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Peter Wong – Deputy Chairman and Chief Executive, Asia-Pacific, HSBC
CHINA’S TYCOONS

PROFILES OF

150 TOP BUSINESS LEADERS

FOURTH EDITION

Week in China
Walking around the streets of Chengdu on a balmy evening in the mid-1980s, it quickly became apparent that the people of this city had an energy and drive that jarred with the West’s perception of work and life in China. The streets were teeming with traders, selling and buying goods of all description. Not only was the warm air heavy with the smells of food and spices, it was busy with the shouts and yells of commerce.

Jumping forward 30 years, the sounds of commerce are echoing not just across China, but around the world. What in Chengdu seemed like unusual freedoms at the time have come to embody the potential of this great country. And they have enabled Chinese businesses to ‘go out’ and make their presence felt in global markets.

The successful businessmen and women portrayed in this book are leading the charge. What is striking is that many of them began with virtually nothing. Liu Yonghao, who started selling quails eggs in Chengdu and is now one of China’s richest men, is a great example of triumph over adversity. Liu went shoeless as a child yet, armed with an entrepreneurial streak and applying focus and hard work, he and the other tycoons have built businesses that stretch around the globe.

It has been my privilege to work with a number of these entrepreneurs. I spent many years stationed in Hong Kong with HSBC and was fortunate to be running a business that supported the growth and development of China’s emergent business class. As China encourages more of its companies to go global, our support has grown to include helping Chinese firms to undertake rapidly-increasing levels of M&A activity overseas, cross-border infrastructure development and trade.

I hope this fourth edition of China’s Tycoons will give readers a flavour of China’s many achievements and of its further potential. The first edition contained 75 businesspeople and this one has 150. Coincidentally last year also marked 150 years since HSBC was founded in Shanghai and Hong Kong to support local and international trade. China remains absolutely central to HSBC’s strategy today – and I fully expect future editions of this book to feature even more of China’s international tycoons.
“ONCE THE WORLD’S FACTORY FLOOR, CHINA’S PEARL RIVER DELTA IS NOW THE SILICON DELTA.”

David Liao — President and Chief Executive Officer, China, HSBC

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In 1978 China’s foreign exchange reserves amounted to just $167 million. It was a poor country that was both technologically and economically backwards. It was also a country that was about to undergo a profound change thanks to economic reforms brought about by Deng Xiaoping. What followed were over three decades of rapid GDP growth and entrepreneurial activity.

This is the fourth edition of China’s Tycoons, a book that seeks to explain some of that growth by profiling the individuals whose business dynamism helped shape it. This latest edition contains the largest number of tycoons Week in China has featured yet – a total of 150 – meaning there are quite a few new additions (over 30) as well as fully updated profiles of those who appeared in the last volume.

In fact, much has changed since that edition, most notably that having achieved billionaire status in their homeland, these Chinese tycoons have shown a growing appetite to go global, often purchasing famous overseas companies and their brands.

All of which means China’s tycoons are now a meaningful driver of global M&A. This may seem like a relatively new phenomenon, but for those interested in Chinese corporate history, the country’s overseas M&A activities date back to 1984. That’s when the state-backed Citic Group became the first Chinese firm to invest abroad. It put about $50 million into a US-based joint venture that shipped construction timber back to China from California and Alaska. In 1986 it also acquired 10% of an Australian aluminium smelter for $140 million. That constituted the largest Chinese overseas M&A deal at the time.

Chinese companies have certainly come a long way from Alaskan lumber. And in the past couple of years they have become one of the major investors in Australia.

So what else have the tycoons been buying? Somewhat like their Japanese counterparts in the...
The iconic Waldorf Astoria hotel in New York, for instance, was sold to Anbang Insurance for $2 billion in 2014. Controlled by tycoon Wu Xiaohui and backed by some of China’s most influential political princelings, Anbang also paid $6.5 billion to Blackstone Group for US-based Strategic Hotels and Resorts. Wu very nearly became the world’s biggest hotel owner too, only to back away at the eleventh hour from a $14 billion deal to acquire Starwood Hotels.

Besides taking over landmark buildings in gateway cities, the Chinese are keen to snap up some things that are more intangible too.

Heritage has been made one of the buying criteria. The 168 year-old House of Fraser department store chain in the UK and Hamley’s, the world’s oldest toy shop (which first opened in 1760) have been respectively acquired by Yuan Yafei, the Nanjing-based retail tycoon behind Sanpower, and his brother-in-law, Chen Yixi. Some of Britain’s oldest football clubs are also Chinese-owned today (such as Aston Villa) as is Inter Milan (bought by one of China’s biggest retail tycoons, Suning’s Zhang Jindong). Athletico Madrid is now part-owned by Wang Jianlin, the tycoon often referred to as China’s richest man.

Wang is also one of the most acquisitive. He bought the vast American cinema chain AMC, and in mid-2016 acquired Odeon & UCI Cinemas Group in Europe, along with Legendary Entertainment, a Hollywood studio responsible for blockbuster hits like Jurassic World. His company, Wanda, has completed or unveiled over $16 billion worth of M&A deals in 2016, tripling the amount spent a year earlier. That also compares with the less than $500 million Wanda had invested overseas a mere five years ago.

Indeed, in the first six months of 2016, according to PricewaterhouseCoopers, Chinese firms have invested $134 billion in overseas M&A deals, tripling the amount year-on-year spent in 2015.

Technology know-how is another priority. White goods makers, for instance, spearheaded China’s post-reform industrial drive by making low-tech appliances. The likes of Midea and Haier are now driving their own industrial revolution, via robotics and the Internet-of-Things. To do so, Midea has acquired Germany’s leading robot maker Kuka; Haier has bought General Electric’s home appliances business in the US. With both deals costing around $5 billion, they demonstrate the ambitions of their tycoon bosses Zhang Ruimin (Haier) and He Xiangjian (Midea).
Almost all of the tycoons behind the ongoing M&A activity are profiled in this book. They range from established names like Lenovo’s Liu Chuanzhi and Alibaba’s Jack Ma to newer figures such as Anbang’s Wu and LeEco’s Jia Yueting.

Also featured: Ma Huateng, another major acquirer abroad and also – as of September 2016 – the tycoon responsible for another major milestone. Tencent, his internet-to-banking conglomerate, that month became the most valuable listed Chinese firm – overtaking state-backed behemoths like China Mobile. Ma – who has built the country’s predominant communications and social media platform – was only 7 years-old when Deng began his reforms.

As in previous editions, we should stress that this book is not designed to act as a ranking. Our purpose here is instead to offer 150 potted biographies – so as to give readers a better understanding of the rags-to-riches entrepreneurialism that has transformed China’s economy. We also hope – through describing their ambitious corporate visions – to also offer some indications of where the tycoons and China’s economy are heading in the next 30 or so years.

This is the most comprehensive edition of *China’s Tycoons* we’ve produced so far. We intend it to be an entertaining as well as useful guide to what is perhaps the most dynamic business culture in the world. If you’d like to stay informed about the news and issues impacting China’s economy and its tycoons on a more regular basis, we also invite you to become a subscriber to Week in China. To register for a free subscription, go to:

www.weekinchina.com/150tycoons

Note: Throughout this book there are mentions of renminbi (Rmb) amounts. We have not converted each mention into US dollars – given the rate is likely to fluctuate in the months after publication. However, at the time of going to press the exchange rate was Rmb6.65 to the dollar.
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To contact us email: Letters@weekinchina.com
Born in Jiangsu in 1958, Huang Ming is one of the many examples in this book of a business leader who was lucky enough to be of university age just as the Cultural Revolution ended.

Getting started
He studied at the China University of Petroleum. At 19, Huang was told by his professor that oil would run out in 50 years. This thought stayed with him and he started to worry about China’s excessive reliance on fossil fuel.
In 1982 he became an oil equipment engineer at the Ministry of Geology and Resources. During his spare time he designed his first solar-powered water heaters. He gave some as gifts to family and friends.

Big Break
A factory owner liked the design and that made Huang realise his hobby could be commercialised. In 1995 he quit his government job to set up Himin Solar.
As one of the early movers Huang’s start-up grow quickly. Himin is now China’s biggest maker of solar water heaters, producing one million per year. His hometown, Dezhou, which was previously known mainly for its braised chicken, has become an important hub for the country’s solar industry – three-quarters of its homes use Huang’s product.

The company’s eye-catching headquarters, the Sun-Moon Mansion, is also said to be the largest building in the world to use solar power as its main energy source. You can even get round the HQ on solar-powered golf carts.
Himin has received attention from serious investors. In late 2008, Goldman Sachs and private equity firm CDH Investment together invested $100 million in the company to feed growth and finance research and development. Huang said at the time that Himin was looking to go public. However, according to Chinese media, the company has since cancelled at least three listing plans, as Huang doesn’t want to float his company while the valuation of the solar sector remains lacklustre.
Himin has also expanded to provide green power solutions for hotels, schools, factories and airports. It has built a low-emission holiday resort in Dezhou known as Solar Valley.

Need to know
As a deputy of the 10th National People’s Congress, Huang moves in powerful political circles. He proposed the Law on Renewable Energy, which came into effect at the beginning of 2006. Using solar power to solve social problems is second nature to Huang. During one plenary session, he proposed a motion to introduce solar-powered bathing facilities in the countryside since there are as many as 100 million farmers that do not have access to bathing facilities.

And to relax
Like the country’s leader Xi Jinping he is an avid football fan.
Zhang Yue was born in Changsha in 1960. He studied art at college and spent a few years teaching before trying his hand at a variety of different businesses—such as painting, advertising, interior design, as well as selling motorcycles and air conditioners.

**Getting started**
Zhang founded Broad (the company’s Chinese name means ‘expansive and large’) in 1988 after his brother patented a new technology that allowed them to sell pressure-free boilers to factories.

**Growth**
In 1992, Broad started to concentrate on producing large scale non-electric air conditioning chillers, which were popular due to the shortages of electricity in China. Broad’s units differed from conventional air conditioners because they used natural gas or other sources of heat to boil up a more environmentally friendly liquid: lithium bromide solution. When the vapours condense, the surrounding area becomes cool. This is supposed to be twice as efficient as electric models.

According to 21CN Business Herald, Zhang has kept his company largely debt free since 1995, a remarkable feat amongst expansionist Chinese entrepreneurs. Zhang also refuses to bring in any new shareholders or take the company public.

Meanwhile, he’s also branched out into construction. In 2012, Broad grabbed headlines when it announced a spectacular plan to erect an 838-metre tower in Changsha. Known as the Sky City, Broad claimed it needed just seven months to construct the building using a revolutionary new technique.

However, no sooner had it broken ground in 2013 than work was halted. Domestic media outlets report that the company had not obtained the necessary permits for the ambitious project. When journalists revisited the site in July 2016, they could only find the shallow foundation pit of Sky City, filled with water and noted that locals had begun to farm fish in it instead.

**Need to know**
Zhang became interested in the environment between 1999 and 2001, when he started reading up on environmental issues. Zhang started to practise what he preached. In the mid-nineties for example, he became famous for being the first man in China to own a private jet. But when he converted to the environmental cause, he sold three of them and started taking commercial flights instead.

His company headquarters is known as Broad Town and is located in Changsha. It embodies his ideals. Home to more than a thousand workers, the compound features what is billed by Broad as the world’s first “sustainable building”, with a focus on earthquake resistance and energy efficiency. Zhang believes that inspirational buildings make his employees happier. Broad Town features buildings bearing resemblance to the Pyramids, Versailles and Buckingham Palace.

Zhang was the first man in China to own a private jet.

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**Key info**
The Broad Group planned to build a 838-metre skyscraper – the world’s tallest – in Changsha. The project was never completed.

**Year born**
1960
new unit to produce polysilicon, the raw material of the photovoltaic industry. His strategy – unlike Suntech and Yingli which made solar panels – was to start at the upstream end of the business and attain dominance there first.

Smart move
Almost immediately he made a far-sighted decision. At that time the world was facing a ramp-up in demand for solar panels and a shortage of polysilicon to make them. On the spot markets, prices of $500 per kilogram were on offer, but Zhu elected instead to sign eight year supply contracts with grateful customers at prices of up to half the then spot. It proved a smart move. During the financial crisis in 2008, other producers got hammered when polysilicon prices plummeted to below $100 per kg. His contracts helped Zhu profitably weather the storm and weed out weaker competitors. By 2008 he accounted for half of all China’s shipments of polysilicon, remarkable for a new entrant.

In 2009 he decided GCL-Poly would diversify: building solar power plants and also by making silicon wafers (these are used in solar cells and are the building blocks of a solar panel). Once again a big state partner would enter the fray to help Zhu achieve his vision. Sovereign wealth fund CIC pumped $710 million into his firm for a 20% stake. By the end of 2011, GCL-Poly’s silicon wafer production capacity reached 3.5GW, accounting for almost 30% of global supply.

Key info
He ranked 120th in the Hurun Rich List in 2015, with a net worth of Rmb18 billion.

Getting started
Zhu Gongshan was born in rural Jiangsu in 1958. He majored in electrical studies before becoming an electrical salesman in his hometown of Funing in 1978. He eventually set up his own firm, and as his ambitions increased he registered the GCL Group overseas, with the aim of investing in China’s power sector. His first deal: to build a thermal power plant in Taicang.

Big break
The year was 1996 and significantly Zhu’s co-investor was controlled by the Poly Group, a firm that historically had close ties to China’s army. So when Zhu’s company became GCL-Poly it was evident to all that it had connections in the corridors of power.

Over the next decade he would build 20 plants – without ever incurring the wrath of China’s five large state-owned power producers. In 2007 he listed GCL-Poly in Hong Kong and became known in China as ‘the King of Private-run Power’.

He’d built coal-powered and biomass generators for the most part, but in 2006 he had a business epiphany: the future was in solar energy. He invested Rmb7 billion in a new unit to produce polysilicon, the raw material of the photovoltaic industry. His strategy – unlike Suntech and Yingli which made solar panels – was to start at the upstream end of the business and attain dominance there first.

Need to know
In 2014, Golden Concord, the parent of GCL-Poly, and eight investors bought a combined 66 percent stake in financially-troubled rival Chaori Solar for $240 million under a restructuring proposal.

“Of course, [Western companies] are envious. I have done in a few years what took them [much longer]”
According to ‘The Price of Being a Billionaire’, a Chinese academic paper published in 2012, tycoons who’ve found their names appearing on the Hurun Rich List may see the market values of their firms dip significantly within three years of being mentioned. That seems spot on for Li Hejun, the major shareholder of Hanergy.

Getting started
Born in 1967 in Guangdong, Li graduated from Beijing Jiaotong University with a degree in mechanical engineering in 1988. He borrowed Rmb50,000 from a professor and started a variety of businesses. According to Li’s own account, he tried everything from trading electronic parts and bottled water to ventures in mining and real estate. By 1994, he saved Rmb80 million and then began investing in clean energy projects. The first was a Rmb2 million hydroelectric dam on a river in Guangdong where he swam in his youth. Similar projects soon followed.

Big break
In 2002, Li signed an agreement to build six of Yunnan province’s eight hydropower projects. At that time, no private firm had invested in a hydroelectric dam that exceeded 1 million kilowatts of capacity and the National Development and Reform Commission vetoed the deal. Li responded by suing and ended up getting just one of the projects approved.

Li then expanded into wind farms and solar power. According to Forbes, he now controls 10 dams, 18 solar power plants and 2 windpower sites. Most of these are unlisted assets controlled by Li’s holding entity, Hanergy Holding Group.

Li has taken advantage of the downturn in the solar market to make a series of purchases of foreign assets. A key acquisition last year was Germany’s Solibro, which gave him access to its technology. Unlike more conventionally rigid solar panels (made by the likes of Suntech) Solibro’s thinner panels can be pasted onto buildings, in wallpaper style.

“Rather than investing in large power plants that sell to a big-utility-owned grid, as it has in the past, Hanergy is targeting individual buildings and rooftops with thin-film that connects to building materials to create mini-power stations that don’t draw down power from a grid,” Forbes reports.

“China’s new policies to boost solar are encouraging development of just that kind of ‘distributed’ power generation.”

Big fall
The share price of Hanergy Thin Film (HTF), the Hong Kong-listed unit of Hanergy Holding, nearly tripled in 2014 despite concerns that most of its breakneck revenue growth was driven by connected transactions within the group. In early 2015, Li was named by Hurun as China’s richest person with an estimated net worth of $26 billion. Then came drama. On May 20, 2015: only 24 minutes into the day’s trading session, HTF’s share plunged a staggering 47%, wiping out nearly $20 billion in market value. The stock was suspended for more than a year, but has resumed trading. His ranking on 2016 rich lists is set to plummet as a result of HTF’s stock price fall.
Li Shufu was born into a farming family in Taizhou, Zhejiang province. Upon graduating from school, he received a Rmb100 graduation present. With it he bought a camera and a bicycle. These became the tools for a small business taking photos of tourists. Within six months, he had made a tenfold return on his initial investment.

Getting started
His career as an industrialist began by making spare parts for refrigerators in 1984. He then switched to aluminium bending boards, before moving on to produce the first Geely motorcycle in 1994.

In 1997, Li announced he was going into the car industry, a move opposed by many friends and family. He wasn’t daunted, regarding a car as no more than “four wheels plus a sofa”.

Big Break
Perhaps he was right, since he has built China’s biggest private car firm within just one decade.

While most Chinese automakers are controlled by the state and operate via joint ventures set up with more famous foreign brands, Geely is one of only a handful of local brands that are independently run. The company has maintained healthy growth in the domestic market by selling cheaper models. In 2005 Geely went public in Hong Kong.

Although best known for its low-priced cars, the company is working to reinvent itself as an innovator through new-energy and internet-equipped vehicles.

As of 2016, Geely has set up three research centres and four design centres worldwide, hiring more than 4,000 people to carry out R&D. By 2020, new energy vehicles (NEVs) will account for more than 90% of all Geely’s sales, the company predicts.

Global drive
Geely is also one of China’s biggest car exporters. In 2010, Li bought Swedish car company Volvo from Ford for $1.8 billion. While some worried whether the deal would end up as another failed car acquisition, Li put in place ambitious plans for the company. For Volvo, Geely’s target is to double its worldwide sales to 800,000 units a year by 2020, from 373,000 in 2010 (with many of those new sales in China’s booming car market). So far the Volvo deals looks to have been a success.

The deal gave a significant boost to Li’s ambition to make Geely into a global player. In the same year he also acquired Manganese Bronze from administration. The British firm makes London’s iconic black taxis and Li is convinced he can sell the iconic British vehicle to taxi firms around the world.

And to relax
He is one of China’s most prominent philanthropists and invested Rmb800 million in the nation’s largest private university, Beijing Geely University.
China’s Tycoons

Lu Guanqiu
Wanxiang Group

Big break
Lu’s firm – now named the Wanxiang Group – began participating in trade fairs (like the famous Canton Fair) and began to develop new varieties of joint. Soon he was selling in 18 countries. In 1994 he got permission from the Ministry of Foreign Trade to set up a company in the US.

Wanxiang is now China’s biggest auto parts manufacturer. The company, which employs more than 30,000 people, has diversified into various fields including mining and has 22 companies in 10 countries. In 1999 Lu set a target to make daily profits of Rmb10 million by 2009, which he achieved. He then set a new ‘10-fold in a decade struggle’ plan: by 2019 he wants to be making Rmb100 million of daily profits, with his best paid employee earning Rmb100 million annually.

To get there, Lu added carmaking to his growing portfolio. In the last 10 years the businessman has injected millions of dollars in developing alternative fuel vehicles. In 2013, Wanxiang bought American firm Fisker Automotive at a bankruptcy auction. The company is planning to build electric cars in the US to take on Tesla Motors on its home turf.

“I’ll put every cent that Wanxiang earns into making electric vehicles,” Lu told Bloomberg in an interview in 2014. “I’ll burn as much cash as it takes to succeed, or until Wanxiang goes bust.”

Need to know
Lu is up by 5.10am each day. Staff prepare 30,000 words of reading materials for him from the major press and on auto industry related subjects. According to the Today Morning Express he has a 10 square metre office – probably the smallest among his billionaire peer group in China.

When he does have spare time he works on his ‘Four-10,000’ charity which helps large groups of orphans, poverty-stricken students, children with disabilities, and the elderly.

Key info
According to the Bloomberg Billionaires Index, Lu is worth $6.4 billion (as of August 2016).

Year born
1945
Born in 1938, Yin Mingshan entered business somewhat late in life. Caught up in the political chaos of the Cultural Revolution, he was banished from his native Chongqing to work on a farm until he was rehabilitated in 1979. He then worked as an English teacher, before taking a job with a publishing house, which led to his first commercial success as one of Chongqing’s biggest private booksellers.

**Getting started**

At the age of 54, Yin decided to shift into a completely different industry, when he set up Chongqing Hongda Institute of Vehicle Accessories. The company made motorcycles that resembled Honda bikes but at cut-price levels. Sales were good, and a few years later, the company started exporting to places such as Vietnam and Laos.

Yin then set up a series of companies that were restructured into Lifan Hongda Industry (Group). Another change in name was just around the corner after a lawsuit from Honda forced Yin to abandon the ‘Hongda’ brand.

**Big break**

Lawsuits notwithstanding, Lifan was on a roll. The group has built a large network of manufacturing facilities, sales companies and overseas subsidiaries. The next step was to move into making cars, and in 2006 the company released a five-seat sedan that sold for less than Rmb50,000.

Yin believes that the revenue from the car business will become five times bigger than its motorcycle operations in the future. The Lifan brand however, will remain his main focus. In November 2010, Lifan finally went public in Shanghai – the first privately-run automaker to do so – raising Rmb2.9 billion.

**Global drive**

Since 1998 when Lifan got its licence to export motorcycles (again, one of the earliest private-sector automobile firms to do so), it has been expanding in international markets. The company now sells its products in 117 countries. In fact, it has been the best selling Chinese carmaker in Russia in the five consecutive years to 2015 (it sold more than 7,500 cars in the first half of last year).

In 2015, Lifan’s revenue exceeded Rmb30 billion from sales of 230,000 cars and 1.31 million motorcycles at home and abroad.

**Need to know**

In 2003, Yin was elected vice president of Chongqing’s Chinese People’s Political Consultative Conference, becoming the first private entrepreneur to become the provincial leader of the CPPCC, an advisory body to the Chinese government.

Yin is the major sponsor behind the Chongqing Lifan Football Club, which is now competing in the Chinese Super League. Meanwhile, Lifan is also the third biggest shareholder in Hong Kong-listed Chongqing Bank. The automaker is also among the many private-sector firms with an ambition to establish its own bank.
Wang Chuanfu
BYD Company

Big Break
Off the back of this success, BYD listed on the Hong Kong stock exchange in 2002. But investors thinking that they were taking a punt on a battery maker received a shock when Wang decided to branch into an entirely new area – electric cars. His vision was to create a global automobile brand that would be at the forefront of a new wave of green technology. His goal was ambitious, to say the least: to become the world’s largest carmaker by 2025. It might have sounded like a pipe-dream, but people started to take a real interest when Warren Buffett bought 10% of BYD in September 2008. As a result, the company’s share price rocketed, to the extent that Wang topped the Hurun Rich list in 2009.

Setbacks
The following years however, proved to be something of a disappointment, as BYD lost more market shares to foreign auto brands, which mostly produced locally with state-run partners. As BYD’s sales slowed, its sales network took a hit too, with nearly 1,000 dealers pulling out.

BYD’s share price slumped as well. At one point in 2012 it traded at one fifth of its heady level in 2009. Worse, in May 2012 the firm faced negative publicity after a deadly accident involving one of its electric vehicles.

The Sage of Omaha has proved a loyal shareholder. He’s said he wants to keep his stake for “many years” – and rather morbidly – until “past [his] lifetime”.

BYD’s prospects have improved more recently thanks to the Chinese government’s effort to encourage the sales of new energy vehicles (in 2015 BYD topped the global ranking for electric vehicles sales, beating Tesla). In July 2016 BYD announced that Korean giant Samsung is in talks to acquire a stake in the company. That would make Samsung the second largest foreign shareholder behind Berkshire Hathaway.

Key info

Photo Source: Imagine China

Charlie Munger sees Wang as a combination of Henry Ford, Thomas Edison and Bill Gates

BYD Company

Automotive
Cao Dewang

Fuyao Glass

Also known by his Cantonese name, Cho Tak-wong, Cao Dewang was born in Shanghai in 1946 to a wealthy business family from Fujian province. However, after the Communist Party took power in 1949, his family lost everything and returned to their hometown.

Getting started
Cao started school aged nine but had to quit at 14. His business education began on the streets, cycling a round-trip of 80km to sell fruit in his native Fuqing city. He spent some time as a chef before landing a job in 1976 at state-owned glass factory. In 1983 he was asked to take over the failing factory by the local government. He turned it around, changing its name to Fuyao Glass.

Big Break
Cao listed his firm in Shanghai in 1993. Since then, it has become China’s largest exporter of automotive glass. The company not only controls more than half of the Chinese market, it operates internationally too: it has supplied motoring heavyweights such as Audi, Ford and Hyundai.

With offices all over the world – such as in the US, Japan and South Korea – Fuyao is well placed to service its portfolio of international clients. On the domestic front, it boasts production facilities in all of China’s major economic centres, along with factories in more developing areas.

In early 2010, Cao announced that the company was entering its “Mid-Cao Dewang Period”, where he would take more of a backseat role. The plan: Cao remains in charge of development strategies, while the management of the business is handled by his son.

In 2014, Cao became the biggest Chinese investor in Ohio when Fuyao Glass bought an old General Motors factory in Dayton for $200 million. The move has been hailed by Chinese media as an example of how Chinese investment has created jobs for the Americans. The 150,000 square-metre factory “used to be a dark and deserted place except for a few raccoons”, China Daily reported, but is now reborn. The plant is working toward a goal of achieving full production capacity in 2016, and will hire up to 2,000 American workers by 2017.

Need to know
In 2009, Cao was thrust into the spotlight when he became the first Chinese businessperson to become Ernst and Young’s Entrepreneur of the Year. The judges were swayed not only by his considerable business prowess, but also by his commitment to charity. He made a large personal donation to the 2008 Sichuan earthquake relief effort, before pledging to donate around 60% of his interest in Fuyao (the company’s market capitalisation stands at Rmb43 billion as of August 2016) to his own charitable foundation.

And to relax
Golf is his sole hobby. He usually tees off at 4am, with golf course staff apparently lighting the course with torches.
Wei Jianjun was born in 1964 in Beijing but moved with his family to Baoding in Hebei province. His father then left the army to become a businessman and Wei dropped out of school to join the family pump business.

Getting started
When Wei was 26 he signed a contract with the local government to take over a debt-ridden company – Great Wall Industry, which was involved in the car business. Wei launched a Great Wall sedan in 1993, using chassis and engines from other carmakers. The low price attracted customers but a new policy in 1994 stopped carmakers outside the “national catalogue” from producing sedans. Great Wall didn’t make the list.

Big break
A business trip to Thailand saved the company. Seeing pick-up trucks on the Thai roads, Wei was inspired to make his own. From 1996, the new Wingle model targeted small business owners and farmers in rural areas. By 1998 Great Wall pick-ups were a market leader and they remain a bestseller today. Great Wall Motors listed in Hong Kong in 2003 and on the A-share market in Shanghai in 2010.

Encouraged by his success in wider wheelbase pick-ups, Wei began making SUVs. His Haval brand gained a reputation for decent quality at a much cheaper price than imported equivalents. This successful strategic move made Great Wall the fastest growing of China’s homegrown car producers.

According to New Fortune, a domestic Chinese-language magazine, Wei is China’s 9th richest man with a net worth of Rmb47 billion.

Working style
Wei’s management style sounds regimented in the extreme. Employees have to move around the factory at a designated speed (“seven steps in five seconds”) and risk punishment for getting out of elevators on the wrong floors. There’s also more than a hint of a Big Brother presence with a mysterious ‘spy department’ monitoring daily operations. It has sweeping powers, fining workers who forget to switch off their computers at night or punishing staff who ride motorbikes into work without their helmets.

Need to know
Wei was one of the privileged Party members to vote on the new leadership line-up at the 18th National Party Congress in October 2012, making him one of a rare breed of billionaire businessmen with direct access to the highest echelons of power.

Wei Jianjun’s motto is “improve a little everyday”, and the motto is printed all over the company, even on the canteen’s tea cups. But Wei relaxes by collecting cars; he says he has bought at least 30 foreign luxury cars to study their engines but has since given them to friends, and now drives only a Great Wall SUV.

He also likes table tennis because it’s “a low cost sport”.

Key info
As of August 2016, Great Wall’s market value stood at Rmb80 billion, roughly one third of its peak value a year earlier.
Zuo Zongshen was born in Shanghai in 1952 and grew up in Chongqing. Like many people his age, he was sent to a rural area during the Cultural Revolution. Later he took a job as a kiln worker in a Chongqing porcelain factory. He then dabbled with more entrepreneurial pursuits, selling books and fruit.

Getting started
At the age of 30, Zuo started to learn how to repair motorcycles. He turned out to be a natural: “When a motorbike passed by I could tell if the engine had got problems just by listening,” he recalls.

In 1982 Zuo opened his own motorcycle repair shop. He started to reassemble the engines himself, winning a series of contracts with a local motorcycle plant. After a decade accumulating capital and experience, Zuo founded Zongshen Motorcycle Industrial.

Big break
Zuo was in the right place to do so. By 2010 Chongqing was estimated to be making half of China’s motorcycles. Back in the 1990s, his firm started out producing engines for others, before launching its own 70cc brand in 1996.

With sales passing Rmb3 billion by 2000, Zongshen was a major player in Chongqing, and began to export.

Unfortunately Zuo was hit by the global financial crisis in 2008. Orders fell 60% and production lines, which normally ran day and night, slowed. “I couldn’t sleep for months,” Zuo told the Economic Observer. “Then I realised we needed to make changes.”

One change was to target new countries, as sales in traditional markets were suffering. In 2009 Zuo invested in Thailand to build a production base and he then took over Brazilian brand Kasinki, the third largest local motorcycle maker, as part of a Brazilian joint venture called Zongshen CR.

In the Chinese market, a ban on motorcycles in more than 170 cities hit manufacturers, many of whom have tried to diversify into other businesses. But Zuo continues to believe there is still growth to come, especially in the rural areas. “China has a large population with limited space,” he warns. “Compared to cars, the motorcycle is more convenient and efficient, and it could be more environmentally-friendly.”

In 2016, Zongshen announced a plan to invest at least Rmb2 billion to acquire foreign aviation firms. The company wants to expand its business to general aviation, unmanned aerial vehicles and robots. According to Zuo’s new game plan, sales from the new businesses will account for 80% of the company’s revenue by 2022.

Need to know
Zuo is a huge fan of the Harley-Davidson brand and has a collection of Harleys at home. He also owns a motorbike team that has competed in the Moto GP world championship since 1999, ranking in the top 10.

Key info
According to the 2015 Hurun Rich List Zuo has a net worth of Rmb13 billion.
Born in 1962, Li Li graduated in chemistry from Sichuan University and joined the Chengdu Meat Processing Factory.

Pig of a job
Sichuan has China’s biggest pig population and Li’s obsession with pigs started early. He recalls that even in his student days he spent five years at pig farms. It paid off. In 1992 he joined Chongqing Tongda Biological Products as chief engineer, going on to become managing director. The company was involved in the manufacture of heparin API, an anticoagulant used in medicine. Heparin is derived from porcine small intestines.

Big break
In 1998 he relocated to Shenzhen where he founded Hepalink with Rmb2 million of seed capital from his family. The company focused on techniques to purify heparin. Biotech investor Yang Xiangyang invested a further Rmb6 million to help Hepalink grow. With other Chinese manufacturers failing to pass US FDA tests, Li’s Hepalink soon found itself to be the only Chinese firm allowed to sell in the US. It also gained European certification, becoming the world’s largest heparin supplier. Thanks to its main asset – access to the intestines of 180 million pigs in China – it will be hard to displace.

Need to know
In 2010 Li completed a successful IPO, raising Rmb5.9 billion via Shenzhen’s SME board. At the time the company was valued at 73 times its 2009 earnings. Still, subscriptions for the retail tranche topped Rmb381 billion. Upon its trading debut Hepalink’s stocks surged to Rmb188 per share, giving the firm a staggering valuation of Rmb75 billion. It turned Li and his wife into China’s richest couple, albeit for just a few weeks.

Setback
Almost immediately after the IPO, the US Food and Drug Administration (FDA) issued a denial that Hepalink was the only heparin producer in China certified by the FDA – a statement that had been made in the IPO prospectus. Its shares plunged on the news. Aggressive divestment by the Li family also dampened investor confidence. As of August 2016, Hepalink’s market capitalisation stands at Rmb22 billion, i.e. just a third of that reached at its peak.

Need to know
From its peak of Rmb188 per share in 2010, Hepalink has been trading at around Rmb18 per share for the bulk of the past few years. This spectacular decline has been used by state media as a case study as a means to warn retail investors against the investment risks inherent in the stock market.

Li and his wife were China’s richest couple, albeit for just a few weeks.

Key info
Li and his family are still worth Rmb18 billion according to Hurun’s 2015 China Rich List.

Year born
1962
Born in Yingcheng, Hubei province, Liu Baolin dropped out of school to support his family. At 16 he became a barefoot doctor, working in poor neighbourhoods to deliver basic healthcare. Buoyed by the experience, he decided to change tack. In 1985 he set up a medicine wholesaler in his hometown.

Getting started
Liu was his own leading salesman. He shuttled back and forth between villages, carrying a basket of medicines on his shoulders and knocking at the doors of clinics. The business did well enough for Liu to buy a house and take a break from work while he looked for other opportunities. Figuring that logistics would become a profitable sector for pharmaceutical firms he travelled south to Hainan, where market reforms had been accelerated. Then he began planning for a wider distribution network, linking medical wholesalers with local pharmaceutical firms.

Big break
Liu’s opening came in 1999, when restrictions on private investment in the healthcare industry were further relaxed. The following year, he founded Jointown Pharmaceutical in Wuhan focusing on pharmaceutical distribution, logistics and retail. Jointown made sales of Rmb300 million in its first year.

In 2007, Liu brought in foreign capital through a new joint venture, and in late 2010 the company went public in Shanghai, raising Rmb900 million. “We’ve had good timing: the golden years of China’s pharmaceutical industry,” Liu told China Youth Daily at the time.

Operating 14 province-level logistic bases and 25 distribution centres to supply more than 20,000 different medical products, Jointown Group is one of the leading non-state medicine distributors in the country. The competition among medicine distributors has been extended to the internet. In February 2016, Jointown began a pilot programme in the rural areas of Hubei province, partnering with Alibaba. After prescriptions are placed by doctors at major hospitals, the internet firm will send the orders to Jointown’s online store and then deliver the medicines to the villagers.

Need to know
His many years as a barefoot doctor have given Liu a different perspective to some of his competitors, he says, making Jointown different from the state-owned firms, like Shanghai Pharmaceutical Group and Sinopharm, which focus more on sales to hospitals in the bigger cities.

Jointown also targets small hospitals and drugstores, as well as rural areas, meaning that it understands how important it is to keep prices down to the minimum, as even a cent less in price can mean a medicine is purchased. Liu claims that this gives Jointown a commercial edge, via a widening distribution and an ability to generate profits on low-priced medicine. Recently, he inked a deal with Pfizer, to sell Pfizer products in rural areas.

Liu began his career as a barefoot doctor, working in poor areas to deliver basic healthcare.

Key info
The market value of Jointown stands at Rmb34 billion as of August 2016.

Year born
1953
Hebei-born Li Jinyuan dropped out of school at the age of 14 to become one of the youngest workers at a local oilfield. Two years later he went against the spirit of the times by going into business. In 1974 – while the Cultural Revolution was still underway – he sold food, radios and clothing on the black market. By the early eighties, he had made a small fortune, but most of the profit was lent out and never returned.

Getting started
Li had to start again. He established a flour mill, the forerunner of Tiens Group. His next venture produced health products, derived from items such as ginseng. He pumped Rmb20 million into the company but sales failed to meet expectations.

Big break
In 1994, Li changed his product focus and his sales strategy: ginseng was replaced by a calcium supplement, and advertising agencies were abandoned for a direct sales network. Within three years, he had assembled an army of three million salespeople, selling health supplements door-to-door. This time, the venture turned a serious profit.

Then disaster struck in 1998, when direct sales companies were banned (a response to a crop of pyramid-selling schemes collapsing around the country). In order to maintain the relationship with his sales force, Tiens was forced to buy back his product range.

While Li was restructuring his domestic business into a more conventional retail operation, he decided to look abroad. In 2001, he started selling in Russia, Ukraine, Hungary and Poland soon followed. Overseas markets now account for more than 60% of Tiens Group’s revenue.

Tiens Group is now a multinational involved in a wide range of sectors – such as hotels and tourism, health management, and biotechnology. In 2003, Tiens listed in the US via a reverse takeover.

Despite the diversification, Tiens is still best known for selling dietary supplements and wellness products. And it went back to its roots in March, when it received a licence to resume direct selling, with approvals to sell 25 kinds of health food.

Need to know
In 2015 Li decided to treat up to 6,400 of his salespeople, or half of his staff, to a four-day French tour to celebrate Tiens’ 20th anniversary. It ended up being one of the most eye-catching marketing campaigns for a Chinese firm in Europe.

The Tiens army had to book close to 5,000 rooms from 140 hotels in France for the tour. It also took 147 buses to take Li’s staff from their Paris hotels to Nice, where Guinness World Record officials were on hand to validate Tiens breaking the record for the world’s biggest ever human chain.

His salesmen holds the Guinness World Record for the biggest human chain

Key info
Li is worth Rmb38 billion according to Hurun’s China Rich List in 2015.

Year born
1958
Ye Chenghai
Shenzhen Salubris Pharmaceuticals

Born in 1943 – the same year that Mao Zedong was named supreme leader of the Chinese Communist Party – Ye Chenghai’s career path is an extraordinary one.

His potted resume would go something like this: Party member, bureaucrat, vice-mayor, factory owner, American immigrant, green card holder, China returnee, entrepreneur, and in recent years, billionaire.

Getting started
Ye was born in a small village in Guangdong’s Meixian county. At 17 he was judged smart enough to be admitted to the best local school. He then studied international politics at the Party-run Renmin University.

Upon graduation in 1968 Ye was transferred to the poverty-stricken county of Bao’an – then little more than a chain of villages, but now the site of Shenzhen – as the editor of a magazine on rural affairs.

In 1978 Deng Xiaoping launched his reforms and Shenzhen was declared a special economic zone. Ye rose up the ranks – first becoming Party secretary of Luohu district, and finally Shenzhen’s vice mayor.

When trying to convince his colleagues in the early 1980s that Shenzhen needed a decent restaurant (to cater to overseas investors), Ye pointed at his sweat-soaked shirt and told the hardliners they should lick it – so they could empathise with the difficulties foreigners had in finding a decent meal.

Big decisions
Seeing first hand China’s early experiments with capitalism, Ye made a bold personal decision, exchanging the security, perks and privileges of the government bureaucracy for the less certain outlook of business life.

He borrowed money from family and friends and in 1985 rented a modest factory to make silk garments. Later, he switched to making machines that could detect fake bank notes (reflecting perhaps how fast Shenzhen was changing). Ye sent his two sons to US universities and through his business interests managed to get himself a green card. He moved to America to set up orchards.

But soon he made another bold decision. He concluded in 1989 that a new phase of economic growth was underway in China – hardly the conventional wisdom in that turbulent year. So, he relinquished his green card – to general disbelief – and returned to Shenzhen, where he bought some reclaimed land and built a new business.

Big break
The venture grew quickly but Ye soon sold his stake. Why? He’d started another, named Salubris, with grander ambitions to specialise in high end drugs and focus on winning a reputation for R&D.

The company now primarily sells cardiovascular drugs and cephalosporin antibiotics. Ye wants to position the firm as one of China’s rising biotech stars. In 2009 Salubris became one of the first biotech firms to list on the Shenzhen stock exchange. In the fortnight following its listing the stock almost doubled, making Ye a billionaire.

Key info
The market value of Salubris amounted to Rmb30 billion as of August 2016.

Year born
1943

He ditched his US green card and returned to China – in 1989
When a drugmaker has military ties, it often invokes conspiracy theories. But in China such ties have seen a military medic transformed into a billionaire.

**Getting started**

Che Fengsheng, a Shandong native, was born in 1962. He obtained a degree in aviation medicine at the Fourth Military Medical University in Xi’an in 1984. He first worked at a military school as an assistant lecturer, then as a neurologist in 1990 after getting a Master’s degree. In 1991 he joined the First Military Medical University as a lecturer and neurological doctor.

In 1993, when the PLA was banned from direct involvement in commercial activities, Che had a career overhaul too, joining a Shenzhen drug firm as a salesman. What seemed to be a professional demotion would turn out to be the launch pad for his career as a drug tycoon.

**Big break**

In 2001 Che founded Sihuan Pharmaceutical in Hainan with a college classmate. It grew quickly as a private-sector distributor of imported medicine. It also became one of the earliest sellers of Chinese prescription drugs, mostly to hospitals.

Sihuan Pharmaceutical went public in Singapore in 2007. Dissatisfied with lukewarm investor interest, Che took it private in 2009 and relisted again in Hong Kong in 2010. It went public at a valuation five times higher than its Singapore trading level. George Soros’ Quantum Fund became a cornerstone IPO investor.

Sihuan Pharmaceutical has its own research and development unit, and Che is developing his own drugs. In 2014 during the Ebola outbreak in Africa, Che’s company grabbed global attention as he revealed that he was searching for a quick cure for the deadly disease.

Sihuan Pharmaceutical said it had paid $1.6 million for the commercial rights to an experimental anti-Ebola drug (called Jk-05) developed by the Chinese Academy of Military Medical Sciences. The share price of Sihuan surged, inflating the market value of the company to $6 billion at one point.

But in early 2015 its shares were suspended on allegations of bribery and of inflating the sales prices of some of its products. When trading finally resumed 11 months later in March 2016, Sihuan’s share price plunged more than 50% in one trading session.

**Need to know**

“We have myriad connections with the military medical science units,” Che told investors at a conference in 2014. Unsurprisingly, he has focused on the positives of the relationship, noting that during the SARS outbreak in 2003, a vaccine developed by the military was speedily approved by Chinese regulators. “At that time the whole approval process was cut right down,” he said.
Microsoft went public on NASDAQ in 1986 in a move that helped Bill Gates become the world’s richest man for decades. Liang Yunchao may hope to repeat history. The healthcare tycoon was once the wealthiest man produced by ChiNext, or the Growth Enterprise Board (GEM) of Shenzhen – which is China’s answer to NASDAQ.

Getting started
Born in 1969 in Guangdong, Liang studied business management at the Zhongnan University of Economics and Law. Upon graduation in 1991 he was assigned to work at a state company in the province, although he soon quit to join a privately-run healthcare firm called Guangdong Apollo.

In Liang’s own words this kickstarted his career as a “super salesman” of healthcare and pharmaceutical products. He even topped the sales rankings at Apollo while studying for an MBA at the Sun Yat-sen University in Zhongshan. Sensing opportunity, Liang wanted to start his own firm and in 1995 he and four colleagues did just that.

But the start-up floundered, as its attempts to distribute healthier alcohol drinks and honey products both failed. When the Asian financial crisis struck in 1998, Liang’s net worth was reduced to “several thousand yuan”.

Big break
Chastened, Liang decided to spend more time with his wife, who was studying in the US. While he was there he discovered health supplements. After returning to China in 2002 he founded his own firm – Guangdong By-health – and began selling dietary supplements like protein powder, calcium supplements and vitamins. This time the company was a success, tapping into a growing Chinese demand for products that safeguarded health and drawing on Liang’s skills as a salesman.

By-health went public on the ChiNext in Shenzhen in 2009 and it has maintained its strong growth rates since its listing. The company’s market value stood at Rmb19 billion as of August 2016. According to Hurun, the wealth index, the net worth of Liang’s family reached Rmb12.5 billion in 2015.

His wife’s mother – a substantial shareholder in By-health – has been dubbed “the luckiest mother-in-law of China”.

Need to know
Liang told Forbes magazine that he only spends a few days a year at the company’s head offices as he doesn’t want his employees “to feel like they are being watched”.

Instead, his time is spent recruiting and developing the firm’s in-house talent. Every year or so Liang also selects a crop of promising managers and tests their stamina and team spirit at corporate boot camps. His training venues have ranged from the Tengger Desert in Inner Mongolia to Antarctica.

Key info
Forbes’ 2015 China Rich List estimated Liang to be worth $1.6 billion.

Year born
1969
China’s mixed-ownership reforms are seeking to reverse the trend of guojinmintui (the state advances and the private sector recedes), which gained traction after Beijing’s huge stimulus package in 2008. The Liangyungang port in Jiangsu province could be an illustrative model for the initiative. The city has been emerging as an R&D and production hub for China’s pharmaceutical industry following the privatisation of a number of state factories.

Sun Piaoyang, the chairman of Jiangsu Hengrui Medicine, is one of the leading Liangyungang tycoons rising from this guotuiminjin (the state retreats and the private sector advances) trend.

**Getting started**

Born in 1958, the Jiangsu native was one of the top students at the China Pharmaceutical University in Nanjing. Upon graduation in 1982, he was assigned by the government to work at the state-run drug-making factory in Liangyungang. The plant was later reorganised and renamed Jiangsu Hengrui Medicine.

The corporatisation did little to encourage productivity, with annual profits of just $13,500. Sun spent eight years in the firm albeit as just one of its many faceless state-owned enterprise officials.

**Big break**

In 1990 China’s economic tsar Zhu Rongji unleashed drastic reforms in the state sector. Tens of thousands of workers were fired by state heavyweights. State subsidies simply dried up and smaller government-run factories had to be close, or privatised, if they were not performing.

Jiangsu Hengrui was one of them. Aged 32, Sun was elected by his co-workers to become the company’s business leader. Just like many other privatised state firms at the time, the financial performance was miraculously turned around.

The company successfully developed a number of new drugs which were approved by the central government for local use. The revenue of Jiangsu Hengrui rose more than tenfold and surpassed Rmb100 million by 1996. In 2000 it went public in Shanghai. Three years later Sun launched a management buyout of Hengrui, acquiring a 21% stake in the company from the local government and became its biggest single shareholder.

Hengrui has about 12% of the Chinese market in anti-tumour medicines, pain killers and anti-infective drugs. As of August 2016, its market value stood at over Rmb100 billion. That means that the company has been dubbed the “most valuable pharmaceutical firm” in the A-share market.

**Need to know**

A “husband-wife shop” in China usually refers to a small business run by a married couple. For Sun Piaoyang and his wife Zhong Huijuan, the duo actually controls two of the biggest pharmaceutical firms in Jiangsu. Besides Hengrui, Zhong is the controlling shareholder of Jiangsu Hansoh, which is the second biggest pharmaceutical firm in Liangyungang behind Hengrui.

Key info

Sun and his wife have a combined net worth of Rmb23 billion, according to Hurun’s 2015 China Rich List.

Year born

1958
Das Kapital isn’t much read in China these days. Yet among the country’s many tycoons Kam Yuen comes closest to resembling the “vampire-like” capitalists of Karl Marx’s description. That’s because his business success has truly fed on blood.

Getting started
Born in 1962 the Beijing native grew up in the Chinese capital. He studied Japanese at the Beijing International Studies University and graduated in 1985. Learning Japanese was against his parents’ wishes, as they wanted him to become a doctor. Ironically, Kam then developed a career in the healthcare industry. However, initially he was assigned to work for state-owned resources firm Minmetals and was sent to Tokyo in the late 1980s.

“I was paid Rmb56 a month in the first year. The next year I got a raise to Rmb72, which stayed unchanged for five years,” he later told reporters.

The low wages spurred Kam to do more lucrative deals to support himself, and he started to trade on his own account. He found that Japanese hospitals were paying removal firms good money to dispose of older medical equipment – machinery which would have been consideredrespectably new in China. So he visited Japanese hospitals and convinced their administrators to let him take their unwanted equipment away. He then started selling it to Chinese hospitals.

As Kam’s business grew, more of the hospitals asked him to pay a fee for their unwanted equipment. Back then China didn’t allow free conversion of its currency so Kam had to find a way to generate more Japanese yen to pay for it. He began supplying Japanese temples with tombstones made of Chinese marble, which he managed to acquire at low cost.

Big break
The two-way arbitrage not only made Kam rich. It also built up his connections in the Chinese medical industry. In 1993, when a Beijing doctor asked him to help find machines to transfuse blood during operations, he founded Golden Meditech to develop China’s first transfusion products. His devices finally obtained the approval of the Chinese government in 2000 and Golden Meditech went public in Hong Kong in 2001.
In 2003 Meditech also invested in the first cord blood storage facility and the new unit, China Cord Blood, was listed in New York in 2009. Kam’s 38% stake in Golden Meditech is worth nearly $160 million, although the takeover of China Cord Blood is set to make him considerably richer.

Need to know
Kam is well-connected on both sides of the Taiwan Strait. Chinese Foreign Minister Wan Yi is one of his college classmates, and when China Meditech floated its shares in Taiwan in 2011, Sean Lien, the son of Lien Chan, honorary chairman of the Kuomintang, also invested in the company.
Li Ning

Li Ning Company

Li Ning was born in 1963 to a Zhuang ethnic minority family in Guilin, southern China. He began practicing gymnastics when he was 8 years-old, and by the age of 17, he was picked for China’s national team. A spectacular sporting career followed: in total, he won around 100 medals.

Getting started
His moment of glory was during the 1984 Los Angeles Olympics – when he won three gold medals, two silvers and a bronze – making him the most successful Chinese athlete in the competition. As China’s first modern sporting superstar, he became known as the “prince of gymnastics”.

After retiring from professional athletics in 1989, Li came up with the idea of creating a national sporting goods company that exploited his famous persona – thus the Li Ning brand was born.

Big break
Effectively Li is the best image ambassador for his own company. By the mid-nineties, Li Ning was one of China’s most popular sportswear companies. In 2004, the company listed in Hong Kong, raising capital to finance its founder’s dream of becoming a major international sports brand.

Part of its success is due to clever marketing – it signed up NBA stars such as Shaquille O’Neal to promote its basketball products. It also decided to open its first retail store in the US in Portland, Oregon – the same city where Nike has its headquarters.

Li Ning’s greatest triumph in recent years was his appearance at the 2008 Beijing Olympics, when he was chosen to literally fly in and light the Olympic torch at the opening ceremony.

Setback
The eponymous firm owed much of its phenomenal growth between 2002 and 2009 to aggressively expanding its retail network through external franchisees and distributors. The strategy helped spread Li Ning’s brand quickly across the country. However, given many of the franchisees were badly managed, unsold inventory began to pile up in Li Ning’s retail networks. The company has been loss-making for three consecutive years since 2012.

Getting fit again
To fight back, Li Ning has cut the number of retail outlets from more than 8,000 to about 6,000. It has also brought in private equity firm TPG as a strategic shareholder. Li Ning himself came out of semi-retirement in 2015 and became the chief executive of his sportswear firm.

The worst looked to be over in 2016, as Li Ning reported a profit of Rmb113 million for the first half. The company said its comeback has been given huge impetus by the central government’s policy to promote sports as a strategic industry to drive economic growth.

Key info
Li Ning Company’s market value was Rmb10 billion as of August 2016.

Year born
1963
Chen Yihong
China Dongxiang

Chen Yihong was a talented table tennis player in his youth, having been picked up by a local sports academy in Tianjin. While his love of sport would dictate his career path, he wouldn’t make it as a ping-pong player. After a five year stint in the army, he moved into the sportswear business in 1980.

Getting started
In 1991 he joined Li Ning’s fast-growing sportswear business. Chen quickly rose through the ranks from manager of the Guangdong shoe department to running the Beijing operation and by 1997 became general manager of Li Ning Sports Good Corporation. After a restructuring in 1998 he gained a 3.53% stake in Li Ning.

Big Break
In 2002, he did a deal with Li Ning to exchange his equity stake in the firm for a 20% stake in Beijing Dongxiang Sports – of which Li Ning held the other 80%. Dongxiang had the rights to market Italian brand Kappa in China and Macau. A little-known brand in China at the time, Chen saw the potential, particularly as Kappa products enjoyed an even higher gross margin than Li Ning’s did at the time.

In 2005 Li Ning agreed to sell Chen its controlling stake in Dongxiang for Rmb45 million. At the time, the Italian owner of the Kappa brand wanted to sell permanent ownership of the right to use the marque in China – which meant Chen needed to raise a further Rmb300 million. He sold a 20% stake to Morgan Stanley for $38 million. By focusing on Kappa as a ‘fashion’ sports brand – targeted at affluent 18-35 year-olds – he propelled it into the top three ‘international’ sports labels in China. In 2007, Dongxiang completed a Hong Kong IPO.

But like Li Ning, Dongxiang has been losing out to foreign rivals like Nike and Adidas since 2012. In that year Dongxiang had to offer big discounts to drive sales amid inventory pile-up and fierce competition. At its peak there were nearly 4,000 Kappa retail outlets in China. By June 2016, the network had been scaled back to less than 1,300 stores.

Need to known
In 2011, Dongxiang spent $100 million to buy a 0.31% stake in Alibaba through a private-equity fund. That has become a profitable investment after Alibaba’s IPO in 2014. By the end of 2015, Dongxiang’s “listed securities” – comprised largely of Alibaba shares – are worth Rmb2.5 billion, which amount to nearly one third of its own market value.

Chen is worth Rmb7 billion according to Hurun’s 2015 China Rich List, and probably much more if Alibaba’s shares keep rising...
Gao Dekang

Bosideng International

Gao Dekang was born in 1952 in the village of Shanjing in Jiangsu province. At the age of 24 he established his own business, with assets consisting of eight sewing machines and a bike. He hired 11 local women to process garments for a factory in Shanghai. Riding frantically between the factory and his customers, Gao claims to have covered 200km a day.

Getting started

In 1980 he started a factory of his own and won a contract to produce (insulated) ‘down’ jackets. By 1990 business was going so well he spent Rmb1.5 million on a second factory and made the key decision to register his own brand, Bosideng.

The winter of 1994 proved a turning point for Gao. The tailor produced 230,000 down garments, but sold less than half of his inventory. Meanwhile the bank was asking for the repayment of a Rmb8 million loan. “At that time, I really wanted to jump off a building,” he recalls. “But considering the livelihood of hundreds of people, I felt I must be responsible for them and the enterprise.”

Big break

Determined to rediscover his commercial success, Gao instigated a huge study of the northeastern market, and discovered that his styles and fits were not what most local people wanted. So he set up rep offices and hooked up with local malls, and reworked his designs. It worked: in 1995 he sold 680,000 pieces and saw net profit exceed Rmb20 million.

Bosideng has since grown into the largest down apparel company in China, and by 2006 it accounted for a third of all downwear manufactured globally. The brand name Bosideng was chosen as it sounded foreign, and for the similarity in Chinese to the American city of Boston. Gao has created six major brands including Kangbo. In 2007 Bosideng was listed in Hong Kong.

Bosideng, has nearly 10,000 shops all over China, down from more than 13,000 at its peak as it cut down on the number of external franchisees. It has also made a big push into the UK in recent years, selling its merchandise through Bradford-based retailer Greenwoods. (Greenwoods was founded in 1860 and at its peak had 200 shops in Britain). When Greenwoods went into administration in 2009, Bosideng bought 87 of its stores.

Global drive

Ahead of the 2012 London Olympics Bosideng opened a brand new flagship store near Bond Street, London’s posh shopping district. The launch in London’s prestigious West End cost approximately $54 million as the company acquired an entire building for its expansion plan.
Qian Jinbo
Red Dragonfly Footwear

Home to thousands of shoemakers Wenzhou is also known as China’s “shoemaking capital”. The eastern Chinese city is also famous for producing investment-savvy capitalists. Qian Jinbo seems to have thrived on both fronts.

Getting started
Born in 1964, Qian Jinbo moved to Wuhan at the age of 18, to become a carpenter. He quickly changed direction and moved into leather sales.

Through this line of work he acquired the capital and contacts to start out on his own – setting up a shoe factory in Wenzhou in 1995, which he called Red Dragonfly.

Qian always wanted to do something big. After setting up his first factory, he worked with a local TV station to create a show called Journey of Red Dragonfly, giving him an opportunity to speak about his dreams of owning a major brand.

Big break
He was first tested in 1998 when floods washed through southern China. In the resulting downturn, demand fell. He set up a team of sales personnel to sell his shoe inventory in three new provinces. In Hubei, a salesman quickly put together new points of sale, and unsold footwear was snapped up within a couple of months. And thus a new franchising model was born. By relying on his proprietary channels his revenue surpassed Rmb100 million by 1998.

The footwear maker went public in Shanghai in 2015. As a typical Wenzhou entrepreneur, Qian has also attempted to diversify into financial investments after its listing. Hurun’s 2015 China Rich List put Qian’s net worth at Rmb7.5 billion.

Need to know
Qian has cultivated an image as the leading thinker in the Chinese footwear industry. He has set up a shoe research institute and a footwear museum. He has even published a dictionary of Chinese footwear culture. Some say that this commitment was formed following a rebuke from an Italian shoe designer in the mid-1990s. The Italian liked Qian’s shoes, but poured scorn on their Chinese origins.

Qian bristled, and resolved to take his industry’s image upmarket. In 2009, Red Dragonfly appeared at the Milan International Shoe Fair, as well as major international shows in Germany and the US. Qian wants to build a global brand.

In his own words
“The birth of a luxury brand, in addition to excellent quality and strong brand spirit, needs a long history, and this is something Red Dragonfly does not have,” he said. “But this doesn’t mean it cannot become strong in the future. When Red Dragonfly is a hundred years old... will you still find the idea naive that Red Dragonfly has become China’s Louis Vuitton?”
Zhou Chengjian

Metersbonwe

Big break
It’s an unusual name, but Zhou wanted to create a brand name that sounded vaguely foreign and sophisticated. He came up with Metersbonwe which really doesn’t mean much to a Westerner. In Chinese, it means ‘beautiful’ and ‘make the state stronger’. He listed the firm in Shenzhen in August 2008.

Zhou has built Metersbonwe into something resembling a Chinese H&M or Zara. His business model grew from the early days in which access to capital was limited. He outsources production and franchises stores, focusing on branding, design and the bulk purchase of raw materials for his suppliers.

Marketing is an important part of the company’s success. Zhou hired Taiwanese pop heartthrob Jay Chou as a brand ambassador in 2003. In another coup, a Metersbonwe billboard appeared in the Hollywood blockbuster Transformers 2, a product placement that pleased Chinese audiences.

Metersbonwe has done what few other Chinese brands have been able to achieve: outpace foreign rivals in the hyper-competitive Chinese fashion market. According to a Euromonitor survey, his firm ranked top in the domestic market in branded casual wear. The growth is reflected in the turnover and profits at his unusually named flagship store in Shanghai, the Metersbonwe Clothing Museum.

Need to know
Like most Wenzhou businessmen, Zhou himself is an active investor in the capital markets. That seems to have got him into trouble in January 2016 when he suddenly went missing for a week amid speculation that he was under investigation by Chinese authorities.

Zhou reappeared later but more bad news followed. Metersbonwe reported that it made a Rmb430 million loss in 2015, the first time it had failed to make a profit in eight years.

Zhou Chengjian is another classic example of a high school dropout becoming a business billionaire. He’s from Lishui, Zhejiang, but he later moved to Wenzhou, arguably China’s capital city of capitalism.

Getting started
Born in 1965, he opened a clothing factory in 1982 but his first venture quickly went under after the failure of a big order. To pay off the debt he had to work as a tailor in a local apparel market.

Zhou made clothes in the evenings and sold them during the day. That meant he didn’t get a lot of sleep, and one evening this led him to cut the sleeves of a batch of suits too short, reports the Beijing Youth Daily. He saved the situation by turning the jackets into casual wear. His design proved a big hit among consumers and in 1995 he decided to ditch suits completely for casual wear. He founded Metersbonwe.

“I went from being a rural tailor to China’s tailor. In the future I hope to become the world’s tailor”
Hurun’s 2011 Rich List saw Qiu Guanghe become the richest man in Wenzhou, with a fortune of $5.6 billion. But back in 1951 when he was born into a poor family in Ouhai, a small town near Wenzhou, Qiu’s prospects looked bleak. With a blind father, he had to drop out of school at 14 to work in the fields.

Getting started
Aged 16, he joined the army but returned home after finishing his military service at 20. For the next 10 years he worked for a company owned by his village, rising to become its boss. He later resigned, telling Wenzhou Daily that with his salary of just Rmb40 a month, he couldn’t make life any easier for his family.

Ouhai Household Appliance was the first company Qiu created himself – it was launched in 1988. It grew quickly to become the largest distributor of home appliances in the Wenzhou area.

Then the business was hit by a natural disaster – a typhoon which swept away all of his stock. Qiu then changed course, picking the casual wear market as his next business target. His hunch was that garment styles from Western markets would soon spread to China. In 1996 Qiu started out Semir Group, aimed at fashion-conscious youngsters aged 16 to 25.

Big break
With similar designs and prices to thousands of domestic competitors, Semir struggled to stand out. Business was difficult but Semir survived and in 2002 Qiu started to consider the kids’ clothing market too, which he thought was being ignored by most players.

Semir then launched Balabala, providing “free and unrestrained” casual clothes for kids between the ages of 3 and 12. The range included clothes, accessories and shoes, and by 2008 Balabala was China’s leading brand for children’s clothing in terms of revenue share.

Qiu also developed an asset-light model later adopted by other Wenzhou companies – outsourcing production and focusing on the design, logistics and supply chain management. Semir Group went public in March 2011 – though over 80% of Semir shares are still held within the Qiu family. Zhou remains one of the richest men in Wenzhou as Hurun’s 2015 China Rich List puts his net worth at Rmb27.5 billion.

Need to know
Zhang Ruimin, the Haier boss, famously smashed a fridge with a sledgehammer to warn employees to pay attention to product quality. Qiu did something similar shortly after establishing Semir, torching 50,000 pairs of trousers due to a minor quality problem. He lost Rmb300,000 but began to build Semir’s reputation in the process.

In his own words
“I’m a workaholic. I won’t think about retiring until I am 90 years-old.”

Key info
By August 2016 Semir’s market value was Rmb31 billion.

Year born
1951
While Sheng Faqiang stays in the office, his wife Wang Jing (pictured above) promotes their sports gear brand by climbing the world’s highest mountains. The couple are founders of Toread, China’s largest outdoor sports gear maker by revenues.

**Getting started**
Sheng was born in 1969 in Gansu’s Dunhuang. He graduated with a degree in surveying at the Central South University. Like many of the 1992 class (which coincided with the year that Deng Xiaoping made his famed Southern China Tour to promote market reforms) he would give up a stable government sinecure at the railway ministry to start his own firm.

But his business making notebooks (the paper ones, not the PC variety) flopped. By then Sheng had met Wang, who was working as a waitress. They soon married and in 1995 they bought a patent for portable tents for Rmb5,000 at a sportswear exhibition.

They began selling the camping equipment in street markets. The husband-and-wife team would become today’s Toread.

**Big break**
In 1999 Sheng moved the firm to the outskirts of Beijing, registering its Chinese name as “Pathfinder”. The trademark, similar to a programme of space exploration at the time, raised awareness of Toread’s brand.

Astute marketing helped too, with Toread a keen advocate for protecting the Tibetan antelope in the Kekexili Plateau. In 2004 it started to ramp up production and business took off.

It now operates more than 1,100 sales points nationwide, broadening out into a mainstream brand offering a wide range of outdoor clothing and equipment, and becoming one of the few domestic firms that compete with international labels such as Columbia Sportswear.

In 2009, Toread was one of the first batch of 28 companies to go public on Shenzhen’s Growth Enterprise Market, the ChiNext. Its market capitalisation reached Rmb9.5 billion in August 2016. The couple is worth Rmb6.5 billion according to Hurun’s China Rich List.

**Need to know**
Wang sewed Toread’s tents herself and also drew the company’s logo in its early days. She moved away from daily operations in 2007 and has since become the only Chinese woman to reach all eight of the highest peaks on earth.

“A man should do something risky in his life. I think it applies to a woman as well,” she says. Wang is now Toread’s public face and her adventures have helped in networking with other members of the business elite too, as mountaineering has become a popular activity for Chinese tycoons to strengthen their informal networks.

Wang Shi, the boss of Vanke – China’s top residential property developer – agreed to be a Toread image ambassador in 2009, as he is another enthusiastic climber.
Zheng Yaonan has a job that some men might envy. He spends up to half of his working day watching women shop for lingerie. Dubbed “the man who understands women most”, the 39 year-old became a billionaire by getting to know what women want.

**Getting started**
Born in 1975 in Fujian, Zheng failed to get into university after leaving high school. Instead he went to Shenzhen with just Rmb500 ($80) to his name. He started out as a security guard at a Wal-Mart store, where he watched how the retailer managed its stocks and served its customers. After saving enough money to open a small shop selling cosmetics, he switched to socks, only to realise that a neighbouring store had a much higher turnover selling lingerie. In 1998, he founded Cosmo Lady and began distributing female underwear.

Zheng expanded even when times were bleak. For example, Cosmo Lady added nearly 50 shops in 2003, somewhat counter-intuitively at a time when the Chinese economy was savaged by the SARS outbreak. In 2009 he invested in production facilities just as many other factories were being hit by the global credit crisis. But in doing so Cosmo Lady was transformed from a distributor into a more integrated lingerie maker.

**Big break**
Zheng then unleashed another aggressive expansion by franchising the Cosmo Lady brand. By the end of 2013 the company had built a nationwide network of around 5,000 franchise outlets, as well as 721 self-managed stores.

Zheng’s goal: to make Cosmo Lady the first local bra brand with 10,000 retail outlets. The marketing effort has been huge. In 2012 Cosmo Lady made Taiwan model and actress Lin Chi-ling its image ambassador and Zheng made good use of Lin when he embarked on taking his company public, bringing her to roadshows to meet investors.

Cosmo Lady went public in Hong Kong in 2014. But competition has since escalated. The market remains too fragmented with around 3,000 manufacturers operating across the country, none of which hold more than a 3% share. The company’s market value was HK$5.8 billion ($745 million) in August 2016.

**Need to know**
Zheng may not have gone to university but he knows the value of a good education. He has attended the Cheung Kong Graduate School of Business, an institution founded by Hong Kong billionaire Li Ka-shing that’s an increasingly popular place for local business executives to learn and network.

One lesson he didn’t need to learn at business school: Zheng likes to take his senior female staff to stores and have them pose as customers so that they can check whether service is up to scratch as well as to watch the buying behaviour of other shoppers.
Go to the business section of most bookstores in China, and you are likely to find three familiar faces on the shelves: Hong Kong’s richest man Li Ka-shing, Alibaba’s Jack Ma and Liu Chuanzhi. Liu’s net worth is nowhere near that of the other two men. But he is widely regarded as the godfather of capitalism in modern China.

**Getting started**

Born in Jiangsu province in 1944, Liu Chuanzhi developed his entrepreneurial instincts at a relatively advanced age; he was 40 when he left the Chinese Academy of Sciences (CAS) to found Legend in 1984. The company made its early money selling Chinese language cards for computers.

**Big break**

Demand for personal computers boomed following China’s entry into the World Trade Organisation in 2000. Legend listed in Hong Kong and changed its name to Lenovo in 2004. The same year it also bought IBM’s PC division and Liu retired in triumph. But the post-acquisition integration proved tough, and Lenovo became lossmaking in 2008.

Liu returned to the chairman role in 2009. It’s the Chinese equivalent of Steve Jobs returning to Apple. Since Liu took the helm, Lenovo has seen a strong turnaround and started grabbing market share in other emerging markets. The company is now the world’s largest PC maker. Its smartphone business, however, has not been as successful even following its $2.9 billion takeover of Motorola’s mobile handset business from Google in 2014 (which was accompanied by a $2.3 billion acquisition of IBM’s low-end server business in the same year).

In 2011 Liu announced his retirement as chairman from Lenovo again. Lenovo’s parent company Legend Holdings, a property-to-investment conglomerate, went public in Hong Kong in 2015. One of Liu’s great strengths, says 21CN Business Herald, is the way that he has exploited China’s state-led model of capitalism. Strictly speaking Lenovo is still a state-owned asset because its biggest shareholder has been the CAS. However, Liu has maintained effective control of the company for years despite the fact that he only owns a 3% stake (recently converted from share options).

**Need to know**

One of Liu’s other skills is an ability to blend with different generations of businessmen. Until June 2016, he was the chairman of the China Entrepreneur Club, for instance, whose membership represents the first generation of Chinese tycoons. (The club says the 46 companies owned by its members had combined revenues of Rmb2 trillion last year.)

Thanks to a small stake in Legend Holdings, Liu finally earned an entry in Hurun’s China Rich List in 2015. A net worth of Rmb2 billion ranked Liu the 1,738 richest man in China, which looks rather non-proportional to Liu’s influence in China’s business world.

**Key info**

Liu only has a 3% stake in Lenovo.

**Year born**

1944
Ren Zhengfei was born in 1944 in Guizhou, though his hometown is Pujiang county in Zhejiang. Ren graduated from Chongqing Construction Engineering College before joining the army as a construction engineer. After a 14-year military career, Ren landed a job in Shenzhen, as the vice president of a state-owned electronics firm before leaving the company after a dispute over pay.

Getting started
Along with five partners, Ren then founded Huawei in 1988, doing so with just two multimeters plus an old oscilloscope. The company became an agent dealing in equipment that enabled offices to have a private telephone exchange.

Huawei was benefitting from the demand for telecommunications equipment, but Ren realised the agency model would not sustain over the long-term. So Huawei started to develop its own line of products.

Big break
Ren took to heart Mao’s combat tactics to ‘surround the cities from the countryside’ by growing fastest in rural areas. It boomed with the growth in mobile telephony in China and soon started doing business overseas as well.

The annual report of 2010 was significant: it was the first in which Huawei – still a private company – revealed the identities of its board members and offered their profiles. This was in response to problems Huawei has had in the US. The company has twice failed to complete acquisitions in America, due to concerns related to the company’s alleged links with the Chinese military.

The company now employs nearly 90,000 staff. In 2015 its revenues reached $60 billion. The company itself has a goal of hitting sales of $100 billion by 2020.

Huawei vs Lenovo
Thanks to the strong revenue growth, when the All-China Federation of Industry and Commerce published the China Top 500 Private Enterprises ranking in 2016, Huawei knocked Legend Holdings, the parent firm of Lenovo, off the top spot.

The rivalry of Huawei and Lenovo has not gone unnoticed among tech industry observers in China. Ren and Lenovo’s legendary founder Liu Chuanzhi were born in the same year. But it appears Ren has been winning even more acclaim in recent years.

Lenovo has gone global by buying the “leftovers and scraps” from Western firms (such as IBM’s server and Motorola from Google), according to Zhang Tingbin, a well-regarded journalist at CBN, but Huawei’s growth has been driven by independent innovations. It filed 3,442 patents in 2014 alone and in the past 10 years has invested Rmb88 billion in R&D.

Hurun’s China Rich List puts Ren’s net worth at Rmb8 billion.
Feng Jun’s name doesn’t even appear in most rich lists but when it comes to guanxi, the 47 year-old could be one of the best connected tycoons in China.

**Getting started**
Born in 1969, Feng Jun graduated from Tsinghua in 1992 and he was assigned to a state-run engineering firm. He left on his first day. Instead he headed for Beijing’s IT district Zhongguancun, where he would set up his own business, and befriended China’s earliest tech bosses (such as Liu Chuanzhi of Lenovo).

Feng started out making computer keyboards and cases – the steel boxes that cover PCs. His Little Sun keyboard soon gained 70% of the market in northern China. By 1996, knock-offs of his Little Sun goods had started to appear. So Feng decided to invest in a new brand: Aigo, which means ’the patriot’ in Chinese.

**Big Break**
Aigo became one the most well-known domestic brands of electronic gadgets. The company moved into making MP3 players, digital cameras and USB flash drives. He also spent big bucks on the design of a new logo, courtesy of Ogilvy & Mather, to help with the launch of Aigo products in international markets. The logo later appeared on McLaren’s Formula One racing cars. In 2009, Feng signed a deal with Manchester United to be the English football team’s global IT partner.

According to 21CN Business Herald Feng would like Aigo to become “China’s Samsung”, with the newspaper suggesting that nearly everyone who grew up in a Chinese city in the 1990s has used an Aigo product. That seemed to have positioned Aigo to become a leading mobile handset maker. But in the internet era Aigo appears to have faded in tech circles. The company’s profile, for instance, is nowhere close to those of younger firms such as Xiaomi and LeEco.

Why? “I am not interested in making digital products any more,” Feng told Phoenix News in an interview in early 2016. Instead, Feng has spent 99% of his time on the Aigo Entrepreneur Alliance, an organisation that helps Chinese entrepreneurs to build their informal networks. The Alliance’s latest offering, for instance is to help hotels to lease their underused conference rooms to small and medium-sized enterprises.

**Need to know**
Feng is one of the founding members of the influential China Entrepreneur Club, which was set up in 2006. Xiaomi’s Lei Jun and LeEco’s Jia Yueting only became members in 2016, or 10 years behind Feng.
Lei Jun
Xiaomi Corp

Born in Xiantao, Hubei province, Lei Jun had a useful talent. As a student of the computer science department at Wuhan University he was obsessed by computers at a time when they were a total novelty in China.

By his third year at university he was making money, earning his first Rmb1 million selling encryption software.

Getting started
After Lei had graduated he was recruited by Qiu Bojun, the founder of Kingsoft, which dominated the domestic office software market before Windows entered China in 1996. Lei jumped from programmer to CEO, transforming Kingsoft from a software provider into a comprehensive IT firm, involved in anti-virus and translating software, and online games.

In 2007, shortly after Kingsoft launched an IPO in Hong Kong, Lei resigned. "It feels like reaching the finish line after a long time running," he told China Entrepreneur.

Big break
After years of competing with Microsoft, Lei thought he had missed the opportunity to build a company himself akin to domestic internet giants like Tencent, Baidu and Alibaba.

As an investor, Lei proved successful. The first success came with the sale in 2004 of Joyo.com, an online book retailer in which Kingsoft had invested in 1999, to Amazon. This was rumoured to have brought him a personal fortune of Rmb100 million. Lei also invested personally in Lakala, a third party payment provider, UCweb, an online game site, and Vanci, an online clothes retailer. All have become promising companies.

Jobs on
In 2010 Lei founded the mobile phone company Xiaomi Corp. After spending 16 months perfecting the software and operating system, the first Xiaomi phone was launched in August 2011.

As demand for smartphones boomed, Xiaomi enjoyed meteoric growth. By the end of 2014, a $1 billion fundraising valued the company at $46 billion, making it the world's most valuable tech start-up at the time.

Xiaomi set an ambitious target for 2015: sell 100 million smartphones. The company fell short as it only sold about 70 million. Certainly Lei has a lot to prove, as he has expanded into a wide range of new businesses. These include electric cars, drones, smart TVs and even air purifiers. Amid questions from some analysts that Xiaomi might have over-diversified, Forbes magazine reckons Lei is worth $9.8 billion, making him the fifth richest man in China.

Need to know
Lei says he has dreamed of becoming a Chinese Steve Jobs since he was 18. He plays the part too, dressing in a black shirt and jeans to present new Xiaomi products in familiar Jobs-style.

Xiaomi was the world's most valuable technology startup, before Uber took the title

Key info
Forbes puts Lei's net worth at $9.8 billion as of 2016, ranking him as the fifth richest man in China.

Year born
1969
China’s Tycoons

Frank Wang

DJI Innovation

Few of Hong Kong’s billionaires have made their fortunes without a major contribution from the real estate business. Stories of Silicon Valley-style whizz-kids becoming super-rich in the city are much rarer. But Frank Wang (or Wang Tao), the founder of drone maker DJI Innovation, may go on to become a notable exception.

Getting started
Wang’s isn’t a 100%-Hong Kong story. Born in 1980 in Hangzhou, he moved to Shenzhen with his family as a child. Having spent much of his youth building toy models, Wang developed an obsession with helicopter drones. He went to East China Normal University in Shanghai to study psychology but his keen interest in electrical engineering persisted. In 2003 he dropped out of that college, switching to Hong Kong’s University of Science & Technology (UST) to study how to make robots. He completed his undergraduate studies in 2006 (and a master’s degree in 2011).

Model student
Wang’s final-year project was a mini-

helicopter drone. He got a poor grade but his model was well received on an internet forum for drone fans in Shenzhen. Encouraged, he launched a firm to make it called DJI in 2006, enlisting the help of two of his classmates.

Big break
In DJI’s early stages Wang received assistance from his alma mater UST. But he also benefited from a move to Shenzhen, which has developed into China’s tech hardware capital.

DJI grew quickly from start-up to a leading maker of small-scale drones for civilian usage, with a workforce of 2,800. It has become the world’s largest supplier of civilian drones, and arguably the first Chinese firm to achieve global leadership in a consumer product. Its market share in ‘civilian-use small unmanned aerial systems’ is about 70%.

DJI is now one of the most sought-after unlisted firms for private equity firms looking for lucrative pre-IPO deals. The 21CN Business Herald reported that DJI’s revenue topped Rmb3 billion in 2014, earning a net profit of Rmb800 million. The newspaper also said that DJI is close to completing a second round of venture capital investment, which will value it at Rmb10 billion. At that valuation, Wang may become one of the richest Chinese tycoons under 40.

Need to know
In 2015 DJI hit headlines when Chinese singer Wang Feng proposed to his superstar girlfriend Zhang Ziyi using a DJI drone (it flew the engagement ring to her finger).

Wang is the epitome of Hong Kong’s increasing economic integration with mainland China – and in particular for the complementarity of different parts of the Pearl River Delta region. Expect more generous compliments from both the Hong Kong and Shenzhen governments as DJI’s success grows too.

Key info
DJI’s Phantom has a 70% global market share in consumer unmanned aerial vehicle sales.
Leslie Chang’s 2008 book *Factory Girls* is an enlightening study about the countless Chinese women who work long hours in the ‘workshop of the world’. Zhou Qunfei was one of the girls but she fought her way up to become China’s richest woman.

**Getting started**

Born in 1970 in a rural village in Hunan, Zhou’s mother died when she was 5. Zhou excelled at school but was forced to drop out at 16. She travelled south to Shenzhen. Dreaming of becoming a fashion designer, she landed a job on a factory floor in Shenzhen, making watch lenses for about $1 a day.

After a few months she decided to quit. Not many Shenzhen factory girls would write a resignation letter. Zhou did. In it she expressed her gratitude for the job, saying she wanted to learn more. The letter impressed the factory chief. He asked her to stay and offered her a promotion. It was the first of several over the next three years. Zhou Qunfei would later marry her former factory boss, have their child, but eventually divorce him.

**Big break**

In 1993 Zhou and several relatives started their own workshop next door. They lured customers with the promise of even higher-quality watch lenses. LENS Technology’s business took off in the smartphone era.

In 2003, Zhou got an order from Motorola to develop a glass screen for its new device, the Razr V3. Orders started rolling in from the likes of HTC, Nokia and Samsung. Enter the iPhone in 2007, Apple picked LENS as its glass supplier too.

More than once Zhou put up her apartment as a guarantee for a new bank loan to expand. Within five years, she had manufacturing plants in three cities. After moving its headquarters to her native province Hunan, LENS has grown into a dominant player with 80,000 employees working round the clock.

LENS went public in Shenzhen in 2015. At one point its market value breached Rmb100 billion. With more than an 80% stake in Lens, Zhou’s paper wealth surged, though LENS’ share price has since nearly halved.

**Need to know**

Shortly before LENS’ listing, a widely forwarded article began to circulate on Chinese social media, suggesting: “She’s been the mistress of the boss, the wife of the boss, and then the boss…. If you buy into this most inspirational story for mistresses, buy into the IPO of LENS Technology.”

Others have a different take on her success story. “She is the pride of Hunan. She became what she is because of her courage and wisdom, and perhaps a bit of luck, of course,” wrote Zhang Hewan, the government official who encouraged LENS to move to Hunan.

Key info

According to CBN, Zhou is China’s richest woman with a net worth of Rmb45 billion as of August 2016.
For anyone who hasn’t heard of AAC Technologies or its founder Pan Zhengmin, a handy way to find out what the company does is to grab a smartphone and listen. AAC is the key supplier of the mini speakers fitted inside many of world’s most popular handsets.

**Getting started**

Born in 1967 in Jiangsu, Pan graduated from a teacher training college in Jiangsu in 1987, working briefly as a maths teacher. His wife was a nurse and his father ran a small business that manufactured speakers for electronic devices including alarm clocks.

Pan founded AAC with his wife in 1993 in Shenzhen, making basic miniature acoustic products. The tiny start-up got its first big opportunity in 1998 by securing a Motorola contract and AAC would then focus on the mobile phone industry for the next five years, growing its customer base quickly.

By 2005, its client list had expanded to the likes of Sony-Ericsson and Apple. Senior management claimed that for every 10 mobile phones sold, 4 had AAC’s speakers. But despite its market-leading position, AAC was viewed as another faceless supplier to the global electronic giants. It was worth HK$3 billion ($386 million) when it went public in Hong Kong in August 2005.

**Speaking up**

In one of his rare media interviews, Pan told Global Entrepreneur that his formula for success is “not to stare at your clients but at your own technologies”.

Pan’s key decision was to move away from the mentality of a component supplier to focus more on providing technology solutions.

AAC now holds more than 200 patents, the largest number among any maker of miniature acoustic parts. That’s partly a result of investing in its own research and development, but also because of the company’s partnership with venture capital firms, which have helped it to identify smaller start-ups with new technologies.

The strategy has helped AAC to continue to secure higher-value contracts from all of the leading smartphone makers, including Apple. And Pan’s fortunes and AAC’s worth has soared alongside surging consumer demand for smartphones. The micro audio components maker’s market value hit a record high in August 2016, surpassing HK$100 billion for the first time. That is more than 30-times higher than its IPO offering price in 2005.

Pan’s 40% stake is now worth around HK$40 billion. According to Forbes magazine he is China’s 32nd richest man with a net worth of $6.7 billion as of August 2016. In the same month, AAC was included in Hong Kong’s Hang Seng Index.

AAC Technologies

Pan Zhengmin

AAC Technologies

Four out of 10 smartphones in the world have Pan’s speakers

Four out of 10 smartphones in the world have Pan’s speakers

Key info

AAC’s share price has climbed more than 30 times since 2005.

Year born

1967
In the 1980s Chinese electricians extolled the virtues of Matsushita Konosuke, after the founder of Panasonic responded to Deng Xiaoping's request for help in modernising China's electronics sector. Technicians were soon learning how Panasonic made rice cookers, electric fans and transistor radios.

But Jiang Bin went a step further by copying Matsushita's business philosophies – and the GoerTek chairman is today one of China's richest men.

**Getting started**
Jiang was born in 1965 in Shandong's Weifang city. While studying at the Beijing University of Aeronautics and Astronautics, he skipped lectures preferring to spend his time in the library reading everything he could find.

After graduation in 1987 Jiang spent nine years working at a joint venture between Weifang's city government and a Japanese electronic firm. Not content with this role, in 2001 Jiang started another joint venture manufacturing microphones, this time with a partner from Hong Kong.

The start-up began with a few dozen employees, including his wife, and they worked under huge "Learn from Matsushita" banners. Jiang focused on luring multinational clients including Panasonic itself, and grew the venture into one of China's largest miniature microphone makers.

**Big break**
With the backing of the Shandong government, Jiang restructured his Hong Kong joint venture into GoerTek in 2007. One new area of growth: Bluetooth enabled products (such as headsets). It also began making miniature speakers too.

"China's Bluetooth King", Jiang now competes with the likes of Korea's BSE and Japan's Hosiden. It became a parts supplier to Apple's iPhones. GoerTek went public in Shenzhen in 2008 and its business has grown quickly with the popularity of smartphones.

Over the next five years its market cap has increased nearly 500 times, making GoerTek one of the best-performing A-share stocks. Its current valuation is Rmb45 billion and Jiang and his family hold an 80% effective stake.

There are concerns that GoerTek has been over-reliant on contracts from Apple. If growth at the American firms' smartphone business stutters, GoerTek may suffer too. Perhaps that's why in May 2016, the company said it is planning to go into the drone industry. Looking for an alternative growth engine, GoerTek is also expanding into the virtual reality equipment market and the smart home industry.

**Need to know**
Panasonic itself has been an important client for GoerTek. The Japanese giant once accounted for one third of GoerTek's revenue. Jiang said GoerTek scored 101 out of 102 when Panasonic was inspecting GoerTek for environmental certification. "Panasonic said we've done better than some of their branches," he said.
China’s Tycoons

Zhou Ruxin

*BDStar Navigation*

With ambitions to rival GPS (the global positioning system developed as a US standard), China’s Beidou System (BDS) opened for commercial use in late 2012. A former military technocrat is leading the efforts to promote the new technology.

**Getting started**

Born in 1963, Zhou Ruxin joined the People’s Liberation Army (PLA) after graduating from Nankai University in 1983. The Beijing native also holds an MBA from Peking University. His early career focused on research at the Academy of Military Sciences, as well as some time at the General Armaments Department.

Zhou also wrote a thesis on how American GPS know-how helped it win the first Gulf War.

When China began developing its own satellite navigation system in 1994 Zhou was put in charge. The company, owned by the PLA, funded itself by selling related applications such as tracking systems for bank trucks. But in 1999 Beijing banned the PLA from commercial activities. Zhou opted to retire from the army, founding BDStar Navigation.

**Big break**

BDStar was initially restricted to distributing foreign positioning applications in China. But in 2000 the first Beidou-1A satellite was launched and Zhou convinced the PLA to open up some of its bandwidth for civilian use, getting a licence to operate “value-added telecom services” (think sat-nav for cars). State funding followed, and BDStar’s business took off.

In a planning blueprint published in 2014, the State Council forecast that China’s satellite positioning market is set to double to Rmb200 billion by 2015 and will double again by 2020. By then BDS is also expected to have full global coverage, easing Chinese concerns about reliance on the American GPS system.

That’s why after BDStar went public in 2007 in Shenzhen, domestic investors have been driving up its value. In the past five years BDStar’s share price has doubled. Its market capitalisation stands at Rmb17 billion as of August 2016 or, staggeringly, more than 300 times its 2015 earnings.

Zhou owns half the company. Hurun’s 2015 China Rich List puts his net worth at Rmb6.4 billion.

**Need to know**

Usage is growing. More than 40,000 fishing boats operating off China’s southern coast – an area with disputed sovereignty – use BDS applications. The company is picking up share in the sat-nav market for cars and lorries. And it is also building a network of stations in Pakistan, the fourth Asian country to adopt the Chinese satellite navigation system this year.

**In his own words**

“Imagination is the only thing that binds Beidou’s potential.”

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Key info

More than 40,000 Chinese fishing boats have installed BDStar’s devices.

**Year born**

1963
China’s Tycoons

Wang Jing
Xinwei Technology

What do prescribing rhubarb root and cinnabar have to do with building a deepwater port in Crimea or constructing a $40 billion canal in Nicaragua? Step forward Wang Jing.

Getting started
Wang was born in December 1972. The Beijing native graduated from the Jiangxi University of Traditional Chinese Medicine. He subsequently served as president of a health promotion school in Beijing, before going to Hong Kong to study international finance. He set up an investment advisory firm in 1998 and is purported to have made a fortune in gold mines and gem trading in Cambodia and Thailand.

Big break
It wasn’t until 2009 that Wang’s profile began to rise in China’s corporate world. That year he bought a controlling stake in Xinwei, a lossmaking telecoms equipment business. After winning a spate of new contracts (the 4G network in Cambodia was one of them) the losses were rapidly reversed. By 2013 Xinwei made its stock market debut in Shanghai via one of the biggest backdoor listings on the A-share market.

In the same year Nicaragua’s parliament granted a 50-year concession to Wang and his company to develop a new waterway that will connect the Pacific and Atlantic and rival the Panama Canal. The mysterious tycoon has also waded into Ukraine’s political crisis, announcing a plan to build a $10 billion deepwater port on the Crimean Peninsula.

In 2014, Xinwei Telecom announced that it had developed China’s first low-orbit communications satellites in conjunction with Tsinghua University. Wang plans to launch 32 of them within five years. That reinforced the general view that Wang’s corporate success is heavily linked to his stellar government connections, given satellite communications is a highly regulated field and normally the preserve of state-affiliated entities.

In May 2015 when Chinese stock markets were on a bull run, Xinwei’s market value reached a record high of Rmb150 billion. It has fallen more than 50% from its peak since then. Hurun’s 2015 China Rich List still ranks Wang as the 21st richest man in China with a net worth of Rmb48 billion.

Need to know
Wang has told the press he didn’t come from a privileged background (he says his father was an ordinary worker who died in 2010). However, the exhibition hall at Xinwei’s HQ is festooned with photos of visiting political leaders. Its head office also contains paintings of the Red Army leadership, as well as photos of an array of Chinese weaponry. Each morning the company tannoy plays the patriotic song ‘March of the People’s Liberation Army’ and in the afternoon it strikes up ‘Return from the Shooting Range’.

In his own words

Key info
Xinwei’s market value reached a record high of Rmb150 billion in 2015.

Year born
1972
Born in 1963 in Liushi in Zhejiang, Nan Cunhui dropped out of school to repair shoes at the age of 13, in part to feed his family because his father was seriously ill. He now says that his three years as a cobbler shaped his character, teaching him a basic business rule: never ignore quality issues.

Getting started
In 1984 Nan stopped repairing shoes to establish an electrical switch factory with his partner Hu Chengzhong. They named it Qiujing, which means “pursue better quality”. 

After a survey of electrical products in Liushi, Qiujing ranked as the highest quality producer of electrical switches, and it soon became the major player in the Wenzhou area.

But the partners fell out over strategy. Hu wanted to diversify while Nan preferred to stay focused in the same industry. So in 1991 Nan started a new company with family members, calling it CHINT. Within two years CHINT’s sales had reached Rmb50 million.

Big Break
Benefitting from the construction of the National Grid network in the 1990s, Nan’s business boomed, as did that of copycats of CHINT products. But instead of suing them, Nan bought them up as part of an acquisition of 38 smaller companies to increase production. To attract wider talent, Nan also broke up the family management structure. Over the next decade, Nan’s stake was reduced from 60% to less than 30%. He explained: “Sharing is not generosity but wisdom for an entrepreneur.”

It turned out to be a lucrative approach.

In January 2010, CHINT Electrics, the group’s core business unit, launched its IPO in Shanghai. CHINT Group now has a product range from high to low voltage electrical equipment, through to power transmission and distribution networks for solar power. CHINT has more than 50 overseas distributors and exports products to more than 90 countries.

Need to know
Nan’s biggest domestic rival is Delixi Group, created by his former partner Hu Chengzhong.

In 2006, Schneider Electric formed a JV with Delixi. Meanwhile the French firm already had a patent dispute with CHINT. In 2009 Schneider agreed to pay a Rmb157 million settlement, in what was then the biggest payout by a foreign firm. Much of the media coverage was patriotic – to say the least – although Nan told Xinhua that his triumph would encourage more Chinese enterprises to pay attention to intellectual property rights. Nan also claims to remain on good terms with his former business partner, Hu.

And to relax
He has studied Zen Buddhism for many years. Nan meditates two times a day.

“Sharing is not generosity but wisdom for an entrepreneur”

Key info
Nan was worth Rmb12.5 billion as of 2015, according to Hurun.

Year born
1963
Born in 1964 in Jiangxi’s Shangrao, Wang Wenjing’s talent was obvious from an early age. At 15 years-old, he attended Jiangxi University of Finance and Economics, where he majored in accountancy. Upon graduating in 1983, he went to work in the finance division of an adjunct to the State Council, where he met his future business partner Su Qiqiang.

**Getting started**

In the mid-eighties, Wang and Su were tasked with the job of introducing computer systems to process the central government’s accounts. During the implementation of the project, Wang realised that computerisation of accounting was going to be a gamechanger. He and Su both quit their government jobs and went to Beijing’s electronics district, Zhongguancun, to set up a company, UFIDA Software. The company’s name was later changed to Yongyou Network Technology.

**Big Break**

Success came quickly: in 1991, the company’s financial software was accredited by the Ministry of Finance and in the same year Yongyou became China’s leading provider of financial software. Although Su left the company in 1993 to focus on software sales, the firm continued to grow.

A trip to Dongguan in 1996 changed the focus of Yongyou’s business. Local sales agents told Wang that some customers in the city were no longer interested in purchasing financial software, but rather solutions that could help companies manage across various divisions. If this was the trend in one of the most developed manufacturing regions, Wang knew it was only a matter of time before companies across China wanted the same thing.

Yongyou thus made a strategic shift towards making enterprise resource planning (ERP) applications. It has grown into the ERP market leader in China and it is now exporting software solutions to Southeast Asia and Japan.

The company went public in 2001 in Shanghai – choosing it in preference to the then more popular US listing route. As of August 2016, its market value was at Rmb37 billion.

**Need to know**

As a leading software firm it began to attract international interest. Microsoft is rumoured to have offered $1 billion for the firm in 2005. Wang declined. He also said no (again) to Steve Ballmer when the former CEO of Microsoft flew to Beijing in 2007 in search of a strategic investment.

A year later, the two companies did come to some understanding, becoming global strategic partners.

Having made the change from financial software to ERP applications, Yongyou says it is now getting ready for the next transition, into cloud computing, so as to maintain its place at the forefront of China’s IT industry.
Before the emergence of Alibaba, Wahaha was the most iconic company from Hangzhou. Both Zong Qinghou and Jack Ma started their careers in a Hangzhou school, and both would make the stellar rise to top China’s rich list.

**Getting started**
Born in 1945, Zong Qinghou’s high school closed its doors during the Cultural Revolution and he was sent to the countryside. In 1981 he returned to Hangzhou and until he turned 42 worked as a salesman at a firm (owned by a school). Then he and two colleagues borrowed Rmb140,000 to start selling children’s health drinks. The business was named Wahaha, which means ‘laughing babies’.

**Big break**
The company attracted investment from Danone in 1996 and launched ‘Future Cola’ in 1998 – a direct assault on Coke and Pepsi. Wahaha is one of China’s strongest brands in soft drinks, bottled water, fruit juices and yoghurt beverages.

Wahaha has 70 manufacturing bases and sells its products through two million sales outlets. Wahaha takes pride that it has grown so big without incurring any debt.

However, it did have a long dispute with Danone, which accused it of selling identical products under the Wahaha brand in violation of their joint venture agreement. The dispute began in 2007 and saw Wahaha instead launch its own products outside the Danone JV structure. The fighting ended in 2009, when Danone agreed to sell its 51% stake in the JV to the Chinese partner.

In 2012 Wahaha expanded into retailing, with plans to open 100 department stores. The first one was opened in Hangzhou. Zong said that by having its own shops, Wahaha would have more of a say in the distribution of its products. And in terms of sales, Zong believed that it could help in goal of boosting revenues to Rmb100 billion. Things have not gone according to plan, however, as an increasing share of the retail market is moving online, leading to underperformance in its shopping malls.

**Management style**
Zong says his role model is Mao Zedong. Internally his management ethos is known as ‘Zong at the helm, with power only decentralised on minor issues’. He says an enterprise needs to be run like an army with a unified will. Then again, incentives are less Maoist. Performance-related pay means bonuses constitute about half of yearly staff compensation, and workers get equity too.

**And to relax**
Despite being one of China’s richest people, Zong doesn’t splash his money about: he likes to eat tofu and vegetables; his only concession to luxury is high quality Longjing green tea, which he drinks in large quantities.

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**Key info**
New Fortune magazine puts Zong as the fifth richest man in China in 2015 with a net worth of Rmb88 billion.

**Year born**
1945
The 49 year-old Luo Hong is from Sichuan and his first job was as a photographer’s assistant.

**Getting started**

On his mother’s birthday he could not find a cake he liked. So he baked one himself and thought the result so good that he opened his first bakery. He soon opened more shops. In 1992 he founded the company Holiland.

The late Robert Rich – the American billionaire inventor of non-dairy whipped topping – was so impressed by Holiland that he came to meet Luo personally. A deal was then inked to use the “Cream King’s” products.

By 2012 the unlisted firm had close to 1,000 stores and revenues of around Rmb2 billion. Regular cakes account for 60% of the company’s sales, while moon cakes and sweet dumplings account for another 20% and 10% respectively.

Holiland’s business went through a crisis in 1999, due to a folk superstition in the northeast of China (a key market) that 99 was an unlucky number. So fewer people celebrated birthdays, leading to a collapse in cake sales, and big losses.

Luo responded by bringing in a professional manager, Xie Li to run the business. He then decided to reconfigure his work-life balance very much in favour of the ‘life’ part.

**And to relax**

Forbes magazine has cited 24 world business leaders with an ‘outstanding’ hobby. It mentioned Warren Buffett (ukulele), David Rockefeller (entomology), Bill Ford (tae kwon do) and Luo himself (wildlife photography).

In fact, Luo has become more famous as a photographer than as a businessman, going as far as Antarctica twice and Africa 38 times to photograph wildlife. But after his long sojourn Luo now says he wants to get more involved in the business again; he says the company’s “rhythm is now too slow”.

In fact, being out in the wild has helped Luo come back to the cake industry with new ideas. He showed one interviewer a photo of a swan floating on the River Cam in Cambridge – it will be the inspiration for a series of luxurious Black Swan cakes, to be priced between Rmb400 and Rmb10,000 (the most expensive one will be a wedding cake delivered in a Rolls Royce). More generally, the company is expanding its range of delights to include more mooncakes and sweet dumplings.

Given he has amassed hundreds of thousands of photos, he also embarked on an ambitious project to build his own personal exhibition hall in Beijing. The project cost Rmb500 million and covers an area of 120,000 square metres. It is the biggest individual photography museum in the country and opened in mid-2016 to positive publicity.
Liu Hanyuan was born in Sichuan province in 1964, where he graduated from the Fisheries Vocational School. His first job at the Lianghekou Reservoir Fishery saw him earn a monthly salary of Rmb41.

Getting started
In the early 1980s fish were expensive and a luxury for most inland Chinese. But Liu invented a large metal cage which could be used to farm fish. From an initial 185kg of carp, he bred a record 1,390kg catch in his cage.

But he surmised that others would soon copy his design and he’d not profit from it. Instead, he realised that his experiences would spawn a wider industry of fish farmers. What they would need was feed for their fish.

In 1986 Liu built a fish feed factory in his hometown of Yongshou. Still only 22 and with no formal degree in mechanical engineering or design, the self-taught entrepreneur nevertheless oversaw the construction and installation of a plant with an annual feed output of 5,000 tonnes.

Growth
In 1992 his Tongwei Feedworks relocated to Meishan. Investing Rmb10 million of his own funds, he built a new factory with an annual output of 100,000 tonnes. He also opened research and development facilities, looking to expand into pig feed and pet food.

Liu’s story is one of ever-increasing scale. In 2000 he opened a plant in Guangdong capable of an annual output of 500,000 tonnes. By 2003 he had 40 facilities and by 2009 his volumes had hit 5 million tonnes per year – making him the world’s largest aquatic feed producer.

His Care Pet Food had also taken a leading position in the domestic pet food market. He listed Tongwei in 2004, and in 2012 saw sales hit Rmb13.5 billion. In May 2009 he opened one of Asia’s largest feed facilities in Vietnam, and is eyeing expansion into Africa.

Need to know
Tongwei bought a 50% stake in a small solar firm in 2002. What started as a small investment is turning into the company’s core business. With Tongwei’s agribusiness providing a healthy cushion, the company was able to capitalise on a bearish global solar market and expand. In 2013 Tongwei acquired LDK Solar for Rmb879 million. Tongwei is now planning to invest Rmb26 billion to increase production capacity to produce 5 gigawatts of solar cells annually. Tongwei wants to derive more than half its sales from solar within five years, up from about 30% at the time being.

Key info
Liu was worth Rmb16.5 billion last year according to Hurun’s 2015 China Rich List.

Year born 1964
Tao Huabi
Laoganma Special Flavour Foodstuffs

Tao Huabi, 68, was born in Meitan, a small town in Guizhou province. She never attended school, was widowed at 20 and became a rickshaw driver, before saving enough from various jobs to open a restaurant selling homemade rice noodles in 1989.

Getting started
Tao’s ‘restaurant’ was in reality only a stall, located next to a vocational college. But her low prices and homemade cooking attracted plenty of students. She made the noodle sauce herself, mixing sesame, chilli and oil. In 1994 she expanded her business to a nearby highway, giving truck drivers a jar of her chilli sauce for free if they ate in her restaurant. The word got out through the trucking network.

Soon people were coming to the restaurant just to buy bottles of Tao’s sauce.

In 1996 Tao moved into the chilli oil processing industry and Guiyang Nanming Laoganma Special Flavour Foodstuffs plant was set up. Initially, there was no mechanical production line. All the sauces were hand-made, even though employees complained that slicing the peppers was damaging their eyes. Tao worked alongside them. “Imagine they are just apples,” she told them. “Then your eyes won’t sting.”

Growth
At first Laoganma chilli oil was sold only to noodle restaurants nearby. Although production volumes were small, there was still surplus supply. To find new clients, Tao carried baskets of chilli sauce to supermarkets and eateries across the city of Guiyang. Demand began to grow. Orders came in from other cities too.

Today, Laoganma is a leading chilli oil brand in the food industry. Besides chilli oil, Tao has developed 10 new product lines such as tofu in chilli oil and hotpot condiments. Machine-based production lines have also replaced manual operations, increasing her scale of production. Her factories turn out more than 430,000 jars a day.

The company now exports to more than 50 countries. The local government is pushing Tao to consider an IPO, but she has declined so far: “I don’t know about IPOs at all. I only do the things I know how, like making better sauces.”

Through her substantial purchases of the local pepper crop she also reckoned she had helped lift two million farmers out of poverty.

Need to know
Tao says her management philosophy is to treat company staff as family. The firm provides free food. On their birthdays employees get a bowl of noodles – made by Tao herself.

Due to her lack of schooling, the self-made lady had to be taught how to sign documents. When she was finally able to write her own name, she invited all her staff for dinner to celebrate.

Key info
Tao Huabi was worth Rmb7 billion according to the 2015 Hurun Rich List.

Year born
1947
Chen Sheng is a butcher, which is probably not what you would anticipate given he attended one of China’s most prestigious universities.

**Getting started**

Chen was born in Zhanjian in Guangdong in 1961, getting into Peking University in 1980. A bachelors degree in economics got Chen a government job earning Rmb80 per month. He quit in 1990 and began trading and then growing vegetables in commercial volumes. This venture made Chen his first million. Then he took an unorthodox career choice: he rejoined the state sector. This time he drew a salary of Rmb300 a month working with a state-owned property developer to learn more about the industry. In 1993 Chen founded his own real estate firm, which grew into the largest in his hometown.

**Big break**

Chen got his next business idea from the dining table. Inspired by a new Guangdong culture of drinking spirits infused with vinegar, Chen started producing apple cider vinegar in 1997. The new beverage was called Tiandi Yihao (Tiandi means ‘heaven and earth’, yihao means ‘number one’) and it proved hugely popular. The drink now accounts for 40% of China’s fruit vinegar market and Tiandi Yihao has been valued at Rmb4 billion. The beverage business went public on Beijing’s over-the-counter bourse the New Third Board in 2015. According to CBN the company’s market value was Rmb13 billion in August 2016.

**Pork too**

Chen first invested in pig farming in 2006 and branded his produce as Yihao Native Pig. The new venture shot to nationwide fame in 2008 when Chen used his old-boy connections to hire Lu Buxuan, a fellow Beida graduate, who is known in the domestic media as “China’s most famous butcher”.

**Need to know**

Why is Chen’s colleague Lu Buxuan famous? Lu graduated in 1989, a tumultous year. It meant his early career was derailed by his involvement in anti-Party activities. But a 2002 newspaper article describing Lu slaughtering pigs in a wet market made him a household name – it seemed unexpected given Lu had been known as a gifted poet at Beida. His memoir *The World in a Butcher’s Eyes* has been a bestseller for years.

Chen’s decision to hire Lu was a masterstroke as he has become the face of Chen’s pork business. The two have even started China’s first butchery school. In fact, thousands of applicants with degrees now vie to get a spot on the trainee management course at Yihao Native Pig every year.
China's Tycoons

Wan Long

WH Group

In imperial China, butchery was a trade that carried a lowly status. Marrying a butcher was seen as an undesirable option. But being the most prolific butcher in modern China is an entirely different state of affairs.

Shuanghui Group, China’s biggest meat processor, slaughters 30 million pigs a year and supplies 25% of the country’s domestic market. Following a $7.1 billion buyout proposal (including debt) for its giant US counterpart Smithfield in May 2013, Shuanghui’s chairman Wan Long was even hailed by China National Radio as the “Steve Jobs of Chinese butchery”.

Getting started

Wan was born in 1940 in the city of Luohe in Henan province. Before finishing high school, he joined the railway corps of the People’s Liberation Army. Demobilised five years later, Wan returned to Luohe and worked in a meat processing plant for the next 16 years.

In 1984, when state-owned enterprises were being forced to undergo market reform, Wan became the first “democratically elected” plant manager. It wasn’t particularly good news. He took over a loss-making plant with significant debt. But Wan soldiered on with his fellow workers and began selling pork under the Shuanghui brand.

Big break

When Shuanghui began to expand, Wan had trouble getting capital. Company folklore records that he waited for hours in a snow storm on a banker’s doorstep for a Rmb300,000 loan. When the drunken financier finally returned home at midnight, Wan won him over with two cases of dry-cured ham.

The incident stirred Wan’s distaste for local bankers, so Shuanghui began talking to foreign investors. The first investment, in 1994, was made by property tycoon Nina Wang, the late chairwoman of Hong Kong’s Chinachem and once Asia’s richest woman. Later Wan teamed up with a series of other foreign investors, mostly private equity firms, in a successful bid for Smithfield in the US. After completing the acquisition the combined company was renamed the WH Group. The pork maker went public in Hong Kong in 2014 – following an abortive attempt earlier the same year. WH’s market capitalisation was HK$90 billion as of August 2016. According to Hurun, Wan is worth Rmb5.5 billion.

Need to know

Wan is about to turn 75 (his birthday is in April). But discussion of his retirement is a banned topic in his firm. He says that his favourite pastime is inspecting hogs waiting to be slaughtered, where he scrutinises such detail as their colour, weight and even how quickly they run. "This is the key for our cost structure," Wan explains.

He also insists on taking three showers each day. “Showers make me sleep well. It is a must,” he opines.

Retirement is a banned topic in Shuanghui, a rule installed by the 75 year-old tycoon

Key info

WH is now the world’s biggest pork producer.

Year born

1940

Food
Zhu Linyao has the most beautiful nickname among Chinese tycoons: the queen of fragrance. But most investors probably don’t know much about the chairwoman of Asia’s biggest flavouring maker.

**Getting started**
Zhu Linyao was born in 1970 in Sichuan province. While studying in Beijing she developed an interest in flavours. On graduating she started a trading business. She discovered that flavours and essences offered a great opportunity.

**Growth**
It is difficult to identify the early course of Zhu’s path to success. She never talks about that part of her life, and doesn’t give interviews. Her husband is Lin Guowen, who is currently a Shenzhen delegate to the CPPCC (an advisory body to China’s parliament). In 1996 he invested in her business, Huabao Group, with a core focus in the manufacture of tobacco flavourings, such as menthol.

**Big break**
Huabao began working with China’s biggest tobacco mills, entering into joint venture agreements. For example, in 2001 it created Yunnan Tianhong, which became the major provider of flavourings for all the cigarette brands of the Hongta Group, one of China’s biggest cigarette makers. Huabao held 60% of the JV, and Hongta the remainder.

Since the alliance was forged, Huabao has been the only flavouring supplier for all Hongta tobacco products. Using the same model, Huabao established key partnerships with eight of China’s top 10 tobacco firms, setting a huge barrier for competitors to enter the same market. By establishing these key partnerships with all the big mills, Zhu cashed in on China’s huge cigarette market.

**Food for thought**
Viewing tobacco as a fast maturing area, Zhu decided in 2004 to move into food flavours. She established research centres in Shanghai, Yunnan and Guangdong, as well as further afield in Germany. She has focused on working with big food groups such as Danone and Yurun.

**Going public**
In 2004 Zhu acquired an inactive Hong Kong-listed firm via a reverse takeover. She began transferring Huabao’s assets into the listing vehicle and renamed it Huabao International.

A flurry of asset injections jacked up Huabao International’s share price. In 2006 Zhu took the chance to sell down her stake. According to regulatory disclosures, she sold 40% of her stake in Huabao International, in return for HK$4.4 billion.

Chinese media says Huabao is the largest listed flavour and fragrance company in Asia.

**Key info**
- **Huabao's Hong Kong-listed unit was worth $1.2 billion as of August 2016.**

**Year born**
1970
Chen Zemin was born in Chongqing in 1943 into a military family. After graduating from medical school he worked in a hospital in Zhengzhou and in 1984 was promoted to deputy head of another hospital in the city.

Getting started
To earn extra money to cover his two sons’ tuition, Chen opened an ice cream store with Rmb15,000 borrowed from friends. He made the equipment himself and business was good.

Chen proved to be a good chef too. In Sichuan he learned how to make tangyuan, a traditional Chinese dessert (it’s a sweet-sauced rice ball boiled in soup). Then on a business trip to Harbin he saw local people freeze their dumplings outside in winter. This gave Chen an idea for making a new type of tangyuan and three months later, the first frozen tangyuan were born under the brand name Sanquan Tangyuan.

Selling the concept
After a general manager of a supermarket tried Chen’s recipe, he introduced frozen Sanquan Tangyuan into his store. Chen changed strategy accordingly – putting more effort into cooking at street markets and persuading store managers to try his product.

With this technique, he got his frozen tangyuan into most Zhengzhou supermarkets. After a year promoting his product, he quit his hospital job in 1992, creating his own company, Sanquan Group, at the age of 45. Even as it grew, he was one of its most active salespeople, driving around in a second-hand van equipped with kitchen tools.

“Maybe it looks stupid, but it works” was Chen’s verdict. Sanquan Tangyuan started to have success in other markets like Xi’an, Shenyang and Beijing. By the end of 1993, his factories were producing 30 tonnes of frozen tangyuan a day.

Need to know
By 1995 copycat versions of Sanquan Tangyuan’s products were also appearing. Chen chose to focus on improving quality. His theory was that a competitive market would end up producing stronger players who, in the end, would be better able to compete with foreign peers. Soon he’d expanded into more than 400 categories of frozen foods such as dumplings and rice-puddings.

He also started a fast food chain – Youzhiyouwei (Yummy) – to sell his own products. He listed his firm in Shenzhen in 2008 and by 2010, sales hit Rmb2 billion. In 2011 revenues declined the numbers were down to Rmb1.8 billion after a food safety scandal hit fellow dumpling maker Wanchai Ferry, disrupting consumer confidence. In 2015 the company sold Rmb1.2 billion worth of tangyuan. That business segment accounted for about 29% of its total revenue. According to Hurun, Chen’s net worth is Rmb5.5 billion.


Key info

Year born
1943
Zhu Xinli

Huiyuan Juice

Born in 1952 to a rural family in Shandong’s Dongli county, Zhu Xinli was a farmer by trade. Even as a kid he showed business acumen, digging up herbs that could be sold as Chinese medicine.

Getting started
At the age of 20 he was sent to a school that trained mechanics and mastered how to repair cars. In 1982 he rented a truck and helped local farmers to move things around. The one-man logistic venture gradually turned Zhu into a millionaire. In 1984 villagers in his hometown elected him as their Party chief. Zhu helped alleviate local poverty too by advising the farmers to grow grapes instead of corn, of which there was then a glut in China’s northeast.

Zhu’s capitalist successes caught the eyes of more senior, and reform-minded Party members. He climbed through the ranks to head a local state-owned factory. In 1991 Zhu obtained an economic management degree from Shandong’s Party school.

Big break
A year later, now aged 40, he quit his stable bureaucratic job and once again founded his own venture. He made the decision after peering at a newspaper photo that showed a bitter-faced farmer biting into an apple. Behind him there was a cart full of rotten fruit. The caption read: “I can’t sell them, so I eat them.”

Determined to give local fruit growers a more reliable outlet to dispose of their crops, Zhu acquired a Shandong canned fruit factory and subsequently grew it into Huiyuan Juice. Huiyuan Juice went public in Hong Kong in early 2007. Within a year Zhu decided to sell. Coca-Cola came knocking with a $2.3 billion takeover bid. It meant Zhu could receive more than Rmb7 billion for his 42% stake. But the lucrative exit was nixed by a mix of nationalism and China’s new antitrust laws.

After the setback
In the wake of the failed deal, Zhu vowed to make Huiyuan even bigger and ventured into soft drinks. He hired demobilised soldiers to man a vastly expanded distribution network. Their military training, Zhu suggested, would help meet strict sales targets. By the end of 2015, Huiyuan’s 100% juice products accounted for 60% of the market by volume and 49% by sales.

But increasingly fierce competition means Zhu’s equity stake has declined in value. As of August 2016, the market value of Huiyuan stands at around $1.1 billion, or less than half of what Coca-Cola was willing to pay for it in 2007. Hurun’s 2015 Rich List puts Zhu’s net worth at Rmb4.5 billion.

“Patriotic Chinese should drink Huiyuan’s products everyday if they don’t like a national brand acquired by Coca-Cola”

Huiyuan’s 100% juice produce has a 49% market share by sales.

Key info

Year born
1952
China’s Tycoons

Jack Ma

Alibaba Group

Many know him as China’s richest man. Some say the Zhejiang native is in fact the best PR manager for corporate China. No one can deny that Jack Ma has come to personify China’s internet economy.

Getting started

Ma’s father is a renowned expert in Chinese opera. But as a teenager growing up in Hangzhou during the seventies, Ma was more interested in all things foreign. He would regularly cycle to a hotel so that he could show foreign tourists around his hometown. This not only allowed him to practice his English but also gave him an idea of what was going on outside China. After twice failing the university entrance exam, Ma entered Hangzhou Normal University, where he trained to become an English teacher. After graduating in 1988, he went on to teach at a Hangzhou college.

It was on a trip to Seattle in 1995, as an interpreter for a trade delegation, that Ma first came into contact with the internet. Told that he could find anything in the world online, he searched for “beer”. Seeing there was no information on Chinese lager, Ma got the inspiration he needed.

He borrowed $2,000 to launch China Pages, generally believed to be the country’s first internet company. He eventually entered into a joint venture with his initial competitor, China Telecom, only to leave the company to very briefly run a government group in Beijing promoting e-commerce.

Big Break

In 1999 he then set up Alibaba.com, an online business-to-business marketplace designed to bring together importers and exporters. Initially working out of his apartment, he was able to expand after a round of cash injections from a series of big name investors – including Japan’s Softbank. In 2005, Ma sold a 40% stake to Yahoo, the US internet firm, for $1 billion. Since then, the growth in Ma’s internet business has been stratospheric. In 2003 he founded Taobao, a consumer-to-consumer platform. Even eBay, which once dominated the Chinese market, couldn’t prevent the rise of Taobao, which became the world’s most visited website. Meanwhile, Ma also set up Alipay, which has grown into China’s most important internet payment system. In 2014 Alibaba went public in New York. The flotation was the world’s biggest IPO. As of August 2016, Alibaba’s market value stood at $237 billion. Thanks to a controlling stake in Alipay, the Bloomberg Billionaires Index put Ma’s net worth at $34.5 billion. It ranks him the richest man in China (and Asia).

What next

Alibaba has expanded into a swathe of new businesses from making Hollywood movies to co-owning China’s top football team and purchasing the South China Morning Post newspaper in Hong Kong. Ma’s ambitions remain vast and his vision long term: “I want to build a company that will flourish for 102 years.”

Key info

Bloomberg Billionaires Index says Jack Ma is China’s richest man (richer than Li Ka-shing as well).

Year born

1964
Ma Huateng, also known as Pony Ma, was born in 1971 in Guangdong’s Shantou, the hometown of Hong Kong’s richest man Li Ka-shing. He is the son of a Party official who had held a senior position in a state-owned port operation in Shenzhen’s Yantian.

**Getting started**
Ma junior studied computer science at Shenzhen University. Upon graduation he joined China Motion Telecom as a software engineer.

In 1998 Ma came across the Israeli firm ICQ, which had developed an instant messaging service. He realised there was no Chinese language version and decided to design one. That became Tencent.

At the outset the firm was cash-strapped, having to “steal” bandwidth from rivals, says China Computer World. Denied investment by more established Chinese internet firms such as Sina, Ma approached Richard Li (Li Ka-shing’s younger son) for funding in 1999. Li’s company PCCW invested $1.1 million for 20% in the start-up, though two years later Li sold the stake for $10 million.

**Big break**
Tencent’s main product, named QQ, was an instant hit with web users, particularly the young. QQ’s growth was exponential, from a few million users in the first months to more than 800 million users today.

In 2001, Ma started to monetise his user base. Tencent then diversified into a portal (to generate ad revenue), online games (with paid subscribers), plus e-commerce and search.

Tencent in 2011 launched the WeChat service, a hybrid between Whatsapp and Facebook. The messaging app had more than 700 million active users by 2016, and had become the dominant form of communication in China. The low-key Ma is the polar opposite of Alibaba’s flamboyant boss Jack Ma.

Nevertheless the duo constitute China’s most talked-about corporate rivalry. Since 2014 the competitors have invested in almost every internet-related business (including online banking) in the quest for supremacy.

**Going global**
In recent years Tencent has been trying to duplicate WeChat’s success in overseas markets. In 2016 Tencent splashed $8.6 billion to acquire Supercell, the Finnish software developer behind the popular smartphone-based game Clash of Clans. In the same year it also unveiled a deal to cooperate with Foxconn to produce and sell unmanned electric cars by 2020.

**Need to know**
In late 2013 Tencent’s market valuation exceeded $100 billion, making it the first Chinese internet firm to reach this figure. As of August 2016 its market value stood at $247 billion, or more than 200 times its IPO value in 2004. Had Richard Li held onto his stake it would be worth nearly $50 billion.

The Bloomberg Billionaire Index ranks Ma as the third richest man in China with a net worth of $22 billion.
Robin Li

*Baidu*

Li Yanhong (English name, Robin) is “the most handsome CEO in history” according to the Tianfu Morning Post. Born in 1968 in Shanxi province, Li graduated in information management from Peking University, before departing for a master’s degree at State University of New York.

**Getting started**

After finishing his studies, Li went to work for Dow Jones, where he developed software for the online edition of the Wall Street Journal. At the same time, he made a major advance in search engine technology with his creation of “hyperlink analysis” – a system where a web page is ranked according to the number of websites that link to it. In 1996, he applied for a patent, and soon became recognised as a leading search engine expert.

He returned to China in 1999 and struck gold immediately. His venture, Baidu, was a locally developed search engine designed to take on the likes of Yahoo and Google.

**Big break**

And unlike most other markets – where local search engines were overwhelmed by the global giants – Baidu grew to completely dominate China’s search industry, with a nearly 80% share of market revenue. A key part of Baidu’s success comes from its superiority in Chinese language search. When Google scaled back operations in China that also made space for Baidu to expand.

Baidu was listed on NASDAQ in 2005. As of August 2016, its market value stood at $60 billion. That means that its major rivals Alibaba and Tencent – the internet trio is dubbed as BAT in China – have both grown four times larger than Baidu.

**Tough times**

Despite a reputation for being the most tech-savvy among the BAT trio, the business model of Baidu’s core search engine division has been under pressure in recent years. For instance, in 2015 Baidu’s shares lost $4 billion in market value when investors were rattled by news that hospitals run by Putian businessmen (the biggest advertisers on Baidu) were threatening to boycott Baidu for overcharging on medical ads. Moreover, critics say that Baidu is not doing enough to differentiate paid searches from unsponsored links. That became a nationwide concern in 2016 following the death of a college student who had accused Baidu of misleading him. He blamed the search engine for directing him to a fraudulent cancer treatment in what turned into a major scandal.

**Need to know**

A bit like Steve Jobs, Li also relishes the showman’s role of announcing innovative new products to an adoring techie crowd each year at the Baidu World event. Although in Li’s case – being one of China’s corporate sex symbols – there are a good deal more women present in the audience. He’s also danced the tango on primetime TV. Another reason for the girls to swoon.
A dozen years ago China’s dominant web trio was not BAT (Baidu, Alibaba and Tencent) but Sina, Sohu and NetEase. The relevance of portal operators has faded, although Ding Lei has reinvented NetEase as a leading online game provider.

Getting started

Born in 1971 in Ningbo, Ding Lei showed so little talent at school that his teacher blamed him for “hindering the whole class”. He blossomed late, and got into a top technical university in Chengdu. However, bored by his course on microwave communication, he cut classes and attended lectures on computing instead. On graduation in 1993 he joined the Ningbo Telecommunications Bureau.

Against strong opposition from his family, he soon quit this job and moved to Guangzhou. He made friends with Tencent founder, Ma Huateng with whom he discussed the prospects of the internet. He founded NetEase in 1997 in an eight square-metre office without air-conditioning. Originally it sold email software.

**Big Break 1.0**

By 2000 web portals like Yahoo were becoming active in China and Ding decided to sink his software earnings into building one. He moved the company to Beijing and listed on NASDAQ. However, tensions quickly rose when the NASDAQ crashed in the dotcom bust and Ding’s co-founders left. The advertising business model wasn’t working and in 2001 NetEase was suspended by NASDAQ after failing to submit an accurate financial report. A depressed Ding considered selling the company, and was offered $85 million.

**Big Break 2.0**

Tom Hanks may find this hard to believe, but according to Southern People Weekly, Ding reinvented himself after watching Forrest Gump five times in a row. He was also helped by an investment from Duan Yongping, China’s very own Warren Buffett. And when China Mobile came up with a new revenue sharing model that allowed websites to take a slice of SMS profits, Ding was suddenly able to monetise his user base. In January 2002 NetEase resumed trading on NASDAQ.

Since 2009 it has operated the immensely popular online game World of Warcraft in China (the game was adapted into a record breaking movie in 2016).

As of August 2016, NetEase’s market value was $29 billion. That compares with Sina’s $5.4 billion and Sohu’s $1.6 billion.

**Need to know**

Ding is a great believer in the merits of Chinese traditional medicine. In another diversification strategy he is moving into pig-farming with the goal of revolutionising China’s scandal-ridden food industry, by using sustainable practices and organic feed.
China’s Tycoons

Cao Guowei

Sina

Cao Guowei, or Charles Chao as he’s now also known, was born in Shanghai in 1969. He graduated in 1989, with a degree in journalism from Fudan University, which led to a job in Shanghai as a reporter and master’s degree in journalism in the US.

Getting started

Once he’d got his degree, Chao decided to study accounting, a choice that would completely change the course of his career. After graduation he went to work first for Arthur Anderson and then PWC.

It was Chao’s financial expertise that gave him the opportunity to return to China. In 1999, he asked his friend, Sina’s then chief operating officer Mao Daolin, for career advice. Mao told him to come to work at Sina. The timing was impeccable – Sina was struggling to arrange its NASDAQ listing, and needed someone with experience of US financial regulations. The Sina IPO was pulled off later that year, with Chao coordinating the deal.

Big break

Chao was promoted to CFO in 2001, and it wasn’t long before he was shaping the growth strategy of the popular online portal. He recognised early on the potential of China’s mobile phone market and over the next few years made acquisitions that established Sina in the ‘wireless’ business.

That led to Chao being made co-COO in June 2004, a position he used to revamp the site’s advertising sales team and marketing software. But his real talents only became apparent a year later, when industry rival Shanda made an unsolicited raid on the company’s shares. Chao managed to put together a ‘poison pill’ defence.

The ultimate coup

Chao then took over from Wang Yan as CEO in May 2006, but suffered a setback in 2009 when his bid to acquire the assets of Focus Media failed. But he soon pulled off another coup that cemented his place as Sina boss. Together with other members of the senior management, Chao put together a $180 million management buyout, which made his consortium the company’s single largest shareholder. This means that the size of Chao’s net worth is not public, though certainly he is in control of one of China’s most influential internet firms.

Enter Weibo

The company launched Sina Weibo, a Twitter-like service, in 2009. Since then it has racked up nearly 300 million active users and acquired a dominant role in setting the country’s news agenda and forming public opinion. In late 2013, Alibaba acquired an 18% stake in Sina Weibo for $586 million. A year later the microblogging business went public on NASDAQ.
China’s Tycoons

Charles Zhang

Sohu

Charles Zhang was lucky: the Cultural Revolution ended just as he finished middle school. So he enrolled in Tsinghua, one of China’s most prestigious universities. In 1986 he received a full scholarship from Nobel prize winning physicist, Lee Tsung-Dao to travel to the US and attend MIT.

Getting started
Zhang discovered the internet early, and after graduating from MIT, he joined Internet Securities Inc and was sent to Beijing to set up its China operation. He saw the potential to build a Chinese internet search engine – in the mould of Yahoo – and in 1996 he jumped ship to create Sohu, which means ‘searching fox’ in Chinese. His portal quickly became a household name in China and listed on NASDAQ in 2000.

Big Break
Sohu is the second most popular portal in China (after Sina), and is used by millions of Chinese to read news, blog, and visit chatrooms. Zhang’s goal is to make it one of China’s premier media platforms.

But it hasn’t been plain-sailing. After the dotcom crash, American directors of Sohu tried to remove Zhang. After three years of boardroom struggles he won. China Business News reports he no longer has much time for American management theories.

In April 2009, Zhang listed his online gaming firm, Changyou.com. It runs China’s third most popular game, Tian Long Ba Bu, and makes all its revenues from selling virtual goods (such as medicines to be used in the game).

Need to know
Similar to the experience of Yahoo, which got replaced by Google as the dominant search engine, the three big Chinese portals – Sohu, Sina and NetEase – soon lost their first-mover advantage with the rise of the BAT trio (Baidu, Alibaba and Tencent).

While NetEase has reinvented itself as a major online game provider, and Sina has struck gold with its popular weibo service, Sohu’s development in recent years has been lagging behind. As of August 2016, its market capitalisation stood at only $1.6 billion, as compared with Sina’s $5.4 billion and NetEase’s $29 billion.

But Zhang is good at finding inner peace. He is into Buddhism and yoga: “If I am ever asked to teach a course at Tsinghua, I will choose meditation.” He reckons that he will be able to live to 150 if he can rid his life of stress.

Despite his busy work schedule, Zhang is still able to indulge in another passion: mountaineering. A serious climber, in 2003 he went part of the way up Mount Everest, posting pictures on Sohu as he went.

Key info
Zhang’s net worth stood at Rmb5 billion in 2015 according to Hurun’s China Rich List.
Amazon has rarely reported a full-year profit since it was founded in 1994 since the e-commerce giant has chased growth over profitability to compete with established giants such as Wal-Mart. Investors may hope Liu Qiangdong could one day do a Jeff Bezos.

As a young man, Liu Qiangdong had an interest in politics. But after graduating in 1996 with a sociology degree from Beijing’s prestigious Renmin University, he decided to go into business instead by opening a restaurant. This first venture was a failure: within a year the restaurant shut down, leaving Liu in debt.

In 1998, Liu set up Jingdong Corporation in Zhongguancun, an area known for its electronics markets. Liu’s presence started off small – he got a stall in the market and became a sales agent for magnetic-optical products. Not everyone was supportive, including his girlfriend at the time, who wondered how a graduate from Renmin University could live such a life. Her parents looked down on entrepreneurship too. Naturally they parted ways.

Liu was not to be put off and by 2003, he had plans to open a chain of stores across the country. But the SARS crisis then made traditional retailing unattractive, as shoppers were avoiding stores for fear of infection. Liu took the opportunity to launch e-commerce site Jingdong Multimedia Network in 2004, which eventually became JD.com (formerly 360Buy Jingdong Mall), his most famous storefront.

While Taobao and TMall, the consumer e-commerce sites of Alibaba, are China’s largest online retail sites, they do not hold inventory themselves but merely provide platforms for others to trade on – a key difference from Liu’s business model, which more resembles that of Amazon. Together with a low-price strategy, JD.com has been Alibaba’s biggest e-commerce rival in China.

Liu’s strategy has attracted investors, although it has been lossmaking since 2012. In December 2010, his firm completed a round of financing worth $500 million from a group including US retailing giant Wal-Mart. Liu spent it all quickly: all the money was spent on improving the firm’s warehousing and distribution network. Liu has excelled in befriending his enemy’s (Alibaba) enemies. In 2014 it sold a 15% stake to Alibaba’s archrival Tencent. The deal came months ahead of its listing in NASDAQ. In 2016 it also formed an alliance with Wal-Mart by taking over the American giant’s China e-commerce unit.

By August 2016, JD.com’s market value stood at $37.5 billion. It is one of the biggest internet firms in China behind the BAT trio. As for Liu’s love life, in 2016 he married Zhang Zetian, an internet celebrity who is 19 years younger than him.
China’s Tycoons

Zhou Hongyi

Qihoo 360 Technology

After graduating from Xi’an Jiaotong University, Zhou Hongyi joined Chinese technology conglomerate Founder Group. He eventually became deputy director of R&D.

Getting started
In 1998, Zhou started his own website, 3721 (which is a shortened version of a Chinese proverb that sounds phonetically like “regardless of the consequences”). It allowed netizens to use the internet in Chinese – so for example, if someone wanted to go to Sina.com, but they didn’t know the URL in English, they could just type “Sina” in Chinese on 3721.

By 2000, the company had received more than $2 million of venture capital. It survived the dotcom crash and started making money. It soon grabbed the attention of Yahoo, which at the time was struggling in China. The US search giant subsequently bought 3721 for $120 million, and a year later Zhou became the president of Yahoo China.

Setback
Under his leadership, Yahoo China became profitable for the first time in 2004, making $10 million of profit from $40 million of revenue. But at the same time, the Chinese search market was heating up: Baidu was strengthened by an IPO in the US and Google started local operations. Zhou found it increasingly difficult to maintain profits, and in August 2005 he resigned, becoming a partner in a venture capital company.

Big break
In 2006, Zhou became the chairman of Qihoo Technology, a security software provider. Its main product, 360, is China’s most widely used anti-virus software. Qihoo completed a NASDAQ listing in March 2011.

Qihoo has maintained healthy profit growth since its New York listing. However, like many US-listed Chinese tech firms, it has also become the target of short sellers (who typically marry their trading activity with damaging reports by mysterious research houses). For instance, in 2012 it had to battle Citron Research which had published negative reports on Qihoo’s accounting policies, with Qihoo’s management countering the research contained “misleading speculations”.

Qihoo is now in the process of delisting its shares from the US in a $9.3 billion deal. If successful, it is likely to refloat its stocks in China.

Need to know
Qihoo in 2010 got into a highly public spat with the provider of China’s most popular online message service, Tencent. Qihoo claimed that Tencent’s software, QQ, was scanning and leaking the personal data of its users. Tencent responded by blocking access to QQ for users of 360, while Qihoo reacted by blocking QQ access through its own software. They eventually resolved their differences.

Key info
Zhou was worth Rmb10 billion according to the 2015 Hurun Rich List.

Year born
1970
Chen Yizhou

Renren

Born in 1969, in Wuchang, Hubei province, Chen Yizhou’s talents took him first to university in Wuhan to study physics, then to the University of Delaware, before he ended up studying engineering at MIT.

Anything but a dropout
His first job was at Altec Industries, a US service provider to the power and construction industries, heading their North Asia operations. But Chen clearly has a thing for higher education: he quit to study for an MBA at Stanford. It was at Stanford that Chen met his future business partners, two Chinese engineering students with an interest in the internet. In 1999, all three returned to China to set up ChinaRen, a virtual community offering games, emailing and blogging services.

Growth
The start-up targeted university students and by the following year had more than a million registered users. Despite the initial success, ChinaRen was not immune to the dotcom crash. Luckily, the site was considered worth buying, by Sohu for approximately $30 million. Chen joined the acquirer as a senior vice president, but left in 2001.

Chen’s next project was China InterActive, another online venture offering information on popular online games such as World of Warcraft. It then started to gravitate towards social networking sites. buying established players such as xiaonei.com, which by late 2007 boasted a network containing more than 18 million university students from 2,200 universities.

Big break
In 2008 Chen’s venture obtained financing from foreign investors including Japan’s Softbank. Chen then set about creating a new site kaixin.com. A year later he rebranded kaixin.com and xiaonei.com into Renren. Positioning itself as China’s answer to Facebook, Renren went public on NASDAQ in 2011. At one point its market cap was worth more than $4 billion.

The rise of Sina Weibo and WeChat, China’s answers to Twitter and WhatsApp respectively but both offering more interactive features, have become China’s most popular social media apps in the smartphone era. Renren’s web-base service has gradually lost its appeal.

Need to know
As of August 2016, Renren’s market value has fallen nearly 90% from its peak. But don’t write off Chen too soon. He remains a respected figure among younger tech bosses in China. The company has repositioned itself as a venture capital firm investing in promising start-ups. As angel investment goes, one successful deal might be able to revive the fortunes of Chen and Renren.
China’s Tycoons

Yu Yu

Dangdang

Getting started
Born in Chongqing in 1965, Yu Yu moved to Beijing at an early age. After graduating with an English degree from the Beijing Foreign Languages Institute, she went to the US. By 1992, she had earned an MBA from New York University and a year later she launched her own financial consultancy. Her time in the US came to an end when she met Li Guoqing, her future husband and business partner. They married, and in 1998, Li moved back to China.

Growth
Yu started to help Li run his publishing company, and although she had no experience of the internet business, she decided that the company would do better as a website, Dangdang.

With around 50 online bookstores in China in the late nineties, it was a crowded space. But Dangdang managed to get $6 million worth of seed capital. Although some of its competitors got more cash from investors, Dangdang – and its competitor Joyo – emerged as the dominant players.

Dangdang’s success did not go unnoticed. In late 2003, Amazon.com expressed an interest in purchasing the company. While Yu was happy to take them on as a strategic investor, the US company’s desire for a majority stake did not gel with her plans. In the end Amazon paid $70 million for Joyo, which remains Dangdang’s largest competitor.

Big break
Dangdang quickly became a major online presence: it has surpassed established bookshops such as Sanlian Bookstore to become the country’s largest book retailer. But like Amazon, it’s also moved beyond books. That expansion requires cash and the company’s 2010 US-listing brought in $272 million.

Investors were pleased – the stock rocketed by 87% on the first day of trading – but not everyone was satisfied. Yu’s husband publicly criticised the deal’s underwriter, claiming that the US investment bank had undervalued the company.

Yu promised that the company would use the proceeds to invest in logistics infrastructure, so that parcels get to the customer quicker. Central to this plan is a platform that will allow the company to receive cash-on-delivery from customers in 1,200 domestic cities.

Need to know
Dangdang has failed to keep up with the likes of Alibaba and JD.com. Local media outlets reported that it only managed to get through 2014 with the help of government subsidies and tax rebates. The company’s share price has now fallen 80% since 2010.

In 2015, Dangdang announced that it will go back to its roots – a physical bookstore – and open 1,000 bricks-and-mortar stores in the next three years.
China’s Tycoons

Shi Yuzhu

Giant Interactive

Many tycoons in this book are fascinating rags-to-riches stories. Shi Yuzhu is unique: the self-made billionaire fell back to rags but rebounded to become one of China’s richest men again.

Getting started
Shi was born in Anhui province in 1962 and graduated from Zhejiang University with a degree in mathematics. He became a civil servant but then decamped to Shenzhen in 1989 to complete a master’s degree in software.

Rags-to-riches, then rags again
He made his first Rmb1 million selling software he’d developed, and formed the Giant Group, which is named after IBM’s nickname in China (“the Blue Giant”).

He then diversified into health-related goods, and his Nao Huang Jin (Brain Gold) vitamin product became a bestseller, making Shi a billionaire. However, over-investment in property – he attempted to build Giant Building, the tallest skyscraper of China – soon saw him in trouble. As the Asian financial crisis struck in 1997, his company was left with Rmb250 million of debt and a half-completed Giant Building. At one point Shi had to wear sunglasses wherever he went to avoid his creditors from recognising him.

Big break
But Shi was determined to bounce back stronger. In 1998 he borrowed Rmb500,000 from friends – and introduced another product line called Brain Platinum. With some clever marketing, Brain Platinum became one of China’s bestselling healthcare products. By 2001, Shi had repaid all his debts.

In 2006 Shi moved into online gaming. Giant was late to the party, but saw an opportunity to focus on second- and third-tier cities and the countryside, and marketed his own games heavily in internet cafes. The strategy proved to be successful. That’s why Shi likes to go by the title ‘Chief Gaming Officer’ and spends hours every night playing Giant’s own online game (as well as collecting player feedback).

He listed the gaming unit, Giant Interactive, in New York in 2007. The $887 million IPO was (at the time) the largest ever in the US by a Chinese private sector company.

In 2013 Shi led the way again with a $2.8 billion buyout offer for Giant Interactive, becoming one of the earliest Chinese firms to delist from an American bourse. In early 2016 Shi proposed to relist his gaming business in Shenzhen via a backdoor listing. As of August 2016, the company was worth $12.6 billion, or 4.5 times higher that Giant Interactive’s valuation as a New York-listed firm.

Need to know
Shi himself has been an active investor in the A-share market. According to Xinhua since 2011 he has been snapping shares in China Minsheng and over 13 months he made a profit of more than Rmb6 billion.

Wealth
Shi is ranked 33rd on the 2015 Hurun Rich List with a net worth of Rmb38 billion.

Year born
1962
China's Tycoons

Chen Tianqiao

Chen Tianqiao graduated from Shanghai’s elite Fudan University in 1995. It wasn’t long until he decided to strike out on his own. In 1999, when he was just 26 years-old, he co-founded Shanda Interactive Entertainment with his younger brother, using Rmb500,000 of savings that mostly came from stock investments. It had four divisions: animation, comics, games and peripherals. A couple of years later, only the online gaming section survived.

Big Break
Shanda’s first major success came when it acquired the distribution rights for *The Legend of Mir 2*, an online game originally developed by Korean firm Actoz. The game was extremely popular – attracting a (then) record 600,000 simultaneous users in its first year. As a result, Shanda made a return on its investment within just a few months after the game’s launch.

In 2003, Shanda launched its own game, *The World of Legend*. Once again the game was a success, but it drew unwanted attention when Actoz initiated a copyright infringement lawsuit against Shanda. The case was eventually settled: Shanda acquired a 29% stake in Actoz.

Growth
Shanda Interactive completed a NASDAQ IPO in 2004. The company’s range of online games by now included time-consuming massively-multiplayer online role-playing games as well as more casual games.

As the games market became more competitive, Chen started to diversify his company out of its core business. In 2008, he formed Shanda Literature, integrating the online literature assets that it had acquired in the years before. Next he purchased a majority stake in Huray! Holdings, a Chinese provider of music and music-related products like ringtones and mobile devices. He then set up a joint venture with Hunan TV to produce online movies and TV series. With these deals under his belt, Shanda has become firmly established as a diversified interactive media company.

Need to know
Local media dubbed Chen as China’s answer to Bill Gates as he briefly topped the country’s rich list in 2005. However, Shanda’s development has been lagging behind the likes of Tencent. In 2013 he took Shanda private in a $2.3 billion deal that aimed to relist the company in China.

Like many other Chinese internet tycoons, Chen has since reinvented himself as a venture capitalist. But rather than focusing on tech start-ups in China, Chen’s investment portfolio has also developed an appetite for undervalued US stocks. For instance, regulatory filings have shown that he has accumulated an 11% stake in Lending Club, a major peer-to-peer lending firm.

The 2015 Hurun Rich List put Chen’s net worth at Rmb19 billion.

Key info

He was China’s richest man in 2005.

Year born 1973
Wang Xing

Meituan-Dianping

The 2013 version of this publication predicted that Wang was a Chinese internet tycoon ‘in the making’. That came true in 2015 when his start-up managed to pull together the investment of both Tencent and Alibaba.

Getting started
Born in Fujian in 1979, at the dawn of China’s reform era, serial-entrepreneur Wang Xing was educated at Beijing’s Tsinghua University where he studied electrical engineering. In 2001, he flew to the US to start a doctorate at Delaware University. But he soon dropped out and returned to China to start his first venture.

First try
In 2004 Wang launched social networking site youdodo.com. He seemed to be on to something – around the same time, Mark Zuckerberg was establishing Facebook. But the site was not a success. At the same time, Wang had another business called youzitu.com, a website that helped Chinese students studying overseas share their digital photos with friends and relatives by printing them out and sending them home. This business also failed.

Can’t stop starting
Wang didn’t give up and in 2005 he launched xiaonei.com. This site focused on students studying at Chinese universities. When the site then started to expand rapidly, Wang didn’t have the capital to fund the pace of growth. So Xiaonei.com was sold to another Chinese businessman, Chen Yizhou, for $2 million. Chen subsequently rebranded the network as renren.com, and eventually listed it (the IPO valued it at several billion dollars).

Wang’s other start-ups include fanfou.com, a microblogging site that went online just months after Twitter started in the US. It was closed down after failing to grow fast enough. Another social network site, hainei.com, targeted white collar workers, but was not able to compete with rivals offering online games on their platforms.

Success at last
Undeterred, in 2015 he founded group purchasing site Meituan. The online-to-offline start-up began as a local version of group purchasing giant Groupon but then moved into the fast growing meal delivery business. Meituan then attracted investment from Alibaba. In 2015 Meituan combined with the Tencent-backed rival Dianping. Meituan-Dianping reportedly has over 80% of the food delivery market. A fundraising round in 2016 has valued the company at $16 billion. Hurun’s 2015 China Rich List believes Wang to be worth around Rmb6 billion.

In his own words
“My patience is a bit longer than most founders, that’s something I’ve gotten from years of start-up experience”
China's Tycoons

Victor Koo
Youku-Tudou

Born in 1966, Hong Kong-native Victor Koo received his higher education in the US, graduating first from the University of California at Berkeley, followed by an MBA from Stanford Business School.

In 1999, after working five years at a venture capital company in Beijing, he became the CFO of Chinese search engine company Sohu. He stayed until 2005, eventually assuming the role of president.

Getting started
In 2006, Koo launched his own venture, Youku, an online video site. Unlike YouTube, which focuses on user-generated content, Youku tilts more towards licenced media, mostly from China, Hong Kong and Taiwan.

By showing television shows a day after they were first broadcast, Koo created something akin to an online TV channel. That said, Youku users could still post their own videos, and receive a cash reward if they proved popular.

Big break
The site shows high profile content. In 2010, it worked with CCTV to screen an online version of its annual Lunar New Year Gala, and it later bought the rights from the state broadcaster to show matches from football’s World Cup. It also shows big Hollywood films, like Inception, on a pay-per-view basis (the Rmb15 fee is about the same price as a pirated DVD).

Koo joined China’s tycoon club in December 2010 when Youku went public in New York. Rocketing 161% on the first day of trading, shares in the company had more than tripled in value by the next day’s close. This was the second-largest debut trading rise for a US IPO in the last decade.

Koo thought that the key to profitability was to increase advertising revenues, and he saw scope to boost sales. Youku currently shows just one minute of advertising per hour, compared to the 12 minutes shown by standard Chinese television stations. So Koo remains confident that his company is on the road to profitability.

Takeover and taken over
In early 2012 Youku successfully took over its biggest rival, Tudou in a deal valued at $1.1 billion. The merged entity became China’s biggest online video provider. In 2015, Koo said yes to a $4 billion buyout offer from Alibaba.

Now a billionaire, Koo remains the boss of Youku-Tudou. What is driving him on? Alibaba will combine its own entertainment and movie business with Youku-Tudou, with a plan to list the new firm in the A-share market in three years time. If successful, Koo will get richer still.

Key info
Youku-Tudou was acquired by Alibaba for $4 billion in 2015.

Year born
1966
China's Tycoons

Chen Ou

Jumei International

“Strive for our dreams, live a wonderful life and be ourselves. I’m Leo Chen. I’d like to represent myself.”

That was how Chen Ou concluded a TV ad in 2012. The minute-and-a-half monologue turned out to be a marketing miracle. What seemed to be self-promotion helped to turn his firm into China’s leading online seller of beauty products, including brands like Calvin Klein, Estee Lauder and Elizabeth Arden. It also led to Chen becoming one of China’s youngest billionaires.

Getting started

Born in Sichuan in 1983, Chen got a scholarship aged 16 to study computer engineering in Singapore. Before graduation in 2005 he co-founded internet game firm Garena. In 2009 – aged just 26 – he then became the youngest Stanford MBA graduate from China.

Afterwards Chen and two classmates started another venture, Reemake, that ran ad spots in online games. But it struggled to make money and Chen switched tack, restructuring it into a group-purchasing website for cosmetics. It subsequently became Jumei in 2010, growing into more of a B2C platform for cosmetics and concentrating on better-known brands.

Big break

Jumei battled with more established rivals such as VIPshop and Chen began appearing on reality TV shows about young entrepreneurs to win attention. He also networked furiously, persuading Xiaomi’s charismatic chairman Lei Jun to become one of his mentors.

Chen’s efforts helped raise his profile and venture capital firm Sequoia Capital made a $9.5 million investment. Then came the highly successful “I am Chen Ou” campaign in 2012. In a month Chen’s weibo following climbed 50% to 1.5 million fans, while Jumei’s online traffic more than tripled.

Chen said later that the 99-second ad was worth hundreds of millions in advertising spending. But he also said he is aware of the dangers of being high-profile.

Need to know

Jumei went public in New York in 2013. Detractors were soon claiming that he owed his success to his family connections. But he hit back on his weibo. “Since I was a kid I would be beaten up by my father if I didn’t come first in exams,” he claimed. “I didn’t use a penny from my family as I got a full scholarship to study abroad. My father doesn’t know a thing about the internet but I wouldn’t be myself today without him. My character is the biggest fortune he has given me.”

At one point Jumei’s market capitalisation reached $4 billion. It has since fallen to around $850 million. Chen is now planning to take Jumei private and relist the company in China.

Key info

Chen was worth Rmb5.5 billion in 2015 according to Hurun’s China Rich List.

Year born

1983
China’s Tycoons

Fu Sheng

Cheetah Mobile

China’s internet heavyweights are building their business empires by acquiring promising start-ups. To do so, they are looking for promising young entrepreneurs to become part of their inner circles. Fu Sheng, the young CEO of Cheetah Mobile, is one of the young tycoons who thrives by “standing on the giant’s shoulders,” reckons Caijing magazine.

**Getting started**
Born in 1978 in Jiangxi province, Fu studied economics at the Shandong Institute of Business and Technology. He could find only one computer in his faculty, but he taught himself how to use it. Still, the lowly reputation of his college prevented him from getting a dream job after graduation. That changed in 2002 when he joined software firm 3721 and met Zhou Hongyi, who later founded Qihoo 360, bringing Fu along with him as its product manager.

Fu helped to develop Qihoo 360’s Safeguard into one of China’s most popular pieces of anti-virus software. But he later fell out with Zhou and left Qihoo to join venture capital firm Matrix China in 2008. A year later he changed career path again, founding his own software firm Conew Image so as to compete with his former colleague Zhou.

**Big break**
Zhou has made few friends among tech tycoons due to his readiness to confront his rivals (Qihoo has had legal tussle with Tencent, and an ugly battle with Baidu). So becoming the enemy’s enemy has been a good way for Fu to forge allies. When he met Xiaomi’s CEO Lei Jun – who also founded Kingsoft Security, with Tencent’s CEO Ma Huateng as a co-investor – Lei invested in Conew. In 2010 Conew merged with Kingsoft Security and became Cheetah.

Cheetah has since grown into a leading player in internet and mobile phone security applications. As of August 2016, it had a market capitalisation of $1.9 billion – having gone public in New York in May – making Fu (owning 8%) one of the richest internet tycoons under 40.

**Need to know**
Fu is a big fan of trendy American tech products and he made headlines back home when he wore a pair of Google Glass spectacles while banging the opening bell on Cheetah’s trading debut.

He was also one of the first people in China to buy a Tesla Model S. He wrote a weibo post in July talking about his driving experience in the electric car. And it began with a thank you to Lei Jun...
Most Chinese internet firms face a common problem known as the ‘Tencent ceiling’ – or more specifically, the question of what to do if Tencent comes onto their turf and offers them direct competition.

This is a riddle Renren – once hyped as China’s Facebook – failed to solve. The NASDAQ-listed firm began to lose its appeal after Tencent launched its networking and messaging app WeChat. Since 2011 it has lost 90% of its market value. But Zhou Yahui, a former Renren staffer, found a way to burst through the Tencent ceiling. And he is now being dubbed ‘China’s richest man under 40’.

**Getting started**

Zhou was born in 1977 in the scenic city of Lijiang in Yunnan, the son of junior government officials. In 1999 he was admitted to the postgraduate school at Tsinghua University, although he decided to suspend his studies as part of a trial scheme that saw the university grant seed capital to some of its students.

With a grant of Rmb500,000, Zhou created a website that claimed to be China’s biggest provider of original online comics. The business survived for four years (the other 19 start-ups funded by Tsinghua all failed too).

In 2004 Zhou returned to Tsinghua to finish his studies. But a year later he left to join Renren, learning how to run an internet firm from his new boss Chen Yizhou.

In 2008 Zhou moved again, leaving Renren to establish Kunlun Tech, his second start-up.

**Big break**

Kunlun initially distributed online games in China, specialising in free, browser-based role-playing games. “I also had to face the Tencent ceiling,” Zhou later recalled, given Tencent’s dominance in online gaming. With Tencent focused on the Chinese market, Zhou looked for less contested turf in other Asian countries. The company started exporting titles to portals in Japan and Korea and Southeast Asia.

“In China we can never defeat Tencent,” Zhou told Sina Tech. “But it took four years for us to be the second largest web-based gaming firm in Korea, and the biggest in Japan.”

Kunlun went public on Shenzhen’s ChiNext stock market in January 2015. The company has partnered with the likes of Rovia, makers of the *Angry Birds* series, and Supercell, which makes *Clash of Clans* (though in the latter case, Tencent has now bought the Finnish firm, which may complicate that relationship).

**Need to know**

“Chen Yizhou is always my master,” Zhou claims of his former boss. In fact, Zhou has followed Chen’s example and has himself become an active investor in other internet start-ups. His profile was raised too when in March Kunlun acquired a 60% stake in Grindr, valuing the world’s most popular gay dating app at $155 million.
Walt Disney began as a cartoonist in 1923 by producing a series known as the *Alice Comedies* (remakes of *Alice in Wonderland*). The company he founded would go on to become one of the world’s biggest merchandisers of toy products. In Guangdong a toymaker is now striving to become China’s answer to Disney.

**Getting started**

Cai Dongqing was born in 1969 in Guangdong’s Shantou. As the eldest son of a farmer, Cai didn’t even have the chance to enter high school. He worked as an apprentice at a local factory, and in 1986 he set up a plant making small plastic instruments for kids. His first start-up was a disaster and Cai was soon forced to work in a factory. Before long he came up with a new venture: making toy trumpets. This time Cai was able to accumulate enough money from the toy sales to fund his next big idea.

A trip to Hong Kong in 1992 inspired him to make mini 4WD (four-wheel drive) toy vehicles. He founded Alpha Toy and co-hosted a mini 4WD tournament for kids with a Guangdong broadcaster. In 1995 he duplicated the formula, on a bigger scale. This time he organised a national tournament and more than 600,000 youngsters from 28 cities took part. It greatly popularised his firm’s toy products and the company was able to build up a nationwide network.

**Big break**

In 1996 Cai’s Alpha brought to China a Japanese cartoon series about 4WD racing. The programme was well received by young audiences. Cai began to incorporate cartoon entertainment and bring over more animation series as well as branded toys from Japan.

In 2004, Cai renamed his company Alpha Entertainment. Two years later it produced its first TV franchise, a cartoon series about the adventures of yo-yo-playing youngsters (he used it to help sales of a yo-yo product he’d imported from Japan). Alpha’s animation business began to take off just as Beijing began to encourage Chinese firms to develop their own cultural businesses. Alpha Entertainment went public in 2009 on Shenzhen’s small- and medium-sized enterprise board. The company was valued at less than Rmb5 billion at the time. As of August, its market value had exceeded Rmb37 billion. According to CBN’s rich list, Cai has a net worth of Rmb22 billion.

**In his own words**

“I want every kid in the world to be able to see Alpha’s cartoons, and spread the Chinese culture to every corner of the world,” Cai once said of his goals.
Born to a military family in Beijing in 1960, Wang Zhongjun followed the family tradition by enlisting at the age of 16. After leaving the army, he worked for a few years as an art designer and photographer, and then as an advertising manager.

**Big Break**

In 1989, Wang flew to the US to attend university – first studying media at the University of Michigan, followed by a master’s degree from State University of New York. While studying, he worked part-time – and by the time he returned to China in 1994, he had saved $100,000, mostly from delivering food. He used this money to set up Huayi Brothers Advertising Company with his brother, Wang Zhonglei.

Wang got into making movies via television. In 1998, he met a friend who told him about the TV business. Wang quickly invested in a TV drama and subsequently doubled his money. He then invested in three feature films, but only one made a profit.

**Growth**

His luck changed when he met director Feng Xiaogang. In 2000, after working together on *A Sigh*, Wang and Feng decided to cooperate over the long term. At the same time Huayi Brothers and Taihe Film Investment Company was established, with Wang acquiring Feng’s studio for Rmb600,000.

With Feng at the creative helm, Huayi went on to have a series of hits – such as *Sorry Baby*, *Big Shot’s Funeral* and *Assembly*. Its blockbuster, *Aftershock*, was selected as the Chinese entry for the Best Foreign Language Film category at the 2011 Academy Awards.

**Need to know**

In 2009, Huayi Brothers became one of the first companies to list on the Growth Enterprise Board in Shenzhen, raising Rmb620 million. It has been one of the best performing stocks on the ChiNext. As of August 2016 Huayi Brothers’ market value stood at Rmb36 billion.

Wang’s ambition is to become China’s Time Warner, as well as its Walt Disney – the idea is that Huayi will not be just a film and TV company, but a broader media and entertainment enterprise.

**And to relax**

Wang has the typical pastimes of a movie mogul – such as tasting fine cigars and collecting contemporary art. And others not so typical: “I still have a niche hobby, planting trees! I have now planted more than 500, mostly ancient and rare species.”

The Wang brothers have been smashing records at both the Chinese box office and in art auctions. A piece of Song Dynasty calligraphy, for example, was acquired by Wang for a record Rmb207 million in 2016.
China’s Tycoons

Wang Changtian

Enlight Media

TIME magazine was co-founded in 1922 by Henry Luce, who worked as a journalist before launching his media business with his former Yale classmate Briton Haddon. The venture would later merge with Warner Communications to create the entertainment giant Time Warner.

The early career path of Enlight Media’s Wang Changtian evokes similarities with that of Luce (who was born in China’s Shandong province). Wang will be hoping that his own firm can build a global reputation too.

Getting started
Wang was born in 1965 to a rural family in Dalian in Liaoning province. As one of the best performers in the 1984 gaokao (China’s college entrance exam), he enrolled at Fudan University in Shanghai to study journalism. In 1988 he was given a position at the news bureau for the National People’s Congress and in 1990 he became a financial journalist at a state-run newspaper. But Wang says he’d always been fixated on another goal: a mission to entertain.

The stage was set in 1995 when he joined Beijing Television as a producer. Wang founded Enlight Media in 1998 as the central authorities began loosening the rules for privately-held firms to provide content for state-run television. After making a number of popular shows, Enlight went into the movie industry too, partnering with state firms to distribute and co-invest in local films.

Big Break
Enlight Media went public in Shenzhen in 2011. But it was not until 2013 with the release of *Lost in Thailand* that it started to earn international recognition. Casting no major celebrities, the movie cost Rmb30 million to produce but ended up surpassing Rmb1 billion at the box office. It also validated Enlight’s strategy of betting on up-and-coming directors like Xu Zheng (the actor-director of *Lost in Thailand*) and Vicki Zhao (the starlet turned first time director for *So Young*) for action and romance films.

“Some of the older directors are not very creative and their attitude toward filmmaking is outdated, so I don’t like to work with them,” Wang told *The Entrepreneur*.

Need to know
Wang has made no secret of his international ambitions, including plans for Hollywood expansion. The internet giant Alibaba paid $384 million for an 8.8% stake in Enlight in March 2015, valuing Wang’s company at $4.3 billion. As part of the deal, Enlight would invest in five films produced by Alibaba’s entertainment unit Alibaba Pictures.

Enlight’s market capitalisation stood at $5 billion as of August 2016. The Forbes 2016 World Billionaire List estimates Wang’s net worth at $2.4 billion.

**Key info**
The Forbes 2016 World Billionaire List estimates Wang’s net worth at $2.4 billion.

**Year born**
1965
China's Tycoons

Jia Yueting
LeEco

When a record share price made Apple the most valuable company of all time last year, it was unthinkable for Foxconn to contemplate life beyond the US giant.

But Jia Yueting needed just five minutes to convince Foxconn boss Terry Gou that he should be doing just that.

Getting started
Born in 1973, Jia’s first job after university was at a tax bureau in Shanxi. He left a year later and joined one of the many coal mining firms in the inland province. In 2002 he switched tack, launching his own business selling telecoms equipment to state-owned firms. That venture would later become Sinotel Technologies, which went public in Singapore five years later.

Big break
Jia founded LeTV in 2003. With 500 or so YouTube copycats already crowding the market, LeTV instead adopted the subscription model used by US firm, Hulu. Jia focused on copyrighted material and domestic TV series. This meant LeTV was an early adopter of copyrighted content, which has since become an industry norm. LeTV’s business grew quickly and it floated its online unit Leshi Internet in 2010. The company soon began to produce its own TV content too.

Big break two
The Foxconn deal came about in June 2012, when Jia attended an event at which Terry Gou was guest of honour. When Jia asked for a meeting with the Foxconn chairman, Gou gave him five minutes before dinner. Jia grabbed the chance to wax lyrical about how Foxconn could beat Samsung with LeTV’s “complete ecological model”, linking electronic gadgets and their content to interactive TV. Gou’s interest was piqued and Jia ended up spending an entire week at Foxconn’s headquarters negotiating a strategic partnership.

Since then Jia has expanded his business interests into making TV sets and smartphones. In 2016 he rebranded his booming business empire as LeEco. Its new smartphone model Le2 has presale orders of 20 million, according to China Business Journal, and it could become “the best selling smartphone of 2016”.

Need to know
Many tip LeEco to be the biggest challenger to the BAT trio. But Jia’s stellar rise has not been without a few bumps. Jia went missing for nearly five months in 2014, fuelling speculation that he had been caught in the crossfire of a Beijing power struggle.

Jia reappeared, reporting that he was away from China undergoing an operation, as well as hammering out the details on foreign deals, including Faraday Future, a US-based electric car maker he bought.

In his own words
“Apple is outdated and losing momentum in China... Apple’s iPhone SE, from an industry insider’s perspective, is a product with a very low level of technology.”
China’s Tycoons

Lu Feng
Wind Information

Bloomberg by Bloomberg is a business bible as far as Wind Information’s founder Lu Feng is concerned. He made Michael Bloomberg’s biography essential reading for all his managerial staff, and grew Wind into China’s answer to the American media and software giant.

Getting started
Lu was born to a rural family in Hubei. He graduated with a computer science degree from Shaanxi University of Science and Technology in 1992 and was allocated a job at a textile industry bureau. He quit after three days, complaining that “there are no computers”.

Following Deng Xiaoping’s 1992 Southern Tour, Lu went to Shenzhen to look for work but ended up empty-handed. He then turned to Shanghai for opportunities, where he was inspired by a trip to the stock exchange. Outside there were brisk sales in data sheets about listed firms. The information wasn’t sold cheaply at Rmb10 per A4 sheet.

Lu rented two old computers, hired a few typists and started selling digitalised financial information via modems and CD-ROMs. The start-up would go on to become today’s Wind.

In its early stages Wind mostly provided customised reports for brokerages. Enraged by broking houses that treated him like a “factory worker”, Lu made a pilgrimage to Bloomberg’s New York office in the late 1990s. After that he decided to transform Wind into China’s equivalent: selling terminals to institutional clients.

Big break
Demand for financial data, as well as for Wind’s terminals took off with major financial reforms in 2005. More than 90% of Chinese financial firms are now using Wind’s services. Three quarters of the Qualified Foreign Institutional Investors permitted to buy Chinese equities, are also captive clients.

Hurun put Lu’s net worth at Rmb6.5 billion in 2015 although the figure may well rise once Wind decides to go public. Its less influential rival Shanghai Great Wisdom (another provider which tried to adopt Bloomberg’s model but ended up being sued by the American firm for copyright infringement) is now trading on a market capitalisation of Rmb16 billion.

So far – and unlike Bloomberg – Lu’s business has concentrated on market research and data rather than trying to break news.

But its main domestic competitor has already made the foray into news. Shanghai Great Wisdom now owns newswire service AAStocks.com. Wind is yet to make a similar move.

Need to know
Employees have complained that Lu keeps “a stone face for 80% of the year”. But according to Lu, this is also modelled on Michael Bloomberg as “an angry boss stops staff from getting lazy”.

Key info
Wind has more than 90% of China’s financial data market.

His business bible is Bloomberg by Bloomberg

Internet and Media

Photo Source: Imagine China

Week in China

His business bible is Bloomberg by Bloomberg

Internet and Media

Photo Source: Imagine China

Year born
Not known
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.”

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**China Oceanwide**

He is the key investor behind Minsheng Bank and Legend Holdings

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Key info
Hurun’s China Rich List ranked Lu as China’s 8th richest man in 2015 with a net worth of Rmb83 billion.
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…

Key info
Fosun’s M&A deals since 2010 have totalled $15 billion.

Year born
1967
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, a software firm established around the same time as Lenovo.

Key info
He is the brother of Duan Yongji, the founder of Sitong, a software firm established around the same time as Lenovo.

Year born
1961
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’d 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 Rmb8.5 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.

He invested in BYD 13 years earlier than Warren Buffett
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.

Year born

1965
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.

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**Investment**

He has invested in – and held onto – Tencent’s shares since 2005

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**Key info**

Huron’s China Rich List put his net worth in 2015 at Rmb17 billion.
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 yoghurt 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 Nowadays 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.

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*Key info*
Hurun’s China Rich List put his net worth in 2015 at Rmb5 billion.

*Year born*
1960

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*Photo Source: Imagine China*
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.

He became Fujian’s richest man during the era when Xi Jinping was a senior official in the coastal province.

**Key info**
- Chen was worth RMB27.5 billion in 2015 according to Hurun’s China Rich List.
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 (US$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

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China’s Tycoons

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 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 Septwolfs. 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 Rmb9.7 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.
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 look out 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 Rmb10 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.”

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

Li Shuirong was a significant player in the textile industry, starting with a simple fabric business and expanding to a wide range of industries. He proved that with a strong heart and a focus on building relationships, business can succeed even in highly competitive markets.
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.
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-Elysees, 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 Xiaojiao, 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 Xiaojiao, 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.”

Zhou is one of Jiangsu’s richest men

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

*Tibet Xinneng Investment*

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 Xinneng 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 Xinneng’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.
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.”

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**Key info**

Anbang Insurance is planning to go public in Hong Kong.

- **Year born**: 1966
China’s Tycoons

Yao Zhenhua
Baoneng Group

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.

Key info
New Fortune magazine says he is worth Rmb20 billion.

Year born
1970
Getting started
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.

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.
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.

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.

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.

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.
Shen Wenrong was born to a rural family in Jiangsu’s Lianyungang in 1946. He left the farm to work in a state-owned textile factory – quickly moving up from manual labour to management.

Getting started
In the early 1990s Shen took over the factory and began to expand its business. His first decision: he built a blast furnace because the factory needed steel.

With the new furnace up and running, Shen started to make steel window frames in anticipation of a building boom. He was right, and he became a major player in this niche section of the market.

Growth
Shen started buying up nearby steel mills, but the local supply wasn’t enough and so he looked overseas. He first bought a small mill in England. And then, in 2001, he launched the deal that made him famous in Germany – the purchase of the ThyssenKrupp steel mill in Dortmund.

German media referred to the deal as the ”ultimate Chinese takeaway”, and for good reason. Shen went about dismantling the plant and shipping all 250,000 tonnes of it to Zhangjiagang in Jiangsu province, near Shanghai. He paid just $24 million for the lossmaking mill, and another $12 million for the transportation, but a whopping $1.2 billion for its reconstruction. In the end, the new plant doubled his steel output for just 60% of the cost of building a new plant.

Need to know
Compared to many of his competitors who had borrowed money to buy expensive equipment from abroad, Shen’s second-hand plant put him in a good position to face the financial crisis. As demand for steel dried up, Chinese mills bled money – except for Shen’s, which bucked the trend.

Shen continued to expand via more acquisitions. But a new disquieting concern emerged, the national trend of guojinmintui (which can be translated as “the state advances as the private recedes”). It is a trend that became particularly prevalent in the steel industry – one company, Rizhao Steel, got into a long-running tussle with the local government in Shandong as it tried to acquire it from its reluctant owner. Shen, however, is adamant that he will survive: “If only two steel companies survive in China, I must be one of them.”

In 2012 Shen’s company, Shagang Group, went public via a backdoor IPO, by taking over a listed state-owned company and injecting its own capital into the target. Hurun’s 2015 China Rich List puts his net worth at Rmb22 billion.
BORN IN 1964 in Hebei province, Wang Yusuo took China’s university entrance exam three times. He then gave up on academia, starting a small business selling seeds and beer. In 1986 he changed direction again, selling bottled gas.

Getting started
Wang’s background selling gas gave him a network of industry contacts that proved invaluable in the early 1990s. At the time the central government was slowly deregulating the downstream gas industry. However, the domestic duopoly of CNPC and Sinopec didn’t bother to invest heavily in the industry’s last-mile segment: providing fuel gas for households.

Wang sensed a giant market would soon develop. He set up ENN (then known as Xinao), bought interests in a few small gas fields in Hebei while winning control to supply gas to the households in a new development zone in Langfang. The project was the first of its kind in Hebei province.

Big break
ENN’s business grew in Hebei and in 1999 Wang moved into gas distribution in Shandong and Liaoning. Additionally, he began building LPG filling stations for taxis and other vehicles.

Wang listed ENN in Hong Kong in 2001. With its growth fuelled by China’s urbanisation drive, ENN has since developed into one of the largest private energy firms in the country. It now provides natural gas to more than 150 cities and is building China’s first privately-run LNG receiving terminal in Zhejiang. As of August 2016, ENN’s market capitalisation stood at $6 billion, or nearly 50 times its value in 2001. According to New Fortune magazine, Wang is worth Rmb22 billion.

Need to know
In December 2011 it made a hostile $3.3 billion bid – in partnership with oil major Sinopec – for China Gas. The deal would have cemented ENN’s place as China’s biggest private gas firm. However, China Gas countered with a surprise move. It introduced Beijing Enterprises, a state firm backed by the Beijing municipal government, as a strategic shareholder. The buyout offer lapsed a year later. Instead of teaming up with ENN, Sinopec and China Gas joined forces to create a new joint venture of their own.

ENN has since expanded into other business areas including solar energy, clean coal chemical technology and even marine tourism.

Key info
ENN powers the households in 152 cities, and sold 11.3 billion cubic metres of fuel gas in 2015.

“IF ONE DAY ENN’s clean energy solutions can be accepted by people around the world, then our future will be in Europe, America and Africa”

Year born
1964
Yao Junliang

Meijin Group

Yao Junliang is yet another of China’s business tycoons who was born into an impoverished background – this time in Shanxi province in 1952. In his youth he worked as one of Mao’s “barefoot doctors”. He spent 13 years providing basic medical care at rural health clinics, and advising on hygiene and family planning in the countryside.

Getting started

Shortly before he turned 30 Yao switched tack, borrowing money to purchase two second-hand trucks. His plan was to offer the only motor transport for hire in his rural neighbourhood. For the first year, Yao and his two brothers drove day and night, transporting coking coal (which is used as a fuel in smelting iron ore in blast furnaces).

The Yao brothers became better known, and in 1983 they were offered a transport contract by a local coking plant. Yao used the deal to expand, clubbing together with other villagers to buy more trucks. With a fleet of 20 or so vehicles at his disposal, he then heard that state-owned smelters in southern China were running short of coking coal.

But road transport costs from Shanxi meant it was unprofitable to supply the south this way. So he leased railway wagons to deliver the coal instead. The venture was a success. Yao signed more supply contracts with steel mills and chemical plants. By 1988 he was transporting coking coal by train and truck to a series of clients from his operational base in Taiyuan in Shanxi.

Coal baron

In 1993, Yao diversified again, investing in a coal gasification project with the local government to provide gas to the citizens of Taiyuan.

Meijin Group today is a diversified enterprise with a presence at various points in the coal supply chain. It continues to specialise in the production and distribution of coking coal and is the biggest private manufacturer of coking coal in China, with reported resources of over two billion tonnes.

In 2007 a unit of Meijin went public in Shenzhen via a backdoor listing. As of August 2016 the company’s market value stood at Rmb34 billion. Much of his wealth is concentrated in real estate.

Going global

Meijin is also an active investor in Australia’s mining sector. In 2007 it invested in a coalmine project in Queensland’s Galilee Basin. In 2011 the company said it planned to build a multibillion dollar operation that would export up to 60 million tonnes of coal a year from 2015. However, there have been no updates on this target from the company – with analysts speculating that export activity has not reached these heady heights because of the weakness in coal prices.

Key info

Meijin Energy carried a market value of Rmb34 billion in August 2016.

Year born

1952
Li Zhaohui

Highsee Iron & Steel

Li Zhaohui is a name that couldn’t be avoided when studying the succession planning of Chinese tycoons. The fuerdai, or second generation rich, grew up in a privileged environment. Li was sent abroad to study business management at Australia’s Monash University. In 2003 he was forced to drop out: his buccaneering father Li Haicang, known as ‘Shanxi’s Steel King’, was assassinated by a business partner.

The richest young man
At 22, he inherited a multi-billion yuan business empire Highsee Iron & Steel (formerly Haixin). When Li took over, he was understandably uncertain as to whether he could cope. Initially his uncle acted as ‘regent’ alongside Highsee’s vice-chairman, and there was speculation that Li would be a figurehead. However, within a few months he’d sidelined them and emerged as the group’s taipan.

The early signs were that Li had also inherited the business acumen of his father. When the deadly virus SARS was ravaging investment sentiment across the country, Li decided to expand out of Shanxi. He inked a Rmb8 billion deal to build a steel plant in Guangxi. In 2004 Highsee also won a contract to provide all the steel for the Ningbo-Hangzhou Bridge, the longest of its type in the world.

Li Haicang was a steel tycoon through and through, but the younger Li saw opportunities in financial diversification. Both he himself and Highsee began to invest in China’s volatile stock market. For example, Li inherited a stake in Minseng Bank from his father and by 2004 he’d raised the stake to 3.1%.

According to New Fortune magazine, in the pre-crisis period Li made more than Rmb4 billion in investment gains. Together with the growth in Highsee’s market value, Li was dubbed ‘China’s richest young man’. In 2010 he married the famous actress Che Xiao.

Back down to earth
China’s steel industry entered a prolonged bear market in 2008. As bank financing also dried up, Highsee went under in 2014 and the company is now undergoing a major restructuring.

Li’s comeback?
Both Hurun and Forbes have dropped Li from their rich lists since 2014. But as a famous Chinese idiom goes, even a broken ship has three kilos of steel. Perhaps outsiders shouldn’t rule out a comeback from Li, who might be poorer but will certainly be wiser.

Meanwhile, National Business Daily has reported that Li’s sister has helped the bankrupt Highsee to restructure.

Li is the only fuerdai we have included in this book, but in future editions – as the founding tycoons retire or pass away – more heirs to the family business will appear.
Born in 1951, Zhou Furen started out as the ‘production captain’ of his hometown, Xiyang village in Liaoning province. He was an early success: local incomes doubled thanks to Zhou’s decision to focus less on farming, and more on exploiting the local abundance of magnesite ore.

**Getting started**

In 1988, Zhou set up a company that would evolve into the firm that he is most closely associated with today, the Xiyang Group. In its first year, it exported $7.2 million worth of magnesia. Zhou then decided that high-quality magnesia was the way forward.

The strategy faced setbacks. The first batch of 98%-pure magnesia sold poorly, and the remaining stock was put aside in a warehouse. But Zhou still believed in the product – so much so that by 1994, the Xiyang Group’s production capacity of high-quality magnesia was half of the world total.

**Big break**

Around the same time, foreign smelters started using high-quality magnesia. Zhou’s ability to provide supply meant that he was in the perfect position to exploit this new trend. In 1995, the group’s sales hit Rmb500 million for the first time.

In 1997, the Xiyang Group was sold to Zhou. With the magnesia market cornered, the next step was to find new industries in which to invest. The Xiyang Group’s rural origins made fertiliser an obvious choice. In 2000, Zhou established one of China’s largest compound fertiliser production bases; and in 2003, the subsidiary made Rmb300 million worth of profit.

Breaking into the steel industry became another of Zhou’s interests. In 2002, he started his own steel company in Xiyang and began buying up local mills. But in 2005, the government started restricting the construction of new large steel plants, scuppering his plans to become a domestic powerhouse.

**Meeting Kim Jong-il**

Zhou changed tack and looked overseas to iron ore businesses in Russia and North Korea. In 2008, he accompanied the former premier, Wen Jiabao on a visit to Russia, and he also met Kim Jong-il and agreed to build an iron ore facility in North Korea. But in 2012 the company openly complained that its North Korean partners demanded changes to the contract, and when they refused the plant was closed and the workers deported, resulting in a $40 million loss. (Pyongyang rebuked the accusations.)

**Need to know**

Despite being one of Liaoning province’s richest men, Zhou maintains close ties with his rural birthplace – he still has the role of Xiyang village’s Party boss. Under Zhou’s leadership Xiyang has transformed itself into one of China’s wealthiest villages.

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He’s also the Party boss of his native village

Xiyang Group

Zhou Furen

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Huang Zelan has been working the land all his life. Born to a rural family in Gannan, a mountainous area in southern Jiangxi province, he started doing farm work when he was 11.

**Getting started**

It wasn’t until 1984, when he was 29, that Huang found a better way to turn a profit from the earth. Gannan has a reputation as a tungsten hotbed and when Huang saw others making money from local mineral resources he started searching for tungsten himself, albeit in rather primitive prospecting-style.

**It’s all mine**

In 1989, Huang began to upscale his operations as the county government was starting to lease some of its mining sites. Huang promptly raised Rmb5,000 (a larger sum at the time than it sounds today) and used it to start excavating the Guantian mine.

He managed to become a successful local businessman.

**Growth**

The next step was to take on another challenge. In 1994, when the local government leased the larger Taoxikeng mine, Huang again bid for the project. His new charge was in dire straits: 100 years-old but deep in debt, and having failed to pay wages for months.

Huang borrowed from the bank, laid off staff (streamlining the workforce from 18 departments down to two) and began to invest in new equipment. In 1996 he rented the county’s metallurgical and chemical plant (he subsequently bought it in 1999) allowing him to process more of the raw materials that his firm was digging up. This meant he could produce value-added alloy and carbide products, which he now exports to more than 20 countries.

**Need to know**

In 2000, Huang established Chongyi Zhangyuan Tungsten Products. A year later it was transformed into a private enterprise that integrated the entire production process – from mining, through smelting and on to the sale of the finished product.

In 2010, the company went public in Shenzhen. In the following year its market value surged past Rmb20 billion. That helped cement Huang’s reputation as ‘Jiangxi’s richest man’ thanks to his more than 80% stake in his mining firm. However, Zhangyuan Tungsten’s share price has dropped about 50% from its peak. Hurun’s 2015 China Rich List put his net worth at Rmb12 billion.
Sun Guangxin, chairman of Guanghui Industry Investment and dubbed “Xinjiang’s richest man”, has a few things in common with Rabiya Kadeer, previously thought to be the wealthiest woman in Xinjiang.

Both rose from humble origins, riding on Beijing’s efforts to modernise the area. Both have tamed parts of Xinjiang’s rough geography into massive property portfolios. But the big difference is that Kadeer, a former legislator and erstwhile exemplar of China’s multi-ethnic harmony, is in exile. Sun has proven far better at cultivating his political connections.

**Getting started**

Sun was born in 1962 in Urumqi, where his Shandong-native father was working as a cobbler. He joined the People’s Liberation Army straight out of school but left before he was 30, starting his own business in 1989. According to James Millward’s *Eurasian Crossroads: A History of Xinjiang*, Sun’s seed money included a $400 demobilisation reimbursement and reportedly a $50,000 loan secured via a Japanese cotton deal.

**Big break**

Sun’s first success, like Kadeer’s, was setting up restaurants. But he got his next big idea at the dining tables of his eateries. Many of his high-rolling customers were oilmen and officials, and Sun began to develop contacts in an oil industry that would become Xinjiang’s economic driving force. He started trading oil exploration equipment as well as parts and by 1992 his 17-person firm accounted for one sixth of Xinjiang’s oil equipment trades.

Sun expanded into real estate in 1993, building some of the tallest buildings in Urumqi. His company Guanghui remains the biggest developer in Xinjiang as well as the biggest privately-controlled energy firm, with upstream assets in natural gas and oil exploration.

**Need to know**

As Sun’s enterprises grew, he employed many former senior army officers within his company’s ranks. Within the firm there is a Communist Party organisation and initially he let other Party members enjoy positions senior to his own (Sun only became the Party secretary at the company in 2011).

As of 2015 Guanghui had an asset size of Rmb165 billion, hiring more than 80,000 staff. New Fortune magazine says Sun is worth Rmb26 billion – though his personal fortune would be much bigger, had he not distributed a 25% stake of Guanghui’s Shanghai-listed unit to other senior management.

**And to relax**

Sun stays fit by playing basketball and is the sponsor of the Xinjiang basketball club the Flying Tigers. Sun once described himself as a workaholic akin to “a donkey welded to a stone grinder”.

But he also spends much of his spare time these days on calligraphy and collecting fine Chinese art.

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Sun Guangxin, chairman of Guanghui Industry Investment and dubbed “Xinjiang’s richest man”, has a few things in common with Rabiya Kadeer, previously thought to be the wealthiest woman in Xinjiang.

Both rose from humble origins, riding on Beijing’s efforts to modernise the area. Both have tamed parts of Xinjiang’s rough geography into massive property portfolios. But the big difference is that Kadeer, a former legislator and erstwhile exemplar of China’s multi-ethnic harmony, is in exile. Sun has proven far better at cultivating his political connections.

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But he also spends much of his spare time these days on calligraphy and collecting fine Chinese art.
Fuerdai means rich second generation and guanerdai refers to the children of government officials. Meanwhile there is a more powerful group of princelings known as hongerdai, whom are the offspring of China’s revolutionary leaders.

Chen Ningning belongs to the last grouping. Going by the English name of Diana, Chen is known locally as the “Steel Princess”. The nickname comes from her family ties to the steel and mining industry. But it is also said to stem from Chen’s success in cutting determined deals with her (mostly male) counterparts.

Getting started
Chen, who was born in 1971 in Beijing, is the granddaughter of Lu Tong, a former mining minister and a key official in the shaping of China’s steel industry after 1949. She obtained an MBA from the New York Institute of Technology in 1994 and worked briefly as a fund manager for a US firm. Then, at the age of 25, she founded Pioneer Metal Company (PMC) alongside her mother (Lu Tong’s daughter) in Hong Kong.

PMC went on to become one of the more successful mineral traders in Asia. At one stage it claimed to account for 10% of the iron ore imported into China. But PMC’s real skill lay in a flurry of successful pre-IPO investments, enhancing the group’s business and helping expand Chen’s fortune.

Big Break
In 1997 PMC invested in Inner Mongolia Baotou Steel Rare-Earth, becoming the steelmaker’s second biggest shareholder. It listed in Shanghai in the same year. PMC’s 10% stake was worth Rmb9.5 billion as of August 2016.

In 2002 PMC cut a similar deal with China Oriental Group which went public in Hong Kong two years later. PMC then sold its 28% stake to Lakshmi Mittal’s ArcelorMittal for $640 million in 2007 (the acquisition cost has been estimated at less than a tenth of that amount). According to Hurun’s 2015 China Rich List, the net worth of Chen and her mother was Rmb8.5 billion.

Need to know
Chen sold to Mittal after falling out with China Oriental’s controlling shareholder, and the tussle pushed her low-key profile into the spotlight, amid accusations flying between the various disputants. She emerged as one of the country’s richest female tycoons.

Chen is now becoming more active in politics. She is the honorary president of the Y.Elites Association, a think tank with a membership largely comprised of the sons and daughters of Hong Kong’s business leaders. The association, which says its mission is to “deepen Hong Kong youngsters’ understanding of China” arranges for Hong Kong locals to attend courses offered by the State Council-run China Academy of Governance.
Du Shuanghua

Rizhao Steel

Getting started
Born in 1965 in Hebei, Du Shuanghua could be called the quintessential Chinese entrepreneur, prospering not so much in spite of state intervention but because of it.

Du’s father was a sales director for state-owned Shougang Group. When young Du left high school and took a job at his father’s firm instead of going to university, he got an early introduction to the steel industry. By 1991, when he was just 22, Du had started his first steel firm by acquiring a state-owned steel factory in Beijing, which he was allowed to pay for in instalments as the business generated cash. He then started another steel venture in his hometown. By 2003 his combined businesses had half of the national market for steel pipes.

Big break
In 2003, he cut a deal with the city government of Rizhao in Shandong to build a world-class steel mill. And access to credit was once again the order of the day – Du is thought to have stumped up just $24 million to build the mill, with the remaining 90% of debt supplied by local banks.

Critically, Rizhao Steel also managed to access inexpensive iron ore in spite of its lack of an import license. That advantage was revealed during the trial of four Rio Tinto employees in August 2009. Local media said Du’s written deposition admitted paying one of the defendants (Wang Yong) at least $9 million – allegedly in order to receive relatively cheap ore.

Great escape
No charges were brought against Du himself but he was soon struggling to fend off rivals’ interest in his empire. He signed over two-thirds of Rizhao to Shandong Steel, in what looked like a forced sale to the local government-backed enterprise. The deal was viewed as yet another example of encroaching state capitalism and a further blow to China’s private sector. But Du somehow has managed to hold onto control of Rizhao by swapping assets with other state firms. Until today negotiations remain drawn out and are yet to conclude.

Need to know
If his corporate affairs sound highly complex, try his marital status. In 2011 his wife (or ex-wife) Song Yahong filed a divorce suit in Beijing after being told that she “had been divorced” from her husband by a Hebei court 11 years earlier. Song claimed she was unaware of the alleged divorce, and demanded half of the (then) Rmb50 billion worth of assets held by Du. Dubbed “China’s most expensive divorce suit”, Chinese media said there is still no final ruling on how the pair would split their assets.

Year born
1965

Du is reckoned to be the quintessential Chinese entrepreneur

Key info
Du is worth Rmb19 billion according to Hurun’s 2015 China Rich List.

Natural Resources

Week in China
China’s Tycoons

Sit Kwong-lam

Brightoil Petroleum

It has been difficult for China’s private energy firms to compete head-to-head with the trio of state-controlled oil companies. But feasting on the breadcrumbs of the giants has still been enough to make Brightoil Petroleum’s chairman Sit Kwong-lam a billionaire.

Getting started
Sit was born in Anhui in 1967. Besides having a doctoral degree in philosophy from the University of Nanjing, little else has been made public on his upbringing.

Like many other rag-to-riches stories, Sit was among one of the massive herd of moneyless young men who went to Shenzhen in 1992 to try his luck. He made his first bucks by trading pagers. A year later and aged 26, Sit founded Brightoil and ventured into the energy business – fortuitously just as China became a net importer of oil.

In the very beginning Sit focused on the fringe businesses at the downstream, such as oil storage and trading of petroleum products – areas that the state majors such as CNPC weren’t too bothered about. Gradually Sit built up his own merchandising and sales network. In 1999 Brightoil even secured a strategic agreement with CNPC, authorising Brightoil to provide storage facilities and trading services for CNPC in southern China.

Big break
In 2003 Sit was appointed as a political advisor to the Chinese legislature. His business career took off too as Brightoil was allowed to diversify along the industry chain. It began operating petrol stations in 2005. A year later, the company was approved by the State Council to supply foreign vessels with (tax-free) fuel in Shenzhen.

In August 2008, braving a tough market battered by the global financial crisis, Brightoil went public in Hong Kong via a backdoor listing. The company’s market capitalisation has since more than tripled.

Brightoil has since grown into a diversified energy firm. It now runs China’s biggest marine bunkering service, as well as an oil-transporting fleet that has a total capacity of more than two million tonnes.

With the central government now encouraging private capitalists to push into sectors previously dominated by state firms, Brightoil is moving upstream too. In February last year Brightoil paid $1.1 billion for oil and gas assets in eastern China’s Bohai Bay from Anadarko Petroleum of Texas.

Need to know
Sit says he sees new opportunities now that formerly state-dominated fiefdoms like the oil industry are being opened up to greater competition. “Why can’t China have its own John Rockefeller?” he asked the media in 2012, suggesting his own ambitions in the sector are far from complete.

Key info
Brightoil’s market value stood at HK$22 billion as of August 2016.

He keeps asking why China can’t have its own John Rockefeller

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Known as ‘teapots’, China’s independent oil refineries have been gaining market share at the expense of state-owned energy majors. Dongming Petrochemical’s Li Xiangping has been tipped by local media as one of the new ‘oil barons’ to watch.

Getting started
Born in 1962, Li started as a government official in Dongming county in Shandong after graduating from a Party-run university. He climbed the ranks from the local audit bureau to become chief accountant of a refinery in Dongming, which later became Dongming Petrochemical.

In 2001 a Shanghai-listed firm offered Li a lucrative deal to leave the state-owned plant, which was on the verge of bankruptcy. Li decided to stay put and assumed chairmanship of the lossmaking venture. He was elected as a lawmaker in Shandong in 2003 and his political background helped in the turnaround at the refinery, which got bank loans to improve its production and distribution capacity. By 2008 Li had become a member of the National People’s Congress and Dongming Petrochemical had grown into the largest private sector refinery.

(In typically Chinese style, the firm had morphed from state control to private ownership in a complex and not entirely transparent fashion.)

Big break
The teapot refiner’s fortunes began to broaden last year when the central government granted crude oil import licences to the private sector. Prior to this the teapots could only stockpile their supplies by buying from the likes of CNPC and Sinopec.

Li went a step further by writing a letter to Shandong’s governor Guo Shuqing (known to be an advocate of market reforms), seeking approval to establish a trade body to help the ‘teapots’ strike better deals with foreign sellers. Li’s wish was granted and in February Dongming became one of the 16 independent refiners to form a coalition for the import of oil. He was named the body’s president.

By the end of last year, Dongming Petrochemical had grown its assets to about Rmb30 billion with a primary processing capacity of 15 million tonnes per year. The company is set to grow further following a deal last year which saw two firms from Qatar pay about $5 billion for a 49% stake in Dongming. The proceeds will be used to build a liquefied natural gas terminal in Shandong.

Going downstream
Li is also targeting gasoline sales to motorists. In Shandong alone there are more than 6,000 privately-owned petrol stations, many of which may be bought up by the teapot refiners. Dongming says that it is planning to build 1,000 such retail spots in six provinces.
China's Tycoons

Wang Wenyin
Amer International

For many Chinese entrepreneurs the metal copper is often associated with unorthodox bank loans (a practice known as ‘copper financing’). Wang Wenyin proves to be an exception. He has built the biggest privately-owned copper-wire business in China.

Getting started
Wang was born in 1970 to a rural family in Anhui. After graduating from Nanjing University in 1989, he was given a job at a state petrochemical plant in Shanghai. Not content with a Rmb400 monthly salary, Wang went to Shenzhen in 1993 for a fresh start.

When months of unsuccessful job hunting reduced his net worth to Rmb10, Wang realised he had to restart from the very bottom. Eventually Wang joined a Japanese copper wire producer as a warehouse worker. His ability to memorise several thousands material codes impressed the bosses. Wang rose through the ranks quickly – seven promotions in one year – to become the sales manager.

Wang soon became dissatisfied. When his boss went against Wang’s decision to maintain ties with a client with a patchy credit record he knew his time was up with the Japanese firm. He founded his own plant in 1996 to produce electric wires. That venture would grow into today’s Amer.

Big break
At the beginning Wang worked and lived with his employees in the factory. Amer grew so quickly that Wang had to open a new plant each year to meet surging orders.

Wang has timed the boom-and-bust cycle well. After the 1997 Asian financial crisis Amer expanded into the copper cable market.

During the 2003 downturn, Amer capitalised on falling land prices to acquire bigger production bases in Shenzhen. It also expanded upstream by taking over smaller copper mines in the country. After the 2008 global credit crisis, Amer grew its international exposure too through the acquisition of copper firms in Europe and the US.

With more than 15,000 staff, Amer’s revenue in 2012 totalled $30 billion. But the low-profile Wang only shot to nationwide fame last year when Amer was named as one of the Fortune Top 500 firms, ranking 387th worldwide.

According to New Fortune magazine (a Chinese publication), in 2015 Wang was the 16th richest man in China with a net worth of Rmb40 billion, largely thanks to his 99% stake in Amer. In comparison, Jiangxi Copper, the biggest state-run copper firm, had a market value of around Rmb40 billion as of August 2016.

Need to know
Wang likes collecting antique Chinese furniture and uses them to furnish Amer’s Shenzhen headquarters.

He likes reading too. Whenever Wang finds a good book, he orders several dozen copies, distributes them to his senior staff, and then requires them to write book reviews.
At the apex of Chinese politics stands a group of elites known as the *hongerdai*, or children or grandchildren of the revolutionary leaders who helped the Communist Party to seize power in 1949. Wang is among the blue bloods ("red bloods" may be politically more appropriate): his father had taken part in and survived the Red Army's Long March.

**Getting started**

Wang was born in Sichuan in 1954. Like his father before him, Wang joined the People’s Liberation Army at 15. Demobilised 18 years later he went to Dalian where Wang was asked to take on a failed real estate business. That became Dalian Wanda.

The rise of Wang and Wanda has remarkable overlaps with another important *hongerdai*: Bo Xilai (who was a junior politician in the same city).

Wanda enjoyed something close to carte blanche from the local authorities to give Dalian a facelift just as Bo was climbing the ranks to become Dalian’s mayor. The two even shared an interest in football. Bo was known as the “football mayor” while Dalian Wanda became a household name in China thanks to its all-conquering football team which dominated the Chinese league in the 1990s.

**Big break**

In 1991, Wanda was one of the state entities picked to become a ‘pilot’ joint stock firm. Wang got the controlling shareholder of Wanda, which then began to expand beyond Liaoning.

Wang came up with the idea of the Wanda Plaza: mega residential and commercial complexes. Local governments welcomed these huge projects with land and other incentives. By late 2015 Wanda had 133 Wanda Plazas and 84 hotels nationwide with total leasable area of 26 million square metres.

**Going global**

In 2012 Bo Xilai was arrested and lost out to Xi Jinping, another *hongerdai*, in the race to become China’s supreme leader. It didn’t seem to have affected Wang.

Indeed, it was after 2012 that Wang began to spend aggressively overseas. His trophy buys include London properties, UK yacht maker Sunseeker, a Spanish football club as well as a few Picasso paintings for record prices.

After becoming the world’s biggest landlord (thanks to his Chinese malls), Wang has set his sights to oust Walt Disney as the world’s most influential entertainment conglomerate. In 2012 he invested $2.6 billion to buy AMC Entertainment. The deal turned Wanda into the world’s biggest cinema chain operator. In 2016 Wanda also acquired Hollywood studio Legendary Entertainment for $3.5 billion, as well as the Odeon & UCI cinema chain in Europe.

**And to relax**

He loves singing. The video of him singing at Wanda’s annual dinner in January 2016 has attracted 3 billion views online.
Vanke’s founder Wang Shi, despite his standing and influence, is barely a billionaire. That was because the controlling stake in the property giant he built became largely owned by the state.

Getting started
Wang was born in 1951 in Guangxi. His father was an Anhui native and a Red Army soldier who served under Wang Zhen, one of the Party’s Eight Immortals. That’s why Wang also joined the People’s Liberation Army when he was 17.

At 23, after his father became a senior official at the railway bureau, Wang enrolled at the Lanzhou Railway University, and afterwards worked as a railway engineer. In 1980, he joined the foreign trade promotion body in Guangdong – the power base of his father-in-law Wang Ning (who was the province’s police chief and deputy Party boss).

Nevertheless Wang’s success was also pretty much self-made. He arrived in Shenzhen in the 1980s and made his first money broking corn feed. In 1984 he founded his private firm though its earliest controlling shareholder was still an investment firm under the Shenzhen municipal government. Wang’s start-up was in fact a factory that made anything which would turn a quick profit.

After trying out with garments, watches and beverages, in 1988 Wang changed his company’s name to Vanke and began his first real estate project. That quickly brought Vanke into a cash crunch. Wang would load stacks of Vanke’s shares onto a bicycle to sell in a wet market at Rmb1 apiece. That marked the beginning of Vanke’s fragmented shareholding structure.

Big break
Vanke was finally on the growth track thanks to a property boom in Shenzhen. In 1991 it became the first developer to list in Shenzhen.

By the turn of the century Vanke needed funding again to expand nationwide. Wang had to bring in a new strategic shareholder. He picked state giant China Resources (over Hong Kong’s SHK Properties), to which Vanke sold a 15% stake in 1999. With the backing of China Resources, Vanke has grown into China’s biggest residential developer in terms of sales, with sales hitting Rmb261 billion in 2015.

Takeover saga
China Resources remained Vanke’s biggest single shareholder until 2014 when property-to-insurance conglomerate Baoneng acquired more than 20% in Vanke. The unsolicited investment has stoked arguably China’s first hostile takeover war. Wang tried to bring in Shenzhen’s state-owned metro firm to help fend off Baoneng but China Resources has opposed the deal. The drama was ongoing as of September 2016 when this book went to press.

And to relax
Wang is a bit like the Chinese Richard Branson. He has skied to the North Pole and is also an avid mountain climber. He was one of the earliest Chinese to summit Everest.

“The wealth I created didn’t belong to me. I was only managing money for the country and the people”
Born to a poor family in Henan in 1958, Xu Jiayin went on to study at work in a steel factory in Wuhan for 10 years. In 1992, Xu went to Shenzhen to look for opportunities. He tried to look for a job using a painstakingly compiled resume which comprised of 32 pages. Unsurprisingly not many employers were interested.  

**Getting started**
Two years later he decamped to Guangzhou where he helped managed a real estate project. At the time, new residential developments usually consisted of large units, often with three bedrooms. Xu reversed this trend by making sure that his own projects contained more small units. The project sold out quickly.  

**Big break**
In 1996 he established his own company, Guangzhou Evergrande (which was renamed China Evergrande in 2016 to reflect its nationwide presence). Evergrande entered as a latecomer but at just the right time.

A year later the Asian financial crisis struck. While many bigger more experienced developers went under, Evergrande grew quickly as Xu’s "small units, small profits, quick return" strategy paid off.

Since 2004, the company has expanded into a series of second and third-tier cities, which made it something of a pioneer. Previously cities of that rank had been largely ignored by China’s other large developers.

That saddled Evergrande’s books with lots of debt and unsold inventory. Evergrande nearly went bust in 2008 amid the global financial crisis. Xu survived through financing from some of Hong Kong’s most astute real estate tycoons. That was only possible, Sina Finance reports, after Xu spent three months playing cards with the Hong Kong billionaires.

Evergrande went public in Hong Kong in 2009 and survived. Hurun’s China Rich List even put him as China’s richest man.

Questions on Evergrande’s financial health have never died down. In 2013 Citron Research, an American short-seller, alleged that Evergrande was insolvent. Xu fought back by taking legal action against Citron.

Still, as of 2015 Evergrande’s gearing ratio stands at 93%. It would have exceeded 300% if its perpetual bond were included as liabilities rather than assets.

Xu is also good at punching above his weight. In 2016, he also brought Evergrande into the takeover battle for control of Vanke, buying a 7% in its bigger rival with financing linked to wealth management products.

**Need to know**
The company’s Guangzhou Evergrande FC has won China’s top football league five consecutive times. In 2013 it became the first Chinese team to win the Asia-wide AFC Champions League. The team is now called Evergrande Taobao after Alibaba bought a 50% stake in the football club.
Both Forbes and Hurun have ranked Country Garden’s controlling shareholder Yang Huiyan as China’s richest woman. But it is her father, Yeung Kwok-keung, who has guided the family-run property firm to its huge success.

Getting started
Yeung was born in 1954 to a family in Guangdong’s Shunde district. Company folklore claims he didn’t get his first pair of shoes until he was 17. With little formal education, he joined a county-level construction firm in his twenties, working his way up to become the general manager in the early 1990s.

Faced with its closure by the local government, Yeung took the firm private. Soon afterwards his major client, a developer, went bankrupt. Yeung had two choices: either his construction firm went under as well, or he took up the residential project himself. He opted for the latter and the accidental developer founded Country Garden.

Big break
In the 1990s Shunde was a lesser developed part of the Pearl River Delta and Country Garden’s residential projects struggled to find buyers. Of its first 4,000 units, only three were sold. Yeung allocated a plot of land to build a high school and packaged it as “a college for the elite”. The idea worked, attracting wealthier parents to relocate to Shunde.

The experience came to define Country Garden’s philosophy. Yeung would pick up large plots of land that seemed of little value to most property firms. This kept his land costs below his competitors, and meant he was able to “sell luxury mansions at cabbage prices”.

In 2007 Country Garden went public in Hong Kong. By then Yeung had transferred his shareholding to his daughter Huiyan, whom he had encouraged to take over his empire. She is still its biggest shareholder with a stake of over 50%, even after the sale of a 9.9% stake last year to Ping An, one of China’s biggest insurers.

Forbes estimates Yang [the Pinyin spelling of Yeung] and her family were worth $5.2 billion as of March 2016.

Need to know
Yeung has close ties to another Shunde native Lee Shau-kee, the chairman of Henderson Land and one of Hong Kong’s richest property tycoons. Henderson Land was a major pre-IPO investor in Country Garden.

And in its largest project outside China Country Garden is partnering with a unit of the Malaysian government to develop Forest City, a $36 billion residential project on four man-made islands near the border with Singapore. Construction began in 2016, and Country Garden has said it expects the project to generate Rmb20 billion of sales by the end of 2016.
Xu Rongmao
Shimao Group

Getting started
Xu Rongmao was born in 1950 in Fujian province. His father graduated from a medical college and his mother was an obstetrician. During the Cultural Revolution, Xu was sent to the countryside to be a barefoot doctor. Then he moved to Hong Kong in the 1970s and tried to become a pharmacist, specialising in Chinese traditional medicine. However, Xu spoke only Mandarin and the Minnan dialect, so had problems understanding his Cantonese-speaking clients. He quit, and began working in a textile factory. Xu soon began speculating in Hong Kong stocks, and accumulated savings that allowed him to open a garment business, with his production based in mainland China.

Big Break
According to an interview in the Minnan Economic Weekly, 1989 was a turning point for Xu. He began experimenting with real estate in his hometown, Shishi.

Unlike the garment business he found it a much more satisfying experience. "My factory made a lot of clothes but at the end someone would stick an American label onto it... Building blocks of magnificent buildings both beautifies the city and improves people’s lives. That gives me pleasure and career satisfaction.”

He became the owner of China’s first privately-owned three star hotel – which until 1988 had been forbidden by government regulations. In 1991 he took his family to Australia and furthered his property experience in Sydney and Darwin. In 1993 he returned to China and built a tourist resort on Wuyi Mountain.

Growth
In 1995 new real estate rules hit Beijing’s property developers and led to fragile market conditions. Xu sensed an opportunity and began developing high grade apartments in the capital such as Zhizhu Garden and Scenic Park. He soon accounted for a third of the high grade residential market. And in 2000 he began to replicate his success in Shanghai, and later, elsewhere in China.

Need to know
Shimao is now one of China’s most successful property firms. Its Shanghai International Plaza is one of the highest buildings in Shanghai. Shimao Property listed in Hong Kong in 2006 further raising the property group’s international profile. It has also become of the most active Chinese developers in Hong Kong.

In recent years the company has copied the strategy of its bigger rival Wanda, and began investing in cinema chains and movies. In 2015 it has even acquired a stake in Wanda’s cinema unit.

Hurun China’s Rich List estimated his net worth at Rmb35 billion in 2015.
Born in Hechuan, a small town within the Chongqing municipality, Wu Yajun got a degree in navigational engineering from the Northwestern Polytechnical University. In 1984 she began work at the state-owned Qianwei Meter Factory. Four years later, she switched paths, spending the next six years as a journalist at China Shirong News Agency, a publication owned by the Ministry of Construction. In 1994 she then set up her own trading company, and soon afterwards established Longfor Properties with her husband, the pair owning a 76% stake.

**Getting started**

Longhu South Garden, a residential complex in Chongqing, was her first project in 1995. Wu is still proud of it today. She focused her efforts on every detail, including the planting of specific trees and flowers designed to attract more birds. The project proved a success, and a new Longhu West Garden was launched in 1999. Insiders recalled, “Longfor sold its homes even faster than cabbages sold in the market”. Having established Longfor’s reputation, Wu wasn’t in a rush to expand elsewhere, preferring to focus on Chongqing. By the end of 2005, sales had hit Rmb1.12 billion, making the firm the top property developer in the highly populous city.

Wu then told South Weekend her business secret: “Intense investments in commercial real estate to win the trust of local government.”

North Tianjie is one example. Before she moved in, North Tianjie was a remote area in Chongqing. Now it’s a vibrant commercial zone covering over 140,000 square metres.

**Big break**

Wu began to expand elsewhere in 2006. Longfor Properties now has projects in 11 cities, including Beijing, Chengdu, and Xi’an. Longfor went public in November 2009 in Hong Kong raising $1 billion, with cornerstone investors including Ping An Insurance and Singapore’s Temasek. Shortly afterwards, her husband left the company to focus on his own golf course business and in 2011 Wu also announced that she’d step down as CEO, but remain as chairwoman. She’s hired professional management in an attempt to make Longfor less of a family business.

**Need to know**

She was dubbed as China’s richest woman but she lost the title in 2012, when Wu divorced her husband after a 20-year marriage. The couple originally owned 75.6% in Longfor. According to Chinese laws a divorce also means an equal split of the couple’s fortune. Wu’s husband ended up with a 30% stake in the developer, though the two retain control by voting their stakes together.

As of September 2016, her husband’s stake in Longfor was worth $3 billion. Hurun’s China Rich List put Wu’s net worth at Rmb27 billion in 2015.
Chen Lihua

*Fu Wah International*

Born in 1941, Chen Lihua is perhaps unique among tycoons in that she claims to be related to the last Emperor of China, Puyi. Born to a royal clan of the Manchu ethnic minority that ruled China between 1644 and 1912, Chen also spent a few years of her childhood in Beijing’s Summer Palace. On marrying, her dowry consisted of rare antique sandalwood furniture.

**Getting started**

Chen’s noble status was never going to be a big plus for joining Mao Zedong’s new ruling class. During the Cultural Revolution she feared her beloved antique sandalwood would be destroyed, so she buried it all.

A decade later, when Mao died, she dug it up to discover it undamaged. Then she set up a shop to repair old furniture herself. Business blossomed and she built a factory.

**Big break**

In 1981 she moved to Hong Kong and set up Fu Wah International. With money from furniture sales, and from selling family property left to her, she put together enough capital for some successful speculation in Hong Kong’s real estate market. Over the coming years she would diversify into trading and investment. In 1989 she returned to Beijing.

**Need to know**

Chen became one of China’s early property tycoons, her first major project being the Chang’an Club – combining an exclusive members-only business club for the elite and an apartment complex. She then continued building in prime sites around Beijing’s Wangfujing area. She has so far developed 1.3 million square metres of property in the Chinese capital, and invested more than Rmb10 billion. Such grand redevelopment has not been without controversy, since existing residents had to be relocated. A whole chapter is dedicated to this subject in Philip Pan’s book *Out of Mao’s Shadow*.

**And to relax**

Chen has become as well known for her sandalwood as her properties. Soon after making her first fortune, she decided to open the country’s first ‘private’ museum to showcase her growing collection.

It contains around 2,000 antique items, as well as pieces she has designed herself and made in her factories (sourcing expensive and rare sandalwood from places like Myanmar). Chen has spent Rmb200 million on the museum, and describes it as a “cultural investment” not designed to make money. However, the value of her antiques continues to rise, reports the local media.

**Key info**

*Hurun’s China Rich List* reckons Chen made her fortune from real estate and put her net worth at Rmb49 billion.

**Year born**

1941
Huang Nubo
Zhongkun Real Estate

Huang Nubo spent the early part of his life on the wrong side of politics. When he was only two years old, his father committed suicide after being branded “a rightist”.

To counter the stigma, Huang changed his name from Yuping, which means “jade-peaceful” to Nubo, which means “angry wave” so he could join the Communist Party when he was 16.

Getting started
His fortunes improved further in 1977, when he was enrolled in Peking University. After he graduated, Huang found a job in the Central Propaganda Department of the Communist Party and became department director at the age of 29. Like many other entrepreneurs, Huang left his government position to set up on his own, in his case the property company, Zhongkun Real Estate Group.

Big break
Huang made his first fortune in 1997, when he signed a deal with the government of Hongcun in Anhui to turn the impoverished village into a tourist attraction. Huang invested Rmb5 million to repair roads and upgrade nearby hotels.

In 2000, the United Nations named Hongcun a World Heritage Site, for its “outstanding example of traditional human settlement”. But the real break came when the village was featured in Lee Ang’s hit film Crouching Tiger, Hidden Dragon. Visitors began turning up by the busload.

After success in Hongcun, Huang turned to other tourism projects around the country: stone villages and tombs along the old Silk Road in Xinjiang; hunting and skiing resorts in Inner Mongolia; and temples in Mentougou in western Beijing.

Going global
Soon he was looking abroad. Huang made headlines in 2012 when he offered to buy 300 square metres of Icelandic wilderness and spend $150 million to develop it – with plans to build a luxury hotel and a golf course. There was a swift backlash in Iceland against the property deal, where a military motive was suspected.

Huang made clear he was “only a businessman” and had no links to the Chinese government. He said he was only interested in Iceland’s pristine landscape and attracting tourists. The Icelandic Interior Ministry vetoed the land sale, but last year Huang said he was able to push ahead with the project using a long lease instead of an outright purchase.

To relax
When he’s not talking about property, the tycoon prefers to discuss poetry. Huang’s verse is composed under the pen name Luo Ying, and has been published in English, French and Japanese. Huang says he is now working on a new poetry collection, as well as studying for a doctoral degree.
Dai Zhikang
Zendai Investment Group

Getting started
Dai Zhikang was born in 1964 to a poor farming family in Jiangsu, the fourth of six children. However, thanks to his excellent performance in the national college entrance exam – 98 out of 100 in mathematics – he was able to enrol at Renmin University’s department of international finance, and then read philosophy at Shanghai’s Fudan University. After a brief stint as a journalist for the Financial News, he joined Citic Industrial Bank.

Big break
In 1988 he moved to Hainan where he founded the International Finance Company. But it wasn’t a success and Dai returned to Beijing to work with a German bank. In 1990 one of his university classmates invited him back to Hainan. They soon set up one of China’s earliest fund management companies. Their fund raised Rmb60 million for stock and real estate investment and by the age of 28 Dai was well known in investment circles.

Then, disaster. In the 1993 stock market crash he was all but wiped out. He bounced back, repaid his debtors and in 1998 he founded Zendai Investment Group, with his focus now on property development.

In 2010 Dai captured headlines as Shanghai’s ‘land king’ when Zendai paid a record Rmb9.2 billion for a large parcel of land close to the city’s iconic riverside Bund. This led the media to speculate on Zendai’s potential cashflow problems, since the land cost 15 times the cash Zendai had on hand. The sceptics were vindicated a year later as Zendai, cash-strapped, was forced to reshuffle the ownership of the Bund site, which was eventually acquired by a consortium led by Fosun.

The setback didn’t deter Dai from punching above his weight again. In late 2013 he announced an even more ambitious project. This time, as much as $7.8 billion would be spent over the next 15 years to transform a suburb of Johannesburg into the “New York of Africa”.

However, in mid-2016 he told the South China Morning Post he’d tired of property development and wanted to refocus on investment and finance – having launched a fund to invest in the art market. In 2015 he sold his family’s 42% stake in Hong Kong-listed Shanghai Zendai Property for HK$1.25 billion. “Land prices became too expensive,” he told the SCMP of his decision.

And to relax
“I have never been a pure businessman,” Dai commented to China Youth Daily, and he has become a major patron of Shanghai’s contemporary art scene. In 2009, Dai opened the Shanghai Zendai Himalayas Centre which houses an art museum, a performance hall as well as five-star hotels and offices.
Huang Rulun

Century Golden Resources

Born in a poor family in the countryside outside Lianjiang, a small town in Fujian province, Huang Rulun started out as a street vendor when China’s reform period began.

Manila move
In 1986 Huang moved to the Philippines where he became a successful trader (fuller details of this period are sketchy). Returning to China at 40, he set up Fuzhou Golden Resource Property Corporation.

His first project, Guotai Tower, built in cooperation with the Fuzhou local government was a hit, and coincided nicely with southern China’s commercial property boom in the early 1990s.

In the next three years, Huang built more commercial properties but started projects in the residential market too. Again it was a timely strategy, as new restrictions on commercial development began to bite in 1994.

Unlike some of his rivals, Huang was more conservative in his borrowing. “Use your own capital, don’t use too much outside financing – it can make you greedy and aggressive,” he told staff.

Expanding to Beijing
In 1998 Huang shifted focus to Beijing, having become the largest private developer in Fuzhou. After testing the market with his Century Garden housing development, he caused a stir with his Century City project, investing Rmb17 billion (it featured more than 3 million square metres of floorspace).

From 2000 to 2003, Century City ranked as Beijing’s top property project by sales. But Huang kept to his old mantra on financing, telling Global Entrepreneur in 2003 that he “didn’t borrow even one penny from the banks”.

Another reason for his success? Century City targeted the middle market at a time when Beijing’s middle-class was starting to enjoy greater consumption power.

Back to the office
Recalling his time in the Philippines, Huang was struck that Manila had more than 10 shopping malls. He wanted to build similar complexes in Beijing too, and in 2004 he completed Beijing Golden Resource Shopping Mall, one of the biggest new shopping venues in China. It was built next to Century City, bringing in more than 20,000 residents as potential shoppers.

Huang has replicated the model in Kunming, Changsha, Guiyang and Hefei.

Philanthropist
Huang is said to have donated more than Rmb4 billion to charities and good causes in the past 20 years. He once quipped: “Rmb8,000 a month is more than enough for me.”

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Sun used to be known as “the maddest developer” in China. Prior to that he was the brightest young manager at Lenovo.

Getting started
Sun Hongbin was born in 1963 in Linyi, Shanxi province. He graduated from Tsinghua University with a master’s degree in hydraulics.

In 1985 when Lenovo put up a public recruitment ad, some of the country’s brightest young talents flocked to join Liu Chuanzhi’s firm. Sun joined in the same year as Yang Yuanqing (now CEO of Lenovo) and even outperformed Yang at the time.

At 26, Sun was promoted to become Lenovo’s corporate development manager. Things then went awry. Sun’s division grew too quickly. Too young, too ambitious, Sun became uncontrollable and earned himself many enemies. In 1990, Sun was sent to jail for five years for embezzlement, an accusation he has never confessed to (a Chinese court overturned the verdict in 2003 and said Sun was actually innocent).

Prodigal son
Sun was released early, in 1994. One of the first things he did was to see Liu and apologise. “That will be meaningless if I grab a knife and wait outside Liu’s home,” Sun told reporters. “Liu is my mentor. In a sense he made me.”

Liu didn’t bear a grudge either. He lent Sun Rmb500,000 (lining up other banking financing as well) to set up Shunchi, a Tianjin-based property firm.

Determined to make up for lost time, Shunchi embarked on breakneck growth. In 2003, the company outbid its competitors for some of the best sites available in 10 major cities including Beijing.

Sun’s strategy looks to be the industry norm now. But back in 2003 he was considered a rule-breaker. Without the blessing of local governments and banks, Shunchi’s highly leveraged business model began to crack.

Doubts were reinforced by further difficulties in 2006: the company was bogged down by nearly Rmb1 billion of debt, and had failed in its attempt to list in Hong Kong. Sun was forced to sell a majority stake for just Rmb100 million to Hong Kong toll road operator Road King. It was a tiny amount considering his firm claimed a land bank exceeding 10 million square metres.

White knight
Sun found salvation in Sunac, a property unit that he had set up in 2003. Sun seems to have learned his lesson too. Sunac only focuses on five cities, avoiding the perils of rapid expansion.

With a prudent approach in place, the next step was to go public. Sun finally succeeded in October 2010 with a Hong Kong listing. More recently Sun has even played white knight to other struggling firms. Since 2014 it has provided funding to cash-strapped real estate counterparts Greentown and Kaisa.
For decades Dongyang Zhejiang was mostly renowned for woodcarving and pickling its eggs in schoolboys’ urine (no joke – Dongyang government officials are even lobbying for the dish to be included in a list of China’s cultural heritage).

But the city also boasts one of the biggest retinues of private sector tycoons. Dongyang natives are now in control of nearly 20 listed Chinese firms. Lou Zhongfu is a key member of the influential Dongyang gang.

Getting started
Born in 1954, the Dongyang native’s career began as a construction worker, with gradual promotion seeing him made a section chief, and finally in 1984 the manager of the Dongyang Third Construction Engineering Company.

It was a small township enterprise, but was transformed by Lou when he renegotiated staff contracts in 1987 and refocused the business away from state-owned practices to more profit-centric approaches.

But with revenues of less than Rmb2 million, Lou had bigger ambitions, and changed the company name to Guangsha Group.

Big break
In 1993 Guangsha was restructured into a joint-stock company and in 1997 was listed on the Shanghai Stock Exchange. With access to capital, Lou began looking to grow his empire via acquisition. In 1998 he bought the troubled firm Chongqing First Construction, with the blessing of the local government – bringing with it expertise from construction work on the Three Gorges Dam project.

Over the next four years he bought struggling state-owned construction firms in a host of major cities such as Beijing and Nanjing.

In 2006 he began looking at overseas markets. He focused on the Middle East, taking the view it will “definitely have large development”. He has won projects worth $500 million in Dubai, and claims to have the biggest market share of any builder in the emirate.

He was particularly proud to complete the Dubai Meydan Racecourse’s grandstand project within 18 months – a deadline that was reckoned to be ‘mission impossible’.

Need to know
Other influential Dongyang tycoons include Fosun’s Guo Guangchang and Huayi Brothers’ Wang brothers.

Aside from being one of China’s biggest private construction firms, Lou has moved into energy (hydroelectric dams), as well as hotels, real estate and oil storage. However, there have been reports in Chinese media outlets that Lou has found himself in trouble with anti-graft investigators. At the time this book went to press Lou had not appeared in public in 2016.
China's Tycoons

Yan Zhi

Zall Development

Yan’s dream is to build China’s biggest wholesale trading centre, returning Wuhan – capital of Hubei – to its role of 500 years ago. North Hankou is his flagship project.

Back in 2007 it was a rubbish dump in Wuhan’s northern suburbs but Yan has invested Rmb6 billion to build North Hankou International Trading Centre, covering 3 million square metres (for perspective, the vast Venetian Macau resort is a third of its size). He has focused on wholesale markets for items like shoes and clothes, and many firms have moved out of Wuhan’s old commercial centre Hanzhengjie to Yan’s new facility.

In Yan’s view, Wuhan is well-positioned as China’s manufacturing heartland moves from the coast to the west. His prediction is that the Yangtze river will become an even more crucial artery and he has acquired a port operator to accompany his other investments in Wuhan.

Yan is now diversifying into civil aviation. In 2013, his company unveiled a plan to invest Rmb10 billion in Wuhan to build an aviation centre that would manufacture civil aircraft as well as train pilots.

In 2016 Zall also took its expansion online by acquiring a 30% strategic stake in NASDAQ-listed Chinese e-commerce firm Lightinthebox for about $70 million.

The Hurun Rich List put Yan’s net worth at Rmb13 billion as of 2015.

And to relax

“Some people like to go to the spa, or do their nails. I enjoy poems, that’s my hobby.” So far Yan has published 18 books that feature his poetry.

Key info
Zall’s market value stood at HK$45 billion as of September 2016.

Year born
1972
Kong Jianmin

*KWG Property*

KWG Property looks like just another Chinese property firm. But one way that it stands out is its similarity to the world’s biggest developer by market value – Hong Kong’s SHK Properties (which is worth round $41 billion).

Like the billionaire Kwok brothers of SHK Properties in the 1990s, KWG Property is run by its chairman Kong Jianmin and his two brothers. (Jianmin is the second eldest). Even KWG Property’s business motto – Build Homes with Heart – is a carbon-copy of the Hong Kong giant. KWG is also an ally of SHK for its growing mainland operations.

**Getting started**

Kong Jianmin was born in 1969 in Guangdong. He obtained a degree in computer science in 1989 and worked first as a loan officer at state bank ICBC.

After witnessing firsthand how his lending was multiplying the fortunes of Guangzhou developers, Kong decided to start his own property venture.

**Big break**

Kong founded KWG in 1995 with his brothers, operating as a residential developer in their hometown. Early-stage projects were financed by his former employer ICBC but like many latecomers to Guangzhou’s overcrowded real estate market, KWG began to rely more on private equity investments to fund nationwide expansion.

In 2006, Kong sold a 7.5% stake to a real estate fund run by Morgan Stanley. The deal brought timely capital as well as important connections and the US bank would sponsor KWG’s Hong Kong listing in July 2007 (just three months before the city’s key index hit its historic high). Adam Kwok, son of SHK’s co-chairman Thomas, helped orchestrate the highly successful pre-IPO investment.

The acquaintance served as good due diligence and KWG is now a joint venture partner in several major real estate projects for SHK in China, providing much-needed local knowledge for the cash-rich Hong Kong firm.

KWG’s market value stood at HK$15 billion as of September 2016. The Hurun Rich List estimated the Kong brothers’ net worth at Rmb8.5 billion.

**Need to know**

Kong keeps one of the lowest profiles among Chinese property tycoons. An exception was made in 2007 at a global truffle auction. Two white truffles weighing 750 grams went under the hammer for $193,000, and Kong and two other Guangzhou property tycoons bought them both.

Presumably he didn’t mind spending a few months in the public eye after his company had gone public, but Kong has rarely ventured into the media limelight again.
Baoding means “stable protection” in Chinese, which explains why it has traditionally been a military city. It is home to an elite section of the People’s Liberation Army guarding the southern gateway to Beijing. Its economic history has been less storied until recently, thanks to Xi Jinping’s plan to integrate the Chinese capital with its surrounding area.

One big beneficiary of the Jing-Jin-Ji project is Wei Shaojun, a developer with a 15% market share in Baoding.

Getting started
Wei was born in 1963 to a rural family in Hebei’s Gaobeidian county. Deprived of a formal education, he was required to help his father to sell rakes when he was a kid. Wei’s dream at the time: to become a bricklaying mason so that he could find a wife.

When Wei was 17 he moved to the outskirts of Beijing, and found himself a lot closer to fulfilling his dream. He began working as an apprentice at a small state firm, helping bricklayers to prepare their building materials. Wei would start work an hour earlier everyday in order to get things well prepared. In this way, he won over his mentors, and mastered the techniques himself.

By early 1980s the construction industry became one of the earliest sectors to be opened for private sector companies. Wei formed a company with 10 other Baoding natives, bidding for construction contracts that were coming thick and fast following Deng Xiaoping’s economic reform. Wei’s team quickly grew to one with more than 1,000 employees.

The survival rate for similar start-ups was low. Demand for infrastructure was booming but most contractors wouldn’t be paid till long after the construction was completed. According to his own accounts, Wei suffered “five years of bitter living” before 1995, when Wei founded Longjietaihe.

Big break
Wei had a new gameplan, going after much bigger construction projects. In 2000 Longjietaihe built the first commercial mall in Baigou, which at the time was an undeveloped district about 90 minutes drive from Baoding. Eight of the 10 earliest shopping malls in Baigou were constructed by Longjietaihe. His strategy was timely – the urbanisation drive of the Chinese capital was spilling over to its surrounding area. Wei successfully grew Longjietaihe into a construction-to-property conglomerate that is deemed too big to fail for local governments. In 2008 Longjietaihe even became one of the contractors for the Beijing Olympics. In the same year the company expanded into making solar cells.

Need to know
Wei is known locally as “the richest man of Baoding”. In 2008 Wei also became the first Hebei native to feature in state broadcaster CCTV’s show My Experience, a documentary which pays tribute to prominent figures.

In 2015 the Hurun Rich List estimated that Wei’s net worth was Rmb28 billion.
China’s Tycoons

Pan Sutong

Goldin Properties

The title of China’s tallest building changes hands quite frequently these days. But according to the People’s Daily, Tianjin’s Goldin Finance 117 took top spot in September 2015. At 597 metres of structural height, Tianjin’s new giant claims to have overtaken Shanghai Tower (which stands at 632 metres, but with a main structure of only 580 metres) and now trails only Dubai’s Burj Khalifa in the global skyscraper stakes.

Getting started
Born in Guangdong in 1963, Pan was initially raised by his grandmother, but she died when he was 13. He was sent to California to live with his step-grandmother, returning to China four years later. As a high-school dropout, Pan worked as the driver of a Party official in his hometown Shaoguan. In 1993 he started his own business, making MP3 products and karaoke equipment under the Matsunichi brand. To promote his company he acquired a football team in 1996 and named it Matsunichi. He sold the club six years later but took his company public in Hong Kong via a backdoor listing, also using the faux-Japanese brand.

Big break
Pan’s consumer electronics business was successful, but not enough to make him mega rich. Things began to change in 2007, when his company acquired the property project in Tianjin where Goldin Finance 117 now stands. A year later he renamed his company Goldin Property to reflect the change in his core business.

Pan soon gained the image of a property tycoon who liked to flaunt his wealth. For instance, he is keen on horse racing in Hong Kong, an expensive hobby that allows him to rub shoulders with the territory’s high society. He invests in Chinese art and enjoys fine wine (launching a glossy magazine about the industry called Le Pan). British princes William and Harry have faced off at Goldin’s charity polo matches in Gloucestershire, while Pan has built a vast new polo club of his own as part of a new business district outside Tianjin and holds a high-profile international snow polo tournament each winter, which is televised.

Need to know
The year 2015 was a rollercoaster for the tycoon. The share price of Goldin Property went on a spectacular rise, spiking 400% in the three months to May, with Goldin’s market value touching HK$100 billion ($12.8 billion). It then began a steep fall, dropping 70%. It had dwindled to HK$27 billion by September 2016.
Born in Gansu in 1963, Pan was initially disadvantaged by his family background – his father was labelled a ‘rightist’. Pan later enrolled in Lanzhou’s Polytechnic School and was then accepted by Hebei Petrol Pipeline College.

Getting started
On graduation, Pan was assigned a job with the Ministry of Petroleum’s Economic Reform Research Bureau. In 1987 he made a trip to Guangzhou and Shenzhen. Coming from the ice and snow of the north to the south’s “singing birds and fragrant flowers” was a revelation. He thought it was “paradise”.

Big break
Pan quit his job, sold all he had and decided to try his luck in the south. He arrived with just Rmb80, and had to spend Rmb50 of that to pay someone to help him find a way through the fence surrounding the Shenzhen Special Economic Zone. He joined a consulting company but soon discovered Shenzhen wasn’t exactly the paradise he’d believed it to be, and became depressed. So when a chance arose to leave for the island of Hainan, he grabbed it. There he first found work as boss of a brick factory, but it wasn’t long before he co-founded the real estate developer Vantone.

Growth
Hainan was enjoying a real estate boom and Pan took advantage, but later figured Beijing would offer more sustainable growth, so he moved there in 1992. In 1994 he met his wife and business partner, an ex-investment banker called Zhang Xin. He left Vantone to set up SOHO China with her. The vision for their business was to collaborate with internationally-recognised architects to produce stylish, modern apartment buildings for Beijing’s urban professionals.

Aside from cool high-rises in Beijing it also worked on groundbreaking projects such as the Commune by the Great Wall to polish its brand for cutting edge design. Later it focused on developing office complexes. Its 2007 Hong Kong IPO – which raised $1.9 billion – gave it the funds to expand. However, it has largely restricted its development footprint to Beijing and Shanghai (though it has also bought a couple of buildings in New York).

Need to know
In 2012 SOHO China made a major strategic shift: instead of selling office premises, the company announced that its new goal was to become a big commercial landlord. Pan wants rental incomes to reach Rmb4 billion by 2017.

However, the transformation has not been a great success. SOHO only got Rmb1 billion in rental income in 2015. In the same year it changed tack again, this time refocusing its strategy to leasing its properties for office-sharing entrepreneurs. It is also selling “non-core” property projects outright to raise fund. SOHO’s market value stands at HK$24 billion as of September 2016, or 50% lower since 2012.
In 2012 Wang Jianlin, owner of China’s biggest commercial landlord, famously challenged Alibaba’s boss Jack Ma to a wager: Wang would lose Rmb100 million to Ma should online consumption surpass 50% of total retail volume by 2022.

Either way Zhang Jindong is likely to be a winner, as he is a business partner of both Wang and Ma.

Getting started
Zhang was born in 1963 and studied at Nanjing Normal University. In 1984 he abandoned his course in Chinese literature to try his hand at business. He worked in air-conditioning – on the installation side – and after six years had saved enough seed capital to start his own business.

Big break
Just 27 years old, Zhang rented a 200 square metre unit in Nanjing and founded Suning Appliance – initially as a wholesaler of air-conditioning units. It was a smart move: Nanjing gets very hot in the summer, and is known as one of the Three Furnaces (the other two are the cities of Chongqing and Wuhan).

In his first year he earned Rmb10 million. Still under 30, he was soon battling with local state enterprises – which started a price war – but he was winning.

By 1995, Zhang had concluded that the future was in being a retailer rather than a wholesaler. Initially he opened shops exclusively selling air-con units, but in 2000 he decided to expand his ambitions, taking on electrical retailer GOME to open shops that stocked a wider range of appliances.

By 2004, Suning was opening a new store every four days. By 2016 Suning had 1,600 stores in 60 cities – the company has grown from 10 staff to 180,000.

More recently the firm has also been aggressively expanding its presence online.

Need to know
In August 2015 Zhang struck a deal which saw Alibaba invest $4.6 billion for a 19.99% stake in Suning. Suning will in turn invest $2.3 billion for a 1.1% stake in Alibaba. The move aims at shifting consumers from Suning’s bricks-and-mortar retailing to Alibaba’s e-commerce platform, and vice versa.

A month later, Zhang inked another strategic agreement with Wanda’s commercial property unit, allowing Suning’s retail outlets to open stores at the 135 Wanda Malls throughout the country.

Zhang looks determined to make Suning a globally-recognised name. In 2016 the company invested $307 million to buy a majority stake in the storied Italian football club Inter Milan.
China's Tycoons

Zhang Dazhong

Dazhong Investments

Zhang Dazhong got his original seed capital thanks to a tragic episode in his family history. His mother made the mistake of suggesting that Mao Zedong should exit politics. She was executed.

Getting started
Zhang and his six brothers were also blacklisted. Fortunately after Mao’s death, Zhang then received compensation of Rmb7,000. He used it to set up Zhang’s Electric Shop in Beijing, to make audio amplifiers. By 1988 he controlled 90% of the city’s amplifier market.

Big break
Zhang opened a new store to sell a wider range of electrical products in Beijing in 1989, and called it Dazhong. He had grown the number of stores to 12 within a decade, and had 1,200 employees. By 2002, turnover had reached Rmb3 billion. Zhang’s next move was to begin opening stores elsewhere in the country, starting with nearby Tianjin.

But Zhang faced two big competitors: GOME and Suning. From a similar starting point they had expanded at a far more rapid pace. Both had listed on the stock market, allowing them access to growth capital.

Dazhong had grown much more slowly through reinvesting profits. Zhang’s quick-fix solution was to try to merge with Shanghai-based store Yongle, an M&A deal he initiated in 2006. He was outflanked by GOME which outbid him for the asset.

Setback
His manoeuvre having failed, Zhang retreated to his Beijing home market, where he continued to outsell GOME and Suning. At one point his flagship CCTV Tower store, all 20,000 square metres of it, made retail records as the country’s busiest appliances store, selling the most items per minute.

Both his rivals had started their own war for market share in the capital, and now recognised that Dazhong was the key to success. In late 2007, GOME swooped for Dazhong, paying Rmb3.65 billion, outbidding Suning, which offered Rmb3 billion. This amounted to three and a half years of GOME’s profits, and was viewed by the firm’s founder Huang Guangyu as transformational (Huang is currently in jail). Zhang took his payout and established Dazhong Investment.

However, in a recent turn of events he returned to his retailing roots. That’s because after a boardroom coup at GOME (initiated, surprisingly enough, by Huang from his jail cell), Zhang was named chairman and chief executive of the electronics giant.

Need to know
Zhang’s investment firm has also made astute moves in the capital market. According to CBN, the company acquired a 0.37% stake in China Unicom when the shares of the state telecom carrier were languishing at low levels.

Zhang was worth Rmb12 billion in 2015 according to Hurun’s Rich List.

Year born
1948
China’s Tycoons

Yuan Yafei
Sanpower Group

Born in Chongqing, Yuan Yafei’s family had to moved around a lot because his father was an engineer of the People’s Liberation Army. After his father retired, his family moved to Nanjing, the capital of Yuan’s native Jiangsu province.

Getting started
Yuan studied accounting at college and was later assigned to work in the Nanjing government’s audit department. He later became the Party boss of a suburban district. In 1993 he quit his government job and decided to try his luck in Shenzhen. He initially thought he’d sell salted duck, a Nanjing dish, but eventually ended up building and selling DIY computers assembled from parts sourced in Hong Kong.

He later opened a small computer shop in Nanjing. By 1995 his start-up had grown to 11 stores. In 1999 Yuan visited a Wal-Mart hypermarket for the first time and the experience inspired him to introduce China’s first ‘PC malls’. That would become Hongtu High Technology, one of China’s biggest computer retailers and one of the five listed companies under Sanpower.

Going global
Yuan invested in real estate too. After making his first fortune he bought an apartment in Nanjing’s International Trade Centre. But his biggest dream was to own the entire building. He did exactly that.

In order to move his growing retail empire to his own properties, in 2013 he purchased another Nanjing landmark, the International Finance Centre from Li Ka-shing, one of Asia’s richest men and the biggest foreign investor in the UK.

The deal with Li seems to have encouraged Yuan to invest in the UK too. In 2014 Nanjing Xinjiekou, a Chinese department store controlled by Sanpower, snapped up House of Fraser for £480 million, the biggest offshore deal in the retail sector by a Chinese buyer.

Yuan has talked boldly about his global ambitions for the 166 year-old department store. Yuan plans to open new stores in Russia and the Middle East, as well as pushing into China with 50 new stores under the name “Oriental Fraser”. (However, the Financial Times reported in June 2016 none of that has happened yet. Even this year’s planned April launch date of a flagship store in Nanjing passed without doors opening.)

Still, according to Jiemian.com, when Prince William visited China in 2015, the Duke of Cambridge particularly asked for a meeting with Yuan – having earlier met him in London.

In his own words
“I usually drink Lafite. Since I know nothing about wine, I just drink the most expensive stuff.”
China’s Tycoons

Chen Yixi
C.banner

Chen Yixi’s company acquired Britain’s oldest toy shop Hamleys for £100 million in 2015. The driving force behind the deal is his brother-in-law Yuan Yafei, the chairman of Sanpower, which also took over the House of Fraser a year earlier.

Getting started
Born in 1967 in Nanjing, capital city of Jiangsu province, Chen Yixi met his future business partners at Nanjing Normal University in 1985. They shared the same passion for reading, and also shared the same values – viewing life as being too short to waste.

After graduating, Chen gave up his steady job with the Jiangsu propaganda department in 1995 and co-founded Hongguo International, a shoe manufacturer, with his two best friends from college.

He’d studied the shoe industry for two years and discovered that although China produced 60% of the world’s shoes (6 billion pairs per year), it barely had a brand.

Big break
He created his own – C.banner – meaning China’s banner, and focused on the mid- to high-end market, targeting white collar ladies who were able to spend a third of their monthly salary on a pair of shoes.

Initially Chen had to play the roles of boss, designer, salesman and delivery man at the same time. “If someone agreed to put our shoes on their counter I was so grateful that I wanted to kneel down,” he recalls of the early days lobbying department stores.

To remember tougher days, Chen still keeps the plastic bags holding the shoes that he carried as a salesman. One year later, C.banner shoes entered 700 stores nationwide. In 2003 Hongguo International ranked third in local market share, and was listed on the Singapore Stock Exchange.

Growth
His factories in Nanjing and Dongguan can make 2.7 million pairs of shoes per year, selling in more than 2,000 boutiques and outlets across China. It also makes shoes for international brands such as Nine West.

Hongguo diversified into book retailing in 2003, and soon created a brand – Popular Bookmall. The stores also offered coffee and tea, plus free lectures. His aim was to create a cultural mall.

In 2010 his firm delisted from Singapore’s exchange but relisted in Hong Kong as C.banner a year later.

With Chen and his brother-in-law’s recent dealmaking in the UK, Chinese investors expect more strategic cooperation between Sanpower and C.banner in the future as part of the duo’s global branding strategy.

Need to know
He loves reading and spends Rmb100,000 annually purchasing books for his employees. One of the rules in C.banner is that top executives have to finish 48 books every year, middle management 24, and other staff at least 12.
China’s Tycoons

Tang Yiu
Belle International

On all the rich lists ranking Hong Kong’s billionaires, the top 10 positions are always dominated by the usual suspects: real estate tycoons.

Tang Yiu (or Deng Yao in Mandarin) is a rare exception. The 82 year-old founder of footwear retailer Belle International has also achieved a feat that defies many of the city’s property moguls: building a dominant business in China itself.

Getting started
Like most teenagers in post-war Hong Kong, the Guangdong native never received a proper education, but did spend more than six decades learning all there is to know about shoemaking. He began making shoes as an apprentice aged 15. Then he founded his own four-man factory eight years later close to Kowloon City, an area near Hong Kong’s former airport where shoemakers clustered to target foreign customers. Tang proved better than his neighbours at building up his business network. He moved downstream into retailing in the late 1960s, also founding the Federation of Hong Kong Footwear, which became one of the earliest Hong Kong business groups to explore the business potential of the mainland market. It was tough going initially across the border. “Applying for a telephone line took three months and even a single nail had to be imported from Hong Kong,” Tang once recalled of early days setting up shoe factories in Shenzhen.

Big break

Unlike Chinese sportswear brands, Belle built its own retail network within the fast-growing department store industry. Owning the distribution rights for a number of foreign brands, Belle now controls more than 20% of China’s footwear retailing market share.

When Belle International went public in Hong Kong in May 2007, its retail portion was oversubscribed by 515 times, breaking the record previously set by state banking giant ICBC. Tang retains a 32% stake in Belle but his daughter has taken over daily management of the company.

Need to know
Some of Tang’s former neighbours in the old Kowloon City district are still repairing shoes today. One of them recalled that Tang and his wife were famous for their frugal spending even as his footwear empire began to expand.

“His wife used to ask me to repair her shoes all the time, and she liked the bargaining,” one of Tang’s former neighbours told a Hong Kong magazine.

Key info
Forbes estimated Tang’s net worth to be $2.5 billion in 2015.

Year born
1934

Hong Kong media liken his rags-to-riches story with Cinderella
China's Tycoons

Shen Guojun
Yintai Group

Born in 1962 in Zhejiang province, Shen Guojun got a master’s degree from Zhongnan University of Economics and Law in 1986. He joined China Construction Bank and was soon transferred into a subsidiary that specialised in real estate.

At a head office conference, Shen gave a speech that impressed CCB’s then boss Wang Qishan (now China’s fearsome anti-corruption tsar).

Getting started
He was sent to a new industrial investment and property subsidiary the bank had formed in Hainan. There, he got caught up in the local real estate bubble and left the bank to start his own business.

By 1997 he’d established China Yintai Holdings, based in Zhejiang. He initially planned to speculate in real estate, but when a deal went wrong he was left with a commercial property in Hangzhou. In November 1998 he put a department store on it.

Big break
His Intime Department Store targeted young consumers and soon flourished. By 2005 he had four of them, with sales exceeding Rmb3 billion. In the meantime he received an investment from Warburg Pincus and began making successful investments himself, in other real estate and energy firms.

He listed Intime in Hong Kong in 2007. In late 2008 he opened the capital city’s (then) tallest building, Beijing Yintai Centre. He currently owns or is building 30 shopping malls around the country.

To finance its rapid expansion, Yintai group sold stakes in subsidiaries in 2009 for Rmb578 million, as well as disposing of its 50% stake in joint venture Beijing Intime Lotte Department Store and Hangzhou Hubin International Commercial Development.

More growth
Shen is still expanding – the company plans to open between five and eight stores in Beijing before 2018.

In 2010, Intime purchased 50% of a Beijing department store company from Hong Kong’s Henderson Land. Intime paid with 7.7% of its own shares, worth around $210 million at the time. The upshot is a close relationship with one of Greater China’s richest tycoons (Lee Shau-kee).

Need to know
In 2013, Yintai joined hands with Alibaba and several major couriers to create Cainiao (which means ‘rookie’) Network Technology, an ambitious logistic venture that plans to invest Rmb300 billion in the next 10 years. Shen is the chief executive of Cainiao.

A year later, Jack Ma and Shen deepened their business relationship as Alibaba paid $692 million for a 9% stake in Yintai. The former also received convertible bonds that would raise its stake in Yintai to 25%. Shen was worth Rmb20 billion in 2015 according to Hurun’s China Rich List.

His is another firm that Alibaba has taken a stake in

Yintai Group

Need to know
Yintai operates more than 30 Intime department stores in China.

Key info
Year born
1962

Week in China
China’s Tycoons

Huang Maoru

Maoye Group

Born in 1965 in Guangdong’s Chaozhou (which borders Shantou), Huang Maoru was one of the earliest members of the so-called ‘Shantou gang’ (or Chaoshan faction) to venture into Shenzhen’s real estate market.

Getting started
In fact, a parental hand helped launch Huang’s business career. Upon retiring, Huang senior bought a substantial amount of land in Shenzhen’s Buji district and distributed it among his sons. They began a series of high-profile developments, and the family business thrived. Maoye City, a retail complex, was Huang’s own contribution to the business.

Big break
In 1995, Huang established the Maoye Group, which went on to complete a string of real estate projects. Perhaps the most notable is the World Financial Centre. Completed in 2003, the tower has become a Shenzhen landmark. But what really propelled Huang into the big league was his move into the retail industry. In 1996, he established Shenzhen Maoye Emporium, followed a year later by the opening of his first department store, Maoye Dongmen.

Stored value
Huang’s experience in real estate has helped him build his retail business. Unlike many of his competitors, Maoye also owns the buildings that house his stores, insulating them from rent pressures. Other department store brands, such as Parkson and Wangfujing, have seen their operating costs hit by rent rises and are now looking to emulate the Maoye model by owning their own properties. Maoye has 38 stores in 20 cities across China, and it is currently growing at a rate of at least five new stores per year. The company’s focus is on second- and third-tier cities, but it opened a store in Beijing last year. Huang has said that he would like to enter other major markets like Shanghai but that, for the foreseeable future, developing his existing city portfolio offers opportunities enough.

Need to know
One of Huang’s major talents is his strength in using the capital markets to raise funds – he has two A-share listed companies and one H-share firm. International investors will be most familiar with Maoye International, which listed in Hong Kong in 2008.

Huang has substantial stakes in at least four A-share firms including the Shanghai-listed retailer Maoye Commercial. These companies have a combined market value of over Rmb30 billion. Hurun’s 2015 China Rich List estimated that Huang was worth Rmb17 billion.

Week in China

Huang is one of the leading Shantou tycoons in Shenzhen

Key info
Maoye Commercial’s market value was Rmb13 billion in August 2015.

Year born
1965
Li Houlin

Hiersun Diamond

A "Wanglaowu" in Chinese slang means a middle-aged bachelor (it comes from the title of a 1938 Shanghai film starring Mao Zedong’s wife Jiang Qing, then known as Lan Ping). Another popular term “Diamond Wanglaowu” – rich but still single – is also the unofficial title of Li Houlin, the founder of diamond retailer Hiersun.

Getting started
Hiersun styles itself as “the first Chinese firm specialising in the diamond industry”. Few know how Li made his first buck and he prefers to keep his educational background and early career out of the public eye.

By 2000, he had accumulated Rmb50 million. Not bad, you might say, for a 26-year-old. He then invested two-thirds of his capital in Hiersun, a diamond retailing venture.

At the time, jewellery retailers seemed to be opening shops at a quicker pace than convenience stores. But Hiersun opened a single, giant store. Li spent Rmb30 million renting and stocking a 1,200-square-metre space in Beijing, naming it the Hiersun Diamond Palace. The flagship was 30 times bigger than the average diamond store, with a majority of the floor space occupied by educational displays about diamonds.

The unorthodox approach helped bring Hiersun nationwide recognition.

Big break-up
As far as free marketing goes, Li’s love life was hugely important in boosting Hiersun’s brand. In 2005 Li married celebrity TV anchor Li Xiang. The much-hyped marriage (and the equally high-profile break-up a year later) brought Hiersun priceless publicity.

Big break
Li’s diamond business prospered as spending grew on luxury goods in China. Hiersun still only operates a handful of ultra-large ‘diamond palaces’ but it has also expanded its national footprint with brands for less well-off customers, including “I Do” and “ooh Dear”.

In 2008, Sequoia Capital bought a small stake in Hiersun and in 2016 Hiersun went public on the Beijing-based New Third Board, an over-the-counter bourse. A research firm which focuses on New Third Board companies has estimated that the “Diamond Wanglaowu” Li is worth Rmb2.1 billion.

Need to know
Despite his glittering queue of celebrity girlfriends – including actress Zhou Yanhong and the singer Qin Hailu – Li doesn’t like mingling with those he calls “upper-class China”. He also hates playing golf, even for business networking purposes. “Making those types of friends isn’t worth the time spent,” Li told Beijing media.

Key info
Li’s love life helps bring priceless publicity for his diamond firm.

Year born
1973
China’s Tycoons

Li Dongsheng

TCL Corp

If the so-called mixed ownership reform, introduced by the State Council in 2014, is to bring in private-sector ownership to stimulate the productivity of state firms, Li Dongsheng should be considered a pioneer.

The Party boss of TCL Group has transformed a state-owned enterprise into a unique entity that is partly owned by himself.

Getting started
Born in Guangdong in 1957, Li Dongsheng became a technician with TTK Corp, a state-owned factory in Weizhou. In 1985 TTK was renamed TCL and initially Li’s main career goal was to become the supervisor of his production team.

But then he was sent to visit Philips headquarters in Europe. He was shocked to see that the Dutch firm’s R&D department had more than 10,000 people. TCL had just 12. Determined to change this Li rose through the ranks and in 1996 he became chairman and CEO (plus Party boss) of TCL Group.

Big break
Till then Li was just another SOE boss on the government’s payroll. That changed in 1996 when the local government signed a groundbreaking agreement with TCL. The deal valued TCL at Rmb300 million and agreed that for a five-year period, Li and his managers’ salary would be cut by half should the value of TCL’s assets climb by less than 10%. However, if Li could enhance TCL’s value, he would be rewarded with shares in the state firm on an incremental basis.

With these market incentives, TCL’s revenue tripled in those five years to Rmb10 billion from Rmb3 billion in 1996. It became the leading TV maker in China. In 1999 TCL even began exporting TVs to Vietnam. Later Li began acquiring abroad too: buying Thomson of France – another TV maker – and Alcatel’s mobile phone handset business.

Taking control, slowly
When TCL went public in Shenzhen in 2004 (prior to that it had a couple of business units listed in Hong Kong), the Weizhou government’s stake stood at 40%. That has since declined to below 10%. A Rmb5.7 billion fundraising in 2015 saw Li raising his stake in TCL to 5.2%. Adding that to the stake held by TCL’s employee share scheme – whose votes he controls – Li finally became the single most influential shareholder in TCL (albeit taking 18 years to reach this point).

Perhaps more importantly, all stakeholders said they were happy with what Li has achieved including the Weizhou government. TCL has grown into a company with an annual revenue of more than Rmb100 billion.

As he seeks to grow in international markets and make its brand better known, he has entered into sponsorships, perhaps the best known being TCL buying the naming rights to Hollywood’s iconic Chinese Theatre.
He Xiangjian

Midea

China’s Tycoons

He Xiangjian was born in 1942 in Shunde in Guangdong – an area now well known for its electrical appliance factories. He worked as a farmer, before becoming an apprentice in a factory. In 1968 he and 23 other Shunde residents raised Rmb5,000 to start a factory making plastic medicine bottles.

Getting started
By 1980 He’s factory had diversified into producing fan parts for a state-owned firm. He then launched the firm’s first electric fan, called the Pearl. In 1981 he purchased the Midea trademark, and renamed his firm. In 1984 Midea started producing a plastic box fan which it exported successfully to Hong Kong. It also sent a team to Japan to study production technologies.

Big Break
By 1985 it had begun to produce air-conditioners, and in 1993 it ranked third in China’s air-con market. In the same year it listed in Shenzhen.

Competition in the air-con business then saw Midea’s market share slip. So in 1997 He decided to introduce a ‘divisional’ structure modelled on Panasonic. Five divisions were created, each dedicated to a product area such as air-con, home appliances and compressors. This decentralised the decisionmaking process and led to improved results.

Midea is focused on the white goods market and has avoided the temptation to diversify into ‘black’ goods such as mobile phones and TVs. But He reckons too that there is more than enough growth potential in the “great cake” of the domestic home appliance market to keep his shareholders interested. To this end he has been acquiring other brands such as Little Swan to make washing machines and refrigerators. In late 2011, an investment unit of ICBC and private equity firm CDH Investments bought a combined stake of 15.3% in Midea Group (the parent company of the appliance maker). The deal helped smooth the way for that entity to list. It went public in Shenzhen via a backdoor listing.

As of September 2016 it had a market capitalisation more than Rmb176 billion. CBN ranks Chinese tycoons based on the value of their A-share holdings and it ranked He as China’s richest man with a net worth of Rmb63 billion as of September 2016.

The firm’s expansion continues – the focus now overseas and in industrial robotics. In 2016 Midea launched a $5 billion buyout offer for leading German robot maker Kuka.

Need to know
In late 2009 He handed over company control to professional managers and to his groomed successor, Fang Hongbo, who replaced him as chairman. Contemporary Manager magazine says that this is an unusual step for old-school entrepreneurs, and that He has set an interesting example.
China’s Tycoons

Dong Mingzhu

Gree Electronic Appliances

Big break
In her first year her sales reached Rmb16 million. She was transferred back to Nanjing – a city known as one of the ‘furnaces’ of China for its climate – and her sales jumped again to Rmb36.5 million.

In 1996 she was made deputy general manager and guided Gree successfully through a damaging price war.

When Dong joined Gree it made just 20,000 units per year. By 2009, its sales had reached Rmb50 billion and it had become the world’s biggest air-con maker. Around 10% of its sales now come from office air-con units – where the technology requirements tend to be higher. In 2016 Gree expanded into the production of batteries for electric cars by acquiring a domestic lithium battery maker for Rmb13 billion.

Dong – who is currently the state-owned firm’s president and chairman – says the success of the Gree model is based on the way it manages its relationship with its distributors. In an industry first, she even persuaded local partners to pay before delivery (her competitors had deemed it impossible). The UK’s Daily Telegraph calls Dong “one of the leading icons of China’s economic revolution”.

Need to know
“Where Dong walks past, no grass grows” and “When she chews you up, she doesn’t even spit out the bones” are two judgments by male competitors widely quoted in the Chinese media.

Gree was not regarded as a high tech company but through its recent acquisition of Yinlong New Energy it has signalled its intent to diversify from white goods and become a major player in the manufacture of electric cars. In 2017 it will also release its second generation Gree smartphone and says it will be technically comparable to Apple’s iPhone.

Dong Mingzhu was born in 1954. After getting a master’s degree from the Chinese Academy of Social Sciences, she became an academic in Nanjing. In 1990 she quit her post and went with her eight year-old son to Zhuhai, where she obtained a job as a salesperson with an air-conditioning factory.

She told China Entrepreneur magazine that she would not have taken such a radical step had it not been for the death of her husband – he would never have permitted her to go to Zhuhai.

Getting started
Dong quickly discovered that a key job for a salesperson was to make certain that distributors paid up, as defaulting was then almost standard business practice.

Dong pulled off a coup when she recovered Rmb420,000 of accounts receivable, and caught the attention of a rival air-con maker, Gree, which hired her that year.

Key info
Gree had a market value of Rmb128 billion as of September 2016.

Year born
1954
China’s Tycoons

Zhang Ruimin

Haier

Big Break

During an early tour of the factory’s warehouse, Zhang discovered that many of the refrigerators had minor defects. The staff suggested that they should be sold at a discount to employees. But Zhang replied that if he did that, it would only motivate the workers to keep turning out shoddy products. Instead he had them smashed to scrap with sledgehammers – employees were shocked (a fridge cost two years salary at the time). The incident has become famous in Chinese management textbooks. And the company – whose name was soon to be changed to Haier – would go on to earn a reputation for quality.

Going global

Haier has become a truly international firm: it has 29 manufacturing plants, 19 overseas trading companies, and more than 60,000 employees worldwide. The company manufactures products in more than 15,000 specifications and 96 different categories. In 2010, Euromonitor Intelligence ranked Haier – by then the world’s leading appliance maker by sales volume – as the number one major appliance brand globally for the second year running.

The company plans to expand in Europe by acquiring or building production facilities that will bring it closer to EU consumers. In 2011, Haier took over Japanese firm Sanyo’s entire white goods products business division in an acquisition reportedly valued at $130 million. In 2016 it also acquired General Electric’s appliance business for $5.4 billion.

And to relax

Zhang loves reading, and will get through several books on a flight. The avid bookworm will be pleased to learn that his company is not only the subject of a book, The Haier Way, but also 30 business school case studies.

Key info

Haier’s market value stood at Rmb65 billion as of September 2016.

Year born

1949
Liang Qingde

Galanz Electric

Getting started
Liang Qingde was born in 1937 in Shunde in Guangdong. He began his career in a local printing plant, but then resigned in 1978 to set up his own business where he made dusters from duck feathers. He soon twigged that there was a big foreign market for down feathers and made his first fortune with the Guizhou Eider Down Factory.

Big break
Liang realised that the market for down was becoming saturated and in September 1992 started Galanz Electric. He’d conducted a nationwide survey and hit on the idea of making microwave ovens. He signed a technical cooperation agreement with Toshiba and spent $4 million to introduce an advanced automatic production line. He produced his first oven within two months and by the end of 1994 had sold over 100,000 units. Thanks to a massive marketing and PR campaign in 1995 he made Galanz the market leader. To raise funds for expansion, Liang sold his eiderdown firm for Rmb80 million. He then launched a massive price-cutting strategy, lopping 40% off microwave sticker prices. By 1996 he had over half of the market in China for microwave oven sales.

His policy from then on became: cut the price, win market share, reduce costs, and then cut prices further. This earned him the nickname ‘The Price Butcher’.

Growth
When his South Korean competitors were hamstrung by the Asian financial crisis, Liang decided to capture US market share. He spent $20 million on an American R&D facility and headhunted local professionals. He expanded the range of microwaves he sold in the US and Europe. He also followed an OEM strategy where he persuaded foreign manufacturers that he could produce for them at a third of the cost. He’d soon brokered deals with 200 foreign firms and expanded his production capacity. To avoid antitrust issues he decided to cap his own-brand exports at 50% of his capacity and use the remaining half to produce for the likes of Panasonic.

Hurun’s China Rich List put his net worth at Rmb18.5 billion.

Need to know
Among the tens of thousands of manufacturers in China, Galanz occupies a unique position: it has a 70% domestic market share and a 50% global market share. The company has also expanded its product offerings to include other white goods such as rice cookers, pressure cookers and soymilk makers. Liang told reporters in 2012 that his goal was to reach Rmb100 billion in sales by 2015, but that target was missed which may be one reason why Midea’s planned IPO has yet to occur. His firm’s 2015 sales were actually Rmb26 billion.
Liang Wengen was born in 1956 in rural Hunan. In 1983 he graduated with an engineering degree and founded a welding firm. After several years of modest returns he decided to look for a more profitable industry.

**Getting started**
In 1991 he was advised that concrete pumps (they pump liquid cement) were selling well. These devices were mostly made by German company Putzmeister and some local state-owned firms. Liang saw that the pump industry was labour-intensive and thus perfectly suited to China’s low-cost manpower context. In 1993, he changed his firm’s name to Sany Heavy Industry and incorporated in Changsha.

Struggling with the costs of licencing the requisite foreign technology, Sany was facing financial collapse by 1995. From ruin came inspiration. A Beijing engineer, Yi Xiaogang, came up with a new valve design for Sany’s pumps that promised more efficient operation.

That got Sany its first patent. By 1998 it was a leading player in trailer pumps.

**Big Break**
Keen to break into the higher-value segment of the business, Liang approached Sun Hung Kai Properties 10 years ago for the contract for the International Financial Centre in Hong Kong, where cement would need to be pumped as high as 406 metres. Putzmeister dominated this area, so Liang offered a pump for free. He told the Hong Kong firm that he was supremely confident in his own products: if they failed they could destroy Sany equipment in front of the media and humiliate him. The pumps did the job and Sany later got the contract for the (492 metre high) Shanghai World Financial Centre, also built by the Hong Kong conglomerate.

Liang has since moved into other areas of heavy industry machinery. As part of the gameplan to boost Sany’s income to Rmb300 billion by 2022, he acquired Putzmeister in 2012 for $476 million.

**Need to know**
Liang came top of Hurun’s China Rich List in 2011. Liang seemed to be at the peak of his prowess that year, as speculation mounted that he would become the first capitalist to be elevated to the Party’s Central Committee (which has 371 members and which picks the ruling Politburo) in 2012.

That didn’t happen. In fact, by the end of 2012, Liang felt vulnerable, largely thanks to his intense rivalry with state-owned Zoomlion. He decided to move Sany’s headquarters from Changsha (where Zoomlion remains headquartered) to Beijing.

Liang did make political history in 2012 though: by suing the American president, as he took Barack Obama to court (in the US) after American regulators vetoed Sany’s takeover of a wind farm in Oregon on national security concerns. (The case was later settled.)
If a businessman decides to work on a new *Analects*, a collection of sayings of Confucius, he is either very scholarly or very mad. Yan Jiehe seems to be a bit of both.

**Getting started**

Yan is the youngest of nine children born in 1960 to a schoolteacher couple in Jiangsu’s Huaian. Yan stayed on to teach languages after finishing secondary school, before later attending university in Nanjing. After graduating, he returned to teaching.

In 1986 he quit his civil service position because he had committed career suicide by fathering a second child. (It was in contravention of the One-Child Policy but fulfilled his mother’s wishes.) In the next few years Yan helped turn around seven failing state-owned factories as their manager.

In 1992, he founded his first construction company but he initially had problems securing projects. Eventually he won a contract to build three culverts in Nanjing. On their completion, Yan had to foot losses of Rmb80,000. But his work was so impeccable that Nanjing city officials decided to award him more and bigger contracts.

**Big break**

With that success, Yan began to win bigger government infrastructure projects, including work on the highway connecting Jiangsu and Shanghai, as well as the Beijing-Shanghai Expressway and the Jiangyin Suspension Bridge.

He was also the first to adopt the build-transfer (BT) business model in China where his company would front the capital required for construction and hire the workers. The projects, once finished, were handed over to the government, which would then pay him back in instalments.

Yan’s company, China Pacific Construction, rapidly grew into one of the country’s biggest builders. But in 2007, Yan stepped down from the helm of China Pacific Construction (to be replaced by his son) and returned briefly to his original calling of teaching and writing books on business management. One of his titles: *The New Analects of Confucius*.

**China’s No.1 Madman**

Dubbed by the media as ‘China’s No. 1 Madman’, Yan vowed in 2013 he would invest Rmb10 billion to build the tallest building in Shanghai, and by 2016 his company’s net profit would surpass Rmb100 billion. Both plans didn’t come off but Yan has announced more ambitious projects already. In 2015 he unveiled plans to build a Rmb250 billion “small city” in Shenwei that will host a population of 250,000.

Yan will require a lot of funding for this mega project. Perhaps that’s why he has also grabbed headlines for his debt collection activities. For example, in 2015 he launched lawsuits against six municipal governments for unpaid bills. “This is the first time in China’s 5,000-year history a private company has sued the government,” he boasted.

**Key info**

Hurun said Yan and his son have a net worth of Rmb91 billion as of 2015, making them the 6th richest in China.

**Year born**

1960
Wang Zhenghua was born in Shanghai in 1944. He was an outstanding student in school and considered one of the brightest prodigies in the Communist Party – though he lost the chance to attend university because of the Cultural Revolution.

In 1995 the Party boss of the Organisation Department, or the Party’s human resources division, flew to Shanghai to meet Wang and assess whether he be promoted to a key job in Beijing. He was deemed not having the necessary “political awareness” and failed the interview. That left him stuck in Shanghai as an official overseeing an unimportant small district. This setback saw him change course, and look to the private sector.

Getting started
Wang quit his stable but uninspiring government post in 1981. At 37, he founded Shanghai Spring Tour. Spring Tour was one of only a handful of private travel agencies at the time but in less than a decade Wang turned it into one of the largest travel agencies in China.

He boarded a plane for the first time in his life in 1998. “Every Chinese should be able to afford to fly,” he told himself when he took off. That inspired his next move and he entered the aviation industry in 2004.

Big break
One of Wang’s big challenges is that Chinese aviation is dominated by three state-owned firms. His rivals look formidable but Wang discovered their common weak spot: the giant trio, like most state firms, weren’t accustomed to compete on cost effectiveness. That left space for a budget airline.

In 2006, Spring Airlines launched a promotional airfare between Shanghai and Jinan of just Rmb99. A limited number of tickets were even offered at Rmb1. The move shook the industry. But understandably, Spring Airlines lured Chinese travellers, many of whom have had their fair share of misgivings thanks to riding on state carriers over the years.

By 2006, the budget airline announced a profit of Rmb20 million. Not much, but by 2012, its earnings had grown to Rmb700 million (as much as Cathay Pacific earned that year).

In the same year, Singapore Airlines and Hong Kong’s richest man Li Ka-shing both made overtures to Wang on making a strategic stake in Spring. Wang said no to both. “I don’t want to be marginalised,” he said.

Need to know
Spring Airlines is now China’s biggest privately-owned budget carrier, with nearly 100 routes inside the country and 15 more overseas. It went public in Shanghai in early 2015. As of September 2016, its market value stood at Rmb38 billion. Wang is worth Rmb14 billion according to Hurun.
Gao Yanming

**HOSCO**

Gao Yanming could have become China’s richest shipping tycoon – and done so in a sector dominated by state-run rivals. However, his business ambition has been badly hit by storms in the maritime industry since 2008.

**Getting started**
Gao was born in Shandong in 1957. After graduating from Dalian Ocean Shipping College, he was assigned to the Hebei Provincial Administration of Shipping.

**Big Break**
Gao subsequently moved to the company where he’s made his name, Hebei Ocean Shipping Co (HOSCO), a state-owned company established in 1980 with just a single ship that had plied its trade no further than Hong Kong.

Gao spent the early nineties in Hong Kong, extending the HOSCO shipping line to northern China. After the Asian financial crisis in 1997, he returned to the mainland to take over the lossmaking HOSCO.

Now operating as a private-sector firm, HOSCO expanded its fleet on the cheap while other shipping enterprises were downsizing. In 1998, the company launched its first Panamax-size ship, marking its entry into the bulk shipping market.

Profitability improved, and more orders were made for larger vessels. And as the ships got larger, so too did the potential markets. In 2003 HOSCO began shipping oil. As Chinese demand for commodities grew, HOSCO found itself well placed to carry the increasing tonnage of iron ore, oil and coal.

In 2007 HOSCO planned to go public in Hong Kong, where Gao had been dubbed “Hebei’s richest man”. The plan was shelved a year later amid the global credit crisis.

**Stormy time**
As exports plummeted. Gao appealed to his shipping company peers to cooperate more in dealing with the problem of surplus capacity.

Then in 2010, Gao turned to a strategy that had served him well in 1998: he made an order for 14 further Panamax vessels, for a total bill nearing $500 million. Again he was capitalising on general gloom in the industry about oversupply of vessels, and thus locking in contracts at competitive prices. That brought the size of HOSCO’s fleet to over 100 at one point. But the expansion has yet to pay off as the global shipping market remains sluggish and bedevilled by overcapacity.

**Need to known**
Gao’s fortune seems to be shrinking too. In 2013 Hurun estimated that he was worth Rmb8 billion, a third of his wealth three years earlier. He dropped off the list entirely in 2015.

However, according to Hong Kong newspapers, Gao has been an active investor in the territory’s luxury residential sector. In 2010, his property portfolio was worth HK$1 billion, but that value should have at least doubled now.

*Key info*
*His property portfolio in Hong Kong was worth HK$1 billion in 2010 and has likely doubled in value, Hong Kong media reports.*

*Year born*
1957
Ningbo is the birthplace of many of China’s most famous shipping magnates. Both the late Pao Yue-kong, who controlled the world’s biggest fleet in the 1970s, and Tung Chee-hwa, Hong Kong’s first chief executive, came from the Zhejiang port. So too is Liang Xiaolei. Getting started

Liang, who also goes by the English name Simon, was born in 1963. After graduating from a local university, he went to Paris and studied for three years at the Sorbonne where he learned fluent English and French.

Liang Xiaolei’s first forays into business were with his father Liang Guangfu, a former military man. In 1995, they established Linhai Evergreen Artware, which started out producing and exporting decorative lights (the kind used on Christmas trees) before expanding into electrical tools and travel equipment. Their next venture was a retail business that quickly expanded to 110 outlets.

Setting sail

Having accumulated a significant amount of capital, Liang Xiaolei started to think about business on a larger scale. In particular, he wanted to invest in an industry with higher barriers to entry. His decision to enter shipbuilding led to the creation of Evergreen Holding Group. In 2003, he purchased Zhejiang Shipyard, a state-owned shipyard in Ningbo. This was followed a few months later with the acquisition of Jiangyang Shipyard in Yangzhou, a defunct facility that cost Rmb139 million.

The timing was good, as the industry was starting to recover from a cyclical downturn. By 2007, his firm was one of the world’s top 50 shipyards by orders. Liang’s ambition is for it to become one of the world’s most efficient with an annual output of 40 vessels.

Growth

The Chinese shipbuilding industry has traditionally been dominated by large state-owned companies that produce large-scale ships like dry bulk carriers. Liang therefore decided to focus on a more specialist offering, with each yard focusing on a different kind of ship. In 2004 he set up Sinopacific Shipbuilding, a unit which includes three shipyards, an integrated design company and a technical school. Evergreen meanwhile diversified into natural resources and the deep-water logistics industries. In 2011, Evergreen acquired the Canadian-listed MagIndustries for $120 million. The deal brought Evergreen a key potash project in the Republic of Congo. By 2012, the group had about 25,000 employees worldwide and annual revenues of Rmb21 billion.

Stormy time

A slowdown in the global shipping industry has derailed Evergreen’s listing plan since 2013. In May 2016 the company defaulted on a Rmb400 million, one-year bond in 2016.

Liang and his shipbuilding firm have been hanging on. Hurun’s China Rich List put Liang’s net worth at Rmb4.5 billion in 2015.

Key info

- Evergreen defaulted on a Rmb400 million, one-year bond in 2016.
- Year born: 1963
China’s Tycoons

Wang Wei

SF Express

SF Express – the Chinese version of Fedex – rarely advertises. The courier grows its reputation via word of mouth. Its founder Wang Wei refused all media interviews until 2011.

Wang kept such a low profile that in 2010, Hong Kong’s Next magazine was so fascinated to find out more about the tycoon it sent an undercover reporter to work for SF Express for three months in one of its delivery teams.

Getting started
Wang was born in Shanghai in 1971 and moved to Hong Kong as a child. He founded SF Express in 1993 with around $13,000 borrowed from his father who once worked as a Russian interpreter for the People’s Liberation Army air force.

SF Express started with only six delivery men and a van – Wang himself included. As demand for cross-border express delivery services grew, Wang was among the earliest parallel traders, earning profits by shuttling across the Hong Kong-Shenzhen border (such traders have been in the news in recent years for clearing Hong Kong supermarket shelves of foreign-made infant milk formula which they carry across the border, selling it at a premium on the mainland).

Big break
According to Next magazine, Wang collateralised the entire company to the Bank of China for a $550,000 loan in 2005 to fund SF Express’ China expansion. It was risky but it worked and Wang has never looked back since.

The fortunes of SF Express began to really take off with the boom in China’s e-commerce market. The courier even stunned competitors by acquiring two Boeing-757 jets in 2009. In 2010, Wang acquired a luxury house in Kowloon Tong, a residential area where Hong Kong’s tycoons cluster, paying a record-breaking price. Only then did Hong Kong media realise this businessman had achieved such success in China at such a young age.

Need to know
It is not only journalists who took to hunting for Wang. Reportedly private equity firms once put a Rmb500,000 bounty on him: that figure would be paid to any middleman who could arrange a dinner meeting with Wang.

However, Wang finally brought in new investors in 2013 as SF sought funds to expand. China Merchants led a consortium of state-controlled firms that acquired a 24.5% stake in SF Express for Rmb8 billion.

To defend its market share, SF plans to expand its fleet of 39 aircraft (20 on leases) to 100 by 2020. It is also building its own airport in Ezhou, a centrally located city near Wuhan. In May 2016, SF announced a backdoor listing in Shenzhen. The deal valued SF at around Rmb43 billion. Not bad for a man who started with just a single van 23 years earlier.

He started China’s biggest courier firm with just six men and a van

Key info
New Fortune magazine calculates Wang Wei’s net worth at Rmb25 billion.

Year born 1971
Yu Weijiao

*YTO Express*

Tonglu is hometown to many of China’s courier services. Nearly 80% of the more than one million delivery staff across the country work for Tonglu businessmen.

*YTO Express*’ founder Yu Weijiao was not the first Tonglu native to get into the delivery business but he is emerging as the herd’s alpha type.

**Getting started**

Yu was born in 1966. Like many others in the industry, he doesn’t have a rich educational background. Instead he spent 15 years in the home renovation business, getting a lot of his projects in a part of Jiangxi that was a famous revolutionary base for the Chinese Communist Party. Yun is a Party member too.

But his company was barely profitable, so in 2000 Yu set up YTO, or Yuantong, with a small warehouse in Shanghai. At the time only state-owned China Post was allowed to operate delivery services. YTO, which operated in the grey market, was lossmaking for three years. “I got up at six in the morning and worked until midnight – everyday. From time to time I had to borrow some rice from the shopowner next door,” he told Zhejiang TV.

To later stand out from its competitors, YTO became the first to provide services on Saturday and Sunday. “All my staff blamed me and the entire industry criticised me. But in the next year they were all delivering seven days a week,” Yu recalls.

**Big break**

Yu’s luck turned in 2003. What changed was the emergence of Alibaba’s Taobao marketplace. Driven by online retail sales, YTO’s orders picked up too.

In 2005 Yu made another smart move: he visited Alibaba’s founder Jack Ma. By offering fees up to 30% lower than its rivals, YTO became the first delivery firm to cooperate with the fast-growing e-commerce player. (Ma is also a Zhejiang native, which may help explain Alibaba’s close working relationship with Tonglu’s delivery firms.)

YTO’s revenue began a meteoric rise. In 2000 it was only delivering 80 packages a day but by 2012 it was making 4.5 million deliveries every 24 hours. During the Singles’ Day shopping festival last year, YTO fulfilled a record 53 million orders.

YTO is planning to become the first of the Tonglu ‘delivery gang’ to go public too. In March the company carried out a $2.7 billion backdoor listing deal via Shanghai-listed Dayang Trands (a clothing firm best known in China for having made suits for Warren Buffett and received his praise).

New Fortune magazine estimates that Yu’s net worth now amounts to Rmb30 billion.

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**Key info**

New Fortune magazine estimates that Yu’s net worth now amounts to Rmb30 billion.

**Year born**

1966
China’s Tycoons

Jiang Nanchun

Focus Media

Born in 1973 in Shanghai, Jiang Nanchun got an early taste for advertising, working part time at an agency while at East China Normal University. In 1994 he set up his own company, Everease Communications, whose clients were mostly tech firms.

Getting started
Business was booming by 2000, but his firm barely survived the dotcom crash. He tried to switch tack, with a failed investment in the online gaming industry. Recognising that his true talent was in advertising, however, he vowed never again to try something he was unfamiliar with.

Big break
Many of Jiang’s clients were calling for more targeted advertising efforts. They were less interested in mass campaigns than reaching the affluent and middle class. While waiting for an elevator in a Shanghai office building, Jiang had the moment of revelation he compares to the apple falling on Newton’s head. He saw a poster in the elevator lobby, and realised that if he replaced it with an LCD screen it would be a potent advertising tool in reaching white collar workers as they waited for the lift to arrive.

By the end of 2002 he had put his screens in the lift lobbies of 50 Shanghai office buildings and named the company Focus Media. Research by Nokia showed the approach was highly effective versus normal TV ad campaigns.

Three months after Jiang installed his screens, another entrepreneur decided to do the same thing in Beijing. Yu Feng’s Target Media and Focus were soon competing in the same cities. Jiang eventually won the battle – an investment from Softbank and a $172 million NASDAQ listing helped him to ‘outscreen’ his opponent. At the end of 2005, he then bought Target for $325 million. His firm had expanded to 70 Chinese cities with 70,000 LCD screen displays. Around 30,000 advertisers were also signed up with Focus, which claimed an estimated 100 million viewers.

Need to know
Jiang has faced some setbacks. An attempted merger with internet firm Sina fell apart, and his Focus Wireless business hit problems when CCTV accused it of spamming. But he has returned his core business to profitability after the financial crisis led to a slowdown in advertising spending.

Jiang meanwhile has been fighting allegations from short-seller Muddy Waters that Focus Media has overstated its number of screens. Jiang’s firm called the charges “incorrect and misleading”.

The setback may have proven to be a blessing in disguise. In 2013 a consortium led by Jiang and private equity firms took private Focus Media with a $3.7 billion offer. In 2015 the company relisted in Shenzhen via a backdoor listing. Its market value was worth Rmb133 billion as of September 2016.

“We don’t have any competitor in China”
China’s Tycoons

Yu Minhong
New Oriental Education

“There are houses of gold in books”, or so claims a famous Chinese idiom. Its meaning: traditionally the Chinese believe to study hard is the only way to success.

Yu Minhong got his own house of gold by helping others to study.

Getting started
Growing up in a rural part of Jiangsu, Yu Minhong saw education as a means to escape the farm.

But when it came to getting into university, he didn’t find instant success: he failed the national college entrance exam (gaokao) twice – in part due to a poor score in English. On his third try, he was accepted to study English at Peking University. After graduating in 1985, Yu became an English teacher at his alma mater.

Testing times
Although he was not keen to leave China himself, his wife wanted to go abroad. This led to more test preparation – and in 1988 he passed both the GRE and TOEFL exams; but not well enough to secure a scholarship. With a monthly salary of Rmb180, it would have taken him 222 years to save enough money to pay for four years of tuition in the US. Yu had to find another way to make ends meet.

He started a class outside Peking University that helped students prepare for TOEFL. But when his employer found out about his part-time work, he was disciplined. Yu resigned from Peking University in 1991.

School days
In 1993, Yu launched New Oriental School, which would go on to develop a reputation as the place to prepare for exams like GRE and TOEFL. A couple of years later and he had earned enough money to visit the US, where he persuaded a number of his old classmates to return to China and join his company.

In 2006, New Oriental listed on the NASDAQ, raising $112.5 million. Yu’s 31% stake made him China’s richest teacher.

New Oriental has become China’s largest private education provider. The company’s key asset is its portfolio of short-course language schools. It also runs a number of other educational establishments, including kindergartens.

The company has experienced turbulence in recent years. In 2012 America’s SEC launched an investigation questioning whether New Oriental’s ownership structure infringed listing rules. No action was taken.

Need to know
Yu’s story has become part of local business folklore. He is also well known as an author; 10 of his books have made the bestseller lists, including The Relentless Pursuit of Success, a motivational book. In 2013 his story arrived in cinemas too, with the launch of American Dreams in China a movie about New Oriental’s founding.

Key info
As of September 2016, New Oriental’s market value stood at $7 billion.

Year born
1962
Liu Yonghao

New Hope Group

Liu Yonghao’s life story seems to match much of China’s own transition in recent years: escaping poverty through hard work.

Getting started
Born in 1951 in Sichuan, he was 14 when the Cultural Revolution began. He became a Red Guard, even travelling to Beijing to hear Mao speak. His mother had told him that after this experience he would be blessed and would soon be able to eat his favourite dishes of twice-cooked pork and spicy tofu.

This turned out to be prophetic. By 2001 he was one of China’s richest people and could eat whatever he liked.

Big Break
With his three entrepreneurial brothers, Liu’s first opportunity came in 1980 when they opened a street stall over the Lunar New Year. In seven days they had earned more than they made in 10 months tilling the fields as farm hands. They took the profits and began selling quail eggs. They raised the quails first on their home balcony, but later bought a farm.

Growth
By 1987 the quail business was becoming very competitive so Liu and his brothers decided to invest Rmb10 million into researching how to make a superior pig feed. By 1989 their company Hope was a dominant player in Sichuan. In 1992 Hope went nationwide and has gone on to open plants in neighbouring countries like Vietnam.

Need to know
In Orwell’s *Animal Farm*, the pigs run the show – so the initial focus on hogs may well have had some merit. In 1998, after a reorganisation, the New Hope Group listed in Shenzhen. It also began to diversify into real estate, dairy products and finance.

Along with his daughter, Liu Chang, Liu Yonghao owns 10% of Minsheng Bank, which is now one of the largest non-state owned financial firms in China. Minsheng has already listed in Shanghai, while a Hong Kong IPO in 2009 raised $3.89 billion. Expect to hear more about Liu Chang, since Liu Yonghao is grooming her to take over the New Hope Group.

Philanthropy
Liu grew up very poor – his family couldn’t afford to buy him shoes. Since becoming wealthy he has set up the Guangcai Programme, which supports poverty alleviation in western China.

Liu said he was focusing his efforts on developing agricultural cooperatives to help peasant farmers expand the scale of their farms from family plots to large industrialised tracts. He said his company had helped set up more than 100 such cooperatives, as well as 16 underwriting companies that assist small farmers to obtain loans to expand production.
The Hope Group is China’s most successful agribusiness firm, founded by the four Liu brothers from Sichuan.

Liu Yonghao, one of the biggest shareholders of China Merchants Bank, is the youngest and best known (see previous page). But it was Chen Yuxin, brother number three, who did much of the work in getting Hope going. He also keeps the lowest profile, so much so that he still uses his adopted family name rather than Liu.

Getting started
Chen was born in 1950 as Liu Yongmei. His father was an intellectual who became an underground Communist Party member during the Second World War. When Chen was two he was given away to a foster family in the village of Gujia. It was not until 1963, when Chen returned to his native county to attend middle school, that he was reunited with his biological family. He still uses the surname of the Chen family that raised him.

The Liu brothers all managed to get into university in Sichuan after the Cultural Revolution ended, and post-graduation took government jobs, then regarded as the most promising career path.

A pioneer
Chen quit his state job in 1982 and returned to Gujia to set up the Yuxin Farm, raising quail and chickens. That made him the first Liu brother to give up his ‘golden rice bowl’ (a nickname for government jobs). It also puts him squarely in the era’s first generation of private sector businessmen (two years later Liu Chuanzhi would establish what is today’s Lenovo).

“I was raised in Gujia as a farmer. I am the one who could take the biggest risk. If Yuxin Farm didn’t work out I just returned to where I came from, which is perfectly fine for me,” Chen would recall in one of his rare encounters with reporters. China was emerging from a period of food scarcity – the product of decades of economic mismanagement – and that meant Chen was well placed to capitalise on Deng Xiaoping’s period of economic reform. Yuxin Farm began raking in profits and Chen’s equally entrepreneurial brothers soon joined him.

After enjoying phenomenal success with quail and chicken sales, they rebranded the family business as the Hope Group and ventured into pig feed. In 1992 Hope expanded beyond Sichuan. By 2001, Liu Yonghao was named by Forbes as China’s richest man.

Division of labour
In 1995 the foursome split the family business into four parts to avoid disputes. The eldest brother Yongyan formed Continental Hope to sell electric appliances. Liu Yongxing, brother two, set up East Hope and diversified into industrial materials. Chen called his business West Hope, and it remains one of the biggest animal feed makers in Sichuan.
China’s Tycoons

Xu Lianjie

Hengan Group

Given the global economy was hit hard by the credit crisis in 2008, grinding out 10 consecutive years of earnings growth is no mean feat. Xu Lianjie has managed to pull this off by making tissue paper and sanitary napkins.

Getting started

Despite a lack of a formal education, Xu Lianjie has managed to become “South Fujian’s business godfather”. Born in 1953 to a poor rural family in Jinjiang county in Fujian, Xu was not able to complete primary school. Luckily, his money-making skills manifested themselves at an early age. By selling eggs and vegetables, he raised enough capital to set up a clothes factory in 1979, which was followed a few years later by a zipper factory.

Throwing in the towel

In 1984, Xu and his partners invested $200,000 to acquire a production line from overseas that could produce sanitary towels, then a rarity in China. When Xu established Hengan Industrial in 1985, and started making sanitary towels under the Anle brand, he was helping to create a completely new market. Hengan quickly became the dominant player – by 1992, it had a 40% share of the market.

Into new markets

As competition intensified, Xu invested heavily to maintain his market share. In 1993, he brought in a production line from Italy that allowed him to produce higher-grade towels with butterfly wing technology, enabling him to bring the newest innovations to China.

After this, Hengan expanded into making nappies and also became one of the country’s biggest sellers of paper tissues. Just after the 2008 financial crisis – a time when few companies were thinking about expanding – Xu doubled his annual output of paper tissues to 600,000 tonnes.

Need to Know

Hengan listed in Hong Kong in 1998. It now has a headcount of 20,000 staff working in 14 provinces and cities. The company managed to report higher net profit for 10 consecutive years. In 2015, its net profit was HK$4 billion.

As one of China’s earliest entrepreneurs, 60 year-old Xu is now thinking of slowing down. In 2011 he announced a successor – Xu Shuishen, the current chief operating officer (they are related via a mutual great-grandfather). This means that the management of Hengan will not be passed down to any of Xu’s children. Instead, his three sons will be in charge of investing the cash that their father has earned.
China’s Tycoons

Zhang Yin

Nine Dragons

One of China’s richest women, Zhang Yin was born in 1957 in Shaoguan in Guangdong. The daughter of a lieutenant in the Red Army, she started out in accounts in a state factory. In the early 1980s she moved to a joint venture paper firm in Guangdong.

Getting started

Next up was Hong Kong. But in 1985, her employer went bust. Zhang seized the moment to start her own paper recycling business, using Rmb30,000 of her savings.

Zhang got an edge on her rivals by improving the quality of her recycled product. This even led to harassing calls from disgruntled Hong Kong triads, who lost market share to her better paper.

She didn’t flinch but in 1988 decided to relocate her business to China, opening a wholly-owned factory in Dongguan. She also began to build up operations in the US and in 1996 invested $110 million to establish Nine Dragons, a firm that turned waste paper from America into cardboard packaging for China’s burgeoning export industry.

Her US company, American Chung Nam, counts (ironically) as one of America’s major exporters to China, as it fills up container after container of wastepaper to feed Zhang’s recycling operations in Dongguan. Overheads are cheap because rubbish dumps are willing to supply her with paper at a low cost, and she doesn’t have to pay much for shipping since cargo boats are often empty on the way back to China after offloading their (China-made) goods in the US.

Big break

In 2006 Nine Dragons – by now the world’s biggest maker of paper packaging – listed in Hong Kong. Zhang became famous when she was ranked top of the Hurun Rich List with a net worth of $3.4 billion. She was also reckoned to be the richest ‘self-made’ woman in the world – beating Oprah Winfrey and JK Rowling.

In the wake of the 2008 global economic crisis, Nine Dragons was hit by collapsing Chinese exports. This meant less need for paper packaging and the company’s stock plummeted 90% from its high.

Setback

In 2012, ratings agency Standard & Poor’s made the unusual decision to withdraw its long-term corporate credit rating for the company’s debt, citing “insufficient access” to management. In a statement, S&P referred to the company’s “aggressive debt-funded growth appetite” and said that absent sufficient access to management, it could not “fully understand the company’s strategy and financial management or assess its future credit risks”. Nine Dragons quickly disputed S&P’s comments, stating that the company has a sound financial position.

Key info

The company’s market value was HK$28 billion as of September 2016.

Year born

1957
One of her managers ran off with company cash, and she made a large investment in iron ore, only to lose everything. She didn’t give up.

Big break
In 1994, she started providing landscape services to newly built real estate projects in the suburbs of Beijing that targeted foreigners. The next two years proved highly lucrative: “In 1995 and 1996, almost all of Beijing expat real estate landscapes were done by us.” This led to other work, and He took on landscape projects on high profile developments, such as Oriental Plaza.

Growth
As her business grew, He decided that the next step would be for her company, Orient Landscape, to go public. After all, in 2001 the government announced the imminent arrival of a growth enterprise board, which looked like an obvious source of capital. In preparation for listing she expanded rapidly, undertaking projects all over the country. In 2003, Orient Landscape had 80 projects across China, with 700 employees. But after the NASDAQ bubble burst, Chinese regulators were less comfortable with introducing the new ‘growth’ board, and postponed its launch indefinitely. This proved to be a tough time for New Orient, which after stretching itself beyond its means, was forced to make heavy cuts. Its workforce shrank to just 200 people.

Need to know
In 2009, a growth enterprise board, the ChiNext, was finally launched in Shenzhen. By that time, Orient Landscape had started providing landscaping services to high-profile municipal projects, such as Beijing Airport’s newest terminal, and moved into real estate. The company finally went public in 2010. As of September 2016, its market value stood at Rmb36 billion. Hurun put her net worth at Rmb23 billion.

With a father who worked in landscape gardening, Zhejiang-native He Qiaonv followed a family tradition when she attended Beijing Forestry University to learn his trade. Upon graduating in 1988, she went to Hangzhou to take up a public position, only to return to the capital a few years later to visit a bonsai exhibition. (A note on the spelling of her name, Qiaonv: this is not a typo on our part. The ‘nv’ is a rare phoneme in Mandarin, sometimes also rendered as nü, so as to distinguish it from the more common ‘nu’.)

Getting started
She was inspired to start out in business by selling miniature Japanese trees. It didn’t stop with bonsai. In 1991, she started buying plants in Guangzhou and leasing them to five-star hotels in Beijing. She also ran a florist in the New Century Hotel, which led to her taking over the hotel’s landscaping works. He’s initial ventures however, ended in failure.

Other Industries

Key info
The company had a market value of Rmb36 billion in September 2016.

Year born
1966
China's Tycoons

Che Jianxin

Red Star Macalline Group

“Learn more” is a frequent refrain when Che Jianxin addresses his employees. And yet the 48 year-old tycoon dropped out of school at 16 because of poor exam results.

Getting started
Initially Che wanted to be a tailor but his family couldn’t afford the sewing machine that he needed, so instead he became a carpenter, making furniture.

Three years later, Che opened his furniture store Red Star in his hometown Changzhou, in Jiangsu province. After several years of careful growth, he founded Red Star Furniture Mall in 1991. Che then expanded fast, opening 24 stores in Jiangsu in five years.

Setbacks
Che’s furniture mall model was soon being copied by his business peers, and profits fell as a result of his expansion drive. By the end of 1996, Red Star was losing money at half of its malls and Che started to think about the business model – particularly the rents he was paying. “Red Star would have died if the situation continued,” he recalls. So he took the decision to close all his stores, except the five most profitable ones.

In 1997 Che changed the chain’s name to Red Star Macalline, which sounded (to local ears) more foreign and ambitious. He bought a piece of land in Nanjing, the capital city of Jiangsu, and rather than pay rent, built his own shopping mall and attracted other homecare retailers to move in alongside him. This proved a success, and a housing boom provided increasing numbers of shoppers.

Growth
With the opening of a location in Tianjin, the total number of Red Star Macalline Malls reached 100 nationwide. “The land we purchased is worth 20 times what we paid 10 years ago,” Che crowed to 21CN Business Herald. “Without counting any other assets, the land we own is worth more than Rmb10 billion.”

Red Star Macalline went public in Hong Kong in 2015. As of September 2016, the company’s market value stood at HK$26 billion. Red Star has also announced a plan to expand and provide real estate agency service.

And to relax
Che claims to have read more than 2,000 books and orders his executives to have a book in their bags at all times. He even buys every manager a bookshelf for home use and is even said to pay the salaries of their maids: “Only by liberating them from trifles can they focus on learning new things, for example, from books. It’s good for their work eventually,” Che suggests. According to his assistant, Che takes five books on all his business trips, too.

Key info
Red Star Macalline’s market value stood at HK$26 billion as of September 2016.

Che operates China’s answer to IKEA

Other Industries
Li Lixin

Lisi Group

Getting started
Li Lixin got his first job after leaving school at 19 as a salesman in a stationery factory. He went on to manage the sales team, and with six years of savings under his belt, he set up his own stationery business. By 1993 it was earning Rmb1 million.

Big break
Li then decided to change direction. He set up Lisi Plastic to make household plastic items, opening a workshop in Ningbo. In 1994 he went to the Canton Fair and displayed his wares. Although his English was rudimentary he met an American buyer, who placed a Rmb15 million order for six containers worth of plastics goods. Business grew and he was soon working with a network of US agents to sell his products abroad.

Growth
By 2004 he had created Asia’s largest household plastic factory and sales had reached Rmb5 billion. Supplying the likes of Wal-Mart and Carrefour, Li’s household goods were being exported to more than 100 countries.

With 90% of products exported to Europe and America, Lisi was not well placed when the financial crisis struck in 2008. Li responded by investing Rmb120 million in R&D to try to improve product quality. He cooperated with Tsinghua University and saw his product’s average selling price rise.

Need to know
Even before the crisis struck, Li had foreseen that his business needed to be transformed. In 2004, he went three consecutive nights without sleeping – instead staring at a list of the Fortune 500 companies. He noticed most of the biggest firms came from IT, energy and retail. Li also decided the last sector, retail, would be Lisi’s future.

In 2006 Lisi took full control of Ningbo’s top department store. He then went on an acquisition spree, buying up malls, supermarkets and department stores in third and fourth tier cities. Lisi currently has 10 department stores and 40 supermarkets. Their sales now constitute 60% of group profits.

Famously known as China’s “Plastics King”, Li injected part of Lisi’s assets into a listed company called Magician Industries as a vehicle for further non-retail industry investments, with his particular interest now focused on financing alternative energy start-ups.

Work life balance
As it turns out, Li is a strong believer in work-life balance. In a letter to his employees, Li wrote: “Run a family like how you run a company. Even though you are going to have a lot of work to do you can’t forget the birthdays of your wife or your child. Spend more time with your family! Buy them presents and also encourage them in the love for learning!”

Key info
- Li was worth Rmb4.4 billion in 2015 estimated the Hurun China Rich List.

Year born
1967
China’s Tycoons

Lui Che-woo

Galaxy Entertainment

Lui Che-woo won’t forget January 17, 2014 in a hurry. Why so? He was named Asia’s richest man – albeit for just one day. Bloomberg first decreed that the Hong Kong tycoon was $100 million richer than Li Ka-shing, and therefore the region’s wealthiest person. A few hours later it made a correction, having adjusted its calculations on Lui’s net worth to $23.7 billion (not to be sniffed at, but still trailing Li’s $29.5 billion.)

Getting started
Lui was born in 1929 in Guangdong’s Jiangmen city. The Sino-Japanese War of the late 1930s forced him to flee to Hong Kong without finishing high school. But during Hong Kong’s own occupation by the Japanese Lui got rich, selling snacks made of cassava powder.

After the war Lui moved on to his next business in Okinawa, where he bought military equipment which he then sold as machinery parts in Hong Kong.

Lui’s new venture opened his eyes to the potential of Hong Kong’s mining industry. He reserved the best heavy machinery for himself and acquired the territory’s biggest quarry in the 1960s. Brisk demand for construction materials spawned Lui’s next diversification: into real estate. In the late 1970s he was among the early movers into hotels. In 1987 Lui listed his property flagship K Wah Group.

Second big break
Lui’s real estate business didn’t grow at anything like the pace of leading Hong Kong property tycoons like Li Ka-shing. In fact, his net worth didn’t rank among Hong Kong’s top five at the time the territory was handed back to China in 1997. Instead what has taken Lui up the rich lists is his bet on Macau’s casino boom. In 2002, he managed to get one of the three licences made available when Macau broke up casino mogul Stanley Ho’s gaming monopoly. The resulting casino franchise became today’s Galaxy Entertainment.

Galaxy’s rise has been a bumpy one. Its early investments were constrained by the global credit crunch. At the time Galaxy’s stock plunged to a low of HK$0.66 per share. It rebounded to more than HK$80 in 2014. though China’s ongoing anti-corruption drive means less high-rollers from the mainland are betting at the city’s tables. As of September 2016, Galaxy’s shares traded at HK$27, with a market value of HK$115 billion.

Need to know
Lui’s two trademarks are a flat cap and a large grin. He’s also unflappable. When tussling for a casino licence in 2001, someone put a coffin outside one of his hotels. But Lui laughed off the death threat, claiming it was just a “sick joke”, reports Singtao Daily.

On January 17, 2014 he was named Asia’s richest man by Bloomberg – but held the mantle for just one day

Key info
According to the Bloomberg Billionaire Index, as of September 2016, Lui’s net worth was $7.3 billion.

Year born
1929
Yan Bin keeps a low profile, both in his native China and his adopted country, Thailand. Also known as Chanchai Ruayrungruang, Yan built his business empire by straddling both the Thai and Chinese political and business elite. And it’s important for his success that he’s regarded by each as ‘one of us’.

Getting started
Little is known about the billionaire’s early years. He was born into poverty in 1954 in Shandong province. Like many of his contemporaries, he was sent to the countryside in rural Henan province during the Cultural Revolution.

Somehow he managed to find his way to Thailand. Things were tough at first, folklore has him selling pints of his own blood to survive financially. He would wake at 5am with nothing for breakfast but rice and soy sauce.

If Yan’s early years are mysterious, the story of how he built his business is no less straightforward. Yan started his company, the Reignwood Group (known in Thailand as Ruoy Chai), in 1984 when he was 30 years-old, looking to invest initially in Thai real estate. China’s ‘reform and opening’ era presented another opportunity. In the early 1990s Yan set up the first foreign joint venture travel agency in the country.

Big break
In 1995, Yan leveraged his relationship with one of Red Bull’s founders, Chaleo Yoovidhya, to start selling the highly caffeinated drink in China. He spent millions to market the drink and build a nationwide distribution network. It was money well spent. Red Bull has captured 80% of the Chinese market for energy drinks, according to Reuters, and Yan’s JV has a production capacity of 500 million cans annually.

When Thaksin Shinawatra was Thailand’s prime minister, Yan was the Thai Rak Thai Party’s representative in Beijing. In 2004, he helped state-owned Sino Agri, Sinochem and the Exim Bank of China get access to concessions to mine Thai potassium, a potent fertiliser. The same year, he brokered a deal for his own company to invest in Thai rubber plantations, supplying the booming Chinese tyre market. And he even set up a JV with Chinese state-owned steel giant Shougang Group, to build a steel mill in Thailand.

And to relax
Golf is Yan’s networking technique of choice, and he is most likely to be found at the Ruoy Chai Manor, Yan’s luxury golf course and country club close to the Great Wall, less than an hour outside of Beijing. The Manor spreads over 1,000 acres. Membership costs $100,000 and upwards. The walls are decorated with more pictures of Yan and his ‘friends’, including Jackie Chan and ex-California Governor Arnold Schwarzenegger.

Key info
Yan ranked 10th on the 2015 Hurun Rich List, with a fortune valued at Rmb65 billion.

Year born
1954
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