen & Co’s shipping division, before furthering his experience in the export and import divisions. In 1936 the status of authorised signatory of the Hong Kong office was conferred upon him.

In 1933, China reformed its currency, replacing the silver tael, which varied in weight according to region and custom, with a uniform silver dollar. At the same time, the price of silver had improved due to heavy purchases by the US. But in the wake of the Great Depression, major trading nations devalued their currencies. In 1934 both the UK and the US had devalued. Germany however, refused to devalue, which led to German goods becoming less competitive. It was in this strained economic period that Uwe Jessen, the eldest son of Heinrich Jessen’s second marriage to Eva Bourwieg, sailed out to join the Shanghai office, where he remained from 1934 until June 1939, when he moved to Hong Kong. He remained in Europe after World War II and established his own company, active in Europe and Africa, with two former Jebsen employees. He died on March 30, 2008 in Hamburg at the age of 95.

Turmoil continued to bedevil China. Japan had occupied Manchuria in 1927, declaring it an independent state. Chiang Kai-shek’s campaigns



against what had become known as the “Red Armies”, had led to several long retreats by the Communists, today known as the Long March, which would lead to the ascent of Mao Tse-tung.

Global recession, unrest and uncertainty aside, business for Jebsen & Co continued to be profitable. In 1935, the Shanghai office began importing rice from Rangoon (now Yangon), Saigon (now Ho Chi Minh City) and Bangkok. In Hong Kong, the company started representing the Rickmers Line, the 100-year-old shipping company owned by Heinz Jessen’s father-in-law, Paul Rickmers. This company had managed to overcome the aftermath of World War I to rebuild its East Asia line, specialising in iron, heavy chemicals and dynamite – a change indeed from the days when cargoes consisted of delicate lace, imported for scroll paintings and screens. Jebsen & Co ended 1935 with a handsome profit, the main contribution coming from the ammonium sulphate department, followed by shipping, with the feathers trade taking third place.

At the beginning of 1936, Dieter David von Hanseemann had arrived in China after completing his apprenticeship with Jebsen & Jessen in Hamburg and began what would become a life-long affiliation with the company. His father was the lord mayor of Flensburg and was known by Jacob Jebsen from his political activities. It was this acquaintanceship that led to Dieter David von Hanseemann’s apprenticeship at Jebsen & Jessen in Hamburg.

The next few years saw a troubled world as the Great Depression brought misery to many, the Second Sino-Japanese war broke out and the resulting atrocities committed by the Japanese imperial army in Nanking in December 1937 led to an uneasy truce between the KMT and the CCP which united to fight their mutual enemy.

In Europe, tensions rose as Hitler put Germany

on a war footing. In 1938 Michael Jebsen took over the running of the Canton branch before moving to Shanghai in 1939 when the Japanese occupation of Canton strangled trade. Hitler signed the Anti-Comintern pact with Japan, directed against the Soviet Union’s communist government but which also set Germany against China. It was signed despite vehement protests from Germans in China, including German diplomats.

Despite everything, the Canton office posted a profit in 1938 before the Japanese halted operations. A single staff member remained behind to keep it formally open. Leung Kwong Choi, who had taken shelter in the office with his family, would occasionally sell a few spare parts for diesel engines from his dwindling stock, but was kept afloat throughout the war by transfers of money from the Shanghai company via the Deutsch-Asiatische Bank, which managed to keep its branch on Shameen going.

It was during these uneasy times that the Chinese government abandoned silver as the basis of its currency and introduced banknotes. Hong Kong soon did the same. By this time the British territory had grown to a city with a population of one million inhabitants, two per cent of whom were non-Chinese.

In 1939 there was a lull in the Sino-Japanese war, and exports picked up as the world’s economy experienced an upturn. Jebsen & Co contributed a large share to the export of lard, and their regular steamer service between Bangkok, Hong Kong and Shanghai, launched the previous year, was extended to ports in what is present-day Vietnam, Indonesia and to north China under the agency of Melchers & Co – becoming the Jebsen-Melchers Line. But aware that this could all just be the proverbial calm before the storm as affairs in Europe worsened, Jebsen & Co sought to partially protect itself by transferring capital to Holland, North America and Sweden. The partners were wise to do so.



Shanghai Bund, 1930s.



Mercedes-Benz diesel bus in Canton, 1935.



Heinrich Jessen visiting business partners in northern China, 1930s.





Photographs taken by Michael Jebesen during the Japanese invasion of Canton, 1938.

## THE SECOND WORLD WAR

On a pleasant summer evening in September 1939, Heinz Jessen was dancing with his wife Etha at the Shek O Club, peacefully situated between two of Hong Kong’s prettiest beaches, when he was informed that Germany had invaded Poland and effectively started World War II. Britain had declared war on Germany and by the next morning, the Jebesen & Co office had been sealed and telephone lines had been cut. These actions were later reversed when the British realised Jebesen & Co was a neutral Danish company, but most of the company’s German staff had already left for Shanghai. Those who had stayed were detained in Kowloon and later transported to an internment camp in India.

Jebesen & Co was required to report all its accounts with German firms and nationals to the British authorities of Hong Kong. Business transactions with German firms were prohibited by the Trading with the Enemy Act. New non-German staff members were employed in Hong Kong, mainly those who were left unemployed by liquidated German companies, and Jebesen & Co continued business on a reduced scale. As trade with Germany – one of the company’s largest trade partners – had been eliminated and Jebesen & Jessen in Hamburg had closed, exports suffered considerably. The partners therefore focused on trade with the US.

In Shanghai, the intermittent Sino-Japanese war heated up and in effect became part of the larger world war. Business suffered from the rapid inflation of the Chinese dollar and the volume of business was drastically reduced. But a brief respite was provided by the establishment of a shipping department to handle the business of the former Jebesen-Melchers Line, from which Melchers & Co, as a German company, had been forced to withdraw.

Meanwhile, Heinz Jessen conceived a plan to move from Hong Kong to Shanghai. He and his wife Etha were grieving over the death of their second son, Nicki, and were all the more concerned for their eldest son, Johann Heinrich, who had remained in the care of his grandparents in Switzerland on his last European visit, and was now due to return to Shanghai via Siberia. More importantly it was becoming increasingly unpleasant and problematic for Etha, who was German by birth, to remain in Hong Kong. Heinz Jessen managed a currency transfer to Shanghai to procure a house with a large garden in the French concession, where he brought his family together in 1940.

Jebesen & Co followed a strict policy of neutrality, which served it well until German troops occupied Denmark in April 1940. Business came to a virtual halt and all Danish citizens of German-occupied countries residing in British territory were declared “technical enemies” by Britain. Censorship of telegrams and letters was imposed and the only way Shanghai was able to find out about the true situation in Hong Kong was through letters carried by ships’ captains. Over the next year and a half, Jebesen & Co shifted what remained of its activities to Shanghai. Heinz Jessen’s last letter to Jacob Jebesen closed with the words:

*“I now consider my tasks in Shanghai to be completed. Michael and I have set ourselves on a course with which we hope to persevere. There are still dangers internationally for our company but we have done our best and must now trust in our fate.”*

The move to Shanghai was another example of the foresight of Jebesen & Co’s management. The day after Japan attacked Pearl Harbour on December 7, 1941 bringing the US into the war, Japanese forces attacked Hong Kong, which fell after a short but fierce fight, on Christmas Day. Japanese forces also occupied the international settlement of Shameen in Canton, taking charge of the Jebesen & Co office.



In Hong Kong, the Japanese occupiers seized most, but not all, of the goods held in public and private godowns, including those owned by Jebsen & Co. They left enough for the company to cover costs and keep the office going during the war years. The Chinese staff, except for one exceptional employee, Ah Pui, had fled to Portuguese-run Macau, the only neutral territory on Chinese soil. Ah Pui loyally helped to keep the business alive, and was still with the company – retired yet coming into the office every day – in 1997 when China resumed sovereignty of Hong Kong. He was the only employee ever to have personally known and worked for all three generations of family partners.

### NEW LEADERSHIP AND THE END OF THE WAR

The same month Hong Kong fell to the Japanese, Jacob Jebsen passed away in Aabenraa on December 14, 1941, at the age of 71. Because of the disruption of postal links with Europe, Michael Jebsen did not hear the news until a fortnight after it occurred. A few months prior to his death, Jacob Jebsen had written a last letter to his eldest son, regretting that the war had made it impossible for Michael Jebsen to return home, and foreseeing that it would be a long time before he would be able to do so: *“Now that all that has been relegated ad calendas graecas, and because of my heart problems, I have to reckon with a sudden summons. I want to try to put my plans to paper, in the awareness that everything may well become pointless in the event of unforeseen developments.”*

*“My opinion is that the War will last a few more years and will not end with a massive German victory. That has been my opinion from the start... The inevitability of war was clear to me several years before it broke out. Now I reproach myself for not having used this knowledge to dispose of my wealth in more effective ways, but the occupation of Denmark which was, finally, the cause of the crisis in my circumstances and those of the firm, could scarcely have been anticipated. Whatever happens, I hope that you and Hans Jacob will be capable, even in these hard times, of earning your own livelihoods.”*

Hans Jacob Jebsen was Michael Jebsen’s younger brother who would join the company after the war and also play a vital role in its revival, along with Arwed Peter (AP) Jessen, Heinrich Jessen’s youngest son from his second marriage.

With the passing of Jacob Jessen, the man who had founded the company in partnership with the late Heinrich Jessen, a considerable

burden of responsibility fell on Heinz Jessen as sole shareholder. Although provisions had been made for Michael Jebsen to be taken on as partner at a given time, the current impossibility of reviewing the firm’s assets and liabilities meant that they jointly decided to postpone any change of partnership for the duration of the war. However Heinz Jessen’s own health deteriorated steadily, and a serious illness eventually rendered him incapable of managing the business on his own. By the end of 1943, when it was clear to Michael Jebsen that Heinz Jessen’s medical condition was serious,

he decided to take up a partnership. The alternative would have required dissolution of the company and formation of a new one, a step that would have been virtually impossible to achieve at that time.

In January 1944, Heinz Jessen and Michael Jebsen signed the partnership agreement in front of the Danish Consul, Poul Scheel, in Shanghai’s Danish Consulate. Four months later, in April 1944, Heinz Jessen succumbed to cancer at the age of 40, leaving his wife Etha and son Johann Heinrich heartbroken in a world at war.

Johann Heinrich, born in 1931, who spent a number of years with Jebsen & Co as a young adult, later left for a career in the financial services industry and then settled in Belgium and Spain. He has recently written a vivid account of his life in Shanghai as a young foreigner in one of the most turbulent times in Chinese history.

In 1944, barely had Michael Jebsen become a partner in the firm than he found himself sole shareholder of Jebsen & Co in difficult and unclear circumstances. Since the earliest war days, he had kept the business in Shanghai afloat by disposing of a considerable amount of carefully stored stocks of imported foodstuffs, medicines and other items for European consumption. A man with a strong sense of what was right, he had faced down Shanghai’s German Consulate by refusing to release able-bodied male employees to serve in the army on the basis that he was

not prepared to risk their lives in an apparently endless and senseless conflict. Similarly, an overture by local members of Germany’s National Socialist party, who urged the company to sack its Jewish employees, was rejected with equal firmness. Consequently, the firm was obliged to put its employees, including Michael Jebsen himself, on subsistence wages. He was prepared to suffer privations for standing by his beliefs.

When Germany and then Japan capitulated in 1945, bringing an end to World War II, Jebsen & Co was so depleted that it was unlikely it could have endured another year under wartime conditions. Yet the Shanghai office was still intact, the Hong Kong office had survived, and Jebsen & Co Tientsin under the leadership of Toby Tafel, who had been with the firm since 1934, had miraculously been kept afloat through automobile and motorbike repairs.

In Canton, Leung Kwong Choi continued his lonely vigil, relieved only by occasional visits from Michael Jebsen, as the company tried

in vain to obtain a business licence from the Chinese Nationalist Government.

Battered and bruised, with hugely diminished business activities and a skeleton staff, Jebsen & Co had made it through the long, dark years of the war. Michael Jebsen now faced the daunting task of reviving the company.



Jacob Jebsen and Heinz Jessen aboard the *Heinrich Jessen*, 1938.



From left: Countess Ingeborg von Pfeil und Klein Ellguth (née Jebsen), Irmgard Heyse (née Jebsen), Clara Brose (née Jebsen), Jacob and Käthe Jebsen, Hans Jacob and Michael Jebsen in front of the Jebsen residence “Lensnack”, Aabenraa, 1937.

# REGENERATION

(1945–1950)

## OUT OF THE RUBBLE

The world may no longer have been at war, but in China civil war raged. With their mutual enemy, Japan, defeated and reeling from the nuclear attacks on Hiroshima and Nagasaki in August 1945, the KMT and Communists were once again at each other’s throats.

German nationals in Shanghai had been repatriated at the end of World War II. The remainder of the international business community in Shanghai viewed the Chiang Kai-shek government with distrust, and the advance of its opposing Communist forces with the deepest foreboding. The immediate result was a collapse of the housing and share markets. A general sell-off began. Many prosperous Chinese fled to Hong Kong and Taiwan, but most international businesses continued trading as usual, with the same wait-and-see attitude foreigners had employed since the days of the Boxer rebellion.

Michael Jebsen wrote to his brother in Aabenraa: *“We will probably never know complete peace again. Perhaps we shall have to get used to the idea that in future the difference between war and peace will become blurred and there will be a bush fire which burns here and there and then goes out. The main thing is that we survive.”*

With Shanghai in a rather perilous state, Michael Jebsen shifted the business emphasis of Jebsen & Co once again to Hong Kong. The reacquisition of the Danish Maersk Line agency helped more than any other activity to revitalise the company. He kept the Shanghai business

alive amid rising prices and a blossoming black market, by selling ammonium sulphate – among the many goods that he had wisely stocked up on before the war. Back in Hong Kong, the scene of Jebsen & Co’s earliest beginnings, the company was slightly battered but in an excellent position to benefit from the economic booms that were coming to Germany and to Hong Kong itself.

Post-war recovery, both in Europe and Asia, generally proved far more rapid than the relative hiatus that had followed World War I, with the defeated Axis powers of Germany and Japan making the greatest strides. The astonishing regeneration of Germany’s economic potential, in particular, combined with an almost explosive development in the volume of world trade, would prove crucial to Jebsen & Co’s rebound. The company seized every opportunity to resume former connections and seek to represent German industrial enterprises that had formerly acted on their own account in China.

Another important development which benefited the company’s reconstruction was Hong Kong’s rise to greater global prominence. The population, which had shrunk to about 600,000 by 1945, surged to almost 1.8 million by the end of 1947 and to 2.2 million by mid-1950. This was due mostly to an influx of refugees fleeing the civil war from industrial cities such as Shanghai and Ningpo and from Kwangtung (now Guangdong) Province just over the border.

Some of these refugees derived from previously wealthy circles in China and it was largely due to their



Michael Jebsen in Japan, 1936.

initiative that an export industry based on textiles, rubber, chemicals, metals, electronics and other goods arose in Hong Kong. Jebsen & Co contributed to this as much by importing raw materials as by exporting finished goods.

At the same time, a new middle class was emerging; a class with the purchasing power to open up significant markets for European industrial products and consumer goods.

Last but not least, the traditional entrepôt business increased significantly, since Hong Kong more than ever represented a peaceful and stable commercial hub surrounded by regional instability.

## TEN COMMANDMENTS

In 1947, new-generation cousins Hans Jacob Jebsen, 25, and AP Jessen, 22, arrived in Hong Kong, ready participate in rebuilding the company. AP Jessen travelled first to Hong Kong, then on to Shanghai to



AP Jessen and Hans Jacob Jebsen in Aabenraa, 1936.

take on the role of organising and restoring the export trade, while Hans Jacob Jebsen remained in Hong Kong to focus on the shipping business. On their arrival, the young men had found a list of “Ten Commandments” written by Michael Jebsen. This list was in effect advice on how to behave in the British-run Hong Kong and in Chinese society, and it was to serve the company in good stead over the ensuing years.

Michael Jebsen had devised these rules before setting off for Aabenraa, his first trip back to Europe in 10 years. It was also his first experience of long-distance air travel. His route on the Sunderland flying boat took him via Bangkok, Rangoon (now Yangon), Calcutta, Karachi, Bahrain, Basra, Cairo, Tripoli, Sicily and Marseilles, before he finally landed in Poole near Southampton five days later. His task en route to Aabenraa was to re-establish pre-war links with British and European companies, and to breathe life back into the Hamburg company and the German import and export business. Not an easy task.



Wartime shortages had acted as a spur to the development of new synthetic substitutes so that many of the raw materials that had figured in pre-war trade as staples of foodstuffs, beverages and cosmetics industries, were no longer in demand. Furthermore the prevailing austerity of post-war Britain had little need of such non-essential items as straw mats, rattan and similar Chinese products. It was mainly in the feather business, for stuffing of quilts and other forms of bedding, that Michael Jebsen made headway.

In the four occupied zones of Germany, Michael Jebsen found factories in ruins or dismantled, but he managed to start up business on a small scale, dealing in modest items such as barbed wire, old nails, used needles and egg yolk from Allied stocks, and Italian tomato paste. His early post-war business was conducted through the company that Julius Riecken had established in his own name after years of loyal service to the Jebsen and Jessen companies.

Sales were infinitesimal, but Michael Jebsen stayed the course despite the sudden death of Julius Riecken in 1947 at the age of 66. In February, 1951 Jebsen & Jessen officially started up again in Hamburg. Registration in the Commercial Register soon followed, with initial capital of 100,000 marks. Brothers Michael and Hans Jacob Jebsen, AP Jessen and Christian Albers, who had run Julius Riecken's business after this death, were named partners.

While business in post-war Europe slowly got

back on track, on the other side of the globe, the tide had turned against the KMT and the Communists had gained the upper hand. On October 1, 1949, Mao Tse-tung proclaimed the establishment of the People's Republic of China. Chiang Kai-shek and approximately two million Nationalist Chinese retreated from the mainland to the island of Taiwan. The Chinese Civil War was finally over. The Communist Party under Mao Tse-tung, based in the newly-declared capital, Beijing (Peking), now held power. An exodus of Europeans began.

The prospect of rebuilding the Shanghai business to its pre-war levels seemed unlikely, but Jebsen & Co continued to function under the new government until 1962, when China closed its doors to foreign trade. This made the company one of the last international concerns to remain in China before the country was engulfed by the Cultural Revolution.

However, the bulk of Jebsen & Co's business was, by the end of the 1940s, increasingly shifting to Hong Kong.

As the second half of the 20th century dawned, the spectre of World War II receded and the upturn in the global economy, led by the US, brought a new prosperity to Jebsen & Co. By 1950, the hard work in the immediate post-war years had paid off. With Michael Jebsen at the helm, supported by his brother, Hans Jacob Jebsen, cousin AP Jessen and Dieter David von Hanseemann, the company was well on the way to surpassing its pre-war size and stature. The future of Jebsen & Co looked bright indeed.



From left: Dieter von Hanseemann, Michael Jebsen and AP Jessen with 100 kg bags of BASF Ammonium Sulphate, late 1940s.



Jebsen & Co office in Canton, Shameen, 1942.



Jebsen & Co office, 110 Hankow Road Shanghai, 1940s.



Home of Heinz and Etha Jessen, 13 Tung Ping Road Shanghai, 1940s.



Heinz and Etha Jessen in front of their residence "Kiek Ut", Hong Kong, 1934.





Jebsen & Co Ltd corporate headquarters, Caroline Centre, Causeway Bay, Hong Kong.

## Chapter Two

# JEBSEN & CO LTD

High up in Caroline Centre, its mirrored exterior reflecting the bustle of Causeway Bay, the head office of Jebsen & Co Ltd enjoys a superb view of Hong Kong's busy harbour, the same waters where the first of the Jebsen and Jessen ships anchored more than 100 years ago. Portraits of Jacob Jebsen and Heinrich Jessen, the company's founders, look down from the boardroom walls.

Today, their successors run a company that has evolved from a general trading enterprise into a focused marketing and distribution organisation operating in China, Hong Kong, Macau, Taiwan and South Korea. "We are gradually moving away from the agency and distribution-centric model and efforts have been made to enter into new product and market segments, including luxury goods such as watches and yachts, building products, warehousing and logistics, manufacturing joint ventures, motor and wine retail," says Board Director William Li who joined the company in 2001.

Four core business areas are at the centre of Jebsen & Co Ltd's activities today.

The Consumer Products Business Unit was established in the 1960s and now comprises the Digital Imaging Products Division, the Home Entertainment Division and the Personal Entertainment Division, representing brands such as Pentax, Casio, Archos and Rollei. The Beverage Business Unit traces its roots back to 1906 when the company acquired Blue Girl Beer, and today includes the Beer and the Wine divisions. The Industrial Business Unit, which grew from key early agencies such as BASF and Siemens, includes the China Trade Division, the Packaging and Projects Division, the Technical Division and the Specialty Chemicals Division. The Luxury Business Unit includes the Motor, the Watch and the Marine divisions. The Motor Division, one of the most visible of the company's activities, traces back to the 1930s and today focuses on Porsche.

Today's operation with 1,500 employees across the region, in offices, car dealerships and a host of factories, warehouses and service facilities, grew from the remnants of the Hong Kong, Shanghai and Tianjin offices, staffed by just a handful of loyal employees at the end of World War II. The individuals who nursed Jebsen & Co back to life in the immediate post-war years faced a daunting task, but one which they tackled with a resolve that their fathers had shown when rebuilding the company after World War I.



# STOKING THE FURNACE

## A RECORD-BREAKING YEAR

1950 was the first year of trade with China under Mao Tse-tung's new regime. Early optimism that the Communist government would allow foreign trade as before faded as the net of bureaucracy tightened, nevertheless trade in goods such as feathers and chemical fertilisers prospered while commissions from the ship agency business, mainly Mærsk Lines and Rickmers, helped cover overheads.

The M. Jebsen shipping line resumed its post-war China trade with the vessel *Heinrich Jessen*, better known along the coast as the *Mei-Sheung-Mei* (Most Beautiful of the Beautiful) on a Hong Kong – Tianjin – Hong Kong service, calling at the ports of Shanghai and Qingdao as required.

The ship carried more than cargo. Capable of accommodating up to 400 passengers, it transported more than 4,000 European refugees, mainly from northern China, to Hong Kong, an exodus supported by the International Relief Organisation (IRO), in the three years following the Communist Revolution in 1949.

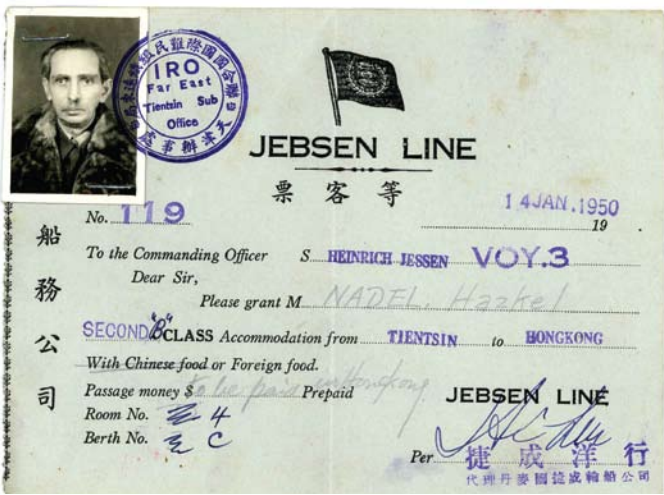
Once in Hong Kong, the passengers were flown directly to Europe on DC4 aircraft chartered by the company. This avoided the bureaucracy associated with applying for a Hong Kong visa and ensured that none of the passengers disappeared into Hong Kong.

The accompanying paperwork – tickets with a photo of each passenger, a piece of living history – are held in the company archives in Aabenraa. This

humanitarian act earned both brothers Michael and Hans Jacob Jebsen the German Federal Cross of Merit in 1953. It also proved lucrative, at least in the short term. But by 1955, the cargo market had shrunk and the M. Jebsen shipping line discontinued the coastal service due to lack of cargo.

The focus of Jebsen & Co's business had shifted to Hong Kong in the immediate post-revolution years, but Michael Jebsen chose to keep the company's two offices on the mainland open. This had the effect of strengthening Jebsen & Co's standing with regard to China and within the industries the company represented. During the early 1950s, Jebsen & Co's reputation and re-established network of contacts convinced several large companies including Thyssen, Demag, Linde, Lurgi, AGFA, Bosch and E. Merck, to entrust their China trade to them. Many of these agreements resulted in long-standing partnerships: BASF renewed its relationship with the company right into the 1980s. Pharmaceutical giant E. Merck was still represented by Jebsen & Co at the dawn of the new millennium and automotive component supplier Bosch still holds ties with Jebsen & Co Ltd today.

The early years of the People's Republic saw an increasing requirement for medical equipment and surgical instruments. One specific X-ray machine, the Pleophos, developed by Siemens and sold by Jebsen & Co, was in particularly high demand. Both companies found it astounding that such an expensive device should be "baked like bread rolls and sold off to China" in batches of 10. Other sought after items were blood pressure



IRO passenger tickets for the *Heinrich Jessen*.



The *Heinrich Jessen*, completed in 1940 in Hong Kong, served as a passenger ship for thousands of refugees leaving Shanghai and Tientsin for Hong Kong.





Pedder Building, Jebson & Co corporate headquarters from 1925 till 1965.

monitors of which the company sold more than 750,000 in 1951 alone. These accomplishments would result in Jebson & Co representing Siemens, today Europe’s largest engineering conglomerate, well into the 1980s.

Negotiating the politics of the Cold War years required tact and diplomacy on the part of Michael Jebson, Hans Jacob Jebson and Arwed Peter (AP) Jessen who led a company with strong business links to a now-partitioned Germany. West Germany’s enactment in 1956 of the Hallstein Doctrine, by which Bonn refused to deal with any country that recognised East Germany, caused problems. Communist China was on the banned list and this complicated trade between the two countries until 1969 when the policy was abandoned.

Similarly, the US Commerce Department’s announcement of a total economic embargo on China in December 1950 decimated the company’s trade with North America because of its offices in China. This embargo was to remain in place for 21 years.

OLD FRIENDS AND NEW CHALLENGES

In the following year, 1951, Jebson & Co signed more agency agreements. Prominent among them was the representation of Schering, the German pharmaceutical conglomerate founded in 1851. This partnership was destined to last more than four decades, and led to a new Pharmaceutical Department for Jebson & Co handling, among other new drugs, Diosgenin. This was the chief ingredient required for the manufacture of the contraceptive pill – a flagship product for Schering in Hong Kong.

1951 also saw the return of Dieter David von Hanseemann to Hong Kong – the first German national to be allowed to settle in the British colony since the ending of World War II. He had joined the company in 1933 and been based in Asia throughout the war years,

but had been repatriated to Germany in 1947 where he had helped re-establish Jebson & Jessen Hamburg. Back in Hong Kong, Dieter von Hanseemann became pivotal in rebuilding the fortunes of Jebson & Co thanks to his interpersonal skills and his wealth of contacts.

Born only two years apart, Dieter von Hanseemann and Michael Jebson were lifelong friends and associates. Hans Michael Jebson, Chairman of Jebson & Co Ltd today, explains: “Rarely, I believe, in the history of companies has there been such congenial complementing of personalities and meeting of minds as between Dieter von Hanseemann and Michael Jebson. They were much more than contemporaries, sharing similar backgrounds and much of a similar and strong culture...Both complemented each other in being almost single-minded in their dedication to the company, each contributing their individual talents and skills to the success of their shared vision.”

Dieter von Hanseemann was the communicator who maintained contacts inside and outside the company. A natural negotiator with great diplomatic skills, he was invaluable in the acquisition of new agency agreements. He described the decade that followed as the heyday of his career – a time of “seemingly unending spring” when everything seemed to blossom after a long drought.

He was an excellent counterpart to the more reserved Michael Jebson, the senior family shareholder of Jebson & Co, who, now in his 40s, was known for his strong principles and business acumen.

In 1952, Michael Jebson made his younger brother Hans Jacob Jebson and his cousin AP Jessen partners in the firm. The same year also brought a more personal blessing for AP Jessen – his marriage to Lori von Eckartsberg. The union produced seven children, five daughters and two sons. The sons Johann Peter (1964) and Johann Heinrich (1968) are today’s Jessen family shareholders.



Michael Jebson (left) and Dieter von Hanseemann, Hong Kong, 1953.



24 Conduit Road, Hong Kong. The Jebson & Co accommodation which housed expatriate bachelor employees, and which over the years hosted many important company events and receptions.



HONG KONG EMERGES

The Korean War, which had broken out in June 1950, proved another impediment to trade. In 1951, after China had intervened on North Korea’s side, the United Nations initiated an embargo on the export of strategic materials to China.

This was a blow to Hong Kong’s role as a trading entrepôt for China. Fortunately, the exodus of refugees from the mainland included a number of successful entrepreneurs, among them some of China’s major textile tycoons from in and around Shanghai. Their knowhow, together with an almost inexhaustable supply of willing refugee labour, saw Hong Kong emerge as a major manufacturer in its own right. In the post-war years, it became one of the world’s leading exporters of

textiles and garments, wigs, plastic flowers and toys. This provided opportunities for Jebesen & Co to supply and service the sophisticated machinery that powered this export drive.

Other challenges such as the interception of the *Mai Rickmers* and the requisitioning of its cargo by Chiang Kai-shek’s Nationalist navy in the Formosa straits served as uneasy reminders that Jebesen & Co was operating in a region fraught with instability. Yet business opportunities continued to present themselves. In Macau, the company won a contract to install a Siemens telephone system. Jebesen & Co took on the general agency for Hapag and Norddeutscher Lloyd, hired more employees, rented more space in Pedder Building, and set up a mess for expatriate bachelor employees on Conduit Road.

LAND, SEA AND SKY

Three landmark events in 1952 elevated Jebesen & Co to greater public prominence. One was the first exhibition in Hong Kong organised by AGFA, featuring the work of amateur photographers using its colour film. Jebesen & Co’s re-acquisition of the AGFA agency launched its Photographic, Scientific and Optical Department and had prompted the establishment of a small colour film laboratory, supervised by Lee Yat-fei. He was to become a recognised authority among Hong Kong film and still-camera buffs, and would go on to manage the Jebesen & Co-owned AGFA colour film processing laboratory established in 1955. This step would help popularise photography in Hong Kong and increase monthly sales of AGFA films. Jebesen & Co went

on to represent many photographic industry giants, principally from Germany, Italy and Japan.

The second event of 1952 was the construction of the first post-war vessel by the M. Jebesen shipping line. The *Jacob Jebesen* was built by the Howaldt shipyards in Kiel and passed its trial run from Kiel to Aabenraa in April 1952 with Hans Jacob Jebesen and some 150 guests on board, who were later entertained at the Jebesen home “Lensnack”. Hans Jacob Jebesen described the occasion in a letter to his brother in Hong Kong: “We are pleased that everything went so well. The trial sail was a great day for us all and our thoughts were with you in Hong Kong, especially when we entered the Aabenraa inlet and the hundred-odd crowd cheered us into the harbour. Banners were waved from the windows of Lensnack and Laimun, and the three mackerel flag of our company flew proudly from both houses.”



H. Wölcken (centre) and Tientsin office staff, 1954. See Index.



Jebesen & Co executive staff on top of Pedder Building, Hong Kong, 1953. See Index.



The shipping business started by his grandfather had always been Hans Jacob Jebesen’s first love. Over the years, he spent more and more of his time overseeing its development, especially as Jebesen & Co grew and prospered, no longer requiring an “all hands on deck” style of management.

The third significant event of 1952 was the acquisition of the much-contested Volkswagen agency. Volkswagen was enjoying a post-war export boom, establishing a unique reputation with clever advertising, as the car with its engine in its boot.

The first Volkswagen cars were imported into Hong Kong in early 1953. Sales were initially slow in the British colony, partly because the Volkswagen was subject to “imperial preference duty” which added a 15 per cent surcharge to its price. Furthermore, with World War II still a recent memory, there were some initial misgivings about purchasing a German product.

At first, its unconventional beetle-like shape failed to command the admiration that would later become almost legendary. Among the first purchasers to set what would become a growing trend were British servicemen in Hong Kong, who had been converts to Volkswagen from earlier tours of duty in Germany. By the time the company put the car’s amphibious qualities to the test later in the 1960s by arranging for a waterproof VW to traverse Hong Kong’s harbour under its own steam, bearing a placard “Hong Kong or Bust”, the “Beetle” had endeared itself to a growing fan club and notched up very satisfactory sales.

Once it was clear that sales were going to grow, the company purchased land for a garage to service the cars it sold. This initiated the founding of the Jebesen Motor Group in 1958, an extremely successful division of Jebesen & Co which would subsequently grow to many times its original size, distributing and servicing a range of vehicles that over the years have included Porsche, Volvo and Volvo Trucks, Audi, Hyundai and Renault in addition to Volkswagen.

The Porsche agency emerged as a logical follow-on to Volkswagen. The Porsche sports cars were designed by Ferdinand Porsche, son of the creator of Volkswagen. When Jebesen & Co approached Porsche Jr, who went by the nickname of “Ferry”, in 1954, he was at a loss to understand how one of Asia’s smallest territories, with a total road infrastructure of less than 170km, most of it governed by a speed limit of 50kph, could find any use for thoroughbred speedsters from the Porsche range. But Dieter von Hansemann persuaded him that Hong Kong was well supplied with wealthy car enthusiasts and that Porsche would establish itself in the market. He was proven absolutely right.

The same European mission that resulted in the company securing the Porsche agency, also took Dieter von Hansemann to Frankfurt where he negotiated an exclusive agency agreement between Jebesen & Co and Degussa, a German speciality chemical producer, to cover China and Hong Kong. Negotiations with Paul Ungerer, who was later to become Chairman of the

Degussa Board of Directors, were no doubt helped by the existing friendship between the two men who knew each other from days in Shanghai.

Another fortuitous meeting on that trip was with the management of the recently established Lufthansa airline. This signalled the start of negotiations that led to the appointment of Jebesen & Co as the airline’s Hong Kong representative. This contract required Jebesen & Co to start its own travel office, join the International Air Transport Association (IATA) and provide Lufthansa with a ground-floor office in Hong Kong’s central business district. Lufthansa’s inaugural flight into Hong Kong took place in January 1961, extending the airline’s Far East service. It previously had flown only as far as Bangkok. At the same time, Lufthansa replaced the old Lockheed Super Constellations which had long flown the Bangkok route, with the new Boeing 707. Jebesen & Co’s travel agency, which operated from the ground floor of the Pedder Building, expanded across the harbour to the arcade of the Peninsula Hotel in Kowloon.

Jebesen & Co would remain agents for Lufthansa until the end of the 1970s when the airline established its own network of regional offices. Instrumental in maintaining the successful partnership between Jebesen & Co and Lufthansa was Bolko von Pfeil, grandson of company co-founder, Jacob Jebesen. He stayed with the company in Hong Kong from 1970–1979 and then moved back to Hamburg.

GREAT LEAPS

Mao Tse-tung’s Great Leap Forward, launched in 1958, brought devastation and starvation to China. Millions died. The ensuing chaos was to scupper the high hopes generated by the first Canton Trade Fair in April 1957. This presented an opportunity for direct talks with the representatives of China’s

external trade agencies. From then on Jebesen & Co made a point of dispatching a team to Canton (now Guangzhou) twice a year for the four-week Spring and Autumn Fairs, and of setting up a temporary, but full-blown, office on a floor of the Dong Fang Hotel in Canton. This office was managed by Hans “Rastus” Schneider, a Jebesen & Co employee of 40 years, affectionately known to both colleagues and visitors as “Mr Canton Fair”.

It soon became clear from the tens of thousands of refugees who poured into Hong Kong that China was in turmoil, although the full

consequences would only be known decades later. Jebesen & Co’s Export Department in Hong Kong began reporting that products were not being delivered and shipping schedules were being missed. The simmering tensions between China’s Communists and Chiang Kai-shek’s Nationalists in Taiwan, overflowed into Hong Kong where there was rioting in the streets. And to further complicate matters, the aforementioned Hallstein Doctrine was implemented, complicating trade between West Germany and China.



Advertisement for the Lufthansa B-707 Jet Service, Hong Kong, 1961.



Hans “Rastus” Schneider, “Mr Canton Fair”, in front of the Dong Fang Hotel in Canton, 1967.





VW Beetles fresh from the assembly line.



Macau, late 1950s.



Dieter von Hanseemann (left) and AP Jessen, Hong Kong, early 1950s.

But for the Jebesen family, there was good news on the personal front. Hans Jacob Jebesen married Juliane Ahlmann in Aabenraa in 1955. Although the marriage was short-lived, ending only a few years later, in 1956, they produced a son, Hans Michael Jebesen, who would go on to play an important role in steering the company through the final decades of the 20th century and leading it into the next.

Despite problems in China, Jebesen & Co continued to find profitable opportunities. The *Clara Jebesen* and the *Käthe Jebesen* were launched and sent on sea trials in 1959, and ties with German industrial giant Siemens grew stronger. Siemens’ telex system, which began to replace telegrams, was soon to be described as “conquering” Hong Kong. In 1960, Jebesen & Co acquired more office space in the Pedder Building in preparation for representing Lufthansa, and the same year saw the construction of a second Volkswagen service station. In 1960, Hans Jacob Jebesen remarried. His union with Doris Heckmann produced two sons and two daughters.

In 1961, the Chinese Ocean Shipping Company (COSCO) in Beijing, was charged with the processing of all ships in Chinese ports. This was the beginning of the end for Jebesen & Co’s agency activities in its offices in Shanghai and Tianjin. Determined to persevere, Jebesen & Co hung on until 1962, when, as one of the last foreign companies to remain in China, it closed its offices. The company would later be one of the first to return following Deng Xiaoping’s “open-door” economic reforms of 1978.

Peter Hartlieb surrendered the Beijing and Shanghai office to the authorities during the height of the Cultural Revolution. He had joined the company in the late 1950s, taking charge of various trading activities with a special emphasis on engineering and was later made a company director until he returned to his native Germany in the mid-1980s.

BRANCHING OUT

Fortunately business in Hong Kong prospered and the Jebesen & Co partners took the opportunity to participate in the city’s social and cultural life. They were involved in the establishing of the Hong Kong Country Club in the early 1960s. Their strong endorsement of the club being open to all races and nationalities went a long way to ensuring the equitable status of what is today one of Hong Kong’s oldest and most prestigious members’ clubs. Michael Jebesen along with AP Jessen and Dieter von Hanseemann also contributed to the founding of the Hong Kong Philharmonic Orchestra which played at the territory’s new City Hall and soon became a central part of Hong Kong’s cultural life.

One other mainstay of the social season, the Macau Grand Prix, held every November since 1954 across the Pearl River estuary in what was until 1999 a Portuguese-run enclave, had long been associated with Jebesen & Co through its agency agreements with Volkswagen and Porsche. The race in November 1963, however, ended Jebesen & Co’s involvement, at least for a short time, after two brand new Porches and one borrowed Porsche Spyder crashed – luckily with no loss of life. As a result, senior management banned participation in these races. But slowly and surely, the “racing monkey business” as Michael Jebesen christened it, was re-introduced by the heads of the company’s automotive departments. This exciting and fun event was, at the end of the day, an excellent marketing opportunity.

1963 was to go down in company history as the year that the partners of Jebesen & Co parted ways. AP Jessen believed the time had come to expand into relatively untested waters in South East Asia. The Jebesen brothers, on the other hand, preferred to concentrate on Hong Kong and China. As a consequence, the company split in two. A new company – Jebesen & Jessen – was registered in Singapore and Malaysia in December 1963.



From these small beginnings grew Jebesen & Jessen South East Asia (SEA), today a multi-activity sister company to Jebesen & Co specialising in industrial contracting, engineering and trading across the region. Although Michael Jebesen and Hans Jacob Jebesen were partners in this South East Asian venture from the beginning, and lent start-up capital, resources and personnel to help its launch, this was very much AP Jessen's enterprise. He remained a partner in Jebesen & Co, overseeing the firm's interests in Europe in the 1960s, while keeping a close eye on his managers in South East Asia.

Jebesen & Co's rapid growth in the early 1960s meant that by 1965 it was necessary to take on yet more office space in Hong Kong. The greater part of the company's corporate headquarters was moved into the new Prince's Building. Michael Jebesen built Cimbria Court on the site of the former bachelor's mess on Conduit Road. The building would be the setting for many company functions over the years to come.

This was the time when several key figures, many of whom would go on to serve Jebesen & Co for upwards of 25 years, joined the company. In 1963, Hans Schlaikier, son of a former captain and later director of the M. Jebesen shipping line, arrived to head up the Pharmaceutical Division. In 1971, he became head of the newly-created Chemical Division, which combined all the company's interests in the chemical and pharmaceutical sectors. He remained with the company in Hong Kong until 1998 when he moved to Denmark where he continued to serve the company's interests.

Also joining Jebesen & Co in 1963 was L.C. Fong. For more than 10 years he headed the Textile Machinery Division, a special department representing major European textile machinery manufactures. During his time at Jebesen & Co, L.C. Fong proved a dedicated and inspired colleague.

In 1965, Helmut Lühns joined the Export Division. He had spent five years in Hong Kong working for a

Hamburg-based firm and was in this time introduced to Hans Jacob Jebesen. For six years he dealt in the Export Department, working closely with Rastus Schneider at the Canton Fairs to source a host of products including feathers, intestines, walnuts and bamboo for export. In 1971, he took charge of the Siemens Division, a position he held for 25 years.

Helmut Lühns recalls the trust extended to him as an inexperienced young executive: "Hans Jacob and Michael Jebesen trusted me when I was still a greenhorn and over the years, I encountered this trust and strove to deserve it again and again. It was contagious too, as I had the same great relationship based on trust with many of my colleagues. Trust generates trust and this was, and is, a pillar of the Jebesen corporate culture."

The same year, 1965, saw the hiring of Eddie Hui in October and M.Y. Kan in November. Eddie Hui went on to become Divisional Director of the fast growing Consumer Products Division in 1982 and stayed with the company over 30 years. M.Y. Kan retired in 2000, after a long and illustrious career. He started as a Sales Engineer in the Metal and Machinery Department before being promoted to head up the China Trade Division, launched in January 1971. He was a member of the Board of Directors from 1982 until his retirement. Uwe Schmidt-Rösemann, long serving employee and Board Member, also retired in 2000. He had joined the company in 1966, took over the helm of the Shipping Division in the mid-1970s and was later appointed head of the Motor Group.

Around the same time the shipping company bade farewell to its oldest ship, the *Heinrich Jessen*. Trade with China had virtually ceased and by the end of the 1970s, it had disposed of all its fleet. An era was at an end for the M. Jebesen shipping line, while Jebesen & Co continued its ship agency business until the early 2000s. Instrumental in Jebesen & Co's shipping history was Hans Hennig, father of Jebesen & Co's Managing Director Helmuth



Porsche 356 B Cabrio, Aberdeen, 1961. Photo taken for the Porsche calendar of 1962.



Hennig. Hans Hennig had joined the company in the 1940s and headed Jebson & Co’s shipping business for 30 years. He later moved to his hometown Aabenraa and was made director of the M. Jebson shipping line, a post he held until his retirement in the early 1980s.

Working in Hong Kong during the 1960s posed challenges. The Cultural Revolution spilled across the border from time to time. In Portuguese-run Macau, Red Guards put up revolutionary posters, toppled monuments and rampaged through the streets. In January 1967, rioting broke out and tensions flared between pro-communist and anti-communist factions. Summer that year was an exercise in endurance, with curfews, food shortages and road-blocks the order of the day. Uwe Petersen, one of the company’s longest-serving Board Members who joined the Finance Department of Jebson & Co in 1957, recalls driving to work each day in his Volkswagen Beetle, wondering if there might be a bomb on the road. With characteristic wryness he describes what met him every day when, thankfully, he reached work unharmed: “Working anywhere in Central was a great trial. The Bank of China was broadcasting communist propaganda at high pitch volume and the Government Information Services, across the road, was countering with Chinese opera

music at even higher volume. It was noise pollution almost beyond endurance.”

Inevitably the events in China caused anxiety. Michael Jebson wrote to his partners overseas:

*“A Chinese employee of our neighbour just came back from Shanghai and confirmed that the situation there is very critical, causing his young assistant to turn tail and run. Our informant is always picked up by a bodyguard of the corporation, who escorts him back to the hotel. He was advised to exchange his leather shoes, which could give him away as a Hong Kong Chinese, for felt slippers. The reports of our informant about Peking were graver. His Chinese attendant was apparently physically attacked and our German business associate was badmouthed as a Russian. The Temple of Heaven is guarded by the military; the Forbidden City and the Ming Tombs are closed. The Temple of Azure Clouds is plundered. The lions in front of Mao Tse-tung’s residence and the Hong Kong Bank in Shanghai have been removed. Heads of the Buddha statues in temples have been broken. Christian churches and Muhammad’s temples have been attacked and pig’s heads have been thrown into mosques.”*

To reassure principals, he issued a circular promising “Business as Usual”, along with a clear and extremely perceptive explanation on what had occurred in China. By the end of the year, the Hong Kong

“disturbances” as they were referred to locally, had petered out. Hong Kong and Macau remained Western colonies.

Despite the mayhem in China, the Spring and Autumn Trade Fairs in Canton continued. They offered one of the few opportunities for conducting any business in China and provided a channel by which news from within the vast country reached the outside world.

### BUSINESS AS USUAL

Although 1967 proved to be the least profitable year for Jebson & Co since World War II, business bounced back in 1968. The company established an AGFA colour-developing and printing facility offering a guaranteed 24-hour service. The company also stepped up its consumer marketing activities. It clinched a contract with the top-rated television programme, *Enjoy Yourself Tonight*, in which TV star Jennifer Fok spun the Jebson “Wheel of Fortune”. Jennifer Fok was soon dubbed “Miss Jebson” and the prizes given away to contestants on the show ranged from Bosch washing machines and Siemens televisions, to the occasional Volkswagen. The show proved a huge success, with the highest viewer ratings of its day, and established Jebson & Co as a household name with Hong Kong’s consumers.

Another communications milestone followed in 1969, when through Jebson & Co the Hong Kong Telephone Co Ltd (HKTC) installed the Siemens electronic crosspoint switchboard system. This new technology launched HKTC into the modern electronics age and coincided with a visit to Jebson & Co by Peter von Siemens, to celebrate a quarter of a century of development and mutual benefit between the two companies.

In the late 1960s Hong Kong boasted more telephone lines on a per capita basis than anywhere else in Asia. Following the installation of the Siemens switchboard system, the number of subscribers grew from just over 10 per cent of the population in 1970 to over 40 per cent by the mid-1980s. Between 1969 and 1972, HKTC installed 70,000 Siemens switchboard lines and another 90,000 were on order.

In 1969, Jebson & Co became Jebson & Co Ltd and initiated a reorganisation and computerisation within the company. Uwe Petersen, at that time a director of Jebson & Co Ltd in charge of Finance, Personnel, Computer and Group Control, oversaw the computerisation of the company. He played a crucial role in the company, and was the architect of the group’s prudent financial policy securing a strong basis for external growth.



Hans Jacob Jebson and Captain G. Rhod Hansen, 1953.



Michael Jebson meeting Federal President of the Republic of Germany Heinrich Lübke, Mandarin Hotel, Hong Kong, 1963.



From left: Dr B. Plettner (Siemens Chairman), H. Lührs, M. Jebson, E. Walker, Hong Kong Telephone Co Ltd, Mandarin Hotel, Hong Kong, 1974.



Michael Jebson (left) and Peter von Siemens, Hong Kong, 1978.

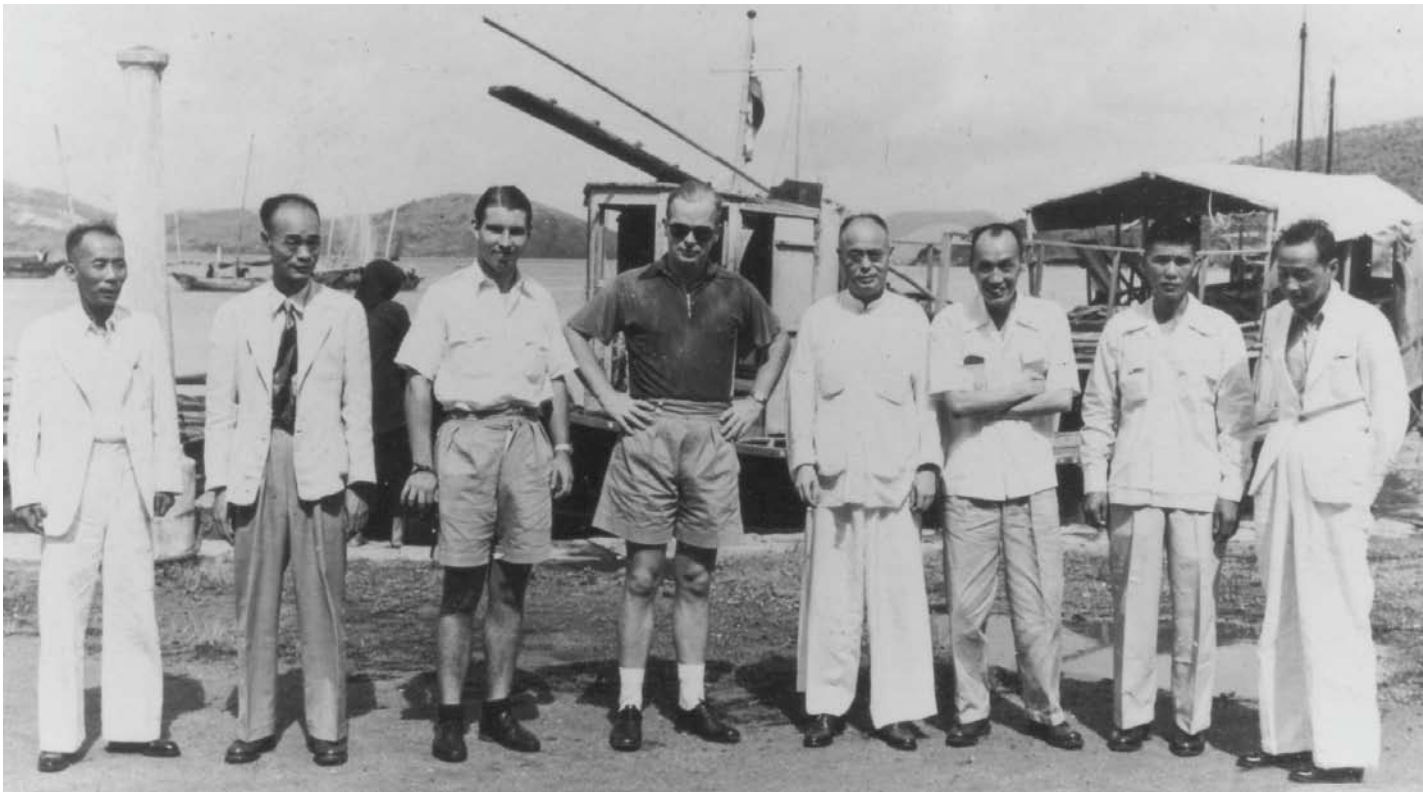




Michael Jebsen and his brother Hans Jacob on a sailing boat in the Aabenraa Fjord, late 1920s.



Michael Jebsen and his sister Clara Brose on a temple visit in Shanghai, 1934.



AP Jessen (third from left) and Hans Jacob Jebsen (fourth) and some of the Jebsen & Co shipping personnel, Hong Kong, late 1940s.



Michael Jebsen and Beijing office staff, 1941.



Michael Jebsen visiting BOFA Co Ltd, a Jebsen & Co affiliate, Beijing, 1941.



Käthe Jebsen with her grandson Hans Michael and his mother Juliane Jebsen (née Grün), 1958.



Michael Jebsen, AP and Lori Jessen (née von Eckartsberg), Hong Kong, late 1950s.





Johann Heinrich Jessen (right), grandson of company co-founder Heinrich Jessen, accompanying Sir Alexander Grantham, Governor of Hong Kong, through the agricultural fair of the New Territories, 1956.



Dinner for F.P. Huber, Export Manager AGFA, Hong Kong 1958.  
From left: D.v. Hansemann, H. Schneider, H.J. Jebesen, F.P. Huber, M. Jebesen, D. Born, G.J. Seybold.



Doris Jebesen (née Heckmann), and Dieter von Hansemann, Hong Kong, 1960s.



Brothers Michael and Hans Jacob Jebesen. Shanghai, 1960s.



Jebesen & Co staff advertising the BASF fertilizer Nitrophoska.



VW Beetle arriving in Hong Kong.



Jebesen & Co staff member Jan von Doetinchem (left) and VW Service Manager Herbert Adamczyk crossing Hong Kong harbour in a 'waterproof' VW Beetle, 1965.



# A SEA CHANGE

## EXPANDING HORIZONS

The 1970s saw the normalisation of US-China relations following US President Richard Nixon’s visit to Beijing in February 1972, and the exchange of diplomatic relations between China and West Germany in October that year. The Cultural Revolution was still causing chaos but optimists began to hope for a thaw in East-West relations.

This decade saw the emergence of containerised shipping and the dawn of mass travel in the wake of the development of the Jumbo Jet.

Hong Kong embraced the age of the container in 1970 with the construction of container terminals in Kwai Chung. One of the terminals was awarded to Modern Terminals Ltd (MTL), a consortium that

included Jebsen & Co Ltd, Hapag-Lloyd and the Hongkong and Shanghai Banking Corp Ltd. The official opening took place in January 1973 and the Governor of Hong Kong, Sir Murray MacLehose, officiated as guest of honour. When Queen Elizabeth II paid her first visit to Hong Kong in 1975, her consort, Prince Philip, Duke of Edinburgh, visited Kwai Chung and Hans Jacob Jebsen was among the group that escorted him on his tour of inspection.

The first Boeing 747 Jumbo Jets bearing the Lufthansa insignia to arrive in Hong Kong landed at Kai Tak Airport in November 1971. The advent of these wide-belly aircraft would significantly boost income for Jebsen & Co Ltd’s Air Passage Department.

In 1971, Hong Kong’s largest hong, Jardine Matheson & Co Ltd, made an offer to buy Jebsen & Co Ltd.

The bid came from Jardine chairman, Henry Keswick, himself a descendant of the company’s founders, who paid a visit to Michael Jebsen on September 16. Michael Jebsen made it clear that his vision of a family firm like Jebsen & Co Ltd ruled out such a proposal. Nevertheless, the offer indicates the regard in which the company was held in Hong Kong.

The following year, in 1972, Jebsen & Co Ltd’s Export Department was reorganised and renamed Bodum Export Ltd. Michael Jebsen was appointed to the council of the Hong Kong General Chamber of Commerce, and Blue Girl Beer became one of Hong Kong’s top selling imported beers.

For trading companies such as Jebsen & Co Ltd, the Hong Kong government’s decision to relax controls in 1973 and allow the dollar to float, was a major milestone. Within the company, a staff grading system was introduced to rationalise salary structures in order to continue to attract and retain talent. The company acquired another commercial property, the five-storey Reliance Manufactory Building on Wong Chuk Hang Road in Aberdeen, to house its AGFA Colourprint development laboratory.

1973 also saw the 100th anniversary of Degussa

AG, Frankfurt, which Jebsen & Co Ltd celebrated by hosting a generous reception. The friendly and prosperous agency relationship enjoyed by the two companies since the early 1950s had run its course however. The chemical and precious metal group decided to launch an independent China trading operation, encouraged by the first indications that China was opening up to trade. The Degussa chapter ended in mutual regard in September 1973. As Hans Schlaikier put it: “The Catch 22 to being an agent is that if you do your job badly, your principals leave, but when you do your job well, you end up allowing them to do it themselves.” But this is the nature of the agency business and the trend continued throughout the 1970s and 1980s as more companies opened up their own operations in Hong Kong and China.

Business was booming for Siemens in Hong Kong, helped by the waning of the “Buy British” policy which gave rise to a tough yet realistic and competitive marketplace. A deal for Siemens transformers represented the first successful order from Hong Kong’s two electricity utilities which had previously ordered equipment principally from the UK.

A number of key employees, who would go on to



The *Carl Offersen* – sixth ship in the M. Jebsen shipping line, completed in 1966.



Hapag-Lloyd container ship. Jebsen & Co were agents for Hapag and Norddeutscher Lloyd from 1922 to 1995.



Modern Terminals Ltd, Hong Kong. Jebsen & Co Ltd has had a shareholding in MTL since 1971.



play important roles in the company’s future success, joined in the 1970s. Francis Lau, today Director of the company’s Industrial Business Unit, joined in March 1970. Two years later, came Jimmy Yeung, today managing the Jebson Mazzucchelli joint venture. He initially worked as right-hand man to Werner Brenker, who had joined the company in the late 1960s. Previously working for AGFA, Werner Brenker was pivotal in heading the company’s Photo Scientific Optical Division and building up the Pentax business. He stayed with the company for well over 30 years until his retirement in the early 2000s. William Leung started as chief accountant in February 1973 and in 1982, became a company director responsible for all the group’s finances. He stayed with the company until 2003.

Hong Kong was not immune to the oil crisis of 1974. The streets at night were dimmed and the few floodlights at sports centres were extinguished to save energy. But while global share prices fell to 1960s levels, and consumer and automobile sales dwindled, Jebson & Co Ltd nevertheless posted gratifying annual earnings. As Dieter von Hansemann put it: “This was thanks to the many pillars supporting the company and the constant flow of sales to the giant neighbouring country, China, whose modest and frugal population was barely affected by the consumer crisis hitting more affluent countries at the time.”

The economic recession provided opportunities for the far-sighted. Jebson & Co Ltd entered into a contract with Chinese business colleagues to construct a 12-storey industrial building in Aberdeen that Michael Jebson named the Scomber Building (Scomber is the Latin name for mackerel). The company’s newly-established Consumer Marketing Management (CMM) division, comprising three consumer-oriented divisions and the Motor Group, plus motor service and spare parts stores, moved into the building.

Michael Jebson and Dieter von Hansemann

commemorated the 80th anniversary of Jebson & Co Ltd on March 1, 1975, with a bottle of champagne at the Hong Kong Club, followed by a celebratory concert at the Hong Kong Philharmonic Orchestra in City Hall. The two men toasted both past and present achievements.

As confidence in the stability of Hong Kong, China and the Asia Pacific region increased, Mærsk Line and similar partners took the decision to establish their own offices. Jebson & Co Ltd however was to continue representing Hapag-Lloyd until 1995, and its ship agency business continued to thrive until well into the 2000s. Among the lines represented were the Senator Line joint venture and Hamburg Süd.

### CHANGING OF THE GUARD

The death of Mao Tse-tung in 1976, at the age of 83, would usher in the end of isolationism and the advent of Deng Xiaoping’s open-door policies of 1978. Deng’s pragmatic reforms over the next 15 years are credited with projecting China into one of the fastest growing economies in the world today.

Investors and international businesses began to clamour for a piece of the Chinese market. With almost 100 years’ worth of expertise in China trade, Jebson & Co Ltd was in a prime position to benefit from Deng’s reforms. In 1976, it acquired the agencies for Volvo and Lego. Ralph Seifert, head of Jebson & Co Ltd’s Consumer Products Division in the 1970s and 1980s, played a major role when it came to acquiring the Danish Lego agency, which later led to the awarding of the Diploma and Medal of Honour from HRH Prince Henrik of Denmark.

The company made a splash when it chartered a Lufthansa 747 freighter to transport 30 Volkswagens from Frankfurt.

Hong Kong opened the first phase of its new underground system, the Mass Transit Railway (MTR),

which had proved a lucrative source of orders for Siemens equipment.

In 1977, Michael Jebson and Hans Jacob Jebson turned their attention to their grandfather’s shipping company. They decided to sell the fleet, which essentially ended a proud tradition of 100 years of ship-owning. This, according to Hans Jacob Jebson was “because of the precarious condition of the maritime traffic economy”. The company was retained, today owning a number of properties in Aabenraa. The M. Jebson shipping line celebrated its 100th anniversary on December 18, 1978. It was at this celebration that Hans Jacob Jebson, who had just returned from a visit to Hong Kong, made his last public appearance. He died on May 4, 1979 after a long illness at the age of 58 in Flensburg, close to his home in Aabenraa.

He had seen how the company in Hong Kong was succeeding and how living standards had improved by leaps and bounds fuelling the group’s consumer services. Jebson & Co Ltd was thriving and the future for the new shipping, travel and insurance company, Scomber Services, inaugurated that spring, looked bright.

When US President Jimmy Carter announced that China and the US would resume full diplomatic relations from January 1, 1979, Michael Jebson described the news as: “An important turning point for us as traders with China.”

Jebson & Co had maintained a presence in China throughout the Cultural Revolution. The company’s Director of China Trade, M.Y. Kan had spent the better part of the past 11 years in Shanghai and Beijing and this persistence paid off. Granted one of less than half a dozen leased telephone lines in operation in China at the time, the company was in a position to quickly and efficiently resume operations. In early 1979, Michael Jebson sent out a circular announcing that after a long interval, Jebson & Co Ltd was once again open for business in China.



Hans Jacob Jebson (1921–1979) at the ship launch of *Emma Jebson* at Nobiskrug shipyard in Rendsburg, Germany, 1971.



The *Jacob Jebson*, completed in 1952, was the first post-war vessel of the M. Jebson shipping line.





The Jebsen residence at Middle Gap Road, the Peak, Hong Kong, which was built by Hans Michael Jebsen in 1987-90, reflecting some of the elements of the original corporate residence “Lysholt”. Apart from being a family home the residence has seen countless corporate and social events since its completion. Built against the backdrop of the 1997 Handover negotiations, the establishment of this residence was also seen as strong vote of confidence in the future of Hong Kong.



Jebsen & Co Ltd executive staff, Hong Kong, 1988. *See Index.*

In May 1979, the company’s long association with Lufthansa came to an end. Michael Jebsen received a personal letter from the airline’s management team thanking him for Jebsen & Co Ltd’s outstanding services over the years and informing him that Lufthansa would establish its own sales organisation in the region. The company remained in the travel business for a number of years, however, representing other airlines and running its own independent IATA travel agency.

A NEW ERA

The 1980s were marked by the advent of the third generation. Hans Michael Jebsen arrived in Hong Kong in 1981 as a newly-minted partner and director. After graduating in Aabenraa in 1975 he completed a two-year banking traineeship in Flensburg and Hamburg and spent almost two years in London interning for the Merchant Bank of Gray Dawes & Co and the private bank Anthony Gibbs & Sons before he went to the University of St Gallen, Switzerland, to study business management.

He was familiar with the place as his late father had ensured he visited the territory during holiday breaks. Before taking up his new post, he spent several months in China, including at the company’s newly revived Beijing liaison office. Aged just 24, the same age his grandfather had been when he arrived in Shanghai in 1894, Hans Michael Jebsen explored the countryside surrounding the Chinese capital Beijing whenever he could spare the time, looking and learning.

The task of fitting into the company hierarchy was not an easy one for an incoming young man. Michael Jebsen was an autocrat, used to being in sole charge. Uwe Petersen describes Michael Jebsen as “a remarkable man, who very much considered himself the captain of the ship. He personally read every incoming letter, fax and telex.” Hans Michael Jebsen recognised

that Michael Jebsen was an authority from whom he could learn a huge amount.

As the new decade dawned in Hong Kong, questions began to arise about the future of the British lease on the New Territories. Unlike Hong Kong island and the Kowloon peninsula, the New Territories, which comprised almost 90 per cent of the landmass, were held by the British on a 99-year lease. And that lease was due to run out in 1997.

What would that mean for mortgages and crown groundrents? Would China grant a new lease? Hong Kong watched with bated breath as British Prime Minister Margaret Thatcher, fresh from victory over Argentina in the Falklands War, made her way to Beijing in September 1982 for discussions with China’s leaders.

Three years earlier, Sir Murray MacLehose, the British Governor of Hong Kong, had returned from a meeting with Deng Xiaoping with the message that Hong Kong people could “set their hearts at ease” over the lease issue. Some assumed this signalled that China wished to maintain the status quo. The assumption was wrong. Deng Xiaoping’s message, as conveyed to Thatcher, made it clear that China claimed sovereignty over all Hong Kong.

As Deng Xiaoping said: “We have always maintained that the sovereignty of Hong Kong belongs to the People’s Republic of China. As Hong Kong has its unique position, we shall discuss the settlement of the Hong Kong question in the future on the premise that Hong Kong is part of China. But we will take Hong Kong as a special region. Hong Kong may practice its capitalism over a considerable length of time while we shall pursue our socialism.”

Confidence took a nosedive. The Hong Kong dollar plunged and had to be rescued by pegging it to the US dollar. Business activity declined markedly and foreign consulates and commissions were swamped with applications from would-be emigrants.



Jebsen & Co Ltd took the long-term view. Michael Jebsen’s confidence in China was a mainstay of the company’s philosophy, and it would prove well-founded indeed.

By 1984, the British and Chinese had reached agreement over Hong Kong. British Foreign Secretary Sir Geoffrey Howe outlined the details in August. China would resume sovereignty over all of Hong Kong on July 1, 1997. It would become a Special Administrative Region (SAR) of China and its capitalist system and way of life would be maintained for 50 years. It would be accorded a “high degree of autonomy” in running its own affairs. Both countries would co-operate in the period until the handover but Britain would continue to govern until midnight on June 30, 1997. The terms were ratified in the Sino-British Joint Declaration of 1984.

By any reckoning, the declaration was a remarkable document, in which China guaranteed the retention of laws, customs and social institutions very different from her own, together with the preservation of freedoms denied to all of her other citizens. As former Governor Lord Murray MacLehose, who retired in 1982, said: “For a communist government to commit itself to maintaining this capitalist enclave may seem to sound so bizarre as to be incredible.”

### A TIME OF TRANSITION

Hong Kong sighed with cautious relief as it entered a 13-year countdown to the handover in 1997.

Against this backdrop, the third generation began to find their feet. The younger executives, including Hans Michael Jebsen and Helmuth Hennig, who had joined the Shipping Division in 1983, and would become Jebsen & Co Ltd Group Managing Director in 2001, saw the need to move the company from a middleman culture to a value-adding culture. The process was already underway, yet the senior

management found it harder to adapt to the change. This conundrum was highlighted in 1983 when Siemens established its own operations in China. The partners knew that it would only be a matter of time before the same would happen in Hong Kong. This finally transpired in 1989.

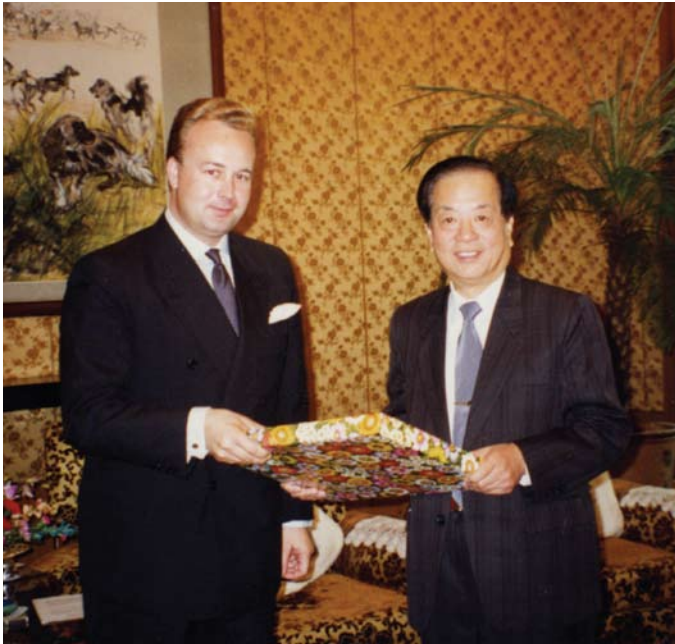
Michael Jebsen, in his mid-70s in 1984, was very much of the view that the company was well funded and would be sticking to its business model “rain or shine”. He felt there would always be companies that needed to be introduced to China. But he was also aware of the coming challenges: “What looks like a blessing for us, the opening of China, is for the agency portfolio a matter of borrowed time,” he said.

Hans Michael Jebsen sums up the dilemma: “One needs to be visible to attract the right human resources. In order to be an attractive employer you need to have size, vision and career opportunities. Everybody wants to join a winning team and not a company that says ‘We used to be Siemens agents’.”

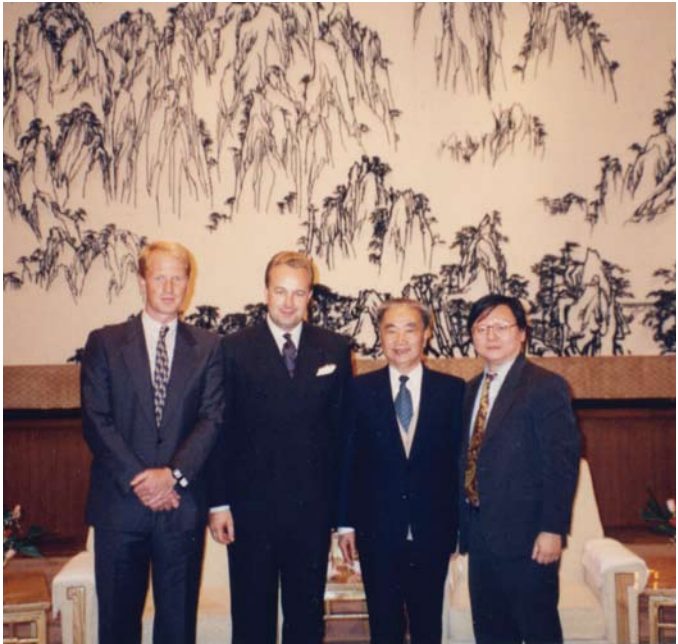
While the generation gap in management led to a certain amount of friction, the debates, business analysis and corporate soul-searching that it generated strengthened the company and cleared its vision for the future, paving the way for today’s success.

What had started as a general trading company almost a century earlier began to evolve into a focused marketing and distribution organisation. Old brands gave way to new. BASF and Jebsen & Co Ltd had parted ways in 1982 and in place of this long-standing connection, Jebsen & Co Ltd found alternative suppliers of chemical products. It sourced Rollei and Pentax in place of AGFA.

By the end of the 1980s, China had opened up dramatically, and Jebsen & Co Ltd had recognised the resulting opportunities and set up liaison offices in Beijing, Shanghai, Dalian, Chengdu and Qingdao.



Qian Qichen (Vice-Premier and Foreign Minister of the People’s Republic of China), receiving Hans Michael Jebsen in Beijing, October 1994.



Wang Hanbin, Vice Chairman of China’s National People’s Congress and Member of the Politburo, receives Jebsen & Co Ltd executives in the Great Hall of the People in Beijing, October 1994.  
From left: Helmuth Hennig, Hans Michael Jebsen, Wang Hanbin, K.P. Wong



HRH Prince Henrik of Denmark presents to Hans Michael Jebsen the Diploma of the National Association for Danish Enterprise and Prince Henrik’s Medal of Honour, Hong Kong, 1985.



Prince Joachim and Princess Alexandra of Denmark at the official opening of the new Jebsen & Co Ltd premises in Beijing, July 1997.  
From left: Desirée Jebsen, Zhang Ting, Prince Joachim, Princess Alexandra, Hans Michael Jebsen.





Shanghai skyline.

## NEW OPPORTUNITIES

### BOOM YEARS

The mood in Hong Kong at the start of the 1990s was cautious. The Tiananmen crackdown of 1989 had deeply shocked people in Hong Kong and caused many to shed their optimism about a successful handover. Tens of thousands applied for foreign passports. But slowly and surely – as the economy boomed, international trade with China surged and individuals prospered – morale improved.

The group set up independent subsidiaries in South Korea, Australia, Taiwan and Vietnam and established its first joint ventures in Hong Kong and in China. These included Hua Yi Plastic Products, a joint venture between Jebsen & Co Ltd, the Mazzucchelli Group of Italy and Daicel FineChem Ltd of Japan. Hua Yi is now the leader in China for cellulose acetate sheets, which are used for the manufacture of spectacle frames and sunglasses.

In the early 1990s, the company bade farewell to Dieter von Hanseemann after 60 years of service. He wanted to become, in his words, an “official observer”. Hans Michael Jebsen paid tribute: “When an occasion was found in 1993 coinciding with his 80th birthday to eventually mark this transition, he said, so characteristically for him, that he felt ‘like a teacher who was releasing his class’.” Dieter von Hanseemann became Honorary Vice Chairman of Jebsen & Co Ltd in Hong Kong and held this position until his move back to Hamburg in 1998.

On March 1, 1995, the company’s centenary rolled around and Jebsen & Co Ltd’s partners and employees across the region had a lot to celebrate. Centennial parties were held in the Great Hall of the People in Beijing, the Peace Hotel in Shanghai and the Hong Kong Cultural Centre.

To mark the occasion, the partners also launched the Jebsen Education Fund to provide educational opportunities for people in Hong Kong and China. Jebsen & Co Ltd had long placed a premium on education and training and Michael Jebsen had himself helped put the children of several employees through university over the years.

The 1997 handover was viewed by many, including Jebsen & Co Ltd, as a prime business opportunity to participate in the modernisation of a country of 1.2 billion people. Jebsen & Co Ltd was working towards a handover of its own in the 1990s. Coinciding with his 86th birthday, Michael Jebsen had decided that he would step down as head of the company, allowing Hans Michael Jebsen to take the reins, in the same year as Hong Kong’s momentous return to China.

The 1990s also saw Hans Michael Jebsen’s younger brother Markus Jebsen joining the company. He was made a partner and director in 1995 but later decided to set up his own business and left the group in 2003 to start an investment and trading company, MFJebsen International Ltd, in Hong Kong.



BEER AND WINE

Jebsen & Co Ltd’s Beverage Group is a key business today, and, with its origins back in 1906, it is a division with a long history. Now the Beverage Business Unit includes fine wines, as well as beer – in particular the very popular Blue Girl.

Over the decades, Blue Girl had been brewed in Germany, until a sudden reversal in the exchange rate in the late 1980s saw the Deutsche Mark rise against the US dollar. Hence, in 1988 Jebsen & Co Ltd switched brewing operations to the Doosan Group’s Oriental Brewery in Seoul, South Korea. The move to a Korean supplier proved beneficial. Says Managing Director Helmuth Hennig: “It was a major milestone, allowing us to put Blue Girl on a completely different platform. The beer became cheaper and it gave us more margin to invest in the brand. More investment in the brand allowed us to grow the brand and brought us to where we are with it today.

“Secondly, it was much fresher. Beer does not improve with travel and it took only two weeks to be transported from the brewery in Korea to stores in Hong Kong. Thirdly, the taste changed. This wouldn’t happen today with a change in breweries, but back then, the move from Germany to Korea resulted in the classic German bitterness of the beer being lost, and Blue Girl came out with a much lighter taste. Suddenly it became a beer that was much more acceptable to a larger part of the population.”

Two individuals should be especially credited when writing about the Beer Division: Burkhard von Bothmer and Kendrick Lai. Burkhard von Bothmer was instrumental in introducing



Jebsen & Co Ltd to their new Korean partners. Kendrick Lai, who joined the company’s Consumer Products Division in 1980 and was appointed to head the Beer Division in 1990 until his retirement in 2006, was the prime mover in creating the solid foundations on which the brand rests today. Under his stewardship, the division expanded to market and distribute a range of imported brands including the popular Mexican beer, Corona Extra.

Today the division is headed by Michael Glover who joined the company in 2005 with extensive experience in the beverage industry, including several years with the Oriental Brewery in Korea. Blue Girl Beer remains one of the most popular premium offerings in China, Taiwan, Macau and especially Hong Kong where it is the top-selling beer and enjoys a market share of around 18 per cent. The division has also recently developed Sonderberg, a pilsener-style beer targeted at a different price segment.

In 1991, Jebsen & Co Ltd made a foray into fine wines and gourmet food. The idea was floated by Michael Parry, a pioneer in China’s wine industry, who approached the partners with his proposal. He brought with him his connections and many of the suppliers with whom he had worked over the years. For two years the company dealt in wine and gourmet foods such as smoked salmon and caviar, supplying hotels, restaurants, clubs and bars. Michael Parry died in 1995 and when Gavin Jones took over as General Manager of the division a year later, the business was streamlined to focus purely on beverages.



Part of the Sacred Hill vineyard, Hawke’s Bay, New Zealand. Co-owned by Jebsen & Co Ltd.

Wine expert Gavin Jones joined the company in the mid-1990s after gaining experience in the wine industry in Britain and Australia. He has since built the Wine Division into Hong Kong’s largest independent wine importer and distributor, and the third largest importer of wine in China. The division today covers a well-balanced portfolio of global brands, both premium and luxury, as well as two wineries, one of which is owned and the other co-owned by Jebsen & Co.

Long-term partners such as Champagne Bollinger, Marchesi de Frescobaldi and Rosemount Estate have been joined over the years by highly regarded brands such as Baron Philippe de Rothschild, Kendal-Jackson and Robert Mondavi. The Wine Division also

distributes San Pellegrino and Acqua Panna mineral water and the Bacardi-Martini range of quality spirit brands. The company owns a significant share in the New Zealand winery, Sacred Hill Wines Ltd, acquired in 2000. It also owns 100 per cent of what is now called the Twinwoods Estate Vineyard in the Margaret River region of Western Australia. The Twinwoods brand was released at the end of 2006.

Jebsen Fine Wines has a distribution network with offices in Hong Kong, Macau, Guangzhou, Shanghai and Beijing, and in 2006 ventured into retail with the opening of the first VIN speciality wine store in Shanghai.



DRIVING EXCELLENCE

The company’s involvement in the automobile industry stretches back to the 1930s when it was appointed to represent Daimler Benz AG in China.

After attaining Volkswagen in the 1950s, it expanded its portfolio rapidly in the 1980s adding Porsche, Audi, Hyundai, Volvo and later Renault. In the 1990s, it switched its focus to concentrate on Porsche. To day, the Porsche Division is larger than the combined agencies of the 1980s. Hong Kong now has one of the highest market shares in the world for Porsche, and the Motor Group has over the last 10 years been investing heavily in China. Porsche Centres have been established across the country and with a developing car culture and the new consumer class’s burgeoning wealth, prospects for this elite luxury vehicle in one of the largest emerging markets worldwide are promising.

Hans Michael Jebesen is confident that Porsche in China will be successful. “Car ownership in Hong Kong represents less than five per cent of the population, which means we have one of the lowest rates in Asia,” he says. “Yet, Jebesen & Co Ltd put Porsche on the map in Hong Kong, not just as another sports car, which you may or may not need, but as a prime self-reward everyday automobile; the car with status, the car professionals prefer, the car smart money drives. And we’re all set to do the same in China.”

From a fledgling operation in Beijing in 2001, Jebesen & Co Ltd now operates seven Porsche Centres in total, and in 2007 doubled the delivery figures for 2006. The Motor Division is led by Mark Bishop, who joined

the company in 2005 with over 30 years of experience in the automotive industry in the UK, the Middle East and Asia. A member of the Jebesen & Co Ltd Board of Directors since 2008, he is also responsible for the newly established Luxury Business Unit including the Watch and Marine Divisions.

The Asian Financial Crisis hit Hong Kong before the handover celebrations had been fully completed. Those who had predicted doom and gloom after the handover were proved right, but not for the reasons they had expected. Economics, not politics was the cause.

For Hans Michael Jebesen, who had just stepped into his uncle’s shoes as chairman, this was a challenge of epic proportions. At one point, the Hong Kong stock market fell by over 20 per cent within a week. Between the summers of 1997 and 1998, the blue chip Hang Seng Index lost nearly two thirds of its value. The property market tanked and developers and speculators alike faced negative equity.

Fortunately, Jebesen & Co Ltd was on solid financial footing. “The company never lost money,” says Helmut Hennig, “but we had some challenging years between 1998 and 2003. However, with China gearing up to become a major industrial power, our industrial business did exceptionally well throughout those years. Another business that was completely recession proof was beer!”

It took time to weather the downturn. Hong Kong pushed ahead with the opening of Chek Lap Kok airport in 1998. Belts were tightened and frugality ruled. By 1999, the worst was over. As the New Millennium beckoned, Jebesen & Co Ltd prepared for its second turn of a century.



Porsche 356 B Hardtop at the Macau Grand Prix, 1962.



Opening ceremony of Jebesen Marine, Hong Kong, 2008. From left: Mark Bishop, Helmut Hennig, Olivier Decamps (General Manager Jebesen Marine).



Jebesen Marine store, Aberdeen, Hong Kong, 2008.



Opening of the new Jebesen & Co (China) Ltd Guangzhou office, 2008. The same year Jebesen & Co (China) Ltd also inaugurated new offices in Shanghai. From left: Li Lian Zhu (Chairman of Tianjin Yifeng Logistics Co Ltd), Denis Li, Wu Yan Jun (Executive of The Government of Yuexiu District, Guangzhou), Helmut Hennig, Hans Michael Jebesen, Shui Xue Qin (Deputy Director-General of Bureau of Foreign Trade and Economic Cooperation of Guangzhou Municipality), Zhuang Yue Qun (Deputy Executive of The Government of Yuexiu District, Guangzhou), Chen De Xing (General Manager of Guangdong Telecom Co Ltd.).





Celebrating 50 years of partnership between Jebsen & Co Ltd and Porsche AG, Hong Kong, October 2005.

From left: Dr Wendelin Wiedeking (Chief Executive Officer Porsche AG), Hans Michael Jebsen, Helmuth Hennig, Hans Riedel (Director of Sales and Marketing Porsche AG).



## STRIDING AHEAD

### INGREDIENTS FOR SUCCESS

The New Millennium got off to a sad start. Michael Jebsen died peacefully in his hometown Aabenraa on May 1, 2000. His personal philosophy could be encapsulated by his favourite Chinese proverb: *Under the heavens, nothing is impossible to achieve, all that is needed is a man with a heart.*

Another man with a great heart, Dieter von Hansemann, followed his life-long friend and colleague just a year later, passing away on May 20, 2001.

In 2001, Helmuth Hennig became Managing Director, forming a dynamic partnership with Hans Michael Jebsen. With a shared vision of the company's future and a commitment to its family-oriented culture, the two men complement each other perfectly.

Hans Michael Jebsen, who started his career very early in life in the company, has been instrumental to the continuity of family shareholding and management. Through his wide exposure to both corporate and community affairs he has accumulated an extensive network in Asia, Europe and beyond. Today serving as Chairman of the group he is also the public face of the company. In addition, he is on the boards of Hysan Development Co Ltd and

Wharf (Holdings) Ltd in Hong Kong, as well as Danfoss A/S, Denmark. Hans Michael Jebsen was awarded the Bronze Bauhinia Star of the Hong Kong SAR in 2001 and has been an honorary citizen of Jilin City since 2005. In 2006 he was made a Knight of the Dannebrog by order of H.M. The Queen of Denmark. In 2008 Hans Michael Jebsen was also awarded the German Federal Cross of Merit.



Michael Jebsen (1911-2000).

Helmuth Hennig is the strategist who puts ideas into action within the company, applying a strong sense of analysis and vision. When he became Managing Director, the company launched its first-ever company-wide project. Called JET – Jebsen Enterprise Transformation – it reconciled the company's IT and communications operations on to a single computing platform. JET is credited with helping to build a Jebsen spirit within the group.

The launch of an official Corporate Social Responsibility (CSR) programme in 2007 built on this spirit. It focuses on environmental issues and giving back to the community through outreach events with the Jebsen Volunteers, and also emphasises how much the company values employees. Jebsen & Co Ltd was awarded the “Caring Company” award by the Hong Kong Council of Social Services in recognition

of its initiatives in caring for the community. The programme is headed by Francis Mok, Director of Group Human Resources and aims to further improve the well-being of the internal and external communities the company operates in. The group also looks after the health and well-being of employees through the Jebsen Recreation Club which organises sports and social activities.

The early 2000s also saw the hiring of several employees who today sit on Jebsen & Co Ltd's Board of Directors and have contributed significantly to the company's progress in the early 21st century. William Li, Group Deputy Managing Director since 2005, joined the group in 2001, and is responsible for finance and internal services.

Group Director Trevor Yang joined Jebsen & Co Ltd in 2003 with 16 years of experience in banking and today oversees the group's investments.

Group Director Denis Li joined the company in 2004 and is responsible for business development of the Consumer Products Business Unit and accountable for the strategic development of China and other regional markets including Korea and Taiwan.

The Consumer Products Business Unit comprises the Digital Imaging Products Division, which has been responsible for the sales and marketing of Pentax products, both in Hong Kong and China, since 1986; and the Home Entertainment Division, which represents electronic consumer goods and the Personal Entertainment Division, which handles, among others, Casio digital cameras, Archos portable multimedia players, Lexar memory cards and accessories manufactured by companies such as Manfrotto.

With the spectacular growth of the Chinese market, 2004 also saw the establishment of Jebsen & Co (China) Ltd, founded to provide a secure and effective trading platform for the company's core businesses on the mainland. Headquartered in Beijing today, with eight

branch offices in major cities including Shanghai, Guangzhou, Tianjin, Dalian, Qingdao, Chengdu, Wuhan and Xian, Jebsen & Co (China) Ltd provides a strategic national network to better serve customers. The enterprise also continues to explore opportunities for further investments through alliances with prominent local companies and global partners. Says Board Director Denis Li, “In-depth understanding of the industry, the customer and the market place where we are operating, in addition to a strong commitment to China and a solid government relationship, form part of Jebsen's main strengths today.”

In 2005, the company celebrated the 50th anniversary of its partnership with Porsche. In 2006, Blue Girl Beer celebrated its 100th anniversary as a Jebsen brand and was launched in Taiwan through Jebsen & Co (Taiwan) Ltd. The same year saw the founding of Tianjin Yifeng Logistics Co Ltd, a joint venture between Jebsen & Co Ltd and Tianjin Huanya City Construction Development Co Ltd, operating out of Tianjin. In March 2007, a joint venture with Mitec Automotive AG of Germany, Mitec Jebsen Automotive Systems (Dalian) Co Ltd, was launched to manufacture engine parts.

With roots in 19th century Europe, Jebsen & Co Ltd regards itself today as a Hong Kong company – proud of its heritage but prouder still of its long-held ties with China, and the trust that other companies, principals and customers have placed in it for well over 100 years.

“We are a group with values,” says Hans Michael Jebsen, “with resilience, foresight and commitment to the future of the group as well as the region. Key to the company are our employees with whom we share our five core values: Commitment, responsibility, trust, recognition and excellence. These reflect the common purpose for which we strive: the continued prosperity and growth of Jebsen & Co Ltd and the communities in which we operate.”





Jebsen & Co Ltd executive staff, Hong Kong. Photo taken on the occasion of Hans Michael Jebsen's 50th birthday, November 2006. *See Index.*





# JEBSSEN & JESSEN SOUTHEAST ASIA

Today Jebesen & Jessen SEA is a highly diversified regional enterprise engaged in seven core businesses ranging from Chemicals to Packaging and Technology, but in the early 1960s it was just a figment of one man’s imagination.

The 36,000-square-foot ergonomically-designed head office at Corporation Place in Singapore did not yet exist. The multitude of offices, warehouses and production plants across the region, from the Philippines to Vietnam, had not even been imagined. The staff of 2,800 employees was yet to be hired, and 40 subsidiaries and associate companies were still way off in the distant future.

The road from then to now was rough at times, but a pioneering spirit and a team of exceptional men and women ensured the group’s dynamic growth in tandem with the region’s economic awakening. It is thanks to these people that the success story that is Jebesen & Jessen SEA can be told today.



## PIONEERING TIMES

### THREE’S A CROWD

Three Mackerels. Three men. By 1963 Jebsen & Co had risen from the ashes of World War II to regain a firm foothold in Hong Kong, with Michael Jebsen, his brother Hans Jacob Jebsen and cousin Arwed Peter (AP) Jessen at the helm. With the company’s flag flying high once again, despite the closing of the Shanghai branch the previous year due to the turbulent times facing China, its piscine insignia now came to represent much more than the company’s Danish origins and fighting spirit.

The three mackerels – one facing in the opposite direction to the other two – had represented the company since its launch in 1895, and now, in the early 1960s, the three partners ironically found themselves in a similar situation. All three shared concerns about the future of Hong Kong as a business epicentre as the aftershocks of China’s Great Leap Forward spread across China. But while AP Jessen favoured geographical expansion and the establishment of a Southeast Asian base to take advantage of the region’s emerging markets, the Jebsen brothers preferred to continue with the steady approach that had engendered the company’s post-war recovery, without dissipating their energies in broader regional activities. They viewed China with a combination of fear and faith, but were cautiously hopeful that the country which had proved such a fertile business ground for Jebsen & Co for the past half century would recover in time.

It was not just a difference of opinion on the future direction of the company that caused the Jebsen & Co triumvirate to feel unsettled. Michael Jebsen had been sole owner of the company between 1944 and 1952 after the premature death of the charismatic Heinz Jessen, and before his much younger brother Hans Jacob Jebsen, and cousin AP Jessen, joined him as partners. Together they had rebuilt the company into a much larger enterprise than had existed before the war, but now that the immediate post-war challenges had been overcome, Hong Kong was proving too small a place for the three partners.

AP Jessen sensed challenges could arise from a “too many cooks” situation if the three partners continued “to circle around the same rock”. This, coupled with his conviction that a move should be made to pre-empt possible expulsion from this very rock if the winds of fortune blew foul, and fuelled by the same pioneering spirit the company’s forefathers had shown in leaving comfortable family businesses and setting off for the East so many years before, led him to lay his cards on the boardroom table.

### SINGAPORE AND MALAYSIA

While the British still held sway in Hong Kong in the early 1960s and would do so for the next 30-odd years, colonial powers had had their day in Southeast Asia. First the Federation of Malaya achieved independence from the United Kingdom on August 31,



Aerial view showing barges and sampans on the Singapore River, early 1960s.

1957, then Singapore followed suit in August 1963 before joining the Federation of Malaya to form Malaysia on September 16 the same year. The merger was thought to benefit the economy by creating a common free market and to improve Singapore’s internal security, but it was an uneasy union from the start. The new federation faced two immediate problems: strong opposition from Indonesia, and strikingly different approaches by each country to the inherent conflict between their ethnic Chinese and Malay populations.

While Southeast Asia shed her colonial skin, and the foundations for Singapore’s eventual crowning as one of the “Four Asian Tigers” were laid, AP Jessen finally succeeded in getting agreement from his partners

to establish an independent company in the region.

His argument for venturing into this area had been immeasurably strengthened when it came up in talks with BASF Sales Director, Dr Ludwig Trainer, that audio tape sales and future sales expectations in Singapore were much greater than in Hong Kong due to re-export “over the green borders” of Malaysia and Indonesia. This knowledge rallied Jebsen & Co and their wealth of contacts behind the Southeast Asian venture. During the months of negotiation that preceded the acquisition of the BASF agency for the company-to-be, the registration process for the new company was started with the authorities in Singapore and Malaysia.





Mountbatten Road, Kuala Lumpur, early 1960s. The street housing the first Jebesen & Jessen offices.

Registration proved complicated and time-consuming. Despite the fact that Jebesen & Jessen Hamburg had already established small liaison offices in both Singapore and Kuala Lumpur in the late 1950s, both former British territories were labouring to establish themselves as independent countries while struggling to maintain a shared vision as part of the federation of states. This struggle was doomed as the ideological conflict between Singapore’s People’s Action Party (PAP) government and the federal Kuala Lumpur government over issues such as affirmative action granting special privileges to Malays, was like a simmering pot, constantly threatening to boil over into violence. Indeed, it did just that with the 1964

Sino-Malay Race Riots during which almost 200 people lost their lives.

The simple fact that Kuala Lumpur had no desire to play Washington to Singapore’s New York, and vice versa, was also a factor. Both wished to be capital and metropolis at the same time. Further, they found themselves in a precarious war-like state with Indonesia, known as *Konfrontasi*. This stemmed from Indonesian President Sukarno’s deep distrust of the Federation of Malaysia and left the trade partners isolated from each other for the full two years of Singapore and Malaysia’s unhappy marriage of state.

Finally, in 1965 Singapore separated from the



Asia Insurance building, Singapore, early 1960s. The site of first Jebesen & Jessen offices.

Federation, a situation which led to Singapore’s Prime Minister Lee Kuan Yew tearfully declaring the state’s sovereignty on August 9, 1965. With the words “For me, it is a moment of anguish. All my life...I have believed in merger and unity of the two territories,” he faced the daunting task of leading his fledgling nation to self-sufficiency while dealing with problems including unemployment, housing shortages, and a dearth of land and natural resources. But all this was still to come.

*As 1963 drew to a close, welcome news came from Wolfgang Schwarz, the newly appointed Managing Director of both the Singapore and Kuala Lumpur offices: “We have been registered in Singapore on 24th December and in Kuala*

*Lumpur on 27th December and may assume our work as an independent firm as of 1st January 1964.”*

To proceed with the establishment of a firm under the prevailing tensions of the day in a region ripe with opportunity, yet rife with adversity, required foresight and courage. As AP Jessen put it himself in 1987: *“Thus began the cumbersome, at times full of set-backs, building of the new group of companies.”*

That new group overcame every obstacle to become Jebesen & Jessen SEA, today a multi-activity enterprise that is a successful sister company to Jebesen & Co Ltd, with high-profile businesses in manufacturing, engineering and trading in Southeast Asia.



RED TAPE

Pioneering times call for pioneers and, as AP Jessen was to move back to the beautiful Jessen home of “Laimun” in Aabenraa to represent his new company’s interests in Europe over the next few years, he ensured that the new Southeast Asian enterprise would be under the most capable management possible in the times between his frequent trips back East. An early corporate newsletter in 1964 announced:

*“It is probably known to all departments that we have opened offices both in Kuala Lumpur and Singapore as from January 1st, 1964... Wolfgang Schwarz, up to now Delegate of our Hamburg Firm, will be in overall charge of both offices as Managing Director stationed in Kuala Lumpur. The Singapore Office is now being started by Peter Hartlieb, whilst Udo Kuypers, a staff member of our Hamburg Office, will take over as Manager after his arrival in the first days of March.”*

With years of experience in the region, Wolfgang Schwarz was the ideal choice to guide Jebesen & Jessen (S) and Jebesen & Jessen (M) through their early years. But while the Singaporean authorities allowed the incorporation of foreign companies to go smoothly with few conditions, he must have experienced many sleepless nights steering Jebesen & Jessen (M) through the minefield of restrictions imposed by a Malaysian government that was wary of foreign influence in its newly independent state. The registration of Jebesen & Jessen (M), for example, hinged on the following:

1. the Company must engage in the trade between the Federation of Malaya and Germany only;
2. the activities of the Company must be confined to “liaison” work and it must not engage in wholesale or retail trade in the Federation of Malaya;
3. only one German national is permitted to enter the Federation for the purpose of running the Company.

Treading carefully does not usually equate with forging ahead but despite these politically-motivated hurdles, Wolfgang Schwarz succeeded in launching Jebesen & Jessen (M) on its way with a groundbreaking deal to build cement plants between German company Polysius and Tasek Cement, an important cement producer in Ipoh, Malaysia.

While Jebesen & Jessen (M) cautiously cut itself a path through a jungle of red tape in Kuala Lumpur, Jebesen & Jessen (S) had an easier time of it in Singapore. Ironically, the usually problematic acquisition of office space was solved when Indonesian nationals fled Singapore during *Konfrontasi*. The contract for office space on the 11th floor of the Asia Insurance Building – the only high-rise on the Singapore waterfront at the time – was signed, and the newly-appointed personnel moved in. Jebesen & Co helped ensure the smooth start of the company by sending over Peter Hartlieb to complete the initial set up. He was accompanied for the first few weeks by Jan von Doetinchem and Uwe Petersen, who oversaw the commercial and accounting side of things respectively.

Meanwhile, the young Udo Kuypers, who had recently celebrated his 21st birthday, arrived in Singapore to take his new role as Manager. As Wong Kwai Wah, the present Human Resource Director of Jebesen & Jessen SEA says, “In those days, you had to trust your instincts. Having a 21 year old with little experience setting up a business probably wouldn’t be possible today.” But Udo Kuypers’ appointment was in keeping with the pioneering spirit of the times and when he joined the company in Singapore in March 1964, he set about proving that age is not necessarily of consequence when it comes to business acumen and managerial skills.

The first agencies were quickly established dealing in commodities as varied as chemicals and textile machinery, and consumer products such as audio equipment, spectacles and stationery – some through



Announcement of the opening of the Tasek Cement factory, *Straits Times*, September 12, 1964.

Jebesen & Co contacts and others independently. BASF was the company’s bread and butter agency initially, covering most of its expenses. Degussa and engineering company Lurgi were two other crucial early agencies, both of which were later to evolve into successful joint ventures under Jebesen & Jessen SEA – JJ-Degussa and JJ-Lurgi.

Bearing in mind that Singapore is such a carefully controlled and monitored economy today it is difficult to imagine the opportunistic character of its early years. Once relationships had been re-established with Indonesia, the Degussa agency provided Udo Kuypers

with some curious experiences as goods – and money – flowed freely through the porous borders. “I remember people coming over from Indonesia with massive amounts of cash, usually in US dollars,” he recalls, “which I then had to count, take to the bank and exchange for gold from Degussa, which also had precious metal refining as one of its core activities. This currency game was due to a gap in Indonesian law which existed for about a year. I could never quite believe my eyes when those trunks of cash were carried into my office.”

Having seen Jebesen & Jessen (S) successfully through Singapore’s turbulent independence, sweeping economic reforms and the world media’s grudging acceptance of it as a viable country, Udo Kuypers was joined in Singapore in 1968 by the charismatic Albert Pons. Described as “incredibly dynamic” and “completely sales-driven” by those who worked with him, Albert Pons was formerly the Export Manager of Metz Apparatewerke, a German electronics firm represented by Jebesen & Co, and he was employed with the aim of building up the new group’s photo and hi-fi lines.

After two years of steady growth, which saw consumer trading expand and the material handling business come to the fore, Udo Kuypers left Singapore and headed to Thailand in the early 1970s to convert a Jebesen & Jessen Hamburg branch office into Jebesen & Jessen Thailand Ltd, under the umbrella of Jebesen & Jessen in Singapore.

Around the same time Wolfgang Schwarz left the company to join one of Malaysia’s public corporations. He was replaced in Kuala Lumpur by Dirk Paulsen, a young man with a great deal of experience in luxury lines, and Albert Pons took over full responsibility as Managing Director of the fast-growing group.

And so the Pons era of Jebesen & Jessen SEA’s history began – years characterised by rapid and, at times, rampant expansion, that brought the company both boons and blows.



# RAPID EXPANSION

## THE SOARING 70s

As the new decade dawned, APJessen’s Southeast Asian Enterprise spread its wings both geographically with expansion into Thailand and Indonesia, and operationally with an exciting departure from trade. The company’s earlier reliance on the Jebsen & Co nest had ceased. As Udo Kuypers describes it: “While Jebsen & Co was very helpful with the acquisition of agencies when we incorporated in 1963, in the 1970s there was only little interaction between the companies.”

The group’s head office was still located in Kuala Lumpur, but its various branches and departments were spread throughout the region with Singapore an equally important operational and managerial hub. In less than 10 years the group’s activities had grown to cover pharmaceuticals, engineering, photographic products, construction equipment and home appliances, and by 1973 the Export Division, which supplied, among other things, textiles from Southeast Asia to Europe, had become very successful. Albert Pons and Dirk Paulsen opened a door into the luxury sector with the acquisition of the Patek Philippe, Longines, Jaeger LeCoultre and Michel Herbelin agencies. The watch business formed an important part of the group’s trading activities in the early 1970s, and with Albert Pons’ focus on consumer products the company began to grow at an exponential rate. He was a first-rate marketing personality with a very personal approach to acquiring agencies, and this helped lead to rapid expansion.

The start of the decade also saw Manoj Beri join the company – already a sizeable concern in 1971, employing more than 600 people. With experience in project engineering in India, he joined the newly established technical team as Sales Manager, and was taken under the wing of Robin Chen, the General Manager for the Chemical and Pharmaceutical Department at the time. Manoj Beri was to play a crucial role in the success of Jebsen & Jessen SEA, building the engineering sector into one of the company’s three pillars of strength, and going on to serve the group for more than 30 years. Today he is a Group Managing Director.

With the growth of the group, the upper management of the company that had been held jointly by six partners during the first years (including Michael and Hans Jacob Jebsen, as well as three non-family partners) was transferred to AP Jessen, who became the Senior Partner with the major capital. However, he remained in Denmark overseeing the firm’s European activities – his trust firmly placed in the leadership of Albert Pons, who found himself holding the reins at an interesting time.

While global recession, sky-high inflation and the build up to the 1973 oil crisis buffeted the world’s markets, the early 1970s were also a time of exciting advances in science and technology – especially in the electronics sphere. Everyone wanted a microwave oven and a videocassette recorder. Growing ecological awareness also took root as concern about the sustainability of the world’s natural resources grew in

response to the volatility surrounding “black gold”.

Closer to home, in Malaysia, the political turmoil of the late 1960s had led to a state of emergency. The crisis of 1969 was partially resolved in September 1970 when Abdul Razak succeeded Abdul Rahman as Prime Minister. In the following years, despite the limitations imposed by a one-party government, policies were put in place which led to the rapid and lucrative transformation of Malaysia’s economy and society.

In neighbouring Thailand, the early 1970s saw the awkward transition from military to civilian rule, with the revolution of 1973 inaugurating a brief, unstable period of democracy. The sharp increase in oil prices in 1974 led to recession and inflation which weakened the government, and military rule was re-imposed after a bloody coup in 1976. Political upheaval aside,

the start of the decade laid the economic backbone for Thailand’s tiger economy which saw growth rates of nine per cent or more annually from the late 1970s to 1996, and Jebsen & Jessen (T) was in a prime position to take advantage of the economic upswing.

Indonesia on the other hand enjoyed a relatively stable political period during the 1970s and, fuelled by oil demand, the GDP per capita grew at an astounding rate. Suharto had been inaugurated as president in March 1968 and his “New Order” government kept inflation in the 5–10 per cent range.

However, Indonesia as an emerging market was rife with banes such as corruption, nepotism and smuggling. Operating in such an environment was challenging to say the least, as Albert Pons and his fellow directors soon found out.



Group Management Meeting, Bali, July 1976.  
 Front row from left: Andrew Tan, H.B. Mulia, P.T. Loh, K.C. Sham, Wong Hon San, F.O. Yong, Robin Chen, Pang Hick Loong.  
 Centre row from left: Prat Tsu, Albert Pons, AP Jessen, Peter Dekker, Horst Gruss, Ronald Schulz.  
 Back row from left: Paul Anderson , Frank Schulz-Utermöhl, M. Luthart, Dirk Paulsen, H.J. Hoffmann, J.A. Korompis, L. Nagel.





MHE Singapore's original premises at 10 Neythal Road, Jurong, 1972.



Signing the manufacturing agreement between Jebesen & Jessen and Demag Fördertechnik.  
From left: Walter Hellmann (Board Member Demag Fördertechnik), Frank Schulz-Utermöhl, Albert Pons.

Meanwhile, in just five short years, Singapore had become an economic force to be reckoned with. By 1970 unemployment was no longer a problem and the Economic Development Board's (EDB) overseas marketing of Singapore as a quick operations start-up location where factories were built in advance of demand and a highly skilled workforce was readily available, had paid off, leading to a surge in industrial development. The products manufactured became more sophisticated and included computer parts, software packages and silicon wafers. According to the EDB:

*"This led to new investments, particularly in electronics, and product diversification which greatly enhanced export performances in spite of global recession. Multinational companies began to undertake R&D activities in Singapore as an extension of their successful manufacturing operations."*

With a nimble economy and its development into a manufacturing hub, Singapore was the ideal base for the Jebesen & Jessen Group's next pioneering venture – a daring move away from their trading roots and into production – a first in the almost 80-year history of the family enterprise. This was a well-timed and shrewd addition to the company's portfolio. By the mid-1970s manufacturing had become an important sector in Singapore's economy.

### A FORTUITOUS BREAKFAST

AP Jessen was a busy man – especially on his trips to Southeast Asia. So, when his phone rang at the Hotel Malaysia in Singapore one evening early in 1971, he turned down a meeting with Hubert Kruppa because of a woefully overbooked schedule. But with the enthusiastic support of a young Frank Schulz-Utermöhl and the backing of Albert Pons, Hubert Kruppa persisted and finally AP Jessen agreed to a meeting over breakfast the following morning.

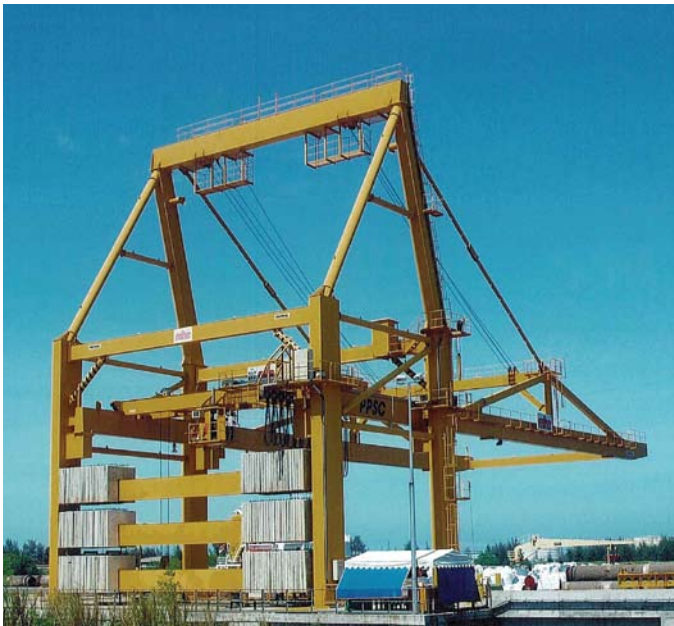
Hubert Kruppa was the Far East Representative for

Demag AG, later to become Mannesmann Demag AG, a leading German industrial enterprise whose many activities include crane manufacturing. At the time this company was represented in the region by Behn Meyer. Frank Schulz-Utermöhl was a German engineer working on the Demag AG agency in Behn Meyer and, together with Hubert Kruppa, he was convinced that the only way for Demag to capture the growing Southeast Asian market for overhead travelling cranes was to manufacture them locally. As the then Chairman of Demag AG, Otto Blank, later put it, "Cranes must not be shipped around the world, but built where the customer is."

The feasibility studies Frank Schulz-Utermöhl conducted produced positive results, but Behn Meyer, a traditional trading enterprise, was reluctant to get involved in industrial production. Hubert Kruppa was determined to find a new agent and he felt certain that Jebesen & Jessen, which was already the agent in Thailand, would be the partner they were seeking. The proposition Hubert Kruppa spelled out during breakfast was to offer the Demag Agency and Manufacturing Licence for Malaysia, Singapore and Indonesia to Jebesen & Jessen, provided it was willing to form a company specifically for the hoists and cranes business, and to engage in the hitherto uncharted activity of manufacturing.

With conditions in the region so favourable to production, AP Jessen had been looking for a promising manufacturing activity for the group for some time, and after a further round of meetings in Hong Kong, it was agreed that a new company known as Mechanical Handling Engineering (MHE) would be set up under the Jebesen & Jessen umbrella.

Subsequently, in March 1972, the agency and manufacturing licence agreements between Jebesen & Jessen and Demag AG were signed. The newly established company started manufacturing in a small factory in Singapore and another in Malaysia, with sales offices in



MHE-Demag quay crane.



MHE narrow aisle truck.





Official opening of the first MHE plant in Thailand, 1982.  
From left: AP Jessen, H.C. Lankes (German Ambassador to Thailand), K. Czeguhn (Board Member of Mannesmann Demag AG), C. Choonhavan (Minister of Industry Thailand), H. Wicke, S. Manonom, W. Putzier.



MHE-Demag premises at 33 Gul Circle, Jurong, Singapore.



Signing the joint venture agreement between Jebesen & Jessen SEA and Mannesmann Demag Fördertechnik, 1986  
From left: R. Franke (Chief Executive Officer of Mannesmann Demag Fördertechnik), H.G. Müller (Chairman of Mannesmann Demag AG), AP Jessen, P.H. Hay (Board Member Mannesmann Demag AG).

Indonesia and Thailand and a total workforce of nearly 100 people.

This was a bold move for a group that had historically only ever been active as agents, distributors, wholesalers and marketers, and had never before manufactured its own product. But AP Jessen saw it as a pivotal point in the history of Jebesen & Jessen SEA. Given the success of MHE-Demag as the company is known today, he was right to embark on this course. As he wrote in a 1987 report:

*“The actual breakthrough for the Jebesen & Jessen Group came in 1972 with the conclusion of the agency and licensing contract with Demag AG, Duisburg.”*

Today, MHE-Demag is represented by 24 sales offices throughout the region, as well as production facilities in Singapore, Malaysia, Indonesia, Thailand, the Philippines and Vietnam. The company is a market leader in cranes and hoists, as well as in industrial products such as dock levellers, goods lifts, aerial platforms and building maintenance systems. It is also a strong player in the provision of car park systems and warehouse trucks, and provides the region’s most comprehensive after sales service infrastructure with more than 200 service technicians and 100 service vans.

But MHE-Demag could not have prospered to such an extent without the tireless contributions of certain key figures.

With the company almost from the start were Wong Hon San, a mining engineer who joined in 1972 and had earlier been a colleague of Frank Schulz-Utermöhl at Behn Meyer, and Jørgen Møller, a mechanical engineer who joined MHE-Demag in 1975 and is a member of the company’s group management to this day. These men formed the backbone of the company together with, and under the unfailing guidance of, Frank Schulz-Utermöhl who remained Group Managing Director of MHE-Demag until his retirement at the end of 2003. His leadership helped

turn MHE-Demag into the leading provider of material handling solutions in the region. He was succeeded by Heinrich Jessen, the present Chairman of Jebesen & Jessen SEA and AP Jessen’s son.

Under the leadership of Heinrich Jessen, supported by a strong matrix management spanning six countries and three business divisions, MHE-Demag has continued to go from strength to strength, developing more and more of its own in-house technical capabilities independently of its principals – including providing explosion-proof lifting equipment to the oil and gas industries and special winches for power-generation plants.

### A NATURAL SPLIT

While MHE took the first steps towards becoming the regional success it is today, and Albert Pons concentrated on building the group’s trade agency portfolio at a breathtaking rate, Jebesen & Jessen’s engineering activities remained relatively small. This was until Manoj Beri stepped up to the plate and suggested that the engineering and trading spheres of the company be separated. In Manoj Beri’s own words: “I joined in 1971 and by 1973 it was quite obvious to me that the mindsets in trading and engineering were completely different. I suggested to Mr Jessen and Mr Pons that if the engineering activities were going to continue, they should be separated from the mainstream.”

Agreement was forthcoming and the Engineering Division was established. Two years later, this division became an independent company under the Jebesen & Jessen banner with Manoj Beri as Managing Director.

Despite trials such as the 1973 oil crisis, the Engineering Division grew steadily from the start, operating initially in Singapore, Malaysia and Indonesia and dealing with the regional handling of large projects, predominantly in the fields of cement, petro-chemicals,



palm oil processing and communications. Its initial portfolio included the Polysius and Lurgi agencies, and the latter in particular was a happy partnership which led to the formation of JJ-Lurgi in March 1992 under the leadership of Andrew Tan, Manoj Beri’s “right-hand man”. Today the successful 50/50 joint venture provides innovative technologies that focus on the processing of renewable raw materials including oil seeds, edible oil, oleo-chemicals, bio fuels, starch and starch sweeteners, and it has delivered more than 200 process plants to Southeast Asia.

But back in the beginning, Manoj Beri also worked hard to attract other business with the help of his growing staff. He remembers: “Southeast Asia had just started to industrialise. Singapore was attracting international companies that wanted to base their manufacturing there. So I went up to them and asked them what they needed and then tried to provide it. We got involved in a little bit of everything in those days.”

Apart from dealing in foundry equipment, castings, induction furnaces and the like, Jebesen & Jessen Engineering also participated in some exciting firsts – for the group and the region.

While Albert Pons had started the Jebesen & Jessen football team that played in the Singapore Business Soccer League, as a motivational and marketing initiative that proved so popular it is sometimes joked that people were employed for their ball skills, it was the FIFA World Cup that had Southeast Asia in the grip of football fever in 1974. The Singaporean Government decided that this international sporting event would be the first ever colour television broadcast in Singapore. This was an opportunity for the Engineering Division of Jebesen & Jessen SEA, which had good contacts with Robert Bosch Fernsehanlagen GmbH – a German colour television company. Jointly, they became responsible for Singapore’s first colour telecast, the World Cup Final in Munich.

Through the exciting full-colour weeks of the FIFA World Cup (won by West Germany) Manoj Beri established a solid relationship with Radio Television Singapore, the state-owned broadcasting authority which had given the colour broadcast the go ahead, and in due course Jebesen & Jessen Engineering was the agent chosen to equip their first television studios. The first truly local colour production was the national day parade on August 9, 1975.

Jebesen & Jessen Engineering went on to install stations in Malaysia and Thailand. The communications activities became a great success and were eventually formed into one of the group’s seven core businesses. With its diverse interests, the Engineering Group continued to grow. As a part of a restructuring exercise in 1997, the Engineering Group was split into three regional activities currently operating as Communications, Technology and Life Sciences.

But, parallel to the positive growth Jebesen & Jessen Engineering experienced in the mid-1970s, by 1975 Albert Pons’ trading sector found itself hitting a brick wall in Indonesia.

### INDONESIA AND THAILAND

Jebesen & Jessen Hamburg had established a presence in Indonesia as early as 1956 with the appointment of a representative in Jakarta. This liaison office was active in industrial chemicals and the automotive industry.

Referred to nowadays as the “father” of Jebesen & Jessen SEA’s Indonesian companies, John Aloysius Korompis joined the group in 1972 and became one of the three Directors of PT Tiga Ikan when it was established as an affiliate and agent of Jebesen & Jessen SEA in 1974. Heinrich Jessen explains: “*Tiga Ikan* means ‘three fish’. This and several other connotative names were chosen whenever local regulations made it impossible for Jebesen & Jessen to own or directly control a particular



Bangkok, home to Jebesen & Jessen Thailand since 1971.



Jakarta, where PT Tiga Ikan was established as an affiliate in 1974.



entity if it was engaged in activities which the authorities restricted to locally-owned companies.”

Another of the new company’s directors was Hendra Budi Mulia, who joined in April 1974 as a Project Engineer.

Hendra Budi Mulia built up the material-handling business in Indonesia over almost 30 years. He retired as the President Director of MHE-Demag in Indonesia in February 2004, two months after the retirement of John Korompis as President Director of PT Tiga Ikan at the end of 2003.

But it was a rough road that these men had to endure to establish the group’s presence in Indonesia. Rough, initially, for two main reasons. Everything that was traded in Singapore – from chemicals to tapes – was also traded in the Indonesian market, and there was huge demand in this burgeoning grey economy in the late 1960s and early 1970s. But the fledgling company was not helped by being landed with unsold products from the Singapore office. “We got everything Pons couldn’t sell in Singapore,” remembers a long-time employee.

The second reason was the formation in 1975 of a 50/50 joint venture with PT Asia Permai Electronics for the assembly and marketing of Grundig televisions. The Grundig agency had been acquired by Albert Pons through his acquaintance with Max Grundig, the company’s founder.

PT Asia Permai Electronics was owned by the charmingly ebullient Mohamed Amid, who famously kept a large portrait of himself in his factory’s reception

– larger than the portraits of the country’s president and vice-president. The whole endeavour looked set to be highly profitable, however, Mohamed Amid’s unorthodox business methods differed from those of Jebson & Jessen SEA.

While the Jebson & Jessen Group quickly realised the need to get out of its commitment, it has to be said that the relationship between Jebson & Jessen SEA and Mohamed Amid remained friendly at all times – even to the present day when at a dinner in 2007, a group of old Indonesian hands including John Korompis, Hendra Budi Mulia and Mohamed Amid laughed together about their experiences in the 1970s.

Under the guidance of John Korompis and Hendra Budi Mulia, the group’s activities in Indonesia went on to prosper. Today, four out of Jebson & Jessen SEA’s seven regional businesses have a strong presence in the country, with extensive offices, factories and branches stretching more than 4,000 kilometres from Medan in Western Sumatra to Timika in Indonesian Papua.

A key figure in the extrication of Jebson & Jessen SEA from the joint venture with PT Asia was Heine Askær-Jensen, a sharp young accountant whom AP Jessen employed from KPMG in Denmark. The 22-year-old Heine Askær-Jensen was immeasurably impressed by the older man’s way with people: “He had this ability to motivate and to ask, rather than to tell.” After Heine Askær-Jensen wrapped up a small Danish business that AP Jessen had an interest in, he was about to accept a

lucrative deal with KPMG when AP Jessen wrote him a note. He suggested that Heine Askær-Jensen and his wife spend a few years in Indonesia, wrapping up another business: “You will face the same problems you’ve just dealt with here, except with 300 rather than 30 people and you’ll have to add three digits to the numbers you are working with”. In Heine Askær-Jensen’s words: “My wife and I looked at an atlas because we’d never been to the area before, said ‘Why not?’ and left in 1979 for Indonesia.”

Heine Askær-Jensen describes the challenges he faced: “My job was to hand PT Asia over to Mr Amid. PT Asia was the biggest Jebson & Jessen employer in Indonesia, but we had to sell due to the fact that, when I put together the costs for producing a TV, we had higher costs for all the components than our competitors could sell a complete TV for! The main reason was that it was all smuggled in and we could not participate in that. We had to pay our duties. It was difficult but we did a good job. We got out, made money and managed to make the company profitable. I was proud handing the company over to Mr Amid when I left after two years.”

Heine Askær-Jensen left Indonesia to work as Financial Director in Singapore, which by 1981 had become the head office of Jebson & Jessen SEA. Then in 1984 he went to Bangkok to manage Jebson & Jessen (T), taking the reins from Wolfhart Putzier who moved on to manage Jebson & Jessen Hamburg.

Together with Supha Manonom, who had joined the company in 1969 while still a student, and who

was to go on to serve the group in various managerial positions for more than 35 years, Heine Askær-Jensen succeeded in growing the Jebson & Jessen (T) business to unprecedented turnover and profit levels. This success was attributable in large part to the Danish DanCall Mobile Phone agency. The business earned the company a prestigious Diploma and Medal of Honour from HRH Prince Henrik of Denmark in 1990,

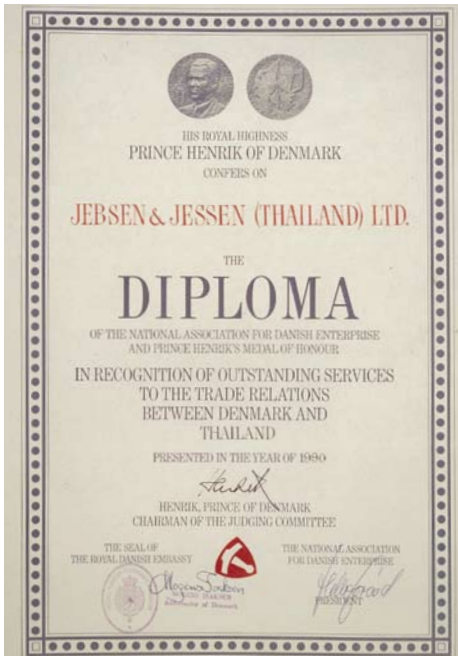
in recognition of outstanding service to trade relations between Denmark and Thailand.

Heine Askær-Jensen also went on to play a crucial role in the reorganisation of the group in the 1980s and 1990s, together with Manoj Beri and Frank Schulz-Utermöhl, and today is a Group Managing Director of Jebson & Jessen SEA.

A leading figure in Jebson & Jessen in Thailand is Hans Ulrich Hansen who arrived in Bangkok in 1988 to take up the post as General Manager for the trade and industry activities after working for the company for almost a decade in Singapore and Hong Kong. When the Jebson & Jessen Group was

restructured in 1997, Hans Ulrich Hansen was appointed Regional Managing Director for the newly established Marketing business unit, a position he holds today.

In 1996 John Jessen, great grandson of company founder Heinrich Jessen, and his wife Johanne (née Jebson), joined Jebson & Jessen in Thailand, after earlier stints with Jebson & Jessen in Hamburg and Jebson & Co in Hong Kong and Shanghai. However, he left the group in 1997 and co-founded a recruitment business, Smith & Jessen.



This diploma accompanied the Medal of Honour awarded by HRH Prince Henrik of Denmark in 1990. JJ-Degussa received the award in 2001.



AP Jessen in a portrait by M. Martini, 1983





HRH Princess Benedikte of Denmark visiting production facilities at Jebesen & Jessen Packaging, June 1990.  
From left: B. Askær-Jensen, Countess Karin af Rosenborg, H. Askær-Jensen, M. Beri, HRH Princess Benedikte, Attaché U.H. Sorensen.



Foam moulding process at Jebesen & Jessen Packaging.

### A SMART INVESTMENT

Many of Jebesen & Jessen SEA's regional businesses and joint ventures grew out of agencies. Jebesen & Jessen Packaging was different in that it started in 1976 with an investment and today is the regional leader in the design, manufacture and supply of a spectrum of total packaging solutions.

In Singapore, Albert Pons had learnt that Insulpack Industries (Pte) Ltd was for sale. This moulded polystyrene packaging business had been founded by a Malaysian textile merchant in 1970 and its main customer by the mid-1970s was Rollei, the German manufacturer of photographic equipment. Jebesen & Jessen (S) already had the Rollei agency, and with the success of MHE, another move into production seemed a sound idea.

The packaging business, with its “On time all the time” slogan, quickly became a success, helped by the automation of foam moulding processes, which eliminated the use of hand-operated machines by 1978.

An important figure in the packaging business was Chui Tau Siong who started his career in the production department of Insulpack Industries in June 1973. He chose to remain when Jebesen & Jessen (S) took over, after he was persuaded that a lack of a tertiary education was no barrier to advancement in the open-minded Jebesen & Jessen Group. This advice was worth heeding – today Chui Tau Siong is Regional Managing Director of the whole packaging business, an award-winning regional leader with factories in Singapore, Malaysia (Johor and Negeri Sembilan) and Vietnam.

Just four years after the group had moved into packaging, Insulpack Industries acquired its competitor, Insulation Singapore, and some years later the combined company was renamed Insulpack-Styrotek. It is interesting to note here that until 1997 a large number of companies in the Jebesen & Jessen

Group had names that did not include Jebesen & Jessen. As Heinrich Jessen explains: “It was my father’s policy to keep names separate so independence and an entrepreneurial spirit could prevail.” Since 1997, however, the company has actively sought to promote the name of Jebesen & Jessen.

Insulpack-Styrotek successfully promoted the use of foam in the construction industry and by 1987 it was the most important producer of styrofoam packing and insulating materials in Singapore. The company subsequently expanded into Malaysia and in 1993 became the first in the industry to receive ISO 9002, for its quality management programme. Not even a midnight fire in the Singapore warehouse could slow the company’s growth. Six brave night-shift employees drew on their corporate fire safety training and successfully fought the blaze until the Civil Defence fire-fighters arrived.

Packaging is also where Jebesen & Jessen SEA started to wear its green heart on its corporate sleeve. Ever since the oil crises of the 1970s, ecological awareness had been growing, so when the opportunity to produce environmentally-friendly packaging presented itself in the mid-1990s, the group immediately signed on. In February 1996, JJ-Hartmann, a 50/50 joint venture with Brødrene Hartmann A/S of Denmark, was formed and started producing packaging for various electronic products such as mobile phones and car radios using moulded pulp from recycled newspaper.

The market was still small at this stage, however, and the large Hartmann machines proved unsuitable for processing the smaller quantities and faster model changes typical in Asia, so that in 1999 Jebesen & Jessen divested its shares in the company. “We got back our original investment,” says Heinrich Jessen, who had run the company for over a year, “but it was hard to bid farewell to this interesting group member.” While



Jebesen & Jessen Packaging production facility, Jurong, Singapore.



Jebesen & Jessen Packaging production facility, Johor, Malaysia.





Jebsen & Jessen Packaging truck in front of the Singapore skyline.





Oleochemical Plant in Malaysia. JJ-Lurgi, established in 1992, focuses on the processing of renewable raw materials and has so far delivered more than 200 process plants to Southeast Asia.

Hartmann ultimately closed the company in 2007, Jebesen & Jessen re-entered the moulded pulp industry in 2002 with smaller, nimbler machines and is today a market leader in this niche activity.

Freshly graduated with a Master’s degree from Yale University, Heinrich Jessen joined the group in 1995. Apart from attending board meetings as Vice Chairman from day one, his day-to-day role for the first two years was to manage the group’s programme in Environment Health and Safety (EHS). Heinrich Jessen had been schooled and trained in this subject for what he intended, in his younger years, to be a career in the sciences. This relatively new business concept had only just emerged in Southeast Asia and initially, most of his work encompassed building awareness in the organisation about the group’s inherent environmental impact and occupational health and safety risks. It became clear that the greatest risks appeared in the group’s manufacturing areas (Packaging and Material Handling factories), as well as chemicals storage and transportation.

Detailed hazard identification, emergency prevention and response plans were put in place and impacts were systematically identified and either eliminated or controlled. This included decisions to discontinue the sale of furniture made of tropical hardwood and of tributyl tin oxide, a marine paint ingredient banned in Europe and Japan because of its adverse effects on the marine ecology. Investments were made in fire prevention and personnel were trained in chemical spillage response and first aid. Soon a team of EHS experts was coordinating efforts across the group, and in 2004 the efforts culminated in Jebesen & Jessen SEA obtaining a group-wide

ISO 14001 environmental and OHSAS 18001 health and safety management system certification across its 40 subsidiaries.

While EHS had started as an ideological initiative, it is today considered a key part of the group’s value proposition toward its principals and customers. Along the way, savings were made in insurance premiums and material minimisation, and anecdotal examples exist in which the group’s EHS management systems

tipped the balance in its favour for a number of orders won. Currently a project is underway to measure, reduce and offset the group’s carbon footprint.

The group’s packaging activities in the region have continued to grow and thrive under Chui Tau Siong’s management, and received a boost in the form of the

acquisition in 2002 of its main competitor, Broadway Enterprise, renamed Jebesen & Jessen Broadway. This acquisition made it the regional leader in the industry. Further expansion followed with the construction of a new plant in Vietnam in 2006. Today, Jebesen & Jessen Packaging produces protective packaging from plastic, paper and pulp, as well as wood, and speciality products such as the AIRpallet, predominantly used for air cargo, components in crash helmets and medical devices, as well as solutions for the likes of mobile stages and flotation devices for marinas. On top of this, it provides design and engineering services.

Over the years the business has won numerous awards – including the coveted Singapore Star Award in 2005, 2006 and 2008 – and much public recognition from companies such as Hewlett Packard, Hitachi and Sharp. Honda recognised it as Best Supplier from 2004 to 2006.



AP Jessen and Heinrich Jessen, 1995.



# CONSOLIDATION AND GROWTH

## A NEW START

During his tenure as Managing Director in the 1970s, Albert Pons had managed to initiate a number of activities, including MHE and Packaging, that met with great success. But through over-extension he was not able to sustain and, more importantly, support the rapid growth of the group. In 1978, the company reported significant losses in its trading sphere, and AP Jessen decided that the time had come for a structural change and his own greater involvement. He moved with his family to Singapore to start the process, and in 1981 Helmut Wicke replaced Albert Pons as Managing Director. He was to remain in the position until 1986. Helmut Wicke had previously worked at Degussa and was over 60 when he joined the Jebsen & Jessen team.

What had been a loose federation of legal entities slowly started to operate as a group with corporate policies established, processes structured and streamlined, operating manuals implemented, and the establishment of a new reporting infrastructure with risk management and accountability controls. It was a long process as the different parts of the group were used to working independently. “There were a lot of entrepreneurs at the time,” says Heine Askær-Jensen, “but not much of a group.” Helmut Wicke helped change this and one of the first steps was the establishment in 1982, of Jebsen & Jessen SEA Pte Ltd as the group holding company. The group was also separated into

three main sections: Engineering, Manufacturing and Trade & Industry.

The 1980s was a time of rapid advancement in telecommunications, a shift towards liberal market economies, and tremendous population growth. Southeast Asia was regarded as the place to invest. China was still regarded with suspicion — a suspicion that lingered well into the early 1990s following the 1989 crackdown in and around Tiananmen Square.

At its 25th anniversary in 1989, the group comprised more than 30 subsidiary companies and associates, and employed well over 1,000 people. Its activities covered manufacturing, design, consultancy, warehousing, systems engineering and contracting, as well as industrial and consumer trading with facilities throughout Singapore, Malaysia, Indonesia and Thailand.

AP Jessen briefly stepped into Helmut Wicke’s shoes as Group Managing Director in 1987, but as Heine Askær-Jensen said, “He was more a Chairman than a Managing Director.” Manoj Beri added: “He was never the one to get involved in day-to-day business. He was more of a strategic thinker, more of an investor. I used to call him a sparring partner. He was very open and you could always knock on his door and ask him about anything and he would give you his opinion and sometimes come up with ideas you hadn’t thought of at all. He was a very good dialogue partner.”

True to form, AP Jessen asked Manoj Beri, Frank Schulz-Utermöhl and Heine Askær-Jensen individually

to come up with proposals to optimise the group management structure and then initiated discussions between them. When the three men sat down to work out a strategy, they realised that they first required a thorough corporate philosophy. They went back to AP Jessen and he set down his own long-term goals for Jebsen & Jessen SEA in a letter. This letter formed the basis of the group’s values and guidelines, ethics and morals. It remains in force to this day:

**Autonomy:**

Flexibility through prudent dependence.

**Customer Needs:**

Customers are the basis of our existence.

**Environment:**

Environmental consciousness ensures our future.

**Growth:**

Stagnation equals decline.

**Management Style:**

There are always able people behind an able person.

**People:**

Motivated talent is vital to success.

**Performance:**

Profits provide rewards and future resources.

**Planning and Control:**

Chance favours the prepared.

**Quality:**

Achieve excellence by avoiding the average.

With the group’s corporate philosophy in mind, an Executive Committee was formed in January 1989, consisting of three Managing Directors – Frank Schulz-Utermöhl as head of Manufacturing, Manoj Beri as head of Engineering and Heine Askær-Jensen as head of Trade and Industry – under the chairmanship of AP Jessen. This new structure worked well. It enabled the group to prosper from the enormous growth of the region during the late 1980s and early 1990s.

## EXCITING TIMES

In 1990, the group moved into the Philippines, just four years after the People Power Revolution – non-violent mass demonstrations that ended the 20-year authoritarian regime of Ferdinand Marcos. The group’s chemicals business entered into a partnership with the Chinese-Filipino Hexagon Group. Meanwhile, MHE-Demag formed its Philippines subsidiary through a joint venture with First Philippine Holdings Corporation, part of the prominent Lopez Group.

By the end of 1996, the group once again sought to hone its corporate structure to respond to market demands. “The breathtaking growth meant we were like a federation of 40 companies that all did their own thing,” says Heinrich Jessen. “We needed to focus.”

The new business model adopted on January 1, 1997, divided the group into seven regional businesses: Chemicals, Communications, Industrial Products, Marketing, Material Handling, Packaging and Process Technology, each one managed by a Regional Managing Director, and all ultimately under the control of an Executive Board. This new business model was geared towards a regionalisation of the core activities and enhancement of strategic initiatives at group level. It also promoted a stronger group identity and further enhanced the group’s market presence while building a platform for continuous growth.

This model has undergone only minor adjustments since. Industrial Products is now known as Technology and brings under one umbrella turf management and irrigation engineering, the distribution of medical diagnostic equipment, industrial turbines and radio-frequency based auto-ID equipment, as well as the JJ-Lapp joint venture. Process Technology is now known simply as Life Sciences with JJ-Lurgi Engineering as its core activity. Electra Data Services was established to manage the group’s IT



infrastructure and offer end-to-end IT solutions and services to enterprises across Southeast Asia.

The latter half of 1997 saw Jebesen & Jessen SEA welcoming onboard Peter Jessen, Heinrich Jessen’s brother. Having graduated with a Master of Science in Economics and Business Administration at Aarhus School of Business, he had spent his initial professional years as a business controller in the Danish subsidiaries of the US company NCR (part of AT&T) and the Raab Karcher Group of Germany. After seven years holding several management roles in various Jebesen & Jessen SEA subsidiaries, he took on the role of Managing Director of JJ-Lapp Cable in early 2004. A partner and director in Jebesen & Jessen SEA, Peter Jessen also oversees the Jessen family’s interests in Denmark.

At the same time Jebesen and Jessen SEA cemented its 20-year relationship with Degussa with the formation of a 50/50 joint venture on March 20. As the group’s newsletter *The Mackerel* put it, “a new chemical bond” was formed with JJ-Degussa, a bond which still exists

today – only slightly modified since the dissolution of the joint venture in early 2008 – which offers a comprehensive product portfolio of over 500 speciality chemicals as well as a range of nutritional products in the ASEAN region.

Pivotal in shaping the chemical business was Harry Kok, who joined the company in Penang in 1971 as Medical Representative. Seven years later he was promoted to Sales Manager of the Chemicals Department and later in 1981 appointed as General Manager for Jebesen & Jessen Malaysia. Today he is Regional Managing Director for the Chemicals Regional Business Unit.

THE BIG BANG

The economic good times sweeping most of Asia came to a resounding halt in 1997 when the Asian Financial Crisis hit. It started in Thailand in July 1997 with the collapse of the baht. The crisis rapidly spread across the region causing currencies and stock markets

to slump, major corporations to declare bankruptcy and several banks to default. The International Monetary Fund initiated a US\$40 billion programme to stabilise the currencies of South Korea, Thailand and Indonesia. In Jakarta, President Suharto was forced to step down in May 1998 in the wake of the widespread rioting that followed sharp price increases, and in the Philippines growth dropped to virtually zero. The economies of Singapore, Malaysia and Hong Kong were also hard hit, and the Asian Financial Crisis raised fears of an economic meltdown worldwide.

A global meltdown did not occur and by 1999, the worst appeared to be over. Although things looked bad for Jebesen & Jessen SEA, the group remained optimistic. As AP Jessen put it, “We have been in business 100 years and we will be in business for 100 years more.” His confidence epitomises the group’s long record of ingenuity and persistence during times of crisis.

With business barely ticking over, the company took the opportunity to invest in a new IT platform.

Implementing SAP, a comprehensive business software solution, was a major task that took about two years to roll out across the region resulting in a system of unusual depth as well as breadth and which today is very much part of the group’s value proposition to its business partners. In 2003, the group was rewarded with a top 100 listing in *CIO Asia* magazine as one of Asia’s top performing IT users. Shortly after implementing SAP, the group also launched Morus, a business-to-employee portal which has further improved group communication channels around the region.

The group dealt with the crisis in another way too. According to Manoj Beri: “We had spare capacity because of the crisis so we put people together in a task force to come up with rationalised and standardised business processes that were then adopted by the group in all the seven Regional Business Units, in all the countries. If it wasn’t for the crisis, we probably wouldn’t have acted with the same intensity. So, if you look at it now, the crisis actually brought about some very positive changes.”



AP Jessen and Helmut Wicke, 1985.



AP Jessen with his two sons Heinrich (left) and Peter, Aabenraa, 1985.



Official opening of JJ-Lapp Cable office facilities, Malaysia, July 18, 2007.  
From left: F.S. Liew (General Manager JJ-Lapp Cable Malaysia), Peter Jessen, Andreas Lapp (Chairman Lapp Group).





Singapore skyline.

# THE NEW MILLENNIUM

## PLUG AND PLAY

Over the years, the group has specialised in servicing niche players and medium-sized companies lacking the requisite size to enter the ASEAN market on their own. Since it was formed nearly four decades ago, the group has switched from an agency-driven to a market-driven organisation covering almost the entire ASEAN region. “We have created a cost-effective ‘plug-and-play’ platform for any partner who wants to do business in the ASEAN region,” is how Manoj Beri describes it. With its regional expertise, its robust IT platform and transparent structure, the group provides its business partners with the freedom to focus on their customer, free from the distraction of taking care of the necessary back office administration. It also provides a one-stop service, vital for companies seeking to access a market with diverse languages, legal systems, cultural values and religions.

It was these benefits, the company’s family values and the firm belief that a joint venture should be a 50/50 partnership – “like a marriage comprising partners that complement each other well,” says Heine Askær-Jensen – that attracted several new business partners in quick succession in the early 2000s. The group took on the agencies for Samsung, Leica and Polaroid cameras, GE appliances and Fujitsu air-conditioners, among others.

Another important addition to the group was the establishment, in November 2003, of a joint venture with German company Lapp, which Jebsen & Jessen

SEA had represented for the past 20 years. As Peter Jessen, today the Managing Director of JJ-Lapp Cable puts it, “Lapp and our group have a lot in common, both being family-owned and sharing the same values. We are a great symbiosis.” Today the joint venture is a leader in its field, distributing cables to a highly diverse group of customers, including halogen-free cables for the world’s largest observation wheel, the Singapore Flyer, completed in 2008.

The early 2000s also saw the establishment of Turf and Irrigation, a new regional activity for Jebsen & Jessen SEA, following the acquisition of three companies from Li & Fung Ltd in 2002, together with two American anchor agencies. The Toro Company specialises in turf maintenance equipment and Club Car Inc produces golf buggies. This division deals with the maintenance and irrigation of turf at golf courses, parks and other public facilities. It has become a market leader in the turf care business.

The Jebsen & Jessen Broadway packaging industry merger also occurred in 2002. It joined the other mainstays of business which included MHE-Demag, JJ-Lurgi and JJ-Degussa.

Around the same time, Jebsen & Jessen Communications acquired its anchor agency of Avaya. Harold Thng was instrumental in building up this business from scratch. After joining the company in 1988 he became Managing Director for the Communications division in 1991 and Regional Managing Director of the group’s Communications business unit in 1997.



“It is time to make way for the new generation. As Confucius said: ‘To go beyond is as wrong as to fall short’.” With these words in the corporate newsletter *The Mackerel*, 79-year-old AP Jessen bade farewell to his employees, and on Christmas Eve 2003 he celebrated his retirement and success exactly 40 years after his pioneering venture had been registered in Singapore.

“With more than half a century of active service in our family group of companies,” he continued, “I will now stop and transfer my duties to my successors from January 1, 2004.”

He would be missed. A talented sailor, sportsman, musician and patron of the arts, he had helped found the Hong Kong Philharmonic Orchestra, the Hong Kong Country Club and the Danish Business Association of Singapore (DABS).

A number of other members of the old guard also retired around the same time including Frank Schulz-Utermöhl, Andrew Tan, Hendra Budi Mulia and John Korompis. Careful succession planning and training ensured the transitions would occur smoothly. On January 1, 2004, Heinrich Jessen took over as Chairman of the group and concurrently as Regional Managing Director of MHE-Demag.

In the years following this transition, Jebson & Jessen SEA has thrived. Exciting projects in recent times have included: the launch of a new group-wide HR development framework focussing on organisational development initiatives in 2008; the 2007 launch of a new range of warehouse trucks by MHE-Demag including electric forklifts and power stackers; the provision by Jebson & Jessen Technology of environmentally-friendly biomass power-generation solutions in Malaysia, Thailand and Indonesia; the 2007 launch of Valosin by JJ-Degussa, a newly-patented animal antibiotic; the acquisition of the Olympus agency in 2005 in addition to the established Casio agency by Jebson & Jessen in Thailand; the acquisition of the agencies

of NG Metalurgica of Brazil (turbines), Manntech Fassadenbefahrssysteme GmbH of Germany (gondolas), and Donati Sollevamenti S.r.l. of Italy (hoists).

In 2007, the company launched a regional Corporate Social Responsibility (CSR) programme called “Meet a Need”. This programme helps bridge environmental and social gaps in local communities in partnership with the World Wide Fund for Nature (WWF) and World Vision International (WVI). The first “Meet a Need” community trip took place in 2007 bringing a group of Jebson & Jessen SEA staff from across the region to help with turtle conservation in Melaka, Malaysia. Subsequent trips have involved the renovation of a childcare centre in northern Thailand and a rainforest restoration project in Vietnam.

Also in 2007 the group moved to new headquarters at Corporation Place in Singapore. The spacious new offices were designed with a focus on office ergonomics with electronically-driven height-adjustable workstations, a staff café, a library and a large area nicknamed “The Village” for meetings and training courses. More recently the group has also moved into new facilities in Jakarta.

AP Jessen predicted that, “the pace of change in the business environment in the coming decades will accelerate and demand an ever-increasing flexibility,” and stated at his retirement that Jebson & Jessen SEA was, “ready to meet the mounting challenges in a highly competitive and dynamic market”. Each passing year has borne out his faith in the group he founded, and it is a faith mirrored in those who have joined the journey.

“We have sufficient depth in our activities to maintain our relevance as a valuable partner in the face of globalisation,” says Manoj Beri. “In 95 per cent of our activities we are among the top three and there is no reason why we can’t continue to grow. We have what it takes.”



Heinrich Jessen opening the new Jebson & Jessen offices in Jakarta, March 2008.



“Meet a Need” team of Jebson & Jessen volunteers creates a legacy in Cat Tien National Park by planting 1000 tree saplings, Vietnam, April 2008.



Senior managers of Jebson & Jessen gather for a regional meeting at the new headquarters in Corporation Place, Singapore. Standing from left: Chui Tau Siong, Gopal Varutharaju, Harry Kok, Chia Then Poh, Wu Sok Lan, Wong Khen Jee, Wong Kwai Wah, Volker Schmidt, Harold Thng, Chong Chee Leong, Mark Vaux, Jakob Helms, Tai Tiong Tai, Wang Cheng Yan, Kirk Schulz-Utermöhl, Peter Jessen, Heinrich Jessen, Manoj Beri, Ho Khai Seng. Sitting from left: Heine Askær-Jensen, Loi Sook Fun, Supha Manonom, Poh Lee Fern.





Management conference Jebsen & Jessen SEA, Malaysia, March 2005. *See Index.*





Jebsen & Jessen corporate headquarters in Hamburg.

#### Chapter Four

## JEBSEN & JESSEN HAMBURG

The view from the Hanseatic Trade Centre extends far across the city of Hamburg. To the east sprawl brick storehouses with historical hoisting winches and picturesque red façades. Not far away is Deichstraße, where Hamburg's oldest half-timber houses sit only a stone's throw away from the business centre around the Binnenalster. This part of the city is steeped in business tradition. Here, entrepreneurs and founders of shipping companies established the basis for what would become the outstanding commercial success that is Hamburg today.

The banks of the river Elbe are home to one of Europe's busiest container ports, a pulsating place which never sleeps. Hafencity, a residential and business area, is rising on a huge construction site between the river – Hamburg's lifeline to the rest of the world – and the office district at Kehrwieder. Past and future fuse in this great hub, and it is here that the Hamburg-based offices of Jebsen & Jessen GmbH & Co KG are to be found.

"Our motto is cosmopolitan, competent and innovative," says Managing Partner Wolfhart Putzier. Jebsen & Jessen today operates worldwide, specialising in trade in chemicals and food additives, marketing textile products and accessories, and dealing in Australian garnet, a natural mineral blasting abrasive used in high-pressure cleaning and waterjet-cutting. Worldwide support units grant the company access to all major markets. Business is flourishing at home and abroad.

Jebsen & Jessen's top priorities when dealing with customers are competence and reliability. "Even after 30 years of professional experience I still believe that honesty, respectability and straightforwardness are the recipe for long-term success," Wolfhart Putzier adds. These traditional trading virtues have formed the central theme throughout the 100 proud years that Jebsen & Jessen has been in business.



## A PARTNER IN EUROPE

### THE EARLY YEARS

On New Year's Eve in 1894, two spirited and adventurous entrepreneurs met in the bar of a private club in Shanghai to map out ambitious plans for the future. A short time later, on March 1, 1895, the pair, cousins Jacob Jebsen and Heinrich Jessen, founded their company Jebsen & Co in Hong Kong. Initially, the new company acted as agents for the M. Jebsen shipping line in Aabenraa. With 14 steamships, the company, which belonged to Jacob's father, Michael Jebsen, operated a successful charter business along the Chinese coast.

Shortly after its foundation, Jebsen & Co started trading in cotton fabrics from Manchester and printed satin materials, the "double tigers" brand, produced by the company Hiltermann Brothers. Before long, these became the most popular goods of their kind in southern China.

It soon became apparent that the two entrepreneurs had a fine instinct for promoting their business in the Middle Kingdom. Suitable markets opened up for more and more products. The first industrial goods from their home country of Germany were procured through H. C. Bock in Hamburg, and as early as 1897 Jebsen & Co took over the agency for China of the Badische Anilin and Soda Fabrik – BASF.

In 1898, Heinrich Jessen and Jacob Jebsen set up the trading company Diederichsen, Jebsen & Co in the German-controlled city of Tsingtao (now Qingdao),

together with their friend Heinrich Diederichsen. Jacob's father Michael Jebsen was already an old friend of the Diederichsen family. Originally from Kiel, they had built up a good reputation as ship-owners, traders and owners of the successful trading company Theodor Wille & Co, both in Kiel and overseas.

The new joint venture with Jacob Jebsen and Heinrich Jessen had the agency for various shipping and insurance companies, operated a flourishing coal trading and transportation business and sold large amounts of materials, including cement, nails, ironware, sheet glass and matches – all in big demand at the time for expansion work on the unfinished port of Tsingtao. In order to make the procurement of goods easier and to tighten their control over the entire value-added chain, Diederichsen, Jebsen & Co set up a purchasing office in Hamburg in 1901.

The Hanseatic city was booming. Magnificent residential and business premises, some with opulently adorned stucco façades, sprang up between the Alster and Elbe. On Kehrwieder, south of the Zollkanal, the first warehouse complexes were built. The explosion in trade required modern storage facilities for goods from all over the world. It was a prosperous era of economic growth. Trade in the Far East was also looking increasingly profitable and was developing well despite political unrest.



Uploading export beer in Hamburg, early 1900s.



BRANCHING OUT

After 10 successful years, the business partners agreed to part ways. On August 8, 1908, Jacob Jebsen and Heinrich Jessen on the one side, and Heinrich Diederichsen on the other, signed an apportionment agreement, effective from January 1, 1909.

Heinrich Diederichsen continued to do business in northern China and Hamburg and paid his partners a suitable sum in settlement.

As a direct consequence, and also on January 1, 1909, Jacob Jebsen and Heinrich Jessen opened their own purchasing office, Jebsen & Jessen Hamburg, to serve their operations in Hong Kong and South China.

Describing the setting up of Jebsen & Jessen Hamburg, Hans Michael Jebsen says: “Traditionally, the different groups within the family enterprise were established not only because of strategic concepts but also due to personal factors. The foundation of the Hamburg Group was a consequence of the separation of Diederichsen, Jebsen & Co. In 1909, this was only a small beginning with a handful of employees. But its establishment was also a result of the ending of a chapter in the life of Heinrich Jessen. Following the death of his first wife, Johanne, my great aunt, he decided to leave Asia and return to Europe.”

The company, with a paid-up capital of 1,340,000 marks, leased its first offices in the Kaisergalerie Große Bleichen. Heinrich Jessen took on the role of manager and his younger brother, Johann, who had already worked for the family business in China, became an authorised signatory. The objective of the Hamburg company was to supply trading companies in China with goods purchased at favourable prices in Germany and Europe. Large orders from Jebsen & Co Hong Kong made the new company immediately successful. A variety of German products, such as wool, yarns, sewing needles, beer, chemicals, machinery, enamel, metal

goods and dyes, were sourced for the Chinese market. The company also traded in textiles from Britain and paper from Sweden. The partners implemented a strict policy: the company should never receive more than a two per cent commission from a business deal. Still, profits were achieved from the very beginnings and settled to about 60,000 marks a year between 1909 and 1914.

Before long, the opportunity arose to expand the business in the opposite direction. In Hong Kong and Canton (now Guangdong) Jebsen & Co took over A. Goeke, a company which specialised in the export of Chinese goods. As a consequence, Jebsen & Jessen set up a new department in Hamburg and started importing products such as ginger, tobacco, essential oils, bristles, down and feather products, rattan and matting to Europe. The company soon moved to larger premises in the new prestigious Levantehaus building to accommodate the growing business.

HIGHS AND LOWS

Ties with Asia were cut when World War I broke out on July 28, 1914. International trade came to a virtual standstill. The majority of the Jebsen & Jessen Hamburg employees were called up for military service and it became impossible for Heinrich Jessen to continue business. He withdrew to his hometown in the Duchy of Schleswig for the duration of the war.

Five years later, in July 1919, he received a telegram from China seeking a range of German products. It had been sent by Georg Krüger, the manager of Jebsen & Co in Canton, who had been able to evade the forced repatriation of German citizens and had remained in China throughout the war. These orders meant that the Hamburg company was back in business.

The first shipment consisted of goods that had survived the war in warehouses on the Elbe. Step by

step business was resumed, but it was not always easy: inflation was rampant and post-war confusion took its toll. Nevertheless, the partners systematically rebuilt their company.

The referendum of February 1920 had decreed that the Jebsen and Jessen hometown of Aabenraa, then a part of Germany, would revert to Danish sovereignty. The partners established Jebsen & Jessen Aabenraa which, as a Danish company, was entitled to war damages. In July 1921, the sum of 50,300 taels, or approximately £10,000, was paid to Jebsen & Co in Canton as compensation for the confiscation of its holdings on Shameen Island.

The reopening of Jebsen & Co in Hong Kong in July 1923 gave the Hamburg company a new lease of life. German-Asian trade gathered momentum. Demand

in China was strong for goods such as cuckoo clocks, sewing machines, needles, teapots, artificial silk, paper and photographic film. Feathers, down and tea from China poured into Germany. The Hamburg branch was a hive of activity, determined to return to the days of its former glory and to make up for the losses suffered as a consequence of the war.

Economic life in Hamburg during the 1920s underwent drastic changes. The introduction of general elections after World War I ended the old regime and wiped out the supreme power of the city’s patrician families. Many major trading firms and shipping companies had forfeited their vessels when Germany was forced to make reparations. Germany had lost her overseas colonies. The currency was fragile and the Wall Street meltdown of 1929 combined to fetter business.



Company dinner, Ratsweinkeller Hamburg, 1931. Jacob Jebsen (third from right) and Christian Albers (fourth) surrounded by colleagues.





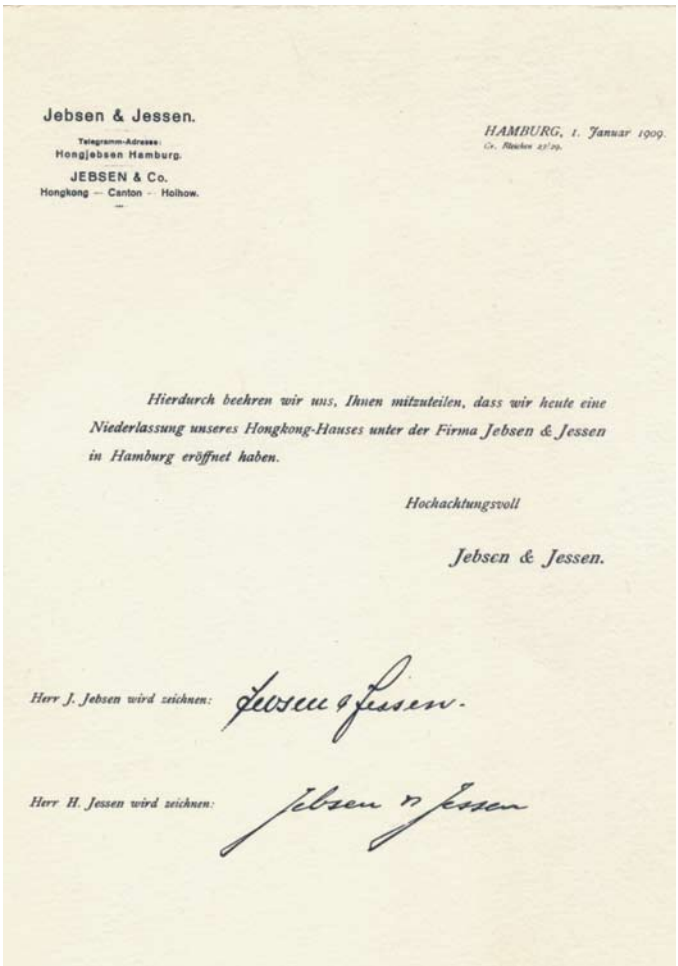
Hamburg docks, early 1900s.



Hamburg Große Bleichen 1905, the street housing the first Jebesen & Jessen offices.



Kaisergalerie Große Bleichen, site of the first Jebesen & Jessen offices.



Note of the establishment Jebesen & Jessen Hamburg.



Three Mackerels Trademark, Hamburg 1932.



On February 19, 1931, company founder Heinrich Jessen died suddenly in Hamburg. His death came as a complete shock to employees and family. For a short time, Jacob Jebesen took the helm. In May 1931, long-standing employee Julius Riecken returned from Asia and took over the management of the company in Hamburg as a partner. Since 1910 he had co-managed Jebesen & Co's business in China and was instrumental in rebuilding the company after the war. He was assisted by young Johann Heinrich Jessen, known as Heinz, who, as the eldest son of Heinrich Jessen, was taken on as junior partner. He was introduced to business activities in Hamburg and would later relocate to Asia.

Life in Germany during those years was anything but easy. In 1932, the economic crisis reached a nadir with six million – or one in every three people capable of employment – unemployed. Hitler came to power in January 1933. In addition to the difficult exchange regulations, state controls and restrictions made it increasingly hard to conduct a successful import-export business. Almost every transaction had to be approved by Berlin-based supervisory departments in ever more complicated and drawn out processes.

In September 1939 World War II broke out and the Hamburg company was left fighting for survival once again.

The British authorities in Hong Kong demanded, under the Trading with the Enemy Act, the dissolution of the Hamburg company by threatening Jebesen & Co in Hong Kong with forced liquidation. Jacob Jebesen and Julius Riecken gave in and in November 1939 the

Hamburg company was deleted from the Commercial Register. Three weeks later, in agreement with Jacob Jebesen, Julius Riecken set up an independent company under his own name to unofficially continue Jebesen & Jessen Hamburg's business. It took over its business premises and all employees who had not been enlisted for military service. However, attempts to generate international trade at this time were all but futile.

In December 1941, Jacob Jebesen died. His death, and the complete destruction of the branch during the bombardment codenamed Operation Gomorrah in July 1943, looked like the end of the company. All files and documents went up in smoke. Hamburg was in ruins.

However, thanks to Julius Riecken a few humble strands of business continued, though only just. He stayed the course and managed to keep the company alive through the occasional trade of products such as used needles, wire netting and Italian tomato puree. Just when it seemed that the worst was over, Julius Riecken

died unexpectedly on March 5, 1947 at the age of 66.

The company temporarily passed to his wife, with Christian Albers managing the business. On the day of the currency reform in July 1948, Christian Albers took over the company from Julius Riecken's widow and continued to run it under her late husband's name. Only in February 1951 did Jebesen & Jessen officially start up again in Hamburg. Registration in the Commercial Register soon followed on March 5, with an initial capital of 100,000 marks. Brothers Michael and Hans Jacob Jebesen, along with their cousin Arwed Peter (AP) Jessen, and Christian Albers were named as partners.



Michaelis Church, Hamburg, 1946.



Hamburg in ruins after World War II.



A NEW BEGINNING

On April 29, 1944, Heinz Jessen succumbed to cancer. In January of the same year, young Michael Jebesen, eldest son of company founder Jacob Jebesen, took his place at Jebesen & Co in China. His younger brother Hans Jacob and AP Jessen, youngest half brother of Heinz, who had both resided in China since 1947, were confirmed as partners in 1952. At the start of the 1950s there was once again a strong team of family members at the top of the company. Following the communist victory in China, the company relocated its head office from the mainland to Hong Kong and from there forged ahead enthusiastically with rebuilding business in Asia and Germany.

In the early 1950s, following the 1950–53 Korean War, demand for German heavy industrial goods increased rapidly. In Hamburg, Jebesen & Jessen recorded significant successes as a result of the “Korean boom”, but soon faced new challenges. Improvements in transportation, including airfreight, made international trading quicker and more efficient. This threatened to undermine the Hamburg company’s role as intermediaries.

Jebesen & Co in Asia was increasingly conducting business directly with partners in Germany, bypassing the Hamburg office. Deliveries from Siemens and Bosch, for example, were being sent directly ex-works to China.

On January 1, 1959, the 50th anniversary of the Hamburg company was celebrated in style by the family partners together with Hamburg Managing Director Adolf von Hänisch and an illustrious party of guests. The glamorous event seemed to have a positive effect: for a while later business took a turn for the better. Following the advice of AP Jessen, the company began looking into opportunities for operating directly in Southeast Asia. An employee of the company was sent

to the region and travelled around Malaysia, Vietnam, Thailand and the Philippines.

Soon the first contract was signed: upgrading a cement factory in Malaysia with new machinery, which Jebesen & Jessen purchased from the company Polysius. Shortly afterwards, they landed a contract to build a large turn-key cement factory in Ipoh. In 1963 the partners established Jebesen & Jessen companies in Malaysia and Singapore. The breakthrough had been achieved. Further branches followed in Southeast Asia, gradually paving the way to the establishment of the independent corporate group Jebesen & Jessen Southeast Asia (SEA). The success of the Jebesen & Jessen business in Hamburg was growing and reflected the general positive mood of the economic wonder years in Germany. People were optimistic about the future again. Trade was booming and Hamburg was the gateway to the world.

THE PUTZIER ERA

In December 1962, after four years as Managing Director of Jebesen & Jessen, Adolf von Hänisch retired, and was succeeded by Oswald Putzier, who later became a partner in Hamburg. He had spent three years in Taiwan working for the renowned trading company Siemssen & Co, and since the autumn of 1961 had been an authorised signatory for Jebesen & Jessen in Hamburg.

“In my opinion the Hamburg company acquired the crucial impulse through the ‘Putzier era’,” comments Hans Michael Jebesen in an analysis of the changes during this period. “The strategic consideration was that a company which was to develop a life of its own needed a strong personality at its helm. Oswald Putzier was just the right person. The embodiment of decency and discipline, combined with a fine sense of humour, he hit the right note on every occasion.”



Julius Riecken (1880–1947). Partner and Managing Director of Jebesen & Jessen from 1931–39.



The partners Jacob Jebesen and Heinz Jessen in Hamburg, late 1930s.



Oswald Putzier (1927–2002). Partner and Managing Director of Jebesen & Jessen Hamburg from 1962–1992.



Company dinner in 1953. See Index.



Jebsen & Jessen had in the meantime adapted its activities in line with changing general economic conditions. Gone were the days of being simply a buyer for the company in China. From 1958 the company had worked as an independent import and export business with direct client connections at home and abroad.

“At this time the core business was trading in Chinese natural products such as egg powder, milk powder, hog casings, honey and all kinds of dried fruit and nuts such as walnuts, peanuts and apricot kernels,” says Wolfhart Putzier about his father’s early years. Trade in feathers, as well as chemical and pharmaceutical materials, was also developing well.

Schering AG was represented by Jebsen & Co in Hong Kong and China and for years, Jebsen & Jessen was fortunate to support the Hong Kong company with the Schering business. It built up a solid relationship with Schering and was granted the agency in Israel, where Oswald Putzier had established good contacts. Schering AG would prove to be the backbone of the Hamburg pharmaceutical and chemical division.

Under Oswald Putzier’s management, Jebsen & Jessen expanded and flourished. The successful businessman earned his place as a prominent member of the Hamburg and federal German business community. He became a member of the General Assembly of the Hamburg Chamber of Commerce and of the Select Committee in the Federal Association of German Wholesale and Foreign Trade in Bonn. He was a commercial judge at the Hamburg Landgericht (district court) in the Chamber for Commercial Matters and was Chairman of the Wholesale and Foreign Trade Association. Oswald Putzier also held an honorary post in the East Asian Association, in which he was a committee member for many years.

When Hong Kong emerged as a major producer of textiles and garments in the early 1960s, Hamburg established a department to specialise in imports from

Hong Kong. The new division grew rapidly and such was its success that Jebsen & Jessen set up an independent purchasing department in Asia. Known as Department Z and based in Hong Kong’s Causeway Bay, it quickly established and polished contacts with manufacturers and suppliers. In 1979, the export office merged with the newly founded company Aigun Export Ltd.

A LETTER FROM YEMEN

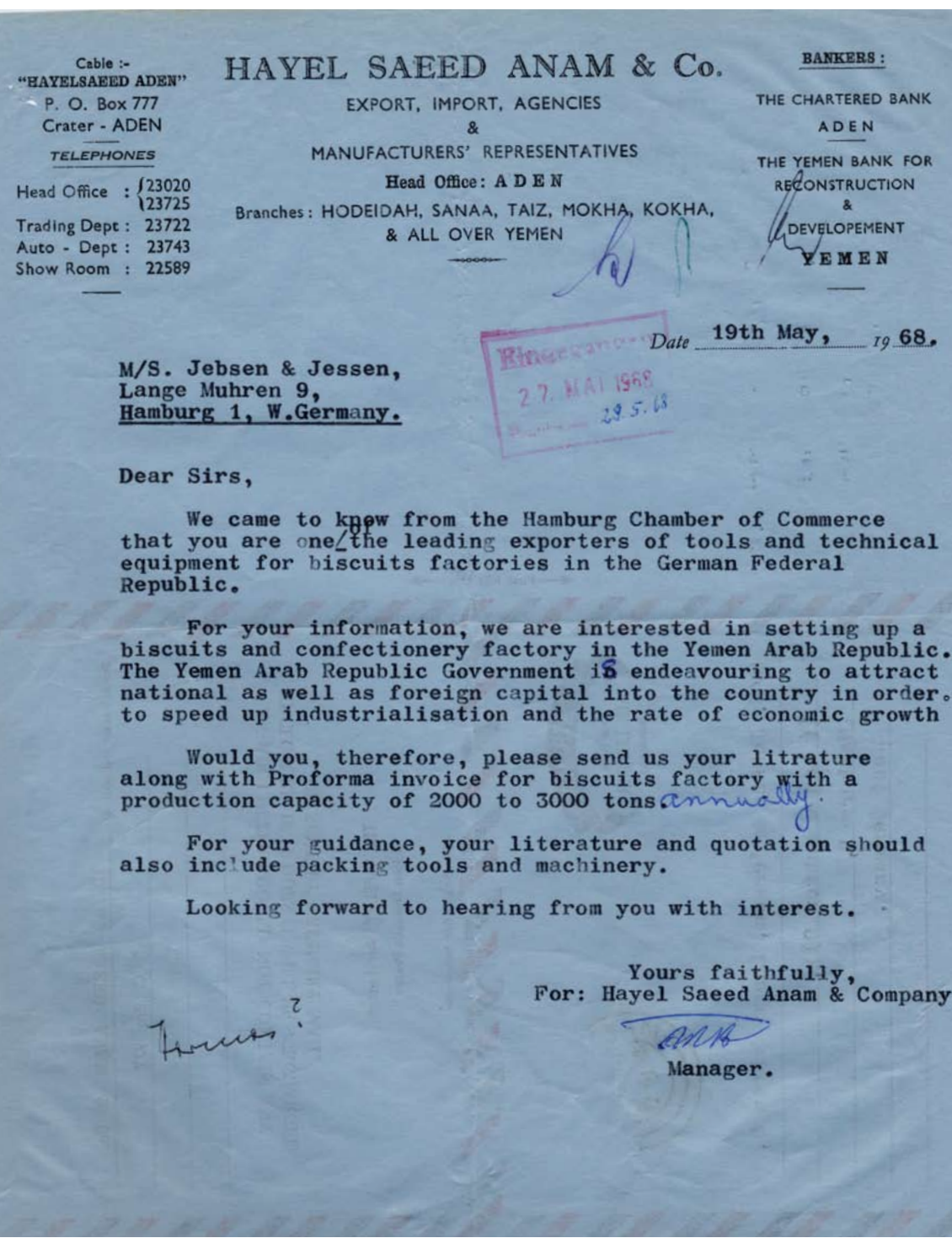
Oswald Putzier, who had gained his first professional experience in the technical sector, brought Ernst Klein in to the company in 1968. His plan was to build up a technical division to gain a foothold in the international plant engineering and construction sector.

“This jack-of-all-trades,” recalled Wolfhart Putzier, “was able to design an entire factory, sell it and thereafter travel to the country he sold it to, to overlook the installation.”

Soon after Klein’s arrival in Hamburg these talents were put to the test when a letter from Ta’izz in north Yemen arrived out of the blue at the company’s office. The Hayel Saeed Anam group there was looking for a suitable supplier for a whole range of different foodstuff plants.

This letter triggered both a lucrative project and a friendly relationship with the family-owned Yemeni business. “We managed to build up a very good rapport with the company and received several follow-up orders,” says Wolfhart Putzier. “We proved to be a good and reliable supplier.”

In the ensuing years, Jebsen & Jessen supplied a number of plants to Yemen, ranging from margarine, biscuits and confectionery factories through to packaging plants. Business was also expanding in other countries in the Near East and up to the year 2000, Hamburg received a considerable volume of spare-part orders from the region.



A letter from Yemen, May, 1968, triggering long lasting business relations between Jebsen & Jessen and Hayel Saeed Anam & Co.



# HANSEATIC ENTREPRENEURS

## ON SOLID GROUND

The 1970s were a decade of stability and success. The company founded a range of specialised import and export divisions each headed by an experienced employee with a high level of professional competence. An advertising brochure from this period stated: “Jebsen & Jessen stands for tradition and experience but also flexibility, the ability to adapt and to employ open-mindedness toward the ever-changing requirements of world trade.”

Import Department I was responsible for trading in Chinese goods. The buying programme still included established products such as bed feathers and down, natural casings, dried fruit and nuts, egg products, pharmaceuticals and spices. Department II took care of textiles from the Far East and southern European countries such as Italy, Portugal and Greece. It imported jeans, parkas and anoraks, knitted goods, blouses, shirts and T-shirts, as well as underwear and terry towelling products. In-house trained managers took care of each product group, producing two creative collections a year and guaranteeing technical know-how.



Import Department – Accessories, 1970s.

Department III was in charge of manufacturing and marketing accessories to match the textiles: umbrellas, caps, gloves and small leather goods and all kinds of promotional products. It was to develop a particular expertise in the field of protective gloves and other work garments manufactured in China making it a leader in the field in Germany. In 1989 the business was transferred to Jebsen & Co A/S in Aabenraa.

The Export Division was also divided into three departments. One Export Department focussed on machinery, spare parts and accessories, including cranes and hydraulic platforms, generators, conveyor belt systems, packing machines, tools and component parts. Another Department planned, financed, coordinated and project-managed the construction of factories and industrial plants. This business included after-sales service and the delivery of spare parts. The third Export Department handled pharmaceutical raw materials, medicinal products and chemicals for industrial use. The chemical business developed positively and today Jebsen & Jessen exports German manufactured products under its own trademark, Jebchemie.

## NEW STRUCTURES

Wolfhart Putzier followed in his father's footsteps and joined Jebsen & Jessen in May 1977 after an apprenticeship in wholesale and foreign trade in grains and animal feedstuff with the Hamburg company Alfred C. Toepfer and a spell at the Standard Chartered Bank in London. He spent a couple of months in the Export Departments before being posted to Jebsen & Jessen SEA in Singapore, where he became Junior Assistant to a local watch sales manager. He sold

Longines and Michel Herbelin chronometers which were then represented by Jebsen & Jessen SEA to local retailers. After stints in Jakarta and Hong Kong he took over as Manager of Jebsen & Jessen Thailand in Bangkok in January 1980.

“That was a fantastic opportunity for a young man, who had only just celebrated his 26th birthday,” Wolfhart Putzier remembers. “I am grateful to AP Jessen for placing a company in my trust, which at that time already employed 70 staff.”



Jebsen & Jessen management mid-1970s.

From left: Kurt Schröder, Klaus Sparke, Karl Baus, Heinz Reinhart, Oswald Putzier, Peter R. Thiell, Manfred Schlüter, Jürgen Pingel, Günther Köppen.





Jebsen &amp; Jessen warehouse, Halstenbek, Hamburg.

In 1984, Jebsen & Jessen Hamburg celebrated its 75th anniversary and Wolfhart Putzier returned to Germany. As the result of a significant increase in business volume, Jebsen & Jessen was transformed into a limited partnership. The change of corporate structure required more managers and Peter R. Thiell, head of the Textile Division, and Wolfhart Putzier, were both made Deputy Managing Directors.

Over the following years Oswald Putzier delegated more and more responsibility to his son. In 1992 he retired at the age of 65. “I learned a lot

from my father,” Wolfhart Putzier says. “Above all to always treat staff fairly and equally, to be approachable, open-minded and willing to listen to their ideas. In a trading company, employees are of great importance. Our capital are the people who work for us!”

Oswald Putzier’s far-sightedness and his ever-confident business composure had a lasting effect on the company’s morale. “My father acted on the maxim, ‘do not settle for existing business: but keep building up new business with new products, suppliers and clients,’” says Wolfhart Putzier. The latest Hamburg generation understands this maxim and puts it into practice with spirit and creativity. Their entrepreneurial flair and the courage to break new ground is carried out in conjunction with the company’s main shareholders, the Jebsen and Jessen families in Hong Kong and Singapore, supporting and advising their partners on the Elbe in all important decision-making processes.

### “WELL, DO SOMETHING THEN!”

Michael Goldmann’s first day at Jebsen & Jessen on May 2, 1987, marked the start of a new chapter in international chemical trading for the Hamburg company. When he joined, the department generated its main turnover with Schering AG Berlin and distributed a handful of chemicals for the manufacture of medicinal products. Michael Goldmann, who had considerable experience in the chemical business, and his team suggested expanding into new markets, and Wolfhart Putzier listened with interest before responding: “Well, go ahead and do something then!” This demonstrates the trust he placed in his employees and his willingness to forge into uncharted business territories. These virtues would stand the company in good stead, time and time again, over the next few years.

Michael Goldmann already had good contacts in South America and within a matter of only a few days,

the first small orders from local sales agents arrived in Hamburg. Nexo in Montevideo, Intercommerz in São Paulo and H&D Quimicos in Bogotá became the first major partners in the South American market, where business was exclusively conducted via agents. “Success fully depends on the local sales agents,” Michael Goldmann says, “and we work exclusively with the best, the second- or perhaps third-best in the country. Everything else is a waste of time and money.”

Wolfhart Putzier accompanied Michael Goldmann on his first trip to South America to meet the new partners, make contacts and see clients, and to hold talks with regional banks.

Jebsen & Jessen quickly built up an agency network, covering South and Central America. The industrial chemicals trade in particular boomed under Michael Goldmann’s management. Within a year, his new department had recorded the highest turnover in the company. “We built up a reputation for being a strongly expanding company in this very sector,” says Wolfhart Putzier, explaining the fast-paced success.

The Hamburg company deals in industrial chemicals, fine chemicals, pharmaceuticals and agrochemicals, as well as raw materials for the varnish and paint industry, ceramic materials and rare earths. Today the company supplies more than 1,000 clients in 80 countries, two thirds of which are in Latin America, and the remainder mainly in Asia and Africa.

During the 1970s, the company sourced most of its chemicals from Germany. In addition to Schering, the main suppliers were Hoechst, BASF and Bayer. Gradually it began exploring opportunities elsewhere, buying from Belgium and the Netherlands, and later Spain and Italy. At this time, connections with manufacturers in East Germany and elsewhere in the Eastern bloc were regarded as risky. But, after the reunification of Germany, Poland and the Czech Republic became important suppliers for the Hamburg



Oswald and Wolfhart Putzier.

trading company. During the 1990s China emerged as one of the most important supply markets.

Instinct, experience, effort and flexibility have enabled the Hamburg chemical traders to build up a supplier network that meets the quality standards demanded by customers worldwide.

“We have undergone constant change,” says Michael Goldmann, “and have continuously improved. I have never had to have a large workforce. For the last 10 years, I’ve been working with a reliable team of about 30.”





Kehrwiederspitze, Hamburg.



The recipe for success is maintaining a strong presence in the sales markets and price competitiveness. This requires a lot of travel. As soon as their apprenticeship ends, young employees are charged with looking after their clients and business partners in Latin America and Asia. Flexibility and intensive networking remain the basis for commercial success.

Michael Goldmann, who has been Managing Director and shareholder with Jebesen & Jessen in Hamburg since 2002, is concentrating on further developing the product range. Items include food additives such as preservatives, vitamin C or citric acid, which is used to produce marmalade, jam and fruit juices, as well as lemon-fragrance cleaning products.

TEXTILE TRADE

In addition to chemicals, the textiles business has become another success story for the company. Jebesen & Jessen’s textiles business is managed by the dynamic and experienced Michael Schwägerl. Now a shareholder in the company, Michael Schwägerl started

in 1990 at the Juritex subsidiary for children’s and teens’ fashions. After a year on the front line in Asia, Michael Schwägerl – who comes from a family with a background in textiles – quickly rose through the ranks to his first management position, initially as department head and a short while later as an authorised signatory in the Jackets Department.

“At the time I joined, the textile business was structured in a very conservative way,” he says. “Separate departments dealt only in jackets, trousers, shirts, knitwear or children’s clothing. Only design and technical development were managed centrally.”

In the middle of the 1990s, two events occurred in rapid succession which affected the company’s textile business. First, an important major client in Germany rejected an entire shipment of shirts from Turkey because the items were not colour fast. Jebesen & Jessen, which, through reasons of timing had already approved and paid for all the goods, was left with the flawed shipment. A hefty fine made matters worse.

A little later, a British newspaper published an article about child labour in Bangladesh which

focussed on a manufacturer there with whom Jebesen & Jessen had severed ties a number of years earlier. Unfortunately, a box with the logo of one of the Hamburg company’s most important clients appeared in the photos accompanying the article. The box was old, battered and used only to store clothes hangers, but the stigma stuck. The German client managed to track the history of the box, traced it to Jebesen & Jessen, and immediately broke off business relations.

Before long, Wolfhart Putzier had delegated the reorganisation of the entire department to his colleague Michael Schwägerl, who gradually restructured it and introduced a state-of-the-art system based on client Key Accounts. Under the new system, design, development, quality control and processing go hand in hand to generate the largest possible potential. Subsidiary company Juritex, deals exclusively with a single major client, and a large amount of textile goods is bought via the partner company Triton Textile Ltd with headquarters in Hong Kong and subsidiary branches in Shanghai, Dhaka and Jakarta.

In January 2007, Hanseatic Trade Systems was

set up, which offers complete lifestyle concepts. It produces goods according to themes, such as camping or barbecuing and provides a range of products for each activity.

In August 2003, its subsidiary Hanseatic Sports Wear acquired the European licence for the HEAD brand and its Textile and Sportswear Division. Under Michael Schwägerl’s management the brand has been completely redesigned in the two core areas of skiing and tennis. Sourcing from a worldwide network of production plants forms the basis for fast and price-aggressive trading, backed by agencies in Hong Kong, Indonesia and Bangladesh.

The Textile Division of Jebesen & Jessen is always looking for new fields of operations and business opportunities. At the moment, bio-cotton is hitting the headlines as client interest has been growing in environmentally friendly clothing. Jebesen & Jessen makes targeted investments to not only create suitable collections but also establish a firm supplier network. All in line with the company’s slogan: cosmopolitan, competent and innovative.



Jebesen & Jessen Textile Division – checking material.



Working on product designs.



Speicherstadt, Hamburg.



## A MEETING WITH CONSEQUENCES

In February 1987, Wolfhart Putzier, on holiday with his family in Perth, Western Australia, met Torsten Ketelsen, a Hamburg entrepreneur, who had just settled in the Australian city and was in the process of establishing himself as a local entrepreneur. His first attempts at initiating a deal with Wolfhart Putzier, with products such as honey and granite blocks, failed. But when Torsten Ketelsen unpacked a small sample bottle of red-coloured sand in the Hamburg-based office of Jebsen & Jessen in autumn 1990, the foundation for one of the most successful undertakings in the company's history was laid.

The sample bottle was filled with garnet sand, which can be used for sandblasting, grinding and as an abrasive for all types of surface preparation. It is also used for waterjet- and profile-cutting. Wolfhart Putzier still remembers Torsten Ketelsen's words: "Mr Putzier, this is a fantastic product with a large market but I would not like to commission just any agent as a dealer. I suggest that we set up a joint distribution company, in order to fully focus on the marketing of this product." Wolfhart Putzier, who immediately believed in the new product, consented instantly.

In March 1991, Wolfhart Putzier and Torsten Ketelsen established GMA Garnet (Europe) GmbH with its head office in Hamburg. Two months later, the company was officially entered in the Hamburg Commercial Register. At the same time, an exclusive contract for Europe-wide distribution was signed with the former owners of the mine in Geraldton, Australia. The prelude to a major success story had just begun.

Through contacts with shipyards in Hamburg, the market grew in leaps and bounds over the next few years. Much of its success was due to the efforts of Andreas Höfner, whom the new company took on board in July 1991. "Over the years business developed

well," says Wolfhart Putzier, "and a large amount of credit goes to Mr Höfner because he pushed business forward with incredible drive and energy."

GMA Garnet (Europe) has seen sales and profits improve dramatically. Today it is one of a series of linked international sales companies that successfully market the core product garnet and an expanding range of spare parts for the waterjet-cutting industry.

## FULL SPEED AHEAD

Jebsen & Jessen managed to rise from a medium-sized enterprise to a sophisticated company active on an international level. To meet the ever-growing requirements of a global market, the firm guarantees a reliable service to both clients and suppliers. Experienced product specialists and country-specific departments provide focussed solutions.

"Our financial strength, professional risk management and flexibility are powerful tools for positive future development," says Axel Tilz, who as Managing Director and shareholder of Jebsen & Jessen is responsible for finance, controlling, accounting and human resources.

Wolfhart Putzier can be credited for giving birth to the spirit of trust, understanding and openness that defines the work ethos in Jebsen & Jessen's Hamburg office. Together with his management team he pursues a clear strategy and specific goals for the 21st century. The clearly defined corporate policy and a highly motivated staff form the basis for success. Further benefit accrues from interaction between Hong Kong, Singapore and Hamburg, which not only enables integration but also simplifies the process of interacting globally.

The corporate culture is one of a network of entrepreneurs who are also shareholders. This harnesses the energy of entrepreneurial flair and the values of a well-developed family business.



Jebsen & Jessen Board Meeting in Lensnack, Aabenraa, August 2007.

From left: Hans Michael Jebsen, Michael Schwägerl, Michael Goldmann, Wolfhart Putzier, Axel Tilz, Heinrich Jessen.





The barque *Triton*, commanded and painted by Captain Johann Heinrich Jessen in 1825.

## TRITON TEXTILE

In Greek mythology Triton, the god of the sea, is depicted whispering into a conch shell, and it was after Triton that one of the first Jessen ships of days gone by was named. Today, Triton Textile Ltd, a relatively new member of the group of companies, bears that illustrious name. It provides comprehensive textile sourcing services to the fashion industry in the West, serving as the interface to producers in Asia. These services include development, implementation and execution of the complete manufacturing cycle, from the first sample right up to the finished collection.

Michael Schwägerl, who also manages Jebsen & Jessen Hamburg's textile business, has headed Triton Textile since 2003. He was made partner in 2006.

Headquartered in Hong Kong, with branches in Dhaka, Jakarta and Shanghai, Triton Textile employs more than 150 people. Michael Schwägerl defines the company's central corporate values as: proactive, innovative and dedicated.

"In order to increase team spirit within the company and in turn make these company values become a reality," he says, "we publish the *Tritonian*, a quarterly newsletter, featuring articles about developments and changes in the respective offices as well as news about clients and suppliers."

As a buyer, Triton Textile Ltd takes care of the entire sourcing process in Asia for warehouse retail chains, mail-order companies, private brands and other importers from the textile and clothing industry. In small, customer-oriented teams which are linked to

product groups, the various offices ensure that client requirements are fully met in terms of price, quality and delivery schedules.

More than 200 suppliers in China and Southeast Asia work in close cooperation with the company. Routine assessments, carried out by experts on price and quality profiles of production plants, guarantee reliability and quality. Triton Textile's strength also lies in its ability to respond quickly to new trends and product innovations.

The Triton name was not always exclusively attached to the textiles division. In the mid-1960s, as Jebsen & Jessen SEA expanded throughout the region, the Triton name was used for several of its divisions. Jens Sørensen, who had arrived in Singapore in 1991, was expected to diversify the company's product range into, among others, the furniture, shoes, toys and kitchen utensils sectors. One of his early successes was the export of Indonesian furniture to Germany, France and Denmark.

By the early 2000s, it had become clear that the company's textile activities in Southeast Asia lacked focus and expertise. Volumes were less than satisfactory. Heinrich Jessen and Wolfhart Putzier met in Singapore in 2003 to discuss the problem and concluded that most of the expertise in the international textile trade resided in the Hamburg office where textiles was a long-established core business. It made sense, therefore, to transfer control of the trade to Hamburg.



In spring 2003, Triton Textile Indonesia and Triton Textile Singapore, together with branch offices in Bangladesh and Vietnam, were merged into Triton Textile Ltd Hong Kong which reports to Hamburg.

This arrangement paid off. Triton Textile Ltd quickly began to establish itself. With more than 30 million pieces delivered, the textile services provider was moving into the premier league on the European market.

Acting on behalf of its mostly European customers, the company now not only procures goods but also provides designs as well as technical support services, and ensures compliance with chemical and physical guidelines. It also ensures that social standards are adhered to.

In Bangladesh, Triton Textile Ltd employs around 100 people. Under the regional management of Fred Debets, it has developed strong relationships with local manufacturers, transferring hard and soft skills and technology to one of Asia's least developed countries. In addition to the training and continuing education of the company's own team, it donates equipment to schools and orphanages. The Jakarta office, managed by Teddy Poeta, has developed into a significant purchaser of high-quality textiles in Indonesia. It employs more than 30 people. In addition, the company sources from India,



Triton Textile Office Indonesia.

Pakistan and Cambodia.

The sourcing and merchandising in the Hong Kong office is managed by Kenneth Chung and, in view of the fact that China is now one of Triton Textile Ltd's most important source markets, he is today also in charge of the new office in Shanghai. Following the open-door reforms introduced in 1978 by Deng Xiaoping, Chinese manufacturers have emerged as world leaders in textiles. This is partly due to the speed with which they process enquiries and supply finished goods, whether trousers, shirts, underwear, coats, pullovers, hosiery or bras. "Fifteen years ago, there were only two collections in the fashion sector: one for summer and one for winter," says Jens Sørensen, General Manager of the administration and finance divisions of Triton Textile in Hong Kong. "Soon after there were four collections: spring, summer, autumn and winter. And now we are striving for eight collections a year. Speed is the key to success in our business."

A culture of dedicated and enthusiastic entrepreneurs dominates at Triton Textile. The spirited and commercially driven efforts of all employees and the managing directors and partners are the driving force behind the company, the wind billowing in the three sails, so to speak, a direct graphical link to the company's logo.



Annual General Meeting Triton Textile 2008. From left: Jens Sørensen, Michael Schwägerl, Heinrich Jessen, Wolfhart Putzier, Hans Michael Jebesen.

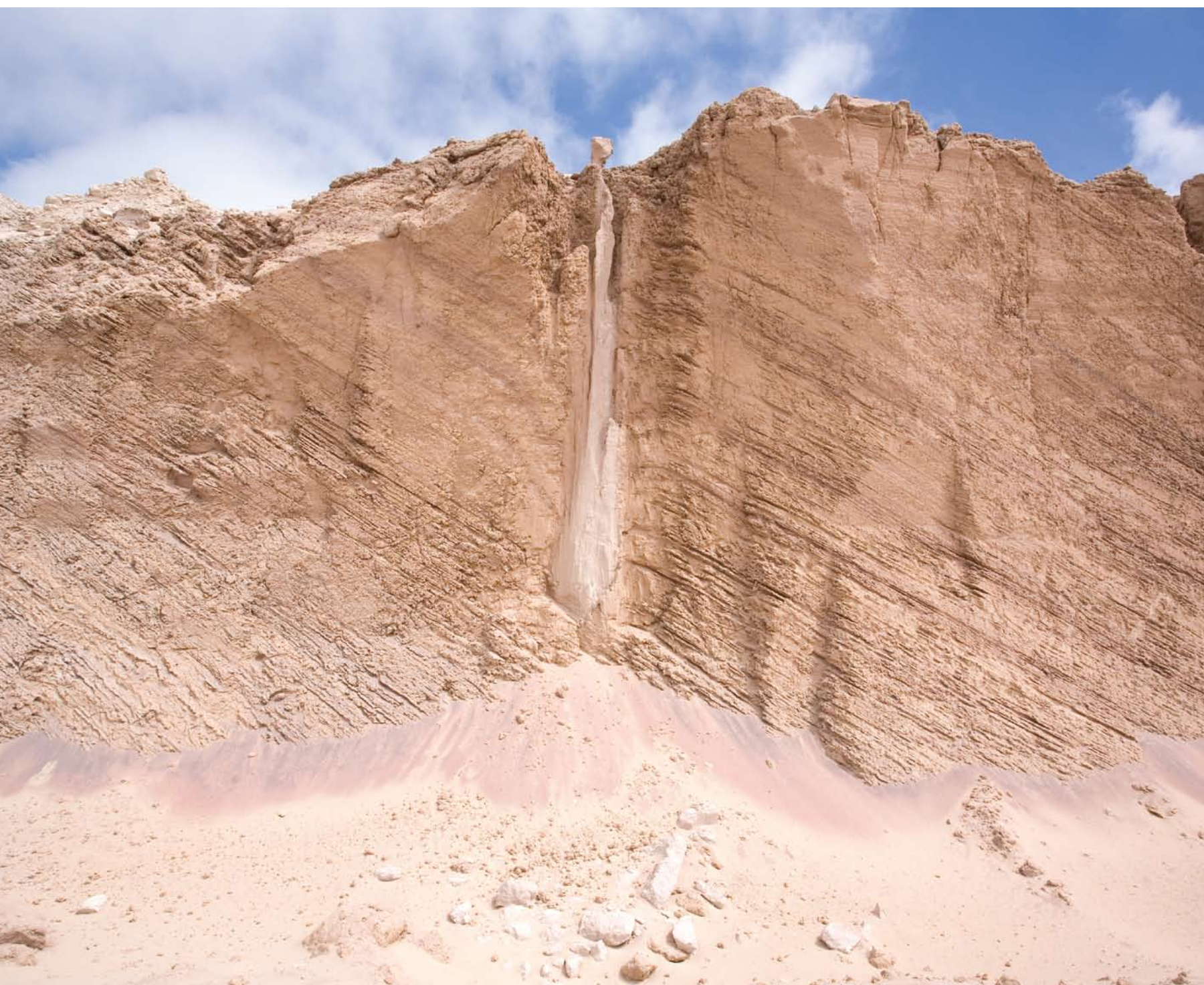


Children living in a Triton Textile sponsored orphanage in Bangladesh.



Steven Kruit, Assistant General Manager Triton Bangladesh, on a visit to the orphanage.





Garnet bearing sands, Hose Mine, Port Gregory, Western Australia.

# GMA GARNET

## WORLD MARKET LEADER IN GARNET SAND

The Hose Mine lies within sight of the Hutt Lagoon in Western Australia, surrounded by the sand dunes of Port Gregory, about 500 km north of Perth. This is classic outback country, baked under a relentless sun and spotted with wattle bushes, an Australian acacia. Occasionally a kangaroo family bounces along in the distance.

“We leased the land along with the mining rights from the local Hose family,” explains Dean Clarke who is in charge of mining operations, “and for almost 10 years now we’ve been moving the sand back and forth” he adds with a broad smile. At a closer look it becomes apparent that the sand, which is shifted by excavators, huge front-end loaders and 50-tonne dump trucks, has a pinkish tint to it. This is caused by the pink garnet grains contained in the sand. It is this pink sand that is mined here by GMA Garnet Pty Ltd a subsidiary of Garnet International Resources Pty Ltd. Garnet is a natural mineral abrasive.

Garnet International Resources Pty Ltd is a relatively young joint venture between Hans Michael Jebsen and Heinrich Jessen on the one hand and Wolfhart Putzier and Torsten Ketelsen on the other. The world’s largest producer is also the market leader in

the global trade and distribution of natural industrial garnet, a product that is primarily used as a natural mineral blasting abrasive for the surface preparation of steel substrates and as an abrasive agent in high pressure waterjet-cutting applications. Here in Western Australia, the partners produce a first class natural product of the highest quality, which meets all international requirements and standards.

The main component of GMA Garnet is almandine garnet, one of the hardest and toughest minerals known. These exceptional characteristics lend the product its unique quality. No other mineral combines these properties in such a way. Its hardness guarantees optimum abrasive efficiency and the toughness of the garnet grains ensures a very

low rate of shattering of the grains during use. That means very little dust is created during use and the product can be reprocessed and reused many times. It also guarantees maximum cutting performance and highest cutting-edge quality every time.

Light concentrations of garnet sand are found in numerous locations around the world. Resources with high concentrations are also found on the Southern shores of India, in China and the US. The West Australian occurrence, however, is the world’s largest known alluvial garnet resource with the highest garnet concentration.



The pinkish tint of garnet bearing sands.



The source rock of GMA Garnet is 1,500 to 2,000 million years old with garnet granulites of early to middle Proterozoic age, and is located some 50km inland from the coastal settlement of Port Gregory. Erosion of this source rock and derivative deposits over the past 400 million years has liberated the garnet and washed the particles down the Hutt River into the ocean and culminated in the deposit of the present garnet-rich ore body along the dunes of Port Gregory, approximately 20,000 years ago during the last interglacial period, when the sea level was some five metres higher than today. These ancient dunes now loom majestically 5km inland and by the forces of nature, wind and rain, natural segregation of heavy garnet mineral sand and lighter beach sands has taken place.

In the early 1970s, when the first soil samples were taken along the coast, the extraordinary high levels of garnet in the soil were met with anything but delight. At this time the trade in mineral sands was booming and the prices for rutile, zircon and especially ilmenite

exploded. Garnet, however, was considered of no use or value at the time. “Soon after completing my geology degree, I researched the mineral sands along the coast of Port Gregory for the first time in 1973,” says Martin Taylor, the General Manager of GMA Garnet Pty Ltd’s mid-west mining and processing operation. “Garnet mineral was dismissed as a nuisance mineral. There were just no known useful and profitable applications for garnet.” Since those early days, Martin Taylor has been one of the pioneers in promoting the benefits of garnet sand as an industrial mineral abrasive with many different uses and applications.

In 1975, then working for Target Minerals NL, a subsidiary of the Australian company Target Petroleum NL, Martin Taylor drilled the first sample holes on the property of the Lynton family near the Hutt lagoon. Proving earlier indications of garnet occurrences in the area, he discovered significant deposits of garnet on the Lynton property. The company experimented with different possible uses for the garnet and found a

positive response in the local abrasive blasting industry. Initial interest was limited but encouraging enough to justify production and, in 1977, the company bought the land containing the mineral resource from the Lynton family. Soon a small pilot plant was built for the wet processing of the garnet bearing sand. The final processing of the wet concentrate took place in Perth.

“A sizeable order for a multimedia filtration project in Alaska enabled us to erect the first wet processing plant on the Lynton property in 1981,” remembers Martin Taylor who relocated from Perth to the port town of Geraldton in 1983 when the dry processing plant was established there. Since that time, the wet garnet concentrate from the Lynton mine is processed and packaged in the Geraldton dry plant and the final product dispatched first to the local market and then increasingly to emerging overseas markets. Worldwide sales in 1983 totaled a mere 3,200 tonnes, but sales rose steadily as new markets were developed in the Middle East, Europe, Asia and the US in the following decades.

FIRST INTERNATIONAL SUCCESSES

In the summer of 1987, Rob Wicks, the manager of Target Minerals in Perth, visited the office of Torsten Ketelsen in Perth. He brought along a small sample bottle filled with pink sand: garnet. The Australian company wanted to commence the international marketing of the product and gain the support of Hamburg-born merchant Torsten Ketelsen who had recently established his trading company Ketelsen Enterprise in Perth. “What caught my attention instantly, besides the attractive pink colour, was the enormous weight of the sand,” remembers Torsten Ketelsen as if it was just yesterday. “The specific weight of garnet is 4.1, which means it is over four times heavier than water! I also realised immediately that this was a rare natural resource that had not yet been developed and dominated by the big miners like other, more common minerals and metals such as iron ore, gold, diamonds, zircon and ilmenite. Garnet was still



Bird's eye view of GMA's Hose Mine, Port Gregory, Western Australia.



Wet Processing Plant, Hose Mine.





Main pit face, Hose Mine, Port Gregory, Western Australia.





Loading raw feed material from the mine pit.



Foreground: Process water recycling and slime extraction units in the Wet Plant. Background: Piles of garnet raw concentrate (left) and sand to be trucked back to the mine backfield (right).



Quarry ore feed hopper trash screening to remove coarse particles before wet processing.



Wet processing: spiral classifiers separating garnet and ilmenite from sand.



Dry processing plant, Geraldton, Western Australia.



GMA Garnet leaves Geraldton in 25-kg bags.



Post-mining restoration at the Hose Mine. The original top-soil of the mined area is carefully re-applied to ensure full ecological recovery of the site.



Production samples are checked every hour for purity.



GMA Garnet at a drilling platform in Malaysia.



Waterjet-cutting the GMA Garnet logo in steel.



a mineral commodity for which there was only very limited local or international demand.”

Torsten Ketelsen had very close business contacts in the Middle East, and embarked on an initial fact-finding mission to the Gulf with sample material in his luggage. In Dubai he made contact with potential users in the oil and gas industry, the shipbuilding and ship repair industry and local contractors in the steel fabrication industry where large amounts of conventional blasting abrasives were being used. Initial trials at the Dubai Dry Docks were very encouraging and raised a lot of local interest. The Australian garnet sand seems a lot more expensive than the conventional slag products used for blasting “however, only on a straight tonne for tonne price comparison,” explains Torsten Ketelsen. “If you look at the much higher product efficiency and consider the recycling aspect, garnet is clearly more effective.”

Initially there was strong resistance from users to the change to garnet, however small orders were secured and in 1989 the first bulk shipment headed from Geraldton for the United Arab Emirates. With a full load of 2,500 tonnes of GMA Garnet on board, the Danish freighter *Elite Princess* sailed up the Dubai Creek right through the city of Dubai – the first major success for the Australian garnet sand and the start of a new chapter in the global trade for GMA Garnet. From then to the end of the 1990s, the sales of GMA Garnet climbed to over 100,000 tonnes.

FROM LYNTON TO HOSE

GMA Garnet is extracted in open cast mining along the West Australian coast. Up to 40 per cent of the mineral sand in the Hutt River region at Port Gregory consists of the mineral, garnet. From 1975 until 1998 GMA Garnet Pty Ltd mined the company’s freehold Lynton land. Then a new state-of-the-art wet processing plant was built on the property leased from the Hose

family along with the mining rights and now all mining is concentrated on the Hose mine.

The Hose mine is operated around the clock in three shifts, six days a week. Mine Manager Dean Clarke has run GMA’s mining operations for 27 years. His father Ray pioneered the original dry plant on the Lynton property and later on in Geraldton along with Martin Taylor. With some pride he points out the impressive crater from where the dune sand is extracted by excavators and front-end loaders from a depth of up to 36 metres and carried to the top in dump trucks. The sand is fed into the wet plant by conveyors at the rate of 300 tonnes per hour. The wet plant separates the heavy minerals garnet and ilmenite from the residual material like sand, sea shell remains, stones and sediment. For this process only water and gravity are required.

After a long and winding journey through a labyrinth of spirals and pipe lines, some 60 tonnes of high grade mineral concentrate are produced in this process of washing and hydro screening every hour. The wet concentrate contains 90 per cent garnet as well as small amounts of ilmenite and other minerals.

The separated sand and all other residue from the process are trucked back to the mine, dumped into the mined crater and shaped back to their original contours. Finally a layer of original top soil is spread out over the mined area and in no time the rehabilitated area turns back to its original state with acacia and native flora. When mining here is completed in years to come, there will be no visible signs that there has ever been any such activity and sheep and kangaroos will share the grazing land as they have done for decades before.

The wet-processed garnet concentrate is stock piled in huge pink heaps to allow excess water to drain before it is transported by truck to the next processing phase in the dry processing plant in Geraldton, some 100 km to the South of Port Gregory. The wet concentrate



Board of Directors Garnet Arabia, Saudi Arabia, June 2007. From left: S.A. Nizam (Managing Director Garnet Arabia), Adel Al Suhaimi (President Garnet Arabia), Torsten Ketelsen.



Oil and Gas Show, Malaysia, June 2005. From left: Torsten Ketelsen, Malaysian customer, Ya Mahmoud (Executive Director of GMA’s South East Asian Distribution Syawaja Sdn Bhd).



The GMA Dry Plant team at Geraldton.



Aaron Williams, President GMA USA Corp and Group General Manager.



Official Opening of the Garnet Arabia Company Bulk Handling and Processing Plant, Jubail, Saudi Arabia, December 2006.



General Manager GMA Dubai B.R. Giresh (third from right) and Torsten Ketelsen at the GMA plant in Dubai.



is fed into large gas fired rotary dryers where any remaining moisture is extracted. After a process of magnetic separation and screening, the various GMA Garnet products are packaged into 25-kg paper bags and 2-tonne bulk bags or transported in loose bulk to GMA's own port storage sheds in the Port of Geraldton.

GMA 80 Mesh, the world's most popular WaterJet abrasive, and GMA PremiumBlast, GMA SpeedBlast or GMA NewSteel, GMA's top blasting abrasives as well as a number of speciality grades for a wide range of abrasive applications are shipped from the Ports of Geraldton or Fremantle to customers and distributors in every corner of the world. Also the much smaller quantities of ilmenite, which is a by-product of the garnet processing, is successfully traded worldwide.

The West Australian GMA Garnet grade can be recycled a number of times after each use in the blasting and waterjet-cutting applications. "Over the past 15 years we have developed a comprehensive recycling concept for GMA Garnet," explains Torsten Ketelsen. "Because of the Australian GMA Garnet grain's extraordinary hardness and toughness, they are highly resistant to breakage on impact and the GMA Garnet sand can therefore be recycled up to 12 times, depending on application conditions."

GMA's first industrial garnet recycling plants are operating successfully in Saudi Arabia, Dubai and Italy. The used garnet is recovered and after thorough re-processing is packed as special recycled grade and fed back into the distribution system. The advantage is that the recycled product does not lose any of its superior abrasive capability and the user avoids expensive waste disposal costs after each use. Moreover, the global recycling concept provides optimum usage of a non-renewable resource and allows GMA to increase its global sales tonnage without accelerated depletion of its Australian minerals reserves.

GMA's West Australian garnet resources are the



From left: Adel Al Suhaimi, HE Ali Al-Naimi (Saudi Minister for Petroleum & Natural Resources), Torsten Ketelsen, Riyadh, Saudi Arabia, April 2007.

world's largest proven reserves of garnet mineral. The company is involved in the exploration and development of new global resources in order to ensure that this unique and highly efficient mineral abrasive is available to customers all over the world well into the future.

### THE ROUTE TO HAMBURG

**I**n February 1987, Torsten Ketelsen and Wolfhart Putzier met for the first time in Perth to discuss possible avenues of cooperation between Ketelsen Enterprise and Jebesen & Jessen, and only a few years later the GMA Garnet trade would bring the two companies together.

The invasion of Kuwait in 1990 and the resulting Gulf War brought business in the Middle East to a standstill, and had a dramatic effect on the only recently established business for GMA Garnet in the area. With no end of hostilities in sight, Torsten Ketelsen shifted his focus from the Gulf to the European market. "Initially, I went to Hamburg in August of 1990 and for three months promoted GMA Garnet to the shipyards and related contractors in the Port of Hamburg," remembers Torsten Ketelsen. "I first had to introduce garnet as an



GMA Garnet Team at the Australian Export Awards Ceremony, 2007. From left: Dean Clarke, Michael Gray, Dean Schwarz, Torsten Ketelsen, Martin Taylor, Wolfhart Putzier.

industrial abrasive from scratch and explain the superior capabilities of this product compared to the conventional slag abrasive widely used at the time." Garnet was largely unknown in Europe at this stage. This was to change rapidly in 1991 when Torsten Ketelsen and Wolfhart Putzier formed a joint venture European distribution company, GMA Garnet (Europe) GmbH, embedded in the Hamburg offices of Jebesen & Jessen.

Initially, the young company operated as the authorised distributor for GMA Garnet in Europe. Building on the earlier work done in the Port of Hamburg, the company soon established successful sales in Hamburg and Bremen and the business grew steadily from the beginning. Later that year Andreas Höfner joined GMA Europe as the Sales and Marketing Manager. He was as experienced as he was determined, and the GMA success story in Europe began!

"Our garnet abrasive competed head on with copper slag, a waste product from the local copper smelter in Hamburg, which at the time was the primary blasting abrasive used," says Andreas Höfner, describing the situation in Europe in the early 1990s. Very soon the product's performance and benefits of

the garnet abrasive over conventional abrasives lead to success for GMA Garnet. Companies soon realised that the product performed better, was more efficient and more cost-effective and, most of all, completely environment-friendly. More and more shipyards and contractors in the oil & gas industry – on-shore as well as off-shore – changed over to GMA Garnet in the following years. Garnet successfully secured a small but strategically important share of the huge global blasting market, in particular in those areas with the highest requirement for quality and performance.

It is a different picture in the waterjet-cutting application where garnet today dominates the worldwide abrasive market. "I can still remember when we designed our first sales brochure for GMA Garnet in the early nineties," recalls Andreas Höfner, "there was a 99 per cent focus on the abrasive blasting application. In the meantime, the waterjet-cutting application has made such dramatic development that today, we are selling our garnet products almost entirely into this market segment. Among our largest customers in Europe are WJS-WaterJet Sweden and the Czech company PTV, one of the most important manufacturers of waterjet -cutting systems, which also distributes GMA Garnet in Eastern Europe."

In 2000, Tiziano Cher joined the GMA Europe team and headed the Frankfurt sales office responsible mainly for southern Europe. An internationally recognised waterjet expert, under Tiziano Cher's leadership sales of GMA Garnet in Southern Europe exploded. The business in Italy boomed on the back of increasing use of GMA Garnet for precision cutting of marble and granite.

GMA Europe established a major bulk handling and packaging plant in Antwerp and distribution centres with product stock piles in many strategic locations all over Europe to efficiently service its growing number of customers.



REACHING THE TOP - WITH JEBSEN & JESSEN

In 2001, almost exactly 10 years after the start of their cooperation in Europe, Torsten Ketelsen and Wolfhart Putzier together with Hans Michael Jebesen and Heinrich Jessen established Garnet International Resources Pty Ltd, or “GIRL”, for short.

In the following year, GIRL acquired a 50 per cent share in GMA Garnet Pty Ltd from the Australian Investment company Hancock & Gore Ltd, followed in 2005 by the purchase of the other half of the company by the four partners from the American Barton company. GIRL is now not only the sole proprietor of the Australian mining and mineral processing operations of GMA Garnet but also unites under one roof its global distribution organisation in the Middle East, Asia and the US where Group General Manager Aaron Williams has been based since 2005 to manage the establishment of GMA Garnet USA. Associated companies are Garnet Arabia Co in Jubail, Saudi Arabia, a 50 per cent joint venture with the prominent Saudi Al Suhaimi family and GMA Garnet Europe GmbH in Hamburg, still a joint venture between Jebesen & Jessen and Ketelsen Enterprise of Perth.

GMA Garnet (Middle East) FZE is the group’s wholly owned bulk handling, recycling and regional distribution centre situated in the Jebel Ali Free Zone in Dubai. The business is managed by Gireesh Ragoowanshi who has been a driving force in GMA’s success in the Gulf from day one. In Southeast Asia GMA has achieved strong market penetration and market leadership in the oil & gas services industry together with GMA’s distribution partner Ya Mahmoud of Syawaja Sdn Bhd who has successfully developed the market since 1994. The global

business of garnet sand is vertically integrated under the umbrella of Garnet International Resources. From the mining, processing and finishing to the packaging, shipping logistics and global distribution chain it is all one. This unbroken value chain from the mine to the end-user allows the private company today to quickly react to customer requirements and developments in its markets and to make relevant decisions. The ability to adapt product and production spontaneously to particular market conditions and customer requirements, coupled

with an intimate understanding of the markets, guarantees a market leader position in the global garnet business which will continue into the future.

In 2007 the GMA Group has produced and successfully marketed worldwide well over 300,000 tonnes of high grade GMA Garnet abrasives. Of particular success has been the formulation of products and product compositions for specific customer applications. A full range of technical components and consumables for waterjet-cutting systems has been added and is distributed successfully alongside the GMA Garnet abrasive. Additionally,

the company is making its mark trading other minerals and iron ore for special applications in the global oil and gas industry. “The various activities of the Jebesen and Jessen family enterprise have typically attained market leadership on a regional level. In the case of GMA Garnet we have a number one position on a global scale,” concludes Hans Michael Jebesen. This fact is underscored by the distinction achieved when GMA Garnet won the Australian Minerals & Energy Export Awards in 2007 and Torsten Ketelsen the 2008 Australian Entrepreneur of the Year Award in the Technology and Emerging Industries category.



GMA Garnet is crowned as Austrade’s Minerals and Energy exporter of the year 2007. Torsten Ketelsen and Australian Trade Minister Warren Truss.



Executive Committee members, Perth, November 2005. From left: Steve Clare (Australasian Sales Manager), Wolfhart Putzier (Shareholder and Managing Director), Torsten Ketelsen (Shareholder and Group Managing Director), Jeff Gardner (Marketing Director of Boride USA), Tiziano Cher (Sales Manager Europe and Global Product Manager WaterJet), Aaron Williams (Group General Manager and President GMA USA), Andreas Höfner (General Manager GMA Europe).





Silver junk given to Bodum Export from Jebsen & Co on its 25th anniversary in 1997.

## Chapter Five

# THE BODUM STORY

The Bodum Export Ltd and Bodum Aussenhandels GmbH logo reflects the companies' maritime roots, portraying three traditional Chinese junks at full sail. These companies, with their roots in the 19th century when the Jebsen and Jessen families first joined forces, Bodum Export and Bodum Aussenhandel have developed into suppliers of highly specialised products to markets, both old and new.

Following a decision to separate the export and import activities of Jebsen & Co, Bodum Export was established in Hong Kong in 1972 to house an independent export business. The name Bodum was inspired by a small town close to Aabenraa. The story goes that, while discussions were underway about forming the new company, Michael Jebsen was forced to stop over in Bodum to fix a flat tyre, and the name stuck in his mind. He decided it was the perfect name for the venture, not least because it rolls off the tongue in English, Danish and German.

Bodum Export was founded to trade in textiles and sundries. It has evolved into a design and development company and today specialises in clothing for teenagers and children, a highly profitable sector. "This niche market has become a successful business that pays dividends," says Jeff Berkshire, Managing Director of Bodum Export.

Founded in Hamburg in 1969, Bodum Aussenhandel was initially the liaison office and communication centre for the European activities of the Jebsen & Co Export Division, and was later used as a service centre for Bodum Export staff when travelling in Europe. Today the two businesses, Bodum Export and Bodum Aussenhandel, operate as completely separate entities, but they do share logo, shareholders and management. Jan von Doetinchem, who joined Jebsen & Co in 1963 and Bodum Export in 1972, is Senior Managing Partner of Bodum Export, and also runs Bodum Aussenhandel. In Hamburg he is supported by Karsten Erbo, Director of Bodum Aussenhandel, who joined the company in 1983.



BODUM AUSSENHANDEL

Bodum Aussenhandel has evolved into an export and sourcing company for highly specialised automotive parts, technical machine parts and sanitary and cooling units. The automotive division focuses on the tuning of sports and touring cars, with particular emphasis on the Japanese market. The second line of activity concentrates on technical machinery for export to Sri Lanka where Bodum Aussenhandel established its own office over 25 years ago, specialising in packaging for the food and beverage industry, as well as complete poultry processing lines.

More recently, Bodum Aussenhandel established a focused sourcing business, providing the trade in sanitary and cooling units with a complete service that sources from factories in China and delivers to distribution centres in Germany. “We turned the tables,” says Jan von Doetinchem, “and started importing air conditioners from China to Europe.”



Albert C. C. Lai (Manager of Bodum’s China Trade Division) and Jan von Doetinchem in Bodum, Denmark, 1978.

BODUM EXPORT

After World War II the Jebsen & Co Export Division resumed operations under the management of Hans “Rastus” Schneider in Hong Kong. He had run the Export Department of Jebsen & Co in Canton since 1926. The night before the Japanese occupied the city in October 1938, he escaped to Hong Kong but later returned to the mainland to keep the Jebsen & Co Export Department in Shanghai ticking over during the Japanese occupation. After the war, he moved to Hong Kong to run the newly established Export Division there. Over the years he became known as “Mr Canton Fair” due to his regular appearance at the Canton Trade Fair, which first opened its doors in 1957.

“Rastus Schneider had a most profound knowledge about our products and he had built up the special relations required for doing business in China,” says Helmut Lührs, who joined the Jebsen & Co Export Division in 1965 and later became head of the Jebsen & Co Siemens Division. The products, so-called “Traditional Chinese Goods”, of which Rastus Schneider was so knowledgeable, included honey, cotton waste, tobacco leaves, goat skins, hemp, tannic acid, citronella oil, eucalyptus, plywood, window glass, peanuts, apple rings, walnut meat and even human hair.

In the early 1960s the company started exporting Hong Kong manufactured goods. In a very short space of time, Hong Kong had become the world’s largest producer of cheap mass-market consumer products and now it was up to the company to take advantage of this opportunity. Department L (for local) was established within the Export Division to focus on items such as clothing and textiles, plastic toys and flowers, umbrellas and sunshades, electronic goods, scientific instruments, wigs, handbags, locks, keys, lighting fixtures – and much more.

But in spite of its growing business, the Jebsen & Co

Export Division was also a source of contention: not only was there stiff in-house competition with the Import Department of Jebsen & Jessen Hamburg, there was also a conflict of interest with Jebsen & Co operating as both an exporter and a shipping agent. Principals such as Hapag-Lloyd were concerned that Jebsen & Co’s Export Division could view the volume and contents of their shipments because the Hapag-Lloyd bills of lading from Hong Kong bore Jebsen & Co’s signature. On top of these concerns there was a growing awareness throughout the company that, in the interest of maintaining competitiveness, import and export activities had to be clearly separated. These factors contributed to the partners’ eventual decision to divest Jebsen & Co of all direct export dealings.

Bodum Export was established in Hong Kong in June 1972, with Arwed (AP) Peter Jessen, Oswald Putzier, Michael Jebsen and Hans Jacob Jebsen as partners, and Jan von Doetinchem and Oswald Putzier as Managing Directors. “Mr Oswald Putzier and myself were able to quickly resolve previous problems between Jebsen & Jessen Hamburg and the Jebsen & Co Export Division once Bodum Export was established,” says Jan von Doetinchem. “From that moment on business ran smoothly and developed well.”

DESIGN AND DEVELOPMENT

When Jeff Berkshire first joined Bodum Export in Hong Kong in May 1977, the office had three departments, Textiles, China Trade and Sundries. Although textiles had been the backbone of Hong Kong’s industrial revolution in the mid-20th century, some of the bigger local firms had already begun to shift garment production to neighbouring Asian countries as early as the 1960s, as a means of getting around quota restrictions. When China began to open up in the late 1970s, many companies opened factories in Guangdong

province, just over the border from Hong Kong’s New Territories, where labour was cheaper and production costs lower.

The company’s Sundries Department dealt in PVC rain jackets and trousers, toys and electronic components. The China Trade Department dealt in a wide range of miscellaneous items, ranging from light industrial products, minerals, animal by-products, arts and crafts to jewellery. However, as China opened up and asserted greater control over its own business affairs, Bodum Export dispensed with the China Trade Department and wound down Sundries. Instead, it turned to the design and export of high quality children’s garments for the European market. Johnny Cheng, who joined the company in 1969 and managed the Textile Department until 1983, played a major role in convincing local suppliers that to upgrade quality standards and garment design was vital for future business. “The nature of the business changed from that of a trading company, to its current profile of a design and development company,” says Jeff Berkshire,



Product inspection at the Bodum office, Hong Kong.



“and we spend a tremendous amount of time and money today on fashion research to stay up-to-date and track down emerging trends.”

By keeping a finger on the pulse of the global fashion industry and in co-operation with professional design companies and the in-house designers of their large customers, Bodum Export today designs, oversees the manufacture of and delivers garments to customers’ desired specifications. Production takes place in China where the company has established firm relationships with manufacturers. These relationships were strengthened immeasurably when Jeff Berkshire helped Chinese factory owners acquire state-of-the-art machinery from closed-down factories in Europe during the early 2000s. He used his industry contacts in the United Kingdom to find out when major factories were going bankrupt, and then helped the Chinese factory owners to buy the very latest machinery at a fraction of the cost of new machines. Bodum Export also provided the Chinese factories with technicians on short-term contracts to teach factory staff how to use the new machines. Dicky Hui, who joined the company in 1975, was instrumental in the process of helping to convince Chinese factory owners that these major investments were worthwhile.

Jeff Berkshire started his career in Britain’s garment industry, a background which serves him well today as some of the company’s clients are UK department stores and specialist fashion chains. Bodum Export specialises in teenage and children’s clothing, but also designs, makes and delivers clothing for all ages, from adults’ garments right down to baby wear. Over the past 10 years there has been a growing trend – especially in the UK but noticeable all over Europe – that children’s clothing is becoming adult clothing in miniature. “This is an interesting development and our company has adapted accordingly,” says Jeff Berkshire.

Bodum Export moved to new premises in

Metroplaza in Hong Kong’s New Territories in 2006. The bright office environment reflects the positive mood of the two dozen staff members, most of whom have been with the company for many years. Even though it is a relatively small team, their combined service with the company adds up to more than 500 years.

### ALLTRADE INC – INTO AMERICA

In the mid-1980s, Jan von Doetinchem’s field of operation was expanded, geographically as well as operationally. When the M. Jebsen shipping line’s fleet was sold, the question arose as to what should be done with the proceeds. The decision was made to diversify, in order to spread risk, by moving into what was perceived as an interesting and potentially promising new market, the United States. The money was invested in Alltrade Inc, USA, a company which distributed tools.

Jan von Doetinchem was appointed Chairman although he retained his responsibilities with Bodum Export and Bodum Aussenhandel.

Alltrade Inc, based in Long Beach, California, was founded in 1979 by George and Vera Hillinger and their nephew, Andy Livian. The company imported, as it still does today, a complete line of hand tools, tool kits and air tools for the DIY and automotive markets. Alltrade’s corporate philosophy, family-owned heritage and entrepreneurial spirit struck a chord with the Jebsen and Jessen partners; it matched the ethos instilled in their own companies.

The investment proved fruitful in the early years but by the 2000s, business conditions in the US had changed. The decision was taken to withdraw from the market in 2002. The Jebsen and Jessen family shareholders sold their shares in Alltrade Inc after almost two decades of successful co-operation.



Jeff Berkshire (second from right) and his team in design discussions, Hong Kong, 2008.





Postcard of Aabenraa, early 1900s, showing the main thoroughfare of Aabenraa which was named in honour of Michael Jebsen's (1835–1899) efforts in supporting his hometown. The captioned location is today occupied by the headquarters of the M. Jebsen shipping line and Jebsen & Co A/S.

# HOME WATERS

Aabenraa is a town situated at the head of the Aabenraa Fjord on the southeastern coast of Jutland in Denmark. Today a bustling town, it still retains an old-world charm, and an almost mediaeval atmosphere pervades its quiet, old centre. First mentioned in the 12th century, Aabenraa was granted a charter in 1335 and grew from a fishing village into a thriving port in the 17th and 18th centuries. Surviving mediaeval landmarks include the 13th-century church of St Nicholas and the Brundlund Slot, a castle that can be traced back to the early 15th century.

Two families who contributed to the prosperity of the city in the past and continue to do so today are the Jebsens and the Jessens. Aabenraa was home to the founders of the Jebsen and Jessen family enterprise, Jacob Jebsen and Heinrich Jessen, and has since the early beginnings of the company been the base for their home office. The group's Danish enterprise Jebsen & Co A/S was originally established in 1919 as an affiliate of the Hamburg office. Today, the company specialises in trading in high quality work protection products, and forms part of a newly established holding company, Jebsen & Jessen A/S. Established in 2007 by Hans Michael Jebsen and Peter Jessen, Jebsen & Jessen A/S aims to invest in owner-managed organisations and to assist the owners in developing their companies

The Aabenraa office also oversees the Michael Jebsen and Arwed Peter (AP) Jessen foundations, established for the purpose of maintaining the Jebsen and Jessen family estates, as well as the group's archives and museum. These foundations also make donations to charities, as well as cultural and educational organisations, continuing the philanthropic work of the two founders.

Also located in Aabenraa, although not directly associated with the Jebsen and Jessen family businesses is the M. Jebsen shipping company, founded in 1878 by Michael Jebsen senior. In the late 1970s, during the energy crisis, the company divested out of shipping and diversified into commercial and residential properties in Aabenraa.





Jebsen residence “Lensnack”, built in 1907–1909 by the renowned architect and designer Anton Huber.



Jessen residence “Laimun”, completed in 1909 also by Anton Huber.

## JEBSSEN & Co A/S

In 1919, Jacob Jebsen returned to his home turf from Australia where he had been held as a British internee. Instead of the planned six months, he had been absent for five and a half years. Heinrich Jessen, who had spent the war years in Denmark and Germany, met Jacob in Hamburg and accompanied him home.

Soon after, they set up a branch office of Jebsen & Jessen Hamburg in Aabenraa. The company exported European goods to China and fostered business relations with countries with whom Germany was, at the time, still at war. Besides its small-scale

trading activities, the Danish office was also used as a base by family partners when visiting Denmark.

With the outbreak of World War II, business came to a virtual halt. Jacob Jebsen died in Aabenraa in 1941, leaving Heinz Jessen, son of Heinrich Jessen, as sole owner of the Jebsen and Jessen businesses. Heinz Jessen spent the war years in Shanghai, and died there in 1944, only four months after signing a new partnership agreement with Michael Jebsen, son of Jacob Jebsen. When Germany and Japan surrendered at the end of World War II, Michael Jebsen was faced with the task of rebuilding what was left of a formerly thriving company in Hong Kong, China and Europe.

From the ruins of the war, Christian Koberg, Director of the M. Jebsen shipping line and a family friend, geared up to sort out the trading company’s affairs in addition to running the shipping line. In 1946, Jebsen & Co A/S was registered as successor to the branch office established in 1919. Business activities soon resumed. Steered through the 1950s and 1960s by Carl Offersen and later Curt Jertrum, Jebsen & Co A/S traded in goods such as fireworks, textiles and, more importantly, work protection products, with a main line in gloves. Otto Sternkopf, who joined Jebsen & Co in 1952 in Hong Kong and moved back to Denmark in 1963, says: “Most of our time was taken up by the duties

we had within the M. Jebsen shipping line, whereas the business activities of Jebsen & Co A/S were on a fairly limited scale.”

Jebsen & Co A/S’s shift of focus into the work protection materials market began in the late 1980s. The company worked closely with a department of Jebsen & Jessen Hamburg which specialised in such products, and which was, at the time, one of the biggest importers of protective work gloves in Germany. In 1989, Jebsen & Co A/S took over their entire work protection clothing import business. At this time, however, they were mainly involved with low cost products where quantity was more important than quality.





The old office building of the M. Jebsen shipping line and Jebsen & Co A/S, Skibbrogade, Aabenraa. The building today houses the group's museum.



Porticus above the entrance to “Lensnack” depicting the “three fish” emblem, flanked by two guardians.



The 18th century Jessen family home, Kirkeplads, Aabenraa.



“Singapore Merlion” in the garden of “Laimun”.



Chinese patron of the literatures, 19th century silk painting, displayed in the dining room of “Lensnack”.



Plaque on the old Jessen family home in Aabenraa.





Meeting of directors of the old shipping company and trustees and advisors of the families' foundations in Denmark, Aabenraa, 1993.  
 Front row from left: AP Jessen, Michael Jebsen, Hans Michael Jebsen.  
 Back row from left: Markus Jebsen, Hans Becker, Peter Dahl, Jacob Christian Jebsen, Bettina Jessen, Hans Hennig, Otto Sternkopf, Uwe Petersen.



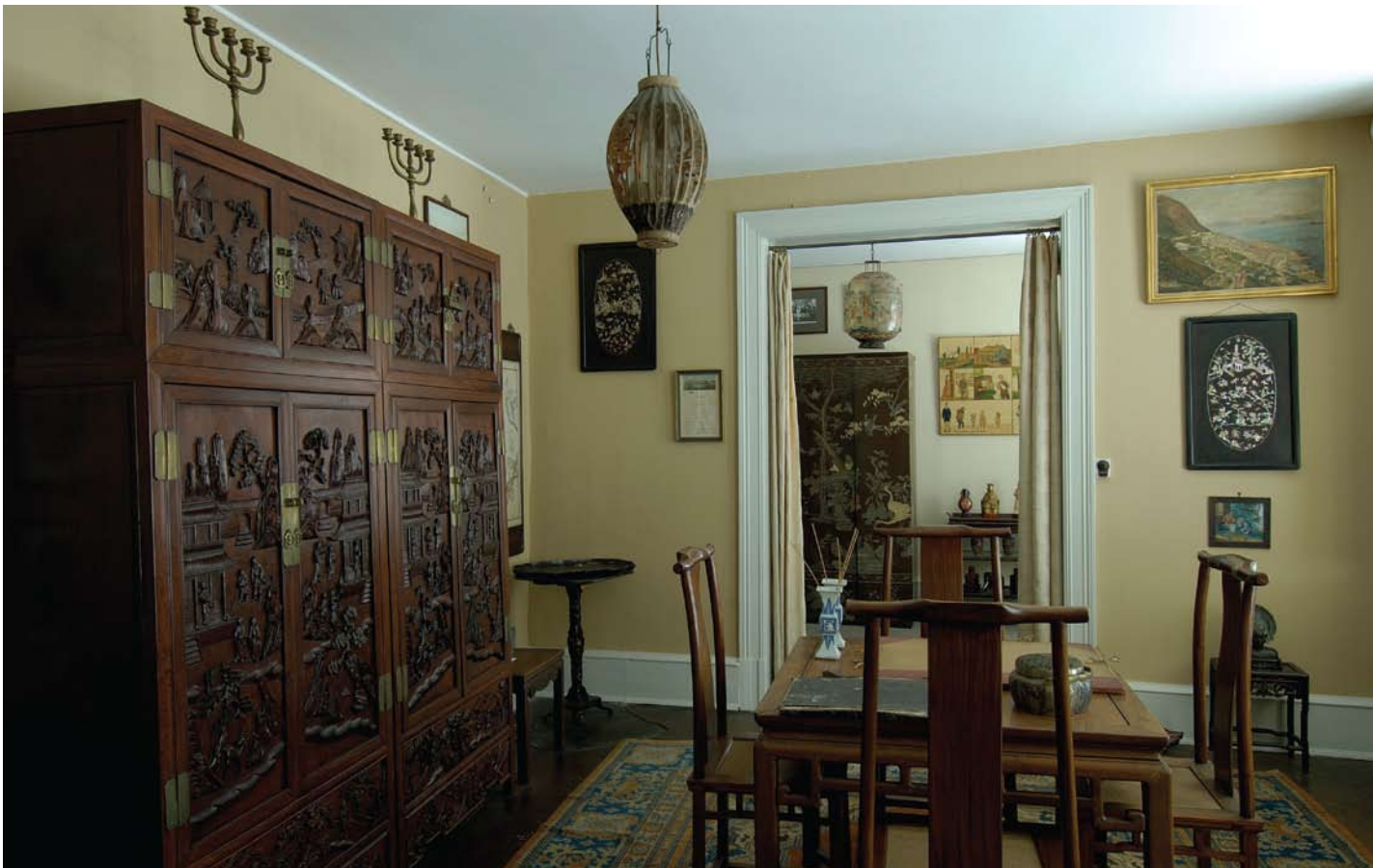
An aerial view of Skibbrogade and Michael Jebsens Plads, Aabenraa, showing the headquarters of Jebsen & Co A/S and Rhederi M. Jebsen A/S in the upper centre.



Reception on the occasion of the retirement of Hans Schlaikier and Erik Møller from the Jebsen & Co A/S board of directors, "Lensnack", March 2008.  
 From left: Hans Schlaikier, Erik Møller, Per Friedrichsen, Hans Michael Jebsen, Peter Jessen.



The interior of the old office building of the M. Jebsen shipping line which today is the group's museum.



Interior of the group's museum.



# TRANSITION PERIOD

The company's move into the high end of the protective materials market was underway when Hans Schlaikier joined as Director in 1998. Hans Schlaikier had joined Jebsen & Co in Hong Kong in 1963 and headed the Chemical Division from 1971 until joining the Danish company. During his tenure Jebsen & Co A/S built a reputation for quality work protection materials throughout Denmark. Hans Schlaikier describes the transition Jebsen & Co A/S has seen over the past almost 20 years: "We repositioned ourselves and today our name stands for the best products on the market."

In the late 1990s, the company opened its new warehouse to handle storage, repacking and distribution. A major milestone was achieved in 2002 when Jebsen & Co A/S took over ArSiMa. One of Denmark's leading suppliers of safety equipment founded by Henrik Haubroe in 1946, ArSiMa originally supplied skincare products to industrial clients. When Jebsen & Co A/S took over the company it was decided to keep the renowned name ArSiMa, ensuring a smooth merger. Today the two companies supply a range of working clothes, safety shoes, respiration equipment, industrial safety technology and environmental technical measuring equipment.

A more recent milestone for Jebsen & Co A/S was the establishment of a comprehensive risk-analysis process for factories, including those in the chemical industry. This venture was set up in partnership with one of the principals of Jebsen & Co A/S, KCL of Germany. Per Friedrichsen, Managing Director of

Jebsen & Co A/S, describes the concept: "We enter a factory and analyse exactly where workers are in contact with chemicals and what protection they need to prevent them coming to harm. We supply our clients with a complete package covering every aspect of job safety – a highly professional service that clearly distinguishes us from our competitors."

With the formation of the holding company Jebsen & Jessen A/S in 2007 and together with a 50 per cent acquisition of a company active in providing shop equipment, the group's business activities in Denmark expanded exponentially. Heine Askær-Jensen has been spearheading this development as Managing Director of the holding company since 2008. Peter Jessen, Chairman and shareholder of Jebsen & Jessen A/S, is confident about the future of the newly established entity: "We currently hold investments in several companies including Jebsen & Co A/S and we aim to combine a number of companies under this corporate roof in the future," he says. "We are looking for family-owned companies that are not only leaders in their individual fields, but also share our values."

Displayed on the right is the Aabenraa office building "Postmestergården", which hosts Hans Michael Jebsen's real estate companies "Stenbjerg Ejendomme A/S" and "Ejendomsselskabet Stentoft A/S". The companies invest primarily in historical, residential, heritage buildings in Denmark that are worth preserving but have fallen into disrepair. From small beginnings these activities have taken on a sizeable format. In 2000, Hans Michael Jebsen established a foundation "Fonden til bevarelse af gamle bygninger på Løjt Land". The purpose of the foundation is to provide financial support for restoration works of historical buildings on the peninsula of "Løjt Land", from where the Jebsen family hails.





# REWARDING SUCCESS



When two cousins got together to set out on a journey to form a business centred in Asia, they were propelled by a joint enterprising spirit and a joint vision to create a lasting platform for their families. Together with trusted colleagues, partners and associates they shaped what they were aiming for: a rewarding success.

Little did they know then, however, what it would take in terms of endurance, patience and persistence to steer the company ship through a century of promise and historic challenges of enormous proportions.

Today we can reflect on over a century of growth, prosperity, setbacks and challenges. Past generations had to rebuild the group from the aftermath of two devastating world wars and historic developments that shook and shaped today’s Asia.

This review of our group as it strides into a new millennium is dedicated to the thousands of individuals who in relentless persistence, ingenuity and great loyalty made this development possible and who carry the founders’ spirit of trust, respect and humanity with them daily.

The group owes a huge debt of gratitude to these countless individuals – be it as colleagues, business partners, customers or friends who have provided opportunities, guidance and livelihood for those working under the three-fish banner.

On these foundations we depend today and it is on them that we will confidently build our future.

# APPENDIX

- Shareholding & Structure
- Line of Succession – Jebsen and Jessen
- Index
- Picture Credits
- Acknowledgements



# SHAREHOLDING & STRUCTURE

## Jebsen & Co Ltd

### Core Businesses

- Beverage
- Consumer Products
- Industrial
- Luxury

### Shareholding

Principal family shareholder: Hans Michael Jebsen  
Cross family shareholder: Heinrich Jessen  
Non-family shareholder: Helmuth Hennig

### Board of Directors



Hans Michael Jebsen  
Chairman



Helmuth Hennig  
Managing Director



William Li  
Group Deputy  
Managing Director



Denis Li  
Group Director



Mark Bishop  
Group Director



Trevor Yang  
Group Director



Uwe Petersen  
Group Director



Heinrich Jessen  
Group Director

### Company Directors



Albert Chan  
Consumer Products  
Business Unit



Michael Glover  
Beer Division



Gavin Jones  
Wine Division



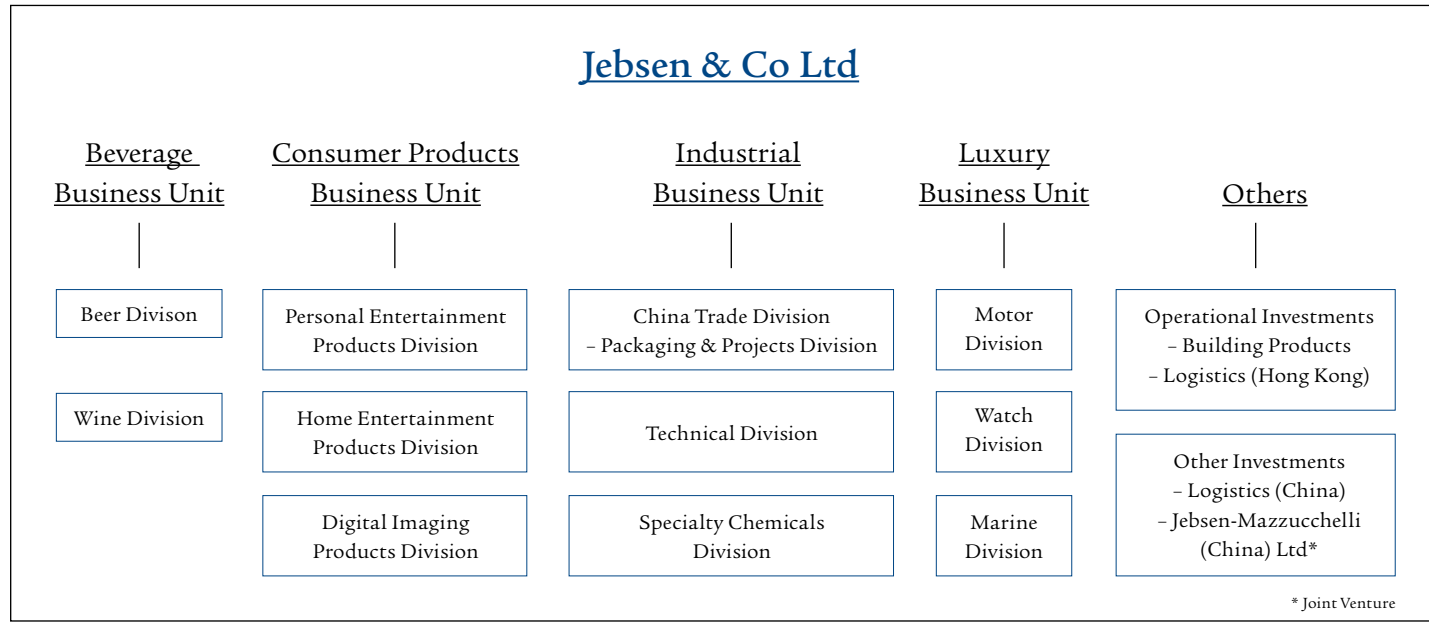
Francis Lau  
Industrial  
Business Unit



Vincent So  
Building Products  
Division



Jimmy Yeung  
Jebsen-Mazzucchelli



## Jebsen & Jessen (SEA) Pte Ltd

### Core Businesses

- Chemicals
- Communications
- Life Sciences
- Marketing
- Material Handling
- Packaging
- Technology

### Shareholding

Principal family shareholder: Heinrich Jessen  
Family shareholder: Peter Jessen  
Cross family shareholder: Hans Michael Jebsen  
Non-family shareholders: Manoj Kumar Beri, Heine Askær-Jensen

### Board of Directors



Heinrich Jessen  
Chairman



Manoj Kumar Beri  
Group Managing Director



Heine Askær-Jensen  
Group Managing Director



Frank Schulz-Utermöhl  
Group Director



Peter Jessen  
Group Director



Hans Michael Jebsen  
Group Director

### Key Management



Chui Tau Siong  
Packaging



Manoj Kumar Beri  
Life Sciences,  
Technology



Hans Ulrich Hansen  
Marketing



Heinrich Jessen  
Material Handling



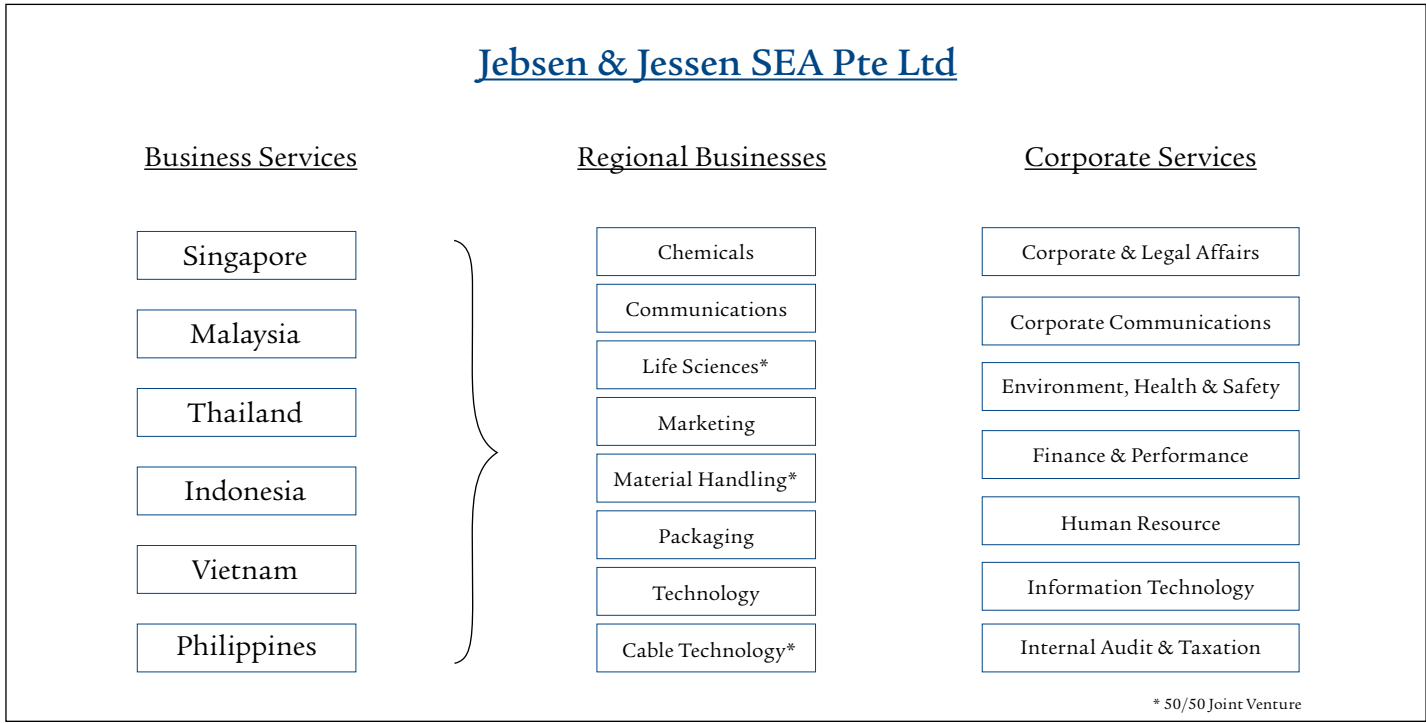
Peter Jessen  
JJ-Lapp Cable



Harry Kok  
Chemicals



Harold Thng  
Communications





# Jebsen & Jessen (GmbH & Co) KG

Core Businesses

- Chemicals
- GMA Garnet
- Textiles

Shareholding

Family shareholders: Hans Michael Jebsen, Heinrich Jessen  
Main non-family shareholder: Wolfhart Putzier  
Non-family shareholders: Michael Goldmann, Michael Schwägerl, Axel Tilz

Management and Board of Directors



Wolfhart Putzier  
GMA Garnet



Michael Goldmann  
Chemicals



Michael Schwägerl  
Textiles



Axel Tilz  
Finance



Hans Michael Jebsen  
Group Director



Heinrich Jessen  
Group Director

# Triton Textile Ltd

Core Business

- Textile Sourcing Services

Shareholding

Family shareholders: Hans Michael Jebsen, Heinrich Jessen  
Main non-family shareholder: Wolfhart Putzier  
Non-family shareholder: Michael Schwägerl

Management and Board of Directors



Michael Schwägerl  
Managing Director



Jens Sorensen  
General Manager,  
Finance & Admin



Kenneth Chung  
General Manager,  
Hong Kong & China



Fred Debets  
General Manager,  
Bangladesh



Teddy Poea  
General Manager,  
Indonesia



Wolfhart Putzier  
Group Director



Hans Michael Jebsen  
Group Director



Heinrich Jessen  
Group Director

# Garnet International Resources Pty Ltd

Core Businesses

- Mining, Processing and Global Distribution of GMA Garnet to the Waterjet-Cutting and Abrasive Blasting Industries

Shareholding

Family shareholders: Hans Michael Jebsen, Heinrich Jessen  
Non-family shareholders: Torsten Ketelsen, Wolfhart Putzier

Management and Board of Directors



Torsten Ketelsen  
Group Managing  
Director



Wolfhart Putzier  
Managing Director



Aaron Williams  
Group General  
Manager and President  
GMA USA Corp



Andreas Höfner  
General Manager  
GMA Europe



Martin Taylor  
General Manager  
GMA Operations  
Geraldton



Tiziano Cher  
Global Product  
Manager



Hans Michael Jebsen  
Group Director



Heinrich Jessen  
Group Director

# Bodum Export Ltd

Core Business

- Textile Design and Development

Management and Board of Directors



Jan von Doetinchem  
Senior  
Managing Director



Jeff Berkshire  
Managing Director



Hans Michael Jebsen  
Board Director



Heinrich Jessen  
Board Director

Shareholding

Family shareholders: Hans Michael Jebsen, Heinrich Jessen  
Non-family shareholder: Jan von Doetinchem

# Bodum Aussenhandels GmbH

Core Business

- Export and Sourcing

Management and Board of Directors



Jan von Doetinchem  
Senior  
Managing Director



Karsten Erbo  
Group Director



Hans Michael Jebsen  
Board Director



Heinrich Jessen  
Board Director

Shareholding

Family shareholders: Hans Michael Jebsen, Heinrich Jessen  
Non-family shareholder: Jan von Doetinchem

# Jebsen & Jessen A/S Jebsen & Co A/S

Core Business

- Work Protection Materials

Management and Board of Directors



Peter Jessen  
Chairman



Heine Askær-Jensen  
Managing Director  
Jebsen & Jessen A/S



Per Friedrichsen  
Managing Director  
Jebsen & Co A/S



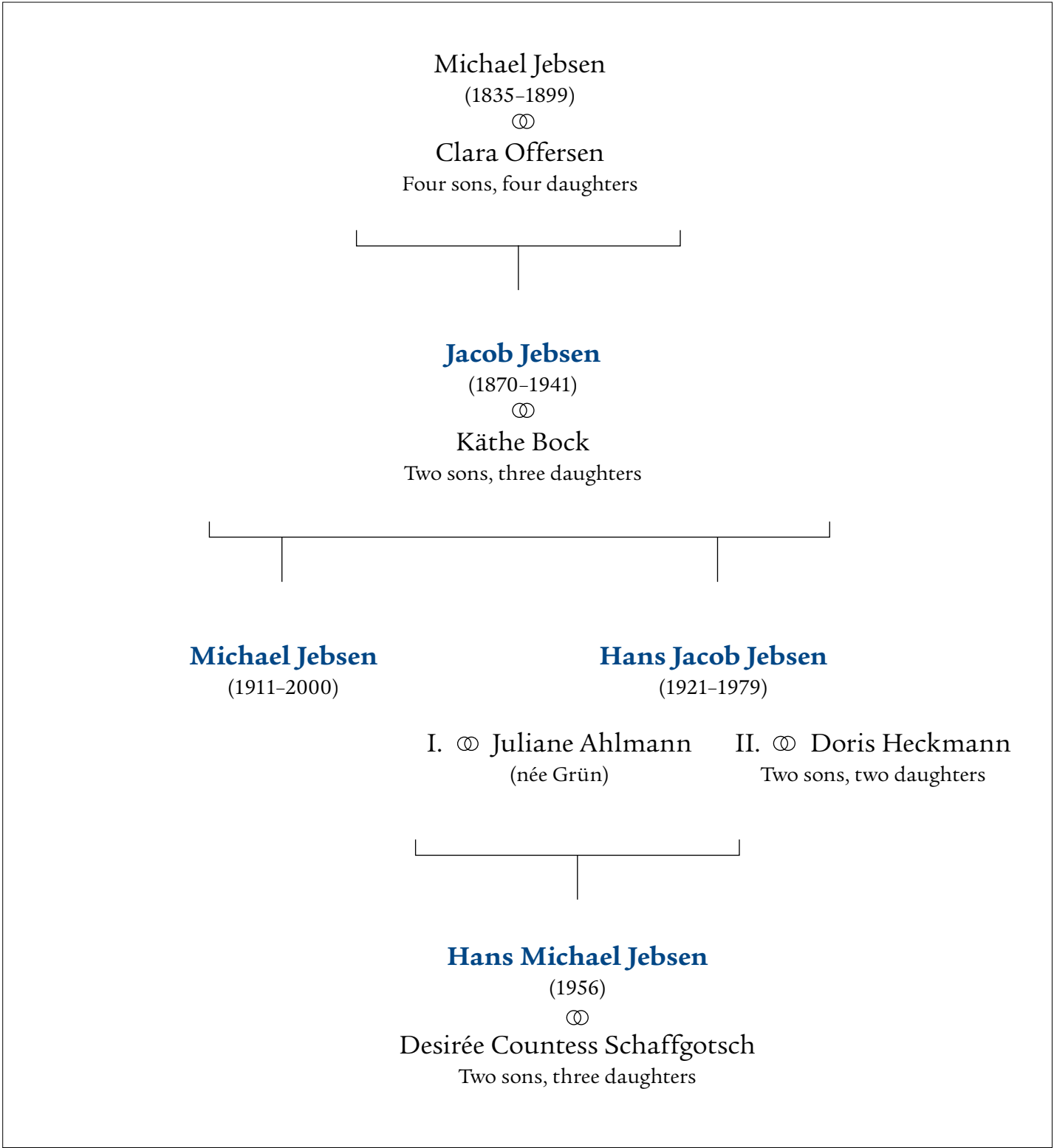
Hans Michael Jebsen  
Board Director

Shareholding

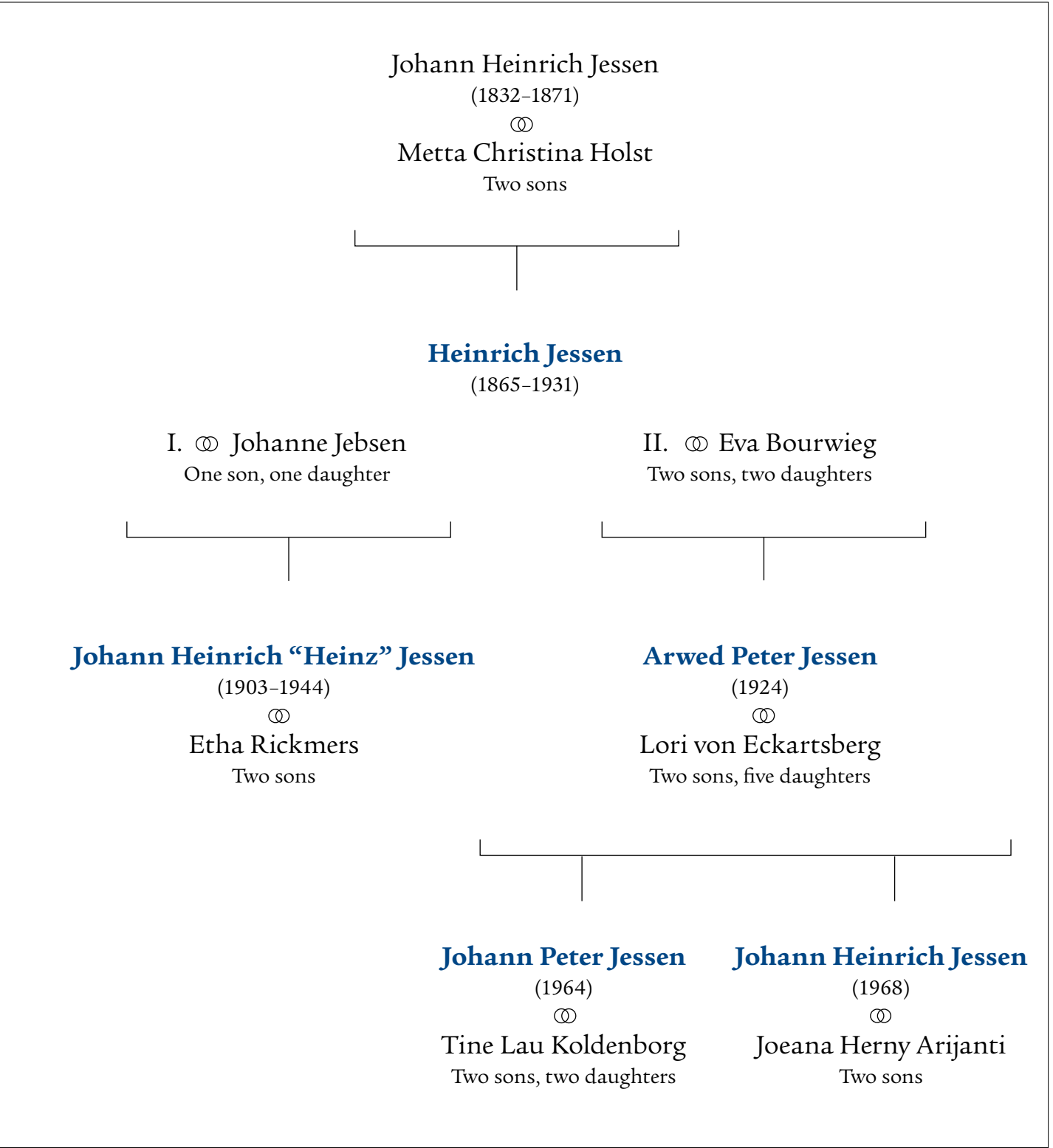
Family shareholders: Hans Michael Jebsen, Peter Jessen



# LINE OF SUCCESSION – JACOB JEBSEN



# LINE OF SUCCESSION – HEINRICH JESSEN





# INDEX



Front row from left:Doris Jebsen (née Heckmann), Irmgard Heyse (née Jebsen), Irmela Mayer (née Jebsen), Michael Jebsen, Amelie von Grolman (née Jebsen), Arwed Peter Jessen, Eva Hildebrandt (née Jessen).  
Back row from left: Helga Countess von Pfeil und Klein Ellguth, Bolko Count von Pfeil und Klein Ellguth, Markus Friedrich Jebsen, Hans Michael Jebsen, Desirée Jebsen (née Countess Schaffgotsch), Dieter von Hanseemann, Heinrich Jessen, Bettina Jessen, John Jessen, Dr Claus-Detlev Brose.

To commemorate the 100th anniversary of Jebsen & Co Ltd Hans Michael and Desirée Jebsen invited members of the Jebsen and Jessen families to a dinner at their residence at Middle Gap Road, the Peak, in Hong Kong on March 4, 1995.

In his welcoming speech Hans Michael Jebsen honoured the founding fathers, the employees and the companions of the company. He said:

*“Our ancestors had to face stormy weathers and some sacrificed their health at a young age. But they overcame all obstacles and strong bonds were formed in difficult times. To live in a distinctly different culture you need cultural empathy and straightforwardness. Those attributes are embedded in both our families, who have their roots in a culturally diverse part of Europe. Only by valuing and maintaining what is ours we are able to appreciate and respect the diversity of a foreign culture. Our families were always modest and down-to-earth which facilitated communicating with people from diverse backgrounds. Today we celebrate the 100th anniversary of the company and 100 years of partnership between the Jebsen and the Jessen families at flourishing times in Asia as well as for the family enterprise.”*

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# Group Photos

*page 70*, H. Wölcken and Tientsin office staff, 1954.

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*page 71*, Jebsen & Co executives of top of Pedder Building, Hong Kong, 1953.

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*page 88*, Jebsen & Co executive staff, Hong Kong, 1988

Front row from left: H.U. Schmidt-Rösemann, H. Lührs, W.T.Y. Leung, U.H. Petersen, H.M. Jebsen, M. Jebsen, D. v. Hansemann, M.Y. Kan, H.B. Schlaikier, W. Brenker  
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*page 102*, Jebsen & Co executive staff, Hong Kong. Photo taken on the occasion of Hans Michael Jebsen’s 50th birthday, November 2006.  
Front row from left: Matilda Ho, Ruby Ng, Jennifer Kho, Werner Brenker, Uwe Petersen, Trevor Yang, Helmut H. Hennig, Hans Michael Jebsen, William Li, Denis Li, Hans Schlaikier, Darryl O’Young (Team Jebsen Driver).  
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*page 136-137*, Management conference Jebsen & Jessen SEA, Malaysia, March 2005.

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*page 149*, Company dinner in 1953.

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