

George Chao: a true dealmaker

Industry pays tribute to one of the more interesting personalities on the Hong Kong scene and the last of the 'old school' shipping tycoons in the territory, who died aged 76 last week

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George Sze Kwong Chao was the youngest son of Shanghainese lawyer-turned-shipowner Tsong-Yea Chao (TY Chao), who migrated to the then British colony of Hong Kong in 1948 during the communist takeover of China. He set up Wah Kwong in 1952.

TY Chao would later hand over control of the company to his two sons, Frank and George, and despite a sometimes acrimonious relationship, with frequent family infighting for control of the shipping empire, the two continued to steer the company through some of the industry's most tumultuous cycles.

It became one of Hong Kong's most successful shipping companies. Frank died in 2001 and full control passed onto George.

Unlike their peers in other Hong Kong family shipping dynasties of the Paos, the Koos, the Tsaos and the Tungs, the Chao brothers — George is survived by his younger sibling, Cecil Sze Tsung — never kept a low profile.

In 1973, George married glamorous Hong Kong actress Lily Ho and, even though she retired from acting shortly thereafter, her fame and the seemingly insatiable appetite among the Hong Kong populace for details of the lifestyles of the city's rich and famous made the Chao's popular cannon-fodder for local tabloids.

The couple had four children — eldest daughter Sabrina Sih Ming, twins Jane Sih Ho and Joan Sih Ping and son Hing.

Despite the mainstream chatter, George always maintained friendly relations with the shipping press, and rarely turned down a request for an interview. Upon arriving at the Wah Kwong offices, journalists and other visitors would always get a subtle indication of how chatty he would be, even before he made his entrance.

If shown into the formal meeting room with its hard, upright marble chairs chilled to frigid by an overactive air conditioner, then the meeting would be a short one. But being whisked upstairs to the penthouse with its plush sofas and displays of exquisite jade artefacts meant George was in the mood for a long talk.

His strategy for Wah Kwong was to ride the cycles and choose counterparties with extreme care. Growth was conservative, with a preference shown for ordering tonnage against long-term charters.

Although these long-term contracts prevented the company from reaping the full benefits of the peaks in the spot market, they also insulated it from losses during the troughs.

Weather the storms

It may not have made Wah Kwong especially exciting at times but it allowed it to weather many of the storms that have hit the industry.

Tim Huxley, a veteran of the Hong Kong shipping industry and who, until recently, was Wah Kwong's managing director, describes George as having been the consummate dealmaker. Others describe him as having been sharp, instinctive and decisive.

"George built Wah Kwong on his ability to quickly identify an opportunity, strike a deal and then stick with it," Huxley told TradeWinds this week.

"Like his father, George knew the value of relationships and the importance of everyone benefitting from a deal.

"That was why his relationships with charterers, shipbuilders and so many others became life-long partnerships.

"It was a privilege to work with George, benefit from five decades of good times and bad, and have a ring-side seat into the workings of a true Hong Kong shipping legend."

George was also a key mover in the local shipping community, taking on the chairmanship of the Hong Kong Shipowners' Association (HKSOA) from 1996 to 1997.

One of the closest business relationships George cultivated over many years was with the Saverys family of Bocimar and CMB Group fame.

The families are old allies, whose ties stretch back to the 1970s, with the two working more than 50 joint ventures involving bulkers, gas carriers, crude and chemical tankers and containerships in Wah Kwong's fleet.

"We have enjoyed a business relationship with George and the Chao family since 1978," said CMB chairman Marc Saverys.

"George has shown us the way to the fascinating world of Hong Kong and China. Through good and bad times, there was always a feeling of mutual trust and friendship. We hope that this relationship will continue through the next generations."

Despite his overall conservative approach and a previous preference for building ships in Japan, George was one of the earlier supporters of shipbuilding in China.

Hu Jin Gen, former chairman of Chengxi Shipyard, worked with George for more than a decade on close to 20 bulker newbuildings. He recalls George not only made sure that Wah Kwong secured a good deal from the yard but also made sure Chengxi benefitted from the deal as well.

"A win-win deal for both parties," said Hu.

A series of heart attacks and strokes forced George to relinquish control of Wah Kwong in recent years.

His daughter, Sabrina, who joined the outfit in 2002, stepped into his shoes to become Wah Kwong chairman in 2012. She is described in the industry as a worthy successor with the same business acumen and drive of her father.

Today, Wah Kwong controls a fleet of three VLCCs, 17 bulkers and 10 LPG carriers.

George's funeral is scheduled to take place at 1.30pm on Saturday at the chapel of Hong Kong Funeral Home.