

Forum: “Succession, Innovation and Sustainable Development for Multi-generation Businesses”

25 September 2013

Wu Wenzheng Lecture Hall, Guanghua Building, Fudan University

The honourable Secretary Zhu Zhiwen, President Yang Yuliang, dear members of the University leadership and faculty, students, guests and media members,

Good morning. It is a great pleasure to meet with you again in this building that bears witness to the longstanding friendship between Fudan University and K. Wah Group.

It's also nice to see so many old as well as new faces today. I wish to thank Dean Lu in particular for taking time out of his busy schedule to host this forum. I still remember sharing stories and views on my life in this same lecture hall five years ago, so it's like a continuation from where we left off last time. Today, I have also invited members of the senior management of K. Wah Group to join us and share their views on succession in an enterprise.

I have been in business in Hong Kong and elsewhere for 70 years. I founded the first K. Wah company in 1955. Over the years, I have been involved in different businesses, and I have survived turbulent times. Thanks to the hard work of several generations of dedicated staff, K. Wah Group has continued to grow and stands today as a leading business conglomerate.

“What's the secret of your business success?” So have many people asked. My answer has always been the same: “Make prudent and solid efforts, yet be daring to innovate for progress.” To make solid efforts is to take one step at a time, instead of taking shortcuts to gain short-term interests. To innovate means to do the same task with new methods in order to get better results and avoid making the same mistakes again.

I started to run my own business as a food distributor during my mid-teen years. Subsequently, I diversified to quarrying, construction materials, property development, hotel,

and entertainment, leisure, conventions and exhibitions tourism, growing in scale and variety at each turn. Every move in my business diversification has been conducted in a prudent manner, based on careful assessment of prevailing economic conditions and market trends.

All mega projects and business ventures are developed on a step-by-step basis, building stone upon stone such as in quarrying, land reclamation and infrastructure. Through these efforts, I have developed a genuine desire to contribute to social progress, as well as assembled a team of veteran staff that has stood by me over the years, sharing my vision and goal.

I believe that the prospects of a company are closely associated with the career development of its staff. For the sake of its own well-being and growth, a company should carefully nurture and encourage each and every employee, passing on past experience through different channels, offering opportunities and platforms for them to realise their aspirations, enhancing their bonding with the company and reinforcing their understanding of corporate objectives, so that family members and other employees could work together to form a strong and stable base for human resources.

I believe you all share my feeling that the world today is developing at lightning speed. Under this context, the sustainable development of a business enterprise requires the effect of succession and the effect of innovation to work in a complementary manner. This also underlies our core value.

K. Wah Group has always been keen to recruit, on a global basis, talents and young guns with different expertise who share our vision and philosophy, so that we could seek new developments by integrating experiences of the veteran and ideas of the young in concerted efforts under a mixed management culture integrating Chinese and Western elements.

To cite a few examples from our projects in recent years, the transformation of our construction materials company from a vertical supplier into an integrated eco-friendly and value-added enterprise, the introduction of eco-friendly elements to our property

development projects, the incorporation of the “East-meets-West” philosophy into the management and building design of our hotels, as well as the launch of our unique “Asian Heart” entertainment and leisure business, have all been closely dependent on our employees’ commitment to progress and breakthrough.

In June, Galaxy Entertainment Group Limited (“GEG”), a subsidiary of K. Wah Group which had been in operation for just 10 years, was officially admitted as a constituent company of the Hang Seng Index of Hong Kong to mark a new milestone in the history of K. Wah Group. The success of GEG is a fine example of our principle of “succession and innovation” in operation, a subject that I have been pondering about for a long time.

In retrospect, we can conclude that the success of GEG achieved in a short span of 10 years has been underpinned by the formidable strengths of the parent company’s four principal business segments developed over a period of more than 50 years, as well as the concerted effort of all employees to consistently bring our core values into practice.

Talking about staff, I am pleased to say that GEG, as a young company, has been well-supported by many veteran staff of K. Wah Group, who have brought with them their extensive experience in setting up other businesses for K. Wah Group. They have been working closely with newly recruited talents hired from abroad or domestically to bring the Group’s core value into play and to achieve the common goal.

To be honest, genuine succession with innovation doesn’t come overnight or through a prescribed model. What I can hope for is that the three generations (the old, the middle-aged and the young) of employees can learn from one another and work in concerted effort to seek mutual growth, linking their personal career development with the future of our Group out of loyalty. In this way, we will be able to take K. Wah’s business achievements to a new level.

If I may say so, succession is not just about the accumulation of wealth for the Group; it is in fact an important mission that drives staff motivation and actually contributes to social progress.

You the students of Fudan are the best of the best, and you will be leaders of the new generation. In an age of lightning-speed development, you must work all the harder to enrich your knowledge and be flexible and innovative, in order to broaden your future career path. I believe this is what underlies the motto of Fudan: To learn extensively with steadfast determination; to inquire diligently and develop knowledge methodically.

Amidst all your hard work to equip yourself for the future, please remember to lead a disciplined and balanced life with regular exercise, because physical health is a fundamental condition to any endeavour to achieve success. For those who are a bit concerned that they might not be smart enough, let me say that wisdom and intelligence is more often acquired, rather than born, through learning, exposure and practice.

In you, I can see boundless energy, novel creativity, and carefree young minds. Embark on your own creative ventures with courage and sobriety, and the future will be yours to take!

Thank you.