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Home (<https://themalaysianreserve.com>) » World (<https://themalaysianreserve.com/category/world/>)  
 » Hong Kong sees massive wealth transfer from tycoons to heirs

## Hong Kong sees massive wealth transfer from tycoons to heirs



Wednesday, March 21st, 2018 at , World (<https://themalaysianreserve.com/category/world/>)



*Li Ka-shing's retirement marks end of era for empire builders*

**By BRUCE EINHORN & PRUDENCE HO / Pic BLOOMBERG**

**The** retirement of Hong Kong billionaire Li Ka-shing marks another milestone in a vast wealth transfer now underway from a scrappy generation of Chinese empire builders to their heirs.

Li, Hong Kong's richest man, announced on March 16 that he'll step down as chairman of CK Hutchison Holdings Ltd and CK Asset Holdings Ltd, making way for his eldest son, Victor Li.

While Li Ka-shing was dubbed "Superman" in the local media for his magic touch and has been lionised over the decades, his son may be judged harshly if he doesn't live up to public expectations.

“The second generation always has a lot of pressure,” said Kevin Au, director of the Centre for Family Business at the Chinese University of Hong Kong. “Compared to their fathers, they’re always being looked down upon by public and by business partners,” he said. “Their fathers are heroes.”

Here’s a snapshot of five of Hong Kong’s most important business families that have passed the baton, or will soon, to the next generation.

### The Li Family (*main picture*)

**Founder:** Li, 89, was born in 1928 and moved from Guangdong to Hong Kong during World War II. Starting from a company making plastic flowers, Li built a global empire in ports, property, telecoms, energy, retail and other businesses.

Li said in 2012 that his eldest son Victor Li would be his successor, yet it took about six years for the tycoon to relinquish managerial control of flagship CK Hutchison and other Li-controlled companies.

**Heir:** Victor Li, a 53-year-old Stanford-trained engineer, has been groomed for decades to take over the family business. In 1996, after Victor was kidnapped, Li Ka-shing paid a ransom of HK\$1 billion (RM500 million) to a gang led by “Big Spender” Cheung Tze-keung, according to reports in the *South China Morning Post* and other media.

“A father would never give a son a perfect score,” the elder Li told reporters in January 2018 when asked about his son’s performance, “but Victor has 90 points out of 100.”

### The Lee Family

**Founder:** Lee Shau Kee, 90, was born in Guangdong and immigrated to Hong Kong in 1948 during the civil war between China’s Communists and Nationalists.

A co-founder of Sun Hung Kai Properties Ltd, he left in 1973 and founded Henderson Land Development Co. In 2014, he told the *South China Morning Post* he would “gradually” retire but did not have a specific date in mind.

**Heir:** The elder Lee has yet to designate one. His son Peter Lee is co-vice chairman of Henderson Land.

As chairman and president of Henderson China Holdings Ltd, Peter is the family point person for developing its mainland business. He shares the co-vice chairman role with his brother, Martin Lee, who’s also chairman and MD of Henderson Investment Ltd and chairman and CEO of Miramar Hotel & Investment Co.



(From left) Martin Lee, Lee and Peter Lee. The elder Lee has yet to designate an heir (*Pic: Bloomberg*)

### The Cheng Family

**Founder:** Cheng Yu-tung was born in 1925 in Guangdong. He fled war-torn China for Macau, finding a job in a gold shop and later marrying the boss’s daughter.

After the war, he moved to Hong Kong, where he founded New World Development Co in 1970. Under his leadership, New World built Hong Kong landmarks such as the convention centre that was the site of the city's 1997 handover to Chinese rule.

He took Chow Tai Fook Jewellery Group Ltd public in 2011 and announced his retirement the next year. When he died in 2016, he was Hong Kong's third-richest tycoon.

**Heir 1:** Henry Cheng, son of Cheng Yu-tung, was born in Hong Kong in 1946. After taking over in the late 1980s, he led the acquisition of the Ramada hotel chain.

After a partnership with Donald Trump soured, Trump unsuccessfully sued him in 2005 over the proposed US\$1.8 billion (RM7.05 billion) sale of riverfront property in Manhattan. Cheng went on leave last year for several months because of an unspecified illness.

**Heir 2:** Next in line is Henry's son Adrian Cheng, who became New World's vice-chairman last year. He received his bachelor's degree from Harvard in 2002 and is founder of an art-themed property developer and a foundation to support emerging artists.

His sister Sonia Cheng, also a Harvard graduate, is chairman of New World Hotel Management Ltd and runs the Cheng-controlled company that manages properties including the Carlyle in New York and Hotel de Crillon in Paris.



Adrian Cheng (*left*) became new World's vice-chairman last year, while his sister, Sonia Cheng, is chairman of new World hotel Management (*Pic: Bloomberg*)

## The Kwok Family

**Founder:** Kwok Tak-seng, a grocery wholesaler from Guangdong, immigrated to Hong Kong after the war and co-founded Sun Hung Kai Properties Ltd in 1963. Another co-founder was Lee Shau Kee, who later left to start rival Henderson Land. Kwok died in 1990.

**Heir 1:** The patriarch's son Walter Kwok, who was kidnapped in 1996 by the same gang leader who abducted Victor Li, ran Sun Hung Kai until 2008, when a family squabble led to his ouster.

Current chairman Raymond Kwok, 64, was acquitted in a 2014 corruption trial that led to the conviction of his brother, former co-chairman Thomas Kwok, who was sentenced to five years in prison.

**Heir 2:** Adam Kwok, an alumnus of Stanford University and Harvard Business School and son of Thomas, is a board member. So, too, is Raymond's son Christopher Kwok, who graduated from Harvard College and Stanford Graduate School of Business.



The patriarch's son Walter Kwok (*middle*) ran Sun hung Kai until 2008, when a family squabble led to his ouster. current chairman Raymond Kwok (*right*) was acquitted in a 2014 corruption trial that led to the conviction of his brother, Thomas Kwok (*Pic: Bloomberg*)

## The Pao/Woo Family

**Founder:** YK Pao was born in the eastern Chinese city of Ningbo in 1918. After fleeing to Hong Kong around the time of the Communist victory in China's civil war, he built a successful shipping company, gained control of two British trading houses and expanded into property. He retired in 1986 and died in 1991.

**Heir 1:** Peter Woo, Pao's son-in-law, was born in Shanghai in 1946. He took over management of Wheelock & Co and Wharf Holdings Ltd after Pao's retirement and expanded into cable TV, telecommunications and broadband Internet.

He made a foray into politics with an unsuccessful campaign to become Hong Kong's first chief executive after the 1997 resumption of Chinese rule. He retired as Wheelock chairman in 2013 and is now officially the company's owner/senior counsel.

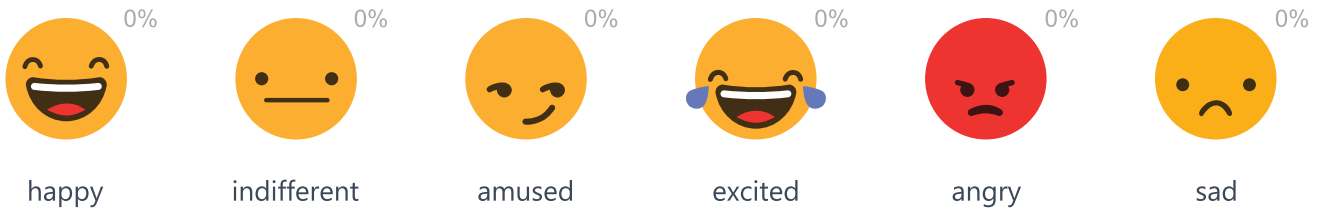


Wheelock chairman Douglas Woo worked as an analyst at UBS before joining Wheelock in 2005  
(Pic: Bloomberg)

**Heir 2:** Wheelock chairman Douglas Woo, Peter's son, studied architecture at Princeton University and worked as an analyst at UBS Group AG before joining Wheelock in 2005. On March 9, Wheelock announced plans to buy a 7,318 sq m site around Hong Kong's old airport from troubled Chinese conglomerate HNA Group Co. — *Bloomberg*

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