

THE CHINESE UNIVERSITY OF HONG KONG

FORTY-SIXTH CONGREGATION

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

A Citation

Dr Cheng Yu Tung, DBA, LLD, DPMS

Shunde County in Guangdong Province must have very good *fung shui* because its sons have the habit of turning into billionaires in Hong Kong, and having made their fortunes, they have the habit of donating large sums of money to support schools, hospitals, road building projects and old people's homes in their native villages. Such a favourite son is the Hong Kong based and internationally renowned entrepreneur Cheng Yu Tung.

Mr. Cheng was born into a merchant family in Shunde and started his working life at the age of fifteen as an apprentice at a jeweller's shop in Macau owned by his father's close friend Mr. Chow Tai Fook. Young Cheng Yu Tung was both intelligent and industrious and had a natural flair for business. Mr. Chow liked him so much that he gave Cheng his daughter's hand and later sold him the shop. Having taken charge, Cheng Yu Tung, with his acute business sense, correctly assessed that Hong Kong would have much better growth potential than Macau after the Second World War. He moved to Hong Kong in 1945 and started a very successful chain of jewellery shops in the territory. To this day the name Chow Tai Fook is still synonymous with high quality and good value in jewellery.

In 1958, Cheng, by now an established businessman, made his first foray into Hong Kong's real estate market. His rationale was simple. He thought that there was a limit to the growth potential of the jewellery business in Hong Kong but no limit to the property business. Again, the phenomenal success of his company, New World Development, has proved him right. Mr. Chancellor, if entrepreneurship is about taking calculated financial risks, then Mr. Cheng Yu Tung is an entrepreneur *par excellence*. He is not only capable of moving his business geographically and diversifying his investments across many fields, but the next big gamble which catapulted New World Development into the big league of property developers in Hong Kong has all the hallmark of a daring entrepreneur playing with very high stakes.

After the riots of 1967 shook Hong Kong to its foundation and when China was still in the throes of the Cultural Revolution, Cheng Yu Tung bought a piece of land at the tip of

Tsim Sha Tsui for \$131 million. This was the biggest investment of his career thus far, and the biggest gamble. At the time, the price of this acquisition was considered far too high. Today, on that piece of land stand the Regent Hotel, the New World Hotel and the shopping complex which runs between them. The value of the property is now conservatively estimated to be in the region of \$15 billion. Mr. Cheng made the right judgment and the gamble paid off.

In 1982, Mr. Cheng did it again. When Hong Kong was trembling under the cloud of Sino-British negotiation on the territory's future, and when many property companies were desperately trying to reduce their exposure, New World Development went against the trend and concluded the deal to build Hong Kong's Convention and Exhibition Centre and the twin hotels which now sit on either side of the complex. Again, the investment has proved to be a resounding success. Without such a grand facility, Hong Kong would have lost many international conferences and business gatherings to Singapore and other Asian cities, and the Chinese University's own Thirtieth Anniversary Banquet and similar functions involving large attendances simply could not now take place.

In recent years, Mr. Cheng's business has diversified into many different areas, including hotel management, television, and more recently into infrastructural projects both in Hong Kong and China. New World Development has a twenty-four per cent stake in the Tate's Cairn Tunnel and a forty per cent stake in the Guangzhou Expressway. Mr. Cheng's private investment company owns the Macau Water Works and the Macau Electricity Company. He also owns a sizeable interest in Numac Oil and Gas Limited in Edmonton, Canada, among other things. Mr. Cheng said of such a diversified portfolio of investments,

"I like to try new things. Profit is, of course, the prime motive but I also enjoy learning from other people's success. It is good to have your eggs put in different baskets."

In the last few years, one of those baskets is China. Today, New World Development has several multi-billion dollar projects in Guangdong and other provinces including, but not limited to, the Shenzhen-Huizhou Expressway, the Guangzhou Northern Ring Road and the Zhujiang Power Plant, as well as the complete re-development of the Chong Wen District of Beijing. The headline of a *Sunday Morning Post* profile on Mr. Cheng says it all. It reads "Cheng creates New World in China."

Mr. Cheng's interests are best described as wide-ranging. As well as being the Vice President of the Real Estate Developers Association, he is also the Adviser of the Chinese Gold and Silver Exchange Society and the Vice President of the Deposit-Taking Companies Advisory Committee. He was also a member of the Basic Law Consultative Committee.

His friends say he has an eye for beautiful things, be it jewellery - Chow Tai Fook bears testimony to that - or properties - one only has to look at the Grand Hyatt Hotel - or people - I suppose that means Asia Television.

He is also a very generous man. He has supported the Community Chest over the years and is a Vice Patron of that organization. He has also made numerous donations to the Cheng Scholars Programme at the University of California, San Francisco. Every year, thanks to Cheng Yu Tung's generosity, some ten or so of the best doctors in the People's Republic of China have the opportunity of receiving specialised training at a teaching hospital in California. Thus far, some seventy doctors have benefitted from such attachments. Mr. Cheng has also donated \$9.5 million to endow an eye hospital at the University of Zhongshan, in addition to supporting the building of schools, roads and old people's homes in his native Shunde. Last year, together with Mr. Lee Shau Kee, he has pledged a donation of US\$6 million to Yale University and this University to support research on South China.

Acknowledging the importance of this contribution, our Vice-Chancellor Dr. Charles Kao, said on that occasion,

"As The Chinese University of Hong Kong steers through epoch-making changes in Hong Kong, we are determined to link our academic programmes with major centres of excellence worldwide. Such linkages will allow staff and students of this University to create and participate in global academic research programmes. We will have an international reference for measuring our attainments, and our staff and students will have a global access."

Mr. Chancellor, Cheng Yu Tung's many contributions in diverse fields have been acknowledged by the University of Toronto which conferred on him the degree of Doctor of Laws *honoris causa* in 1987. He has also been honoured by the Sultan of Selangor who conferred on him the DPMS in 1989. It is now the turn of this University to do him the honour. Mr. Chancellor, for his outstanding entrepreneurship, for his long list of charity work, for his support of institutions of learning in general and this university in particular, I present Cheng Yu Tung for the award of Doctor of Social Science, *honoris causa*.

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