

FINANCIAL REVIEW

Albert Wong cautions 'crazy' Chinese investors on silly prices, silly deals



Sydney businessman and dealmaker Albert Wong brokered the \$260 million deal that let Chinese conglomerate Nanshan buy a 20 per cent stake in Virgin Australia. It put him on the comeback trail. **Peter Braig**

by [Michael Smith](#)

I'm having lunch with Mr Wong at Mr Wong. Sydney's busiest Chinese restaurant seemed like the obvious place to interview Albert Wong, the Hong Kong-born stockbroker turned banker, philanthropist, confidante of premiers and an expert on Australia's complex relationship with China.

But Wong has not chosen Justin Hemmes' Asian-themed eatery for its name alone. He has been coming here for years with his family, attracted by the Cantonese dishes that he grew up eating.

The minute he sits down, Wong is up and running and telling me about the time when Hemmes promised him a free meal at Mr Wong any Sunday because he was such a regular guest. The restaurant didn't open Sundays back then, but the joke may backfire on Hemmes as it now trades all weekend.

"I'll have to take him up on that. We have had a lot of family birthdays here and Justin has always been very kind. It is ironic it takes a Westerner to have one of the finest Chinese dining venues in town."



Albert Wong, at Mr Wong's, in Sydney, is the person to have ordering dim sum for you. "I've always described myself as a capitalist pig with a conscience," he cracks, as piles of bamboo baskets arrive at the table. **Peter Braig**

I have had lunch with Albert Wong at Mr Wong before, so I know the drill. He knows his way around the vast dim sum menu and, as soon as our waitress approaches, rattles off a list of orders in a mixture of English and Cantonese – scallop and prawn shumai, wild mushroom dumplings, pork xiao long bao and baby spinach dumplings. That's just for starters. He suggests a glass of riesling to wash it down.

Wong has agreed to lunch partly to muster support for the string of charities he is involved in. He is currently focused on efforts to raise money for Sydney University's efforts to preserve the legacy of the late physics guru Harry Messel. Wong spends as much time these days on philanthropy as he does on deal-making, but he is best known for his connection to former NSW premier Neville Wran.

"I've always described myself as a capitalist pig with a conscience," he laughs as the first of many bamboo baskets piled with steaming dumplings arrive.

Networking works

Wong's Hong Kong background and China connections means he is enjoying something of a comeback at the age of 58 after broking a \$260 million deal by Chinese conglomerate Nanshan to buy a 20 per cent stake in Virgin Australia in 2016. Wong is a consummate networker and it was his relationship with Jeremy Song, his next door neighbour in one of Vaucluse's most exclusive streets and the son of Chinese billionaire Song Zuowen, which led to the Virgin deal. Song controls the Nanshan Group and was hunting for an Australian tourism opportunity.

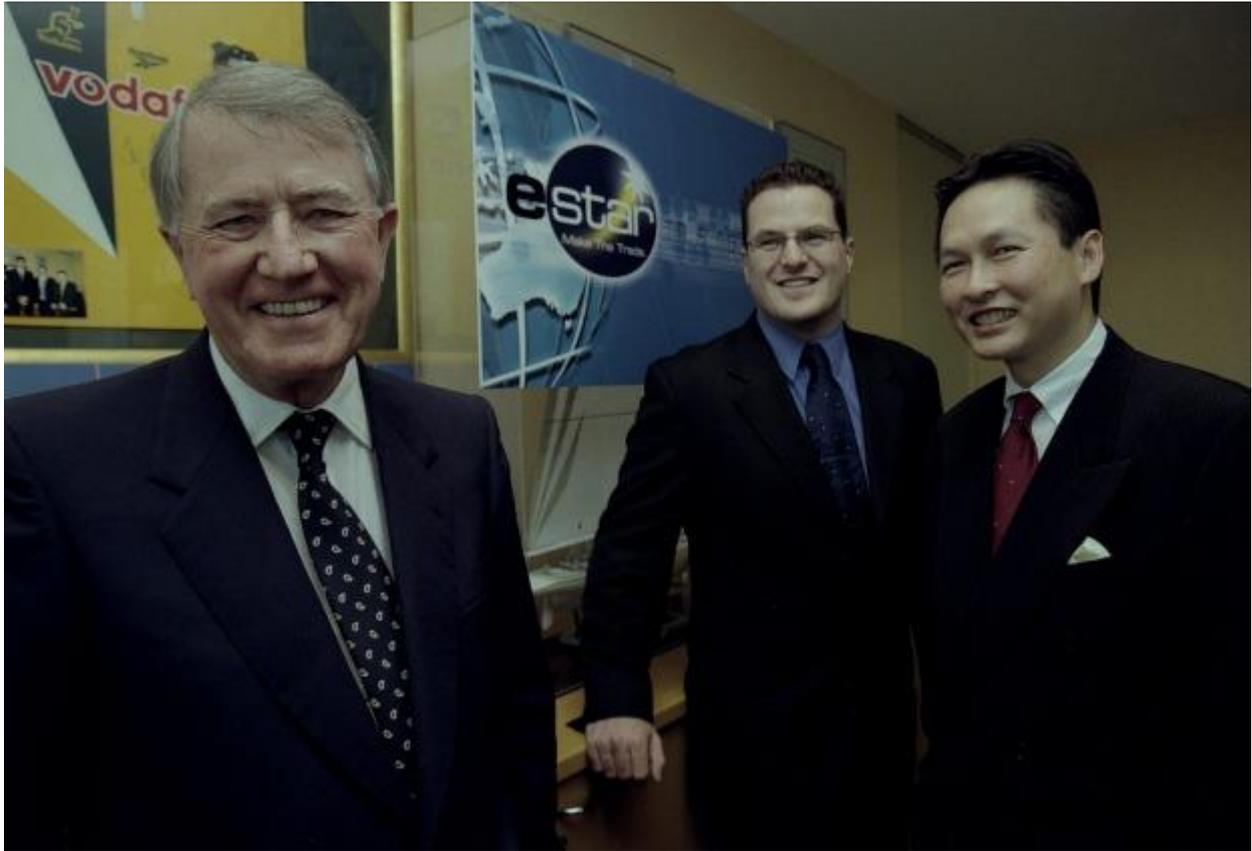


Albert Wong and Angela Fleming at a Jaguar model launch. Wong is a networker extraordinaire. **Helen Nezdropa**

"I organised meetings with both Qantas and Virgin to look at areas of operation in tourism. In the midst of those discussions, Air New Zealand's parcel in Virgin came on the block. Father Song, that's what we call him, said we should have a look at it and one thing led to another," Wong says. "We were lucky and did a very good deal for Nanshan. They had been operating here for some time but no one had really heard of them. Now corporate Australia knows who Nanshan is and there are plenty of opportunities knocking on their door."

Chinese foreign investment is increasing in Australia, but it has become highly politicised as the government's rejection of bids for the Kidman cattle property empire and Ausgrid electricity network last year showed.

Silly prices, silly buys



Premier's friend: Albert Wong is best known by the public for his friendship with former NSW premier Neville Wran (left). Centre is Alan Shapiro, director of information technology at e star, an earlier Wong online trading venture which has since closed. **Virginia Star**

Wong, who moved to Australia from Hong Kong when he was 16, is well placed to navigate this minefield because his ethnic background means he understands the sensitivities involved when negotiating with Chinese companies. Wong is working on more deals but won't give much away even after a glass of wine. But he admits he is telling his Chinese clients to look elsewhere if investments involve politically sensitive assets such as agriculture.

"I say to them at the moment with the mood and the media frenzy to take it easy, there is no rush. The prices are overheated. I said to one of them, 'what do you really know about agriculture, do you know how to run a farm? Why don't you invest in rural funds? They are well managed, there is capital growth and dividends and you still get the exposure.'

"Chinese investors have gone crazy and bought a lot of silly things and paid a lot of silly prices. It will come home to roost one day."



Albert Wong, photographed here in earlier years, says immigrants must assimilate into Australian culture and the West is too PC. **Paul Miller**

Wong says there are still huge untapped opportunities for Australian business in China, but both countries still struggle to understand each other. He has stories about the Australian law firm partners turning up for dinner in shorts and T-shirts when their Chinese counterparts were in suits. Or the time he accompanied Wran to a cocktail party for the then Chinese vice-president Xi Jinping where he averted an embarrassing mix-up between China and Taiwan. Officials were handing out name tags welcoming guests from the "Republic of China", which is Taiwan. Wong convinced them to throw out the tags and replace them with handwritten ones before Xi arrived.

However, Wong's views on the wave of anti-foreign sentiment creeping into Australian politics surprised me. He believes there is a long overdue backlash against political correctness as we've now seen in Donald Trump's United States election win. He even had nice things to say about One Nation senator Pauline Hanson.

Take care with types of migrants

"We have always been a nation of migrants, but we need to be careful of the types of migrants that come in. I told [Treasurer] Scott Morrison long ago it is critical. I don't mind where people come from or their ethnic background, but they must learn to assimilate and accept and adopt the Australian culture and way of life. If they are not prepared to do that, then they have no business to be in this country.

"I don't agree with everything Pauline Hanson says, but some things I do agree.

"One of the great weaknesses of Western society is the adoption of political correctness. That is going to be one of the key reasons for the downfall of the Western world, I do fear that greatly."

I ask Wong, who has lived in Sydney most of his life, if he considers himself Chinese.

"I've been educated in Western surroundings since I was six or seven years of age. So really I'm a banana, yellow on outside, white on the inside."

Wong's father was a dermatologist and his mother a teacher. Like many Hong Kong teenagers, he was educated in English. His first job was stacking boxes at Franklins and working at Coles in Bondi Junction. By the time he returned to Hong Kong for a visit in 1976, he had saved \$1200 and felt like the "richest man in Hong Kong".

Rise of a black sheep

Wong says he was a mediocre student at Vaucluse Boys High School. "The headmaster said I was the black sheep because all the Asians that had come before me always duxed the year and I was barely scraping through."

While his creative streak initially attracted him to studying architecture at university, Wong chose commerce because it only had 12 hours a week of lectures. After graduating with a degree in marketing from UNSW, a family friend and senior Merrill Lynch banker took him under his wing and he joined the investment bank in 1981.

After 10 months answering telephones, he was on the trading floor, spent time in New York and Chicago and returned to Australia to train as an account executive trading futures. He met Fortescue Metals founder Andrew Forrest in the early 1980s and worked with him on a string of deals between 1988 and 1990. Their most colourful adventure was transporting the Great Barrier Reef's floating hotel to Ho Chi Minh City.

There is no room left on our table as the duck spring rolls and ginger fish arrive. Wong is politely using his chopsticks to pile up my plate faster than I can eat as he tells endless stories about his career at stockbrokers Intersuisse and being retrenched from Bain Securities in 1987 after three days. But it was through Intersuisse and the establishment of Bond University that he met Messel, who was executive chancellor at the time.

Harry Messel's legacy

He believes Sydney University should be doing more to preserve Messel's legacy and has written to Prime Minister Malcolm Turnbull, whom he also knows. Wong says up to \$3 million in funding is needed to support the university's International Science School, an annual program of talks by top researchers aimed at encouraging young scientists from around the globe.

Wong is involved with a string of charities. He is a director of the Children's Medical Research Institute and was a director of Ian Thorpe's Fountain For Youth Foundation. He has extensive business interests, chairs recently listed fin-tech firm Kyckr and has floated so many companies he has lost count. He also sits on the board of Prima Biomed with Lucy Turnbull,

"In 1999-2000, we were floating companies every month during the so-called IT boom. People were fighting to get copies of the prospectus. You would think we were handing out money or something."

He has had many business "adventures" with Wran, whom he first met in his younger years working for Merrill's when he cheekily approached the then premier at a function and asked if he wanted to open a futures trading account with him.

Adventures with Neville

"Something clicked and Neville and I kept in touch. Once a year we would have lunch. We had a lot of fun, lots of adventures. You have to hand it to Neville, he was game."

Wong rarely stops talking, but the conversation slows when I ask him about the family dispute surrounding Wran's estate, in which Wong became entangled. Wong was briefly a director of Wran's family company and had power of attorney over his estate after a public falling out between the former premier and his wife. Wran at one stage moved into Wong's home.

"That was a tough time. Neville was a very close friend, he was like a mentor, a father figure, a business partner all wrapped up into one. Our business interests were clear cut [separate]. Contrary to what others may think, I had no financial interest in his personal matters or anything like that."

As we plough through the dishes, skipping the succulent Peking duck pancakes, which Wong ordered last time we were here, I steer the conversation back to China.

Prep for Asian Century

Wong has an inspired idea on how to prepare Australia for the Asian Century. He says instead of giving young home owners a first time buyer's grant, the Government should consider allocating funds to enable every young person to travel overseas as part of their education.

"Instead of giving young people thousands of dollars to buy a house, we should give them a free trip when you graduate from high school. It's not a trip to Disneyland, it's a trip to, say, a major trading partner like India or China or our nearby neighbours. It will allow our children to open their eyes."