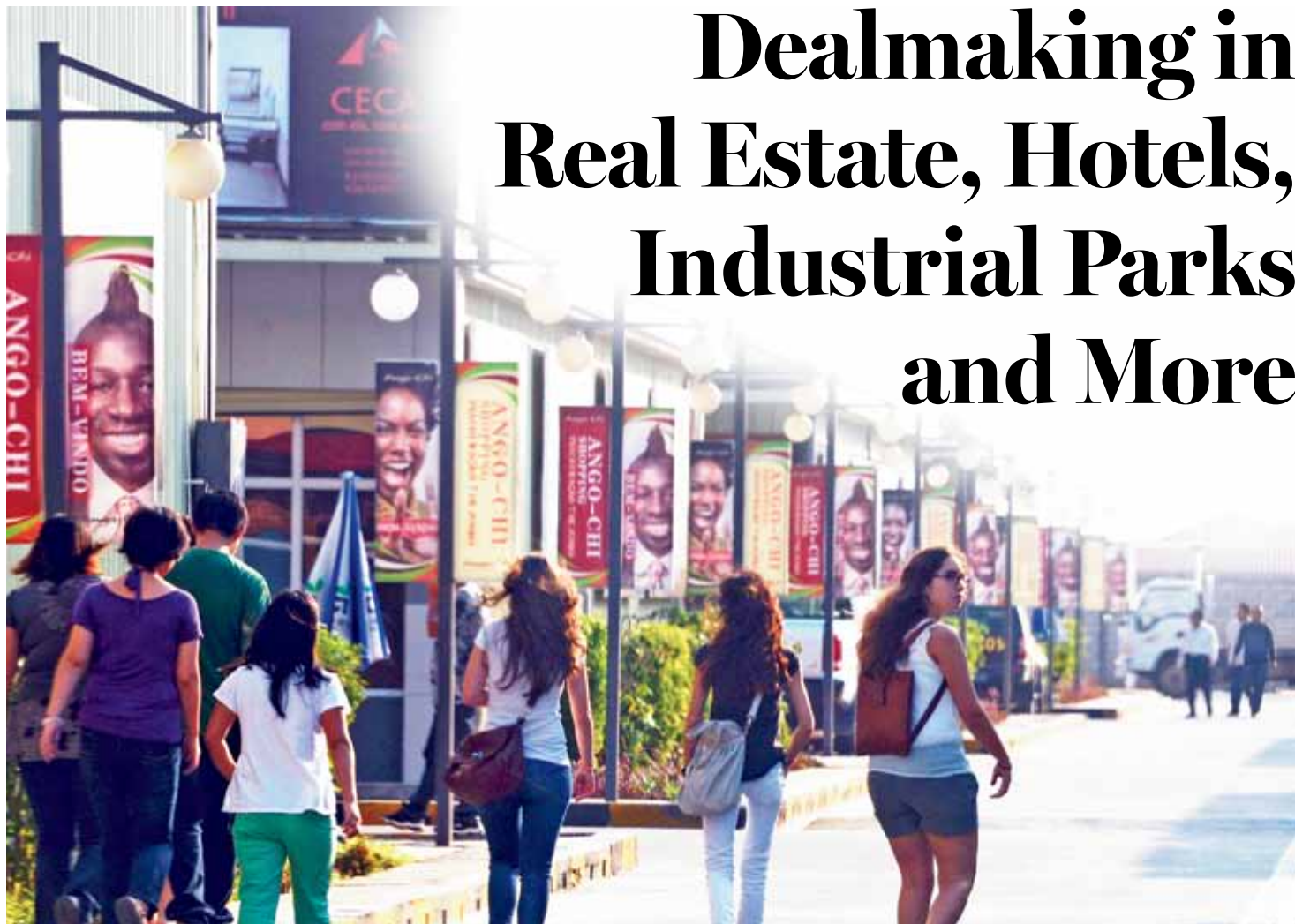


Dealmaking in Real Estate, Hotels, Industrial Parks and More



Company president Zheng Gang has come a long way from selling eels as a boy. He is planning to leverage Hasan's business parks and presence in Africa for those seeking access to the market.

By **CHEN YINGQUN**

The first business experience for Zheng Gang was selling eels that people in his village had gathered from rice fields. He was 8 years old. Forty years later, the eels are gone, but Zheng's business instincts are as strong as ever. These days he runs a commercial and industrial empire that stretches around China and all the way to Africa.

The company of which he is president, Hasan International, has fingers in many pies, including construction, hotel management, logistics and real estate, but the

Sichuan province native has now come up with what he thinks could be another huge money maker.

In a sense, the idea harks back to Zheng's

days selling eels. He then acted as a middleman, collecting eels from villagers who had gathered them in the rice fields, and selling them at the local market on their behalf.

In his latest business model, his platform is Africa, and he aims to get other companies to pay Hasan hefty sums of money so they can trade on the success of the business parks it plans to build across the continent.

Their imperative for doing business with Hasan is that as they go to Africa, which Zheng first did eight years ago, the way

they do business will have to change, he says.

"Just like China, Africa has different opportunities in different periods," he says. "When we first went there, selling clothes, vegetables and daily goods, it seemed whatever you did could make money."

Zheng said that for the past few years, the threshold for entering the market has been raised, competition has become fierce, and the way businesses develop has changed. Profits in some sectors, such as trade and construction engineering, have fallen, while sectors such as real estate and processing are booming.

"Labor-intensive industries will still develop well for a while, but relying on cheap labor or cheap commodities to make profits is not as reliable as it used to be," says Zheng, also the newly elected vice-chairman of the China-Africa Business Council.

"Adding more value to products and factors such as technology, capital and talent will add competitive firepower, and entrepreneurs need to rethink their strategies and business models."

The business model Zheng is building in Africa is taking form in Luanda, capital of Angola. It is called the Ango-Chi International Logistics and Trading Park, which has been co-developed by Hasan International and local government departments since 2011.

With an investment of \$1.5 billion, the park will cover 2.6 sq km. A shopping area of about 40,000 sq m is already operating, selling hardware, building materials, electrical equipments, textiles and furniture.

The completed project will not only provide facilities for logistics, production and trading, but also residential and office space. All supporting facilities, including shops, restaurants, exhibition centers, schools, hospitals and a transport center, will be built inside the park by Hasan International.

The Ghanaian government also authorized Hasan International to develop a 10-sq-km industrial park in Sekondi.

After finishing high school, Zheng left the village to seek his fortune in the city of Nanchong. He sold vegetables, clothes and groceries and would later branch out into the lucrative fields of construction and logistics, founding Hasan International in 1993.

Zheng says he always felt an urge to innovate, and this led him to Africa, a land about which he knew little.

"I was not worried by the tough conditions in Africa when I first went there," he said. "Instead, I soon recognized it was the place where I could show my talent and pursue my dream."

In 2006, his first expeditionary team to Angola comprised 10 tents, 20 building tools and 30 workers.

First working as a contractor for construction projects, the company's business now covers real estate development, industrial park development, mineral resources, international logistics, trade, investment and hotel management. Apart from establishing headquarters in Angola and Ghana, the company also operates in Nigeria, Mozambique and Kenya.

Zheng says that for the past few years, Hasan's revenue from Africa has grown about 40 percent a year, and in 2013 it was about 2.2 billion yuan (\$363 million). He expects it to reach 10 billion yuan in five years.

Unlike many other Chinese businesspeople in Africa, who made their first large profits there, Zheng entered the market after accumulating capital in China. He has always taken a long-term view on Africa, expecting his company to become well integrated into society there.

Zheng, who came from a poor family, was careful with limited resources, and this has helped him develop effective techniques in his African businesses.

"I would like to describe our strategy as a dumbbell," he said. "One side is the big potential of the African market, which offers opportunities we can seize, such as getting projects and setting up channels. The other side is the resources in China, such as capital, talent and technology, and Hasan aims to be the transverse bar that joins the two ends."

Zheng now visits Africa four or five times a year, and is prepared to snap up any new opportunities, but what challenges him now is how to build a high-quality international team. He employs more than 2,000 Chinese and 1,000 locals.

"We have Chinese technicians, African technicians and sometimes Western technicians working together doing programs, but language is one barrier," he said. "Many technicians have good technical skills, but just cannot overcome the language difficulties."

Also, his managers have to take into account different cultural backgrounds, attitudes and values.

Zheng says that for the past few years, he has been focusing on the African market more than the domestic market. Now, with competition in Africa increasing, he does not want to put all his eggs in one basket. He wants to keep his experienced Chinese staff members with the company when they come back from Africa, and as that process develops, he will give more attention to the domestic market.

AFRICA OPERATIONS

HASAN (H&S)
Industry: Investment
Year first factory in Africa was built: 2006
Headquarters: Angola and Ghana
Major business in Africa: Real estate, logistics and trade parks, mineral resources, financial investment, hotel management
Number of local workers: 1,030
Annual revenue in Africa: \$363 million

PARENT COMPANY IN CHINA

HASAN GROUP
Industry: Investment
Established: 1993
Headquarters: Beijing
Revenues: \$1 billion (2012)
Address: No 19, Chaoyang Park Road, Chaoyang district, Beijing, China
Phone: 86 10 65398989
Website: www.hasan.cc

ZHENG GANG



Chairman, Hasan International

Career

- Chairman, Hasan International (1993-present)
- Established Hasan International in 1993
- Doing various business after graduation