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# ‘Superman’ Hong Kong tycoon Li Ka-shing poised to retire

Li Ka-shing addresses journalists in Hong Kong. Pic: AFP

WAYNE MA DOW JONES 2:13PM June 20, 2017

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, 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.

“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.

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 $US10 billion for a mobile phone operator in the UK 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 UK.

With a fortune of $US33 billion, according to Forbes, Mr Li has lately been jostling for position as Asia’s richest person with China’s Jack Ma, of Alibaba, 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 co-operate with the successor, he said.

In 2015, Mr Li simplified the structure 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 capitalisation is more than $US49 billion, bigger than Ford Motor Co, with tendrils in UK mobile networks, Australian utilities and Canadian airconditioning 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."

Li Ka-shing, centre, and his son Victor Li, right, meet Canadian Prime Minister Justin Trudeau in Hong Kong.

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 $US127 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 UK, 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 criticise 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 5am 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 US after hurting his back during exercises, while Victor Li told shareholders earlier this year that the elder Mr Li skipped an annual shareholder meeting because of a stomach illness, according to local media reports.

*Dow Jones Newswires*

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