

ASIAN BUSINESS NEWS

Li Ka-shing to Retire as Chairman of His Global Empire by Next Year

The tycoon, known locally as Superman, will pass the torch to son Victor Li



Li Ka-shing, chairman of CK Hutchison Holdings, in Hong Kong in March. PHOTO: ASSOCIATED PRESS

By Wayne Ma

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HONG KONG—Billionaire Li Ka-shing, for decades one of the world’s wealthiest tycoons, has told associates he plans to step down as chairman of his global conglomerate, CK Hutchison Holdings Ltd. , by next year.

Mr. Li, who turns 89 in July, hasn’t given a specific date but is likely to step down by his 90th birthday, according to people briefed by the tycoon.

One of the people said Mr. Li has already told his inner coterie of advisers, including son and Deputy Chairman Victor Li, who is earmarked as his successor. Another person said the elder Mr. Li, known for trademark horn-rimmed glasses and an iron grip on his companies, could step down by year-end.

Often dubbed “Asia’s Warren Buffett” for his investment acumen, Mr. Li enjoys celebrity status both inside and outside the company, which spans ports, telecoms, retail and property. His departure could create uncertainty among shareholders over CK Hutchison’s future without him at the helm.

Mr. Li plans to keep his office on the 70th floor of his downtown headquarters and remain a senior adviser, the people familiar with his plans said. The businessman, who emigrated to the then British colony of Hong Kong from China as a boy, parlayed a plastic-flower manufacturer into a global empire.

THE FATHER: LI KA-SHING

- **Age:** 88
- **Place of Birth:** Chaozhou, Guangdong province, China
- **Fact:** The elder Mr. Li is a Buddhist who built a monastery in 2015 on the outskirts of Hong Kong that features bulletproof windows for VIP guests.

“Mr. Li has from time to time talked

about his retirement and his confidence in Victor to lead the company. Mr. Li is in very good health and will make his official announcement when he decides to retire,” a CK Hutchison spokesman said Tuesday.

The transition comes at a challenging time for Mr. Li’s companies, as Chinese competitors eat into his port and property businesses in Hong Kong and mainland China, while regulators have blocked bids worth more than \$10 billion for a mobile phone operator in the U.K. and a power grid in Australia. Political uncertainty in Britain

also poses a risk to CK Hutchison’s bottom line as more than a third of its operating profit comes from the U.K.

With a fortune of \$33 billion, according to Forbes, Mr. Li has lately been jostling for position as Asia’s richest person with China’s Jack Ma, of Alibaba Group Holding Ltd. , and property magnate Wang Jianlin of Dalian Wanda Group.

Victor Li was anointed as CK Hutchison’s future leader in 2012, though no timetable for succession was provided. Victor Li, 52, has spent more than three decades shadowing his father. A younger son, Richard, 50, left the family business in the 1990s to branch out on his own, using family money to buy and run media and telecommunications companies, with varying success.

“It’s quite usual for an older chairman—before he totally and completely leaves his position—to be in an honorary or advisory position to see how his successor does when given a free hand,” said Joseph Fan, a finance professor at the Chinese University of Hong Kong, who has written a book about family-run businesses. The patriarch’s presence helps ensure managers cooperate with the successor, he said.

THE SON: VICTOR LI	In
<ul style="list-style-type: none">• Age: 52• Education: Stanford University• Fact: Victor Li was kidnapped for ransom in 1996. His father paid 1 billion Hong Kong dollars for his release.	2015,
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ure of his two companies and folded them together to increase their appeal to investors and pave the way for Victor Li to take over. Today, CK Hutchison’s market capitalization is more than \$49 billion, bigger than Ford Motor Co. , with tendrils in U.K. mobile networks, Australian utilities and Canadian air-conditioning makers.

Since the restructuring, Victor Li has been involved in all key investment plans and meetings, one of the people familiar with the matter said, adding that the elder Mr. Li will still be involved in decisions.

“It’s not easy for Superman to completely remove himself,” the person said, using the nickname local media use for Mr. Li. “He’ll still stay on and steer the ship but let his son run more of the show.”



Victor Li, left, and father Li Ka-shing in March. PHOTO: BLOOMBERG NEWS

When unrest in Cultural Revolution-era China spilled over to Hong Kong in the late 1960s, Mr. Li saw an opportunity and began buying up property through his company, Cheung Kong—a prescient move, as prices soon soared. He was a daring corporate raider and investor with impeccable timing. In 1979, he stunned the city by paying \$127 million to secure control of Hutchison

Whampoa, at the time the city’s second-biggest British colonial trading house.

The elder Mr. Li was among the first foreign developers to enter China after paramount leader Deng Xiaoping, with whom Mr. Li had close ties, began opening up the nation’s economy. He retained good relationships with subsequent presidents Jiang Zemin and Hu Jintao, although he is viewed by China watchers as less close to the current president, Xi Jinping.

The Hong Kong tycoon began trimming his property portfolio in China in 2011 and has since focused new investment in Australia, Canada and the U.K., where he believes the political and regulatory environments are more stable and predictable, according to people familiar with his thinking. However, the pivot forced Mr. Li to publicly defend himself after he was accused by Chinese media of abandoning his mainland investments.



At home in Hong Kong, the tycoon has at times fallen afoul of public affection. Striking dock workers hanged Mr. Li in effigy in 2013 to protest working conditions at the ports he runs in the city, and citizens disenchanted with sky-high property prices and a widening wealth gap now publicly criticize him in a way that wasn't imaginable years ago.

Two years ago, a plan to merge CK Hutchison's infrastructure and power affiliates was voted down by shareholders. That defeat was particularly painful for Victor Li, who had been closely involved in the plan, associates say.

Even into his 80s, the elder Mr. Li was known for rising at 5 a.m. to play a round of golf at a golf course in Deepwater Bay, located next door to his home. While friends say Mr. Li's mind remains sharp, there are signs he has slowed down. His longtime partner Solina Chau told reporters two years ago that the tycoon underwent spinal surgery in the U.S. after hurting his back during exercises, while Victor Li told shareholders last year that the elder Mr. Li skipped an annual shareholder meeting because of a stomach illness, according to local media reports.

Corrections & Amplifications

Victor Li told shareholders last year that his father skipped an annual shareholder meeting because of a stomach illness. An earlier version of this article incorrectly said the statement was made earlier this year. (6/20)

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