

Over the past decade, Pa has risen from obscurity to clinch deals across five continents worth tens of billions of dollars. He has helped to build from scratch a sprawling network of companies linked by common owners, directors and a registered address at [88 Queensway in Hong Kong](#). Those who have followed the network's evolution have dubbed it the "Queensway group".

The group is in business with BP, Total and the commodity trader Glencore; it boasts interests stretching from Indonesian gas and oil-refining in Dubai to luxury apartments in Singapore and a fleet of Airbus jets; it is active in North Korea and Russia. It comprises a web of private and offshore companies underpinning two main enterprises: China Sonangol, which is principally an oil company (although it also owns the former JPMorgan building opposite the New York Stock Exchange on Wall Street) and China International Fund, an infrastructure and mining arm, whose flag flies above the entrance to Luanda's golden skyscraper. To resource industry insiders who have encountered it, Pa's multinational operation is both a "ghost" and "a heck of an empire".

That empire has its foundations in Africa, where the Luanda skyscraper serves as its resplendent base. Pa is not listed as a shareholder or director of any Queensway company but he does act as the network's representative in meetings with presidents, sheikhs and tycoons. He has garnered power and wealth by making himself a middleman in China's courtship of Africa – the development that has transformed the politics and prospects of the world's poorest continent more dramatically than anything since the end of the cold war. Chinese officials have repeatedly denied any link between their government and the Queensway group's activities in Africa. But a Financial Times investigation, based on

corporate records, leaked documents and interviews on four continents, has established that Pa and his associates have connections to powerful interests in Beijing, including Chinese intelligence and state-owned companies. The Queensway network has played a pivotal role in advancing China's African quest.

Queensway group companies have made themselves a partner of choice for the repressive regimes that control some of Africa's most resource-rich states, where corruption traps millions in poverty while their rulers amass extraordinary wealth – from Robert Mugabe's Zimbabwe and a murderous junta in Guinea to the corrupt petro-states of [Angola](#) and Nigeria. It is a strategy that this year earned Pa a place on a US sanctions list.

Pa has not responded to requests for comment on this story. On two occasions in phone conversations, he promised, in accented English, to call back but never did. I tracked down representatives from Queensway companies in Harare, Conakry and Luanda but they declined interview requests. In May, I visited the shimmering office tower at 88 Queensway in Hong Kong where the companies are registered. I was informed by company personnel that no one would speak to me and was told to leave. Jee Kin Wee, head of legal for China Sonangol's arm in Singapore, responded to several emails but did not address questions about the interconnections between companies that bear China Sonangol's name. A detailed list of questions to Jee from the FT triggered [a three-page letter on company letterhead, signed China Sonangol](#). The letter responded specifically to four of the 52 questions raised by the FT.

China Sonangol, in its response, said: "Due to confidentiality agreements and our legitimate desire for privacy, which

private companies are entitled to, we will not be providing you with any additional information than is necessary [sic]. We do however reserve our rights to pursue legal remedies if you repeat or publish defamatory statements.” The letter adds: “We are not a listed company and the Law does not require us to disclose all our business dealings in the same manner as listed companies.”

Beijing and its African allies have been at pains to portray their relationship as one of mutual upliftment. China has built roads, railways and bridges. China-Africa trade increased tenfold over the past decade to \$200bn annually. According to Fitch Ratings, in the decade to 2010, loans to African countries by China’s main state bank for overseas finance reached \$67bn, outstripping African lending by the World Bank. Washington this week sought to reassert its influence with a White House summit for African leaders, many of whom have been wooed by Chinese largesse. Yet the story of Pa and the Queensway group exposes another side of China’s dealings in Africa – one that heralds not a new dawn but the risk of perpetuating past misrule.

• • •

There are differing and incomplete accounts of Sam Pa’s past. It appears that he was born in mainland China in 1958 and moved to Hong Kong as a child. A Chinese national, he also holds Angolan citizenship. He has two children. Hong Kong corporate records show that in the 1990s he was involved in business ventures that fizzled out.

“Pa has risen from obscurity to clinch deals across five continents worth tens of billions of dollars.”

Around the turn of the millennium, after reforms that began in 1978 kick-started the Chinese economy, President Jiang Zemin launched a “go out” policy. China’s state-owned

companies were sent forth in search of natural resources, markets for Chinese goods and construction projects for Chinese labourers. Africa was ripe with potential for all three. But it was unfamiliar terrain for Beijing's mandarins. They needed go-betweens who could open doors in African capitals – a once-in-a-generation opportunity for men and women with the connections, guile and appetite for risk to harness their fortunes to China's desire for African treasure. Pa possessed both devotion to the cause and, despite an occasionally explosive temper, the charm to forge ties with decision makers. "He's a very serious and intense individual at times," Mahmoud Thiam, a former UBS banker who worked with Pa when Thiam was Guinea's mining minister, told me. "He has a very ideological view about the role China should play in the world. But he can joke and be personable."

In early 2003, Pa arrived for a meeting at the Lisbon office of Helder Bataglia. Bataglia was born in Portugal but grew up in Angola, where he became one of the biggest private investors before widening his interests into other frontier markets. Bataglia recalls that Pa said he wanted to form a joint venture to hunt for deals in South America and Africa. "Listen, it's fantastic," Bataglia replied. "We would like to help because China is very important to the development of these continents. But we need to know more about you." So, Bataglia told me in an interview this year, Pa took him to China.

The delegation was received in the protocol area of Beijing's airport, Bataglia recalls. Pa laid on official dinners and meetings with representatives of China's state-owned companies. "They [said] exactly what Pa said to us: 'Let's cooperate because we lack experience in this field.'" In a land where personal connections are everything, Bataglia was left in no doubt as to the strength of his new acquaintance's

credentials: “Of course I thought Sam worked for the government.”

But it was not so straightforward. I asked Bataglia what he had gathered about Pa’s past. “His background, I thought, was in the secret services – that he had a mission now to expand China into the world.” Pa offered few details, referring only to his time in “the service”, Bataglia recalls. According to a person who has been close to African intelligence agencies and arms dealers for years and who asked not to be identified, Pa was working for the external branch of Chinese intelligence as early as the 1980s. This person recalls encountering Pa during this period, while he was operating under another name. “All his life he’s worked in Chinese intelligence,” this person says. “Sam is a big player in arms in Africa. Oil, diamonds and weapons go together. Everyone who was in intelligence at that time, they went into business.”

Impressed by Pa’s ability to open doors in China, Bataglia agreed to form a partnership with him and the band of associates he had begun to assemble. After first seeking energy and infrastructure deals in South America, they turned their attention to Angola.

After three decades of on-off civil war fuelled by oil, diamonds and superpower rivalry, Angola lay in ruins. As the forces of José Eduardo dos Santos – Angola’s president since 1979, four years after independence from Portugal – finally ground down the Unita rebels, he appealed for funds to aid reconstruction. Western donors were wary of extending funds to a regime with a reputation for corruption. Dos Santos needed an alternative. He looked east. Pa found himself in the right place at the right time.

Pa appears to have amassed African contacts during his years in Chinese intelligence. “Sam told me that 10 or 15 years ago he was in Angola,” Bataglia recalls, referring to their first meetings in 2003. “In that time, to go to Angola, it must be for official purposes.” Pa told Bataglia that he had met Dos Santos but did not elaborate on his Angolan mission. The intelligence veteran told me that Pa was involved in Chinese arms sales to Dos Santos’s government in the later years of the civil war. I could not substantiate what role, if any, Pa played, in part because even some of the best-informed experts on the arms trade regard Chinese arms sales in Africa as opaque.

By the end of the Angolan civil war in 2002, Dos Santos’s emissaries were laying the groundwork for a multibillion-dollar pact that would be China’s first megadeal in Africa. Cheap Chinese credit to be repaid in oil would fund roads, railways and housing, a resources-for-infrastructure bargain that experts would come to call “Angola Mode” as it was replicated elsewhere. Angola would emerge as China’s biggest supplier of crude after Saudi Arabia.

China’s deal with Angola was billed as a pact between two states. But in the shadows, a parallel deal had taken shape, melding private interests with state power.

As the diplomatic channels between Luanda and Beijing deepened, Helder Bataglia and Sam Pa had the connections in both capitals to carve out a role for themselves as go-betweens. Bataglia says he was content to help bring the two nations together to hasten Angolan reconstruction and that his partnership with Pa lapsed soon thereafter. Before then, though, he and Pa had returned to Beijing in late 2003. Bataglia recalls that they were granted an audience with Zeng Peiyan, a vice-premier who would become the outward

face of China's relationship with Angola when he flew to Luanda in 2005 and signed agreements for Sino-Angolan co-operation in everything from technology to minerals. Bataglia recalls that when he and Pa met Zeng in Beijing, their delegation had an extra member – Manuel Vicente, the urbane head of Angola's national oil company, Sonangol. (Pa did not respond to questions about this meeting; Vicente declined to answer them; Zeng could not be reached.)

Vicente is a chunky, affable man. But beneath his cheery demeanour is a tough negotiator who drives a hard bargain with the foreign oil companies that have spent tens of billions of dollars to tap Angola's crude. When I interviewed him in 2012 at Luanda's hilltop presidential enclave, he had recently been promoted to a powerful new post in charge of economic co-ordination. Before long, he would be vice-president, tipped as a potential heir to Dos Santos.

In Vicente's 12 years in charge of Sonangol, it had become the continent's most formidable homegrown oil company – and, in the words of Paula Roque, an Angola expert writing for South Africa's Institute for Security Studies, the “chief economic motor” of a “shadow government controlled and manipulated by the presidency”. That motor has plenty of fuel: when, in 2011, the International Monetary Fund discovered a \$32bn discrepancy in Angola's national accounts, it said the bulk of the missing funds had flowed through Sonangol on Vicente's watch.

By cultivating Vicente and Sonangol, Pa opened a gateway to the inner circle of the regime that has Africa's rising oil power firmly in its grasp.

In late 2003, Royal Dutch Shell put up for sale its half of an Angolan oil venture with BP. The prospect, known as Block

18, was shaping up to be a prodigious offshore discovery and it attracted rival bidders. Vicente decided that, rather than let the stake pass directly to another foreign oil company, Sonangol would exercise its right to buy it for itself and bring in partners of its own choosing. “We looked for a partner in China to join us and to get that stake and that’s why we formed this company.”

Most news reports at the time simply recorded that, in late 2004, Sonangol acquired Shell’s stake in partnership with Sinopec, granting the giant state-owned oil company its first taste of Angola’s crude. Favouring a Chinese company made sense: Beijing had agreed its initial \$2bn loan to Angola just months earlier. But there was more to the deal than met the eye.

In August 2004, months before the Block 18 deal was completed, a new company was registered in Hong Kong. It was called China Sonangol International Holding Limited. Another company – also registered to an address at 88 Queensway, Hong Kong – was allocated 70 per cent of China Sonangol’s shares. It was owned by two of Pa’s associates and a Chinese businessman who says he helped broker the deal. The remaining 30 per cent stake was allocated to Sonangol, the Angolan state oil company over which Manuel Vicente presided. It was Pa’s nascent Queensway group – not, at first, Sinopec – that was the prime mover in the Block 18 transaction. “They got the loan, we paid Shell,” Vicente told me. “It was, let’s say, 800-something [million dollars]. And after that, later on ... we called Sinopec.”

When the deal for Shell’s Block 18 stake was completed, the new owner was a company called Sonangol Sinopec International – ostensibly no more than a partnership between state-owned oil companies from Angola and China.

But Angola's interest was held not directly by the state oil company but by China Sonangol, its joint venture with Pa's Queensway network. In 2007, the crude started to flow. By 2010, according to a valuation by Sinopec, the Queensway group's interest in Block 18 was worth \$960m. Today, the project produces 180,000 barrels of oil a day, one-tenth of Angola's output.

Pa had planted the Queensway flag in Africa. Mirroring Beijing's tactics, he offered infrastructure packages to complement resources deals. In 2005, China International Fund, another company registered to the Queensway address but this time wholly owned by Pa's associates, raised \$2.9bn for projects ranging from a new airport in Luanda to drainage works, according to the Angolan finance ministry.

With his crude and contracts, Pa had put himself in lockstep with China's advance into Africa. But soon he would face a crisis that would bring his fledgling corporate empire to the brink of disaster.

...

When he set out to make his fortune, Sam Pa's principal ally was a thoroughbred member of China's ruling class. Lo Fong-hung is a petite woman with dark hair worn in a bob. According to people who have met her, she exudes authority. When she appeared on Hugo Chávez's weekly television show in 2004, during a trip to Latin America to scout for deals with Helder Bataglia, the Venezuelan leader declared that she was the daughter of a Chinese general. She is married to Wang Xiangfei, a former professor of finance at China's elite Renmin University, who held several top posts at [China Everbright Group](#) during 23 years at the state-owned finance house. He has also sat on prestigious Chinese boards, as well as holding positions in Queensway companies.

A western businessman who dined with Lo, Pa and their subordinates in Hong Kong recalls: “She didn’t give off any impression other than a sense of power. She just sits there and listens. Sometimes things are whispered to her.”

Mahmoud Thiam, the former Guinean mining minister, says: “Everything indicated that [Pa] was the boss. But you got the sense that if he wanted to get rid of Lo, he could not.”

Lo owns 30 per cent of the shares in New Bright International Development, the company at the apex of the Queensway group’s corporate structure. The remaining 70 per cent of New Bright’s shares are held by a woman called Veronica Fung. She lacks the credentials of Lo and Wang but she has one important relationship – to Pa himself.

Fung’s sole recorded role in business prior to the formation of the first Queensway companies was as a partner in a Hong Kong business venture with Pa. She has been described in press reports and by people who have studied the Queensway group as Pa’s wife or girlfriend, a proxy for his interests. (In its letter to the FT, China Sonangol declined to clarify their relationship; other representatives of companies at the Queensway address, including Fung, Lo and Wang, did not respond to questions from the FT.)

None of Pa’s aliases appears in the shareholder registers filed by Queensway companies. Indeed, their lawyers insist he is not formally an employee, merely an adviser, even though he has been described by Dubai’s government as the chairman of China Sonangol and by Sierra Leone’s presidency as the vice-chairman of China International Fund. (China Sonangol, in its letter to the FT, said that Pa is not the chairman of the company – that position is held by the head of Sonangol.)

Pa's ability to put on a display of top-level access in Beijing has been crucial in persuading African rulers that he was a man with the clout to pull off the big deals. In 2004 he struck his first Angolan oil deal, followed a year later by China International Fund's infrastructure contracts. But then came 2007.

That was a year of upheaval within the Chinese elite, as factions tussled ahead of the Communist party's five-yearly leadership transition. The head of Sinopec, the state oil company that the Queensway group had brought to Angola, was forced to resign amid a corruption scandal. Zeng Peiyan, the vice-premier whom Helder Bataglia recalled meeting in Beijing with Sam Pa and Manuel Vicente, retired.

Pa's fortunes appeared to be on the wane. There were signs of alarm in Beijing about the freewheeling style with which he had amassed business interests with ties to Chinese state-owned groups. When China International Fund's slew of infrastructure projects in Angola ran short of funds in 2007 and stalled – potentially imperilling Chinese relations with a country that was fast becoming a vital oil supplier – the Ministry of Commerce in Beijing warned Chinese companies to steer clear. According to state media and leaked correspondence, securities regulators in China and Hong Kong launched probes into suspected insider trading related to a \$5bn Angolan construction contract awarded by China International Fund to a Chinese engineering group. But then there came a reminder to China's powerbrokers that, even if they were wary of Pa, they needed him. In October 2007, the same month that China's Communist party convened for its leadership conclave, Angola's Block 18 started pumping oil. Sinopec enjoyed a share of the crude – but only because it had secured an interest in the block through its joint venture with Pa's Queensway group and

Angola's state oil company. "Sinopec saw it as a short-term joint venture to get in, but then [Sinopec] realised they were locked in," says Alex Vines, who, as head of the Africa programme at the UK's Chatham House think-tank, has interviewed Chinese oil executives during years of research into the Queensway group. All of the oil rights that the Angolan authorities have subsequently granted to Sinopec have been awarded to this joint venture.

Block 18 was just the beginning. China Sonangol, the Queensway group's partnership with Angola's state oil company, was granted direct and indirect stakes in a dozen more Angolan oil prospects, becoming a partner to Total of France, Eni of Italy and ConocoPhillips of the US among others. It became the conduit for crude cargoes sent to China as repayments for multibillion-dollar finance packages, the terms of which were closely guarded. China's ambassador in Angola told American officials that China International Fund's Hong Kong-based owners – a reference to Pa's Queensway network – had developed a "close relationship" with President Dos Santos, according to a 2009 US diplomatic cable published by WikiLeaks.

Isaías Samakuva, leader of Unita, the former rebel group that is now the main opposition party, echoes those who describe China Sonangol as "a government within a government". "I think it is the key to all the support that is given to Mr Dos Santos, to his rule," he told me. I asked how that support for the regime worked. "We can only speculate. Everything is in the dark."

The use of offshore tax havens helps to maintain that darkness. In 2012, the network's stakes in China Sonangol and in China International Fund were switched from a Hong Kong holding company to a vehicle called Magic Wonder

Holdings, company filings show. Scant public information is available about this company beyond its address: a PO box in the British Virgin Islands. The same address is used for World Noble Holdings, which is named as the sole owner of another Hong Kong company, of which Lo Fong-hung and Manuel Vicente have both served as directors. Its ownership and purpose are unclear but it adds to the corporate secrecy that shrouds the Queensway group.

“Having learnt how to juggle his allegiances in China and Africa, Pa took the model he had honed in Angola and began to export it – in particular, to pariah states
”

Flush with oil revenue, Pa’s allies in the Dos Santos regime have in recent years tightened their grip on Angola’s 20 million people. Some opponents have been slung in jail, others beaten with iron bars; human rights groups say elections are manipulated to favour the ruling party. Angola rivals Nigeria as Africa’s biggest oil producer and Luanda is a forest of cranes but, while the presidential coterie has grown fabulously wealthy, UN analysis indicates that few countries have done a worse job of turning economic growth into improved living standards for the many.

Pa emerged from his travails of 2007 strengthened. Angola bailed out China International Fund’s infrastructure undertakings. The FT has found no public record of any fallout from the insider-trading investigations in Hong Kong and China in relation to China International Fund. Beijing realised that it had little choice but to work with Pa; Chinese companies recommenced doing business with the Queensway group. From his beachhead in Angola, Pa set about expanding his empire at a dizzying pace.

•••

Having learnt how to juggle his allegiances in China and

Africa, Pa took the model he had honed in Angola and exported it – in particular, to pariah states where few others dared to tread.

In the middle of 2009, Pa and Lo turned up in Guinea, a destitute west African nation rich in untapped minerals where a military junta had seized power. Mahmoud Thiam, then mining minister, recalls challenging the pair to demonstrate that they were as well connected as they claimed. “If you are so close to Manuel Vicente, come back with him,” Thiam said. Three days later, Pa landed in Conakry, Guinea’s ramshackle capital, with Vicente, Thiam recalls. The junta needed funds badly. Thiam said Pa promised a \$30m “goodwill gesture” and the money was promptly transferred to Guinea, earmarked for emergency public spending.

Discussions began on a \$7bn deal under which China International Fund would build infrastructure in exchange for mineral rights. It was unveiled days after troops slaughtered more than 150 opposition demonstrators at the national stadium in September 2009. Pa was undeterred. Thiam told me the company provided \$100m to prop up the junta’s finances. Shortly after the massacre, Beijing sought to distance itself from China International Fund. “The Chinese government has nothing to do with its business operations,” a Chinese foreign ministry spokesman told reporters. But within months, a Chinese state-owned locomotive company was exporting trains to Guinea in conjunction with the company.

Sam Pa’s Guinea deal unravelled after an assassination attempt forced the junta’s leader into exile and elections in 2010 returned power to civilians. “Since I came to power, Sam has not been to Guinea,” Alpha Condé, Guinea’s

president, told me in November. Yet China International Fund has combined the mining permits it was granted under the junta with those of Bellzone, a London-listed mining junior, forming a joint venture. In 2012, both companies secured rights to supply iron ore to Glencore, the Swiss commodity trader.

Pa is constantly on the move. In the first months of this year, the jet he is believed to use touched down in Hong Kong, Singapore (where China Sonangol has a base), Mauritius, Madagascar, the Maldives, Luanda, Harare, Jakarta and Beijing, according to public flight records. He has large sums at his disposal. A ledger of Queensway group payments published in a ruling by the Hong Kong high court last year records a HK\$11,700,000 (\$1.5m) “cash advance” by China International Fund to “Mr Sam” in 2009. Other entries refer to Queensway group dealings in Tanzania, Nigeria and North Korea.

That court ruling also offered a glimpse of the Queensway group’s techniques in courting African governments. Weighing testimony in a dispute involving Wu Yang, a Chinese businessman who claimed he had not been paid some \$40m in dividends for helping to broker the Queensway group’s original oil deal, the Hong Kong judge wrote that the profits were being used to “curry favour” in Angola. And the ledger of payments suggested similar tactics elsewhere. According to the ledger, in 2009, the year that China International Fund secured mining rights in Mozambique, a Queensway group company made a “loan for project” worth \$300,000 to Antonio Inacio Junior – the name of Mozambique’s ambassador in Beijing. The ambassador did not respond to a faxed request for comment; China Sonangol, in its letter, declined to answer questions about the loan.

As journalists and activists have added more pieces to the Queensway puzzle, Washington has taken an interest in Sam Pa – not least because, in 2008, China Sonangol bought one of the most celebrated pieces of Manhattan real estate, the former JPMorgan building at 23 Wall Street. In April this year, Pa’s willingness to deal with despots began to catch up with him: the US Treasury added his seven names to the list of those subject to sanctions because they are deemed to be active supporters of Robert Mugabe’s regime in Zimbabwe. The US did not disclose its specific reasons. But in 2012, the British anti-corruption group Global Witness had published a report based on what it said were leaked Zimbabwean intelligence documents showing that Pa had been allowed to export diamonds from the military-controlled Marange fields after he furnished Mugabe’s secret police with 200 vehicles and \$100m. (Following the Global Witness report, lawyers for China International Fund said the company had provided funds to the Zimbabwean government for “legitimate business reasons”, denied having funded the secret police and said the Queensway-linked company that had been granted a Marange diamond concession had deemed it unviable and had exported “not a single carat”.)

US sanctions freeze the US assets of targeted people and companies and prohibit Americans from doing business with them. But because Pa is formally only an adviser to Queensway companies, his presence on the sanctions list will not necessarily curtail the group’s activities. New deals have followed. During President Vladimir Putin’s visit to China in the wake of Russia’s annexation of Crimea, Pa signed a deal for China International Fund to work on a new Metro line in Moscow.

Through a decade of deal-making, Sam Pa has demonstrated resilience. “He still has the Rolodex, he still knows how to get close to elites in fragile states and, most importantly, he

knows how to operate under the radar and just beyond the reach of law enforcement,” says J R Mailey, one of the authors of a 2009 US congressional report on the Queensway group, which coined its name, and who is preparing a second report on the group at the Pentagon’s Africa Center for Strategic Studies.

China’s arrival has sent a frisson of possibility through Africa. But some sense danger. Lamido Sanusi, until recently the reformist governor of Nigeria’s central bank, has warned that, in embracing its Chinese suitors, “Africa is now willingly opening itself up to a new form of imperialism”. Sam Pa is a creature of the era of globalisation, fusing state, corporate and personal power in ways that recall an older age. Two seasoned African mining executives I spoke to – one in Angola, another in Zimbabwe – likened the Queensway empire to Cecil Rhodes, the British colonialist-cum-mining magnate who suborned southern Africa in pursuit of its riches more than a century ago. “It’s like Rhodes,” said one, “trying to conquer Africa all over again.”