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Little-Known Entrepreneurs Putting China Near Top of Billionaires' List

By [DAVID BARBOZA](#)

SHANGHAI, Nov. 6 — The United States has more billionaires than any other country: 415 by the last count of Forbes magazine.

No. 2, and closing fast? China.

A year ago, there were 15 billionaires in China. Now, there are more than 100, according to the widely watched Hurun Report. Forbes has documented 66.

Unlike America's rich, China's are hardly famous, even here. [Bill Gates](#) and [Warren E. Buffett](#) are known around the world. But Yang Huiyan and Robin Li?

Yet, who they are, and what they decide to do — or are allowed to do — with their money and newfound influence will have political and economic consequences in China and probably far beyond, analysts say.

“They could start buying companies in the U.S.,” Chang Chun, an economist at the China Europe International Business School in Shanghai, said. “They have so much influence.”

Thanks to the capitalist stock mania sweeping the Communist mainland, Chinese private and state-owned companies issuing stock for the first time are becoming the most valuable companies in the world — at least on paper — often overnight.

On Tuesday, Alibaba.com, one of China's biggest Internet companies, had a blockbuster stock offering, raising nearly as much as [Google](#) and soaring 193 percent on its first day of trading.

That came after the debut on Monday of the state-owned energy company [PetroChina](#) on the Shanghai Stock Exchange. Its market valuation ran up to more than \$1 trillion, topping that of any company in history.

Analysts are skeptical about the way China's stocks are valued, particularly those like PetroChina with huge amounts of untradable government shares. But on paper it has dethroned [Exxon Mobil](#) as the most valuable company in the world.

Similarly, [China Mobile](#) is the world's most valuable telecommunications company. The state-owned Industrial and Commercial Bank of China, which was nearly insolvent a decade ago, is worth more than [Citigroup](#).

And when Country Garden, a southern China real estate company, went public in April, its initial public offering was bigger than Google's.

But many analysts argue that there is nothing underlying the skyrocketing values, or that the obscure finances of the companies make it impossible to know their true value. And if China's stock market is a bubble, the new billionaires will disappear as quickly as they rose.

"A lot of people are surprised at how fast this has happened," said Jing Ulrich, an analyst at [JPMorgan](#). "But this is the power of the capital markets. A lot of people's wealth is based on newly listed companies."

After a nearly decade-long bear market for Chinese stocks, investors here are in party mode. The Shanghai Stock Market is up nearly 400 percent in two years. The Hong Kong Stock Exchange is shattering records.

The emergence of the superwealthy is a dramatic turnaround in a country that once branded enemies of the state "capitalist roaders."

But in the 1980s, [Deng Xiaoping](#) broke with Maoist dogma by saying, "to get rich is glorious," setting off a wild scramble that has produced a generation of hungry entrepreneurs.

Many analysts believe the Chinese are so new to this type of money that they themselves do not know what they will do with it, assuming it lasts.

As much as the bounty of billionaires is a source of pride, it is also a potential cause for concern in a nominally Communist country. Per capita income in China is less than \$1,000 a year.

“One issue is social stability,” says Emmanuel Saez, a professor of economics at the University of California, Berkeley. “In Latin America you had such a concentration that revolutionaries wanted to redistribute it.”

Perhaps for that reason, many wealthy Chinese entrepreneurs fight to stay off the rich lists. Plus, the early lists of wealthy often led to unwanted scrutiny, including investigations and jail for some on tax evasion or corruption charges.

But times have changed.

With the economy of China roaring and entrepreneurs sensing a golden age of stock riches, everyone seems to be mouthing the words “shang shi,” Chinese for initial public offering.

Among the most celebrated are the young Internet tycoons. Robin Li, the 38-year-old founder of Baidu, which is called China’s Google, is now worth about \$2.4 billion, making him richer than [Jerry Yang](#) of [Yahoo](#). Ma Huateng, 36, of Tencent, another Internet giant, is worth \$1.9 billion. And Jason N. Jiang, the 34-year-old founder of Focus Media, is worth \$1.1 billion.

Mr. Jiang grew up in Shanghai, and studied literature before turning his focus to business while in college. He says he started out selling advertising in Shanghai and then, in 1997, formed what is now Focus Media with the idea of placing video monitors broadcasting advertisements in elevators, apartment complexes, supermarkets, and even on street corners.

With the help of [Goldman Sachs](#) and [Credit Suisse](#), Focus Media went public in 2005 on the Nasdaq — and its shares have jumped about 800 percent in two years.

But it may be ambition more than money, at least so far, that motivates him. “I want this company to be the greatest media group — the greatest media company

in the world,” he said in an interview. “I want Focus Media in every part of the world.”

He says he works 8 a.m. to 2 a.m., and does not feel tired. He also says he has no time for anything else, including spending his enormous wealth. He has upgraded to a nicer home in recent years, he says, but has little time for sports or anything else. He is single and works through lunch at his desk, buying a \$2.50 take-out meal nearly every day.

“I think this is typical,” he says of successful entrepreneurs in China. Experts call entrepreneurs like Mr. Jiang the country’s best hope for innovation.

“These young 30-something-year-old entrepreneurs have become billionaires, and they’ve become role models for others,” says Chen Zhiwu, a professor of finance at [Yale University](#). “They have totally energized Chinese entrepreneurs.”

In fact, after Forbes and the Hurun Report, which tracks the wealthy, published their rich lists this fall, the government in Hunan Province, Mao’s birthplace in central China, seemed to complain that the province was not accurately represented.

The Hunan provincial government posted its own rich list on its provincial Web site, as if to say: people from Hunan are great entrepreneurs, too.

While Forbes this year estimates that there are 66 billionaires in China, Rupert Hoogewerf, publisher of The Hurun Report, has already found more than 100, and there could be many more, he says.

Mr. Hoogewerf also says that 6 of the 10 richest self-made women in the world are from China, including Zhang Yin, the founder of Nine Dragons Paper, which collects recycled paper from the United States and turns it into boxes in China.

The richest person in China, since last April, is also a woman: Yang Huiyan of Country Garden, the real estate company.

Ms. Yang, 26, who did not grant an interview, is No. 1 on both rich lists, and easily the richest woman in Asia. A graduate of [Ohio State University](#), she is

worth about \$16 billion, making her richer than [George Soros](#), [Rupert Murdoch](#) and [Steven P. Jobs](#).

Her father, a real estate developer in southern China, gave her most of the family's fortune in stock, just before Country Garden's blockbuster Hong Kong initial public offering.

In keeping with their reputation for discretion, of about 15 billionaires contacted recently, only one, Mr. Jiang, agreed to an interview. They tend to hide their billions, friends say, sometimes with offshore purchases. Some even boast that they still get a \$2 haircut.

Their stories, though, are remarkable. Huang Guangyu, 38, grew up in a poor village in southern China, where he and his brother sold plastic bottles and newspapers. Now, he controls Gome, one of the country's most popular electronics stores.

Li Ning won three gymnastics gold medals at the 1984 Olympics in Los Angeles. Later, he founded a sporting goods company, took it public and signed [Shaquille O'Neal](#) to a sneaker contract. Now, Mr. Li is richer than [Tiger Woods](#).

The rise of the Chinese billionaire is remarkable not just because of the speed with which it has happened — the country only opened up to capitalism 25 years ago — but because it happened without the help of a single global brand, no [Sony](#) or [Toyota](#). (Japan has only 24 billionaires.)

Indeed, China's wealthiest, largely real estate tycoons (35) and manufacturers, appear singularly focused on making it inside China, not outside.

That is the next challenge of the billionaires. And some are already embracing it.

Shi Zhengrong studied physics and [solar energy](#) in Australia before returning to China in 2001 to start up Suntech Power. Six years later,

Mr. Shi's solar energy company is valued at \$9 billion, its stock price up over 300 percent since the public stock offering in December 2005.

In an interview earlier this year at his Shanghai headquarters, Mr. Shi insisted that solar power will play a role in China's development. And as he finished the meeting, he smiled and said, "Some day, this company will be as big as [Microsoft](#)."