Born in Shandong province in 1951, Lu graduated from the elite Shanghai university Fudan. His first job was as a technician with the Shandong Weifang Diesel Engine Factory.

Getting started
Lu left the state sector to become an entrepreneur and set up China Oceanwide. Initially it focused on education and training, but when the government initiated housing reform in 1988, Lu moved into real estate.

This was to be his core business over the next decade, with Oceanwide becoming a dominant developer in China’s key cities – for example, in Beijing it owns very visible real estate such as Glory China Centre, on an avenue leading into Tiananmen Square.

Big Break
Lu then moved into financial services as one of the major shareholders in Minsheng Bank. He likewise took stakes in insurers and brokers. Known as the ‘capital hunter’ his dealmaking skills saw Oceanwide grow into an investment conglomerate with business interests spanning real estate, insurance and shipping.

Oceanwide Holdings, its Shenzhen-listed property unit, had a total asset value of Rmb18 billion in 2015. Hurun’s China Rich List ranked Lu as China’s 8th richest man in 2015 with a net worth of Rmb83 billion.

Guanxi
A long-term ally of Liu Chuanzhi, who is known as the ‘godfather of Chinese entrepreneurs’, Oceanwide acquired a 29% stake in Legend Holdings (the parent firm of Lenovo) in 2009 from the Chinese Academy of Social Sciences for Rmb2.7 billion. The transaction was symbolic as it marked the dismantling of Legend’s SOE status.

Lu and Liu also collaborated to establish the exclusive Taishan Club in 1993, an unofficial association of entrepreneurs named after the most famous mountain in Shandong.

In fact, according to NetEase Finance, it was during the Taishan Club’s inaugural meeting – hosted by Lu in Shandong – that the idea of setting up a non-SOE bank was hatched and the proposal was thereafter sent to Zhu Rongji. The result was the establishment of China Minsheng Bank in 1996.

Minsheng takeover?
Oceanwide was one of the 59 private sector firms which co-founded Minsheng Bank. In July 2016, Minsheng’s interim report revealed that Oceanwide had invested Rmb7.5 billion in buying Minsheng’s shares, doubling Lu’s stake in the bank to 4.61% and making Oceanwide Minsheng’s second biggest shareholder.

The move has stoked speculation that Lu is preparing Oceanwide to potentially take a controlling stake in Minsheng.

In his own words
“I’m not a very good businessman. I only look at the big picture. If you’re very calculating and you come to me, you’ll certainly win and I’ll lose.”
Guo Guangchang loves to profess that he’s a Warren Buffett disciple but unlike the Sage of Omaha he focuses a lot more of his dealmaking on overseas M&A.

Getting started
Guo Guangchang’s parents wanted him to become a village school teacher. He had different ideas, leaving home to study at a provincial high school. His ambition paid off, as he won a place at Fudan University in Shanghai to study philosophy. While studying in 1987 he rode his bike along the Grand Canal to visit Beijing. The following year he organised an event in which students cycled 3,000 miles to Hainan Island.

Initially keen to study abroad, Guo changed his mind and in 1989, flushed with entrepreneurial spirit, he and three other Fudan graduates scratched together $4,000 to set up a consulting company in genetic engineering called Guangxin Technology.

Big break
In 1993 the company was renamed Fosun and made its first Rmb100 million developing a diagnostic drug for Hepatitis B.

Then Guo diversified ("We have diversification in our genes," he once told TIME magazine), growing Fosun by trading in land and property. A favourite tactic was to buy stakes in run-down state-owned firms, as well as branch out through an extensive use of share swaps.

Besides being dubbed as China’s answer to Warren Buffett, Guo also likes to draw comparisons with GE in terms of Fosun’s ability to build successful companies across a range of business sectors. Fosun now has interests in pharmaceuticals (through Fosun Pharma and Sinopharm), property (Shanghai Forte), steel (NSU and Jianlong), as well as various other businesses in mining, the media, retailing and the financial services sector. It claims to be the largest private sector company in China.

Fosun went public in Hong Kong in 2007. New Fortune magazine ranked Guo as China’s 14th richest man in 2015 with a net worth of Rmb41 billion.

Going global
In late 2010, Guo said that he was looking to use mergers and acquisitions as a means to expand in Europe. Fosun has focused on companies with established brand names, good market share in Europe, and a willingness to enter the Chinese market. Guo’s purchases include a stake in French tourism firm Club Med, Greek jewellery and fashion brand Folli Follie and most recently, a bid for control of Portugal’s biggest insurer Caixa Seguros.

In 2016 Fosun’s healthcare unit announced a $1.3 billion deal to buy Indian drugmaker Gland Pharmaceutical. Other acquisitions made in the same year include English football club Wolverhampton Wanderers, Brazilian asset manager Rio Bravo and British handbag maker Aspinal. The list goes on…
China’s Tycoons

Duan Yongping

BBK Electronics

Getting started
Born in Jiangxi province in 1961, Duan Yongping graduated from the Department of Radio Engineering at Zhejiang University. After graduation, he joined the Beijing Electron Tube Factory, but left to get a master’s degree at Renmin University in econometrics.

In 1988 Duan went south to booming Guangdong and was appointed the manager of a factory owned by the debt-laden state firm Zhongshan Yihua Group. He set up the Subor Electronic Industrial Corporation as one of its subsidiaries, and began making video game machines in 1991.

Three years later his firm’s revenues skyrocketed to Rmb1 billion, but he remained a salaried employee. He lobbied to get Yihua to make Subor a joint stock company and incentivise him with a major shareholding. In a very public spat, the firm refused and he resigned.

Big break
In 1995 Duan was recruited to head a joint stock company called BBK Electronics, which was 19%-owned by Taiwanese interests. The company was low profile, but he got what he wanted: a major shareholding. He quickly worked his magic at BBK turning it into a leading local brand making VCD players, cordless phones and other consumer goods items. The company now markets smartphones under the Oppo brand.

Duan began to use his personal wealth to play the markets. Early on he became a big shareholder in local internet firm, NetEase and saw the NASDAQ-listed stock rise more than 50 times. Over the years he has become known as a value investor, who buys when others tremble. For example, he took a $100 million stake in GE during the 2008 financial crisis. He bought the stock at $6 and more than doubled his money.

Another Buffett
Hurun’s China Rich List put his net worth at Rmb3 billion. He is (one of the many) to be dubbed “China’s Warren Buffett”. In his case, he really aspires to the title. In 2006 he famously paid $620,100 to have lunch with the Sage of Omaha. He told the auctioneer to add $100 to whatever the top bid was, with a limit of $650,000.

“I am concerned with what Buffett can teach me,” he told reporters. Like his hero, he is also a charitable type, donating $30 million to Zhejiang University and a further $3 million to victims of the Sichuan Earthquake. As he puts it: “Charity is my business, investment is my hobby.”

Need to know
He is the brother of Duan Yongji, the founder of Sitong, one of China’s earliest tech firms, set up at around the same time as Lenovo.
China's Tycoons

Lu Xiangyang
Guangzhou Youngy Investment

Some people got rich by investing in the right companies. Lu Xiangyang became a multibillionaire because he invested in the right person: his cousin Wang Chuanfu, BYD's boss.

Getting started
Born in 1962 in Anhui province, Lu's career got off to an unentrepreneurial start. He joined the local branch of the People's Bank of China, and spent 15 years with the central bank. The Economic Observer points out that while this allowed him to accumulate "deep personal connections and rich experience" by 1991 Lu was "deeply bored".

Big Break
Lu left the bank and struck south to Guangdong, the most entrepreneurial and business-minded of China's provinces at the time (and arguably still so). For the next few years he worked for brokers and became involved in speculating in land and government bonds. But he finally struck out on his own, founding Guangzhou Youngy Investment and Management Group.

Midas touch
In 1995 Lu invested Rmb5 million in BYD, becoming a seed investor in the newly formed battery maker. He knew little about the underlying business but chose to invest because of his trust in BYD's boss, Wang Chuanfu, who is his cousin.

His gut feeling was definitely vindicated. His stake, at one point, had a market value of Rmb18.5 billion. That valuation was reached after Warren Buffett became a big BYD shareholder in 2008.

As of August 2016, BYD had a market value of Rmb150 billion. CBN ranks Lu as China's 27th richest man with a net worth of Rmb25 billion (Wang Chuanfu is worth Rmb30 billion).

Need to know
Apart from industrial investments, he is also involved in commercial real estate, which comprises about 20% of the group's business. He is currently looking at building an asset management franchise that specialises in non-performing loans.

Lu also owns 70% of the world's second largest lithium mine, located in Sichuan. He is negotiating to buy a cobalt mine in the Democratic Republic of Congo too. As the owner of lithium and cobalt processing facilities in Guangzhou and Nansha, he hopes to create an 'industrial chain' around the battery industry, anchored to his BYD investment and the metals required by that business.

And to relax
Lu says he has no hobbies, apart from work.
Born in 1965, Gong Hongjia would later become a leading angel investor in the Chinese technology sector. But at school he showed few signs of being tech-savvy, preferring literature to science. After scoring full marks in composition in his university entrance exams, Gong planned for a career as a reporter. But he says that he was then offered a place at the Hangzhou University of Science and Technology, in part because he was good at throwing the javelin. Knowing the university’s strong reputation, he accepted.

Getting started
Gong graduated in 1986 with a degree in computer science and started his own business, trading electronic goods in southern China. Driven by a desire to produce a homegrown brand to compete with Japanese radio makers, Gong founded Tecsun General Electric in 1994. By selling much cheaper radio sets to younger Chinese consumers, Tecsun broke the dominance of the Japanese brands and grew into China’s largest radio maker.

Gong then ventured into venture capital and has since founded or invested in at least 15 technology start-ups. Some of his more successful deals include Asiainfo-Linkage, a software company and one of the earliest Chinese firms to go public on NASDAQ in 2000, as well as the mobile telecom software firm Funinhand.

Big break
When asked about his reputation as China’s leading angel investor, Gong says he may not be the best, but that he might have made the biggest profit from a one-off deal. In late 2001, he invested Rmb2.45 million for a 49% stake in Hikvision Digital Technology. At the time, Gong saw the investment more as a means to help out some college classmates.

But Hikvision now makes 60% of China’s video surveillance systems, enjoying a market capitalisation of nearly Rmb145 billion as of August 2016. A 20% stake in Hikvision is worth Rmb29 billion, or nearly 15,000 times higher than Gong’s original investment.

Need to know
Confessing that he doesn’t count himself among the smartest of technocrats, Gong says that he prefers to invest in start-ups founded by people without the most polished CVs. But he is bolder when it comes to enticing the brightest talents to join his companies. Trying to secure the services of an exceptionally talented engineer for Hikvision, Gong got his man with a signing-on bonus that the employee would later describe as “so big I’d never need to work again”.

Key info
According to CBN, Gong is China’s 12th richest man with a net worth of Rmb27 billion.
Since its Hong Kong listing in 2004, Tencent’s market value has grown to HK$1.9 trillion ($245 billion) with its shares rising from an IPO price of HK$3.7 to more than HK$1,000 apiece as of September 2016 (if you factor in its one-for-five share split in 2014).

Zhang Lei started investing in Tencent as early as 2005. Remarkably, he has hung on to his holding in the internet firm since then, a decision that has turned him into arguably the richest fund manager in China.

Getting started
Born in 1972 in a Henan village, Zhang is the son of a junior government official. He scored the highest mark in the province for the college entrance exams, winning a scholarship to study finance at Renmin University in Beijing.

Zhang wanted to further his studies but the only graduate schools that would give him scholarships were in the US. So he went to Yale. Zhang still needed to find a job, as the scholarship was just for one year. He found one in the investment office of Yale’s endowment fund under its renowned chief investment officer David Swensen. Swensen saw potential in his Chinese student and taught him the art of investing. (The Chinese version of Swensen’s Pioneering Portfolio Management, An Unconventional Approach to Institutional Investment was translated by Zhang.)

After earning a Master’s in international affairs in 2002 in addition to an MBA degree, Zhang worked briefly for a Washington-based emerging markets hedge fund, as well as serving as the chief representative to China for the New York Stock Exchange.

Big break
In 2005 Zhang returned to China to start his own fund, Hillhouse Capital. It was named after Hillhouse Avenue, one of the main streets running through the Yale campus. The Yale connection helped further: Swensen gave him an initial $20 million from Yale’s reserves to kick-start Zhang’s asset management firm.

Zhang has invested wisely. Hillhouse has been an early backer of a number of the faster-growing internet firms, including Tencent and JD.com. Reportedly it has made a 95-times return on its Tencent holding, which it is yet to sell.

One delighted investor told Forbes magazine that Hillhouse had returned an annual average of 39% since it was founded.

Zhang now has an investment war chest of $18 billion and Hurun’s China Rich List put his net worth at Rmb17 billion in 2015.

Need to know
Zhang only grabbed headlines in 2010 when he donated $8,888,888 to his American alma mater.

Zhang is also the youngest governing board member of the China-United States Exchange Foundation, which was set up in 2008 by Hong Kong’s former chief executive Tung Chee-hwa to improve Sino-US relations.
He Boquan

Guangdong Nowaday Investment

In the 1990s a controversial athletics trainer called Ma Junren managed to produce a group of world-class female runners with a secret tonic made from turtle blood. The ‘Ma family army’ not only shattered the 10,000-metre world record by 42 seconds, but also inspired He Boquan’s entrepreneurial success.

Getting started
Born in 1960 in Xiaolan, a small town in Guangdong, He Boquan dropped out of school at the age of 15. After three years working in the fields during the Cultural Revolution, he went on to pick up some pretty varied experience: first as a teacher, then as a shoe salesman, next as secretary to the Party Youth League in Xiaolan, and finally being promoted to deputy director at a state-owned pharmaceutical plant.

In 1989, He and four partners created Zhongshan Robust Health Products, with about Rmb1 million from the Xiaolan government. The company focused on a yogurt milk product, developed by the Zhongshan Medical University. The brand – Robust Yogurt Milk – was arguably the first national dairy brand. (Mengniu Dairy was only founded 10 years later.)

Big break
In 1994 He was looking hard for a way to expand Robust’s market share. In a sleepless night he read an article about Ma Junren’s all-conquering army and his secret recipe.

He bought Ma’s recipe for Rmb10 million and launched a new product line known as Robust Life Nuclear Energy (nuclear energy having a more positive association with health in China than elsewhere in the world, clearly). That was a marketing masterstroke. Robust became a household name nationwide and money kept flowing in from franchisees trying to join He’s retail network.

By 1999 sales had reached Rmb2 billion and He started negotiations with Danone. The next year he sold out to the French food giant for Rmb2.38 billion. He’s story and success even earned him a trip to Harvard, where he was asked to speak to students.

As investor
He ended up spending a year at Harvard University, and then returned to China, not sure what to do next. He invested in a snack food company owned by an old colleague, before identifying himself as an angel investor.

Currently, He is the founder and chairman of Guangdong Nowaday Investment, a private investment company specialising in Chinese retail and service industries. He’s invested in at least 10 promising firms, including hotel chain 7 Days Inn, and third-party money manager, Noah Wealth Management.

Dog investment
With the Rmb10 million he received for this turtle blood formula from He, trainer Ma Junren opened a farm breeding Tibetan mastiffs.
Chinese President Xi Jinping spent 17 years as an official in the southern province of Fujian. That is also a period Chen Fashu grew his fortune to become Fujian’s richest man.

**Getting started**

Born in 1961 in Fujian’s Anxi, Chen was quick to take advantage of Deng Xiaoping’s reform era; as a 21 year-old he drove a truck full of wood to Xiamen sensing an opportunity. The year was 1982; within three years he had become the largest timber dealer in the city of Quanzhou and owned his own house in neighbouring Xiamen.

His next move up the corporate value chain was to open a grocery shop, reports China Business News. In the next decade he would branch out from grocery stores to shopping malls, opening his first in Fuzhou.

In 1997, having opened a series of malls, he created his flagship vehicle, the New Huadu Industrial Group. The corporate empire soon included 38 shopping centres in Fujian. He then diversified into construction, engineering, hotels, as well as purchasing state-owned enterprises (SOEs) which he viewed as promising turnaround prospects.

**Big break**

Back in 1999 Zijin, a county-level SOE that would grow into China’s biggest gold miner, was searching for funding. The mine is located in Fujian, and Chen was already one of the province’s more prominent businessmen. The local government asked him to take a stake, and he agreed. It was a fortuitous move. He remains Zijin’s biggest shareholder, and was instrumental in getting the firm listed first in Hong Kong and later in Shanghai.

He later acquired a 7% stake in Tsingtao Brewery for $235 million. Chen’s entry appeased consumers’ nationalistic concerns as Chen prevented Japan’s Asahi from acquiring all of the 27% slice in Tsingtao offloaded by AB InBev. The investment paid off handsomely too. Chinese investors even compared it with Berkshire Hathaway’s stake in Coca-Cola.

**Need to know**

In 2008, Chen hired Tang Jun, former CEO of Microsoft’s China operation, to be his right hand man – though the relationship did not endure. He also emulated the Gates Foundation by setting up a charity under New Huadu, which he promises to donate most of his wealth to.

An unquestionable business success, less is known about the man himself. But according to those who do know him – and who spoke (off the record) to China Business News – he lacks bad habits. He is not a prima donna, and doesn’t smoke or drink. He takes a midday nap, and rises and goes to bed early.
China’s Tycoons

Liu Yiqian

Sunline Investment

Liu Yiqian must be one of the favourite clients of Sotheby’s and Christie’s: he keeps shattering the word records for art in auctions.

Getting started
Liu dropped out of school when he was 14, to work with his family making leather handbags. He moonlighted as a taxi driver once he was old enough to drive. Then he began investing in the stock market.

In 1990 he bought 100 shares in Yuyuan Garden Shopping Mall for Rmb100. He sold them two years later at a profit of almost Rmb1 million. He soon became a major investor.

Big Break
His investment vehicle – his Berkshire Hathaway if you like – is called Sunline Investment Company. It is a top 10 shareholder in over 10 companies, spanning medicine, chemicals, finance and real estate, with total assets of over Rmb2 billion. In 2010, Liu showed an interest in technology companies, by buying into chip producers Hangzhou Silan Microelectronics and Tsinghua Tongfang.

Liu is known as the King of ‘Legal Person’ Shares. ‘Legal Person’ shares were created during China’s privatisation process in the 1990s, when state firms were converted to joint stock companies. These shares were not listed and were thus relatively cheap. But they still provided Liu with a substantive ownership interest. While, many investors shunned this share class, Liu took more of a ‘private equity’ approach and realised that he could improve the performance of the companies. He also bet that over the long term this class of shares would merge with the listed class, and he would make capital gains (which he did).

Need to know
Art has become Liu’s core investment in recent years. He began buying at the age of 30. An art industry insider told Southern Weekly that Liu’s collection is one of the nation’s best, which should be no surprise, considering he is reckoned to have spent Rmb1.3 billion on art in 2009 alone. His art investments in 2010 topped Rmb2 billion.

Liu says his returns from art have been even higher than stocks. In 2012 he opened the Long Museum in Shanghai to showcase his trophy assets.

In 2014 he paid HK$348 million ($27 million) for a Tibetan tapestry at a Christie’s auction (the pre-sale estimate was HK$80 million) and broke the auction record for a Chinese work of art. He spent $38 million to buy a Chinese porcelain cup from the Qing Dynasty. He then drank some tea from it.

“Emperor Qianlong has used it, now I’ve used it,” Liu told reporters. “Such a simple thing, what is so crazy about that?”

He bought the world’s priciest cup – it used to belong to a Chinese emperor

Key info
His art investment has topped Rmb2 billion.

Year born
1963
Tony Xia

RECON Group

Xia Jiantong, has one of the most patriotic names possible: *xia* is an ancient name for China, *jian* means ‘to construct’ and *tong* translates into ‘unification’. Overseas he goes by the name Tony Xia.

**Getting started**

Born in 1976 in Zhejiang, Xia has been considered a wonder boy throughout his life. Reportedly he could recite 300 Tang Dynasty poems when he was three and he got his first degree at the Beijing Forestry University aged 19.

He worked briefly for the Ministry of Construction before furthering his studies at Harvard when he was 21, getting his doctorate (in design) aged 25.

In 1999 when the Hangzhou government was applying for UNESCO World Heritage status for its West Lake, Xia was part of the advisory team and local media credit him with making a valuable contribution, in part because of his international experience.

According to Xia his holding firm RECON Group got its name from Resources Consulting, a company founded by his Harvard advisor Charles Harris in 1963. In 2002 Xia’s design firm XWHO merged with RECON and the new company set up its Beijing office a year later.

**Big break**

In 2009, Xia returned to his home country as he became one of the first candidates to be picked by the powerful Organisation Department (effectively the human resources department for the Chinese Communist Party) for a special talent programme that aimed at luring 1,000 overseas talents with international pedigree back to China. Xia’s firm began picking up town planning contracts for local governments in China.

In recent years Xia has reinvented itself as a savvy financier in the A-share market. In 2014, RECON took over Lotus Flower Gourmet Powder (renamed Lotus Health later), one of China’s largest producer of the food additive MSG. The seasoning firm made a big splash a year later when it named Xi Yinping, the cousin of Chinese leader Xi Jinping, as an independent director. The stock price raced skywards, although the appointment was reversed a day later – with the Beijing News classing it as a publicity stunt that had misfired.

In 2016 RECON acquired English football club Aston Villa for £75 million. According to a statement by Villa, RECON owns a controlling interest in five publicly-listed companies on the Hong Kong and Chinese stock exchanges in addition to several private companies employing 35,000 people in 75 countries.

**Need to know**

“*I think I have rather more than that,*” Xia told the Daily Mail when asked if he ranks as a dollar billionaire. He went on to explain that he sold one of his companies for £430 million a few months ago and the cash is sitting in the bank waiting to be spent.
If communism is about common prosperity, Song Zuowen should be considered a role model of China: a Party member, he became a billionaire while also making his neighbours rich.

**Getting started**
Song was born in 1947 in the poor village of Qiansong on Shandong’s coast. Song’s education ended at primary school level, and he would advance instead through hard work and entrepreneurial flair.

In 1978 he made his initial cash buying and selling lumber. The Rmb5,000 he earned from this would become Nanshan – in origin a village enterprise that Song built into a fibreglass factory and then a cotton mill. As NetEase comments: “In his more than 30 years of entrepreneurship Song has dealt with tofu, cement, asbestos and textiles; he has merged the eight villages around Qiansong; and developed a small factory into a large group.”

**Common wealth**
He grew these villages into a company town dubbed by locals as the “Nanshan city”. By pooling the resources of the giant village-cum-city they had created, Song developed a hybrid structure that is both a conglomerate and a village cooperative.

From its earliest days local residents became not just Nanshan’s employees but also its investors by forfeiting their bonuses to get shares in the enterprise.

Today each family in Nanshan has what is known as a ‘golden booklet’ that details their seniority, capital and dividend due. At times of need they can apply to the company to draw down some of their funds – for instance, to buy a car or pay for a marriage – but otherwise the pool is used for new investments. There is, of course, a social dimension to the model. Cheap housing for Nanshan Group retirees is on offer, and even here there is an incentive for the next generation to stay loyal to the company. If the retiree’s offspring work for Nanshan their rent is reduced yet further.

Today Nanshan has business interests in aluminium, apparel, education, tourism and winemaking. It listed its main aluminium company, Shandong Nanshan Aluminium, on the Shanghai Stock Exchange in 1999. Nanshan is also the majority investor in Qingdao Airlines. In 2012, Nanshan even spent $80 million to build the Nanshan International Training Centre, a sprawling sport-to-residential complex to train China’s next golfing Olympians.

**Need to know**
During the 2014 trial of Liu Tienan, a former senior official with economic planner the NDRC, Liu confessed he’d received Rmb75 million from Song Zuowen, which led to speculation that the tycoon might be caught up in the ongoing graft swoop. In 2015 Song resigned as a delegate of the National People’s Congress.
Born in Ningbo, a city near Shanghai, in 1958, Zheng Yonggang retired from the army in 1979 and began work as a driver for a trading company. Over the next four years he learned how the company operated and used this knowledge to get appointed as the boss of a lossmaking cotton mill, turning it around in a further two years.

**Getting started**
In 1989 he was asked to repeat his success at a larger state-owned firm, the Yonggang costume factory. He renamed it Shanshan, the Chinese name for a cedar tree. In the early 1990s there was still no such thing as a luxury goods sector in China and Zheng seized the initiative, spending money on local designers to build Shanshan’s image as a Western-style suit manufacturer.

It paid off; when wealthier male consumers began to favour a Shanshan suit for their marriage ceremonies. By 1997 sales had reached Rmb1 billion with Shanshan’s market share in men’s suits peaking at 37.4%.

**Big break**
In 1991 Zheng had purchased the state’s shares and turned Shanshan into a private company. In 1996 it had also become the first clothing company to go public on the Shanghai Stock Exchange.

With China’s entry into the WTO in 2001, there was an increase in competition from fashion brands from France and Italy, as well as aggressive new domestic rivals like Youngor and Septwolff. In 1999 Zheng moved the company headquarters from Ningbo to Shanghai, and diversified into the high tech industry, investing in a lithium battery project in Anshan. To beef up his R&D capability, Zheng also acquired Kinwa, a listed high-tech firm belonging to the Chinese Academy of Sciences, and bought stakes in mines in Australia and Argentina to secure supply for lithium battery operations. Shanshan is now one of China’s largest lithium battery providers.

Another lucrative sector for Zheng: financial services investment. Shanshan is a shareholder of Ningbo Bank, Anhui Merchants Bank and Shanghai Pudong Development Bank.

**Need to know**
In February 2010 Japanese conglomerate Itochu acquired 28% of Shanshan Group for Rmb746 million. And in September 2011, Shanshan Group announced a plan to construct the highest building in Zhejiang with Itochu, for a total investment of Rmb97 billion. Combining a shopping mall, luxury hotel and office building, the project is planned for completion in 2017.

**And to relax**
Zheng plays golf twice a week and is thinking about buying a golf course after he retires. He says he works less than six hours a day, preferring to spend time walking with his wife or thinking about strategy.

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**Key info**

**Hurun’s China Rich List put his net worth in 2015 at Rmb7 billion.**

**Year born**

1958
Li Shuirong was born in 1956 in Xiaoshan, Zhejiang province. By the late eighties he was running a timber shop. But Li was on the lookout for a more lucrative industry.

**Getting started**

He settled on fabrics, an unusual choice considering that the market was already extremely competitive.

Where others saw price war, Li saw an opportunity to win business quickly amid industry turbulence. Xiaoshan, in a province famous for its silk heritage, also lacked a significant fabric firm.

So in 1990, he sold everything to raise Rmb200,000 to invest in a simple fabric business – the genesis of the Rongsheng group of companies. He started out with 20 employees operating eight looms. The people of Xiaoshan thought Li impulsive but he proved them wrong, building loyal relationships with his customers. Suppliers were also impressed, and some were ready to grant him raw materials with lower deposits. By 1995, he had expanded operations to 100 looms.

**Big break**

Despite his initial success, the textile industry was difficult. Li had a decision to make: whether he should focus on weaving or move upstream into raw material production. By concentrating on weaving, Li knew he would be stuck in a highly competitive, labour-intensive sector.

Instead, he opted to go into the production of polyester yarn, despite the greater technological and investment requirements.

Again, his decision was met with a sceptical response. But the market for polyester picked up.

**Going global**

Now a significant player in the domestic market, the next step was to go abroad. Li travelled widely, extending his sales to the US, Japan and Europe. He also reinvested heavily in foreign plant and equipment, and tied up with local research facilities to improve yields on the fabric fibres that he was now producing.

**Need to know**

He may have started in yarn, but Li’s Rongsheng Holding Group is now an investment holding company that has more than 10 subsidiaries, achieving more than Rmb110 billion of sales every year in a wide range of industries, including petrochemicals and real estate. Hurun’s China Rich List put his net worth in 2015 at Rmb19 billion.

**In his own words**

“People ask me if it’s hard doing business. If your heart is strong, then it’s not hard.”
Zhang Shiping

Weiqiao Group

Zhang Shiping was born in 1947 in Weiqiao, a small town in Shandong province. In 1966 – as the Cultural Revolution commenced – Zhang was sent to the countryside. “That was a magnificent year in my life. The tough environment has forged my iron will,” he recalled.

Getting started
In 1981 Zhang Shiping became boss of Zouping Number 5 Oil and Textile Factory. But it wasn’t until 1994 that the turning point in his life arrived when he took over another lossmaking state firm Weiqiao Textile Factory. It then had 61 employees. It has 160,000 today.

How to explain Zhang’s success? A local official describes him as “audacious in the extreme”. In the cotton industry it was common practice to shut down factories for the part of the year when the cotton crop was out of season. It was Zhang who broke the rule, using the slack season to purchase soybeans and peanuts to process food oil.

This earned him extra profits that allowed him to expand his cotton business, even during an extended downturn between 1993 and 1997. In September 2003 Weiqiao Textile listed in Hong Kong, raising HK$385 million, and by the end of 2004 group sales had reached Rmb23 billion with exports up 71% year-on-year. Weiqiao had become a major player not only in the domestic market, but also globally.

Another IPO
Trade tensions grew with the US as Chinese textile exports surged, and in 2005 Beijing agreed to restrictions limiting volumes. Europe pushed for a similar deal. Facing tough international markets, Zhang expanded downstream into printing and dyeing.

He also built an aluminium plant. Indeed, Weiqiao has gone on to become the largest private aluminium products maker in China. In 2011 the group split it off from the textile business and listed it in Hong Kong, raising HK$6.3 billion.

In 2015 the entire Weiqiao Group enjoyed combined sales of Rmb330 billion. According to WallStreet.cn, Zhang wants to boost the group’s revenue to more than Rmb450 billion by 2020. In a list published in August 2016 by the All-China Federation of Industry and Commerce, Weiqiao ranked as the third biggest private sector company in China, trailing only Huawei and Suning in sales.

Need to know
Weiqiao Group is now challenging State Grid in the power sector in Shandong province, selling its electricity to others. Zhang Shiping told media that he was forced to produce his own electricity because of the high prices charged by the state-owned giant. It is a mark of Zhang’s tenacity and clout that he has taken on one of the most powerful SOEs in China (State Grid) and seems to be succeeding.

Weiqiao produces 90% of the aluminium used in Apple’s smartphones

Key info
New Fortune magazine ranked him as China’s 40th richest man in 2015 with a net worth of Rmb23 billion.

Year born
1947
Zhou Jianping was born in Xinqiao, a small town in Jiangsu province, in 1961. His first job was at the town’s cultural centre, before he opened his own photo studio.

**Getting started**

After making a little money, Zhou took over Xinqiao No.3 Textile Factory, a small state firm which then had 18 employees. He focused on producing coarse ‘carded’ yarn.

By 1990 No.3 Textile was seeing strong sales and Zhou moved into combed yarn (higher quality, and with greater strength), which required a Rmb10 million investment in new machinery (a formidable sum given company assets were only Rmb3 million).

The period between 1991 and 1993 was a tough one, with the company surviving on selling older products in its inventory, as it struggled to develop its new yarn.

**Big break**

But by 1994 suits were getting more popular in China and demand for combed yarn was rising. No.3 Textile was one of the few companies which could produce materials for suitmakers.

Zhou then transformed himself into a suit maker. His first business wear brand was Sancanal and in 1998 he launched another, AutaSon. He even opened an AutaSon store on the Champs-Elysées, and began producing in France. In another creative move he opened Hailan Home, a supermarket-style chain for suits, in Tianjin in 2002. By 2016, there were 2,000 Hailan Home stores nationwide.

**Suits you, sir**

The headquarters of Hailan Group is still in the town of Xiaoqiao, where visitors will be surprised to see Roman-style arches, pillars and statues. It’s no coincidence. After Zhou had visited Italy he decided to knock down some of his older plant in Xiaoqiao, and construct a European park with hotels and a business centre. It attracted 300,000 tourists in its first year. Zhou’s Hailan Group also owns the biggest equestrian club in China (horse riding is one of his hobbies). Thus far, the club has purchased 230 horses from around the world, bringing in international trainers to help it develop a 90-person dressage team, large enough for an entry in the Guinness Book of World Records this year.

**Diversification**

Hailan Group has diversified into real estate and investment, with a net asset of over Rmb50 billion and 60,000 staff. Much of the growth has been driven by its investment unit, which has invested in more than 30 pre-IPO projects.

**In his own words**

“My dream is to let everyone who wants to wear a suit wear one.”

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Key info

Zhou was China’s 24th richest man with a net worth of Rmb46 billion in 2015 according to the Hurun Rich List.

**Year born**

1961
Wei Wenyuan was once the most high-profile person at China’s stock exchange – he was the official who struck the historic opening gong for the Shanghai market on December 19, 1990. But after relinquishing his regulatory role, Wei would go on to become one of China’s savviest private capitalists.

Getting started
Born to a military family in Shanxi in 1955, Wei joined the army in Xinjiang when he was 15. He was demobilised five years later and went to work in a cinema in Shanghai before becoming a propaganda officer. When the universities were reopened after the Cultural Revolution, Wei was admitted to the Shanghai University of Finance and Economics.

Upon graduation he rejoined the government ranks. At 31, Wei became the director of the newly-established National Audit Office. He then joined the central bank’s Shanghai branch in 1989, leading the special task force that set up the Shanghai Stock Exchange in 1990, and subsequently becoming the bourse’s first general manager.

Wei resigned in 1995 after a scandal in the bond futures market which brought down the country’s leading brokerage Wanguo Securities.

Big break
Resigning from his official roles proved to be a blessing in disguise for Wei. He soldiered on as a capitalist, earning his first fortune in 1996 by buying out the advertising spots on CCTV’s maiden movie channel for four years, and then reselling them as the channel became more popular.

Wei reinvested the profit in private equity deals, starting several investment firms including Tibet Ximeng Investment – but almost disappeared from the spotlight.

Then suddenly he hit the headlines again in 2011, when he debuted on the Forbes Rich List with an estimated net worth of $1 billion. Much of that was due to Tibet Ximeng’s 10% stake in Sinovel Wind Group, a turbine maker that went public in Shanghai, setting a record for the highest per-share (Rmb90) IPO price. The stock has plummeted 93% since. But don’t be surprised if Wei is in the limelight again when more IPOs come along in the future.

Need to know
Wei likes to tell stories of how “crazy” he was in his early years. For example, in the late 1990s he says he hired two fleets of army-surplus tanks to flatten 150,000 square kilometres of mountainous terrain in the northeast. He doesn’t elaborate on why he did so, but if you meet him, it might be worth asking.

Key info
His investment in Sinovel generated a 500-time return for Wei in five years.

Year born
1955
In Chinese the term for crony capitalism translates literally as ‘skirt-band capitalism’. And tying the knot with the right woman, according to the media, appears to be integral to the business success of Anbang’s chairman Wu Xiaohui.

Getting started
Wu was born in 1966 on the outskirts of Wenzhou in Zhejiang. Details about his early life are scarce. He has yet to give a media interview but Southern Weekend describes him as ‘good looking’ with ‘conversational skills that make people like him’.

Initially he married the daughter of a local official and started as a low-level bureaucrat in Pinyang’s commercial bureau. Wu then went to Wenzhou and found work in a local restaurant. He there met his second wife, the daughter of Lu Wenge, a Communist Party official who had been the mayor of Hangzhou and then vice governor of Zhejiang.

This introduced him to some of the business clans in some of China’s richest places including Ningbo and Shanghai. In 1996 he started an auto dealership in Zhejiang and quickly became the biggest distributor for SAIC cars. The state-owned automaker would become one of the earliest shareholders of Anbang when the insurer was registered in Ningbo eight years later.

In the meantime Wu launched an infrastructure firm in Shanghai, where he met Chen Xiaolu, the son of Chen Yi, once an army marshal and the former mayor of Shanghai. Chen junior and Wu became business partners, co-founding Anbang in 2004. Wu’s second marriage ended that year too. By then he had got to know Zhuo Lian, the granddaughter of a certain Deng Xiaoping. She later became his third wife. “Someone from Beijing came to Pinyang to investigate Wu’s background with our county’s Party boss. That was when we knew that Wu Xiaohui’s identity had changed again,” a Pinyang local told Southern Weekend.

Insuring success
Anbang was launched with Rmb500 million in registered capital but two private financing rounds beefed it up to Rmb62 billion by 2014, a larger capital base than China Life, the biggest state-owned insurance company.

Caixin Weekly reported in 2015 that the “husband-and-wife relations between Wu and Zhuo have ceased”. But that doesn’t seem to have affected Anbang’s breakneck growth. Famous hotels seem to be a prized target, after it snapped up New York’s Waldorf Astoria in 2014 for $2 billion, and splashed $6.5 billion on Strategic Hotels & Resorts this year.

Need to know
Caixin Weekly says Wu works round the clock: “He likes to have breakfast with clients at seven o’clock in the morning and often stays in the office until 2am to 3am.”
Vanke’s founder Wang Shi famously sold shares in his start-up company at a wet market in 1988. And the low-profile tycoon who has been trying to take over Vanke in recent months, Yao Zhenhua of Baoneng Group, also has links to the vegetable business.

Getting started
Yao was born in 1970 in Shantou, whose business clans are some of the most influential in China (Li Ka-shing in Hong Kong and Tencent founder Pony Ma in Shenzhen are also Shantou natives).

Yao graduated from South China University of Technology in 1992 and after working briefly for a Shenzhen state firm he started his own trading company which quickly became the major vendor in Shenzhen’s vegetable market – taking advantage of new rules that had opened up this business activity to privately-owned trading operations.

That vegetable vendor was renamed Baoneng in 2000, as the company expanded into other business areas, especially real estate development.

Big break
In 2003 Baoneng took a controlling stake in a state-owned logistics firm in Shenzhen, which was reportedly in financial trouble. Akin to Li Ka-shing’s acquisition of Hutchison Whampoa in the 1970s – after which Li converted the docks of the fading British merchant into towerblocks – Baoneng’s investment gave Yao cheap land and he used it to build lucrative residential real estate projects.

By 2005 the company had launched Shenzhen Taikoo City, one of the biggest residential projects in the city at the time, and Baoneng built it up into a highly successful residential-commercial complex. In 2012, the China Insurance Regulatory Commission granted licences for Yao to establish Foresea Insurance, an insurer named after Qianhai, the new special economic zone in Shenzhen. The new insurance arm will allow Baoneng to access more investor capital, suggesting that Yao isn’t content with his current ranking as a Shenzhen developer. And in the second half of 2015 Baoneng began snapping up shares in Vanke, the biggest Chinese residential property firm in terms of sales. At one stage Baoneng owned more than 24% of Vanke’s stock, and the unsolicited bid was soon being dubbed as China’s first major hostile takeover battle. The tussle remained ongoing as this book went to press, and local media has started to identify Baoneng in the same category as Anbang Group – an acquisitive investment conglomerate also backed by an insurance unit, and with a similar taste for big bets on property.

Need to know
Yao hasn’t talked in public of his admiration for Li Ka-shing but he shares many of the business practices of his fellow Shantou native. He says he encourages his staff to read widely, for instance, and he makes a virtue of prudent living, claiming that he sticks happily to a single Tissot wristwatch because he doesn’t want to be seen as extravagant or wasteful.
Steve Schwarzman left Lehman Brothers to start the Blackstone Group in 1985 with $400,000. It took 22 years for Blackstone to go public and the company is now worth $32 billion. Shan Xiangshuang is often dubbed “China’s Schwarzman”, although he has built his own private equity outfit – China Science and Merchants Capital Management (CSC) – in a shorter time.

**Getting started**

Shan was born in 1967 in Shandong. He studied accounting at Xiamen University and took his first job at a distributor of textbooks in 1988. He soon relocated to another state firm under the Ministry of Transport which dealt with trading. But the government job was too easy for him. Reports of the time say that he burned his surplus energy by jogging and writing novels.

In 1998 Shan left for Shenzhen, joining a securities firm under China Merchants Bank.

He put together an ambitious proposal to set up an investment unit combining the resources of five government departments with transport portfolios. His superiors ignored him so Shan used his personal connections to take the idea to Beijing and present it to the Transport Minister. A few months later, the China Communication Investment and Finance Commission was established, with a 32 year-old Shan as its secretary.

**Big break**

Shan had succeeded in capturing the attention of some serious political players, but he wouldn’t stay in the new role for long. In 2000 he set up CSC with Rmb600,000. Despite leaving the government ranks, he kept up a strong working relationship with the state sector, which led to seed capital and opportunities from state firms. Early investments included the state-owned audio and video firm China Hualu Group, and Erdos Group, a company with interests in cashmere, coal and electricity. CSC specialised in setting up ‘government guidance’ funds, which worked closely with local governments. “It is a win-win strategy because investing more in these areas to promote local economic development makes it easier for us to raise money from local investors and gain government support,” he told the China Daily.

CSC now has more than $10 billion in assets under management and it went public last year on the Beijing-based New Third Board, an over-the-counter bourse. New Fortune, a local magazine, estimates Shan’s net worth at nearly Rmb20 billion.

**Need to know**

What does a private equity firm really do? Shan’s response is admirably succinct. “You can only sell an apple for one dollar in a wet market. But an apple is worth 10 times more if it is served in a fruit plate in a five-star hotel. CSC is the five-star hotel,” he says.
China’s Tycoons

Chen Hongtian

Cheung Kei Group

According to his autobiography *The World of Red Dust: A Bird’s Eye View*, he took up a number of odd jobs in Guangdong during China’s early reform era. In 1979 Chen founded a workshop to train tailors after teaching himself the trade for two weeks. He then joined a local school as a teacher while working as an amateur table tennis coach.

Property investor

In 1984 Chen was recruited by a state trading firm in Shenzhen. Six years later he set up Cheung Kei Group which began in the garment industry but later ventured into real estate development in Shenzhen and southern China.

Chen managed to survive several boom-bust cycles in China’s property market and has since built one of Shenzhen’s largest property conglomerates. He is the biggest shareholder of the Hong Kong-listed developer China South City.

Need to know

Chen is a member of the Chinese People’s Political Consultative Conference (CPPCC). He has pulled together 30 or so CPPCC billionaires who are active in Shenzhen and Hong Kong to establish the Shenzhen Harmony Club. The club’s members include Tencent’s chairman Ma Huateng as well as Wang Chuanfu, the founder of electric car maker BYD.

And Chen’s not shy about telling others he is mega rich. Speaking to the South China Morning Post, he said of his recent property acquisition on the Peak: “I initially planned to move into the home I bought for HK$380 million last year. But I felt it was a little bit too tiny for my family and I would need to live in a bigger one later on. That’s why I bought this house.” The tiny property in question was a 5,000 square foot apartment in one of Hong Kong’s most prestigious residential blocks.

Investment

In 2016 he grabbed headlines in Hong Kong when he bought the city’s most expensive home

Last year the record for Hong Kong’s most expensive home was broken when a house in the prestigious Peak district changed hands for HK$1.5 billion ($193 million). Local media reports said the buyer was Jack Ma, one of China’s richest men.

That record was shattered again in 2016 as property developer Chen Hongtian splashed HK$2.1 billion for another house atop the Peak.

Getting started

Chen was born in Guangdong’s Foshan in 1959 to a family with a military background. His Chinese name literally means ‘red sky’ and he couldn’t escape the same fate of teenagers in the red era. That meant that after graduating high school in 1976 he was sent to a fish farm in Foshan as the last crop of students dispatched to rural China. But fate was kinder to Chen than his seniors as the Cultural Revolution ended that same year.

Key info

In 2015 the Hurun Rich List estimated that his net worth was Rmb16 billion.

Year born

1959