




02

Hexagram 11 : Tai/泰 (Smooth  
& Unobstructed ) &  
Hexagram : 12 Pi/否  
(Blockage & Stagnation)



# Hexagram 11 :Tai/泰 (Smooth, Unobstructed State - Prosperity,Gains)

- The Lower Qian (Persistence,Heaven) + The Upper Kun (Submissiveness,Earth)
- Tai -Smooth. Unobstructed, harmonious & peaceful state.Part of an ongoing process.First lunar month,spring.The mission of Hexagram Tai is to build-up & maintain Tai.
- In Tai hexagram masculine & feminine blend harmoniously on an ongoing basis.
- It's reverse hexagram is 12:Pi/否  & inner hexagram is 54:Gui Mei/歸妹  -One must prepare for danger even in good times.So persevere inside,exhibit submissiveness outside,
- Small goes,big comes=gains.
- (1)Pull couch grass,46 Sheng/升-to rise  (2)Embrace wilderness,undertake crossing the river with bare feet,not abandon those who are remote,abandon cliques attain what's yearned for by acting moderately,3)No plain without a slope,no advance w/o return, adamantly persist,no calamity(4)hovering bird,not wealthy like neighbour,Change to 34 Da Zhuang/大壯  (5)Di Yi arranged for his sister to wed-blessings for the people. Wedding led to Ji Ji (63) /既濟 Mission Accomplished ,by lines interchanging position.When the line becomes male-5:Xu/需(waiting-peril ahead)  6)city wall collapsed into the moat  if the line changes to masculine=26 Da Chu/大畜-large storage 

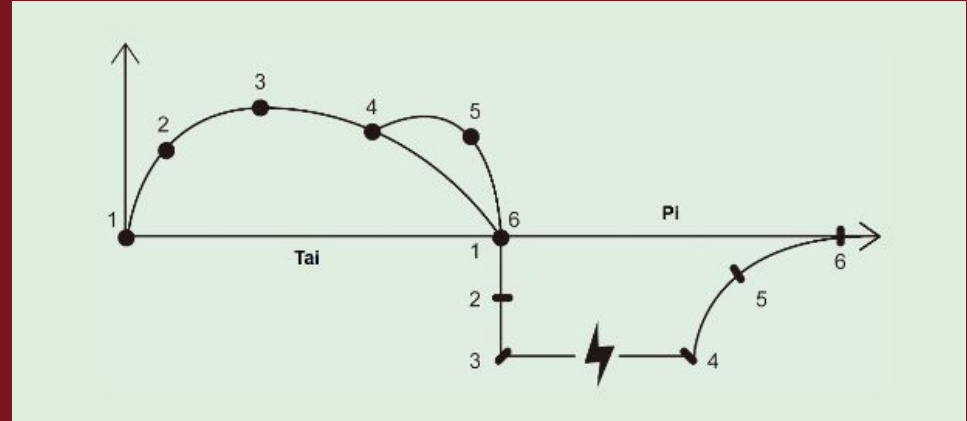
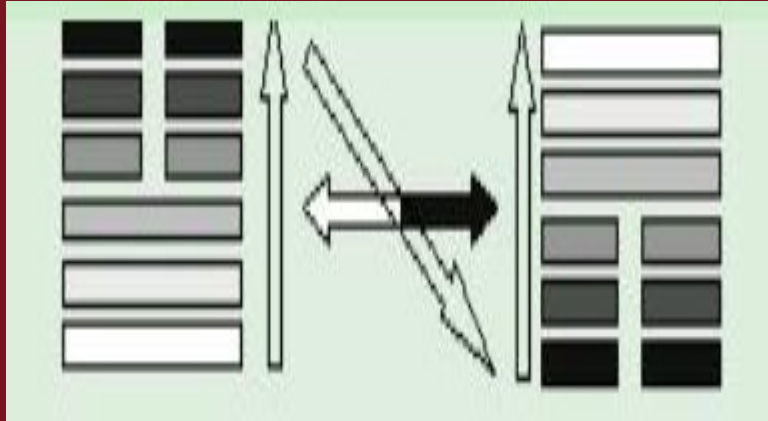


# Hexagram 12 :Pi/否 (Blockage & Stagnation-Adversity, Losses)

- The Lower Kun (Submissiveness ,Earth )+ The Upper Qian (Perseverance,Heaven)
- Pi/否-A state of blockage & stagnation.The mission of Pi is to convert it to Tai/泰. Pi & Tai are cyclical.
- It's **inner hexagram** is 53:Jian/蹇-to progress gradually & sequentially ䷦, which is the way to return to Tai, its changing hexagram.Tai ䷊ will change to Pi ䷋ when it reaches its end ,while Pi must be topped to bring back Tai,as it is against the sequence trend.
- Large goes,small comes=loss.
- Those above have no connection with those below.
- Pi hexagram teaches people how to live in troubled times & protect themselves. It also teaches how to convert Pi to Tai .None of the lines has any -ve omens.
- (1)Pull couch grass,remaining still is auspicious(2)great lord needs to tolerate the villain,to avoid hexagram 6:Song/訟-dispute , ䷅ (3)enveloped shame,When the line changes to masculine-Dun/retreat ䷠(4)Mandated by heaven,Turning point(5)Tie to the flower buds of the thicket of mulberry trees (6)collapse at first,later happiness.If this line turns to feminine-45:Cui/萃 gathering of elites ䷬ & the danger of 2 forces & turbulence.



# Hexagram 11 Tai/泰 (Smooth & Unobstructed) & Hexagram 12/否 Pi (Blockage & Stagnation)



Tai signifies prosperity & Pi adversity; prosperous & stagnant states.

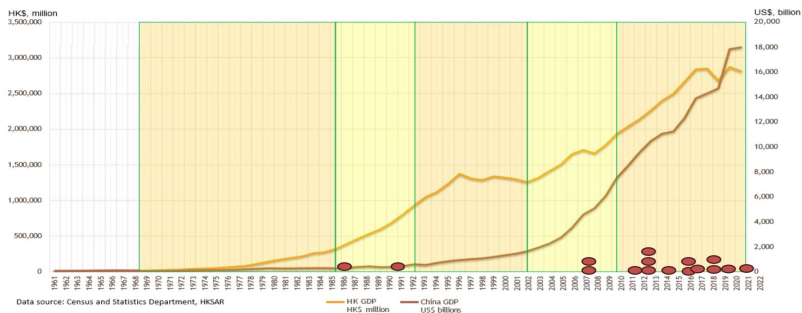
Hexagrams Tai & Pai are reversal of each other & interchangeable. This signifies that they are Cyclical i.e. Good fortune & Misfortune are cyclical. Masculine disappears when it reaches the upper trigram-Kun of Tai, like brightness being replaced by darkness. Although the environment is still Tai, Pi is emerging.

Pi forms after Tai reaches its extremity along the timeline and Pi will return to Tai after it is toppled at the end & falls backwards against the sequence,

# Hexagram 11 Tai/泰 (Smooth & Unobstructed) & Hexagram 12 Pi /否 (Blockage & Stagnation)



Times and Circumstances  
Restaurant listings in the Stock Exchange



When Chairman Sunny Lo's father (aged 54) & relatives started their entrepreneurial journey, they entered the wig manufacturing business (Video 1-19:45) in a state Meng, not learning from the example of others i.e. the convict of Meng line 1 & entered the line of business at the wrong time (Video 1:2180) when the good times were all but over. Lesson learnt, thereafter, the leadership of Cafe de Coral (大家樂) has always paid special care to monitor & try & take advantage of periods of prosperity - Tai/泰 and not once again fall prey to Pi/否, due to poor timing.

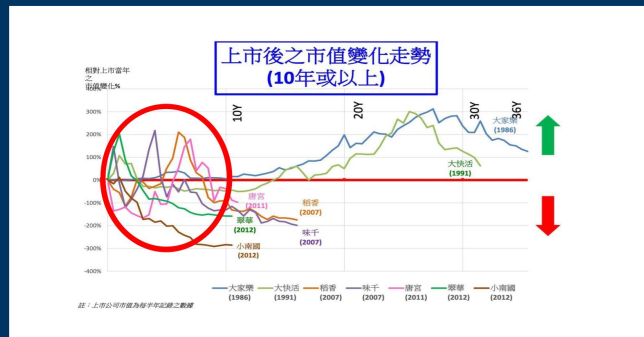
Above is the graph of the number of restaurant business IPOs per year in HK vs the growth of the HK & China economy over the years. The 2 distinct groupings are on account of the HK & later China Wave (Periods of Prosperity).

As Chairman Lo explains in Video 1-13:52, it's only possible to create a business of the size that can list publicly if it's riding a growth-wave (i.e. Tai/泰) that's pushing you, like sailing downwind. All you have to do is keep the runner stable & off you go.

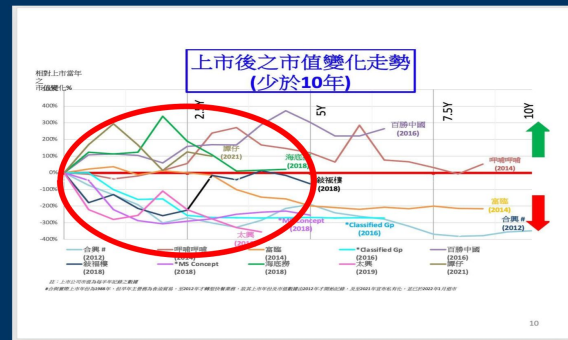


# Hexagram 11 Tai/泰 (Smooth & Unobstructed ) & Hexagram 12 Pi/否(Blockage & Stagnation)

## Rise & Fall of Restaurant Groups



## Surviving the Changes



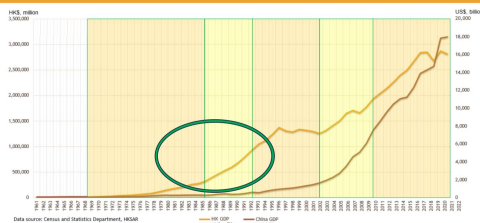
The next question that follows is how long do the good times last?The above graphs show that only 2 companies have share prices higher than the ipo one,10 years after listing.Most have share prices that tanked below the IPO price before 5 years were up.Video 1-15:22.Pi /否-the Death Wave of IPO companies.

For 55 years,the leadership of Cafe de Coral has worked,keeping in mind ,however unconsciously,that the inner hexagram of Tai 泰 is 54:Gui Mei/歸妹 歸妹,so one must prepare for danger of an ending,even in good times.Thus they & Cafe de Coral (大家樂) adopt an attitude of maintaining perseverance internally & submissiveness externally (like a Confucian Junzi facing a villain),for Tai will collapse once people get used to comfort & become slack & ignore a latent crisis (as happened at Zhun 4 ).Note in case of the blue line,about a decade from the IPO when the share price was in danger of falling below the IPO price.(Video 1-17:35)

# Hexagram 11 Tai/泰 (Smooth & Unobstructed )

Grass pulled up ,bringing with it other stalks with whose roots it's connected.Auspicious to take aggressive action along with others with similar aspirations to act & assist together.(拔茅茹，以其彙，征吉 )-Line 1 of Tai).

## Times and Circumstances Economy in Hong Kong and China



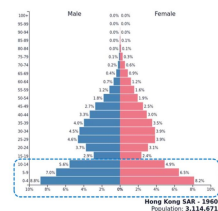
## Hong Kong's Economic Growth and Baby Boomer Generation

### Four Asian Tigers

- Rapid economic growth since 1961
- Labour-intensive consumer goods manufacturing in Hong Kong
- Bamboo curtain

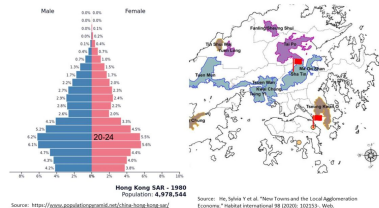
### Demands: baby boomers and migrants in 1960s

- Half of the population was under the age of 25
- 40% of the population was under the age of 15
- The surge of migrants from Mainland China



## Public Housing Estates and New Town Development

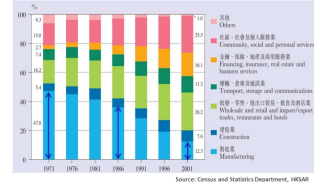
- Follow the customers: baby boomers in their twenties
- 1981:The first store in the public housing estate
- 1984:The first store in New Towns



## Hong Kong's GDP Restructuring and Changes in Demand

- Labour-intensive manufacturing moves to South China □ significant decrease of working population in manufacturing sectors
- Concurrent rise in service sectors: white-collar office workers with higher income and improved living standards
- Adapting to changing demands by upgrading – go to Public

### Percentage distribution of working population by industry



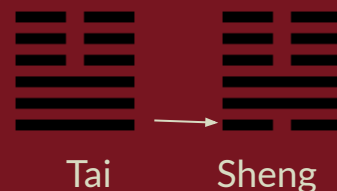
# Hexagram 11 Tai/泰 (Smooth & Unobstructed)

The first line of Hexagram Tai I Pi are the same in the Yijing. The difference is in the advice. In case of Tai, it's to advance aggressively with those with similar aspirations, even as in Pi, the advice is to remain still to ensure smooth progress.

This is because in Tai, good fortune comes incrementally like how pulling up a clump of grass brings up other clumps interconnected by intertwined roots.

In case of **Zhun 3**, that's in a period of **Tai**, when the **HK economy is booming** & there are many positive factors (connected clumps of grass) powering the growth of this new business ranging from demographics-supplying lots of employed (Baby Boomer) youth as customers & employees, the spatial growth of Hong Kong & the development of Housing Estates, New Towns & changes in the structure of the HK economy etc (Video 1-25:40).

Thus, **Line 1 of Tai Hexagram** was fully activated, giving **Hexagram 46: Sheng/升-To Rise** wherein line 1 attaches to masculine line 2, to rise.





# Hexagram 11 Tai/泰 (Smooth & Unobstructed)

包荒，用馮河，不遐遺，朋亡，得尚于中行 -Embrace wilderness, undertake crossing the He river with bare feet, not desert those who are remote, cliques die, Attain what's yearned for acting along the middle path. (Line 2 Tai)

## Manpower: Driven by Motivation and Incentives

- Learning culture of a learning organization : equal ground - process of trial and error, encourage young staff to be creative and try new ideas
- Sharing and sense of ownership: shares are issued internally to encourage employee sense of ownership and participation
- Decentralizing: giving store managers complete control over everything within their store
- Striking a balance between control and incentives



## Establishing the Brand and Incentivizing Human Resources

- Attract and recruit highly educated and skilled professionals with strong management capabilities
  - Learning culture
    - Trial – Error – Review – Competition drives Innovation
    - Benefit for Who? Financial assistance was provided to the staff, the families who rely on them and their children getting admitted to universities
  - Nurture the sense of happiness
  - Brand Building – Embrace new medias
    - Heavy expenditure on television advertising
    - Higher media coverage & public awareness
- "Trying may not guarantee success, but not trying will definitely not lead to success "



## Listed on Hong Kong Stock Exchange in 1986

- The first publicly-listed catering company in Hong Kong
  - Initial share price of HK\$1.18
  - Raised more than HK\$43 million
  - Stimulus upgrade service and build the brand
- Managing Pressure from Public Scrutiny



## Hexagram 11 Tai/泰 (Smooth & Unobstructed )



To carry out one's goals & maintain what has been achieved by thinking big & starting small. To expand boundaries & cultivate virgin lands, to bravely overcome all difficulties, to accomplish everything necessary & not to form cliques, is the way to build Tai. Likewise having an open tolerant heart, as well as having a determined mind, not deserting any people involved and doing everything justly, is also a way to maintain Tai. One can attain what one yearns for i.e. to build Tai & maintain it for a long time by performing these core tasks.

(Meaning of Line 2-Tai ; More in Section 6 :Qian)



# Hexagram 11 Tai/泰 (Smooth & Unobstructed )

Accordingly,the leadership of Cafe de Coral (大家樂 ) embraced the wilderness & adopted many path-breaking strategies to build up their business ,one step at a time,feeling their way,crossing the River Ho,barefoot.

Eg: -Manpower driven by motivation & incentives(Video 1-26:53)

-Learning culture of a learning organization.Decentralization with each manager encouraged to treat each store as own business & find a way to satisfy the customer by adjusting product & service to fit them (Video 1 -27:28)

-First to use a movie star to do branding & advertising (Video1 - 28:11)

-As external factor is helping,so investing in software,hardware,people & process to equip the business to take up opportunity (Video 1 -28:45).

-In 1986,first restaurant business to debut on the HK stock exchange with proceeds used to upgrade service & build brand (Video 1-29:10).

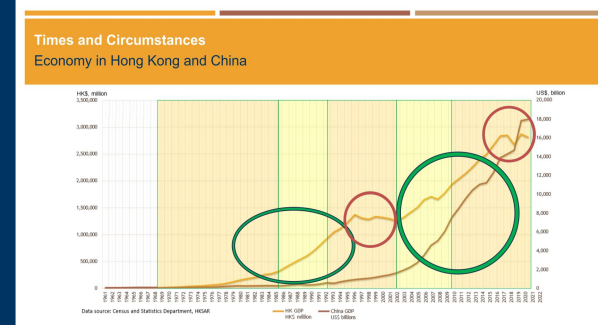
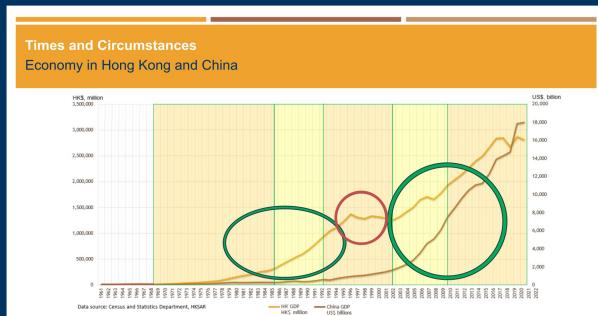
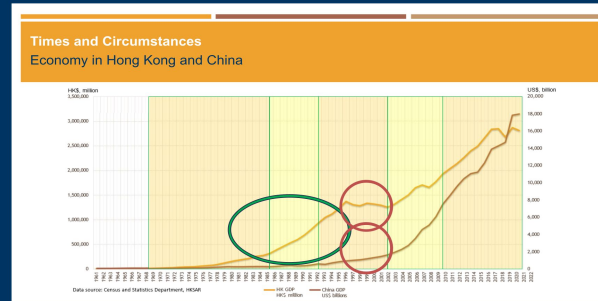
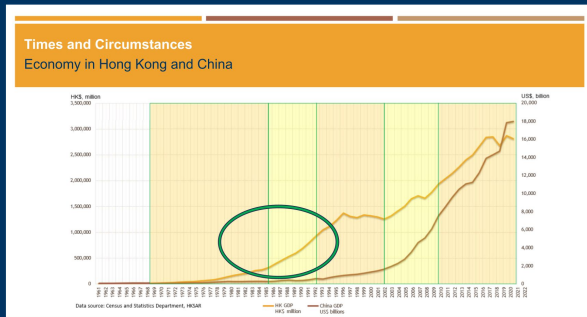
Not deserting any people who are involved :大家樂 -Everyone is happy.Initiated ESOPs ,that's such a buzz word now,a half century back,making the whole business very sustainable.Treat the employee right.Employee will treat the customer right.Doing both will treat the shareholder right.(More about this in Section 3-Bi)

Not deserting those who are remote: Aubrey-the merchant banker (Video1-29:26)

At line 5



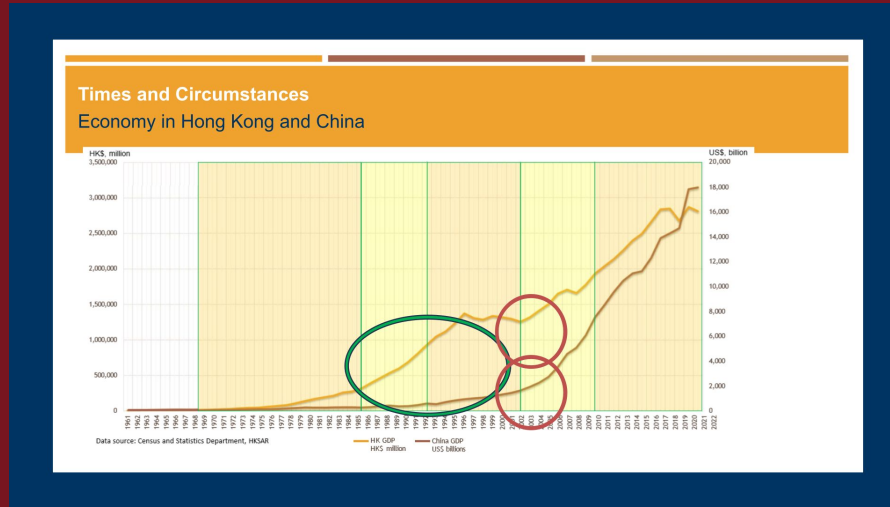
# Hexagram 11 Tai/泰 (Smooth & Unobstructed ) & Hexagram 12 Pi/否 (Blockage & Stagnation)



No plane without a slope. No advance without a return. Adamantly persist, no calamity, Don't worry, maintain sincerity & trust. Food is served, blessed with good fortune. (Tai-Line 3).

It is not possible to always move up w/o a decline, advance w/o a retreat. Prosperity will turn to adversity as Tai & Pai are cyclical. This is the course of Nature.

# Hexagram 11 Tai/泰 (Smooth & Unobstructed ) & Hexagram 12 Pi/否 (Blockage & Stagnation)




Trigram **Qian** is taken for **gold**, symbolizing good fortune. So, line 3 can remain immersed in good fortune if it remains within the lower trigram **Qian**


**Masculine Line 3**, of **Tai** is about to move up from **Qian** to **Kun** trigram ie darkness ☷. It can avoid calamity if it proceeds with great fortitude ie if it remains firmly in its right place, cherish the present situation & take precaution against calamity. If a person can prepare for danger in times of peace, he will survive any crisis and be blessed with good fortune. To **enjoy the food served to him** signifies that not only will he survive but also live for a long time.



# Hexagram 11 Tai/泰 (Smooth & Unobstructed) & Hexagram 12 Pi/否 (Blockage & Stagnation)

Round the time of transfer of power in HK in 1996, the economy was not buoyant, rather flat, contracting a little. It was a situation of Pi(否)/Adversity for HK businesses like Cafe de Coral (大家樂). The advice of Line 3 of the Tai Hexagram would be to stay put & cherish their success till date & not move forward aggressively for fear of the line changing to feminine & the hexagram 19: Lin/臨 / ䷒ - the approach of Pi.

The First Line of Pi advises **staying still**, not wallowing in the mire with others, even if the aspiration is to serve the King at Line 5 & to wait for a better time. When Tai collapses & Pi starts developing one should not take advantage of this to clique, but remain still to avoid being hurt & wait for a better time to realize one's aspirations & progress smoothly. The hexagram that forms after this line acts accordingly & turns masculine is **Hexagram 25: Wu Wang / 无妄** - Not to think and do what is undesired - . This advice was ignored.

On the contrary, a little while after the IPO, the leadership of Cafe de Coral started suffering the severe illness (有疾厲) of **Raising the Courtier & Concubine (畜臣妾)** ie obsessing about/single-mindedly focused on chasing growth for their listed company with public shareholding, when HK economy of the time was contracting & the Southern Tour of Mr Deng Xiaoping in 1992 created China Fever & euphoria over the demand in China Mainland. In **Line 3 of Dun Hexagram (Tied Dun / 係遯)**, the advice is to **not undertake any large-scale task**, specifically to restrict oneself to one's neighbourhood/domain ie restricting oneself to one's courtiers & concubines only. Large-scale expansion into China Mainland, contrary to this advice, led to the masculine line changing to feminine & brought about **Hexagram :12-Pi/否 (Blockage/Stagnation)**.  They suffered **Chastening Meng** of Line 6.

The Company faced a “**Death Wave**” & the stock=price reached IPO levels.

# Hexagram 12 Pi / 否 (Blockage & Stagnation) To Hexagram 11 Tai/ 泰 (Smooth & Unobstructed)

The **Second Line** of Hexagram Pi advises bearing with losses (包承, 小人) & Pleasing the King at Line 5.

At **Line 3** of Hexagram Pi, evil (Kun) reaches its end. When this line turns masculine, the hexagram that is formed is **Dun(33)/遯-Retreat**.



And the Leadership of Cafe de Coral (大家樂) executes the **Right Dun (好遯)** of **Line 4**, in an admirable way, where they first stop the hemorrhaging by closing all but 6 stores in the Mainland & then creating 3 groups to study which management style would help them grow profitably. On implementing the knowledge gained from the most profitable Group C, Pi/ 否-blockage was administered to the villain (losses) & profits started going up once again.



Hexagram 53: Jian/ 漸 - Gradual & Sequential Progress

# Hexagram 12 Pi / 否 (Blockage & Stagnation) To Hexagram 11 Tai/泰 (Smooth & Unobstructed)

So ,the leadership of Cafe de Coral,at Line 4 of Tai,stepped into Pi/adversity(Kun trigram) during their China Mainland over-expansion,but were still near prosperity(Qian trigram) & they **didn't hesitate**(翩翩),but simply **walked the path back to prosperity**,with sincerity & trust (孚).Thus this line converted to masculine & the hexagram that formed was **Da Zhuang**(34)/大壯 - largeness & strength,where the **large strength of line 4** was well regulated & could move ahead like a big cart.



And per Line 4 of Pi, the leadership of Cafe de Coral, acted in accordance with the **Mandate of Heaven**(有命) to counter Pi and committed no error (无咎).

However,per Line 5 of Pi , it was **still perilous** (其亡其亡) & so the leadership had to be very cautious & determined to prevent Pi from returning.

As Line 6 of Pi points out Pi needs to be toppled/overthrown/傾否 to bring about Tai (as it is against the sequence of the Yijing)

# Hexagram 11 Tai/泰 (Smooth & Unobstructed) & Hexagram 12 Pi /否 (Blockage & Stagnation)

## Expand into GBA with Solid Market Knowledge

- Solid understanding of the consumer need in Southern China
- Localization
  - Human resources
  - Services
  - Food Taste
- Good relationship with the communities



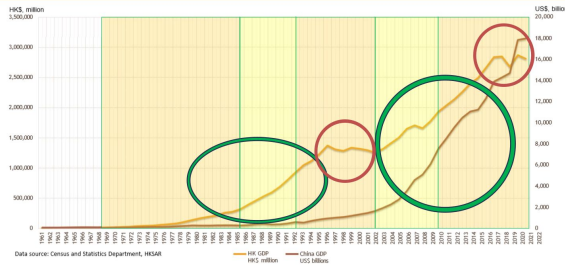
Line 5 of Tai hexagram refers to the first **political marriage (帝乙歸妹)** recorded in Chinese history to drive home the message of realizing a wish through the middle path.

After, Cafe de Coral (大家樂) empirically established which management model works best in China-Mainland & implemented that in all the Mainland stores, they also took care to localize human resources & maintain a good relationship with the local communities, ie they made it a point to make friends with a stake in their success, to power their future growth/prosperity ie Tai. (More about this in Section 3, Hexagram 8: Bi/比).



# Hexagram 12 Pi/否 (Blockage & Stagnation)

Times and Circumstances  
Economy in Hong Kong and China



## New Era, New Challenges

- Change is the only constant
  - Individual Travel Scheme: Increase of retail property rents caused by the influx of visitors and growth of retail sales
  - COVID-19
  - Post COVID-19 comparison with Post SARS-CoV-2
- How to Adapt to Change/Challenge
  - Increase efficiency
  - Alignment of thoughts
  - Champion your team
  - Succession – professional management

Having been Chastened by Meng, when Pi arrived once again in the wake of covid, lockdowns & political issues, this time the leadership of Cafe de Coral (大家樂), remembered that when Pi forms & develops along the course of their entrepreneurial journey, it's better to remain still, than act.

Accordingly they turned their attention inwards & build the capacity of their business to deal with the changes being brought about by digitalization, battle-tested their management teams to deal with crisis, put in place the new non-family operate model etc. ie they performed an **Optimum Dun**.



# Hexagram 11 Tai/泰 (Smooth & Unobstructed) & Hexagram 12 Pi/否 (Blockage & Stagnation)



## Navigating Change

時勢造英雄 英雄造時勢

Adapting a Company through 55 years with Chinese Philosophy

Thus for 55 years, the leadership of Cafe de Coral (大家樂), has striven to ensure Pi doesn't end the story of Cafe de Coral, that complacency doesn't set in & Tai end with the the **City Wall Collapsing into the Moat** (城復于隍) as in Line 6 of Tai Hexagram.

If this line changes to to masculine, the hexagram will become Da Chu(26)/大畜-large storage & great restraint, like a dam.



Tai

Da Chu

Storage means enhance oneself in order to achieve in the future & restraint signifies disciplining oneself with a view to taking corrective action,