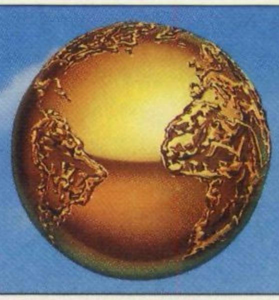
ASIA AND AUSTRALIA



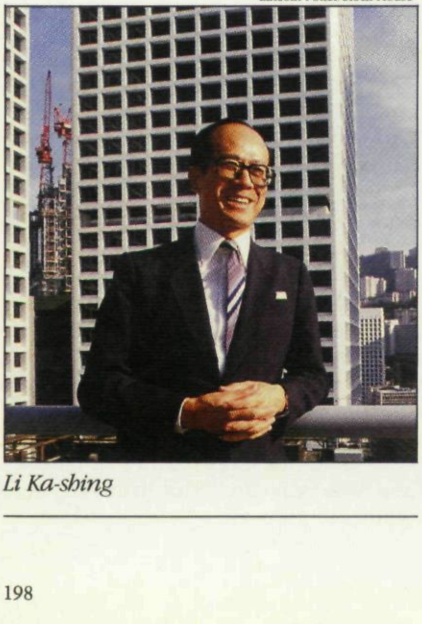
HONG KONG

LI KA-SHING
Long On China

Widely considered Hong Kong's richest and most powerful businessman, Li Ka-shing is betting heavily that Hong Kong will prosper after 1997. His Cheung Kong Holdings, the biggest conglomerate in Hong Kong, has over 30 million square feet of property portfolio. An associate company, Hongkong International Terminals, the world's largest private container terminal operator, already accounts for 45% of the harbor's total traffic. In association with Hong Kong companies and a Chinese company, it is building, for an estimated $1 billion, Terminal 7 to increase market share, and has been planning a bid on two more terminals later in 1989. Li is said to be planning a bid for a stake in an estimated $5 billion second airport.

Li also controls Hutchison Telecommunications. In a joint venture with a China-backed company, it plans to launch Asia's first domestic satellite. That's to feed the cable TV franchise in Hong Kong that another Li company, Hutchison Cable Vision, is bidding on. Cable, too, is a long-term, capital-intensive venture. If Li gets the bid (competitors include Y.K. Pao's Hong Kong Cable Communications), the company reportedly is planning to spend over $1 billion to wire Hong Kong.

Lincoln Potter/Stock House



Li Ka-shing

So large are Li's commitments, that some wonder if he has bitten off more than he can chew. But few doubt his ability to make friends in high places in Beijing. Li has reportedly been traveling "up and down" to Beijing to build a good base of contacts. While he long ago put large personal investments in safe places like British Columbia, the U.S. and Singapore, Li clearly intends a lot of his capital to grow in Hong Kong well into the next century.—**Katarzyna Wandycz**

SIR YUE-KONG PAO
Not Necessarily Bearish

A billionaire with major investments in Hong Kong, much of Pao's fortune is tied up in the world's largest privately owned shipping fleet, which he can sail away if the political environment grows hostile. But while he is cautious, he isn't necessarily bearish. As late as last December, Pao's World International Group spent some $183 million on an industrial development. Also, Wharf Holdings, the Group's property vehicle, is developing commercial property and industrial warehousing; the projects are to be completed by 1992.

After Tiananmen, what?

Does the recent violence in China suggest a bleak future for Hong Kong? Not necessarily. Hong Kong was booming before the army moved into Tiananmen Square. Beijing needs Hong Kong, and the more the colony booms, the more China will need it.

One of Deng Xiaoping's economic achievements has been Guangdong province, next door to Hong Kong. Guangdong's economy grew 30% in 1987-88 and has continued to grow this year. In Guangdong many can afford color TVs and video recorders. That success owes a lot to Hong Kong. Over 1 million Chinese workers in 12,000 Guangdong plants make toys, electronic goods and textiles for Hong Kong firms. Investment isn't limited to manufacturing. A six-lane highway from Hong Kong to Guangzhou is under construction.

Listen to Jack Lau, executive director of Tomei Industrial Holdings Ltd., a maker of consumer electronics employing about 10,000 workers in Guangdong. Lau: "Chinese partners provide us with land and buildings, so our investments are limited to production equipment, which we normally deduct from subcontracting

Jacques Langevin/Sygma

Violence near Tiananmen Square

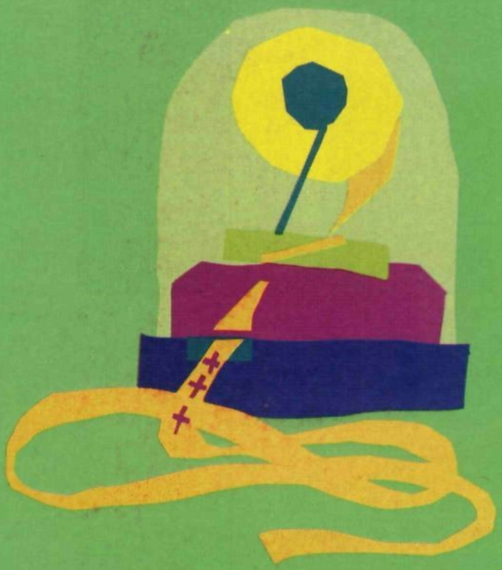
charges, so, being in light industry, in two or three years we can get all our investment back. Chinese workers are skillful, and we pay them about four to five times less than we would have to pay workers in Hong Kong, and we don't bother with sick leave pay or severance pay, as the Chinese handle that."

But after Tiananmen, Tomei Industrial plans to manufacture first in Malaysia and then in other Pacific Rim nations. Bankers who were to finance the superhighway are said to be equally wary.

The message is clear: Trample on Hong Kong, and you trample on Guangdong and a big piece of China's economic hopes. Beijing leaders understand that, and it's a good bet they factored it into their decisions during the recent uprising.

How a broad mix of information businesses

becomes a solid investment.



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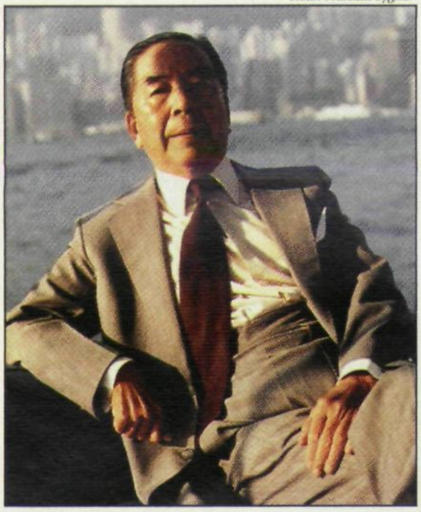


Sir Y.K. Pao

Even so, some analysts whisper that Sir Y.K. may not have that much confidence in Hong Kong. The group's most recent acquisitions, they point out, include $135 million for a U.S. hotel chain (Omni Hotels, bought in mid-1988). Described by some as autocratic, Pao has delegated son-in-law Peter Woo to manage the World/Wharf real estate group, and another son-in-law, Helmut Sohmen, to take care of the family's private holdings. But Pao, who is rumored to be fighting cancer, still likes to make most decisions himself; reportedly, outside managers usually don't survive longer than two years.

One line of thought holds that real estate investment is not Pao's top priority. "The family started in shipping and to them property development is something new," says Lam Sum Chee, of Merrill Lynch in Hong Kong. "They don't have the expertise or the team for it." But like most billionaires, Pao is nothing if not flexible. He is, remember, bidding against Li Kashing on the Hong Kong cable TV franchise.—**Katarzyna Wandycz**

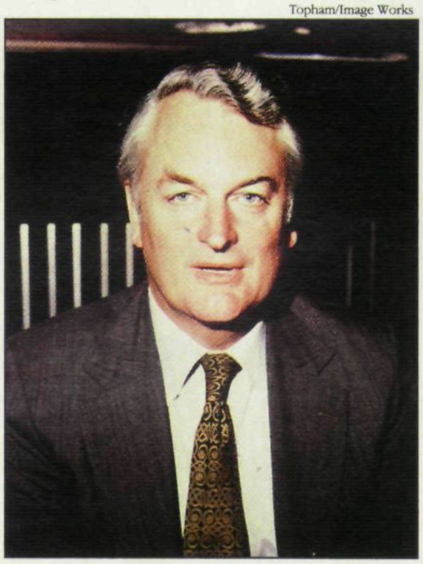
SWIRE BROTHERS
There to stay

Swire Pacific is one of the oldest businesses in Hong Kong. Sir Adrian Swire and brother John, whose ancestors came to the colony early in the 19th century, own 27% of the company. With other holdings, the Swires are worth $1 billion. They're not leaving Hong Kong.

Swire Pacific owns over half of Cathay Pacific Airways, which has been granted a near monopoly on most of the air traffic rights. Cathay's net margin of about 20% is about four times that of American Airlines.

Swire's property development portfolio, upon completion in 1993, will be over 10 million square feet. Commercial property values in Hong Kong, which make up the bulk of their holdings, went up by 84% from April 1988 to April 1989. It is uncertain what impact the recent crisis in Beijing will have on values in Hong Kong, but it is believed that commercial property will be the least hit. Unlike developers who build and sell, Swire Pacific has funneled some $1 billion into property in the colony. Pacific Place Phase 1 and 2, for instance, to be completed and occupied by 1990, includes a 605-room Marriott hotel, about 1.5 million square feet of offices, and some 700,000 square feet of retail space. "Unlike other groups here," says a company spokesman, "the Swire Group has tremendous confidence in the future of Hong Kong."—**Katarzyna Wandycz**

Topham/Image Works

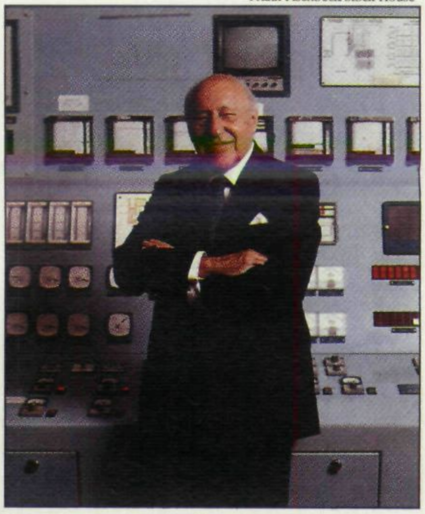


Sir Adrian Swire

KADOORIE FAMILY
Fanning Out

These old Hong Kong hands are the longtime owners of the territory's landmark Peninsula Hotel (now controlled through their 69% of the Hongkong and Shanghai Hotels, after beating off failed takeover attempts). Recently they've spent freely in the U.S. They paid $127 million last year for New York's Maxim's de Paris (the old Gotham Hotel) and renamed it the Peninsula. The Kadoories will also manage the Belvedere hotel in Beverly Hills, expected to open mid-1990, and have a stake in a hotel in Manila. Elsewhere, they recently lost out on a hotel bid in London, and are looking at other "gateway" cities, including Tokyo and Bangkok.

Frank Fischbeck/Stock House



Lord Lawrence Kadoorie

The Kadoories are not afraid of Beijing; they manage a hotel in Guangzhou, only a couple of hours away in mainland China, and will open one in Shanghai early next year. The overseas investment seems to relate to the fact that competitors are building in Hong Kong, and mostly in the tourist end of the market. A hotel glut is widely feared.

It is in this context that the Kadoories and other cash rich Hong Kong hoteliers are fanning out. For example, Cheng Yu-tung, a billionaire last year knocked off our current list by the June 5 stock market collapse, runs the New World Hotels, which in April paid $356 million for 66% of the U.S.' Ramada Inc.—**Katarzyna Wandycz**

ROBERT MILLER
Override On Pacific Growth

★ Robert W. Miller and his partner Charles F. Feeney own 40% each of Duty Free Shoppers Group Ltd., the largest duty free retailer in the world (FORBES, *Oct. 24, 1988*). With some 160 airport and downtown duty free stores mostly around the Pacific, the chain grosses about $2.5 billion, and has netted around 15% pretax (according to analyst Desmond Byrne). Both men are billionaires. (Feeney is a U.S. citizen and so appears in the Forbes Four Hundred; Miller gave up his U.S. citizenship, apparently to save on taxes.)

The secret of their success is the Japanese tourist boom. Japanese are obligated by social custom to bring gifts back for friends and relatives. For these presents, they spend lavishly (up to $1,400 per tourist), with half the money winding up in duty free shops. By 1988 Miller and Feeney were serving over half the 8 million

Hong Kong Tatler

Robert Miller

Japanese who traveled overseas. The closest competitor, Allders International, a former division of England's Hanson Plc., is a fifth DFS' size.

Miller and Feeney have turned things over to professional management. But they were involved last year, when concessions for the crucial Honolulu and San Francisco airports came up for bids. When the dust settled, they had won the Honolulu franchise for $1.15 billion, which could erode profit margins, but lost San Francisco to Allders International.

Will increasingly aggressive competition undermine them? Don't bet on it. They allegedly pay Japanese tour guides and operators to guide their flocks to the Duty Free Shoppers stores. And the partners have started to diversify their private business interests. Through his Search group of companies, Miller is said to have invested in, among other things, a Hong Kong bank and real estate, and a steel mill in China.—**Katarzyna Wandycz**

TAIWAN

KOO FAMILY
More Room For Action

★ The Koos, new to our list, were among the island's landed gentry when the Japanese ruled. The family was pushed into the industrial sector when Chiang Kai-shek's government took their land and gave them shares in Taiwan Cement in 1954 under the "land-to-the-tiller" reform.

The Koos became industrialists. Koo Chen-fu, current chairman, also became a founder of the Taiwan Stock Exchange. Koo Chen-fu, 73, and family diversified into a 60-company conglomerate, with interests in finance, cement, petrochemicals and shipping, including Taiwan's largest privately owned financial institution, China Trust (1988 reported net profit, $70 million). The Koos introduced the credit card in Taiwan and participated in creating the first investment bank.

The Koos are widely respected on Taiwan—Koo Chen-fu is a member of the central standing committee of Kuomintang and adviser to Taiwan's president, while his nephew, Jeffrey L.S. Koo, chairman of China Trust and of the family's New York-based China Trust Bank, is an adviser to Taiwan's premier. They are well positioned to make use of new banking law in the works *(see box, below)*. They are among over 20 groups that have applied for licenses to form commercial banks.

South China Morning Post

Jeffrey L.S. Koo

New laws and regulations are expected to take some business from Taiwan's underground investment shops. But it's probable the first steps by new banks will be modest, resulting in conservative new investment products. The more imaginative ploys—like short-selling or option trading—will probably continue underground.—**Katarzyna Wandycz**

TSAI WAN-LIN AND FAMILY
You Bet Your Life

Is a Chinese life insurance company worth $20 billion—about 250 times earnings? That's the value the obviously crazy Taipei market puts on the Tsais' Cathay Life Insurance (assets under management, $5.4 billion).

But forget mad speculators a moment. Cathay has a golden opportunity. Per capita income in Taiwan exceeded $6,000 in 1988 (compared with $16,500 in the U.S.). That means more people with enough discretionary income to start buying life insur-

Taiwan's banking reform

Despite the great waves of money washing into (and, more recently, out of) Taiwan, no license to open a new bank has been issued for about two decades. Part of the reason has been the ruling Kuomintang's long-standing desire to control credit and prices: The memory of the great inflation during the civil war against Mao's communists is still vivid in the minds of many old Kuomintang stalwarts.

A price has been paid. Taiwan's aboveground financial sector lags at least 20 years behind the country's economy. Taiwan's legal banks, for example, very rarely lend on balance sheets, usually demanding real estate collateral. This makes the banks useless to those entrepreneurs who are looking for venture capital. Taiwan's protected banks, some like to say, are run "like the post office," i.e., inefficiently.

Inefficiency, of course, creates opportunity, and a flourishing clandestine network of underground investing institutions has developed. These range from sophisticated money managers run by people with M.B.A.s from the U.S. to dicey stockbrokers to out-and-out frauds. But through them Taiwanese can buy blue chip American stocks, Hong Kong futures, almost anything they want. The investors can also borrow, at usurious rates.

This is about to change. A new banking law—to be passed later this year—will allow aboveground banks and trust companies to be created, and legalize some kinds of investments. Reform will help most of the established financial institutions. The recognition is spreading that Taiwan is destined to get a financial system commensurate with its impressive manufacturing economy.

Chan Barreat/Excellence Magazine

Tsai Wan-lin

ance. Traditionally, the Chinese would save a third of annual earnings and rely on their extended families in disaster. But with western ways and lifestyles catching on, Taiwan's life insurance business is growing about 25% a year, with no end in sight. All good news for Tsai Wan-lin, chairman of Lin Yuan Group, which includes 70% of Cathay Life. Cathay has about 50% of the market.

Good for others, too. The government currently allows two foreign life companies a year into Taiwan. Metropolitan Life and Aetna, among other insurers, are already there. John Engle, a senior analyst at Ting Kong Securities in Taipei, says of this competition: "There is more than enough to go around."

The Tsais' company's $20 billion may be only on paper, no more solid than the dicey Taipei stock market, but the family's prospects in the insurance business as such are rock solid.—**Katarzyna Wandycz**

CHANG YUNG-FA

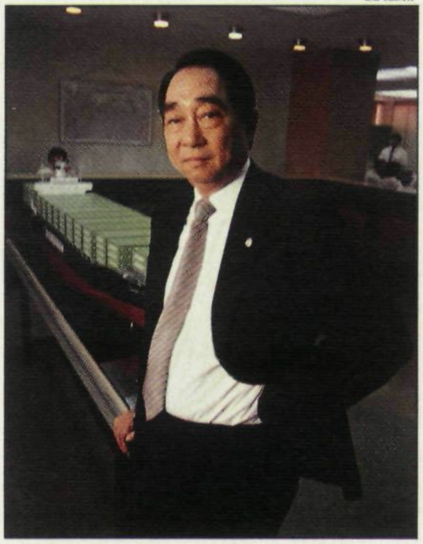
Fly The Evergreen Skies

Flying out of Taiwan these days is like flying home for Thanksgiving in the U.S. Usually, you have to get your ticket at least two to three weeks before the flight. Chang Yung-fa, chairman of Taiwan's Evergreen Group—owner and operator of the world's largest container shipping line—has noticed. In March he finally got permission to operate the first private international airline in Taiwan, alongside the state-controlled China Airlines monopoly. Evergreen plans to start flying in early 1992 and expand to the U.S. and Europe in the mid-1990s.

Evergreen, as usual, is thinking big. The initial investment, estimated at $100 million, may easily be tripled. Evergreen has already ordered four Boeing 747-400s, with options on four more, and is discussing joint ventures with potential foreign partners, including possible air freight operations. The company plans to set up a special training center for pilots and cabin crew in Taiwan. Evergreen is following up the planes with hotels—one planned in Hong Kong, others in Los Angeles and Malaysia.

Thus Taiwan follows the Japanese and, more recently, Korean trend of global diversification. "Whenever Evergreen does anything . . . they keep throwing money at it until they become the biggest," observes John Nelson, manager of research at Jardine Fleming in Taipei.

Ed Kashi



Chang Yung-fa

Chang will have quite a potential market just in Taiwan—almost 7 million passengers in 1988. Travel to mainland China, mainly via Hong Kong, first allowed just over a year ago, ran near half a million a year before June's turmoil in China.

But it is the shipping business that has made the Chang family billionaires. They innovated reliable, round-the-world service routes, linking major container shipping routes across the continents. Their 70% stake in Evergreen Marine Corp., and other holdings, are worth at least $2.2 billion.—**Katarzyna Wandycz**

HSU FAMILY

No Self-Pity

The problems now besetting Taiwan's textile industry sound familiar—foreign competition, high labor costs, aging equipment, narrowing margins. But the industry-leading Hsu family is not looking to bureaucrats in Taipei to protect them. They are, instead, looking only to themselves. It's what you'd expect from a family that moved its small knitting factory from Shanghai to Taiwan in 1949 and built a textile-based conglomerate, Far Eastern Group, with total 1988 sales of $2 billion. The Hsu family's interest is worth more than $1 billion. Says Douglas Hsu, president of Far Eastern Textile, summing up his labor problems without a trace of self-pity: "People are wealthier, and they demand more."

Excellence Magazine

Douglas Hsu

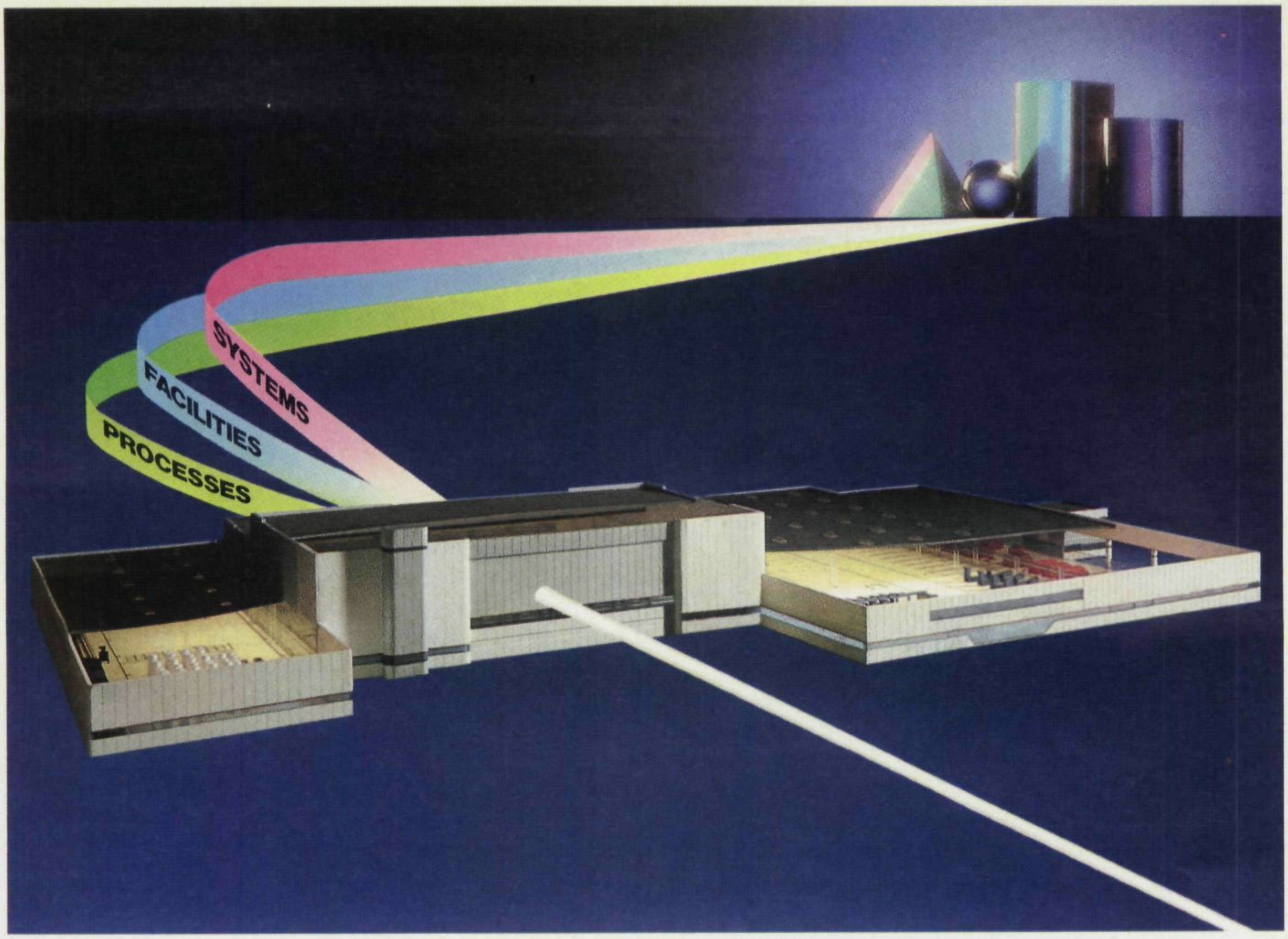
Operating profits at Far Eastern Textile fell some 50% in 1988 on sales of $765 million, but Hsu remains bullish. He's not in bad shape at home. Some 60% of his equipment is under ten years old, and the company is investing 20% of sales in modernization. And the Hsus are already well diversified—a securities house, retailing and cement production, a shipping company and much more. But he temporarily closed a plant due to union unrest and now has garment factories in the Philippines and Singapore, where labor is tamer and lower-cost. Hsu is going upscale to more sophisticated but harder-to-make products that promise higher margins—and turning to Taiwanese workers for the skills required.

Analysts also credit smart financial engineering under U.S.-educated Douglas—son of Y.Z. Hsu, founder of the group and chairman of Far Eastern Textile—and his team of young, also U.S.-educated managers. "If our competitors do not move in the same way," Hsu says, smiling, "they will be left behind."—**Katarzyna Wandycz**

Y.C. WANG

Go East, Young Company

The petrochemical conglomerate Wang founded in 1954, Formosa Plastics Group (1988 sales, $5.8 billion), has invested serious money in the U.S., not to sidestep protectionism here, but to escape problems at home. Petrochemicals in Taiwan will barely



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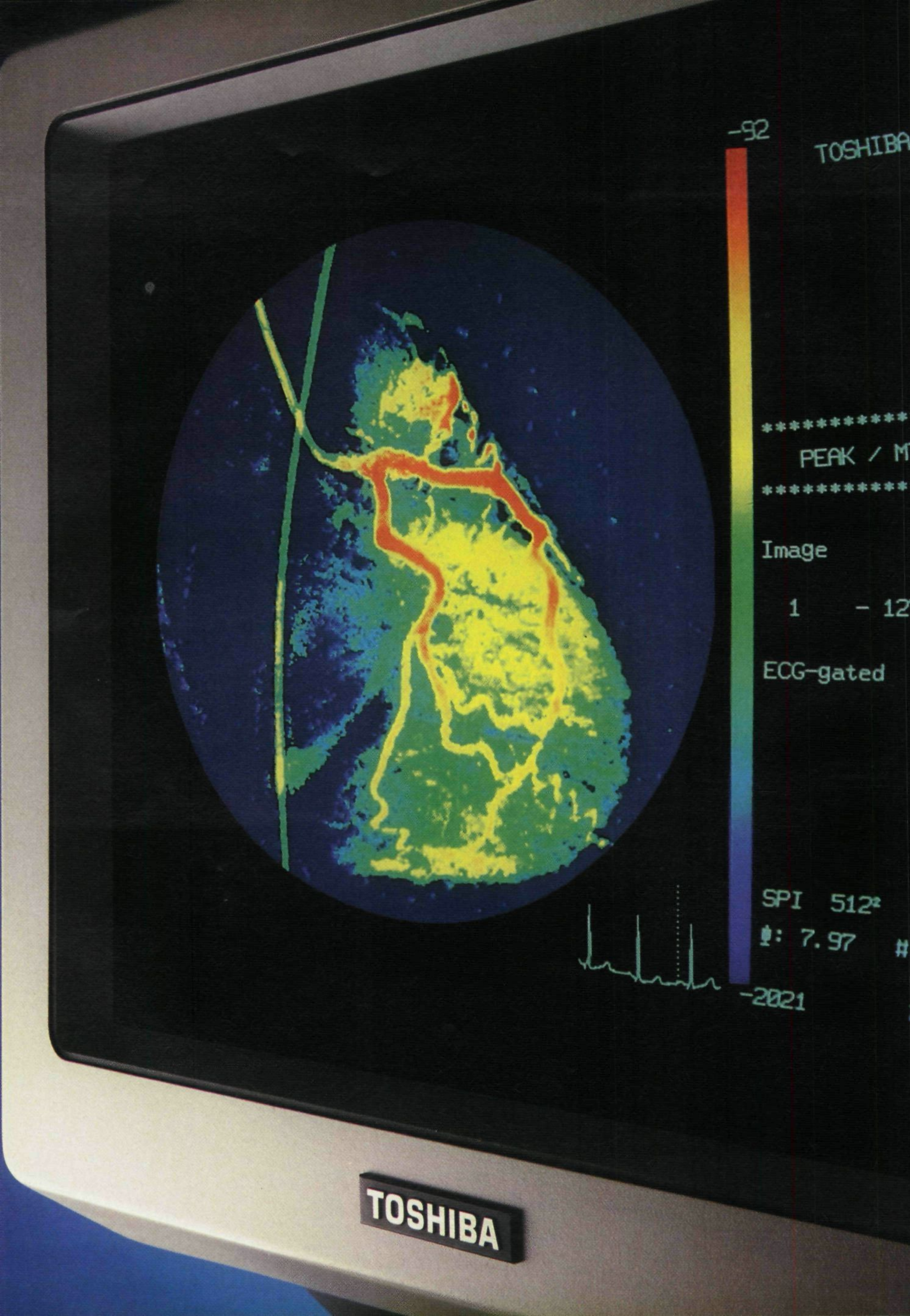
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Robin Moyer/Gamma-Liaison

Y.C. Wang

grow in the next two years.

The key issue is a chronic shortage of ethylene, a basic building block for plastics, in part because of a lack of storage capacity for the combustible gas, in part because of Taiwan's powerful environmentalist movement. Formosa Plastics, for instance, has run afoul of them despite a heavy investment in pollution control.

Also, some Taiwanese downstream processors—for example, shoe manufacturers—are moving some of their production to other Southeast Asian countries. "If downstream industries go away, it's going to influence the whole vertically integrated petrochemicals sector," worries Winston Wang, general manager at Nan Ya Plastics—a PVC processor in the vertically integrated group—and son of the 73-year-old chairman. "It's already affecting demand for petrochemical derivatives," he says.

And the U.S.? It has the technology and, Winston says, "good law and order." Formosa has 14 plants in the U.S. (1988 sales, $650 million) producing plastic resin pipes and other products. In Louisiana, Formosa has invested $170 million to add new plants to existing facilities. Preparations have begun for a $1.7 billion petrochemical complex in Texas. It could be running by 1991, pending EPA approval. This complex will export 70% of production to the world market, but, Wang adds, "A lot of products we now export to the U.S. can be manufactured in the U.S. This will contribute to the trade balance between Taiwan and the U.S."

In adversity there is often opportunity.—**Katarzyna Wandycz**

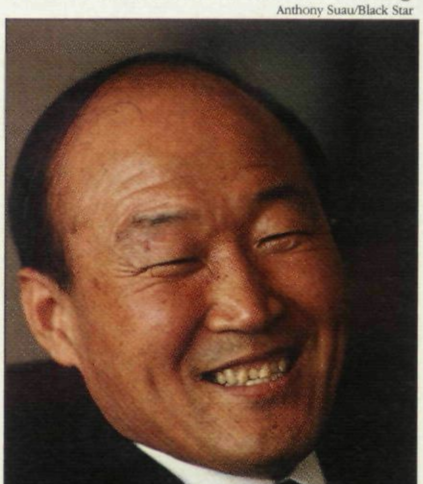
KOREA

CHUNG JU-YUNG AND FAMILY
Eclipsed By The Moon

Hyundai's honorary chairman and founder, at 73, thought he'd quicken the pace of détente between the Koreas by crossing the 38th parallel in January and making a deal. During his visit (helped by Japan's Hisakichi Yamaguchi, *which see),* the first by a South Korean businessman, he agreed to develop a mountain resort and a port facility. The South Korean government had reservations about the visit, but Chung reckoned his legendary business credentials—he built Hyundai into Korea's second-largest (combined sales) company in 42 years—could handle any government flak. But in April a second unauthorized visit to the North, by the dissident Reverend Moon Ik-Hwan (no relation to the Moonie, Sung Myung), enraged South Korea's government. Chung's plans are on hold. Meanwhile, he visited the Soviet Union, but so far few ship repair contracts have materialized. An agreement to develop natural resources in Siberia remains unfulfilled.

Hyundai was first a construction company but soon became a huge conglomerate, a chaebol, with dozens of businesses, most notably shipbuilding and autos. Now, in Quebec Hyundai produces its own Sonata cars and, soon, Eagle cars for Chrysler. The turbulent labor unrest at Hyundai that made headlines last year appears to have subsided for the time being.

Anthony Suau/Black Star



Chung Se-yung

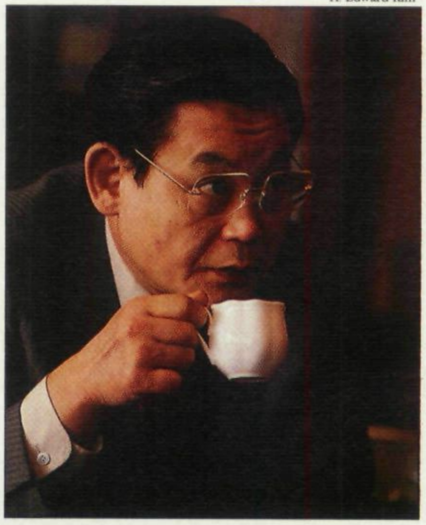
The company says a settlement has been reached with new labor union leader Sung Myung-chu.

Although Chung stepped down as active chairman in favor of younger brother Chung Se-yung, 60, he still plays a prominent role, as his détente initiatives show. Two brothers and seven sons, five of whom head Hyundai divisions, work for the company, and son Chung Mong Ku, 50, is reportedly being groomed for the top position.—**Philip Glouchevitch**

LEE FAMILY
Firing The Boss

Lee Kun-hee, 47, third son and successor to Samsung's late founder, Lee Byung-chull, doesn't have the luxury of anonymity. Strikers at the Samsung shipyard burned him in effigy last December (a settlement has since been reached). Samsung long avoided labor strife by paying its nonunionized workers better wages than other

H. Edward Kim



Lee Kun-hee

chaebol, but now Korean labor in general has become more militant.

Lee has been trying to make Samsung Group (sales, $28 billion) more competitive as yesterday's cheap labor and currency become history. Samsung now mass-produces 1-megabit DRAM chips, and will add the 4-megabit variety this year. Lee will also have the benefit of receiving personal business advice on conditions in the U.S. from George Bush's younger brother William.

Samsung was founded in 1938 to export fruit and dried fish to Manchuria. Founder B.C. Lee learned a lot from Japanese industrialists, and Samsung is really a Korean version of the prewar Japanese *zaibatsu.* The Lee family's ownership of the Samsung

sung group makes them worth at least $1 billion.

The new chairman was chosen as the ablest sibling. His eldest brother was "reportedly on an overseas trip lately," says a company spokesman. Second brother Chang-hee, a major stockholder in one subsidiary, runs his own video- and audiotape producing company, Saehan Media. But the sibling who attracted the most attention was sister Sook-hee, for her marriage to a younger brother of Lucky Goldstar Chairman Koo Cha-kyung some years ago. A merger made in heaven.—**Philip Glouchevitch**

KOO FAMILY
Family Affair

★ The chairman of Korea's Lucky Goldstar Group, Koo Cha-kyung, 65, wanted to become a university professor, but as the eldest son his duty was to assume the chairmanship when his father, founder Koo In-hoe, died in 1969. The younger Koo was inexperienced, but a quick study: Today Lucky Goldstar has combined sales of $23 billion, primarily in chemicals, oil refining, and electronics. Worth over $1 billion, the Koo family rises to billionaire status this year.

The Lucky Chemical company was founded in 1947 to make a cosmetic cream, later adding toothpaste and soaps. Koo was backed by a Korean old-money family named Huh, which still has members in key positions in the company and owns some of the stock as well.

In 1958 the Koos founded the Goldstar electronics company (the elder Koo liked the Chinese character for "gold star") and produced the first Korean radios. Today Goldstar produces televisions, compact disc players,

Koo Cha-kyung

semiconductors (in a joint venture with AT&T), and telecommunications equipment.

Of all the large Korean chaebol, Lucky Goldstar historically has been the least dependent on foreign sales, with only about one-third of its output being exports. But that ratio is changing.

One thing that doesn't change is keeping Lucky Goldstar a Koo family affair despite government pressure on the chaebol to go public. Several of Chairman Koo's uncles work for the group, as do four of Koo's brothers. (A fifth brother died and a sixth has his own company.) Of the chairman's own six children, two daughters are married, and two of four sons work for the company. The eldest, Koo Bon Moo, 44, is the group's vice chairman and likely successor. Koo himself avoids the limelight, retreating often to his farm near Chonan where he raises prize hogs.—**Philip Glouchevitch**

SHIN KYUK-HO, A.K.A. TAKEO SHIGEMITSU
Lotte Luck

Shin's Korean baseball team, the Lotte Giants, is in last place, and his Lotte World—a $1 billion amusement park, shopping center and hotel complex—is not quite completed. The hotels, department stores, restaurants and shops at the 36-acre site near the Olympic stadium in Seoul's suburbs are ready, but the theme park that is supposed to bring the total draw up to 200,000 visitors a day is behind schedule. It should open soon.

Zaikai

Shin Kyuk-ho

No problem. Shin controls an even larger fortune in Japan, with a confectionary company and real estate worth close to $8 billion.

Shin, 66, grew up in Korea but moved to Tokyo in 1943 and studied while working as a delivery boy. He founded Lotte (the name comes from Goethe's heroine Charlotte in *The Sorrows of Young Werther*) in 1948, thus overcoming his own youthful romantic streak: "I despised those who made money," he told FORBES. Shin began to make chewing gum after noticing American G.I.s handing it out and making it popular. He later moved into chocolate. Much of Shin's profits went into real estate.

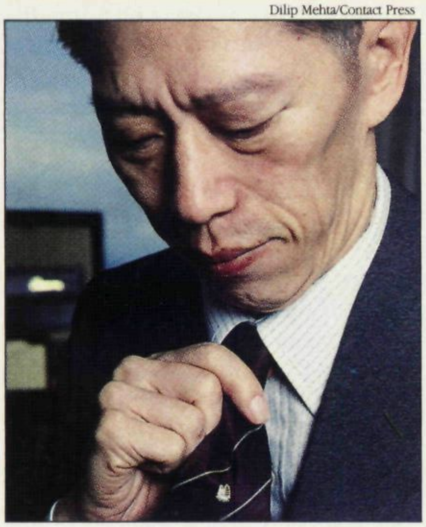
Shin returned to Korea in 1967 to set up another confectionary company, and later opened his wildly successful Lotte department stores. And Lotte World? Shin already has plans to open a second in Pusan, Korea's second-largest city.—**Philip Glouchevitch**

SINGAPORE

LEE FAMILY
Back To The Fore?

"The old lady's lifting her skirts," a Singapore-based analyst told FORBES with a wink. Meaning: The venerable Oversea-Chinese Banking Corp., controlled by the family of Lee Seng Wee, wants to regain its onetime leadership of Singapore's Big Four banks. It is

Dilip Mehta/Contact Press



Lee Seng Wee

now third, but the bank is rich. As OCBC's stock continues to recover from the 1987 crash, the value of the family's estimated 30% has climbed to $850 million.

But if the Lees are to regain their former preeminence, they must reveal and exploit the bank's hidden assets. For instance, one subsidiary is OCBC Property Services. Established in 1987, it manages lucrative Group properties in Singapore and Malaysia. Just three, including Singapore's I.M. Pei-designed OCBC Centre, have a market value exceeding $360 million; the 1987 annual report lists total fixed assets at a mere $143 million.

Why reveal this teaser now? OCBC Property is expected to be spun off and listed soon, and the news might boost shares of the bank, which will keep control.

The Lees also own rubber, palm and pineapple plantations. Lee Rubber is known as Malaysia's top rubber and latex exporter. Estimates on the extent of the family's land holdings vary, ranging upward from 20,000 acres.—**Katherine Weisman**

KWEK (AND QUEK) FAMILY

Boom Times

Singapore is booming. Real GDP, up 11% last year, should grow by a lower but still impressive 6% to 7% this year. Top office space is expensive even by Manhattan standards; occupancy rates are around 95%.

Kwek Hong Png, 77, is one of the four founding Kwek brothers who came from China's Fujian Province in 1928. He heads the family's Singapore branch and is capitalizing on the boom there very logically. The Kweks operate as Hong Leong Group. The company owns 52% of City Developments Ltd., which is forging ahead with Singapore's Republic Plaza; at an expected 63 stories, it will be one of the tallest office buildings in Singapore. (Like many Kwek projects, the building is a joint venture, financed by Japan's C. Itoh.)

Straights Times

Kwek Hong Png

Meanwhile, in Malaysia another brother, Quek Leng Chan (the "Q" was a misspelling that stuck), 45, launched an unfriendly takeover bid in April through his Hume Industries for Multi Purpose Holdings Berhad, one of Malaysia's largest conglomerates. Multi Purpose Holdings controls a big bank, the Malaysian French Bank; this bank was probably the object of Quek's desires. Late last month he dropped the bid. But the Kweks and

Queks believe in the strength of the local Singapore and Malaysian economies and they will be heard from again.—**Katherine Weisman**

INDONESIA

LIEM SIOE LIONG
Suharto's Cukong

The world is changing for Liem, and not for the better. Liem is overseas Chinese and as such is widely resented by Indonesians.

That things have gone well for the Liem family owes much to the fact that Liem is President Suharto's *cukong,* or wealthy Chinese financier. Thus the Liem family runs one of Indonesia's biggest business empires,

Liem Sioe Liong

based on cloves (a major product in Indonesia), flour milling and handling, cement, steel and private banking. The Liems also control First Pacific Co. (1988 sales, $1.1 billion). It is listed in Hong Kong and incorporated in Bermuda. It does most of its marketing, distribution, financial and investment services and telecommunications business in the Far East, and is widely assumed to be a conduit for flight capital.

Many Indonesians—though accustomed to gross political corruption—think the Liems get too many breaks from the government. A recent government bailout of a steel mill in which the Liems have a major stake, for instance, caused protests from other politicians and businessmen. And, unfortunately for Liem, Suharto, at 68, isn't getting any younger.

Liem, 73, seems to be working on the family's image by bringing more Chinese and Indonesians into new management and ownership positions. "It's a deliberate policy to safeguard his holdings, anticipating the times when Suharto will no longer be there to protect him," concludes John A. MacDougall, editor of *Indonesia Publications.* The Liems' wealth is estimated at over $2 billion; there is a lot to protect.—**Katarzyna Wandycz**

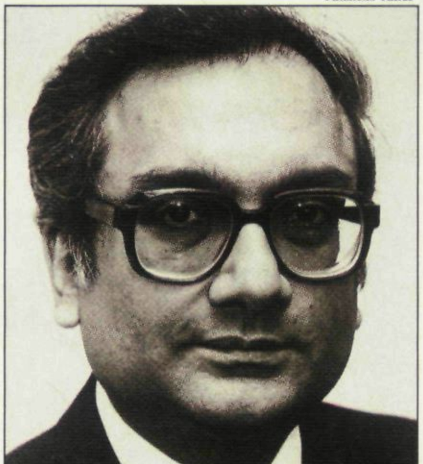
INDIA

BIRLA FAMILY
Divided, But Prospering

India has millions of smart and successful businessmen, but few who have had the talent, time and political connections to create vast industrial empires. This has not been the problem of the Birla family. The legendary Shiv Narain Birla started the business in the 1800s; early profits came from opium and silver. The company went into industry under G. D. Birla, a major player in India's attaining freedom from the British. Today the Birlas control almost 200 companies, from autos to yarn. Aggregate sales: over $3 billion. The Birlas own, through a web of cross-holdings, from 26% to over 40% of most companies.

After nearly three years of discreet negotiations among feuding family

Financial Times



Aditya Birla

members, the empire was carved into six parts. Nearly half went to Basant Kumar Birla, 68, and his son Aditya, 46. The rest was divided between Basant Kumar's brother, Krishna Kumar Birla, two cousins and two nephews.

Aided by the buoyant economic climate, in the last year all six groups have announced diversification and modernization plans. Some observers guess capital investment will total some $3 billion in the next two years. The Birlas keep in shape by following G.D. Birla's regimen: Eat lightly, get to sleep early and exercise at least one hour every day.—**Gita Piramal**

AUSTRALIA

KERRY PACKER
A Minority Of One

For a country with a population (around 16 million) the size of Czechoslovakia's, Australia has a large number of very wealthy businessmen. But it has only one certifiable billionaire: Kerry Packer, chairman of Consolidated Press Holdings.

His father started the company, but Packer, 51, has made it into a colossus. He remains active in acquisi-

Enrico Ferorelli

Kerry Packer

tions. Last year he bought the magazine group of Australia's John Fairfax Ltd., giving him almost 70% of the Australian magazine market. He also bought Monsanto's Australian commodity petrochemical operations for $100-million-plus. By March Packer had bought and sold a 4% stake in London's Courtaulds, for a loss of about $4 million. Through joint ventures Packer is putting up major office buildings in Melbourne and Perth.

In April Packer acquired 20% of Australian National Industries, a leading conglomerate, and then paid $270 million for 47% of the shares. "Most things we are involved in, we finish up with 100% of it," says a Packer source. But in this case, with Packer's people dominating ANI's board, he effectively controls the company.

What does Packer look for in a business? "We buy based on a company's track record and not on its future blue sky," our contact said. "What we're interested in is cash flow businesses." With a lot of cash and rising operating income, Australian National fits Packer's bill.—**Katherine Weisman**