

## **K. Wah Group Spring Cocktail Reception Speech of Dr Lui Che-woo, Chairman of K. Wah Group Monday, 20 February 2017**

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The Honourable Mr Tung Chee-hwa, Ms Yin Xiaojing, Mr Hu Jianzhong, Mr Godfrey Leung, Ms Sophia Chan, Ms Florence Hui, dear guests, friends and colleagues of K. Wah,

Good afternoon! Thank you for being here with us at the Chinese New Year Reception of K. Wah Group. On behalf of my fellow directors and colleagues, may I convey our best wishes for the Chinese New Year.

True to its designation as the Year of Monkey, the year past had seen ups and downs in the economies of Hong Kong and in the global scene, much like a restless monkey. Notwithstanding challenges in the business environment in the Year of Monkey, the four principal business divisions of K. Wah Group – property development, entertainment & leisure, construction materials and hospitality –continued to deliver solid results on all fronts thanks to the unfailing support of all stakeholders and partners, as well as the concerted effort of our 33,000-strong workforce. The two listed arms K. Wah International Holdings Limited and Galaxy Entertainment Group Limited, have also reported satisfactory performance for the past year, capped with strong business growth.

K. Wah International has launched a number of projects in Hong Kong, Shanghai, Nanjing, Guangzhou and Dongguan, including the latest K. City in Kai Tak, which have all been well received by the market. Towards the end of last year and earlier this year, the Group acquired three prime sites in Hong Kong and Nanjing, respectively, to provide further drive for its development. Earlier on, we have also reached an agreement with 15 leading banks for an 8 billion Hong Kong Dollar loan. Here, may I thank our bankers again for their strong support.

As for our entertainment & leisure business, Galaxy Entertainment Group has also achieved encouraging results for the past year, with notable growth in EBITDA for the third quarter, as well as occupancy rates of close to 100% at our hotels for successive seasons, showing strong approval on the part of tourists for Galaxy Entertainment Group's effort to offer World Class services and facilities with an Asian Heart. We will continue to design and introduce a diverse range of integrated holiday resorts in response to market demands.

Elsewhere, K. Wah Construction Materials has continued to supply building materials and services to large-scale infrastructure projects in Mainland China, Hong Kong and Macau. The Group has grown into one of the largest manufacturers of eco-friendly construction materials in China, and its annual production volume of ground granulated blast-furnace slag has over 1.3 million tonnes. In addition, K. Wah Construction Materials has over 70% market share in Southwest region, and the driving force remains strong with the commissioning of our cement plant in Pu'er City, Yunnan last year with an annual production capacity of up to 2 million tonnes and the overall KWCM's production capacity of cement is now up to 12 million tonnes per year.

The Group has been exploring new frontiers in the hotel sector as InterContinental Grand Stanford Hong Kong celebrates 35 years in business. Our unwavering commitment to attentive service has won us the highest honour in the industry: “World’s Leading Luxury Business Hotel” named by the World Travel Awards. Our hotel business in the United States has also continued to expand, as construction is well underway for 4 up-scale business hotels in downtown New York, Washington D.C., Seattle and San Francisco, respectively, which are scheduled for opening in this year and the next.

Having been around for more than 60 years, K. Wah is still running its business with fresh energy, as it has always sought innovation and progress in a prudent and pragmatic manner. The Group has always insisted on prudence but continuous progress, starting new businesses at different times in response to the needs of the community. Our achievements have not come by easily: they have been built on the practical, collective efforts of our workforce. In this regard, I must express sincere gratitude to all of you for your trust and support, and may I add that I am most proud of the brilliant management team and staff at K. Wah.

In today’s business community, we get to hear a lot about “corporate responsibility”. In my humble view, the fundamental responsibility of a corporation is to make contributions to the society, create job opportunities and maintain stability in business, running it properly and then seeking expansion as appropriate, and making itself accountable to the community, partners, customers and staff.

However, a major challenge confronting the contemporary society has been the pursuit of materialistic well-being and technological advances at the expense of moral values and spiritual well-being. The more successful people become in terms of materialistic gains, the more discontented they are feeling deep inside. At times, the pursuit of personal gains without regard for morals has result in strife and chaos. Moral values are fundamental to personal development and represent the cornerstone to social harmony. This is how a person should be educated, and this is how a nation should be built: on the basis of sound moral values. We just couldn’t emphasise enough the importance of moral and value education.

In view of this, I founded the “The LUI Che Woo Prize – Prize for World Civilisation” two years ago with the objective of supporting scientific research and technological innovation, as well as encouraging charity, harmony and inclusion. This has been a life-long wish on my part: the wish to dedicate a gift for the world. I am glad to report that the inaugural presentation ceremony of the “The LUI Che Woo Prize” was successfully held in last October. The laureates were worthy candidates whose works and deeds had contributed to the sustainable development of the world, betterment of welfare of mankind and enhancement of positive energy, sowing the seed for harmony and goodness in the world.

This year, the Prize will be focused on three areas: prevention against climatic changes, alleviation of poverty, and promotion of harmony among diverse groups. It is my sincere hope that the Prize will help to draw attention to the idea of harmony and sharing, and to encourage appreciation for the world and respect for others in our pursuit for progress.

With your support and guidance, I have genuine hopes that this modest act to support the cause of truth and goodness will sustain for generations to come, helping the world to become a better place.

Last of but not least, may I once again thank you all for your support, and wish you all the best in your new endeavours in the New Year. Thank You.