

Zhang Jindong

Suning Commerce Group



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. Zhang declared that his goal is to create a retail empire with sales of \$100 billion by 2020.

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.

He just became the boss of Inter Milan

Key info

According to CBN, Zhang is worth Rmb33 billion.

Year born
1963

Retail

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.

He's also the chairman of GOME

Key info

Zhang was worth Rmb12 billion in 2015 according to Hurun's Rich List.

Year born
1948

Photo Source: magpie China

Yuan Yafei

Sanpower Group



Born in Chongqing, Yuan Yafei's family had to move 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 Xijiekou, 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."

He owns House of Fraser and wants to send his son to Eton

Key info

Hurun's China Rich List says Yuan is China's 37th richest man with a net worth of Rmb37 billion.

Year born
1964

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.

**He owns
Britain's oldest
toy shop
Hamleys**

Key info

Chen is the brother-in-law of Sanpower's chairman Yuan Yafei.

**Year born
1967**

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

Tang began using the French-sounding name Belle in 1991, first making female footwear for sale in Hong Kong. The big break came in 2004 when China fully opened its retail market to overseas investors. Belle bought back its retail networks from franchisees and tapped directly into the growing spending power of Chinese consumers.

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.

Hong Kong media liken his rags-to-riches story with Cinderella

Key info

Forbes estimated Tang's net worth to be \$2.5 billion in 2015.

Year born
1934

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

Key info

Yintai operates more than 30 Intime department stores in China.

Year born
1962

Huang Maoru

Maoye Group



Born in 1965 in Guangdong's Chaozhou (which borders Shantou), Huang Maoru was one of the earliest member 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.

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.

He hates playing golf

Key info

Li’s love life helps bring priceless publicity for his diamond firm.

Year born
1973