

**MY MOTHER AND MAO, SINGAPORE TAXES AND THE RISE OF HONG KONG  
PROPERTY: THE ROBERT KUOK MEMOIRS**

**South China Morning Post**

**24 NOVEMBER 2017**

**BY ROBERT KUOK**

*In the debut instalment of six extracts from the first-ever memoir of Malaysian tycoon Robert Kuok, reproduced exclusively here, he recalls how mother shaped his views of China, and why he left Singapore and Malaysia for Hong Kong*



Robert Kuok's mother, Tang Kak Ji, c 1917. Photo: Robert Kuok, A Memoir

*Malaysian-born billionaire Robert Kuok has just published his memoirs – due out at bookshops this weekend – but they are by no means a tell-all. For starters he reveals few clues on the decades-old question of who will succeed him at the helm of the corporate empire he built from scratch in the post-war years. Still, the 376 pages offer a rare glimpse into the private life of a magnate, 94, who despite once owning the South China Morning Post is well known for having avoided the media limelight throughout his enigmatic rise from a small-time sugar merchant to becoming one of Asia’s richest and most influential people.*

*Kuok is among the handful of Asian magnates born in the early 20th century who, having steeled themselves from the horrors of war and the injustice of colonial rule, forged businesses that grew with the newly independent countries that replaced the vast Western empires.*

*Kuok, who was raised in Johor Bahru and emigrated to Hong Kong in the 1970s, gained ready access to the highest levels of power in these fledgling nations, from Singapore to Malaysia, Indonesia and China. But the book reveals how his heart still beats for Malaysia and his involvement in its early, post-independence politics.*

*China’s rise during Deng Xiaoping’s tenure as leader, and the country’s current transformation under President Xi Jinping are discussed at length by the tycoon, who built the World Trade Centre in Beijing and at one point helped China avert a sugar crisis.*



**Robert Kuok.**

*Kuok proudly declares he “belongs” in Southeast Asia, but adds that he felt duty bound to help China, the birthplace of his parents, “wake up and join the modern world”.*

*The book begins with a chapter on the lasting influence of his Fuzhou-born mother whom he calls the “true founder” of the Kuok empire and ends on the contemplative question of “What is wealth for?”. Kuok, the youngest of three brothers, details how his mother, Tang Kak Ji, shaped his views on everything from his love life to watershed boardroom decisions. The fiercely private father of eight for the first time also details the turmoil in his marital life.*

*He reserves special mention for overseas Chinese entrepreneurs like himself, lauding their grit and contributions to the growth of post-colonial Southeast Asia.*

*The book ends off with deep introspection from Kuok. He advises today’s youth to “distinguish between the real and the fanciful ...[and] learn to live simply”. “Learn to be humble. Genuine humility must be inner humility, guided by compassion towards your fellow beings,” Kuok writes in the last page of the book. “I have found that if a person is truly humble, most people*

*will do anything for him; but if he is a cocky person, out of 20 'friends', barely two will help him."*

**BY ROBERT KUOK**

MOTIVATION, NOT MONEY

Tim Dumas, one of the senior partners in ED&F Man, once asked me, "Why do you want to go on battling the odds in the business world, Robert? You've made your pile. Why don't you retire?"

My answer may have sounded strange to him: "Tim, can't you see we come from two different worlds? The British Empire spanned the world; wherever the sun rose, there was a Union flag fluttering in the breeze. You had colonies for over 200 years. Even today, Britain punches above its weight because of that history. I belong to a developing Southeast Asia. And now there is China, the land of my parents and ancestors. As long as I can still contribute, I cannot rest."

I BELONG TO A DEVELOPING SOUTHEAST ASIA. AND NOW THERE IS CHINA, THE LAND OF MY PARENTS AND ANCESTORS. AS LONG AS I CAN STILL CONTRIBUTE, I CANNOT REST

My 1958 sugar barter deal with India and Mitsui almost led to disaster after the Chinese entered the market as a seller of sugar at the exact same time. However, in the end, it was a blessing in disguise. Through this deal, I got to know the Chinese trading companies based in Hong Kong. They decided that they would rather work with me than against me, and Kuok Brothers gradually built up a strong trading relationship with Chinese-affiliated trading firms in both Hong Kong and Singapore.

Business is about one individual getting to know another individual and then another, and so on. We did sugar, we did rice, and then we went sideways into miscellaneous small things like photographic film and dyestuffs. From 1965, I began travelling to the mainland itself. My first trip took me to the Canton Trade Fair, with a side trip with several busloads of overseas Chinese to a commune outside the provincial capital. We had a good lunch of

simple village-style food at a village community hall. In my early visits, I sensed that the people in China were highly moral and decent. I never felt like a stranger.



**Robert Kuok's mother (second from right) and her family in China, c 1924. Photo: Robert Kuok, A Memoir**

#### MOTHER, MAO AND DENG XIAOPING

China went into a self-imposed period of isolation during the Cultural Revolution, and the China that I returned to in the mid-1970s was a very different place. There was a lot of red tape laced with a high degree of suspicion. Many cadres did not have experience of business, and they feared that every capitalist was coming to try to rob the nation of its national treasures. The cadres didn't know how to develop a business; but neither were they prepared to let you develop it. Mother warned me against investing in China: "You are going in too soon, my son, too soon. You will meet brick walls. Why bang your head on a brick wall? Your head will only bleed, and you won't achieve anything. Worse still, if you achieve something, then they will take it away from you and you will be back at zero."

Mother knew the Chinese make-up and the mindset of her generation. However, I saw that China was pitifully backward. I felt that the country must wake up and join the modern world. It was much poorer than the Malaya into which I was born. I felt that I wanted to help China and, if possible, push the country to develop faster.

Thank God there were good people, and standing above them all was Deng Xiaoping. I have Mother to thank for my lifelong interest in the birthplace of my parents. Mother always retained a strong and deep emotional tie to her homeland. Yet, she was very objective and critical of all the Chinese faults, including the foibles of successive governments and leaders. She was travelling regularly between Malaya and China in the late 1940s and early 1950s. She welcomed the victory of Mao Zedong and the establishment of the People's Republic of China.

THANK GOD THERE WERE GOOD PEOPLE [IN CHINA], AND STANDING ABOVE THEM ALL WAS DENG XIAOPING

Mother always stood up for the poor. In 1951, on one of her trips back to China, she collected all the title deeds for her properties in Shandong province and went north with an assistant. They identified each tenant farmer and made a gift of the land to those who had tilled and maintained it. Until her death, she said Mao's pluses far outweighed his minuses. But, from early on, she knew that mistakes were being made. She saw the harm that the Great Leap Forward did to the rural areas.

I think that, today, we would say Mao didn't really understand how to run an economy. During the war years you needed heroic acts. The tales of daring during the Long March and the call to fight the Japanese resonated with the people. But once all the battles are won, you have to focus on building up the economy and bringing up the standard of living of the people.



**The prayer room in the house of Robert Kuok's mother in Johor Bahru. Photo: Robert Kuok, A Memoir**

Mother was a strong critic of the bad and bullying behaviour of local bureaucrats towards their fellow Chinese. This was particularly so during the Cultural Revolution, which she saw as the dark period in China's history. In the early 1970s, she made a trip to Fuzhou after many years away. She was required to deposit her passport with the Public Security Bureau of Fuzhou. After staying for a few months and feeling unhappy at what she saw around her, she decided it was time to go back to Malaysia. She went many times to retrieve her passport, but the Public Security Bureau always gave her some kind of stupid answer and wouldn't return it to her. One day, she got really angry. She went to the bureau, pounded on the desk, and said, "I am an overseas Chinese citizen of Malaysia. The Chinese Government told us to go overseas and become worthy citizens of the countries of our adoption. Why do you keep my passport? What have I done wrong? Why are you treating me like this? I shall go to Beijing to lodge a strong complaint."

MOTHER ALWAYS RETAINED A STRONG AND DEEP EMOTIONAL TIE TO HER HOMELAND. YET SHE WAS VERY OBJECTIVE AND CRITICAL OF ALL THE CHINESE FAULTS

Within a few days of that incident, an official brought the passport to her home, and she booked a flight and returned to Malaysia. Many poor Chinese from Fujian had left to seek a better life abroad, particularly in Southeast Asia, and when they went back to China to visit relatives and asked for assistance, they would often find the bureaucrats at the Overseas Chinese Bureau officious and unsympathetic. On her other trips home to Fuzhou, the bureau would send someone to greet her who would say, "Madame Kuok, I have come to welcome you. What can we do for you?" Her response would be: "I have come back to see relatives and to worship at the temples here. I do not need any help from you, but you could offer your help to the many returning overseas Chinese who are poor and illiterate and who really need your help."

She assessed Deng Xiaoping quite correctly from the beginning. She told me, "Nien, China will go back to capitalism in your lifetime. It's already moving in that direction. I can tell you, son, man can only be driven by the selfishness in his heart and the betterment of himself and his children's well-being. Only that can propel him to achieve more things, to be more creative and productive. China will and must continue to be driven by this."

But in her mind, the ultimate goal of society should be true socialism, where man truly works for all his fellow beings on a totally selfless basis. But that stage is a long way off. Before that, man must complete the long march to becoming truly civilised, and we have only travelled the first few of ten thousand miles.

['Devils' to friends – how China's communists won over Malaysian PM Tunku; Hussein Onn clung to race-based politics: the Robert Kuok memoir](#)



**Hong Kong: attractive tax system. Photo: Reuters**

## HONG KONG, A BIGGER (TAX-SAVVY) POND AND SINGAPORE'S FOUNDING FATHER

The principal reason that I elected to move to Hong Kong in the 1970s was taxation. At that time, it almost appeared as though the Singapore and Malaysian governments were competing with each other to see which could levy the highest taxes on those who were generating wealth for the nations. Both were taxing our profits at punitive rates. If you earned a dollar, you barely kept fifty cents. My main business at the time was in commodities. I was a substantial trader, taking large positions. Three thousand lots is the equivalent of 150,000 tons of sugar. A movement of one US cent a pound would bring huge profits or losses. If I went long and wrong, or short and wrong, margin calls could easily wipe me out. So it was imperative for me to build up my company's cash reserves.

## HONG KONG WAS A MUCH BIGGER POND THAN SINGAPORE – OR MALAYSIA

Because of Singapore's steep tax rates, I was handicapped in my effort to build up cash reserves. And without deep reserves, I would be dangerously vulnerable to margin calls if our trading positions went sour. Although Singapore did not tax offshore trading profits,

officials imposed extremely onerous conditions on you to prove that your profits were generated offshore. They essentially regarded you as guilty until proven innocent. A tax audit was a bit like the Spanish Inquisition. By comparison, Hong Kong's tax environment encouraged business. You only paid 17 per cent corporate tax, so you were better off by 33 cents on every dollar of profit.

I SHALL STRESS THAT I HAD NOT – AND INDEED, HAVE NOT – LOST ONE IOTA OF MY AFFECTION FOR SINGAPORE

Since I was in the international sugar-trading business, with mobile operations it seemed almost irresponsible not to trade sugar from a low-tax base. Tax policy plays a very important role in encouraging or discouraging business. Hong Kong's policy is very straightforward. Why would I want to hire an army of lawyers and accountants to avoid taxation? I should stress that I had not – and indeed, have not – lost one iota of my affection for Singapore. It is simply that it made more sense to base my operations in a low-tax jurisdiction like Hong Kong.



**Robert Kuok with the founding father of Singapore, Lee Kuan Yew. Photo: The Straits Times**

In fact, from about the mid-1970s, I often met with Singapore Prime Minister Lee Kuan Yew in a sitting room next to his office. His office would call my office at short notice when he had free time. In an early session, Kuan Yew explained that he wanted to have chats with me because I had a good feel for the scene in Malaysia. He had an embassy in Kuala Lumpur, but he wanted a different perspective. I was always very frank with him. If he asked questions for which I had no answer, I would tell him so.

We had many pleasant such sessions, sometimes over lunch. Unfortunately, these informal sessions ended when I moved to Hong Kong, as I could no longer pop around at a moment's notice. Hong Kong was a much bigger pond than Singapore or Malaysia. I began to see very clearly that the CEOs of the top American, Japanese and European corporations were visiting Hong Kong, if not once a year, then once every two or three years. The senior VPs would go to Singapore and the VPs or departmental managers would visit Kuala Lumpur. That was the pecking order. Today, of course, CEOs are more likely to frequent Beijing and Shanghai. We had considered relocating part of our operations to Hong Kong from the

1960s. I finally made the plunge in 1974, deciding that I must form a Kuok Brothers Hong Kong.

I summoned several of our executives in Singapore: Richard Liu, Lee Yong Sun, James Lim, Kenny Yeo, and one or two others. I told everyone that we had to act quickly: "I have made up my mind that we will open a branch in Hong Kong. I ask for volunteers. Please give me your answer today. Two weeks from today, I want you to be in Hong Kong, ready to work. On the plus side," I concluded, "anyone who follows me to Hong Kong will be well rewarded."

THE MORE I HEARD PEOPLE CALL CHINA BACKWARD, THE MORE I FELT WE MUST SHOW THE REST OF THE WORLD, SOME DAY, THAT CHINA CAN BE ADVANCED

Lee Yong Sun, Kenny Yeo and James Lim all put up their hands. I asked Richard Liu to commute back and forth, like I was planning to do, to look after both sides of the business for at least a year. I spent about seven to ten days a month in Hong Kong from 1974, and then gradually it became 15 days a month, 21 days, until eventually I moved there in 1979.



Robert Kuok at

**his office in Hong Kong, c 2000. Photo: Robert Kuok, A Memoir**

We started with about HK\$10 million when I formed Kerry Holdings Ltd, the name that we chose for our Hong Kong operation. The executives who relocated to Hong Kong were allowed to apply for the first allotment of shares in the company. Trading, of course, migrated with me; that was unavoidable, as I was the main trader. Within 20 years, Hong Kong has blossomed into by far the largest of our three group companies of Malaysia, Singapore and Hong Kong.

[Malaysia-Singapore Airlines – the Siamese twins set for separation: the Robert Kuok memoirs](#)

## THE RISE AND RISE OF HK PROPERTY

I saw great potential in China, but I can't claim to have had a crystal ball on the momentous changes that would follow the death of Mao Zedong. Luckily or unluckily, I was born Chinese, and I have always remained very proud of being Chinese. The more I heard people call China backward, the more I felt we must show the rest of the world, some day, that China can be advanced. I felt that I had something to offer my fellow Chinese: modern ways of thinking and management, and respect for the value that both sides brought to a business relationship.

However, our focus was most certainly not on China during the first few years after we moved to Hong Kong. Kerry Holdings focused on supplying sugar and rice to Indonesia. That was when Yani Haryanto had his magic arrangement with President Suharto, under which all that vast land's sugar and rice imports passed through Yani's hands. My first major investment in Hong Kong came in November 1977, when I bought a piece of land in Kowloon at auction and built the Kowloon Shangri-La Hotel. It is still a very important jewel in the Group's hotel crown more than 40 years later.



**The Kowloon Shangri-La in Tsim Sha Tsui. File photo**

After that, I plunged into the Hong Kong property market, then into warehousing and local stock-market investing.

It is well known that Hong Kong property has created quite a few billionaires. In the hindsight of history, it is not hard to see why. My first visit to Hong Kong was in 1947, when Joy and I were there on honeymoon. We drove with a friend, Eddie Cheung, past the old Peninsula hotel in Kowloon. When we were maybe a few hundred metres down Nathan Road from the Peninsula, Eddie said, "Robert, if you have spare money you should buy land here. I think you can buy empty land at about HK\$5 a square foot." Well, that is probably the greatest missed opportunity of my life!

I SAW GREAT POTENTIAL IN CHINA, BUT I CAN'T CLAIM TO HAVE HAD A CRYSTAL BALL ON THE MOMENTOUS CHANGES THAT WOULD FOLLOW THE DEATH OF MAO ZEDONG

Fast forward to the late 1970s, when we had been in Hong Kong for three or four years. We had established a small office, and we rented apartments so that those of us who periodically came over from Singapore would have a place to stay. When a two-year

tenancy expired, the rent would always shoot up. The rising rents were creating a strong headwind for our business. So I called several of our executives into my office, and said, "If rents keep going up like this, we will never be able to gain a foothold here. We have to go into property investment." So, we established Kerry Properties Limited, which is now a public company, and which has been our primary company for investment in Hong Kong and mainland China real estate since 1978. Even I did not see how important this decision would be. In the 1970s, despite the rising rents, the cost was not that steep. But, as China developed, it became very apparent that rents would continue to soar and soar. We decided not to stop at buying just one or two floors of office space or one or two apartments. We branched into development. We built entire buildings, and then major integrated commercial and residential complexes. We have never looked back.

*Robert Kuok, A Memoir will be available in Hong Kong exclusively at Bookazine and in Singapore at all major bookshops from November 25. It will be released in Malaysia on December 1 and in Indonesia on January 1, 2018*

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Source: <http://www.scmp.com/week-asia/opinion/article/2121123/my-mother-and-mao-singapore-taxes-and-rise-hong-kong-property>