

## Press Release

*[For Immediate Release]*

# **Dr Lui Che-woo, Chairman of K. Wah Group visits Fudan University to share insights on corporate succession and unveil a newly renovated historical building**

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(Hong Kong / Shanghai, 25 September 2013) Dr Lui Che-woo, Chairman of K. Wah Group (the “Group”) and a Board member of Fudan University (the “University”), together with Mrs Lui and more than 40 senior management of the Group visited the University. The purpose of the visit was a forum themed “Succession, innovation and sustainable development for multi-generation businesses” in which Dr Lui, Paddy Lui, Executive Director of K. Wah International Holdings Limited (“KWIH”) and Galaxy Entertainment Group Limited (“GEG”), and Joseph Chee, Executive Director of GEG and Managing Director of K. Wah Construction Materials Limited, shared their views with more than 400 teachers, students, guests and staff.

Prior to the forum, an unveiling ceremony was held for a newly-renovated historical building sponsored by Dr Lui. The building, known as the Little White House, was once home to the School of Mathematics and Sciences and considered to be the first school of psychology in the Far East. Among the officiating guests were Dr and Mrs Lui, Zhang En-di, Vice Chairman of the Shanghai Committee of the Chinese People’s Political Consultative Conference, Zhu Zhi-wen, the Secretary of Party Affairs of Fudan University, and Yang Yu-liang, President of Fudan University.

The building is renamed the Lui Che Woo Building, carrying on the traditions and aspirations of the University. Former university leaders including Qin Shao-de and Wang Sheng-hong along with Chen Yin, a leader from Yangpu District, Li Qun-ce, Deputy Chairman of Shanghai Chinese Overseas Friendship Association, Wang Jian-min, General Secretary of Shanghai Chinese Overseas Friendship Association, Tang Hai-an, Deputy Head of Yangpu District, and other leaders of the University including Chen Xiao-man, Wan Xiao-lin, Xu Zheng, and Feng Xiao-yuan attended the ceremony, along with Board Members, teachers and students.

At the forum, Dr Lui shared his management insights gained from the development of K. Wah Group, which he founded nearly 60 years ago and has now become a multinational conglomerate encompassing construction materials, properties,

hospitality and entertainment and leisure businesses, with over 200 subsidiaries and 20,000 employees worldwide. He introduced the current situation of the succession of family-owned businesses in Mainland China and Hong Kong as well as the ongoing challenges and opportunities of succession and innovation. Dr Lui outlined his succession philosophy, core values and management style of his Group with the audience, and shared his experiences and vision in the sustainable development of a family-owned business.

Dr Lui also expounded on the political, social and cultural factors that dictate the fortunes — “from clogs to clogs in only three generations” — of many companies in Mainland China. He pointed out that the current legal system and internet technology are conducive to information sharing, and hence, innovation. At the same time, he said, collective ownership, third party management, values-based management, support of women in senior positions and proper wealth accretion plans have emerged as the latest trends in achieving family business continuity.

Dr Lui said, “Family-owned businesses in Mainland China have to nurture the next generation so that they are independently capable. This is more important than providing them with any tangibles. In fact, succession differs from inheritance as the former involves the passing on of core values and spirit. The particulars of a business can change but the spirit carries on unaltered. And based on the same core values the next generation can achieve their goals in line with their own interests. It is incumbent upon the older generation to devote their utmost attention to nurturing talents, while the next generation for its part must learn its lessons by heart.”

For large companies with abundant human capital, he added, it is vital to select leaders who share the same values as the company for training, while engaging them in strategy formulation and passing on experience and wisdom. Even though no one can guarantee how long the staff will stay, there is still a need to equip them so they remain competitive whoever they work for. In other words, companies should cultivate leaders from generation to generation for the benefit of society.

During his remarks, Dr Lui stated that it is also important to share with staff the company’s vision so they can see the prospects for career advancement. He cited the Group’s development over the past 60 years as an example of the importance of a united effort by staff and the integration of past experience with a new mindset for contributing to the Group’s sustainability. Yet another example was the inclusion of Galaxy Entertainment Group Limited as a constituent of the Hong Kong Hang Seng Index in June 2013. As the youngest subsidiary of the Group which has been established for just a decade, the achievement not only marked a new chapter in the history of K. Wah Group, but also underlined the effectiveness of succession

with innovation, the core philosophy of K. Wah Group.

“A family enterprise must pass on the cumulative experience and wisdom of the past generation as well as accept the innovative contributions and business achievements of the new generation,” Dr Lui said. “Only through a balance of these two aspects will an enterprise be able to excel continuously under the business principle of prudent and progressive management.”

As a well-known business leader in Hong Kong, Dr Lui has been supportive of the development of education in Mainland China. His relationship with Fudan University was forged in 1995 when he was appointed as a member of its first Council. Assuming that position more than 18 years ago, he has demonstrated his long-term support of the development of Fudan University. For example, he has pledged to contribute towards the purchase of equipment and construction of the Lui Che Woo I.T. Laboratory and has donated HK\$10 million to the university to construct Lui Che Woo Hall at Guang Hua Building. Both facilities have become important centres for both the teachers and students of Fudan University for delivering lectures, conducting scientific research, studying and passing their leisure time.

In 2008, after learning that the former Zibin Building, a campus historical landmark for 80 years at Fudan University, was in need of protection and repair, Dr Lui pledged US\$3,800,000 to support the renovation and expansion of the historical building.

Zibin Building was built in 1926 by a wealthy Shanghai businessman, Guo Zi-bin, and his son Guo Fu-ting at a cost of 50,000 Yuan. Later, the building became the site of the School of Psychology of Fudan University, headed by Guo Ren-yuan and considered to be the number one school of psychology in the Far East.

After the reorganization of the schools in 1952, the building was converted into the the School of Mathematics and Sciences at Fudan University, in which notable academics Su Bu-qing, Chen Jian-gong and Gu Chao-hao presented lectures. As the only well-preserved building on the campus over the past nine decades, Zibin Building has borne witness to the challenges during the founding of the University and the dramatic changes in the nation over the past century, as well as the brilliant accomplishments of both Fudan academicians and students in pursuing greater academic achievements.

With Dr Lui’s donation and support, the four-year renovation work retained the building’s historical character. Upon its completion, the Lui Che Woo Building was re-opened to the teachers, students and the public with its traditional structure and design intact. The building will continue to facilitate excellence and pass on the

century-old tradition of Fudan University, enabling it to reach new heights of achievement in the course of becoming one of the world's top universities.

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Photo 1 : Dr Lui Che-woo, Chairman of K. Wah Group; and Mrs Lui (6<sup>th</sup> and 7<sup>th</sup> from right); Paddy Lui, Executive of KWIH and GEG (2<sup>nd</sup> from right) and her husband Joseph Tang (1<sup>st</sup> from left); Alexander Lui and Mrs Lui (1<sup>st</sup> and 5<sup>th</sup> from right); Zhu Zhi-wen, the CPC Committee Secretary of Fudan University (6<sup>th</sup> from left); Yang Yu-liang, President of Fudan University (4<sup>th</sup> from right); and Zhang En-di, Vice Chairman of Shanghai Committee of CPPCC (5<sup>th</sup> from left) standing in front of the Lui Che Woo Building at Fudan University



Photo 2: Zhu Zhi-wen, the CPC Committee Secretary of Fudan University presents a gift to Dr and Mrs Lui Che-woo



Photo 3: Many senior officials attended the opening ceremony of the Lui Che Woo Building, from left: Feng Xiao-yuan, Vice-president of Fudan University; Li Rong, Deputy Chairman of the Shanghai Women Association; Xu Zheng, Vice-president of Fudan University; Cao Li-qiang, Mayor of the Hongkou District, Municipal Government of Shanghai; Chen Xiao-man, Standing Vice-president of Fudan University; Li Qun-ce, Secretary-General of the United Front Work Department of the CPC Shanghai Municipal Committee; Zhang En-di, Vice Chairman of the Shanghai Committee of the CPPCC; Wang Sheng-hong, former President of Fudan University, Zhu Zhi-wen, the CPC Committee Secretary of Fudan University, Dr and Mrs Lui Che Woo; Yang Yu-liang, President of Fudan University; Qin Shao-de, CPC Party Secretary of Fudan University;

Chen Yin, Secretary of the Yangpu District Commission, Shanghai; Wang Xiao-lin, Deputy Party Secretary of Fudan University; Liu Jian-ping, Deputy Director-General of the Overseas Chinese Affairs Office of Shanghai Municipal Government; Wang Jian-min, Deputy Counsel of the United Front Work Department of Shanghai; Cai Lai-xing, Research Fellow of the Counsellor's Office of the State Council; and Tang Hai-dong, Deputy Mayor of Yangpu District Municipal Government of Shanghai



Photo 4: (from left) Professor Lu Xiong-wen, Seminar MC and Dean of the School of Management at Fudan University; Dr Lui Che-woo, Chairman of K. Wah Group; Paddy Lui; Executive Director of KWIH and GEG; and Joseph Chee, Executive Director of GEG and Managing Director of K. Wah Construction Materials Limited share views on corporate management and succession



Photo 5: Dr Lui shares with the audience his succession philosophy, core values and the current management situation of K. Wah Group, as well as his own experience and vision in the sustainable development of enterprises



Photo 6: The renovated Lui Che Woo Building at Fudan University

### **About K. Wah Group**

K. Wah Group was founded in 1955 by Dr Lui Che-woo, who transformed the company into a multinational corporation. Core businesses include property development and investment, entertainment and leisure resorts, hospitality and construction materials. The Group has a business presence in Mainland China, Hong Kong, Macau, Southeast Asia and major cities in the US. The Group includes two Hong Kong-listed flagships: K. Wah International Holdings Limited ("KWIH"; HK stock code: 0173) and Galaxy Entertainment Group Limited ("GEG"; HK stock code: 0027). Other major subsidiaries include Stanford Hotels International Limited and K. Wah Construction Materials Limited and, in the US, Stanford Hotels Corporation and Cresleigh Homes. To date, the Group has over 200 subsidiaries and 20,000 staff worldwide.

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