

# THE WORLD'S WORKING RICH

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# The High-tech Son

BY KATHERINE BRUCE

If there is one thing that Richard Li, the up-and-coming second son of billionaire Hong Kong property developer Li Ka-shing, is very sensitive about, it's his father.

"Please. I don't think it's necessary to have the 'f' word"—meaning father—"in the article," he argues.

If you're an intelligent man of 32 with a burning ambition to make something of yourself, having one of the richest men in the world as your father can be both a blessing and a curse. Sure, your name creates abundant opportunities, but when you succeed, people snicker behind your back.

Is it tough? FORBES asked him over breakfast one rainy morning in Hong Kong. "To live with a chip on my shoulder as big as a railroad tie?" Li laughingly responds. Then he changes the subject back to his current passion, the Internet.

While his father made a killing in real estate, Richard is on his way to become the first Chinese information-mogul. In the early 1990s he showered the region with satellite television. Now he plans to hook the same market on the Internet, as well as create a rival to Silicon Valley with a Hong Kong high-tech utopia.

After graduating from Stanford in 1987 with a degree in computer science, Li worked at Gordon Capital, an investment bank in Toronto, then returned to Hong Kong in 1990 to join the family business. But it wasn't his style. That same year he took \$125 million in seed money from his father and founded Asia's first satellite television network, Star TV. Five years later he sold the company to Rupert Murdoch for \$950 million. He was 28.

As the world anticipated a dramatic second act, Li settled down. With the proceeds from the sale, he established Pacific Century Group, which makes most of its money from insurance and real estate, the staid sort of company worthy of a man with nothing more to prove. But he yearned to be back in the creative world.

When it comes to property development, Richard Li prefers land in cyberspace.

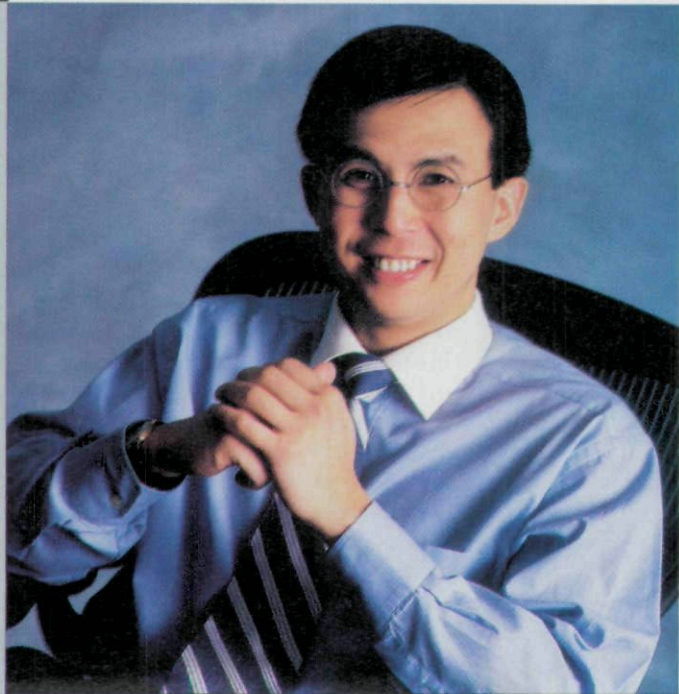
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"There are some things that just put a smile on your face," he says. "I like media. I like the people, I like their attitudes, I like the pace, I like what it can do, I like how it changes society." So back to his first love he went, setting up Pacific Convergence Corp. last year. PCC intends to take the Internet across Asia using satellite and cable technologies.



JOAN BOVIN

**Reason to grin: big prospects in Asian media and the Internet.**

If Star TV seemed like an industry a little ahead of its target audience, PCC is a real whopper: Only 24 million users in Asia now surf the Web, compared with 63 million in western Europe and 81 million in the U.S. By 2003, International Data Corp. expects the number of Asians on-line to climb 230%, bringing it to 79 million, still widely lagging the number of European and American users. Somehow, Li's PCC expects to reach 110 million households, though he doesn't say by when. That didn't stop Intel from paying, according to industry sources, \$10 million last year for a 40% stake in the venture.

Lately Li has been attracting a lot of attention in Hong Kong. At a recent conference hosted by Intel at the Hong Kong Convention Centre, Li was mobbed, rock-star fashion, by a pack of journalists screaming questions at him about property prices. Intel Chief Executive Craig Barrett sat bemused, overlooked just yards away.

Li's in the limelight now because of Cyberport, his latest project. He and his partner, the Hong Kong government, have planned a \$1.7 billion, 64-acre office and residential park for high-tech companies. They hope tech outfits will flock to the site to take advantage of its low rents, ultramodern facilities and beautiful surroundings on the south side of Hong Kong island.

Ultimately, they see it as a training ground for local talent who will be able to rub shoulders with international whizzes.

The fact that Cyberport is just one of several such developments going up around Asia doesn't seem to bother Li, who points to its prime location for business with the mainland as one of its competitive advantages.

The government will provide the 64 acres. Because Cyberport was Richard Li's brainchild, his company, Pacific Century, will build and manage the project, raising the necessary funds itself.

Li's payoff? In return for building the project, the government will give Pacific Century almost a third of the property, earmarked for luxury residential apartments which Li can later sell. Assuming property prices hold up, that piece alone is worth \$1 billion.

Meanwhile, punters are going crazy for Internet-related stocks. Singapore-listed Pacific Century Regional Development, the public arm of Li's Pacific Century Group (of which Li owns 77%), saw its market capitalization soar in value to \$820 million at the end of May from \$218 million a month earlier—partly on news that Pacific Century would get a piece of Cyberport.

Other developers are crying foul. They rightly point out that there was no bidding process for Cyberport and claim that this is a simple property deal gussied up as a high-tech project. There are also whispered accusations that Li used his family connections to cut a sweetheart deal. "It's certainly not cricket," harrumphs one well-connected British property executive. Li dismisses such innuendoes.

There's no telling whether or not Cyberport will become the primordial mix from whence Hong Kong's own Netscape or Cisco Systems will spring. But no one else in Hong Kong could bring together a deal like this. Li has already lined up big names as willing tenants when Cyberport opens in 2001, including Hewlett-Packard, IBM, Oracle, Softbank, Yahoo and Sybase. Many are coming in because of personal relationships with Li. "Richard and Jerry (Yang) know each other from way back, from Stanford," explains Savio Chow, managing director of Yahoo Asia. "They respect each other tremendously."

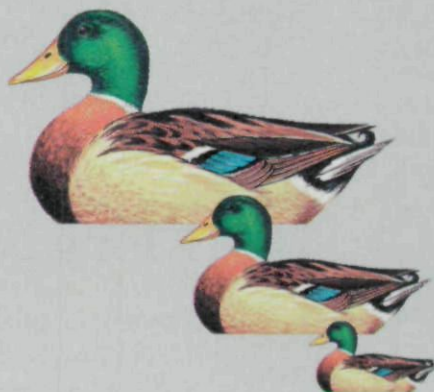
It's hard not to speculate about what drives Li so hard. From his corporate dining room, Li used to have a panoramic view of Hong Kong's fabled harbor. Now, much of the scenery is taken up with a new blue-and-white skyscraper, with the red neon logo of the firm that owns it—Cheung Kong—shining like a raspberry on its forehead. Cheung Kong is Li Ka-shing's flagship, and the building, like his father, is unavoidable.

But Richard is making headway creating his own identity. "Victor Li (the elder son) is known as Li Ka-shing's son. Richard Li, on the other hand, is known as Richard Li," says one longtime Hong Kong property insider. "That's because Richard is doing things that his father doesn't understand."

His vocabulary may be different, but the drive and the instinct are the same. No matter how you cut it, Richard Li is still very much his father's son. ■



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