

Legendary Hong Kong tycoon Li Ka-shing hands corporate reins to son

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Business

- Billionaire Li Ka-shing, one of the world's richest men and known popularly as "superman," steps down from conglomerate CK Hutchison.
- The move — announced earlier this year, but set to take effect on Thursday — is leaving analysts focused on management of the transition under his son, Victor Li.
- The conglomerate has interest in telecommunications, ports and retail.

Kelly Olsen

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Li Ka-shing, former chairman and senior adviser of CK Hutchison Holdings Ltd. and CK Asset Holdings Ltd., waves during a news conference following the companies' annual general meetings in Hong Kong, China, on Thursday, May 10, 2018.

Billionaire Li Ka-shing — one of the world's richest men — is set to retire on Thursday ahead of his 90th birthday later this year, capping a career as one of Asia's most storied businessmen and handing the reins of his corporate empire to his son.

Known as Asia's "superman," Li formally stepped down as chairman at the annual shareholders' meeting of CK Hutchison, his conglomerate with interests in real estate, telecommunications, shipping and retail. He was due to leave a similar position at property arm CK Asset Holdings later in the day at its meeting.

The move had been flagged as long ago as 2012 and the date was formally announced in

March. It comes as a number of Asia's family-run businesses face leadership transitions.

"It's been a long succession process," Joseph Fan, a professor of accountancy and finance at the Chinese University of Hong Kong, told CNBC's "Squawk Box," adding that it has actually been more than 30 years in the making.

Li plans to stay on as a senior advisor, but his son, Victor Li, 53, will take over. And though the move has been widely telegraphed, analysts were still speculating on how the transition will play out given the size of the businesses.



Discussing the succession plan at CK Hutchison 12:56 AM ET Thu, 10 May 2018 | 02:45

The conglomerate has more than 300,000 employees in some 50 countries around the world and is a dominant force in Hong Kong, where family-run businesses have led the city's economy for decades.

The elder Li has controlled one of the world's largest operators of container terminals, Hutchison Port, and Asia's biggest health and beauty retailer, Watsons.

Ronald Wan of Partners Financial Holdings said investors want to know where the younger Li will go in terms of investment policy.

"I think (the) market perception on Mr. Li Ka-shing and Mr. Victor Li is basically different," Wan told CNBC's Dan Murphy, adding that investors see the son as more conservative than his father.

"So basically, investors will be cautious to know how he is going to position the future investment policy," he said, adding there is particular interest on whether it will move more toward globalization and away from mainland China.

The retiring Li, who rose from poverty in southern China's Guangdong province, started his

rise by establishing a plastics company in 1950, which eventually listed on Hong Kong's stock exchange in 1972.

His businesses were consolidated in 2015 into CK Hutchison for non-property ventures and CK Asset Holdings for property.

Analysts were also paying attention to what kind of management personnel the younger Li will favor, with Fan saying the next five years will be important as he "gradually introduces a younger generation of professional managers."

Fan called the transition "critically important," stressing that the continued presence of an older generation of managers was also crucial.

"That will help ensure the smooth transition from the previous to the next generation of professional management that is very, very important to the success of Victor Li," he said.

Kelly Olsen Hong Kong Correspondent

