

Peking University Lectures by Outstanding Personalities of Fortune and Wisdom

24 June 2016

Yangguang Hall, Yingjie Exchange Centre, Peking University

The honourable Secretary Zhu Shanlu, Vice-President Wu Zhipan, dear guests, faculty and students of Peking University and friends from the media,

Good morning. First of all, I must thank Peking University for arranging this meeting. Thank you Secretary Zhu and Vice-President Wu, for your kind introduction.

We are living in a fast-changing world today. Peking University, meanwhile, as a top tertiary institution in China, is heralding the advancement of the world. So it is a great honour for me to be able to meet with you and share my personal experiences and reflections, at this very prestigious venue.

Born and raised in a war-torn era, I was forced to suspend school and start working in my mid-teen years. Those years were marked by a serious lack of food and supplies, while people drifted from place to place for want of permanent and secure homes. So it was never easy to earn for a day's living. From foodstuff, auto parts, machinery trading, land reclamation, road construction and construction materials, to property, hotel and entertainment and leisure, I have always started from scratch and developed my business one step at a time.

Today, as a person with some modest achievements being invited to speak on different occasions, I have often been asked how I have come to cope with changes and achieve success amidst all the challenges I have faced.

To be honest, I am not a scholar that could talk about subtle knowledge. What I can do is to share the principles that I have adopted and have proved essential in my life.

1) Measuring the value of business against the needs of people and society in general

Over the past 75 years, a question that has been constantly begging for answer in my mind is: What does the society need? What do the people need?

I started machinery trading when I saw the demand for machinery equipment in post-war Hong Kong for infrastructure construction; I went into the quarrying business because I saw the demand for construction materials in urban development; I went on to engage in property development for everybody needs a home; I began to run hotels to accommodate travelers as Hong Kong grew into a metropolitan city with strong demand for hotels and tourism; when Macau's economy needed a change, I made a major effort to promote the new model for tourism underpinned by a variety of entertainment and holiday resort offerings.

For decades, I have always been measuring the value and prospect of a business against the needs of other people. In other words, I have built my business in tandem with the development of the society.

Whether as an entrepreneur or an employee, your success is dependent on whether your contributions can benefit other people in general.

2) Adding value through innovation

From Day One, I have always been involved in businesses that are highly competitive.

Others have asked: what's the secret to your success in competition? The answer is that I don't aim to compete. I aim to pursue projects based on my own creativity and insights and to deliver unique value to others through such innovation.

My creativity and insights are not about the invention of new technologies or new products. Rather, I seek ongoing improvements to existing technologies, products and management methods. Things that we take for granted, I try to do them in a better way, in a manner befitting the new requirements of our times.

In the food business, I made products with new flavour using ingredients that everybody could get; in the quarrying business, I pioneered in the modernisation of Hong Kong's quarrying operations and construction materials business by introducing machinery and automated processes as an upgrade to the traditional mode of manual labour; our hotels are characterised by premium services tailored to customers' needs based on meticulous attention to details; in Macau, I broke away from the conventional gaming business and introduced a new model of variety tourism underpinned by resort and entertainment. These innovations have in each case enabled me to bring the entire industry to a new horizon, while assuring ongoing business success for my company.

Identifying and creating newer and more valuable products from existing ones and, by doing this, improving the world and the environment in which we live, as well as creating and upgrading our career path, is an approach that I strongly recommend to all who want to start their own businesses.

So how do we develop our innovative insights? My experience suggests life-long learning and constant reflection for new approaches to improvement, capped by flawless implementation. Even today, I still consider myself a newcomer and spend each day thinking of improvement, like a business starter does.

It takes in-depth research, commitment of substantial resources and perseverance to create a genuine and sustainable new business. We must set sight on the future needs of the people and pursue our goal in a pragmatic manner.

3) Seeking prudent progress with a pragmatic approach

In order for innovative endeavours to be effective and sustainable, they must be supported by a stable business regime. In this way, we would be able to progress with a pragmatic and calculated approach.

The people who achieve genuine success are those who reflect deeply enough upon past failures and who do well in risk management. In order for your success to sustain, it is imperative to exercise critical judgement and be risk conscious at all times. Let's say I am in a position to launch ten projects. In reality, I would probably launch only five of them, for the sake of prudence. In this way, I won't lose all my stakes in the event of unexpected adverse developments.

In the course of business development, quality comes before quantity, and a solid foundation is more important than fast expansion. Take Galaxy Entertainment Group ("GEG") for example, we started as "city clubs" as we sought to familiarise ourselves with this market when we first set foot on Macau about ten years ago. The StarWorld Hotel was established only after we had gained a firm foothold. Thereafter, we started to enjoy strong market reputation with our "Asian Heart" services, and we responded by developing Phases 1 and 2 of Galaxy Macau™, a mega-size resort complex, to support Macau's initiative of transforming itself into a world centre of tourism and leisure. The facility has been vastly popular among tourists from around the world, as testified by back-to-back winning of the honour of "World's Best Resort". Hence, my practical experience has proved that, in anything we do, we must

first secure quality, stability and sustainability. Only then can we talk about scale, speedy expansion and market leadership.

4) A blend of Chinese and Western characteristics underpinned by moderation

Whether scientific systems of Western countries are superior to eastern cultural approaches in the management of a business, or whether the contrary is true, has been a frequently debated subject. I tend to think that we should integrate Chinese and Western elements.

Western countries have been more advanced in corporate management and business operations. Hence, during the early years of K. Wah Group, I actively introduced Western management systems to enhance our efficiency. Expatriate professionals were hired to assume senior management positions, while my children and certain outstanding employees were sent to study abroad. When we started our hotel business in the 1980s, we cooperated with world-renowned hotel brand names under a franchise model to ensure the provision of superb services through a standardised management system.

All these initiatives have been working with great effectiveness. However, I am by no means a totally westernised businessman. Quite the contrary, I am very enthusiastic in propagating traditional Chinese culture. Today, globalisation has become a much publicised concept. As far as I am concerned, globalisation means integration with the world without losing one's own characteristics. Hence, I believe the integration of Chinese and Western elements is a viable solution: we should inherit the core values in traditional Chinese culture while applying scientifically stringent Western systems. We manage business with systems, but we groom people with our hearts.

Peking University is a cradle for future leaders. I sincerely look forward to your leadership in the future world in terms of grooming talents and even shaping values with a vision that integrates Chinese and Western characteristics, such that you would contribute to the fostering harmony and goodness as the world continues to thrive and prosper.

Every business venturer craves for commercial success. But commercial success is just part of the success in life. A genuine entrepreneur should go further than pursuing excellence in business results through decent and proper operations. He or she must also seek to share the fruits of achievement and make contributions to the overall progress of the society.

I am deeply convinced that the sustainable development of a company is closely related to the continuous progress of the society. Over the past decades, my company, as well as myself in a personal capacity, have been consistently involved in public affairs and charitable causes. Even during difficult times, our concern for education, medical care, technology, culture and sports has never ceased. I believe that this is one of the important reasons why K. Wah Group has been able to sustain and stand tall through the years.

However, I have become increasingly worried about sustainable development and the moral aspect of our civilisation after traveling through the world over the years.

We have achieved unprecedented progress in materialistic wealth and technology, but we have also created disharmony and crises such as ecological imbalances, class division, escalating social conflicts, political strife, wars and violence, all of which are pointing to an ominous future. Anxiety and unrest have become a common symptom for modern men and women.

All these problems have arisen from the greed in human nature and deficiencies in morality. There are problems in our system of values. Therefore, in addition to making donations to charity programmes, I have also committed more resources to the betterment of morality and the protection of sustainable development.

I hope that our society is rich not only in economic wealth, but also in spiritual well-being, and that our technological advances would be complemented by blossoming cultural developments. This would be achieved only through actions out of genuine belief, which requires the drive and inspiration of exemplary role models.

With this in mind, I set up the “LUI Che Woo Prize – Prize for World Civilisation” with HK\$2 billion last year to reward exemplary models in moral values and sustainable development on a global basis across nations, races and religions, with the aim of promoting social harmony, positive life attitude, and positive energy.

Peking University is the cradle to scholarly achievements in humanities and technology, the temple of knowledge guiding Chinese civilisation and ideology. I sincerely look forward to the university leadership, academics and students to assist in the development of the Prize. A small step in this direction, however trivial it might seem, would oblige me beyond words and stand as an act of goodness as part of the Chinese effort to foster harmony in the world.

The idea of “harmony in sharing” is what I want to share with you most. There are people who spend most of their energy chasing fame and fortune, but it’s simply not possible for everyone to achieve that. Isn’t spiritual peacefulness and inner happiness more important? When we work hard towards our goals, we should always be practical in our expectations and keep ourselves happy. Forget about competition and strife, respect one another and share goodness of harmony and tranquility, as well as the precious gifts of the Earth. The strife for fame and fortune always leads to

worries, but a happy and peaceful mind is something that everyone can nurture in him/herself. The pinnacle of fame and fortune is also the beginning of worries. Why must we strive for anything? Isn't it better to enjoy a peaceful mind?

Our Chinese dream would come true only if we take actions to realise our dreams undeterred by the prospect of failure, so that change would become visible. Thank you.