

## **Tan Kai Hee and the Art of Giving**

**Diana WONG Ing Boh \***

### **Abstract**

One of the least known personages of contemporary Malaysian Chinese society to the anglophone public is Mr. Tan Kai Hee, a self-made businessman and prominent philanthropist in the storied Nanyang Chinese mould. In many other ways however, his career differs from that of the typical self-made Nanyang capitalist, above all in his commitment to the socialist struggle in Malaysia. In this paper, a brief account is given of his three careers-as politician, entrepreneur and philanthropist-and of the way in which his first career as politician shaped his subsequent philosophy in business and philanthropy.

**Key words:** Philanthropy, Chinese entrepreneurship, Labour Party

### **Introduction**

Kai Hee is Hai-O and Hai-O is Kai Hee. To the avid reader of the Malaysian Chinese press, and the average consumer of traditional Chinese herbal products, this mantra of synonymity is all too familiar. Tan Kai Hee, arguably one of the leading public figures in Malaysian Chinese society, has received extensive coverage in the Chinese press, well before, but especially since, his decision to donate his entire business wealth to charity; and Hai-O, the health-care company he founded 39 years ago, with its seagull image soaring high above its retail outlets, has been an iconic presence of Chinese cultural modernity in the urban landscape of small-town Malaysia ever since the first store was opened in Klang in 1975. At 81 today, Kai Hee and his Hai-O have a name and brand recognition that has catapulted him to the very top ranks of Malaysian Chinese public leadership and societal reputation.

Yet Kai Hee is not your typical Malaysian Chinese tycoon. His name will not be found on any list of the ten richest Chinese in Malaysia. Neither is it preceded by the honorary title of Datuk or Tan Sri, commonly bestowed on men, and especially Chinese businessmen, of exceptional wealth or distinction in this country. Indeed, to many outside of the Chinese-speaking Malaysian public, his name may not even ring a bell. Surprisingly, there is no entry

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under his name in the 2012 publication, *Southeast Asian Personalities of Chinese Descent*, by the respected scholar Leo Suryadinata (Suryadinata, 2012), an omission that belies Kai Hee's extensive contributions, not merely to Malaysian Chinese society, but to contemporary Malaysian society as a whole.

This article is an attempt to rectify this omission and to provide an account of the extraordinary life and career of the man who founded Hai-O, but whose life-time achievements far exceed this simple fact alone. Hai-O, as we shall see, is not just Kai Hee, and Kai Hee is certainly more than just Hai-O.

### **A Malayan Childhood**

It began with a happy childhood. His young parents (mother from Yongchun, father from Anxi), both idealistic teachers infused with the spirit of the May Fourth movement, had left for Malaya shortly after their marriage in 1937 to set up home - and school - in a small Chinese rural settlement a little more than a mile away from the small town of Kluang in the southern state of Johor. The school comprised of two attap roof shacks, with their home in the middle. They were the only teachers (there were initially just ten pupils), but were soon joined by relatives from Fujian and Singapore who settled in other occupations, so that a veritable new Tan kin group was created in and around the little hamlet.

Into these by no means impoverished, but rather, modest and caring circumstances, Kai Hee was born on 3 May 1937, following the birth of an older sister, to be followed by another seven siblings. In her memoir of those early years written several decades later, Kai Hee's mother wrote of that hopeful new beginning in a new land in which the two children-Kai Hee and his older sister-were the dearly-loved centre of their family life. “两小是家中的宝贝，也是父母的至爱” (The two little ones were the treasure of the family; they were their parents' greatest love) (朱齐英/Zhu Qi Ying, 2009). Ensclosed in a loving family, the young Kai Hee, who was an active and adventurous little boy, in contrast to his older studious and serious sister, explored the freedom and relished the pleasures of the surrounding tropical environment which was his home. Years later, he was to recount, in countless interviews, of the stream behind the school in which he and his friends, barely clad, would swim together with boys from the neighbouring Malay kampung, of the fruits they would pluck and the run of the land they would have from morn till dusk. It was a Malayan childhood.

This idyll was contemporaneous with the Japanese Occupation of the country from 1942 to 1945, perhaps only due to the fact that it was so far out in the Malayan countryside. It was the events which followed which were to shatter that carefree childhood. With the return of the British, Kai Hee's father became actively involved with the Malayan Democratic League's anti-colonial struggle for independence. He was detained under the Emergency regulations enacted in 1948, and after two years of detention, deported to China. In the meantime, the little hamlet in which the family had settled and built their lives was demolished by the colonial authorities as part of the same Emergency measures. Their school, their houses, and their shops

were destroyed. Left penniless, with no means of livelihood, Kai Hee's mother decided to return to China to join her husband. In May 1951, she boarded a ship bound for China with six of her younger children. The older three, Kai Hee, his older sister, and a younger brother, were left behind. They were not to see their mother again till 1982.

Kai Hee was thirteen. He had not been a diligent student, and due to the chaos of the intervening years, had only managed to finish Primary 5. His mother found a place for him as an apprentice in a bicycle shop in Kluang before she left. His sister, who was only a year older, but had had three double promotions, remained for her final year in high school in Singapore. Kai Hee did not like the bicycle shop and soon found himself a job as a lorry attendant for the transport of timber. It was a physically demanding job for a young boy, and he did not receive any salary until his sister, who, upon completion of her final year in high school had had found a job as a teacher in Singapore, returned to Kluang and confronted the employer. She placed Kai Hee back in school in Kluang to complete his primary education, and then sent him to middle school in Singapore. With her first salary, she had also begun to send monthly remittances back to her parents in China. She was then sixteen.<sup>1</sup>

### **A Life in Left-wing Politics**

In 1953, Kai Hee entered middle school in Singapore as a mature 15 year-old. It was to be a profoundly formative and transformative experience for him. Living in the school hostel amongst politically and intellectually sophisticated classmates from urban Singapore, then economic and political centre of the British empire in the Far East, and correspondingly, the site of intense intellectual ferment and anti-colonial struggle, opened him to a new world that helped him make sense of his previous life experiences. When Chinese middle school students clashed with police in Singapore in the 1954 May 13 Incident, he was among the 45 detained, albeit only for 2 days. The Socialist Club of the University of Malaya in Singapore, formed by a multi-ethnic group of English-educated university students, came out in support of the Chinese students on 18 May 1954. On 28 May, eight of its leading members were detained and charged in court in the celebrated "Fajar" trial. It was then, Kai Hee has written, that he first heard of Dr. Rajakumar (Tan, 2011a), the man he calls his "mentor and model" (Tan, 2011b), and with whom he was to be closely associated later in life.

In 1955, he left middle school, after having only completed Form 2, and started work as a night school teacher. Kai Hee, known in his later life as a businessman as a "儒商" (scholar-merchant) for his intellectual interests and prowess, was henceforth to gain all his further education from his political work and his political associates. In 1956, he entered the trade union movement as a union organiser for the General Workers Union. When the government, in a major move to cripple the left-wing trade union movement, de-registered the union in April 1958, Kai Hee, together with several hundreds of other Chinese-educated working class activists, joined the Labour Party of Malaya, becoming the paid Secretary of the

Johor branch in 1959, and standing, unsuccessfully, for the 1959 General Election as a Labour Party candidate.

The Labour Party of Malaya was established in 1952 as the Pan-Malaysia Labour Party (PMLP), with the encouragement of the colonial government, as a counterweight to the insurgent working class unions led by the Chinese-educated Left. Its early leadership comprised mostly English-educated Indian and Malay members of public sector unions based in Penang, Selangor and Singapore (Tan, 2009). The character of the party first changed with the entry of some sixteen professionals and teachers from the Fabian Society in Penang in 1953 when the leadership took on a distinct multi-ethnic, socialist cast and in 1954 adopted the new name of the Labour Party of Malaya (LPM). The subsequent infusion of Chinese-educated student and workers' union activists, such as Kai Hee, into the LPM, as well as the formation of an electoral coalition, the Malayan People's Socialist Front, with the Parti Rakyat, a Malay-led party of left-wing nationalists, transformed the LPM into a formidable mass radical political party which offered a genuine non-communal and egalitarian political option to the plural society of the newly-established Malayan post-colonial state. It was to play a key role in the post-Merdeka politics of the late 1950s and 1960s, and its demise in 1972 marked the end of an era of great political struggle and sacrifice.

Kai Hee belonged to the top leadership of the party. Indeed, he ended his political career as its last duly-elected Secretary-General, before its de-registration in 1972. He had started his career in the LPM as the young 22-year old paid Secretary of the Johor branch. His leadership ability and organisational talent had been further developed as a student and union activist. A consummate grass-root organizer, within a year or two, he had managed to establish several party branches in the small-town landscape of Johor. Although he failed to win a parliamentary seat in the 1959 General Election, he was elected as a Johor city councillor for 1961-1963.

In 1964, he was elected as Assistant Secretary of the Selangor division of the Party, then under the chairmanship of Dr. Rajakumar, and moved from Johor to the national capital in Kuala Lumpur. Dr. Rajakumar, from an elite Malayalee family in Melaka, had joined the LPM in 1961 and with his formidable intellect, unswerving devotion to the socialist cause, and gentle, modest demeanour, was a leading figure in the LPM and Socialist Front. He was also personal friends with the national elite of the country, across the ethnic and political divide. Jomo K.S. mentions Tun Ghafar Baba, Tun Tan Siew Sin and Hasnul Hari as some of these friends (Jomo, 2011). During his last bouts of hospitalisation, he was frequently visited by Dr. Mahathir and his wife, who were fellow medical students in Singapore (Tan, 2011a).

As Secretary and Chairman of the LPM Selangor branch, Kai Hee and Rajakumar worked closely together. The LPM and Socialist Front world of 1960s Kuala Lumpur was one which encompassed the brightest and the best, across the ethnic divide, which the nation had then to offer. They included men like Dr Poh Soo Kai, Kassim Ahmad, S. S. Gill and Syed Husin Ali, who intermingled with each other in Rajakumar's San Peng flat, close to the private practice he



had established in that working class area, sharing dreams and hopes and laughter, and analyses of the political issues of the day, often led by Rajakumar's incisive and insightful comments (Syed, 2011). Kai Hee, the intrepid grassroots organizer, would swing by to report and to learn and to report back. "He was like a teacher; when he finished explaining, you felt enlightened", Kai Hee recalled (Tan, 2011b).

Kai Hee mentions that he was never made to feel inferior in this circle on account of his poor command of English. In his modesty, Kai Hee failed to mention that his fluent command of Malay was a key political asset to the party. Kai Hee often acted as interpreter into Chinese of speeches made by Malay party leaders like Hasnul Hadi at political rallies. His command of colloquial Malay, exceptional among the many English and Chinese educated members of the party, "made him seem like one of us", said Syed Husin Ali, who later became the President of Parti Rakyat. "He was like Chin Siong in that respect".<sup>2</sup> Syed Husin had been close to Lim Chin Siong, the legendary leader of the Chinese Left, during his student days in Singapore. Chin Siong, like Kai Hee, came from a Chinese-educated working class background in small-town Johor. The easy camaraderie these two men could establish with the Malay Left, many of whom were also not adept in English, was a lesson the Chinese Left took to heart, perhaps much more so than the English-educated, in the perilous politics of the 1960s.

Ahmad Boestaman, then President of Parti Rakyat, had been detained without trial in 1963. To mark the second anniversary of his detention, the Socialist Front planned a mass demonstration for 13 February, Human Rights Day. Kai Hee was charged with the organisation of the event. To pre-empt the mass show of force, Kai Hee was detained, together with hundreds of other activists, under the Internal Security Act (ISA). Four months later, Dr. Rajakumar was picked up. Their incarceration in 1965 left a leadership vacuum in the party already bereft of men like Ahmad Boestaman, Hasnul Hadi, Ishak Muhammad and Dr. Burhanuddin Al-Helmy. The Socialist Front and the Labour Party were never to recover.

It was questionable whether the detainees themselves ever would. A common threat used by the prison authorities to enforce compliance was "you enter vertically, you will leave horizontally" (刘慧珊/Liu Hui Shan, 2009). Kai Hee, ever the rebel organizer, led several hunger strikes to protest prison conditions, and was punished with solitary confinement for 98 days. Unsure of whether he would ever be released "vertically", he told his wife to seek a new life for herself. Their daughter was brought up by Kai Hee's older sister.

Kai Hee survived eight years of detention without trial. From Rajakumar, he learnt English. From prison visits, he acquired his future second wife, Tan Siow Eng (陈秀英), a party activist who had herself been detained twice. In 1967, he was elected Secretary-General of the Party. In 1972, the party was de-registered and ceased to exist. On 12 March 1973, he was granted conditional release. He was met at the Kuala Lumpur Railway Station on the day of his release by Rajakumar, and his future wife, Tan Siow Eng. The photograph captured on that day showed the leader of the defunct LPM, who had sacrificed twenty years of his life for the socialist politics of his party, the last eight in jail, standing upright and full of zest for life. He was ready for the next battle.

## A Life as Entrepreneur

Tan Kai Hee's two decades of life at the forefront of the student, labour and party struggle for an independent, just and non-communal Malaysia alone would have earned him a place in the history of the nation. Today, he is better known for the successful businessman he has become, his name synonymous with the company he founded in 1975, Hai-O. Hai-O was the first traditional health-care company to be listed on the Bursa Malaysia (Second Board), in 1996. It is now a RM200 million company listed, since 2007, on the Main Board of the Malaysian Stock Exchange.

As the founder of a successful business enterprise, Tan Kai Hee has advanced to leading positions in the Chinese associations in the country (he holds office in 21 such associations) and his standing among his peers can be seen by the presence at his 80<sup>th</sup> birthday celebration of Tan Sri Tiong Hiew King of Rimbunan Hijau, among many others. His extensive philanthropy - over and above the norms expected of successful Chinese businessmen (Peterson, 2005) - has earned him the deep respect and affection of vast swathes of Malaysian Chinese society, some of whom may remember or know of his earlier services as a committed socialist politician. For those who do not, Tan Kai Hee has made no attempt to conceal his storied past, earning him the moniker of "the red capitalist" (黄颖嫻/Huang Ying Xian, 2016).

How does a penniless, no longer young (he was 38) political activist, resolute in his socialist beliefs, reinvent himself as a successful businessman? Part of the answer is simple - he did it with the help of his friends. Following his release, his old friend Dr. Rajakumar gave him and his wife a loan to start work on a farm, a first venture which failed. Eventually, it was another Socialist Front friend and ex-detainee, who had founded a firm selling patented Chinese medicine, 英丰公司(Yingfeng), who gave him his first break (方思湧/Fang Si Yong, 2007). Tan Kai Hee first joined as a clerk, then became manager, and was soon travelling the length and breadth of the peninsula, visiting old comrades settled in small towns all over the country in search of new wholesalers and retailers for the medicinal products. He read up all he could on traditional Chinese medicine - he had discovered a new passion.

Two years after joining Yingfeng, he set up a new collective of 80 shareholders, all ex-comrades, of a company to be known as Hai-O, with a total start-up capital of RM 160,800, to which each had contributed a sum of a few hundred to RM2,000-3,000. Hai-O, the soaring seagull immortalised in a Chinese revolutionary song, was founded on Labour Day in 1975, and recovered its capital within the first year of its operation. The big break came at the end of the first year, when a Singaporean friend who had obtained distribution rights for a Chinese medicinal wine made from silkworms offered the rights for Malaysia to Yingfeng's owner. He turned it down because of the high import tax on alcohol in the country. Hai-O took it up and eventually absorbed Yingfeng.

Tan Kai Hee's brilliance as a businessman lay in his marketing of the wine not as alcohol, but as medicine, and as a Chinese cultural product. Chinese herbal wine was not a familiar

product for the Malaysian Chinese, accustomed to Chinese medicine in the form of pellets and infusions concocted by local Chinese pharmacists in dark and dank, old-fashioned Chinese medicine halls. Wine could command a far higher price and hence profit margin. It had however to be made palatable to the local consumer, who was familiar with alcohol only as expensive Western spirits, namely brandy and whiskey, indispensable for toasts at celebratory functions, of which there were many in the Chinese social calendar. The unfamiliar, and somewhat unappealing, taste of Chinese herbal wine was to be overcome, in Hai-O's telling, by its health benefits. The silkworm wine was beneficial for the back and the kidneys; *lingzhi* wine, a later bestseller, was a health tonic for general well-being. Lingzhi wine was also made into an acceptable replacement for expensive, high-end Western alcohol at company and other social functions by appealing to the diasporic "homesickness" for Chinese cultural products. Teresa Teng's endorsement helped.

Sales skyrocketed. Over time, Hai-O acquired distribution rights to some 200 Chinese medicinal products. They were sold in brightly-lit and well-organised retail outlets which bore little resemblance to the old and musty Chinese medicine halls long associated with Traditional Chinese Medicine (TCM). In 1992, it ventured into multi-level marketing, with the setting up of Sahajidah Hai-O, and in 1994, into manufacturing, with the setting up of SG Global Biotech. Hai-O's success was sealed with its successful public listing as the first traditional health-care company in 1997.

What was there in Tan Kai Hee's improbable left-wing past which might have predicted Hai-O's success? One key asset would certainly have been the finely-honed skills of persuasion and organisation which he brought to bear in his new enterprise. Tan Kai Hee brought to business what he had learnt to do in politics, namely, propaganda and organisation. "In the final analysis, we applied to business what we had done in politics, namely, "propaganda and organisation" (黄颖娴/Huang Ying Xian, 2016). Generous donations of company products to fund-raising actions by groups within Chinese society raised the image of the company and paid off in terms of consumer support. Rooted from birth in Chinese culture and society, he worked with and within the local Chinese social and commercial organisations to push his company's products, using techniques of mass persuasion, just as he had organised party branches and mass rallies throughout the country.

Another key asset was connections - of the right, or more precisely left, kind. The rise of Hai-O coincided with profound macro-political developments in the East Asian region. Even as the left-wing political movement in Malaysia, which had looked to China for much of its inspiration and support, was being crushed in the early 1970s, so was China looking for a way out of its diplomatic isolation and economic paralysis. Political and economic relations between the two countries had been frozen for over three decades. In 1974, the year after Tan Kai Hee's release from prison, Prime Minister Razak made his historic visit to China, after which diplomatic relations were established. Economic relations followed. China products, out of reach of the Malaysian Chinese population for decades, could now be imported. A "China

fever” arose. Hai-O retail outlets were among the first to make available to an excited Malaysian Chinese small-town working class and business heartland new Chinese cultural products.

Klang, a quintessential Nanyang Chinese merchantile harbour town, to which Kai Hee was initially confined under the terms of his conditional release, had just the right locational advantages for a budding Chinese company specialised in imported Chinese goods. It was home to a large Chinese working class, as well as a rich and powerful stratum of Hokkien business people. It was also the hometown of Tan Kai Hee’s wife, Tan Siow Eng, who was an active partner in Hai-O, as well as of many ex-comrades. Connections to local business society, at the port of entry for the new goods to be imported, were thus assured. Hai-O has, from the very beginning, positioned itself within local society and maintained and cultivated these connections. Of the initial capital raised by the 80 shareholders in 1975, a portion was immediately donated to the four Chinese independent schools in Klang, pet projects of the local community. This echoed the LPM political practice of being close to local society; it was a defining Hai-O business practice.

Generating demand was important; securing supply was critical. Deng Xiaoping opened the Chinese socialist command economy to foreign entrepreneurs in the late 1970s. The opportunities at this moment of opening were tremendous for those with the right connections for navigating this new and uncertain market. Tan Kai Hee and his comrade shareholders in Hai-O, with their leftist credentials and family ties, would have had invaluable formal and informal connections that helped to provide access to these business opportunities. Deng Xiaoping’s economic reform policy was important in one other respect. His injunction to be a wealth creator (致富光荣) provided the ideological freedom to Tan Kai Hee and his partners to embark on the capitalist path, and to become “red capitalists”.

There was another set of less likely and less evident connections which were to prove critical to the survival of Tan Kai Hee’s Hai-O, namely, Tan Kai Hee’s proficiency in Malay and his close interaction with Malay friends and fellow politicians in the Socialist Front in the 1960s. After his release from detention, Rajakumar introduced him to the Malay poet laureate Usman Awang, who became a very close friend. Both Rajakumar and Usman Awang were on the Board of Directors of Hai-O, and were close advisors to Tan Kai Hee. Founded in 1975 as a Chinese company selling Chinese products to a Chinese market, Sahajidah Hai-O was founded in 1992 to cater to a Malay market. Chinese wine could obviously not be the key product in this market. Indeed, the product palette was quite different to that of the mother company, consisting primarily of household and beauty consumer items, rather than herbal medicines. These were sold through the medium of multi-level marketing, instead of retail stores, which provided the opportunity to Bumiputera individuals to become entrepreneurs in their own right.

Hai-O’s success in expanding its Chinese market throughout the 1980s and 1990s had climaxed in its 1996 public listing on the Malaysian Securities Board. A year later, disaster struck in the form of the Asian Financial Crisis, which led to the precipitous depreciation of the

ringgit and the introduction of capital controls, both measures fatal to a trading company. Hai-O, whose business model was based entirely on the import of Chinese goods, was on the verge of collapse. At this moment of existential crisis for the company, when the entire Malaysian private sector was being devastated, Sahajidah came to the rescue.

According to Tan Kai Hee's own account, a Malay friend whom he had helped previously, Mohd. Salleh, suggested to him to bring direct sales to the Malay community by increasing the number of Bumiputera distributors. This would dovetail with Government policy to promote Bumiputera entrepreneurship. Chegu Salleh, as he was widely known, was the retired principal of a Malay school in Klang, a deeply religious man and highly respected in the Malay community in Klang. It worked. Bumiputera distributorship rose from 10 per cent to 90 per cent. Hai-O was saved. In Tan Kai Hee's own words, "Without the Malays, I would not be here today" (刘慧珊/Liu Hui Shan, 2009). Tan Kai Hee refers to Mohd. Salleh as his "恩人" or saviour.

Hai-O, which was essentially a Chinese SME, would never have had the necessary access to Malay government officials and the Malay mass market essential for the success of its multi-level marketing arm without Tan Kai Hee's deep friendships with leading figures in Malay society. Usman Awang was chairman of the board until his death in 2002, to be replaced by Cassim Osman, a member of the Socialist Club in his student days who ended his government career as Secretary-General of the Ministry of Consumer Affairs. For Tan Kai Hee, whose fluency in English never matched that in Malay, these were friends for life, politics and business.

One other partnership was to prove crucial for life, politics and business. Tan Siow Eng had joined the Labour Party as a young girl in 1955, eventually becoming head of its women's wing, and was herself subjected to detention twice. During Tan Kai Hee's 7-year incarceration, she visited him frequently on behalf of the party and after his release, they married. She devoted her life henceforth to family and what was to become a family business, Hai-O. Hai-O, it should be recalled, was founded as a joint venture by a group of eighty ex-detainee shareholders, and was just one among several such collective business ventures established by ex-detainees in the 1970s. Of these, only Hai-O has managed to survive. In the process however, it has evolved into the form of an essentially classical Chinese family firm. Many of the original shareholders sold off their shares in the course of the years, and in the wake of the crisis faced by the company during the Asian Financial Crisis, his major partner also pulled out. Tan Kai Hee was able to buy their share and holds today 30 per cent of the publicly listed shares.

In the public mind, the family firm Hai-O is Kai Hee. The behind-the-scenes role of Tan Kai Hee's wife, Tan Siow Eng, however, should not be underestimated. Her official position as Group Financial Treasurer underscores the key role she has played in building up the company as a family firm. Armed with the same set of organisational skills acquired by Tan Kai Hee in the course of a lifetime in politics, "Madam" has leveraged on her family connections in her hometown Klang, where the headquarters are still located, to run the company, while Tan Kai

Hee has leveraged on his wider network to work the market. In the meantime, leadership of the company has passed on to Tan Keng Kang, the son of Tan Kai Hee and Tan Siow Eng.

The Hai-O which is Kai Hee was best known for its imported lingzhi wine and as a TCM health store, of which there are now 58 in the country. Its expansion into manufacturing, with the establishment of SG Global Tech in 1994, which today manufactures over 100 types of products, and the provision of TCM clinics in a joint venture with the Beijing-based *Tongrentang*, starting in 2002, reinforced its profile as a health-care company. By 2017 however, its multi-level marketing division, selling more household, cosmetic and fashion products than health products as such, accounted for 70 per cent of the company's revenue, with 53,000 core distributors, 90 per cent of whom were Malay.

The TCM health market remains primarily a Chinese market. In the face of an ageing Chinese population however, as well as vigorous competition from other modernised TCM companies such as the Singapore and Hong Kong-based Eu Yan Sang, Hai-O, under the new leadership of Tan Keng Kang, appears to be planning for profound changes in its company profile in the near future. It has engaged the services of Jimmy Choo to develop mid to high end fashion products for the Malay as well as Chinese market. Hai-O and Huawei also recently announced collaboration for co-branded smartphones. The focus is to be on Multi-Level Marketing (MLM), with a view to expansion into the much larger Indonesian market. Hai-O's business legacy as a health-care company is likely to shrink as the family business continues into the second generation.

### **A Life as Philanthropist**

Tan Kai Hee's legacy of selfless service to society is more likely to last. The end of his political career had not meant the end of his political beliefs. In his first interview with a reporter after his release from seven years of incarceration on account of his socialist politics, he said, "I believe in socialism. I did so in the past, I do so now, I will do so in the future" (张慧敏/Zhang Hui Min and 刘慧欣/Liu Hui Xin, 2008). After his forced withdrawal from party politics in 1973, this steadfast commitment to his socialist beliefs was channeled, first into business, then into an impressive record of active philanthropy and community leadership. In 2017, he was named, one of only two Malaysians, to the *Forbes* annual list of Asian Heroes of Philanthropy.

The practice of giving was built into the DNA of Hai-O from the very beginning. From the founding capital of RM160,800, RM4,000 was immediately donated to Klang's independent schools, even before any profit had been raised. Since then, every annual Hai-O anniversary celebration has seen a percentage of net profit given to education, culture and public interest affairs. More recently, Tan Kai Hee has increased the size of his personal donations. He started giving on a large scale in 2001, and since 2010, has donated the entire annual dividends from his shares (fifty per cent of net profit is declared as dividend every year) held in Hai-O to charity. This has amounted to RM1-2 million annually.



The company that Tan Kai Hee built, and the wealth earned therefrom, remains of modest size and scope - a family firm in the SME mould. By the standards of mega-league Chinese philanthropy, the sums involved are unremarkable - compared to the vast business empires, and the corresponding sums of money donated to charity, of some of his fellow Malaysian business tycoons. Tan Kai Hee however, is the first Malaysian entrepreneur who intends to will his entire fortune away. In 2014, he announced his intention to place all his accumulated wealth - in shares, properties and savings - in a foundation to be set up. In 2017, on the occasion of his eightieth birthday, he reiterated his intention to give away all his personal wealth upon his death, and announced the setting up of a RM100 million trust company.

As he has gradually relinquished executive control of Hai-O in the preceding years, he has been embarking on a new and final career as philanthropist, spending more time at the Hai-O office in downtown Kuala Lumpur, which manages his philanthropic engagements, than at the Hai-O Klang head office, which was and remains the nerve centre of the business. Clearly, this desire to give derives from his past, before Kai Hee had become Hai-O. Engaging in a third career as a philanthropist, following his earlier two in politics and in business, is to remain true to the past, and to not forget one's roots (念旧不忘本). Given the nature of Tan Kai Hee's past, it is not difficult to discern in his philanthropy a pattern and a practice that differs considerably from that typical of the philanthropy expected of all successful Chinese businessmen, especially in the Nanyang (Peterson, 2005).

As with all Malaysian Chinese philanthropists, support of Chinese education ranks high on the list of his charitable priorities, and Chinese schools in Klang and Kluang, especially the Chinese independent high schools in these two towns, have been regular beneficiaries of the Hai-O dividends. Chinese institutions of higher learning in the country such as Universiti Tunku Abdul Rahman (UTAR), Southern University College, and New Era University College are also obvious candidates, but the sums disbursed here have been far lower. From 2008 to 2017, UTAR received RM10,000, Southern University College RM100,000, and New Era University College RM10,000, compared to almost a million for Kluang Chong Hwa High School in the same period. Kai Hee's commitment to the cause of Chinese education can be seen in his 2015 intervention in the Dong Zong controversy, when he donated RM500,000 in his personal capacity for Dong Zong staff to continue to receive their salaries after Dong Zong accounts were frozen in the course of a factional struggle for control of the Chinese education movement.

Much in keeping with the pattern of Chinese merchantile philanthropy (Peterson, 2005) are also the donations made to the 'traditional' Chinese organisations, or *huatuan* (华团). Over the last ten years, various entities of his surname associations have received well over a million ringgit. In addition to his clan associations, he has also made contributions to his dialect associations, including the Klang Hokkien Association, the Selangor and Kuala Lumpur Hokkien Association and the Federation of Hokkien Associations of Malaysia. Beyond his own clan and dialect associations, Tan Kai Hee's close identification with Malaysian



Chinese society can be seen in his million-dollar donations to the Kuala Lumpur and Selangor Chinese Assembly Hall and the Federation of Chinese Associations Malaysia, as well as to the Associated Chinese Chambers of Commerce and Industry of Malaysia.

Chinese education and the existing Chinese huatuan - all self-respecting Chinese businessmen who seek the respect of Chinese society would make it a point to donate generously to these two causes. What distinguishes Tan Kai Hee's philanthropy is (1) the range of causes he supports, well beyond the narrowly ethnic issues of education and community self-organisation and (2) his active engagement in the causes he supports, well beyond the mere donation of money. In fact, his active engagement in "giving to society" has often meant the establishment of new associations or foundations of which he is a major donor. He is, in this sense, an "activist" philanthropist.

An immediate legacy of his left wing political party work is the amount of money given to former comrades. In 2000, Tan Kai Hee organised and funded the first reunion of former activists of left-wing politics in Malaysia, including ex-student activists, Labour Party members, political detainees and Malayan Communist Party (MCP) jungle fighters, following which *Fenghuang* (凤凰) was registered as a mutual aid association. The various Fenghuang branches throughout the country since founded have benefited liberally from Tan Kai Hee's support, and the third national reunion of the old Left has since been held. His continued interest in the issues which animated his political past is also reflected in the financial support he has provided to what may broadly be termed civil society or public interest groups, including research, publishing, literary and theatre groups and projects. He has been the primary donor to the Centre for Malaysian Chinese Studies (华社研究中心), tasked with research into issues affecting contemporary Malaysian Chinese society - for the past decade, but has also made smaller contributions to other public interest research groups such as the Centre for People's History and the Malaysian Social Science Association. His active engagement in issues which require his financial support can be seen in the role he played in bringing the historical circumstances of the Batang Kali massacre which occurred during the Emergency to the attention of the public, by supporting the remaining victims' claim for compensation in the British court. Given the role played by the Emergency in destroying his own family, this engagement is a clear manifestation of how life experience is merged with politics and philanthropy in Tan Kai Hee's art of giving.

Book publication projects receive frequent one-off subsidies, as do socio-cultural events such as International Women's Day festivities. Chinese theatre and literary groups and productions enjoy much support, but particularly noteworthy is Kai Hee's support of cross-cultural productions and exchange. In April 2017, a classical Chinese drama was adapted to the Malaysian context and staged in English with a multiethnic cast by the leading Malaysian dramatist Faridah Merican. In her introductory vote of thanks to the sponsor of the well-attended production, which, she noted to the audience, was not her normal practice, she thanked Tan Kai Hee for his contributions to Malay-Chinese cultural exchange and drew special attention to his

support for the translation into Chinese of the national poet laureate Usman Awang's poetry, and the publication and dissemination of his works in China. Usman Awang was a close friend who came from the small fishing village of Tanjung Sedili in the same home state of Johor. Tan Kai Hee helped rebuild the family home in Usman's lifetime, and after his death, established the Usman Awang Foundation with a million ringgit endowment, dedicated to the promotion of cross-cultural and inter-ethnic exchange between the races in Malaysia.

Tan Kai Hee has also donated a million ringgit each to the endowment funds of the foundations established in the name of two other iconic figures - the Lim Lian Geok Foundation and the Tan Kah Kee Foundation. Lim Lian Geok and Tan Kah Kee were community leaders of exceptional calibre of a diasporic Chinese society faced, at different times in its recent history, with extreme political challenges, and the foundations set up in their memory enjoy widespread societal support across all classes and political affiliations. Tan Kai Hee initiated the founding of the Tan Kah Kee Foundation and is the Chairman.

Among Tan Kai Hee's many own claims to community leadership (he holds office in 21 different community organisations), his efforts to strengthen official, business as well as popular ties between Malaysia and China will rank high. In 1992, together with Usman Awang, he set up the Malaysia-China Friendship Association, of which he is the Secretary-General till today. A Malaysia-China Culture and Arts Association was subsequently formed to promote cultural exchanges between the two countries. He was instrumental in the formation of the Malaysia-China Chamber of Commerce as well as the Malaysia-China Business Council, and was among the senior Malaysian business leaders who figured prominently in the 2014 visit of Chinese premier Wen Jiabao to Malaysia. A measure of the esteem in which he is held by the Chinese authorities is the presence of the Chinese ambassador at his recent 80<sup>th</sup> birthday celebration.

## Conclusion

In a set of wide-ranging interviews with the *Nanyang Siang Pau* in mid-2016, reflecting on his life, politics and business, he attributed his success in business to his earlier work in politics, and described his philanthropy as a continuation of his socialist politics. As role models in business, he venerates the legendary Tan Kah Kee, "who sacrificed his family to build schools" (黄颖娴/Huang Ying Xian, 2016) and Robert Kuok, for his contribution toward the improvement of Malaysia-China relations. In politics however, it is Dr. Rajakumar, with his "love for the country, fight against colonialism and ability to distinguish between right and wrong" - the teacher who became a friend-who remains the lodestar. In his Foreword to the book he initiated in memory of his close friend and mentor, Dr. M. K. Rajakumar (Tan, 2011), who died in 2008, Tan Kai Hee hailed him as a "true son of Malaysia" (Tan, 2011a). The same high praise can be given to Tan Kai Hee himself. In his life and his work, his business and his politics, his friendships and his philanthropy, he has proven himself to be a true son of Malaysia, while remaining a faithful son of the Yellow Emperor.

## Notes

- 1 Tan Loke Bee (陈绿微) lives in Singapore today and hardly travels because of ill-health, but continues to give private piano tuition to students (Interview with Tan Kai Hee, 14 August 2017, Kuala Lumpur).
- 2 Syed Husin Ali, oral communication, Kuala Lumpur, 20 June 2017.

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