

I have been curious to find out more about our father's personal story ever since I was working with him in Suzhou, and I often asked him questions about his past and about his time in China, Burma and Thailand. He was quite selective in what he told me. He would never tell me "stories" like we would hear today from professors or speakers on panels and events. He would relay snippets of facts, things that happened, and you could feel his emotion associated with it – sometimes funny, other times pensive, anger, regret, questioning, satisfaction. But there were always big gaps. Also, you would never get the whole thing at once or in such a way that you could write it down. I could only listen and try to remember what I could, and that was difficult too because sometimes it was whilst I was doing something else, or during a bumpy car journey, or I was just about to fall asleep.

Fast forward to 2022 and 2023, we were asked to provide a case study on Family Succession for a one day conference organised by some professional friends of ours, to present to members of family offices from Mainland China amongst other activities. Although it was done in a very short space of time, the collaboration between me, my brother Richard and his son Hampton was very smooth and fast, and the finished product was well received. Some of the audience commented on how unusual our story was and how there were many interesting lessons learnt, even for them many of whom were experienced investors and had received a lot of advice on family businesses.

Around the same time, we were talking to a number of banks, academics and investment professionals. A few of them were very experienced providers of consultancy services to generations of

families for succession and wealth preservation. Some of the client families ran into the 7th or 8th generation and beyond. On hearing a little bit of the story about our family's experience in South-east Asia to Hong Kong and back to Mainland China, several of them recommended me to document our family's stories starting from our father's and mother's time. It is because after my generation is gone, no-one will know about those stories anymore. They told me that those stories are important because they are of a very difficult era and the resilience, values, ethics, and strength that was needed to get through those times and become a successful entrepreneur is something that is worth writing down. It is up to subsequent generations of readers if they feel like reading them or not, but at least our generation will have done our duty and recorded the story for posterity should anyone want to read them. This is probably true for many families, and our father never viewed himself as a big shot nor an important person, but everyone is unique and there is always plenty that you can discover and learn from anyone, if you care to look. History is in the eye of the beholder, so I would encourage anyone for whom this book has sparked some interest or inspiration to have your or your family's story told, and to have it published so we can learn from you.

Having a book written about our father without him being here to fill in the big factual gaps was a huge challenge, to put it mildly. There are very few details about his childhood, the wartime years and the years immediately following them. Dave Hart, one of our father's best friends and himself a former wartime pilot once remarked to me that sometimes some of these memories are so terrible that people force themselves not to remember them anymore. So I have heeded his

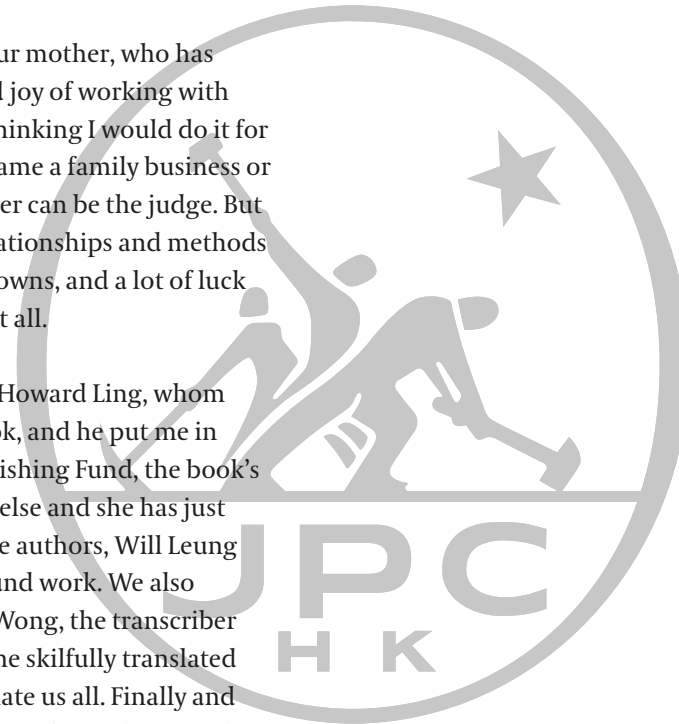
advice and I have not pushed for a response on any questions relating to those times from my mother. But over time, the stories started to flow from her and I am ever grateful for that because I appreciate how difficult it must be for her. Our father being a humble person, would probably have played down his accomplishments and deeds, but coming from third parties, we could see how he impacted others and see the genuine affection and respect in which he was held by many.

This book is a tribute to both our father and our mother, who has always been by his side. I had the privilege and joy of working with them for around 20 years, after initially only thinking I would do it for 6 months. Were we a business family that became a family business or vice versa? Honestly, I cannot tell and the reader can be the judge. But the only things that were certain were that relationships and methods evolved over time, there were many ups and downs, and a lot of luck and God's help was needed. I was grateful for it all.

I would like to thank the wonderful Professor Howard Ling, whom I first approached to ask for help with this book, and he put me in touch with Anne Lee of the Joint Cultural Publishing Fund, the book's Editor, who helped us with almost everything else and she has just been tremendous. We are most indebted to the authors, Will Leung and Chen Yimin for their beautiful and profound work. We also thank Annie Ho, our researcher and Kenneth Wong, the transcriber for their invaluable support, Brian Wong for the skilfully translated version, and Christie So for helping to coordinate us all. Finally and most importantly, thank you to all my family members who gave their full support and contribution to this invaluable part of our collective history – our mum, Richard, Miriam, Wendy, Terrance, Patricia, Valerie, Hampton, Matthew, Amy, and not forgetting Kristy, Christopher, Shen Yu, and also our wonderful business partners, friends, colleagues and ex-colleagues – Anthony Cheong, Wang Weiling, Wang Weida, Zhong

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Paul Tao



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Ch.4

JINLING
HOTEL



Preparations

Commuting between the Mainland and Hong Kong in the 1980s was nowhere as convenient as it is today – with much of the journey passing through the underdeveloped countryside. Just a few years short of sixty, C.F. had to drag a suitcase stuffed with architectural plans across the Lowu Bridge, make his way to Guangzhou, fly to Shanghai, then take the train to Nanjing. A trip to and from Hong Kong and Nanjing would take several days, involving stressful border immigration and customs processing: every personal item down to a wristwatch had to be declared in writing. Additionally, he had to travel occasionally to Beijing to process documents and obtain permits. What kept C.F. going throughout all of this was the belief that he was serving his homeland, as well as the warmth with which he was received by his fellow townsmen and the local community.

As noted in an interview with the China Tourism Association, Zhang Xinsheng, who served as the Party Secretary and Deputy General Manager of Jinling Hotel as well as the Deputy Director of the Jiangsu Provincial Tourism Bureau, Jinling Hotel was not in fact a Sino-foreign joint venture. Funded entirely through foreign banks and corporate loans, it did not qualify for the policy concessions offered to joint ventures. The hotel's seed capital was USD 40 million – a gargantuan sum back then. In Beijing, Shanghai and Guangzhou, the project would have struggled to raise funds – even more so in Nanjing.

S.P. and C.F. were never the initial owners of the project;



1978 - at the start of China's reform and opening up, the Tao brothers were invited back to build a hotel. They chose their hometown, Nanjing, as the site of their first project.



1978 - at a preliminary meeting in Nanjing before the start of Jinling Hotel

they served the role of pro bono developers who made the project possible. It was a long while before “ESG” (Environmental, Social and Governance) took off, and S.P. and C.F. were not at all familiar with the concept per se. Yet the two brothers were driven not by profit – indeed, few viewed investing in the Mainland as profitable at all back then. Instead, the two brothers were firmly convinced that in order for China to truly reform and open up, the country needed modern knowledge, management training and technologically skilled professionals.

Most of their peers in the business world had advised the two brothers against heading back to the Mainland, given its fledgling legal institutions and uncertain economic prospects – to put it mildly. Yet the two brothers felt compelled to act, spurred by the thought of their compatriots toiling away ceaselessly, amongst whom many were still struggling to make ends meet and buy the most basic of clothes.

Jinling Hotel was located in the centre of Nanjing. Situated in Gulou District, Jinling Hotel was 35 kilometres from Nanjing Lukou International Airport, and 5 kilometres from the train station. This impressive establishment – housing the first revolving restaurant, the first high-speed elevator and the first skyscraper helipad on the Mainland – had in fact originally been a district packed with single-storey buildings. Transforming this district into one housing the tallest building in China then took Herculean efforts from C.F., S.P. and the Nanjing municipal government in the early days of its construction – especially in terms of raising the requisite funds from The

Hongkong and Shanghai Banking Corporation Limited (HSBC) as well as recruiting the necessary architectural and management experts from Hong Kong and Singapore.

Breaking Ground

The groundbreaking ceremony took place in March 1979, with the Palmer and Turner Group (today known as P&T) being the chief architect for the hotel. The first building (Phase I) of the hotel was also the first project in Mainland China designed by P & T since its relocation to Hong Kong.

Phase I of the hotel was a 37-floor, 110 metres tall building – the tallest building in China then. The mechanical and electrical equipment was supplied by Ryoden Holdings Limited (later the Mitsubishi Electric Hong Kong Group Limited), whilst Hong Kong firm Dale Keller and Associates Limited handled the interior design. The original design concept featured only 12 floors. According to Michael Chan, who was then a junior architect in P&T, the architect-in-chief Jim Kinoshita and his team had come up with six design proposals in total; it was not until the sixth that all parties managed to arrive at a consensus. The hotel had to be marketed at a level lower than top hotels in Beijing, which implied that it would likely be a three- to four-star hotel. Initially, the government had stipulated that the cost for each hotel room could not exceed 42,000 “dollars”; the original documents seemed to suggest that the “dollars” referred to the USD.

Yet as it turned out, there was a serious – albeit a “happy” – mistake. The “42,000” figure stipulated by the original

government documents was intended by the government to be in HKD, not USD. To build just a 12-floor hotel with the USD 42,000 per capita budget would have produced extraordinarily lavish rooms. As such, the team opted for the 37-floor proposal – including at least 800 rooms, alongside multi-functional halls, a kitchen, a coffee shop, a revolving restaurant and public spaces. The pleasant surprise was dubbed by the team “hitting the jackpot”.

Almost every Nanjing architect aged 50 years old or above today will have spent some time traversing the construction site – for it provided them with the rare opportunity to witness the construction method of a 37-floor high rise building, which was technically challenging against the backdrop of the single-storey buildings surrounding the site (in contrast to the hustle and bustle in the area today).

In fact, transporting the architectural floor plans to and from Hong Kong and Nanjing had also been a new experience for P&T, with employees who were used to working in a location proximate to the project. In Hong Kong, Kinoshita and Richard Jones, with the help of their team, revised the plans and transported them via planes, trains, and then cars to their colleagues in Nanjing, or exchange information via telegram.

Michael Chan commented that Kinoshita was known for his functionalist style. He put forth an exterior design that resembled a white-framed grid pattern, positing that so long as the building was functional, the aesthetics could work just fine. Additionally, with Nanjing situated on the



1980 – the Tao brothers, alongside Jim Kinoshita (first from left) and Ian Morgan (third from left) of Singapore Land Ltd. at the East China Fair.



1980 – Architect Jim Kinoshita (first from left) presenting the design concept of Jinling Hotel

downstream section of the Yangtze River and in the Yellow Sea Earthquake Zone, a cuboid-shaped structure would aid in reducing the volume of the seismic-resistant materials required and the consequent costs. The architectural design was pioneering in many ways – for example, dispensing with the drop ceilings in rooms, which significantly reduced construction costs. The original location of Phase I was on the east of Xinjiekou, but the relatively loose soil structure there meant that there was a need for a much deeper (70 metres) pile foundation. This, in turn, prompted the architects to shift the building’s location to the west of Xinjiekou, which required only a depth of 15 metres for the pile foundation.

Upon the accumulation of some revenue and improvements in construction technologies, Phase II of the hotel project, also known as the 17-floor “World Trade Centre”, commenced construction in 1997. By 2013, Phase III – the 52-floor “Asia Pacific Tower” – commenced operations upon the completion of its construction, funded in a large part by S.P., with his shares subsequently donated to the Jiangsu Tao Shing Pee Education Foundation,.

Opening

The hotel was opened in 1983. Its opening was widely reported. The Guardian noted that the opening of the opulent Nanjing Jinling Hotel signified the fundamental transformations taking place in China under Deng Xiaoping’s leadership. Then-President of France François Mitterrand was effusive in his praise – he noted that China had built such an impressive hotel, managed and operated



The marble for Jinling Hotel was supplied by Henraux S.P.A. in the Carrara region in Italy. On C.F.’s right is Gabriele Lavaggi who supplied him with marble and was his friend for over 30 years.



During the construction process of Jinling Hotel in the early 1980s, the Tao brothers are at the building site.

in such an impeccable manner, speaking fully to the trailblazing resolve of the Chinese people.

The October 5th 1983 edition of the state-affiliated Ta Kung Pao described the opening of Jinling Hotel as such: “The drums and gongs were as loud and clear as the day, whilst the firecrackers crackled in symphony, and the lions danced in style.” The journalist continued, Jinling Hotel “is the tallest building in our country, with the largest number of floors”. Over 600 guests attended the opening ceremony, including senior leaders from the State Council, China Travel Service, China National Tourism Administration and the municipal government of Nanjing, as well as representatives of the Japanese, American, Australian, Singaporean and West German diplomatic corps, also from Hong Kong and Macau.

The first Chinese national leader to visit the hotel was Liao Chengzhi, in 1983. He was extremely impressed upon concluding his visit, inscribing in calligraphy, “Jinling – A Great Hotel”. In the same year, the then-General Secretary of the Communist Party of China Hu Yaobang visited the hotel and inscribed “Friendship with All in the World, a Bold Bird’s Eye View over China”. He also met with the then General Secretary of the Italian Communist Party. In 1985, Deng Xiaoping came to Jinling Hotel and praised it for its “excellent management”. He also instructed officials in Shanghai to take a leaf out of the hotel’s playbook, which prompted various Shanghai officials to visit. Xinhua Daily noted that Jinling Hotel “exemplified China’s coming out of its isolation and undertaking genuine cooperation with the international community upon the commencement of



In 1984, World Trade Centre opened its first members' club on Chinese soil; the club was located in Jinling Hotel.



1997 – the opening of the World Trade Centre in Nanjing

reform and opening-up – it truly was a remarkable symbol”.

The success of the hotel had much to do with the international standard of its experts and advisors, though its operations were conducted entirely by Chinese employees – from the management to the front-line service personnel. C.F. invited the General Manager of Mandarin Oriental in Hong Kong to lead training workshops in Nanjing each month, as well as arranged for the core leadership team of Jinling to regularly visit Hong Kong to learn the best practices. C.F. also sent 12 engineers from Nanjing to Singapore and Hong Kong (China) to study the latest construction methods as well as maintenance and repair, and invited seasoned personnel from five-star hotels in Singapore to train the incoming management at Jinling Hotel.

C.F. termed this approach “learn first, then innovate” – starting first with the careful study of international standards, prior to innovatively adapting such standards to Nanjing. The Meiyuan Restaurant, first opened in 1983, played host to many political figures and became a favourite haunt to many Nanjing natives. Its signature dishes included “Jinling saltwater duck” and “Jinling square cake (fāng gāo)”, which were pivotal in adapting Huaiyang cuisine into the distinctive Jinling cuisine.

Looking back at its early days, S.P. concluded that Jinling Hotel had always held itself to the highest of standards through embracing “visible service management”. For example, the managers would always arrive earlier at work and leave later than their subordinates, so as to inspect and identify any issues. The management must also be sturdy and dependable. As for the “invisibles” – for example

equipment – the standards were no laxer. The drainage pipes were in copper and not iron, and the automatic laundry machines were the most advanced in quality.

As the saying goes, “God helps those who help themselves”. Jinling defied its naysayers and ended up breaking even. After a financial crisis, the Hong Kong government opted to peg the Hong Kong Dollar (HKD) with the U.S. Dollar (USD). In 1981, the USD:HKD exchange rate was 1:5.5. Policymakers subsequently fixed the rate at 1:7.78. The USD 8 million that S.P. had raised for the hotel appreciated in value by 40%. In 1993, the hotel cleared all its construction and development loans four years ahead of schedule and became the first five-star hotel in Jiangsu Province.

Becoming a Brand

In 2002, Jinling Hotel was restructured into Nanjing Jinling Holdings. Ltd, with its subsidiary Jinling Hotel Corporation. In April 2007, Jinling Hotel was listed on the Shanghai Stock Exchange – the first hotel on the Mainland to do so. S.P. and C.F. were kindly invited by the provincial government to invest money as minority shareholders. By 2017, Jinling Hotel became the first commercial property in Nanjing to contribute over RMB 1 billion in revenue. By 2018, Jinling Holdings had grown into a chain with over 150 hotels and approximately 40,000 guest rooms, spanning across 16 provinces and 74 cities throughout the country. It also made strides into the high-end real estate and elderly health sectors. Thanks to the exceptional contributions of the management team, “Jinling” thus morphed into a brand; it was no longer merely a hotel.

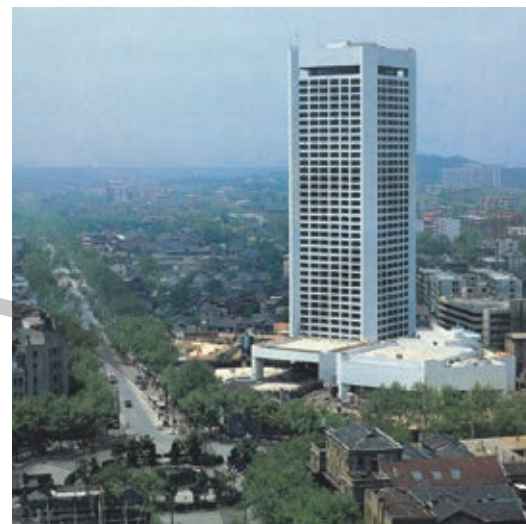
Nanjing's GDP also increased by over 440x between 1978 and 2024 to RMB 1.85 trillion.

This hotel played host to a significant number of senior Chinese leaders, including Deng Xiaoping, Liao Chengzhi, Li Xiannian, Peng Zhen, Hu Yaobang and Li Peng, as well as prominent heads of state, including the French President, Austrian President, Australian Prime Minister and the Supreme Leader of North Korea. As one of the landmarks of Nanjing, Jinling Hotel also received much praise from its fellow competitors and international media. During the 1980s, Jinling Hotel was probably the second most media mentioned landmark in China, behind only Tiananmen Square in Beijing.

Such achievements and records attested to the significant contributions made by overseas Chinese businessmen. Per government statistics, during the first decade of reform and opening-up, investments by overseas Chinese businessmen in Hong Kong and Southeast Asia comprised over 50% of total foreign direct investment into China. Indeed, the Tao brothers passionately led the way in tackling the funding shortage for Jinling; the full extent of their devotion was exemplified by the USD 8 million donated to the Provincial Government by S.P. for the revolving restaurant, as well as the USD 32 million loan negotiated by C.F. from HSBC, guaranteed by the Provincial Government.

Giving Back to Their Hometown

Even whilst he became a man of the hour in Nanjing, C.F. did not lose sight of his roots and humble beginning.



In 1983, the completed Jinling Hotel comprised 37 storeys and became at that time the tallest building in China. (Courtesy of P & T)



In 2007, Jinling Hotel was listed on the Shanghai Stock Exchange; the Tao family, represented by Paul (pictured), was invited back as a minority shareholder.

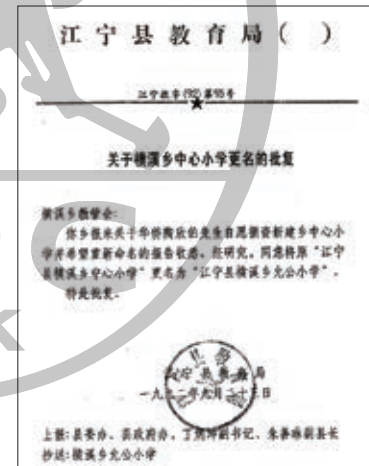
He took frequent trips back to his hometown upon the completion of the hotel. At first, the Nanjing government took care of all the relevant local transport, logistics and accommodation, treating him with gourmet feasts with delicate dishes. After a few trips, however, C.F. requested that the government refrained from so doing for him – he had a penchant for much simpler pleasures, such as a meal comprising “longevity fruits” (peanuts) prepared by his fellow townsmen in Hengxi, stove-cooked vegetables and “old hen broth” prepared using the same stove.

Upon witnessing the extent to which the streets of Hengxi remained underdeveloped, C.F. and S.P. felt compelled to do something about the town. In the 1980s, C.F. set up a water supply system, installing a water pump, a tower and pipes, such that each household could have their own water supply – in lieu of resorting to the ponds and wells. In 1986, C.F. and S.P. introduced décor materials manufacturer “Jinling Wallpaper” specialised in manufacturing wallpapers for German brands, as well as a tannery and a steel wire rod production plant, which created significantly more job opportunities for the locals. The various rounds of investment pushed Hengxi to become the highest-output town in Jiangning County, with its various production plants emerging as star enterprises in the county, frequently visited by government officials.

In the 1990s, S.P. and C.F. donated to the rebuilding of “Hengxi Town Centre Primary School”, originally established in 1931. They renamed the school “Gong Yun Primary School”, named after the honorific alias of their late father, Tao Yuncang. They believed firmly that given



In the 1990s, the Tao brothers rebuilt “Hengxi Town Centre Primary School”, originally established in the 1931 and renamed it “Yun Gong Primary School”, after their late father Tao Yuncang.



In September 1992, the Bureau of Education of the Jiangning county wrote to the Education Management Committee of Hengxi Town, in reference to S.P.’s donation to the construction of the school; the Bureau also agreed to the new name for the school as “Jiangning Hengxi Yun Gong Primary School”.

how challenging life was for many in the countryside, it was imperative that the younger generations should spend most of their time at school, as opposed to toiling in the fields. For the rural economy to grow, skilled human capital was of the utmost importance. Many farmhand parents struggled to raise the funds required to cover their children's school fees. This primary school offered free education to villagers to alleviate their burdens. In 2006, to improve the school's facilities and environment, S.P. and C.F. made a further donation of over RMB 20 million.

After many years of waiting for his application's approval, C.F. eventually succeeded in securing the 50 Chinese Mu (each Chinese Mu is equivalent to approximately 666.67 square meters) of land around the original family burial plot, which enabled him to construct a garden, a pond and an ancestral hall. The plot was subsequently further enlarged by another 100 or so Chinese Mu purchased from the local government, paving the way for a substantive makeover to Hengxi. The several hundreds of Chinese Mu came to serve as the base for the landscape company "Tao's Gardening Technique" and played host to many osmanthus and other trees. The villagers employed were paid generous wages. Many amongst them were extremely content – they were making more than they would have working in the fields.

The muddy terrain had been transformed into asphalted and cemented pathways. Even the stretches once without streetlights now gleamed with nighttime illumination. C.F. often noted that "fallen leaves would return to their roots". Whilst he did not end up retiring in Hengxi, he had always felt the calling to "do something for [his] hometown". Over

the past many years, the locals had tended to remember both C.F. and S.P. as individuals who brought much life and joy to the town. Indeed, in 2007, Hengxi Town was subsumed administratively under the newly established "Hengxi Subdistrict" alongside Taowu, Danyang, Xinyang and Xigang towns. Had it not been for C.F. and S.P.'s investment and contribution to the local economy, the subdistrict could very well have taken a different name.

Till this day, there remains much speculation in Nanjing cyberspace about the illustrious lives of S.P. and C.F. Plenty of accounts abound in their feats of building Jinling Hotel and contributing to their hometown, there is also plenty in them that is mythical – for one, S.P. had never been a poor shoe-shining boy at Xinjiekou. The two brothers had left Nanjing for Shanghai at a very young age.

