



The Chinese Luxury Traveler 2012



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HURUN REPORT



INTERNATIONAL
LUXURY TRAVEL
MARKET | ASIA
SHANGHAI 4-7 JUNE 2012

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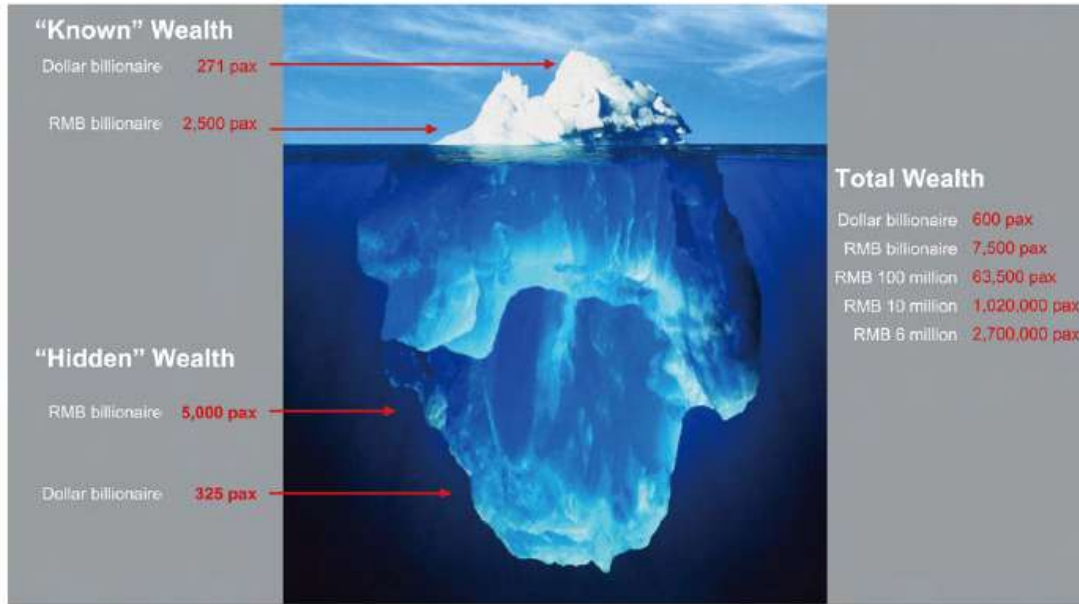
20 World at Their Fingertips:

Ecotourism Through the Lenses of China's Entrepreneurs

The Chinese Luxury Travel Market Size

Size of Chinese Wealth: The Tip of the Iceberg

China is home to 7,500 individuals with RMB 1 billion or more in total assets, which is up by 3,500 on last year. We conservatively estimate that for every Chinese billionaire we identify, another two exist under the radar, thus 2,500 Chinese billionaires have "Known" wealth, whilst 5,000 have "Hidden" wealth. There are 600 individuals with USD 1 billion, of which 271 have "Known" wealth and the other 325 have "Hidden" wealth.



Data source: Hurun Research Institute

Profile: Dollar Millionaires (RMB 6 million or USD 1 million)

5 in 10 are male, with an average age of 39 years. Chinese Dollar Millionaires own an average of 3 cars, 4 watches, and appreciate collecting Chinese traditional calligraphy and paintings. They enjoy reading, sampling tea and traveling in their spare time, taking an average of 20 days holiday a year, and their preferred sporting activities are golf and swimming. They are paying ever more attention to their health, with 73% choosing to have regular check-ups, and a further 10% already having a personal physician. Despite health concerns, 70% of Chinese Dollar Millionaires drink alcohol, with around half favoring red wine.

The importance and emphasis which Chinese Dollar Millionaires place toward education is reflected in more than 65% planning to send their children abroad for education. The United States, the United Kingdom and Canada are the favorite destinations for education, while Canada, the United States and Singapore are the favorite destinations for immigration purposes.

Furthermore, approximately half of Dollar Millionaires have a religious faith, with Buddhism the most popular, at 30%.

Profile: Chinese Super-Rich (RMB 100 million or USD \$15.8 million)

8 in 10 are male, with an average age of 41. Their main source of wealth are through the ownership/sale of their companies. Real estate and stocks remain the two most popular investment choices, but they also invest more in art and unlisted companies.

Chinese Super-Rich own an average of 3 cars, and take most pleasure from collecting watches, owning 6 on average. Chinese classical calligraphy and paintings is second on their collection list. They enjoy family activities, sampling tea and traveling in their spare time, taking an average of 20 days holiday a year, and their passion for golf is even stronger compared to Dollar Millionaires.

The Chinese Super-Rich are equally enthusiastic about self-improvement and participating in training and educational programs, with 90% intending to send their children abroad to study.

Additionally, some 60% of the Super-Rich possess a religious faith, with the majority believing in Buddhism. Charitable donation is considered the best way to be socially responsible.

ZHOU XIN, founder of E-House China, is China's richest real estate broker. He takes more than 5 international business trips a year, namely to the US and Bordeaux, France. Zhou, age 45, is worth RMB 4.5 billion on the Hurun Rich List 2011.

Where the Chinese Dollar Millionaires Live

Rank	Province/city	No. of Dollar Millionaires
	China	2,700,000
1	Beijing	460,000
2	Guangdong	455,000
3	Shanghai	370,000
4	Zhejiang	370,000
5	Jiangsu	198,000
6	Fujian	105,000
7	Shandong	98,000
8	Liaoning	78,500
9	Sichuan	65,000
10	Shanxi	44,500
11	Tianjin	43,000
12	Henan	43,000
13	Hebei	41,000
14	Hunan	38,500
15	Shaanxi	37,000
16	Hubei	36,000
17	Chongqing	34,500
18	Inner Mongolia	33,000
19	Heilongjiang	29,500
20	Anhui	22,000
21	Jiangxi	22,000
22	Jilin	20,500
23	Yunnan	13,500
24	Guangxi	12,500
25	Hainan	9,200
26	Xinjiang	7,000
27	Guizhou	7,000
28	Ningxia	2,300
29	Gansu	1,900
30	Qinghai	1,700
31	Tibet	900

Data source: Hurun Research Institute

Sources of Wealth – Dollar Millionaire (RMB 6 million or about USD 1 million)



Business Owners make up 30% of dollar millionaires in China, or approximately 810,000 individuals. The Chinese business owner's company assets typically account for 78% of his total personal assets; he owns properties worth more than RMB 1 million, vehicles valued at more than RMB 100,000 and more than RMB 200,000 of investable assets (including cash and securities).



Professional Investors account for 20% of dollar millionaires in China, or approximately 540,000 individuals. Professional Investors generally invest in stocks, and have a relatively high income. Their wealth from cash and stock investments account for 37% of their total fortune. In addition, the properties they live in are typically worth RMB 2.5 million, whilst real estate for investment purposes is worth RMB 1 million. They are more likely to own cars worth more than RMB 300,000.



20% of dollar millionaires in China are **Real Estate Investors**, or approximately 540,000 individuals. These individuals began using their personal funds around 10 years ago to invest in the real estate market and following constant real estate development in the city, have seen ample returns and own extensive portfolios. Investments in the real estate market account for 67% of their total investments, and their properties are worth more than RMB 1.5 million. Their vehicles are usually valued at more than RMB 500,000 and they hold more than RMB 300,000 of investable assets (including cash and securities).



High Level Senior Executives account for 30% of China's dollar millionaires, or approximately 810,000 individuals. They are the highest income earners whom do not own their own business. These individuals work for large corporations and are a part of senior management of multinational companies – they earn a high annual salary and are eligible for annual company bonuses. These individuals own property for personal living worth more than RMB 2.5 million, and property for investment purposes worth RMB 1.7 million. Their investment assets (cash, stock, etc.) make up 25% of the average total wealth. Furthermore, they own cars worth more than RMB 300,000.

Where the Chinese Super-Rich Live

Rank	Province/city	No. of Super-Rich
	China	63,500
1	Beijing	10,500
2	Guangdong	9,500
3	Shanghai	8,200
4	Zhejiang	7,800
5	Jiangsu	4,800
6	Fujian	2,400
7	Liaoning	2,050
8	Shandong	2,000
9	Sichuan	1,800
10	Shanxi	1,350
11	Hebei	1,300
12	Tianjin	1,250
13	Henan	1,200
14	Hubei	1,080
15	Anhui	900
16	Inner Mogolia	850
17	Hunan	830
18	Shanxi	830
19	Jiangxi	830
20	Chongqing	800
21	Heilongjiang	780
22	Yunnan	540
23	Jilin	520
24	Guangxi	400
25	Guizhou	280
26	Xinjiang	260
27	Hainan	170
28	Ningxia	95
29	Gansu	85
30	Qinghai	55
31	Tibet	45

Data source: Hurun Research Institute



JIANG WEI is Chairman of Guizhou Bailing Shareholding Co. Ltd. He prefers to spend his spare time practising Tai Chi Chuan. Jiang, age 51, is worth RMB 7.5 billion on the Hurun Rich List 2011.

Sources of Wealth – Super-Rich (RMB 100 million or USD \$15.8 million)



Of the super-rich in China, 75% are **Business Owners**, or approximately 48,000 individuals. Their corporate assets account for 75% of their total wealth portfolio. The properties they live in are worth more than RMB 15 million and their cars are valued at more than RMB 2 million. Investable assets (including cash and securities) account for 8% of their total wealth.



Professional Investors account for 10% of super-rich in China. These individuals invest 78% of their assets towards stocks, cash and others. They own more than RMB 20 million of real estate and their cars are worth more than RMB 2 million.



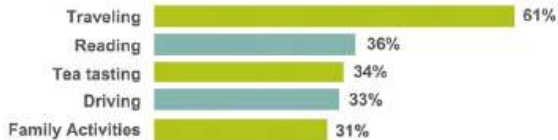
15% of the super-rich in China are **Real Estate Investors**, or approximately 9,500 individuals. Investments in the real estate market account for 64% of their total investments, with the properties they live in worth RMB 20 million. They are most likely to own cars above RMB 2 million, whilst their investable assets (including cash and securities) account for 15% of their total fortune.

Travel is the Most Preferred Leisure Activity Among Chinese Millionaires

Travel is the most common leisure activity among millionaires, with more than 60% choosing this as their preferred way to spend their free time, and this percentage is increasing year after year. Reading and drinking tea take second and third place respectively. Men have a greater preference for outdoor activities, such as driving and fishing. Driving is greatly favored amongst the younger generation.

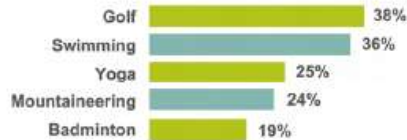
Although yoga has become a popular pastime in recent years, especially amongst female millionaires, golf, swimming and mountaineering have continued to be in the Top 5 preferred sports of Chinese millionaires, and their strong fondness for these sports has helped to boost tourism in these areas.

Top 5 Most Preferred Leisure Activities



Data source: Hurun Best of Best Survey 2012

Top 5 Most Preferred Sports



Data source: Hurun Best of Best Survey 2012

Travel Takes Largest Slice of Leisure Expenditure

The millionaires we surveyed spend an average of RMB 1.76 million (equivalent to USD \$277 000) a year (average wealth of surveyed millionaires is RMB 63 million or USD \$9.9 million). Travel, children's education and daily luxuries are currently the three core areas of consumer spending. Travel is the biggest area of consumption among millionaires. Children's education was without question the number one concern for the Chinese millionaire. 85% of millionaires plan to send their children overseas to study. This year expenditure on education has exceeded the amount spent on daily luxuries.

Key Spending Area

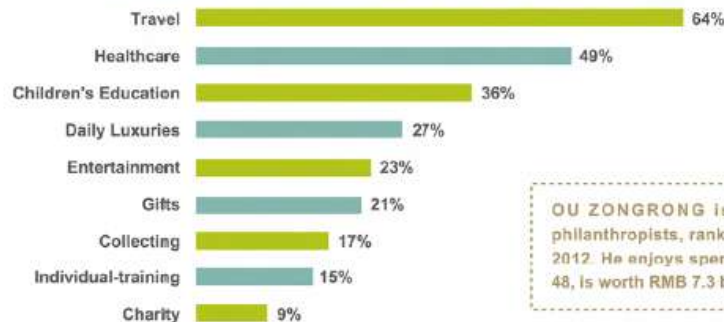
(%)	2012	2011	2010
Travel	25	29	27
Children's Education	25	22	20
Daily Luxuries	21	23	24
Entertainment	14	12	9
Gifts	9	7	11
Collecting	7	7	10

Data source: Hurun Best of Best Survey 2012



64% of millionaires want their private bank to provide luxury travel advice. Half want health-related value-added services, while more than 1/3 favor services related to their children's education. Millionaires are greatly interested in private banking value-added services - to increase knowledge, provide entertainment, and offer a chance to expand one's social circle.

Most Sought After Private Banking Value-added Services



OU ZONGRONG is one of China's most generous philanthropists, ranking 13th on the Hurun Philanthropy List 2012. He enjoys spending time with his family most. Ou, age 48, is worth RMB 7.3 billion on the Hurun Rich List 2011.

Data source: The Chinese Luxury Consumer White Paper 2012 (Industrial Bank and Hurun Report)

The greater their wealth,
the more travel options they have and the more trips they make

Domestic and International Travel Trends

The average number of holidays for millionaires is increasing. Millionaires took an average of 20 days holiday in 2012, an increase of 5 days from that of last year. The frequency of traveling abroad remains stable. Millionaires will go abroad an average of 3.2 times in 2012, whilst for super-rich the figure is more than 4 times per annum. The main reasons for going abroad are holidays and business; among super-rich overseas business trips are more common than overseas holidays.

Average Length of Annual Vacation

(%)	2012	2011	2010
Less than ten	21	27	27
10-20 days	32	38	36
21-30 days	16	34	36
Over 30 days	30	NA	NA
Average annual vacation (days)	20.2	15.0	15.9

Data source: Hurun Best of Best Survey 2012

Overseas Trips Per Annum

(%)	2012	2011	2010
1-2 times a year	48	42	37
2-5 times a year	29	37	35
Over 5 times	19	16	22
No travel	4	5	5
Average trips abroad per annum (times)	3.2	2.9	3.4

Data source: Hurun Best of Best Survey 2012

Main Reasons for Traveling Abroad

(%)	2012	2011	2010
Travel	39	43	40
Business	31	31	36
Shopping	19	15	15
Visiting relatives and friends	10	12	8

Data source: Hurun Best of Best Survey 2012

Column 1: Where I Went in 2011

In 2011, most millionaires travelled to the US, accounting for 40%, followed by France and Japan.

Rank	Destination	%
1	US	40
2	France	38
3	Japan	38
4	Singapore	25
5	Australia	21
6	Switzerland	21
7	UK	18
8	Dubai	18
9	Maldives	15

Data source: Hurun White Paper on Chinese Luxury Travel Market Special Survey 2012

Column 2: Where I Plan to Go in 2012

In the next 12 months, more than a quarter of millionaires plan to travel to France, the US, and the Maldives.

Rank	Destination	%
1	France	28
2	US	27
3	Maldives	26
4	Italy	20
5	UK	19
6	Switzerland	19
7	Japan	18
8	Dubai	15

Data source: Hurun White Paper on Chinese Luxury Travel Market Special Survey 2012

For the second consecutive year, Chinese travellers take top spot in terms of tax free shopping Consumption among Chinese travellers has increased by 59%

On average, millionaires travel 3.6 times domestically and 2.4 times internationally. Super-rich make an average of 4.2 domestic trips and 3.4 overseas trips (the greater their wealth, the more travel options they have and the more trips they make).

Among foreign destinations, France continues to be the most popular, followed by the US and Australia – though the wealthier the individual, the greater their preference for the US and the Maldives. Interest in Dubai is also growing, particularly among super-rich. Of note, 12% of millionaires own a vacation house in Australia, which is a slight increase from that of last year.

Sanya (Hainan Island), Hong Kong and Yunnan are the top three destinations in China, while Tibet rose to 4th place from 6th place last year. In addition, 64% of millionaires own a vacation house, of which 27% are in Sanya and 11% in Hong Kong.

Most Preferred International Travel Destination

Change* Rank	Rank	Destination	%
—	1	France	43
—	2	US	39
—	3	Australia	32
↑	4	Maldives	28
↓	5	Japan	24
↑	6	Switzerland	18
↑	7	Dubai	15
↑	8	Hawaii	14
↓	9	Singapore	14
↑	10	Canada	12
↓	11	Italy	12
—	12	New Zealand	12
—	13	UK	10

*Compared to the Rank in 2011
Data source: Hurun Best of Best Survey 2012

The US is the most preferred international destination for Beijing millionaires, closely followed by France. Switzerland, Hawaii, New Zealand and Britain are preferred more by Beijing millionaires when compared to Chinese millionaires collectively, whilst Australia is comparatively less preferred.

Most Preferred International Travel Destinations
Beijing Millionaires

Rank	Destination	%
1	US	45
2	France	41
3	Maldives	29
4	Switzerland	23
5	Japan	21
6	Hawaii	21
7	New Zealand	20
8	Australia	18
9	Dubai	18
10	UK	16

Data source: Hurun Best of Best Survey 2012

Most Preferred Domestic Travel Destination

Change* Rank	Rank	Destination	%
—	1	Sanya	57
—	2	Hong Kong	52
—	3	Yunnan	24
↑	4	Tibet	17
↑	5	Macao	16
↑	6	Hangzhou	15
↑	7	Beijing	14
↓	8	Shanghai	13
↓	9	Qingdao	12
↑	10	Xinjiang	11

*Compared to the Rank in 2011
Data source: Hurun Best of Best Survey 2012

The US is similarly the most preferred international destination of Shanghai millionaires. The Maldives and Japan are particularly preferred by Shanghai millionaires, as compared to millionaires from other cities.

Most Preferred International Travel Destinations
Shanghai Millionaires

Rank	Destination	%
1	US	48
2	Maldives	46
3	France	43
4	Japan	41
5	Australia	31
6	Singapore	30
7	Italy	28
8	Hawaii	26
9	Switzerland	24
10	Canada	22

Data source: Hurun Best of Best Survey 2012

Chinese Travelers' Tax Free Shopping

Chinese Shoppers Account for 20% of Total Global Expenditure on Tax Free Shopping

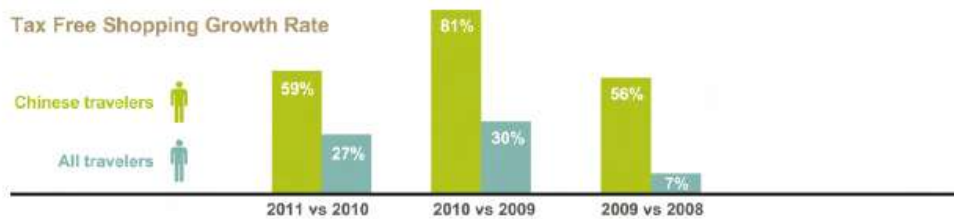
For the second consecutive year, Chinese travelers take top spot in terms of tax free shopping, accounting for 20% of all tax free shopping purchases made within Global Blue, an increase of 3% compared to that of last year. The percentages of tax free shopping by other nations has remained consistent over the last two years. India is not among the Top 10.

Rank 2011	Nationality	% of Total Spending in 2011	% of Total Spending in 2010
1	China	20	17
2	Russian Federation	16	16
3	Japan	4	5
4	Indonesia	4	4
5	United States	4	5
6	Brazil	3	3
7	Switzerland	2	2
8	Taiwan	2	1
9	Hong Kong	2	2
10	Saudi Arabia	2	2

Data source: Global Blue statistics on Chinese travelers' tax free shopping spending

Chinese Tax Free Shopping Continues to Soar Year on Year

Consumption among Chinese travelers has significantly increased, up 59% in 2011 from 2010, although slower than the 81% seen last year. The annual growth rate for Chinese consumption on tax free shopping is more than 50% over the past 3 years, which is 2 times the growth rate of spending by all global travelers.



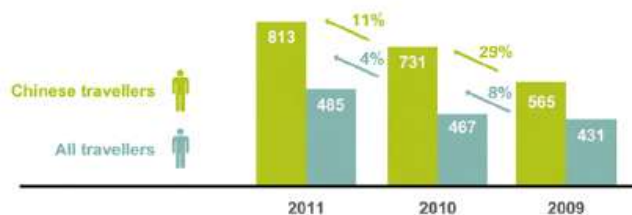
Data source: Global Blue statistics on Chinese travelers' tax free shopping spending (collected every calendar year)

Not only is France the most popular international travel destination for the Chinese millionaire, it also accounts for the largest proportion of consumption spent on tax-free shopping across the globe, making up about a quarter of Chinese global consumption. Singapore, Germany, England and Italy each account for approximately 10%. In the past year, the average amount spent on shopping by Chinese tourists was 813 Euros, an increase of 44% over the last two years. In contrast, the average spend on shopping by global travelers has remained relatively stable, increasing only 12.5% within the last two years.



Data source: Global Blue statistics on Chinese travelers' tax free shopping spending

Average Spending Per Tax Free Shopping Transaction (Eurodollar)

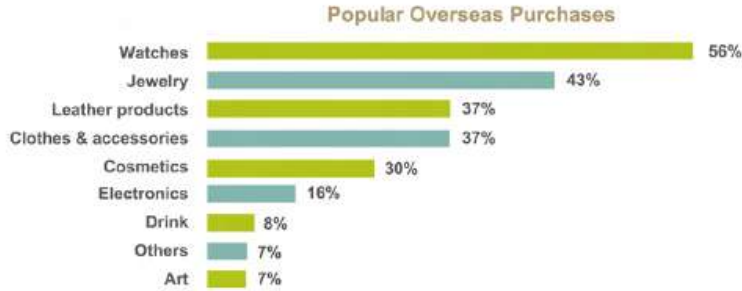


Data source: Global Blue statistics on Chinese travelers' tax free shopping spending

Luxury goods purchases are concentrated in watches
Hong Kong has become the undisputed first choice destination for Chinese millionaires to buy luxury goods

Watches and Jewels Most Favored by Chinese Travelers

Millionaires' luxury goods purchases are concentrated in watches, then jewelry. In addition, it is of no surprise that more men bought electronics whilst more women bought cosmetics, jewelry, clothes and accessories.



Data source: Hurun Best of Best Survey 2012

Hong Kong has become the undisputed first choice destination for Chinese millionaires to buy luxury goods or high-end consumer products. Less than 30% of Chinese millionaires buy luxury goods domestically, due a lack of product safety, poor management, a lack of credibility, high prices and high taxes. Hong Kong accounts for 73% of luxury or high-end purchases made by Chinese millionaires, followed by those made in Europe and domestically, both at 28%. Millionaires are not concerned about price, and the most important factor is the product itself, followed by the purchasing environment.

Preferred Location for Purchase of Luxury Goods



Data source: The Chinese Luxury Consumer White Paper 2012
(Industrial Bank and Hurun Report)

Factors Considered When Choosing Place of Purchase



Data source: The Chinese Luxury Consumer White Paper 2012
(Industrial Bank and Hurun Report)

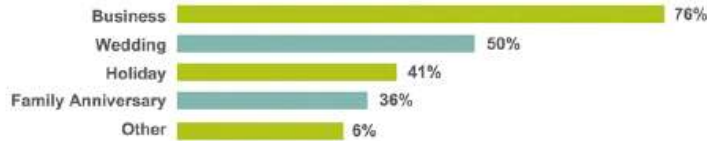


The Chinese luxury consumer loves all that is French

Gifting


Gifts are one of millionaires' main areas of expenditure. Gifts given at business occasions account for almost 80% of the presents given by millionaires, while more than 40% of millionaires also need to give gifts at weddings and other celebrations. The majority of millionaires will choose gifts worth between RMB 5,000 and RMB 20,000, with men choosing more expensive gifts than women. Watches are millionaires' first choice for gifts when buying for a man, while red wine is the most common gift among super-rich.

Top Occasions for Giving Gifts



Data source: The Chinese Luxury Consumer White Paper 2012 (Industrial Bank and Hurun Report)

Of the Top 10 preferred brands for gifting, five are from France, two from Italy, and the other three are from China, America and Switzerland respectively. Moutai, ranked 5th, is the only Chinese brand on the list. In terms of brand category, there are six fashion brands, two watch brands and one brand each for jewelry, alcohol and fragrance.

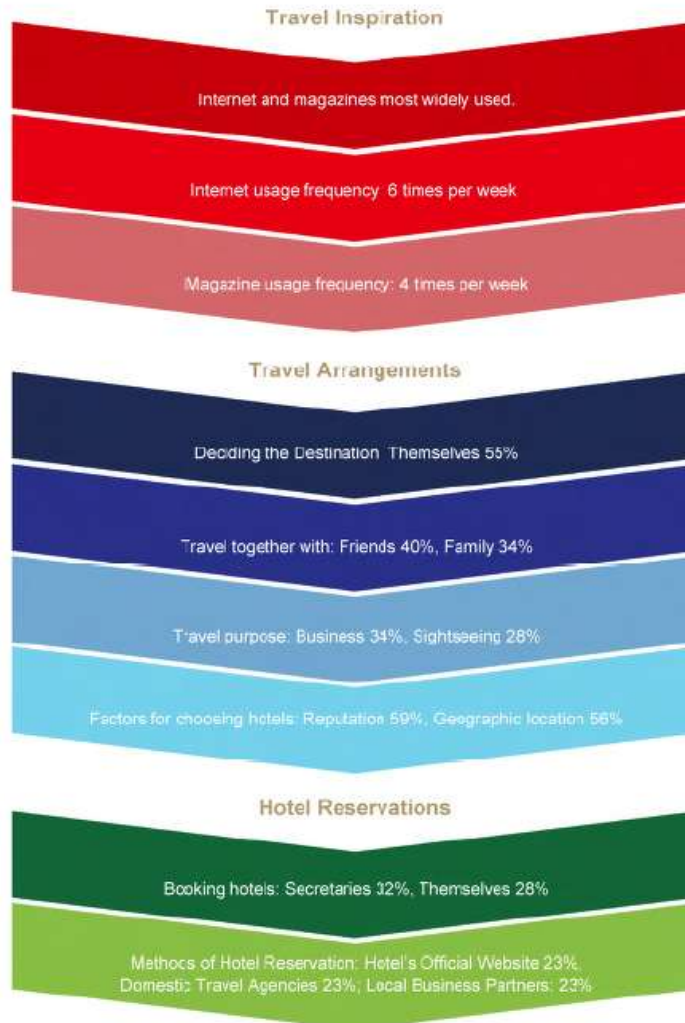
Rank	Brand	Proportion	Category	Country
1	Louis Vuitton 	14.9%	Fashion	
2	Cartier 	10.3%	Jewelry, Watch	
3	Hermès 	8.0%	Fashion	
4	Chanel 	6.2%	Fashion, Fragrance	
5	Moutai 	5.9%	Alcohol	
6	Apple 	5.7%	Electronics	
7	Dior 	4.6%	Fashion	
8	Prada 	3.9%	Fashion	
9	Rolex 	3.6%	Watch	
10	Armani 	3.4%	Fashion	

Data source: Hurun Best of Best Survey 2012

SONG YUQING, Chairman of Zhong Deng Group, takes a half-month vacation every year. He prefers travelling to the US. Song, age 52, is worth RMB 3.4 billion on the Hurun Rich List 2011.

How do Chinese Millionaires Make Their Travel Bookings?

The Internet is the most widely used source for obtaining travel information, followed closely by magazines. More than 50% of millionaires prefer to research travel destinations on their own, and make decisions based on the information they have personally acquired. For millionaires, the most important factor when choosing hotels are reputation and geographic location. They most commonly make hotel reservations by themselves or through their secretaries.



ZHOU XIAOQUANG is China's 'Queen of Fashion Jewelry'. She enjoys regular trips together with her family. Zhou, age 50, is worth RMB 4.5 billion on the Hurun Rich List 2011.

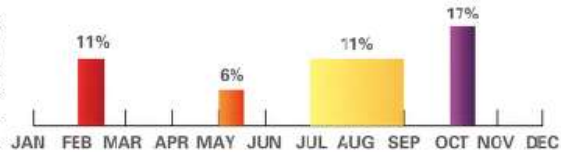
The October holiday is the No.1 overseas travel period
A Chinese tour group has an average of 9.1 persons and lasts for an average of 8.5 days.

Luxury Travel Trends

Travel Schedule

Chinese millionaires have relative freedom when it comes to arranging their travel times, and there is no obvious distinction between their working days and holiday periods – they simply work when they need to and take time off when they can. 56% do not have a specific annual travel period. Many of their trips overseas are spread over the national holiday periods, with the National Day break in October being the most preferred time.

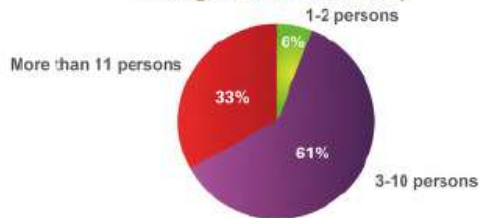
Timing of Overseas Travel



Data Source: ILTM Outbound Travel Agency Survey 2012

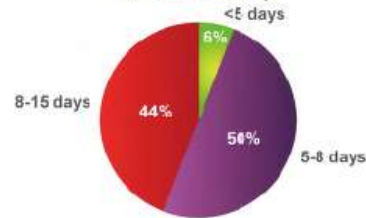
Chinese millionaires usually follow a tour group when traveling abroad. A Chinese tour group has an average of 9.1 persons, with more than 60% of such groups containing 3-10 people. The journey these groups embark on last for an average of 8.5 days. Chinese millionaires usually organize their travel schedule by themselves, typically booking through travel agencies, or attaining the assistance of family members or personal secretaries.

Average Size of Tour Group



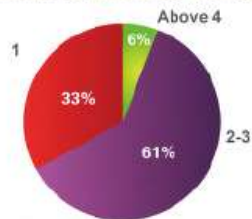
Data Source: ILTM Outbound Travel Agency Survey 2012

Duration of Trip



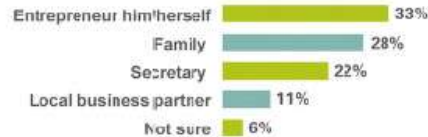
Data Source: ILTM Outbound Travel Agency Survey 2012

Number of Countries Visited



Data Source: ILTM Outbound Travel Agency Survey 2012

Who Organizes the Travel Schedule



Data Source: ILTM Outbound Travel Agency Survey 2012

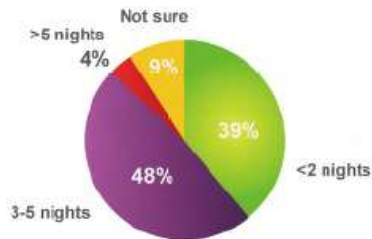


Chinese travelers stay in a hotel for 2.6 nights on average
The average group size of Chinese travelers checking in a hotel is 8.2 people

Hotel Reservation

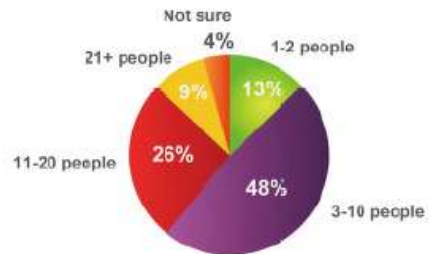
Chinese travelers stay in a hotel for 2.6 nights on average, with over 90% staying for less than 5 nights, and half staying for 3-5 nights. The average group size of Chinese travelers checking-in a hotel is 8.2 people. Half of Chinese millionaires make hotel reservations by themselves, booking through travel agencies, whilst the other half seek the assistance of local business partners or friends.

Length of Hotel Stay



Data source: ILTM International Luxury Travel Supplier Survey 2012

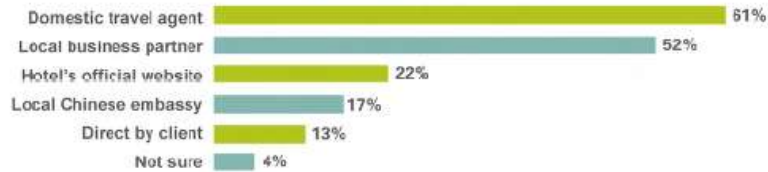
Average Group Size Checking-In to Hotels



Data source: ILTM International Luxury Travel Supplier Survey 2012



Reservation Methods



Data source: ILTM International Luxury Travel Supplier Survey 2012

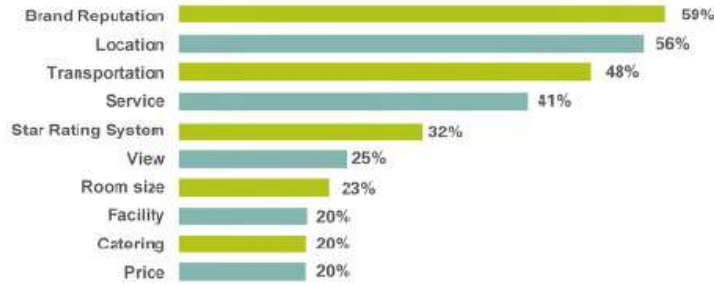


The 81 Regis Sanya Yalong Bay Resort, Best Presidential Suites of Sanya 2012 by Hurun Report

Nearly 60% of Chinese millionaires regard the reputation of the hotel to be most important, followed closely by its geographical location

When choosing a hotel, nearly 60% of Chinese millionaires regard the reputation of the hotel to be most important, followed closely by its geographical location. Transportation and Hotel Service are also considered fundamental factors by over 40% of Chinese millionaires.

Most Important Factors When Choosing A Hotel



Data source: Hurun White Paper on Chinese Luxury Travel Market Special Survey 2012

Shangri-La tops the list as the most prized hotel brand, followed closely by Hilton in second place. Ritz-Carlton has risen to third.

The Most Preferred Hotel Brand for China's Rich

Change*	Rank	Hotel	Indicator
—	1	Shangri-La	100
—	2	Hilton	88
↑	3	Ritz-Carlton	58
↑	4	Grand Hyatt	58
↓	5	The Peninsula	56
↑	6	Marriott	53
↓	7	Sheraton	48
↓	8	Kempinski	42
—	9	Hyatt	40
↓	10	Park Hyatt	27



WANG JIANLIN
 WANG JIANLIN founded Wanda Group, one of China's largest property empires. Wanda owns the most number of five-star hotels in China. Wang, 56, is ranked 6th on the Hurun Rich List 2011.

Chinese luxury travelers increase their spending domestically by 18% year on year, and internationally by 25%. They also spend 10% more on food and beverage. The average room spend rise is 14%.
 Data source: A leading five-star hotel brand in China

*Compared to the Rank in 2011
 Index Calculation Method: Derived from the preferential percentage of each hotel and converted to an index indication within 100 points – the higher the percentage, the higher the index indicator out of 100 points.

NI MINGLIAN, a leader in China's construction industry, is one of many Chinese millionaires to purchase a vacation home in Sanya. He also enjoys travelling to Ottawa. Ni, age 56, is worth RMB 2 billion on the Hurun Rich List 2011.

Most Chinese millionaires travel business class on overseas trips, accounting for 50%, whilst less than 20% travel first class
13% of super-rich Chinese intend to buy a business jet

Transportation

Business Class

Most Chinese millionaires travel business class on overseas trips, accounting for 50%, whilst less than 20% travel first class. The most preferred domestic airline is Air China, whilst Singapore Airlines is the most preferred international airline.

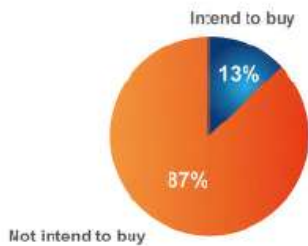


Business Jets and Yachts

Business jets are very attractive to millionaires since, compared to normal commercial flights, they offer the advantage of absolute privacy. With an increasingly prosperous population and an unprecedented demand for business air travel, China's business jet market has developed rapidly over the past few years, with the proportion of Chinese super-rich intending to buy a business jet reaching 13%.

5% of Chinese millionaires intend to buy super-yachts, whilst among super-rich, the figure is 15%. Younger millionaires have a greater interest in buying a yacht (millionaires below 30: 7%). Going out to sea and having parties at sea are now extremely fashionable leisure activities. Most millionaires who do not intend to buy a yacht are at least interested in hiring one.

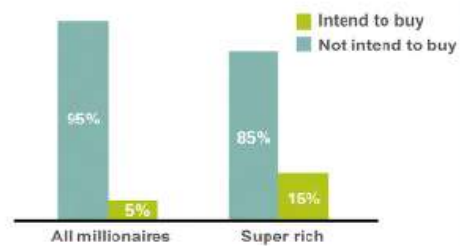
Intention to Purchase Business Jet Among Super-Rich Chinese



Data Source: Hurun Best of Best Survey 2012

Best Business Jet Brand
Gulfstream

Intention to Purchase A Yacht



Data Source: Hurun Best of Best Survey 2012

Best Luxury Yacht Brand
1. Azimut
2. Sunseeker

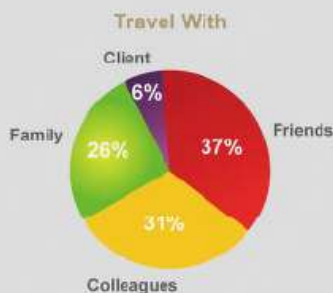
WU HOUGANG, 47, Chairman of Dalian Zhangzi Island, said, "During my spare time, I like to play card games to relax. I am especially fond of 'Daqunzi', a card game originating from Dalian."

Case Study 1: My Best Trip in 2011

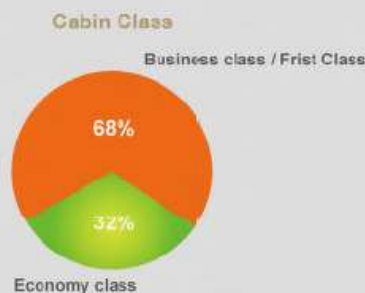
Chinese millionaires were most impressed with the US, followed by Japan and France. On average, they traveled in groups of 4.8 people, and for 3.9 days. Most traveled together with their friends and colleagues, then with their family. During 2011, over two thirds of millionaires flew business class or first class for their trips abroad.

Where I Went	2011 %
US	16
Japan	11
France	11
Singapore	9
Switzerland	5

Data source: Hurun White Paper on Chinese Luxury Travel Market Special Survey 2012



Data source: Hurun White Paper on Chinese Luxury Travel Market Special Survey 2012



Data source: Hurun White Paper on Chinese Luxury Travel Market Special Survey 2012

During 2011, nearly 60% of Chinese millionaires personally chose the travel destinations of their trips. Even though one third depended on their secretary to make hotel reservations, 3 in 10 still arranged the trip schedule on their own. In addition, the hotel's official website, local travel agencies and local business partners served as the prime sources for booking hotels.



Data source: Hurun White Paper on Chinese Luxury Travel Market Special Survey 2012



Data source: Hurun White Paper on Chinese Luxury Travel Market Special Survey 2012



Data source: Hurun White Paper on Chinese Luxury Travel Market Special Survey 2012

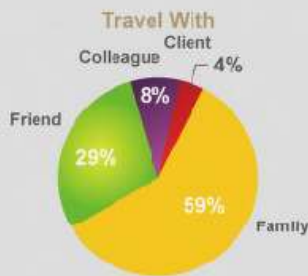
1/3 of Chinese Millionaires surveyed travelled abroad during the Spring Festival in 2012
In 42% of cases, local friends and partners helped to book the hotel

Case Study 2: Where I Traveled During CNY 2012

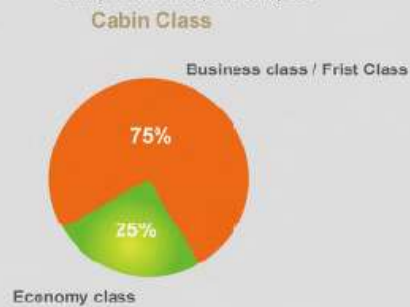
One third of Chinese Millionaires traveled abroad during the Spring Festival in Jan/Feb 2012. Most traveled to Germany, followed closely by Japan and Singapore. Their trip was for an average of 7.1 days, which is slightly shorter than trips made during other periods. During this time, they traveled in groups of 5.3 people, consisting mostly of family, which is slightly more people than trips made during other periods. Once again, most chose business class or first class for this trip.

Where I Went	2012 Spring Festival %
Germany	17
Japan	13
Singapore	13
US	8
France	8

Data source: Hurun White Paper on Chinese Luxury Travel Market Special Survey 2012



Data source: Hurun White Paper on Chinese Luxury Travel Market Special Survey 2012



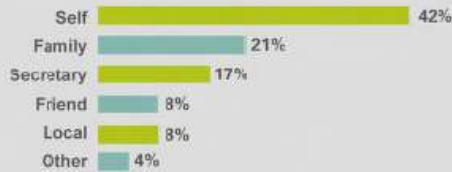
Data source: Hurun White Paper on Chinese Luxury Travel Market Special Survey 2012

For their 2012 Spring Festival trip, 50% of Chinese millionaires personally chose the travel destination entirely on their own, whilst a quarter made decisions collectively with their families. 4 in 10 arranged travel schedules on their own, including hotel reservations, whilst 21% made all travel plans in accordance with their family. The hotel's official website, local travel agencies and local business partners were still the most popular hotel booking methods.



Data source: Hurun White Paper on Chinese Luxury Travel Market Special Survey 2012

Who Made the Hotel Reservations



Data source: Hurun White Paper on Chinese Luxury Travel Market Special Survey 2012

How the Hotel Reservation Was Made



Data source: Hurun White Paper on Chinese Luxury Travel Market Special Survey 2012

Overseas Education, Immigration and Investment

Overseas Study

Children's education is undeniably the most important issue for Chinese millionaires. 85% of millionaires plan to send their child overseas to study, while among super-rich the figure is 90%. High school and university are seen as the most suitable periods in a child's development for overseas study.

When to Send Children Abroad

	2012	2011%
Senior high school	35	32
College	30	29
Junior high school	21	17
Postgraduate	5	6
Primary school	9	16

Data source: Hurun Best of Best Survey 2012

Countries which predominantly speak English are the most popular destinations for overseas education and the most favoured destination is the US, with the UK and Canada following closely behind. The Top 3 choices for overseas education have remained the same for the past 4 years.

Top 10 Most Preferred Overseas Education Destination

	2012%	2011%
US	33	31
UK	24	21
Canada	13	14
Australia	7	6
Germany	5	2
Hong Kong	4	-
Singapore	4	3
Switzerland	3	7
France	3	4
Japan	2	3

Data source: Hurun Best of Best Survey 2012

Immigration Destinations

The attitude and perspectives of Chinese millionaires towards sending their children overseas for study reflects opinions on where to emigrate. More than 60% Chinese millionaires have already emigrated or have plans to do so in the near future. The most favoured destinations are the US and Canada.

Top 5 Immigration Destinations

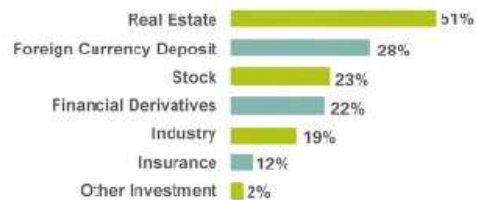
	%
Canada	32
US	28
Singapore	17
Europe	15
Hong Kong	5

Data source: Hurun Best of Best Survey 2012

Overseas Investment

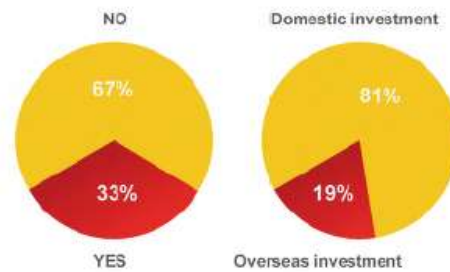
Educating their only child in one of the world's top schools is of the utmost importance for the Chinese millionaire, and is often the first step to much greater outward investment. The boom in overseas education for their children and a desire to live abroad has driven Chinese millionaires to invest more readily overseas. One third of millionaires own investable assets overseas, with this figure reaching 55% for millionaires in Southern China. Overseas assets account for 19% of millionaires' total assets. Of those who do not possess assets overseas as of yet, nearly 30% have plans to invest overseas in the next three years.

Chinese millionaires invest mainly in overseas real estate. In addition, many millionaires own vacation homes overseas.



Data source: The Chinese Private Banking White Paper 2012

Overseas Investment Investment Proportion



Data source: The Chinese Private Banking White Paper 2012



PENG XIN3, Founder of Fapai Group, said, "Though I've travelled to many exotic places like Mauritius and throughout Europe, I still prefer Sanya the most. It is convenient and I can easily arrange a trip to Sanya for my whole family." Peng, age 42, is worth RMB 4.5 billion on the Hurun Rich List 2011.