

SUNDAY PROFILE

U.S.-honed skills paying off in China

H. Roger Wang, one of America's richest men, defies skeptics as he builds real estate and retail empires abroad.

By **DON LEE**
Times Staff Writer

NANJING, CHINA — H. Roger Wang was in a jam.

He had come a long way — emigrating from Taiwan to America, earning an MBA at Southeastern Louisiana University, managing a drug store in Los Angeles and becoming a developer with offices in Beverly Hills.

By the early 1990s, he had made his way to this city in eastern China to build a 60-story office tower, using proceeds from some of his Southern California developments.

But after three years, only six floors had been completed. And then his partner pulled out, leaving him short \$96 million. No one wanted to move into a partly completed building with lots of construction above them still to come.

Desperate for cash, Wang hatched a plan. He would open a department store offering foreign-brand goods and what was then a novelty for Chinese shoppers: satisfaction — or their money back.

His staff told him it would never work. "People will take advantage of it. You'll be sorry," they said.

As it turned out, few people abused Golden Eagle's refund policy. On the contrary, Wang says, it built goodwill among customers, who also appreciated that cashiers handed out crisp new bills and that the restrooms always had soap and tissue — something still hard to find at many stores in China.

That was the first of a dozen high-end stores that Wang would open in China, in mostly smaller cities such as Yan-

cheng, Nantong and Yangzhou. Along the way, he has quietly become one of America's richest men; *Forbes* estimated his net worth at \$1.3 billion in 2007.

Wang stepped out of the shadows and into the headlines this month when he filed suit against Bear Stearns, accusing the brokerage of misleading him and his wife into buying 150,000 shares days before the firm agreed to an emergency buyout by JPMorgan Chase for \$2 a share (a price later raised to about \$10).

The suit claims Wang agreed to pay \$6.56 million for the stock at prices up to \$71.96 a share. Neither Wang nor Bear representatives would comment on the suit.

It was a rare financial misstep for Wang, 59, but hardly the first brazen move.

When Wang was opening his department stores in small cities, even friends were skeptical.

"In those days, [Chinese] didn't have a lot of money," said Andrew Cherng, chairman of Panda Restaurant Group, the Rosemead-based chain of more than 1,100 Panda Express eateries. "I wondered, 'How's he going to make money?'" said Cherng, a Yangzhou native who has known Wang for 20 years.

But as China's wealth spread from the eastern seaboard to cities in the Yangtze River delta, Golden Eagle had few rivals that could match its products, service and management. Wang says he borrowed accounting, logistics and inventory systems from the U.S.

Golden Eagle Retail, which is traded on the Hong Kong stock exchange, reported gross

sales of about \$650 million last year. Sales at stores open a year increased 27% last year, compared with 18% for Singapore-based Parkson and 20% for New World of Hong Kong — two top department store operators in China, said Jessie Qian, a retail analyst at Macquarie Bank in Hong Kong.

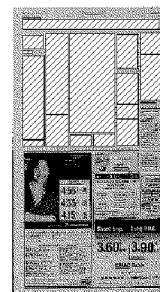
Golden Eagle "is very much service-driven," Qian said. "They have the best VIP program and spend more money and put more efforts in interior designs, lighting. They pay more attention to details."

Wang, she said, has learned from his American experience.

Real estate remains an important part of Wang's private company, Golden Eagle International Group. Most of his stores are in properties owned by Golden Eagle. That means the stores don't pay rent and Wang keeps more of the sales. As in other developing countries, retail landlords in China typically require tenants to pay a percentage of sales as rent.

When he's in China, Wang lives in an apartment on the 59th floor of his building in Nanjing — the same high-rise he had the early struggles with but finally completed in 1997 — and works in the headquarters one floor below. His spacious office, with a balcony, has a sweeping view of central Nanjing. On a recent visit, there was hardly anything on his large desk. Two bags of Taylor Made golf clubs were against the wall.

"I like to play golf, but not at a country club," said Wang, dressed in a navy blue suit. "I don't have a lavish lifestyle."



Giant strides

Who: H. Roger Wang

Age: 59

Education: MBA at Southeastern Louisiana University

Personal: Married, two daughters

Work experience: Manager, Thrifty Drug store; insurance salesman, Pacific Mutual

Present occupation: Chairman and chief executive of Golden Eagle International Group

Hobbies: Golf, reading

He's happy that his customers do. Wang caters to those who have a penchant for Gucci, Hermes, Givenchy and other premium brands. As China's moneyed class has grown, so have the sales at Golden Eagle.

Panda Express' Cherng describes Wang as highly com-

petitive and methodical. Thus far, Wang has been very cautious about growing too quickly but is now aiming to double the number of department stores in three years. Nor does he see himself slowing down. He wants to run Golden Eagle for at least another five years.

Wang spends about seven months a year in China, the rest in Beverly Hills, where his wife and their youngest daughter, a business major at USC, live. An older daughter works in merchandising at Golden Eagle's Shanghai store.

Wang says he wants to give back to the community. Last year he joined the Committee of 100, a group promoting Chinese-American causes and U.S.-China understanding whose members include Yo-Yo Ma and I.M. Pei. Wang donated half a million dollars for the group's annual conference last week in Los Angeles. He's also a major supporter of the Hun-

tington Library in Pasadena.

In business, Wang still owns real estate in Southern California, including swaths of land in San Bernardino County and an apartment building on 3rd Street in Los Angeles, according to public records.

With the U.S. economy slumping — and real estate in particular in a tailspin — Wang is looking for bargain properties in the West. He says he missed out on a chance when the Ritz-Carlton Hotel in Pasadena was put on the block. It was sold in the fall for \$170 million to Hong Kong billionaire Lo Ka-shui, brother of Vincent Lo, developer of Shanghai's up-scale Xintiandi retail zone.

"Because I didn't stay focused, I lost the opportunity," Wang said of the hotel sale. But there are plenty of more prospects, he said, on both sides of the Pacific.

don.lee@latimes.com



CAO JUN Los Angeles Times

FAR-FLUNG PROPERTIES: H. Roger Wang outside his flagship Golden Eagle department store in Nanjing, China.