

THE CHINESE UNIVERSITY OF HONG KONG

FORTY-SIXTH CONGREGATION

Conferral of the Degree of Doctor of Social Science, *honoris causa*

A Citation

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In a city where there are more millionaires per square mile than any where else on earth, a favourite pastime of the media is to figure out who the richest man is in Hong Kong. Over the years many attempts have been made, but none was conclusive because no one has been able to work out the real net worth of Lee Shau Kee. He controls five listed companies, namely Henderson Land, Henderson Investment, Hong Kong and China Gas, Hong Kong Ferry (Holdings) and, since a few months ago, the Miramar Hotel Group. They account for approximately 4% of Hong Kong's stock market capitalization, and Mr. Lee is reported to hold some 65% of the total equity in some of these companies. That means he receives 65% of the dividends. To this must be added his own private investments which are, by all accounts, substantial. It should come as no surprise, therefore, if Mr. Lee were found to have made more money than anybody else in the last few years.

Wealth creation is of course as desirable as it is elusive. Many people have tried, and are still trying, but few have succeeded. Perhaps it is true that entrepreneurs are born, not made. In Lee Shau Kee's case, he was born into a small merchant family in Shunde County, Guangdong Province, in 1928. He came to Hong Kong when he was barely twenty years of age, to make his way in the world. He had less than a thousand dollars and he could not speak English. In Lee's own words, he came here "with his hands and not much else." But what he had was business acumen.

The first few years were difficult as Lee worked his way around the Wyndham Street East area, in gold shops, money exchange shops, hardware stores and in the import-export business. His first foray into property came in 1956 when he teamed up with the legendary Fung King Hey and Kwok Tak Sing to form the Wing Yip Property Company with five other shareholders. Two years later, they made their first important acquisition - the old Shatin Height Hotel which was a landmark of the Shatin area and a favourite stopping place for people who were making a day trip to the then largely undeveloped New Territories. In 1963, Lee, Fung and Kwok, the brains behind Wing Yip, started their own company and called it Sun Hung Kai. The first word Sun was taken from Fung King Hey's company Sun

Hey Investment. The second word Hung came from Kwok Tak Sing's company Hung Cheong Department Store and the last word Kai, or Kee in Cantonese, is the 'Kee' of Lee Shau Kee's last name. Popularly known as the partnership of "The Three Musketeers", Sun Hung Kai Properties went from strength to strength and became a listed company in 1972. Lee Shau Kee was Vice Chairman and General Manager of the company until he left to start his own company. It was, to all intents and purposes, an amicable parting. Lee Shau Kee is, to this day, a director of Sun Hung Kai Properties and Sun Hung Kai & Co, the two companies which are now run by the offsprings of Kwok Tak Sing and Fung King Hey.

In 1973 Lee Shau Kee founded Henderson and went on to repeat the earlier phenomenal success he had achieved with Sun Hung Kai. He pioneered high-volume low-profit sales and specialised in small-sized flats on ten year mortgages. In twenty years, Henderson has developed over 450 buildings in Hong Kong. Every letter B certificate he acquires eventually turns into blocks of apartment houses. Starting with twenty sites in 1973, Henderson now owns no less than 80 sites in Hong Kong, Kowloon and the New Territories totalling 17 million square feet of accommodation value. From 1991, the company has expanded further into China under the direction of Mr. Lee's eldest son Lee Ka Kit. There are now around twenty sites under development in Shanghai, Beijing, the Shenzhen Special Economic Zone, Guangzhou and other parts of Guangdong Province.

Mr. Lee does not like to discuss his own success. It is easier to get a donation out of him than an interview. His staff speak glowingly of his expert knowledge of the property business, his flexibility and his enthusiasm for making deals. Mr. Lee's knowledge of real estate comes from thirty five years of what management experts now call hands-on experience. He has dealt with a lot of people during that time, from the humblest farmer, the smallest contractor, to the most aggressive property developer. He is justly famous for his ability to see value in a deal and for his ability to close one in record time. To this day, even though he is a billionaire many times over, Lee Shau Kee would take personal calls from just about anyone who has a property deal to offer. The chairman's office of Hong Kong's leading companies is generally regarded as the holy of holies and can only be approached through long corridors and past many layers of security. Not so at Henderson Land. There, the chairman's office is next to the entrance lobby, because Lee Shau Kee wants to be close to where business comes in. Once he has closed a deal, Mr. Lee often takes a personal interest in the design of the apartment buildings, down to such details as where to put the door. His most famous saying, one which his staff take very seriously, is "never waste an inch", because he knows the user would want to make the most of all usable space.

Even today Lee Shau Kee works a twelve hour day. The only indulgence he allows himself is to start his day at two o'clock in the afternoon and finish working at two in the morning. One seldom finds his picture in the society pages of Hong Kong's newspapers and

magazines. He says he is no good at socializing, preferring instead to work late into the night on company business, using for his calculation, at least until a few years ago, a traditional Chinese abacus. Mr. Lee lives simply. He is an easy-going, unassuming man and a very, very good listener. He goes to a cheap barber and an inexpensive tailor and has the distinction of having once bought six pairs of the same shoes because he did not want to waste his time on trivial matters. But when asked why he still devotes so much time to his business when he already has so much money, he replied, "Because this is my work." It is this dedication to his life's work which accounts for Mr. Lee's singular success.

Over the years Lee Shau Kee has given generously to a number of community projects, in Hong Kong, Britain and China. Three of these are quite unique and stand out from the rest. The first is the establishment, in 1979, of the Lee Shau Kee Scholarships tenable at Wadham College, Oxford. Each year, three to four Hong Kong students are admitted to Wadham, thanks to the foresight and generosity of Lee Shau Kee. So far some 46 students have benefitted from the scheme and Lee has been made a Fellow of the College. Then in 1982 Lee Shau Kee's generosity extended to China as he and his friends established the Pei Hua Education Foundation "to assist China in the training and development of her professionals." Earlier this year he was made an honorary citizen of Guangzhou and was invited to become a Hong Kong Affairs Advisor by the Chinese Government. Lastly, of course, Lee Shau Kee has been a major benefactor of the University ever since he helped to found the Three-Year MBA Programme with a generous donation. He is a member of that programme's Advisory Board as well as being a member of the United College Board of Trustees. More recently, and jointly with Dr. Cheng Yu Tung, Lee Shau Kee made a donation of US\$6 million to this University and Yale to support a joint research programme on Hong Kong, South China and Taiwan.

Mr. Chancellor, for his outstanding achievement as one of Hong Kong's premier property developers, for his philanthropy which has benefitted diverse charity groups from Rehabilitation International to the Community Chest to the Duke of Edinburgh Award Scheme and such institutions as hospitals, schools and sports centres in his native Shunde, but above all, for his abiding interest in supporting the teaching and research programmes of this University, I present Lee Shau Kee for the award of Doctor of Social Science, *honoris causa*.

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