HARRY TRIGUBOFF'S BIG BUILDUP • THE PHILIPPINES' 50 RICHEST

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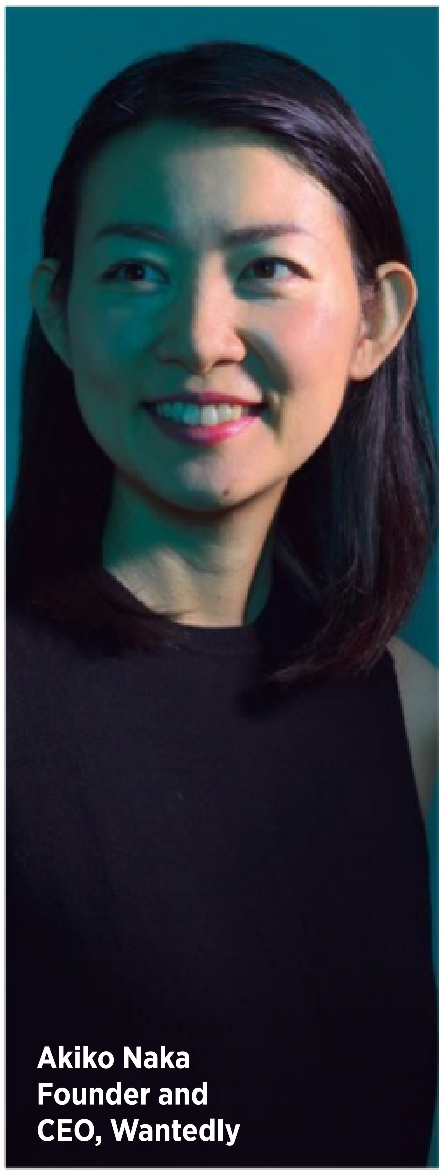

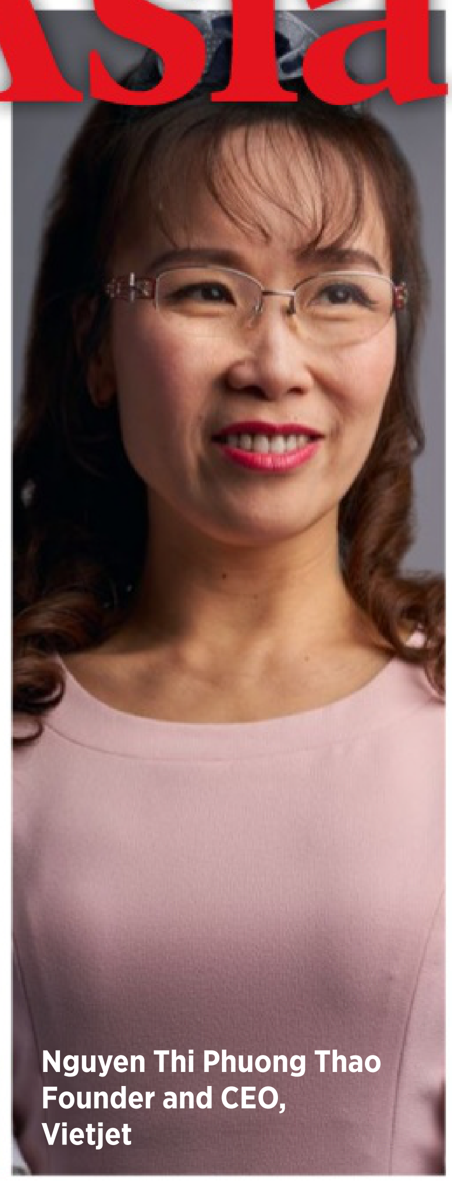

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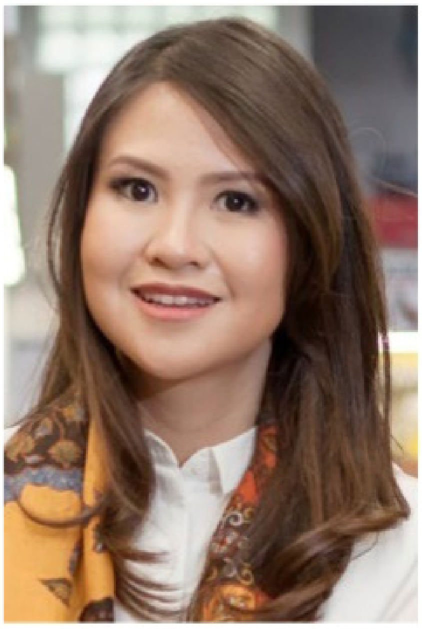

ASIA'S POWER BUSINESSWOMEN

25 outstanding business leaders who are transforming their industries and the region.

EDITED BY RANA WEHBE

PAGE 32

Forbes Asia

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▲ PAGE 16

"PROPERTY IS THE WORST THING YOU CAN HAVE WHEN THERE'S A REVOLUTION. YOU CAN'T TAKE IT AWAY WITH YOU."

—**Harry Triguboff,** founder and managing director of Meriton

▲ PAGE 52

"THEY MAY HAVE MORE MONEY, BUT IT'S NOT ALL ABOUT MONEY. YOU ALSO NEED TECHNICAL KNOW-HOW."

—**Edgar Saavedra,** chairman of Megawide

FEATURES

THE PHILIPPINES' 50 RICHEST

TECHNOLOGY

UNDER 30 ALUMNI

FORBES LIFE

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People **Power**

Forbes has long focused on people, and the power of individuals in building companies, creating wealth and powering economies. The two lists in this issue amply demonstrate this approach. The first is the rebooted Asia's Power Businesswomen list, with a new group of 25 women from around Asia. The second is the list of the Philippines' 50 richest people. Both lists show how individuals can make a difference in the business community.

Rana Wehbe

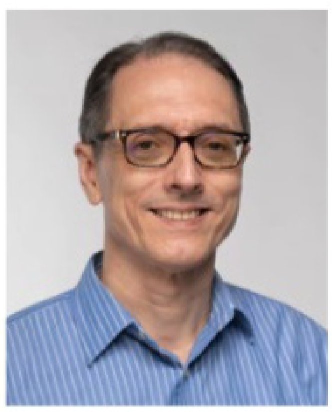
The 25 women listed provide inspiration to all of us. The list was composed to include those on the rise as well as firmly established. All of them will help shape the future of business in Asia. Thanks go to Rana Wehbe, Senior Editor-Special Projects, for editing this list.

Vietnam's Nguyen Thi Phuong Thao is a fitting example of the ideals embodied in Asia's Power Businesswomen. Thao is the only woman in the history of aviation to have created and run her own major commercial airline, and is also the richest self-made businesswoman in Southeast Asia. The fact that she did this in Vietnam, an emerging market, is all the more remarkable. Her airline, Vietjet, is now expanding to become a regional competitor, and she aims one day to operate it on a global scale.

Moving to the Philippines, this year's list has a major turnover of names. Here the change showcases a generational shift underway worldwide. The immediate postwar period, from 1945 onward, was when many of Asia's rich listers created their fortunes, while still in their 20s and 30s.

Now their children are ascending as this original generation grows older, and succession becomes not just a plan but a reality. To explore this topic, *Forbes Asia* in late September held its annual Next Tycoons event in Singapore, attended by about 130 members of the next generation of business leaders, both men and women. They are now moving into positions of power to lead their family businesses (or starting their own).

Telling the stories of businesswomen and the next generation will provide plenty of fodder for content in *Forbes Asia*, and reason to keep enjoying it in print, events or online. As always, comments are most welcome at editor@forbesasia.com.



Justin Doebele
Editor, Forbes Asia

A MATCHLESS MAN: MALCOLM FORBES

BY STEVE FORBES, EDITOR-IN-CHIEF

MY FATHER, BORN 100 YEARS AGO last August, would have been right at home in this era of social media, a time when what we call "branding" is more important than ever. The internet relentlessly commoditizes everything, and unless you have a distinct product or service, your company will wither. MSF would have thrived!

Pop's ballooning, motorcycling, boating, collecting and entertaining, as well as his creating and orchestrating memorable events, all had the goal of making *Forbes* synonymous with entrepreneurial success and the good life. It worked. When he took over the company after his older brother Bruce's untimely death from cancer, *Forbes* was barely known outside the U.S. business world. By the time Pop died in 1990, the Forbes name had achieved a powerfully positive image worldwide that companies many times our size could only envy. Despite all the upheaval and deep anxiety the internet has wrought on legacy print companies like ours, the Forbes brand globally is stronger than ever.

My father knew that the first task of successful branding is to produce a distinct, first-rate product. That's why in 1945, when he joined the company his father had started in 1917, after being badly wounded while serving as a machine gunner during WWII, he immediately focused on upgrading the magazine's editorial content. Barely surviving the Depression, *Forbes* had limped along during the 1930s and the war years overshadowed by its competitors. Content was mostly made up of freelance material of uneven quality. MSF began the process of hiring a full-time, first-rate editorial staff, rightly believing that this would dramatically improve the magazine.

One of MSF's innovations came in January 1949, when *Forbes* introduced what would become its annual report card on industries and companies, thereby starting the buildup of its statistical muscle. January had traditionally been the deadest month of the year for advertising, but with this issue's advent it became one of the best.

Pop's best hire was James Michaels, who became the publication's longtime editor and did more than anyone else to bring about *Forbes*' editorial dominance and prominence. We developed a well-earned reputation for hard-hitting stories that evaluated companies the way perceptive critics reviewed stage plays. What made these pieces ring true was our growing sophistication in digging into corporate balance sheets in a way no other publication could. My father, who micromanaged this company, told me more than once that Michaels was a genius, and that was why—unlike with other key people—Pop gave him a wide berth.

One of my father's most successful innovations after the war was launching "The Forbes Investor," a weekly newsletter that recommended stocks and analyzed the previous week's market news. His boldest move here: pricing the newsletter at an outlandish $35 a year, a huge amount in an economy whose nominal GDP was about one eightieth of today's (*Forbes* subscriptions went for $4 a year or less), and with production costs a small fraction of the magazine's. The newsletter was an instant success and provided the capital to reorganize the company.

With a strengthening product and company balance sheet, Malcolm set out to make Forbes a company in a class by itself.

MSF did things no traditional CEO would do. He put together an awesome collection of Fabergé eggs and used them in ads to hammer home the point that *Forbes* was to business what Peter Carl Fabergé was to exquisite jewelry of unparalleled beauty. The eggs were put on display in the lobby of our old headquarters, an awe-inspiring reminder that *Forbes* was different from the usual commercial enterprise. The eggs and other Fabergé pieces were also a great investment. Additionally, Pop collected American presidential and historical letters, manuscripts and memorabilia, toy boats and toy soldiers, and exhibited them along with the Fabergé eggs and pieces in a museum open to the public, which he built and connected to the lobby of the company headquarters. The displays were done in a most unmuseum-like way that enchanted hundreds of thousands of visitors, especially children. Pop also acquired exotic properties in the U.S. and around the world that added yet more glamour to the brand.

To help garner editorial information and advertising dollars, Malcolm routinely gave elaborate off-the-record luncheons for CEOs in the brownstone house connected to our headquarters. A Tiffany-made silver cup, inscribed with the individual's name and the luncheon's date and embossed on the bottom with a Forbes stag's head, would subsequently be sent to each guest, along with the information that another such cup with the same inscription would hang in the brownstone's wine cellar, entitling the guest to come by anytime to try the wine. It was a good Scottish offer: No one ever dropped by, because, as my father liked to say, no one wanted to appear to "be a lush."

One of the most powerful weapons to woo advertisers was to entertain influencers and advertising decision makers aboard *The Highlander.* Just about every weekday evening a group of 80 or so guests, hosted by our salespeople, would cruise around Manhattan. After the event each guest would soon receive a diploma-like certificate designating him or her as an Honorary Captain of *The Highlander*. No competitor could match that. Every few years a new, bigger and more eye-popping version of the vessel was built. Pop pored over the designs and furnishings with the kind of intense care that Steve Jobs gave his Apple devices. Amazingly, the business gained by this use of *The Highlander* vastly exceeded the expense until the economic crisis of 2008, and then we eventually sold her.

Pop was always looking to do marketing in imaginative ways. For instance, in the 1960s Mao Zedong issued countless copies of a little red book called *Sayings of Chairman Mao*, which the Chinese people were expected to possess and wave at public rallies. In response my father issued *The Sayings of Chairman Malcolm*, its cover colored in money green and gold and its pages filled with many of his pithy aphorisms. To give it a good-selling send-off, he dedicated it not to a person or two but to some 5,000 friends, family members, relatives, business associates and influential advertising decision makers. That's right—a big chunk of the book was taken up in listing all of those names. Now, who wouldn't keep—or, better yet, buy and distribute—a book dedicated to him- or herself? Needless to say, while his volume never matched Mao's forced distribution levels, it did rather well in the free marketplace.

This playful creativity and marketing was also displayed in several land-development projects Forbes had at a massive Colorado ranch we had purchased. These ventures required putting in numerous roads. What to call them? Again, the names of important businesspeople, children, grandchildren, in-laws, friends and company colleagues were chosen. Lucky designees received via the mail a sturdy and nicely designed street sign with their name on it, along with a letter announcing this honor and a map of where "their" road was located.

Forbes' special events also acquired a reputation for spectacular excitement and imagination. For example, *Forbes* celebrated its 70th anniversary at MSF's New Jersey home. Guests still remember the 70 bagpipers marching down a hill, seemingly coming out of the mists of the nearby woods. Scores of helicopters had ferried in the corporate moguls. It's no surprise that the largest chopper belonged to Donald Trump.

Such events didn't meet with universal approbation. To some outsiders these affairs looked like wasteful extravagance. But, in fact, they were the opposite: They helped create *Forbes*' powerful global image. Even today many businesspeople and entertainers regard landing on the cover of *Forbes* as the ultimate proof of their achievements. Talk about branding!

I mentioned at the beginning how my father would have taken to today's new media world like a duck to water. He would also be a perfect fit in other ways. He was a very generous and compassionate man, giving away considerable sums of money to many causes—including then-unfashionable ones, such as prisoner-rehabilitation efforts—and individuals (in a great number of cases, the recipient never knew who their benefactor was). But he would have no truck with bad business practices. He believed, as did his father, that the ultimate purpose of business is, indeed, to produce happiness, not to pile up money. F

MSF in front of the old Forbes building. To everyone's consternation, he loved riding motorcycles around NYC.

A Rare Breed

The late Steve Jobs had an explanation for the decline of once-great tech companies. He told biographer Walter Isaacson: "The company does a great job, innovates and becomes a monopoly or close to it in some field, and then the quality of the product becomes less important. The company starts valuing the great salesmen, because they're the ones who can move the needle on revenues, not the product engineers and designers. So, the salespeople end up running the company."

That was Microsoft under former CEO Steve Ballmer, who helmed the company from 2000 to 2014. Though Microsoft grew under Ballmer, its power weakened as Ballmer dismissed breakthrough innovations. In 2014, Satya Nadella replaced Ballmer, who has steered Microsoft to the cloud and AI. Microsoft is again the world's most valuable company. Nadella is an amazing and rare CEO.

IBM was not so lucky. The end of IBM's dominance can be traced to CEO John Akers in the late 1980s. Akers, too, was a jumped-up salesman. His focus on short-term sales blinded him to the shift from mainframe computers to servers and networks. A similar belief in the tech industry holds that chief financial officers (CFOs) and lawyers make poor CEOs. While good at engineering balance sheets, they are poor at engineering products and innovations. Is this true? The world is about to find out.

Intel is now led by its former CFO Bob Swan. At IBM, former CFO Martin Schroeter and Jim Whitehouse, the CEO of software company Red Hat acquired by IBM in July, are said likely to succeed CEO Ginni Rometty next year.

I recently asked Swan and Schroeter whether CFOs and lawyers could effectively run tech companies in an age of accelerating digital evolution. They each made a similar case. Technological innovation has become so cheap, and is so dispersed, that no company can rely on its own innovative abilities to succeed—an outside view to innovation is necessary. Acquisitions, alliances and deals are not mere decorations to dress up a balance sheet. They are essential to avoid being blindsided by disrupters.

BOB SWAN

“**Intel** has incredible engineering talent. I could never be an engineer, but I am really curious. I'm not afraid to ask dumb questions. Should we build it ourselves? Acquire? Invest in startups through Intel Capital, where we've made $12 billion in investments in 1,800 companies? These questions have a large financial component.

MARTIN SCHROETER

“**IBM** has always defined itself by what we do for our clients. Five years ago, as we were transforming IBM's business, we didn't have the security skills that we have today. We didn't have the mass of digital skills and design skills. We had to reach outside ourselves. I see IBM as a portfolio of assets to help our clients. It's not just about growing IBM. It's about growing an ecology of products and services that do the best job for IBM clients. And, yes, we sell to CFOs.

SAMYUKTA LAKSHMI/BLOOMBERG

Swan and Schroeter make valid points. I would not bet against them. Their companies are global giants learning to navigate through accelerating industry changes. Put it this way: If your tech company is led by a brilliant founder—Jeff Bezos, Jack Ma or Pony Ma—you're lucky. You're fortunate, too, if you have a brilliant successor like Nadella. But for most large companies, a former tech CFO or lawyer could be a smart choice for CEO. Ⓕ

Rich Karlgaard is editor at large at *Forbes*. As an author and global futurist, he has published several books, the latest of which is *Late Bloomers*, a groundbreaking exploration of what it means to be a late bloomer in a culture obsessed with SAT scores and early success. For his past columns and blogs visit our website at www.forbes.com/sites/richkarlgaard.


Computer generated graphic

Dangerous Addiction

The first step in rehabilitating an alcoholic is to get them to admit that they are an alcoholic. The same is true for curing the addiction to cheap money in an economy. Today, Europe, Japan and the U.S. are dangerously addicted to cheap money. Not only is there no admission of the addiction, these economies' central banks are set to indefinitely maintain low or zero interest rates. As a consequence, about one-quarter of sovereign and corporate bonds worldwide, Bloomberg data shows, are trading with an implied yield below zero.

The U.S. Federal Reserve's failure to normalize rates illustrates this addiction. The Fed started raising interest rates in December 2015, after keeping its benchmark Fed Funds Rate at 0.25% (effectively zero) for seven years. By December 2018, it had climbed to 2.5%, about half of what it was before the global financial crisis. But even such a low rate was deemed too high for the fragile U.S. economy. On July 31, the Fed cut the rate by a quarter of a percentage point, followed by another similar cut on September 19, signalling the end of normalization.

The European Central Bank (ECB) didn't even bother with normalization. The ECB is holding its refinancing rate at zero and, on September 12, cut its deposit rate from -0.4% to -0.5% (yes, negative 0.5%). It will also restart its quantative easing program, even though it holds an unprecedented amount of government debts in its book.

Loose monetary policy is extremely harmful to economies. It poisons the business operating environment by allowing weak and failing companies to survive on cheap credit. As such, the healthy creative destruction process is undermined. Quantitative easing also inflates asset prices, masking problems of mounting corporate debts with deteriorating quality. It opens a widening gap between financial markets and the real economy, a dangerous situation that could precipitate a new crisis.

Zero and negative interest rates also hurt savers. According to the Bundesbank, there are close to 5 trillion euros ($5.6 trillion) of private savings in Germany. Should interest rates be 5% instead of zero, German savers would earn €250 billion a year from their savings. Even if only half of this amount is spent by German households, the German economy would be much stronger than it is today.

ISTOCK/GETTY IMAGES PLUS

Loose monetary policy is extremely harmful to economies.

Interest rates reflect the value of money over time. Money productively deployed generates returns reflected in positive rates. When rates are at zero, however, they signal the time value of money is also zero, and stagnation lies ahead. Addiction to cheap money becomes self-perpetuating: a weak economy needs cheap money, which keeps the economy depressed. It is now urgent that central banks acknowledge that cheap money is the problem, not the solution.

Yuwa Hedrick-Wong is Chief Economics Commentator for *Forbes Asia*. He is also a visiting scholar at the Lee Kuan Yew School of Public Policy, National University of Singapore. Having worked as an economist across the Asia-Pacific, Europe, Middle East and Africa in the past 25 years, he regularly writes columns about the global economy for *Forbes Asia*. The views expressed in this column are his own. Email: yuwa.hedrick.wong@gmail.com.

ADVERTISEMENT

Steward Leadership

What Business Leaders of Tomorrow Need Today

Capitalism and business innovations have been the major driving forces behind economic and social progress. But concurrently, they have contributed to environmental risks, widening social, economic and knowledge disparity. Increasingly, businesses are expected by society and their own stakeholders to practise a more responsible form of capitalism—profit as the only priority is no longer viable.

The Value of Steward Leadership

Businesses of today and tomorrow must demonstrate they possess the moral and social license to operate to be successful over generations. Steward leadership refers to the leadership will to build such an organization—translating vision into action—to impact community and society positively for a better future for all. Steward leaders lead with impact, safeguard the future and drive social good by focusing on people and relationships.

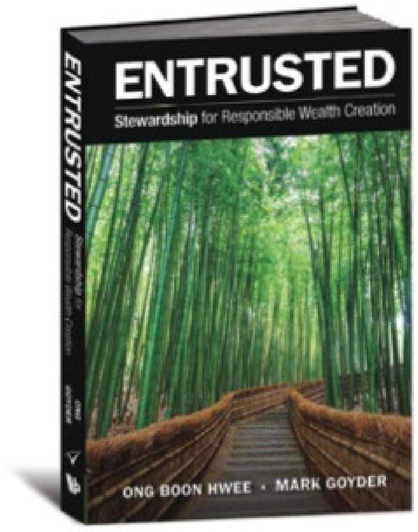
By putting human purpose at the center of business activity and acknowledging the interdependence of our economic, social and environmental needs, business leaders will have more propensity to integrate intergenerational imperatives in their business decisions. Well-stewarded companies driven by an ownership mentality will take into consideration the needs of the community, which will in turn create and unlock value over time. This goes against the grain of today's business world characterized by a short-term mentality, as seen from governance requirements to financial reporting standards to shareholder expectations. It would therefore entail collective effort to change this prevailing culture of short-termism.

The Virtuous Circle of Leadership and Governance

To embrace stewardship throughout the management process of an organization, business leaders should adopt an integrated approach to guide them toward business success through deepening and strengthening of stakeholder relationships integral to the business model. Anchored by the purpose and values of the organization, the circular flow approach requires business leaders to:

- Define key relationships
- Define success, business model and time horizon
- Live the values in all relationships, creating an ownership mentality
- Measure and reward stewardship behaviors
- Communicate, learn, anticipate, adapt and respond

Business is a part of society, not apart from society. Entrusted with the respective responsibilities and resources, there is an urgency for business leaders to become steward leaders, acting today with tomorrow in mind for the long-term good of our society.



ENTRUSTED: Stewardship for Responsible Wealth Creation, the second book from Stewardship Asia Centre, will help business leaders:

- Understand the key stewardship concepts and elements
- Redefine what business success should look like
- Gear up for the transformational shift required to build organizations that focus on the long-term success of the company, and future value creation for society and future generations.

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Harry's Game

Harry Triguboff, Australia's second-richest person, has learned how to make money in up and down markets.

BY CHRISTIAN BARKER

To see how Asia's growing wealth is reshaping the global economy and creating enormous fortunes, consider the rise of Australia's second-richest man, Harry Triguboff. The 86-year-old has amassed his fortune by building approximately 10% of the country's apartments—almost 80,000 dwellings. His privately held Meriton is Australia's most prolific homebuilder, earning A$485 million ($332 million) in its latest fiscal year on sales of A$1.8 billion, according to Australian Securities and Investments Commission filings. Triguboff's ownership of Meriton, where he is managing director, gives him a fortune pegged at $10.7 billion.

Rising housing prices in key Australian cities—up more than 50% from 2012 to 2017—were driven in part by strong demand from international investors, many of them from Asia. Meriton was an early leader in marketing Australian property to these buyers, with nearly 20% of its sales coming from nonresident Asian buyers. "They like to buy the best they can afford, where they can afford," says Triguboff of his customers from mainland China. "So that means new. They will pay more for brand new, always. They like brand new buildings."

DEAN HAMMER FOR FORBES ASIA

Restrictions by Beijing and Canberra were meant to crimp demand. In 2015, on concerns that international demand was making home prices unaffordable for its citizens, the Australian government limited nonresident investors to purchasing newly built properties, vacant land or residences still on the drawing board, or "off-plan." International buyers face other restrictions: approval from the Foreign Investment Review Board for their purchase; up to 40% deposit on purchase prices before banks will give a mortgage; and various fees, taxes and stamp duties.

Despite the barriers, Australian property remains attractive to international buyers, particularly from China, who want to safely park funds offshore in an appreciating asset. Wealthy Chinese can also take advantage of Australia's investor visa schemes, a pathway to permanent residency for those willing to bankroll Australian-based enterprises. The Significant Investor Visa, requiring an investment of A$5 million (not including real estate), has been granted 2,022 times since the scheme's inception in 2012, with 87% of recipients being mainland Chinese, according to Australia's Department of Home Affairs. In 2017, international buyers—77% of them from China—bought a quarter of the new housing stock in New South Wales, the state in which Sydney is located and where Meriton is most active, according to Credit Suisse.

Purchases from Chinese investors have declined more recently as Australian regulators increased taxes and stamp duty on foreign buyers, more than doubling surcharges in some instances. Simultaneously, the Chinese government introduced stricter capital controls to reduce renminbi outflows. But Triguboff says that no matter how difficult Beijing or Canberra make it, Chinese buyers will remain attracted to Australian property. "The Chinese always know how to find the way to overcome anything," he says. "So even though our banks may not give them much money, and maybe their government doesn't let them take much money [out of China], they usually find a way to invest."

> Triguboff does well even in rare downturns in Australian property.

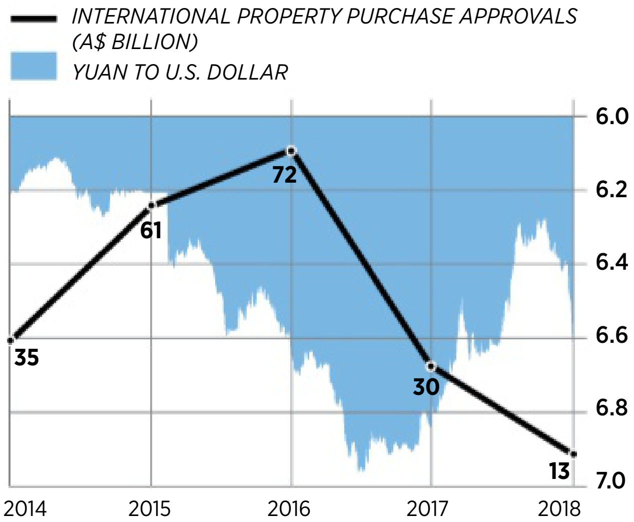
Triguboff does well even in rare downturns in Australian property, such as now, due to a leasing strategy that provides profits when demand is weak. During a similar downturn in the 1970s, Triguboff offset lower sales for Meriton's new apartments by keeping some of its dwellings and renting them out rather than selling them. To this day, Meriton retains ownership of slightly more than a tenth of the dwellings it builds, a roughly A$3 billion portfolio of properties that makes Meriton Australia's biggest landlord. So when property prices rise, so does Triguboff's net worth; when the market is volatile, his rental income is the backstop. "Leasing is a huge area for us and one where we are growing," he says.

Meriton's yield income is helped by its strategy to build projects in suburbs close to the central business district that command premium rents, according to Michelle Ciesielski, head of residential research at Knight Frank Australia. "This increased rental supply has certainly aided locals wanting to live close to where they work and play," she says. While other developers have the same strategy, Meriton retains a higher portion of its own units than others for rent, she says.

Triguboff is confident the market will revive soon and prices with it, as bargains lure buyers and banks relax recent

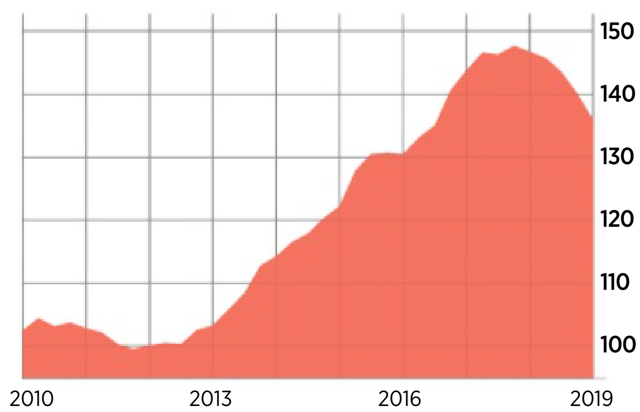
BUYING INTO THE LUCKY COUNTRY

International demand for Australian property has tended to be strongest when China's yuan is weakening.



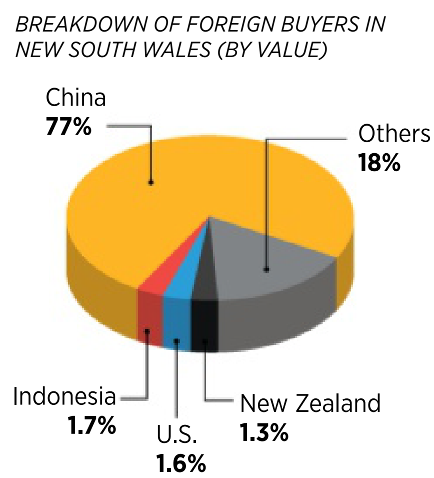
Sources: Australian Foreign Investment Review Board, Bloomberg

After peaking in 2017, Australian property prices have declined to 2016 levels.



Source: Australian Bureau of Statistics

Investors from China accounted for the lion's share of foreign purchases of new developments in 2017.



Source: Credit Suisse, NSW Office of State Revenue restrictions. He's so confident that Meriton has recommenced construction of several developments that were put on hold amid the uncertainty before Australia's May elections. Early indications are he may be right: the victorious Liberal Party moved quickly to implement property-boosting measures. And interest-rate cuts by Australia's central bank earlier this year have already translated into lower mortgage rates.

Meriton was born in 1963 when Triguboff built his first block of apartments—a modest eight units in a working-class Sydney suburb. Though privately held by Triguboff, Meriton's value is estimated to range from A$10 billion ($7 billion) to A$15 billion—the price Triguboff quoted when mulling a sale of the company in 2015.

Local media dubbed him "High-rise Harry" in the go-go 1980s and 1990s, when he built hundreds of units in high-density developments, most in his hometown Sydney or in Queensland's Gold Coast. Although the company worked with respected architects such as Harry Seidler, Meriton's hive-like housing has been criticized as architecturally subpar—former Australian Prime Minister Paul Keating once described such developments as a "disfiguring eczema" afflicting Sydney.

Triguboff has a reputation for being loyal but short-tempered, the latter for which he makes no apology. "You must know how to deal with people," says Triguboff. "I yell and scream and curse at people, and yet I'm their best friend," he says. "But my people are very happy with me, and many of them, they've worked with me a few generations now. Some, three generations."

This is one key lesson Triguboff says he is teaching the next generation of the family to assume leadership—grandsons Daniel and Ariel Hendler are heirs apparent. Triguboff's advice? "Always keep your subcontractors employed and they will be loyal to you," says Ariel, 26. Daniel, 29, adds another lesson: "Nothing is more valuable than time and to enjoy what you do." Triguboff says the

COURTESY OF MERITON

Triguboff (in front with sunglasses) and family on a rickshaw in Tianjin

Triguboff in The Scots College uniform in Sydney

China-born Billionaire

Triguboff's connection to Asia runs deep. He is, in fact, a China-born billionaire and a second-generation property tycoon. His parents, Russians who fled anti-Semitism and Marxist revolution, settled in Tianjin, China, in 1916. There Triguboff's father Moshe used his profits from trading to invest in property. While the Great Depression ravaged the West, China was largely unaffected, and Moshe and Frida Triguboff's second son, Harry, was born into a well-to-do household in 1933.

"The Chinese were very good to the Russians who came to China," recalls Triguboff, who still speaks with a slight Russian accent. When World War II broke out, the Japanese left the Russians alone thanks to neutrality between Japan and the Soviet Union until the latter declared war in 1945. Triguboff's father was thus able to continue expanding his property portfolio throughout the war, with Harry keenly observing. When, in 1948, Mao Zedong's rise to power appeared inevitable, the 15-year-old Triguboff and his older brother Joseph were sent to Sydney.

The new People's Republic nationalized the Triguboff family's real estate holdings in China. "My father left me a lot of property there, I have all the titles," Triguboff says. "But property is the worst thing you can have when there's a revolution. You can't take it away with you." Although Moshe and Frida were unable to follow their sons to Australia, they found refuge in the newly created Israel (Triguboff remains a staunch supporter of Israel, financially and ideologically).

They did, however, get enough wealth out of China so that Triguboff and his brother could attend one of Australia's leading private schools, The Scots College in Sydney. He then went to the U.K., earning a degree in textiles from the University of Leeds, and joined his family in Israel to establish a carpet factory with his father and brother. In 1960 he returned to Australia, where he dabbled in a number of businesses, including a cab company and a milk delivery service, before starting Meriton.

most important wisdom he has imparted to his grandsons is that "the more money you make, the harder you work, if you want the business to survive and grow." He adds: "These are hard things to know. They teach you facts in school, but they don't teach you this."

Triguboff is a strong advocate of education and much of his philanthropy is focused on schools. In January, he opened the Triguboff Holistic Center for Vocational Training and Entrepreneurship in southern Israel. The center offers job training to the area's Bedouin residents, particularly women.

Triguboff has also given millions to his alma mater, The Scots College, and supports Sydney's leading Jewish private school, Moriah College, where he built the Moshe Triguboff Auditorium, named after his father. When Sydney's Yeshiva schools were in financial difficulty, Triguboff stepped in to buy their properties and lease them back to the schools at a discount.

"I believe that we need good schools," Triguboff says. "So of course I gravitate to where I went to school, Scots, because I know the kids there, I know the school and I want it to continue progressing." Yet a greater share of his support has gone to Jewish schools, Triguboff says, because he thinks Jewish Australians should retain their heritage.

Charity begins at home, though. "Of course, I must make sure that I leave money to my offspring," he says. "You never know what will happen in the end with them. They might fight each other. They might lose everything. So at least, I have to leave them something."

A telling anecdote about Triguboff: Among the images of the rich and powerful that occupy the walls of his central Sydney office is a framed clipping of the *Forbes* 2019 Billionaires list, placing Triguboff's as No. 2 in Australia and No. 156 in the world. Does he put much importance on these rankings? "No, not at all," quips Harry.

Triguboff is, in fact, a China-born billionaire and a second-generation property tycoon.

DEAN HAMMER FOR FORBES ASIA

Sizing Up Property Down Under

Australia's property sector has softened over the past two years. It was feared the downturn would worsen if the heavily favored opposition Labor party won Australia's federal election in May. But the conservative Liberal party confounded pollsters to retain power and immediately moved to boost the market. "We're lucky to have [Scott] Morrison as prime minister," Triguboff says of the Liberal leader. "He understands housing."

In June and July, the Reserve Bank of Australia cut official interest rates, bringing owner-occupier mortgage rates to their lowest levels—about 4%—in more than four decades. Regulators have also proposed relaxing lending limits to individual borrowers, giving more leeway to banks hamstrung for several years after a royal commission imposed restrictions.

With market confidence returning, conditions appear to be looking up for Meriton. "Buyers are certainly out in force as they can see the downside risk has almost evaporated," says Dan White, managing director of Australian real estate broker Ray White. "But for us, the big question is, will sellers now return to the market to participate? Our listings have not jumped yet. We have seen a decent bump in inquiries for property online. We know buyers are no longer concerned about prices bottoming out, as that is happening right now."

Deda Besa, chief economist of St George Bank in Sydney, believes that the market hasn't yet reached its nadir. "There are some encouraging signs that house prices might be near a bottom in Sydney and Melbourne by early 2020 and possibly before the end of this year," she says. "But it is likely that prices will hover around the bottom for quite some time."

Junkyard scrap becomes giant shimmering rolls of steel.

Green Steel

After his partner dropped dead, globetrotting financier David Stickler found himself at the helm of a steel mill startup in rural Arkansas. Now he runs the best little high-tech, highly leveraged steelmaker in the U.S.

BY JONATHAN PONCIANO

TIM PANNELL FOR FORBES

Inside cavernous blue hangars set on 445 hectares of what was once soy fields abutting the Mississippi River, a succession of 270-tonne scrap-filled buckets—the remains of old cars and refrigerators—await their turn at the furnace. Wailing sirens pierce the deafening rumble, and sparks fly as blindingly yellow flames rise up from the glowing ladle.

Overlooking the action there's a control room with a lone operator in front of a dozen LCD monitors displaying graphics representing data from thousands of sensors on nearly every piece of equipment in the 163,509 square meter flat-rolled steel mill. One display uses an optical emission spectrometer to analyze the composition of the molten steel in real time, determining the amount of alloys like copper in the mix. A red display shows that the furnace—about 18 meters—is at 1,622 degrees Celsius.

Welcome to Osceola, Arkansas (pop. 6,764), onetime home of legendary blues guitarist Albert King and headquarters to Big River Steel, the future of steel production on the planet. The mini mill, which is producing 4 million kilograms of hot-rolled steel each day or about 1.5 billion per year, began operating only 31 months ago thanks to almost $1 billion in high-yield-debt financing, a slug of equity from Koch Industries, Arkansas' teachers' pension fund, private equity firm TPG Capital and the sheer operating zeal of a little-known investment banker named David Stickler.

"We view ourselves as a technology company that just happens to make steel," says Stickler, pounding his fist on a table for effect. Though tiny relative to North Carolina's Nucor, Big River is hands down the most technologically advanced and fastest-growing steel producer in North America. With only 513 employees, its cash flow per employee amounts to a whopping $557,000 compared to integrated producer U.S. Steel's $61,000. The next most efficient mini mill competitor, Steel Dynamics, operates at $253,000 per employee. It takes just one hour for Big River to produce a 31,751kg coil of hot-rolled steel compared to days at an integrated steel producer.

Including bonus pay, the average Big River production worker earned $129,000 last year, 3.5 times the median household income in Arkansas' Mississippi County. Big River has already secured enough financing to double its annual capacity to 3 billion kilograms by the end of 2020.

Back in the control room a monitor flashes, automatically recommending a modification to the operating parameters. "Ultimately, the operators won't have to do anything. The machines will adjust themselves," says Stickler, 58, noting that the information from his sensors is being transmitted to a data center where an artificial intelligence system developed by Noodle.ai and Dell runs predictive algorithms. Stickler likens his mill to a self-driving car. "The Google and Apple cars, the more they drive, the more they learn. The more this mill operates, the more it's learning."

Stickler's transformation from banker to steel company CEO wasn't planned. A Cleveland native and former accountant, he spent 15 years as an investment banker, mostly working on financing big steel, including the $385 million Bain Capital used to launch Indiana's Steel Dynamics.

In the mid-1990s he met his future wife, Rebecca Li, a vivacious wellness consultant from China who was showing a friend Hawaiian real estate. Li helped him make connections

Stickler says the Big River mill can outproduce the most efficient plants in the world.

in Asia, and in 1998 he raised $650 million to build a mill in Thailand. Stickler also courted Nucor's CEO, John Correnti, who tapped him in 1999 to finance a restructuring of Birmingham Steel. In 2003, Correnti, Stickler and Li formed Global Principal Partners, a steel-focused merchant bank.

Over the next decade, the firm raised some $6 billion for numerous projects ranging from modernizing a mill for China's Tangshan Iron & Steel to SeverCorr, a Mississippi mill it sold to a Russian steel giant in 2008. Correnti handled plant operations, and Stickler and Li, the dealmakers, traveled the world and maintained homes in New York, Los Angeles, Beijing and Thailand. Around 2013, Correnti and Stickler decided that their next project would be a new U.S-based state-of-the-art electric mini mill.

Steel Cities

Three cities in three continents have shaped steel manufacturing since the Industrial Revolution.

Sheffield, England

(1856 to late 19th century)

Mass production began after 1856 when Englishman Henry Bessemer patented a cheap, fast way to oxidize molten iron to make high-quality steel.

Pittsburgh, Pennsylvania

(late 19th to mid-20th century)

By 1889, U.S. steel production exceeded Britain's. Andrew Carnegie founded Carnegie Steel in Pittsburgh, which eventually became U.S. Steel.

Tangshan, China

(21st century)

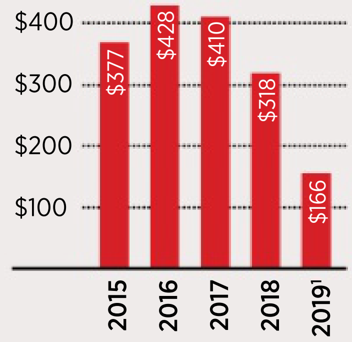
China now produces more than half the world's steel.

Stickler's wife Rebecca Li

Muni-Bond Madness

While U.S. muni-bond defaults have been modest—outside of Puerto Rico's spectacular $72 billion failure in 2015—tax-exempt bond issuance has dropped significantly since 2017. This has bond managers competing for limited inventory. "Anything that has any yield gets jumped on like a young gazelle facing hungry lions," says muni expert Barnet Sherman, director of investments at Neighborly. "As usual in these environments, credit gets thrown out the window."

MUNICIPAL BOND ISSUANCE ($BIL)



[1]Through June
Source: Bloomberg

Big River is hands down the most technologically advanced and fastest-growing steel producer in North America.

"There was somewhat of a revolution under way," says Stickler, noting how U.S. makers were rapidly losing global market share. After getting incentives and funding from Arkansas and local municipalities, Stickler chose Osceola, a small town about 80km north of Memphis, downriver from massive scrap metal yards in cities like Chicago, adjacent to Burlington Northern rail lines and close to major trucking routes. Entergy offered it rock-bottom power rates through 2026.

However, 13 months into the construction of the mill, in August 2015, Big River CEO Correnti died in his sleep while in Chicago attending a Navistar board meeting. "My plan was not to be CEO of Big River Steel," says Stickler. "John passed away on a Tuesday. By Friday of that week, we had completely reorganized."

One of Correnti's strategies that Stickler boasts about is Big River's Wall Street-style bonuses. The majority of mill workers have production bonus targets amounting to 150% of their wages, so a technician earning a base of $18 per hour is expected to take home at least $45 an hour. "We've had weeks where people are getting paid a bonus of 180%, 200% or even 210%," says Stickler.

Another differentiator at Big River is its LEED (Leadership in Energy and Environmental Design) certification. "Typically it's for university and government buildings," says Stickler. "A lot of people thought we were nuts to try and qualify for it." Stickler believes it will make the difference whether it is selling to Chrysler, Volkswagen or Walmart. "People won't pay more for our steel because it's produced in a LEED-certified facility, but everything else being equal: price, service, quality, etc., we get the order," says Stickler.

Last year, thanks to a strong backdraft created by Trump's 25% steel tariffs and fear of shortages, prices hit a ten-year high, allowing Big River to book revenues of $1.4 billion. "I'm not okay with tariffs," retorts Stickler. "Trump has given the domestic steel industry an opportunity to get itself on the right path. But we don't need tariffs to survive and thrive."

If there is one big question mark surrounding Big River's future, it may be its ability to thrive under its $1.5 billion debt load. In May, the steel startup got the Arkansas Development Finance Authority to lend its name to $487 million in 30-year junk municipal bonds to finance expansion. According to Moody's, the bonds will boost the company's leverage ratio to a risky 6.8 times and drop its interest coverage ratio to one or less.

A ramp-up in global production has created a glut in flat-rolled steel, and prices have fallen by 25% in 2019. But Stickler seems unconcerned. He's gearing up for another $500 million debt/equity financing that will enable Big River to manufacture the specialized steel that goes into hybrid and electric cars. The dealmaker in him knows that he will likely be able to flip Big River—at big profit—long before its debts come due.

Last summer in fact, Nucor reportedly offered as much as $3 billion for Big River, but Stickler rejected the deal. Thanks to assistance from his wife, Big River has been hosting tours for dozens of visiting company executives from around the world. "We don't hide behind patents and IP," boasts Stickler.

One notable group was a team of executives, including its chairman, from the second-largest steelmaker in the world, China's state-owned Shanghai Bao Steel, which produces about 41 billion kilograms a year. A beaming Li says, "They told David he was the Steven Jobs of steel." F

TIM PANNELL FOR FORBES

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Chairman & Editor-in-Chief, Forbes Media

Lee Hsien Loong
Prime Minister, Singapore

Jack Ma
Founder, Jack Ma Foundation, United Nations Sustainable Development Goals Advocate, Partner, Alibaba Group

Kiran Mazumdar-Shaw
Chairperson & MD, Biocon

Mark E Tucker
Group Chairman, HSBC Holdings

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Chairman, Nipsea Holdings International, Nipsea

Peter Moore
CEO, Liverpool FC

Marjorie Yang
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Founder & CEO, Caruso

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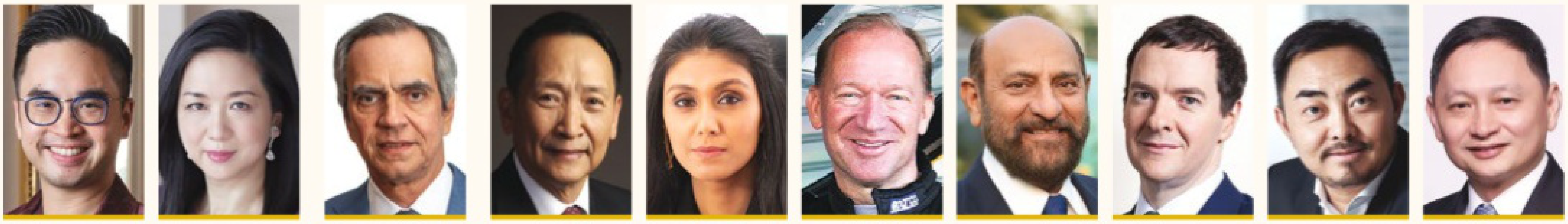

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H. Roger Wang
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Antoine Firmenich
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*Selected confirmed speakers as of September 19, 2019

ASIA'S POWER BUSINESSWOMEN

Thao flanked by Vietjet flight attendants.

EHRIN MACKSEY FOR FORBES ASIA

High Flyer

Nguyen Thi Phuong Thao has made history by starting and running her own major commercial airline.

BY LAN ANH NGUYEN

While women have long participated in the 116-year-old aviation industry as pilots and even airline CEOs, Vietnam's Nguyen Thi Phuong Thao has made history in this traditionally male-dominated business: she is the only woman to have started and run her own major commercial airline, Vietjet Aviation. As such, she epitomizes the values of the Power Businesswomen in this issue—entrepreneurs who defy stereotypes and break down barriers.

Her success with Vietjet has also made her very wealthy. She is Vietnam's first self-made woman billionaire, with a net worth of $2.5 billion, and the wealthiest self-made woman in Southeast Asia. Now, she's ordering up new jets to take advantage of a booming regional market for air travel and take Vietjet global. Whether she can pull it off will require overcoming Vietnam's own aging infrastructure, a global pilot shortage and navigating Southeast Asia's patchwork of aviation regulations.

Vietjet Academy in Saigon Hi-Tech Park serves as a center for aviation research and training.

Thao has already proven she can overcome barriers. Her airline, founded in 2007, is now bigger than flag carrier Vietnam Airlines as measured by passengers carried. She grew in part through audacious service, by dressing flight attendants in bikinis for flights to beach-holiday destinations. The stunt resulted in a fine from the government, but garnered worldwide free publicity for Vietjet and, most importantly, sold tickets.

From just a handful of domestic routes when it launched, Vietjet has slowly expanded to 80 aircraft servicing 120 destinations. "Our strategy is to expand to any regional market within a radius of 2,500 kilometers," she says, "so we can create bases that cover half of the world population."

In 2017, Vietjet debuted on the Ho Chi Minh City Stock Exchange with a market capitalization of $1.4 billion. The next year, Vietjet transported 23 million passengers, accounting for 46% of Vietnam's passenger market. While that's about half of the 44 million passengers AirAsia, Asia's leading budget carrier, carried last year, Vietjet has been growing faster than the Malaysian budget carrier.

Anticipating further growth, VietJet has ordered 386 new airplanes.

Vietjet's revenue climbed 27% to 54 trillion dong ($2.3 billion) in 2018, while AirAsia's revenue rose 9% to 10.6 billion ringgit ($2.5 billion). This year, Vietjet expects to grow even faster, projecting it will carry 30 million passengers, up 30% from last year. "We positioned Vietjet as a regional and international carrier from the very beginning," says Thao, 49. The two airlines have an intertwined history. AirAsia originally tried to partner with Vietjet in 2010 to enter Vietnam's domestic air market, only to pull the plug on the deal in 2011.

THE KEY TO VIETJET'S SUCCESS is keeping costs low by packing more passengers into its planes. Vietjet operates at a unit cost of 2.3 U.S. cents per available seat kilometer (ASK), the industry's measure of efficiency. That figure makes AirAsia's 3.1 cents per ASK look flabby (U.S. full service carriers average about 7 cents). Vietjet aims to squeeze even more people into its new, narrowbody Airbus A321neo airplanes. When the first A321neo arrives in November, it will have 240 seats. Most airlines outfit the A321neo with no more than 180—giving Vietjet a third more passengers per aircraft.

Though cramped, Vietjet's planes are on average 88% full. "It's an equation with a lot of unknown factors that you need to solve—and you need to solve them all at once," Thao says of the operating challenge she faces. "There are many questions that you need to have answers to, and if there's one that you haven't answered, you'll surely fail."

Asia is fertile ground for Vietjet's expansion: the International Air Transport Association (IATA) estimates that demand for air travel in the Asia-Pacific, the world's fastest growing travel market, will double over the next two decades, representing an additional 2.8 billion passenger journeys every year.

Travel in Vietnam is also booming, supported by its rapidly growing middle class. The country's airports handled 106 million passengers in 2018, up 13% from the previous year. That number included 16 million foreign visitors, a 20% jump from the previous year. Anticipating further growth, Vietjet has ordered 386 new airplanes, including 200 from Boeing and 186 from Airbus.

Vietjet's aggressive expansion is paying off. The company's shares have more than doubled since its 2017 IPO, giving it a market value of $3 billion—the second-biggest in Southeast Asia, after Singapore Airlines. And Vietjet says it is in talks with partners across the region to expand outside of Vietnam.

The mother of three, Thao is known by colleagues as a workaholic, often working late into the night, according to people close to her.

THAO'S BIGGEST CHALLENGE will be negotiating landing slots to Asia's various destinations, as governments carefully allocate carriers' access to their airports. "ASEAN has a single aviation market initiative but it does not include some of the major Asian aviation markets, like China, India, Korea, Japan and Australia," says Albert Tjoeng, assistant communications director at IATA's Asia-Pacific office in Singapore. "The region is composed of a patchwork of systems—both operational and regulatory—and harmonization is needed to maximize the capacity of the networks, both in the air and on the ground."

To obtain landing slots to more international destinations, therefore, airlines like Vietjet usually form joint ventures with partners in different countries. So far, Vietjet has a joint venture in Thailand that operates eight airplanes in an already very competitive market.

Another stumbling block to Vietjet's expansion is infrastructure. In Vietnam, most major airports are already operating above capacity. Ho Chi Minh City's airport handled 38 million passengers in 2018, well above its annual capacity of 28 million. The same is true at other major airports in Vietnam, including Da Nang, Nha Trang, and the capital, Hanoi.

Vietjet is open to investing in infrastructure to help alleviate these bottlenecks, Thao says. But Vietnam's government has yet to finalize plans on whether to expand existing airports or build new ones. Vietjet also faces increasing local competition. As of the end of last year, Vietnam already had 174 registered commercial aircraft operated by at least four airlines. Earlier this year, Bamboo Airlines became the fifth, launching with just four aircraft. And later this year Vingroup, Vietnam's biggest publicly traded company by market value, plans to launch its own carrier, Vinpearl Airlines.

A shortage of pilots poses another challenge. According to Boeing, the aviation industry will need almost 650,000 new pilots over the next 20 years, with the Asia-Pacific region requiring 244,000 and the Middle East needing 64,000. "The challenge for the industry and stakeholders, including governments and regulatory authorities, is to ensure that the infrastructure is adequate, while regulatory and resource needs are met to ensure that countries are able to fully realize the benefits that aviation can deliver," says Tjoeng at IATA.

Thao is undaunted. In addition to packing passengers more densely, she's been able to boost profits by buying planes cheaply in bulk using low-interest loans, then reselling them to leasing companies. Thao's goal is to make history a second time by turning Vietjet into the first global airline from Vietnam. "If we establish an airline in Europe, we can fly to every country there," Thao says. "With our competitiveness in services, airplanes, management capacity, cost and ability to provide new services, I am completely confident that we can compete in others' markets, Europe or the U.S." Having made history once, she has earned the right to be confident.

EHRIN MACKSEY FOR FORBES ASIA

NATURAL-BORN ENTREPRENEUR

Thao cut her teeth in business in the late 1980s after getting two degrees at Moscow's Plekhanov Russian University of Economics. Her first business was import-export—importing computers and other electronics from Asia to Eastern Europe and exporting fertilizer, steel and machinery from Eastern Europe to Vietnam, through which she reportedly made her first $1 million. She returned to Vietnam in the late 1990s with a Ph.D. in economic management from Russia's D. Mendeleev University of Chemical Technology, and invested in banking and property.

BANKING ON DIVERSITY

Regional Head of HSBC Private Banking in Asia-Pacific Siew Meng Tan discusses how the bank promotes gender diversity within the company and supports female entrepreneurs and business leaders.

Q: You joined HSBC 14 years ago—from starting out in corporate banking in Singapore to taking on the CEO role in Mauritius and Thailand, and now you're the Regional Head of HSBC Private Banking in Asia-Pacific. What are some of the biggest challenges you've encountered in taking up a leadership role in the highly competitive finance industry?

It's no secret that the finance industry is traditionally male-dominated, so there have been times in my career where I've had to work very hard on being visible and ensuring my voice is heard. The way I look at it, I always pursue roles that I enjoy so it makes it easier to transition from one position to another. Having the right drive and confidence has helped me to put myself forward and speak up. Rather than seeing them as a challenge, I look at every new assignment as a great learning experience. For example, moving from Singapore, known for having comprehensive regulations versus other countries that may be less so, I had to navigate through that as well as learn how to deal with different people from different cultures so it taught me a lot. In those roles—be it in Hong Kong, Mauritius, Singapore or Thailand—the common thread has been the opportunity for me to interact with clients to understand their businesses and needs in order to serve them better.

Siew Meng Tan, Regional head of HSBC Private Banking in Asia-Pacific

Why is gender diversity important in business? How does it benefit your clients?

Having led teams for a long time, I found that when you work with diverse teams—be it gender, nationality or background—you're going to get more creative ideas and different perspectives in looking at things. And when your business is about finding solutions, diversity becomes even more important.

As for private banking in particular, it's critical to have a diverse team because we're dealing with very successful individuals and families, and increasingly more women who might prefer dealing with and learning from other women. Having diversity at our end ensures we are able to better cater for all our clients by having the right people to engage with them, be it different gender or individuals with different communication styles. It's about having the right level of chemistry and, more importantly, trust.

What are you and HSBC management doing to promote gender diversity in the company?

As a group, we have given ourselves a target of 30% in terms of female leadership where it currently stands at 28%. However, in our private banking division, women account for 45% of the leadership posts at the moment. It is a good position to be in but ideally we'd like to set to 50-50.

> **"We're also looking at providing the younger female talents more opportunities through programs where they have mentors or sponsors, to make sure they get any support they may need to progress their career."**
>
> **— SIEW MENG TAN, REGIONAL HEAD OF HSBC PRIVATE BANKING IN ASIA-PACIFIC**

It all starts with hiring where we are making a conscious effort to ensure that every time we create a shortlist of candidates to interview, it is balanced and well-represented. Same goes for when we're considering promotions within the company as we don't want to just leave it to chance.

We're also looking at providing the younger female talents more opportunities through programs where they have mentors or sponsors, to make sure they get any support they may need to progress their career.

In what ways does HSBC Private Banking support women entrepreneurs and business leaders?

I believe we're in a very fortunate place to support women entrepreneurs and we do that through programs that aim to engage and educate our clients.

Last year we hosted a forum called 'Invest Like A Woman' where we invited successful female leaders in the investment space—CIO's, portfolio managers at big fund houses—to speak and share their experiences and insights with our clients. The audience was a mix of women and men whom we feel are important to include in the conversation so that they may be more supportive of their children, siblings and spouses.

We also hosted our thought-leadership Women's Forum earlier this year where we invited successful women leaders to share their insights and inspiring stories in driving transformation across various industries. We found that creating this kind of platform to share not just successes but also challenges resonates really well with clients.

This year HSBC Private Banking has also put its support behind AllBright, a networking club for women, with the aim of connecting and supporting entrepreneurial women. While they started in London, they are quickly expanding across the US and now looking at Asia. And HSBC is well-placed given our global footprint, our in-house expertise and our connectivity to contribute to the development of these future leaders.

One of the challenges aspiring entrepreneurs face is funding. This is where we come in with guidance on how to better attract investors. Same goes for the younger generation of family business leaders who might want to step out and set up a new venture, or need advice to better manage their family business and family wealth.

What advice would you share with other young female managers and entrepreneurs today?

My advice is that if you want to be successful it has to be a continuous learning process. I personally continue to learn and draw inspiration from successful women, who have made remarkable achievements in driving change and transformation on an individual, business and community level as well as striking the work-family balance. Speaking with them, you'll be amazed at how each one has a different formula to success and ways to overcome challenges that they face.

I also believe that another key to success for everyone, regardless of their gender, is to be driven by passion for what they're doing, which will eventually turn challenges into opportunities.

For me personally, what keeps me happy is the fact that I enjoy the role I can play in the banking industry, whether it is seeing development opportunities for my team or working with clients to support their ambitions.

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ASIA'S

POWER BUSINESSWOMEN

EDITED BY RANA WEHBE

Welcome to the rebooted Power Businesswomen list for 2019. In 2012, *Forbes Asia* launched its inaugural list, a compilation of 50 outstanding business leaders transforming their industries and the region. Since then, the list has gone through its own transformation: in 2013, the name changed to Women In The Mix and last year the Emergent 25—refocused on up-and-coming businesswomen. Such changes were necessary to reflect the rise of self-made entrepreneurs, particularly in sectors such as technology and retail.

This year's list restores the original title but is refreshed in presentation. The goal remains to highlight accomplished women in business in the Asia-Pacific region who are either running enterprises with sizable revenues or who have founded startups valued at no less than $200 million ($14 billion in the case of Tan Hooi Ling's Grab). We have, however, limited the list to 25, and excluded anyone from previous years' lists.

With 25 new names every year, we hope to expand this community of women business leaders who are breaking down barriers and playing a significant role in shaping Asia's business landscape in the next few decades. They are an inspiration to everyone.

Research and Reporting*—Pamela Ambler, Ambika Behal, Grace Chung, Joe Cochrane, Sunshine Lichauco de Leon, Jane Ho, Naazneen Karmali, Pudji Lestari, Suzanne Nam, Lan Anh Nguyen, Jihyun Park, Anuradha Raghunathan, James Simms and Yue Wang.*

COURTESY THE GREAT ROOM

JAELLE ANG, 39

Cofounder and CEO, The Great Room

SINGAPORE

Ang is cofounder and CEO of premium coworking operator The Great Room, which in August opened its sixth location at Singapore's Raffles Hotel, after having expanded to Bangkok last year and Hong Kong earlier this year. Rather than lease her spaces as do most coworking firms, she uses a revenue-sharing model with landlords, including the one in Raffles with the hotel's owner, Qatar-based Katara Hospitality. After first self-funding her company, Ang has raised S$40 million ($29 million), including S$5.5 million from a group led by C31 Ventures, CapitaLand's corporate venture arm. The banker-turned-property developer also sits on the Bangkok-listed Country Group Development board.
—Pamela Ambler

ANITA DONGRE, 55

Chief Creative Officer, House of Anita Dongre

INDIA

Dongre started her eponymous fashion empire in 1995 with her sister, Meena Sehra, with just two sewing machines in her Mumbai apartment. Today, House of Anita Dongre has 272 stores from Mauritius to Manhattan, with an array of labels that runs the gamut from bridal couture (Anita Dongre) to sustainable ready-to-wear (Grassroot). Dongre has attracted a celebrity clientele that includes the Duchess of Cambridge Kate Middleton and Canadian first lady Sophie Gregoire Trudeau. Dongre has also lured a big-name investor: New York-based PE firm General Atlantic has a roughly 40% stake. —*Naazneen Karmali*

DONGRE: MEXY XAVIER/FORBES INDIA, TAN: ORE HUIYING/BLOOMBERG

TAN HOOI LING, 35

Cofounder and COO, Grab

MALAYSIA

Tan is the cofounder of Southeast Asia's first decacorn, super app Grab. The 35-year-old Harvard M.B.A. has led the company alongside her cofounder Anthony Tan in raising over $9 billion dollars since launching in 2012.

Nearly half of that sum came in March when the Singapore-based startup raised $4.5 billion in a funding round led by SoftBank's Vision Fund, Alibaba, Microsoft and 26 other investors, valuing the company at $14 billion. This Series H round aims to raise another $2 billion before the end of the year.

As chief operating officer, Tan focuses on growing market share in the eight countries and 336 cities where Grab operates. In March 2018, Grab bought Uber's Southeast Asian operations in a deal worth "several billion dollars," according to San Francisco-based Uber. As part of the deal, the founders gave Uber a 27.5% stake and its CEO Dara Khosrowshahi a board seat. The acquisition, and Grab's own expansion efforts, helped it boost its market share in Indonesia—Southeast Asia's largest market—above 60% (by number of rides) in mid-2018 from just 30% in early 2017, according to New York-based ABI Research. —*Pamela Ambler*

ANNA FANG, 37

CEO, ZhenFund

CHINA

When it comes to early-stage venture capital in China, it's difficult to overestimate the influence of Fang, CEO of Chinese VC firm ZhenFund. ZhenFund has backed more than 700 startups, including unicorns such as AI firm Yitu Technology, online education company VIPKid and social e-commerce app Xiaohongshu. A graduate of both Columbia University and Stanford University, Fang started her career in New York at JPMorgan as an investment banker to consumer and retail companies. Her success in overseeing one of China's largest early-stage funds also earned her a spot on this year's Forbes Midas List, where she joins Sequoia Capital China's Neil Shen, Benchmark's Bill Gurley and ZhenFund founder Bob Xu as one the world's most successful venture capitalists. —*Yue Wang*

ROONGCHAT BOONYARAT, 34

CEO, Malee Group

THAILAND

Roongchat started working in 2011 at her family's fruit juice and canned fruit company and in 2016 was appointed chief operating officer. Last year, she took over as CEO from her father Chatchai during a challenging year for Malee: with demand for fruit juice falling and the baht rising, the 41-year-old listed company reported its first loss in a decade. Since she joined the business, Roongchat has worked to increase the company's offerings, venturing into cold-pressed juice, hair and beauty products, and toothpaste. She also cemented joint ventures that took Malee into new markets in Indonesia and the Philippines. Malee also paid $11 million for a majority stake in Vietnam's Long Quan Safe Food, which is slated to almost double Malee's production capacity. —*Suzanne Nam*

NGUYEN THI PHUONG THAO, 49

Founder and CEO, Vietjet Aviation

VIETNAM

See profile on page 26.

DIAN SISWARINI, 51

President Director, XL Axiata

INDONESIA

Siswarini is the first woman to run a big publicly listed Indonesian telecommunications company, XL Axiata, a role she obtained in 2015 after 20 years of climbing the ladder in a male-dominated industry. One of her earliest steps required literally climbing cell towers up to 50m high while working as a network engineer. She then worked on expanding her skill set, mastering how to manage a digital business. She calls her strategy 3R: revamping, rise and reinvent XL Axiata's core business. Under Siswarini's leadership, XL Axiata sold noncore telco units, and offered wider access and affordable data services, thereby increasing its market share to almost 18% last year, from 10% in 2016 and boosting Ebitda 5% to $601 million over the same period. The mother of three says education policies should change to encourage more women to pursue tech careers. —*Pudji Lestari*

FANG: JUSTIN CHIN/BLOOMBERG, ROONGCHAT: COURTESY OF MALEE, SISWARINI: COURTESY OF XL AXIATA

IRWIN WONG FOR FORBES ASIA

AKIKO NAKA, 34

Founder and CEO, Wantedly

JAPAN

After an orthodox career path—from Japan's elite Kyoto University to Goldman Sachs and then Facebook—Naka has developed an unorthodox way to match employers and job hunters as CEO of her own job-search site, Wantedly.

Job listings on its site and its app, Wantedly Visit, don't provide information on salary or benefits, only a job description and the employers' corporate philosophy. Based on that information, employment seekers can pick a position and, if the company agrees, line up—no, not a formal job interview—a casual visit during which they can check out the company, and vice versa. "Not marriage first, but dating first to get to know each other," says Naka. "It took about two years in Japan for that to be accepted, but it has become a de facto standard now."

Wantedly has hit a sweet spot: Japan's shrinking workforce has created the tightest labor market in decades, a bonanza for job search and recruitment companies. The recruitment industry should expand by 27% to ¥500 billion ($4.7 billion) over the next three years, according to Yano Research Institute in Tokyo. While LinkedIn still dominates the career networking market globally, Wantedly is about even with it in Japan, having gathered about 2 million users in its short history.

Since listing on the Tokyo Stock Exchange's Mothers board for startups in late 2017, Wantedly's share price has tripled, giving the company a market value of 29 billion yen. The company counts internet advertising and game firm CyberAgent and Shogo Kawada, cofounder of Japanese gaming giant DeNa, as major shareholders—both with less than 10%. Naka holds a 71% stake in the firm, worth about $189 million.

Her entrepreneurial journey began in 2005: While studying at Kyoto University, Naka was inspired by a book she read about CyberAgent to launch a free campus newspaper that sold ad space to shops and restaurants around the school.

After graduating in 2008 with an economics degree, she joined Goldman Sachs in Tokyo and sold stocks to institutional investors. Uninspired by a potential career in finance, she left the bank after less than two years and tried her hand at writing *manga*. Naka then joined Facebook in mid-2010 but decided to leave about six months later to establish Wantedly.

Companies pay between ¥40,000 to ¥200,000 per month to list a job on Wantedly's site or app; individuals can use the service for free. Wantedly already counts 35,000 Japanese companies as clients, including Nissan and Sony. Wantedly, which also operates a business-card scanning and contact management app called Wantedly People, has expanded to Hong Kong and Singapore.

Naka's can-do attitude shapes her views on women in the workplace. "I usually decline interviews that are focused on a woman's perspective," Naka says. "I don't really think about being a woman, and that hasn't been an issue in my career."
—James Simms

JOANNE CHOW, 38
Chief Strategist and Catalyst, Aussco
HONG KONG

Chow has been transforming her family's 58-year-old textile business Aussco by expanding into home furnishings and lifestyle, and upgrading its technology. Soon after taking over the business nearly a decade ago, Chow and her brother, CEO Jackson Chow, established an R&D and consulting arm focused on textile innovation called InDHouse. "We were dedicated to growing a manufacturing business despite the fact that manufacturing was in decline," she says. The unit advises clients on research, design and sampling. Chow says InDHouse has clients such as Adidas and Ted Baker. Chow also heads Aussco's retail and distribution arm, A Matter of Design, which owns the franchise for retailers BoConcept in Hong Kong and Tom Dixon in Greater China. It also advises on sales, marketing and logistics for interior designers, architects and property developers. *—Pamela Ambler*

KIM SEUL AH, 36
Founder and CEO, Market Kurly
SOUTH KOREA

Kim—who goes by Sophie—left a career as a management consultant to tap South Korea's growing e-commerce market. Since launching her grocery delivery platform Market Kurly in 2015, sales at the Seoul-based company have grown more than 50 times to 156 billion won ($140 million). Touted in local media as a must-have app for upwardly mobile moms, Market Kurly now has more than 2 million subscribers, equivalent to a fifth of Seoul's population. One of its most popular features is a dawn delivery service, in which orders placed before 11 p.m. are delivered before 7 a.m. the next day. Demand has climbed so fast the company now sees as much as 30,000 to 40,000 orders per day. Kim earned a bachelor's degree in political science from Wellesley College in Massachusetts before stints at Goldman Sachs, McKinsey, Temasek and Bain. Her advice for women business leaders: "Dream big, act small!" *—Jihyun Park*

NINA D. AGUAS, 66
Executive Chairman, Insular Life Assurance Company
PHILIPPINES

After 30 years in top management positions in Asia, Australia and North America for big international banks such as ANZ and Citigroup, Aguas last year took over as executive chairman of the Philippines' first local life insurance company. Her top challenge is to popularize life insurance in a country where only 4% of the population has it. "A life insurance policy is one of the most prized gifts one can give one's family and loved ones," says Aguas. Under her leadership, the 109-year-old company saw premium income in 2018 rise 18% to 14 billion pesos ($267 million). In March, Aguas, in partnership with the World Bank, spearheaded a program called InLife Sheroes to educate Filipino women on issues such as financial literacy and health. She also helped transform the company's digital capabilities to provide better access to insurance and investment products. *—Sunshine Lichauco de Leon*

CHOW: COURTESY OF AUSSCO, KIM: COURTESY OF MARKET KURLY, AGUAS: COURTESY OF INSULAR LIFE

JOEY WAT, 48
CEO, Yum China
CHINA

A self-declared "foodie," Wat worked part-time at a Chinese restaurant in Hong Kong for three years before college, then after 10 years at health and beauty retailer Watsons in the UK. She joined Yum Brands in 2014 as president of KFC China. Two years later, Yum China was spun off with a New York listing, and in 2018 Wat took the helm of the firm. The company opened 819 outlets last year, bringing its total to 8,600. It also beefed up delivery services and its digital presence as well as increased membership in KFC and Pizza Hut loyalty programs. That helped Yum China boost 2018 net profit 78% to $708 million on an 8% increase in revenue. —*Jane Ho*

UPASANA TAKU, 39
Cofounder, MobiKwik
INDIA

When MobiKwik cofounder Taku returned to India in 2008 from Silicon Valley—leaving behind a green card and a job at PayPal—she had one goal in mind: financial inclusion for all Indians. She spent almost a year working with an NGO in rural India to understand the financial needs of India's rural population and in 2009 launched MobiKwik with cofounder and now-husband Bipin Preet Singh. Today, privately held MobiKwik offers digital wallet solutions and a payments gateway that has Uber and Zomato as clients. With more than 100 million registered users and more than a million transactions a day, it is one of India's largest fintech players. "There's still a lot of headroom to grow," says Taku. —*Ambika Behal*

JENNY LEE, 47
Managing Partner, GGV Capital
SINGAPORE

One of the highest ranking women on the Forbes 2019 Midas List, venture capitalist Lee is known for identifying promising entrepreneurs. Her portfolio at U.S. and China-based GGV Capital includes 11 unicorns, with some valued as high as $56 billion. A former fighter jet engineer with Singapore's ST Aerospace, Singaporean Lee joined GGV in 2005 and opened the firm's first China office, in Shanghai. In April, she re-opened the Southeast Asia office in Singapore that GGV shut in 2000. Last October, Lee led a $1.9 billion fundraising that brought GGV's total capital under management to $6.2 billion. Lee has taken 11 of her portfolio companies public, including three IPOs in 2018. Her 2012 investment in Chinese social network operator YY netted GGV a 15-fold return. Now Lee is mulling opportunities in machine learning and robotics. "The sci-fi stuff," she says. —*Pamela Ambler*

WAT: COURTESY OF YUM CHINA, TAKU: MEXY XAVIER/FORBES INDIA, LEE: COURTESY OF GGV CAPITAL

FALGUNI NAYAR, 56

Founder and CEO, Nykaa

INDIA

After nearly two decades helping entrepreneurs as an investment banker, Nayar was raring to start a business of her own. "I wanted to experience the journey of creating something from scratch," says Nayar. So in 2012, Nayar quit her job at Kotak Investment Banking, invested $2 million and launched beauty retailer Nykaa. Today, Nykaa has 46 stores across India and 45 million visitors a month to its website and app. While the company has yet to break even, sales almost doubled in the year ended March 31, to an estimated $180 million.

Nykaa has raised $51 million in funding and, in April, TPG Growth invested $14.4 million for an undisclosed stake in a deal that valued Nykaa at $724 million. Nayar and her family still control more than 50% of the company. (Husband Sanjay Nayar, CEO of U.S. private equity giant KKR's India operations, has invested in Nykaa in his personal capacity.)

"Falguni's grasp over the entirety of her business—from the minute aspects of operations to big-picture finance—is extremely unique, and very rare for a startup founder and entrepreneur," says Angad Banga, chief investment officer for the family office of Hong-Kong based commodities billionaire Harindarpal Singh Banga. The Banga family office owns 10% of Nykaa.

Gurgaon, India-based consulting firm Technopak predicts that rising incomes among younger Indians will almost double the country's beauty and personal care market, to $23 billion, by 2023. "Beauty is a low footprint category and the unit value is very high," says Arvind Singhal, Technopak's chairman and managing director.

Nayar spent 19 years at Kotak, setting up its securities operations in the U.S. and U.K. before spearheading IPOs back in India. Even as a veteran banker, though, Nayar found fundraising for Nykaa a challenge. "I'd get meetings because of our backgrounds," she says, "but meetings didn't always mean money. Investors wouldn't believe in what I was saying."

"I didn't know who she was," recalls Rishabh Mariwala, managing director of another investor, Sharrp Ventures, the family office of Indian consumer goods billionaire Harsh Mariwala. (Rishabh also runs a bath and body products company that sells on Nykaa and other outlets.) "But after I interacted with her, I understood her conviction."

Nayar started Nykaa as an online-only business. That allowed her to minimize overhead while introducing to India an endless aisle of international products such as Estée Lauder, Clinique and Bobbi Brown. But she soon realized customers wanted to touch and try products before buying them. So in 2015, she opened her first brick-and-mortar store in Delhi. Nykaa now sells 1,300 brands, up from just 350 in 2015, and 130,000 products. Nykaa has also launched its own fashion line. —*Anuradha Raghunathan*

KARAN NEVATIA FOR FORBES ASIA

JENNIFER WAI-FUN LIU, 45

Founder and Chairwoman, The Coffee Academïcs

HONG KONG

The founder of The Coffee Academïcs is on a roll. In the seven years since founding her coffee chain, Liu has opened 20 outlets in four cities in Asia and will open three more in Bangkok, Manila and Shenzhen by year-end. Last month, she signed an agreement with a China partner to open 50 outlets in and around Guangzhou in the next five years. Talks are also underway with potential partners in Indonesia, Japan, Malaysia, South Korea and the UAE. Liu is a serial entrepreneur who sold a property website and has been running café chain Habitu Group before setting up The Coffee Academïcs in 2012. Last year, Liu also started online catering platform Caterierge, whose clients include Google, LinkedIn and UBS. She is also vice chairman for her family's property investment firm, Gale Well Group, led by her billionaire mother Rita Liu Tong. —*Rana Wehbe*

TERESA WIBOWO, 37

Chief, Ruparupa.com

INDONESIA

Wibowo has two words for aspiring young businesswomen yearning to break through glass ceilings: "Aim high." Coworkers know Wibowo as the "chief of many things" at Ruparupa, an online retailer of home and living products, a play on the Indonesian word *rupa-rupa*, which means "many various things." Ruparupa is an important digital initiative for her family's Kawan Lama group, a 60-year-old collection of companies controlled by her father Kuncoro Wibowo. The group is one of the country's largest retailers in categories such as furniture, toys and hardware supplies. Among its outlets, the group operates the world's largest Ace Hardware store by size, at about 15,000 square meters, opened in 2016. The same year, she helped launch Ruparupa, which was meant to transform the group's focus from brick-and-mortar retail to include e-commerce. Her success in this role is critical as Kawan Lama is facing increasing pressure from online rivals such as Tokopedia and JD.com. —*Joe Cochrane*

JENNY ZHANG

CEO, Huazhu Group

CHINA

Zhang has been pushing Huazhu, which was founded in 2005 as a budget hotel chain, into more upscale territory with the acquisition in the past two years of two Chinese-themed boutique hotels and the launch in 2017 of CitiGo, which targets millennials. A veteran financier with a Harvard M.B.A., Zhang joined Nasdaq-listed Huazhu in 2008 as chief financial officer and served in various senior executive positions before becoming CEO in 2015. Huazhu now operates 4,000 hotels across 18 brands, including five franchised from Accor, its French partner, since 2014. A markdown of its Accor investment last year led a 42% decline in net profit, to 716 million yuan ($100 million). Revenue, however, climbed 22% to 10 billion yuan as the company attracted independent hotel operators with its more flexible standards on room designs and its online booking platform, which boasts 130 million members. —*Jane Ho*

LIU: ANTHONY KWAN/BLOOMBERG, WIBOWO: AHMAD ZAMRONI/HKV/FORBES INDONESIA, ZHANG: COURTESY OF HUAZHU GROUP

KAMONWAN WIPULAKORN, 57

CEO, One Origin

THAILAND

Kamonwan heads One Origin, a subsidiary of Thai developer Origin Property. One Origin plans to invest about $650 million, largely into hotels and serviced apartments, between 2018 and 2022. Kamonwan also sits on the board of another publicly listed company, telecom firm Total Access Communications. Kamonwan says her parents—a policeman and a teacher—expected her to work for the government. She spent her first two years after business school as an analyst at then-state-owned carrier Thai Airways before becoming an analyst at French bank Crédit Lyonnais. She switched to investment banking and moved to French bank Crédit Agricole, then in 2002 became chief financial officer for TPT Petrochemicals. She then landed a job at hotel company Erawan, where she was president and later CEO, leading the company's expansion into the Philippines and its launch of budget chain Hop Inn. At 55, she moved to Origin Property. —*Suzanne Nam*

PARK HYE RIN, 50

Chair, BioSmart

SOUTH KOREA

Park is known in South Korea as the "queen of mergers and acquisitions" after buying 10 companies with 300 billion won ($270 million) in combined sales. She made headlines last year when she bought publisher Singongsa from the eldest son of former South Korean president, Chun Doo-hwan. Another company, Omnisystem, saw sales jump more than fivefold in the two years since her purchase in 2009. Park's affinity for business came early: at 24 she borrowed money from her father to buy her first company, a tiremaker. BioSmart, Park's de facto holding company, makes magnetic-stripe cards used by banks, credit-card companies, department stores and security firms. She also has interests in pharmaceuticals and cosmetics. "I hope we can measure our success as an entrepreneur, not as a female entrepreneur," says Park. —*Jihyun Park*

KIMIYO YAMAZAKI, 58

President, Ya-Man

JAPAN

Yamazaki has led the company to record revenue in the past three years, bolstered by the popularity of its cosmetics, body massagers and other beauty products, especially among China's consumers. In the year ended April 30, Ya-Man's net profit rose 4% to 3.5 billion yen ($33 million) on an 18% increase in revenue, to 27 billion yen. Founded in 1978 by her father Yukiteru, now honorary chairman, Ya-Man has developed many groundbreaking products, including Japan's first high-frequency epilator, which pulls hair from the roots. Yamazaki took over as president of Tokyo-listed Ya-Man (her family still owns 50%) in 1999, and continues to try to develop new products to boost demand. —*James Simms*

SMITA JATIA, 49

Managing Director, Hardcastle Restaurants

INDIA

Jatia, a staunch vegetarian, has for the past decade been running McDonald's fast-growing franchise operator in western and southern India, Hardcastle Restaurants, a unit of her family's listed Westlife Development. The company's net profit more than tripled to $5.6 million in the year ended March 31 as sales rose 23% to $196 million. Since it entered India in 1996, McDonald's has targetted the country's rising middle-class. Half of the menu at its 300 stores is vegetarian, such as the McAloo Tikki burger, a spicy concoction of potato and peas. Jatia, who plans to open another 100 stores by 2022, says, "The market is constantly moving forward, so if you don't reinvent yourself, you'll get left behind." —*Naazneen Karmali*

KAMONWAN: BRENT LEWIN/BLOOMBERG, PARK: COURTESY OF BIO SMART, YAMAZAKI: COURTESY OF YA-MAN, JATIA: COURTESY OF HARDCASTLE RESTAURANTS

JENNY QIAN ZHIYA, 43

Founder and CEO, Luckin Coffee

CHINA

Qian founded Luckin in 2017 and has already expanded the chain to 3,000 stores. Now Luckin is closing in on rival Starbucks—the largest coffee chain in the country—which first opened in 1999 and now operates 3,600 stores there. Xiamen-based Luckin wants to go even further, opening as many as 10,000 stores across China by 2021. That rapid expansion has come with big losses—Luckin lost $475 million last year—but its growth is attracting investors. The company in May raised $695 million in an IPO on Nasdaq, and now has a market capitalization of roughly $5.3 billion. Luckin is also venturing abroad, partnering with Kuwait-based The Americana Group to open coffee shops in the Middle East and India. Qian was chief operating officer of Beijing-based car-rental and ride-hailing firm UCAR before she started Luckin. —*Yue Wang*

TRAN THI LE, 46

CEO, NutiFood

VIETNAM

Since 2013, when they became majority shareholders of a sleepy firm called the Nutrition Food Joint Stock Co., Le and her husband Tran Thanh Hai have turned NutiFood into Vietnam's leading dairy nutrition products producer, more than tripling sales, to 9.5 trillion dong ($408 million) last year, and quintupling pretax profits to 828 billion dong. NutiFood operates four factories in Vietnam that produce mostly dairy products for baby formula and health supplements. Le is CEO while her husband is chairman. Together, they aim to expand NutiFood beyond Vietnam by investing overseas through joint ventures, mergers and acquisitions. NutiFood recently established a joint venture with Japan's Asahi to provide food supplements and baby products in Vietnam under the Wakodo NutiFood brand. —*Lan Anh Nguyen*

ANNA LEONITA, 47

President, Avrist Assurance

INDONESIA

Leonita's career took off in 2011 when she was put in charge of the investment portfolio at Indonesian life insurer Avrist Assurance. Five years later she was named director of the insurer's asset management unit, where she built her own investment team. Within a year, assets under management soared 169% to 2.2 trillion rupiah ($161 million) and Avrist's number of customers nearly tripled, to just under 1,000. In 2018, Leonita became the only woman on the company's board. Last year net profits rose 47% to 249 billion rupiah from a year earlier, on the back of fresh promotion campaigns and new bonus schemes for sales agents. In May, she became the first female president director in Avrist's 44-year history. She aims to put Avrist, now Indonesia's 24th largest insurer by premiums, into the top 10 by 2023. —*Pudji Lestari*

QIAN: VICTOR J. BLUE/BLOOMBERG, LE: FORBES VIETNAM, LEONITA: COURTESY OF AVRIST

FRONTROW:

REINVENTING NETWORK MARKETING

A fast-growing beauty and wellness brand is revolutionizing the direct selling business in the Philippines.

FRONTROW founders,
Sam Verzosa (L) and RS Francisco (R)

After almost a decade of rising GDP growth, the Philippine economy is poised for continued expansion in the medium-term, making it one of the fastest-growing countries in Southeast Asia. That is driving a steady rise in demand for beauty and wellness products as Filipinos, now enjoying higher disposable incomes, spend on items beyond food and other basic necessities. With the average income reaching US$3,002 per person last year, up from a little over US$2,100 in 2010, spending for health and beauty is projected to rise by 4.7% a year in the five years to 2021, when it will reach US$10.1 billion, according to market research firm GlobalData.

Founded in 2009 as a multi-level or network marketing company that developed a high-quality but affordable line of food supplements, cosmetics and skin care products, Manila-based FRONTROW is leveraging the interest of the emergent Filipino middle class in health and beauty to fuel the company's rapid growth. Its founders, RS Francisco, a multi-award-winning film and theater actor and advertising director, and Samuel Verzosa, a civil engineer and serial entrepreneur, were early users of glutathione-based supplements to maintain a clearer skin complexion and boost their immunity.

According to Francisco, FRONTROW is one of the leading direct selling and network marketing companies in Southeast Asia. It relies on its vast membership base to market its products, namely, LUXXE Health & Beauty Supplements, FRONTROW whitening and exfoliating soap bars, and the LUXXE White Reveal Korean skin care line.

Thanks to its large number of loyal members, which the company considers its business partners, FRONTROW has been winning top awards from the network marketing authority, Asian Networkers Convention and Exposition (ANCE), which hailed FRONTROW as the "Best Global Company" in 2017, 2018 and 2019.

Frontrow is considered the fastest-growing multi-level marketing company in Southeast Asia, with more than a million distributors and over 200 branches spanning the globe. But the company's journey towards success and recognition has not been easy. When Francisco and Verzosa founded the company in 2009, network or multi-level marketing didn't enjoy a sterling reputation. Ponzi schemes and pyramid scams masqueraded as network marketing

RS Francisco and Sam Verzosa with reigning Miss Universe and Filipina, Catriona Gray.

The rise in public awareness of the company as a result of the partnerships with celebrities show that Francisco and Verzosa are on the right track.

ventures, some of which thrived by selling shoddy products.

To win the public's trust, Francisco and Verzosa searched high and low for trustworthy manufacturers in the U.S. to develop and produce the company's food supplement capsules. "Yes, we can easily access and afford suppliers from China, Thailand, India or Philippines, but we still prefer the safety and efficacy that U.S.-made products are known for," says Francisco, explaining why they chose to base their laboratory in Ontario, California to make FRONTROW's supplements. Meanwhile, when it launched a cosmetics line, it turned to a company in South Korea that also toll manufactures for a number of leading global cosmetics brands.

Next, it built up a network of distributors and trained them how to sell the U.S.-made food supplements and Korean cosmetics, as well as enlist co-distributors. It sold the products to members at a 50% discount, ensuring they could make enough money when they resold the products at the suggested retail price. Because of the huge markup, it was relatively easy for industrious members to make money, says Verzosa. "People who couldn't find jobs found a good opportunity to make a good living with FRONTROW," he says.

These early steps put FRONTROW on a solid footing. But a third initiative made it a household name and fueled its rapid growth in recent years. In December 2017, the company tied up with the Miss Universe Organization and brought to the Philippines that year's newly-crowned Miss Universe—South Africa's Demi-Leigh Nel-Peters—and the past two years' winners—the Philippines' Pia Wurtzbach and France's Iris Mittenaere—for a charity ball. The trio also graced some of FRONTROW's philanthropic events in Metro Manila's urban poor communities. In May last year, the firm also got on board as brand ambassador the undefeated boxing champion Floyd Mayweather, who gave the company a ringing endorsement, saying "I can't be in the back, I can't be in the middle, I have to be in the FRONTROW."

Traditionally, direct sellers have avoided advertising, preferring to spread their message via word-of-mouth or small events such as Tupperware parties. But the FRONTROW founders have a rather non-conformist mindset. "If the industry is not into celebrity partnerships, then we'll try it," says Francisco. "We don't want to be like any other multi-level marketing company," adds Verzosa.

The rapid growth of FRONTROW's membership and the rise in public awareness of the company as a result of the celebrity partnerships show that Francisco and Verzosa are on the right track. They have also switched their efforts to paying it forward and have become profoundly active in charitable endeavors through their foundation, FRONTROW Cares.

At a time when rapid advances in digital technology are disrupting traditional industries, the company is helping create a path for people to thrive amid the uncertainty. As long-term employment gives way to short-term gigs, entrepreneurship has emerged as a viable alternative. And FRONTROW is a perfect partner for self-starters seeking to build better lives not only in the Philippines but elsewhere in the world as well.

Undefeated boxing champion Floyd Mayweather is also one of FRONTROW's brand ambassadors.

Learn more about FRONTROW through their website: **frontrowofficial.com.**

KANYE'S SECOND COMING

THREE YEARS AFTER A CANCELED TOUR, HOSPITALIZATION AND CLAIMS OF $53 MILLION IN DEBT, HIP-HOP SUPERSTAR KANYE WEST HAS ONE OF THE BIGGEST HITS OF THE DECADE—AND IT HAS NOTHING TO DO WITH MUSIC. HIS BILLION-DOLLAR YEEZY SNEAKER EMPIRE IS THE BEST BET IN A GENERATION TO TOPPLE AIR JORDAN. SOMETIMES IT PAYS TO BE A CONTROL FREAK.

BY BY ZACK O'MALLEY GREENBURG

You know when Kanye West is coming.

His matte-black Lamborghini SUV rumbles up his gated driveway on the outskirts of Los Angeles like an earthquake, and when he steps out, in a white T-shirt and dark sweats, the obsessiveness kicks in immediately.

First, there's the house: The lushly landscaped exterior of the property he shares with his wife, Kim Kardashian West, and their four children (North, Saint, Chicago and Psalm) serves as stark contrast to the unadorned alabaster walls within. Nearly every surface is a monastic shade of white. The floors are made of a special Belgian plaster; if scuffed, the delicate material can be repaired only by a crew flown in from Europe. "The house was all him," Kardashian West later tells me. "I've never seen anyone that pays such attention to detail."

As I step into the foyer, a handler asks me to wrap my black-and-gray Air Jordan high-tops in little cloth booties. To my left is West's library, its shelves stacked with the likes of *Alexander McQueen: Savage Beauty* and *Takashi Murakami: Lineage of Eccentrics*. He fiddles with the positioning of a few books that seem off-kilter. Settling into an armchair opposite me, he surveys his interviewer closely. "The first shoe I remember sketching was the Jordan One that you're wearing right now," says West, 42. "God does have a way of lining things up."

West's precision turned him into one of the world's most popular musicians. "He went and executed it to another level," says DJ Khaled, who has spent time with West in the studio and joins him on this year's Celebrity 100 list of the world's highest-paid entertainers. But as with Michael Jordan in the 1990s, the key to West's wealth stems from sneakers. His Yeezy shoe line, which he launched with Nike in 2009 and then brought to Adidas in 2013, has the 34-year-old Jordan empire in its sights, in terms of both cultural clout and commercial prowess. The Jordan line does approximately $3 billion in annual sales; West's upstart is expected to top $1.5 billion in 2019 and growing.

As with the floor and the booties and the book positions, West fixates over sneaker details; he idolizes Steve Jobs, preferring a limited, carefully chosen number of products with an endless array of colorways. The iPod in West's world: the ubiquitous, chunky-bottomed Yeezy Boost 350s, which come in dozens of varieties of the same shoe and account for the bulk of Yeezy's sales. "I am a product guy at my core," West says. "To make products that make people feel an immense amount of joy and solve issues and problems in their life, that's the problem-solving that I love to do."

The obsessiveness is unrelenting. When *Forbes* shot West for a possible cover, he insisted on wearing a black hoodie. Urged to return the next day to try again, West obliged—wearing the same hoodie. He's been known to edit albums days after they've already been released. And when he didn't feel I was properly absorbing the religious influence on his business (coming from the guy who calls himself Yeezus and is working on an album tentatively titled *Yandhi*), he called my editor impromptu on a Saturday evening to hammer the point some more.

Whatever, it's working. Mostly because of the shoes, *Forbes* pegs his pretax income at $150 million over the past 12 months; his team insists the number is even higher, partly due to his Yeezy apparel. In any case, it's by far the best stretch of his career, good for No. 3 on our Celebrity 100 list.

Rewind to three years ago, when West claimed to be $53 million in debt, just before canceling the back of a lucrative arena tour and checking into a Los Angeles hospital for over a week with symptoms of sleep deprivation and temporary psychosis. West credits his turnaround to religious beliefs ("being in service to Christ, the radical obedience")—and, on occasion, to being bipolar. Call him creative, call him chaotic—just don't call him crazy. Like some entrepreneurs with conditions like ADHD and Asperger's, he sees his diagnosis not as a hindrance but as a "superpower" that unlocks his imagination.

JAMEL TOPPIN FOR FORBES

"'Crazy' is a word that's not gonna be used loosely in the future," West says. "Understand that this is actually a condition that people can end up in, be born into, driven into and go in and out. And there's a lot of people that have been called that 'C' word that have ended up on this cover."

West's design obsession dates back as far as his passion for music. Born in Atlanta and raised in Chicago, he often got in trouble as a middle schooler for sketching sneakers in class. When West's mother, a college professor, took him to see the Japanese cyberpunk flick *Akira*, he found inspiration in the film's shapes and color palettes; he also remembers his father, a former Black Panther, taking him to auto shows, where he became obsessed with the Lamborghini Countach. "There's a little bit of Lamborghini in everything I do," West says. "Yeezy is the Lamborghini of shoes."

Meticulousness served West in his music career, which took off when he caught on as a producer for Jay-Z's Roc-A-Fella Records after dropping out of college. He masterminded the sonic skeleton of Jay-Z's seminal 2001 album, *The Blueprint*. When West launched as a solo artist two and a half years later, he designed something genre-bending, his early work peppered with Marvin Gaye and Daft Punk samples; West recorded with Coldplay and toured with U2. In contrast to the snarling materialism put forth by the dominant rappers of the day, West presented a more vulnerable sort of protagonist, with three albums featuring higher-education themes. Gone were tales of drug dealing and street skirmishes; in their place were reflections on dental surgery, racial injustice and working at the Gap, punctuated by a witty swagger.

His fame gave him a chance to return to his first love: sneakers. In 2007, he created a shoe for the Japanese apparel company A Bathing Ape, complete with a teddy bear logo that appeared on some of his early covers. (Find one of those shoes today and you'll net several thousand dollars.) It was a start, and he cultivated a cadre of fashion-industry friends like Hedi Slimane, who has served as creative director at Dior Homme and Yves Saint Laurent. "You're going to do something really strong in shoes," West remembers the designer telling him. That sort of encouragement gave West the confidence to whip out a notepad when he found himself on a plane with Nike CEO Mark Parker shortly thereafter. Says West: "When he saw me sketch, he said, 'This guy's interesting, let's do a shoe with him.'"

Yeezy was born (a shortening of the "Kanyeezy" nickname Jay-Z gave him in the intro to a 2003 song). West says Parker put him in the room with Air Jordan designer Tinker Hatfield, and by mid-2008, West was rocking prototypes of his own Air Yeezy high-top onstage, with the genuine article arriving in 2009. Hip-hop has connected with footwear almost since the genre was born, from Run-D.M.C.'s Adidas shell toes in the mid-1980s to Jay-Z and 50 Cent's Reeboks two decades later. West was the first to do it at Nike on the level of an NBA superstar. Says analyst John Kernan of investment bank Cowen, "What he's done in footwear has been truly transcendent."

At the same time that West's business interests were shifting, he began changing too. His mother died in a 2007 cosmetic procedure gone wrong; the following year, he split with his fiancée Alexis Phifer. On his album, *808s and Heartbreak*, he ditched rap for heavily autotuned singing.

Then came the bizarre. He hopped onstage to interrupt Taylor Swift's 2009 acceptance speech for Best Female Video at the MTV VMA ceremony, insisting that Beyoncé should have won the award instead; the episode generated such an intense backlash that he cancelled his planned arena tour with Lady Gaga and moved to Italy to intern for Fendi. When he returned from his European sojourn, his previous praise for the Creator was superceded by an insistence on his own holiness, particularly his 2013 album *Yeezus*, where he declared flatly, "I am a god."

West kicked off 2016 by unleashing flurries of Tweets, asserting that he was $53 million in debt before asking Mark Zuckerberg for $1 billion to help fund his creative ideas. Then he embarked on his most ambitious tour yet—one that featured him holding forth atop a platform that looked like something out of *Close Encounters of the Third Kind*, hovering about four meters above the crowd. West's rants grew more and more unusual as the tour continued. In one performance, he suggested Jay-Z might be trying to have him assassinated. The year ended with West hospitalized after the tour can-

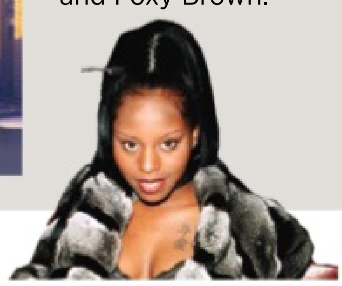
The Kanye Chronicles

1996

At 19, West starts working as a producer for local rappers in Chicago.

1998

Crafts hits for hip-hop stars Jermaine Dupri and Foxy Brown.

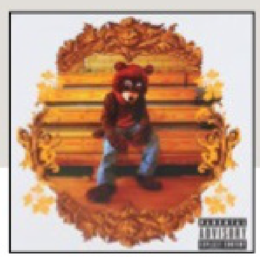


2001

Masterminds Jay-Z's seminal *The Blueprint* at Roc-A-Fella Records.

2004

Releases debut album *The College Dropout*, which sells over 3 million units.



Kanye sits in a parking lot in a circle of the shoes he created.

celation. His first appearance after? A pilgrimage to Trump Tower, where he posed with the president-elect (and turned off a lot of his core audience).

His career, however, has proved antic-proof. And he has channeled his intensity profitably, particularly when it comes to sneakers. As sales blossomed at Nike, particularly after the Air Yeezy II release in 2012, West felt that the company was treating him like just another celebrity dabbler. "It was the first shoe to have the same level of impact as an Air Jordan, and I wanted to do more," West says. "And at that time Nike refused to give celebrities royalties on their shoes." (Nike declined to comment for this story; two other sources familiar with the arrangement also say he wasn't being paid royalties.)

West, however, had always insisted on maintaining ownership of his brand. And when Adidas executives caught wind of West's dissatisfaction, they invited him to Germany and he signed in 2013. Later, with the help of Scooter Braun, who started a stint comanaging West in 2016, they created what appears to be an unprecented deal: a 15% royalty on wholesale, according to sources familiar with the deal, plus a marketing fee. For comparison, Michael Jordan is thought to get royalties closer to 5%, though he doesn't own his brand.

In 2015, West debuted his first "Yeezy Season," a showcase for his clothing and sneakers. The next year he leveraged his new album to create a launch party for both sneakers and song, at a sold-out Madison Square Garden. His biggest

JAMEL TOPPIN FOR FORBES

2005

Nominated for ten Grammys, takes home three, including Best Rap Album.

2006

Joins U2's Vertigo Tour as its opening act.

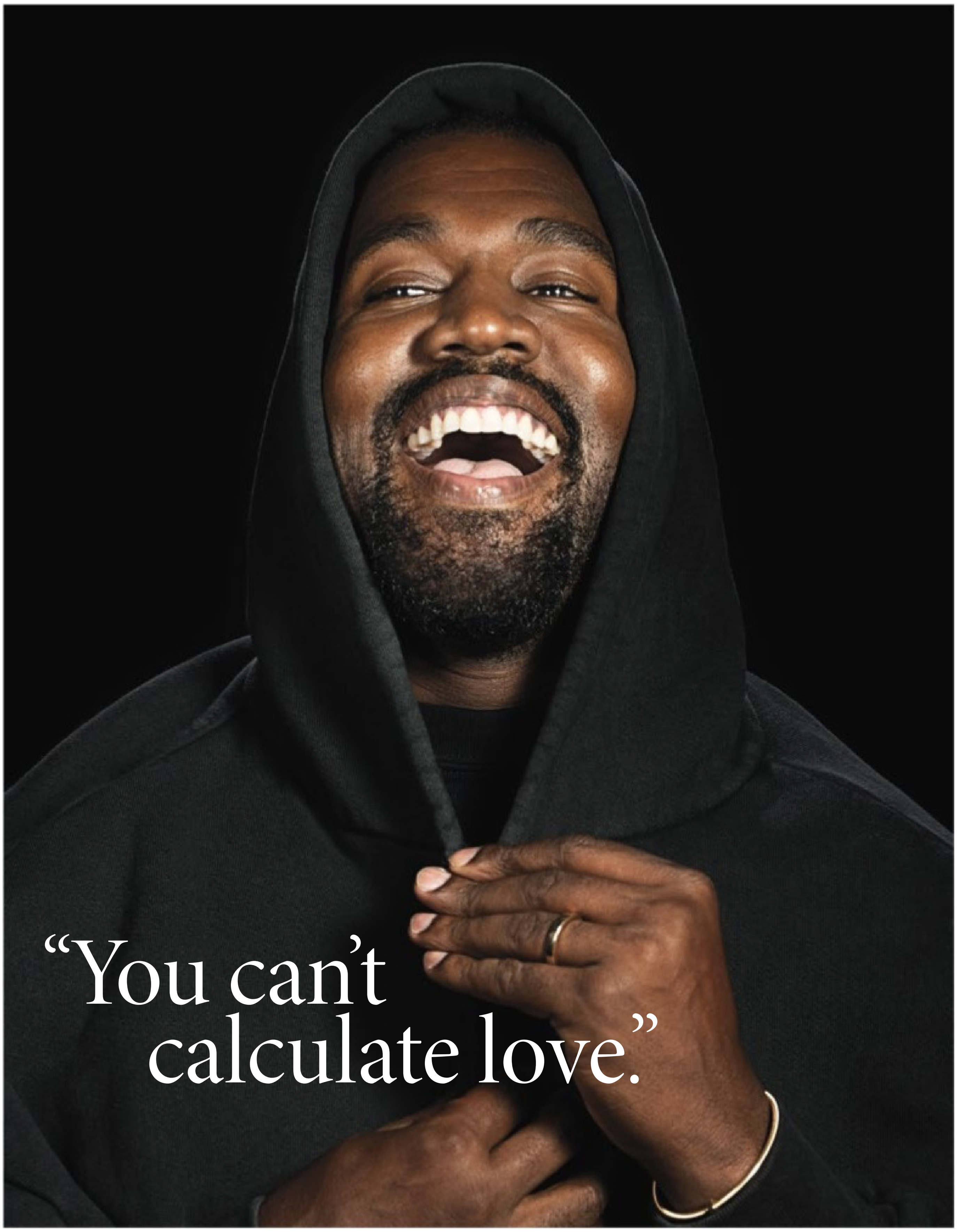
2007

Mother Donda dies due to complications from cosmetic surgery.

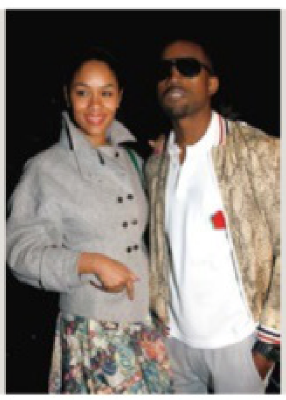
breakthrough: the 350. Marrying his eye for design with Adidas' Boost technology, which purports to efficiently return energy to runners, West turned trainers into high fashion and made low-top sneakers cool again. The 350's aggressive stance, leaning forward as if to challenge any foe to a footrace, suddenly had scores of people willing to cough up $200 for a pair of running shoes. Adidas has never released Yeezy's numbers, but in 2016 West let it slip that his sneakers were selling out surprise 40,000-pair drops in minutes.

His wife—West and Kardashian married in Florence in 2014—gets an assist here, opening up West to her family's hundreds of millions of social media followers (they routinely sport his Yeezy shoes and apparel).

The partnership works both ways. Kardashian West seeks out her husband's opinion on all of her projects, from the *Kim Kardashian: Hollywood* mobile game to her recent shapewear line. When she brought him mockups for the lat-



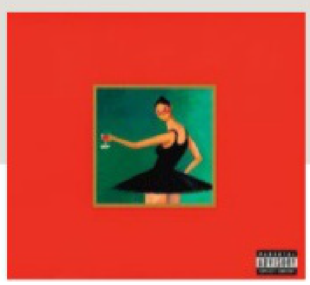
JAMEL TOPPIN FOR FORBES



2008
Splits with fianceé Alexis Phifer, releases *808s & Heartbreak*.

2009
Releases first collaboration with Nike, the Air Yeezy I.

2010
My Beautiful Dark Twisted Fantasy, West's magnum opus, debuts at No. 1.



2012
Nike releases the Air Yeezy II; it now resells for thousands.

adidas

2013
Leaves Nike for a new shoe deal with Adidas.

ter, West wasn't impressed. He sat down and drafted a new logo before personally redesigning the packaging. In any case, West's advice isn't limited to the creative side. "He's just taught me as a person to never compromise and to really take ownership," says Kardashian West, who ranks No. 26 on The Celebrity 100. "Before, I was really the opposite. I would throw my name on anything."

For a company that makes Lamborghini-inspired sneakers, Yeezy's headquarters are remarkably nondescript: a blocky blue-and-gray building just off the main drag in Calabasas, a small city in Los Angeles. It's not far from where he's been hosting his recent Sunday Services—gatherings where popular songs are repurposed with Christian themes by gospel choirs and famous guests from Katy Perry to Dave Chappelle.

When I meet up with West after his return from San Francisco, the day after our first interview, he's already fixated on something enormous out back. In the parking lot behind his office, laid out in concentric circles, is the sum total of West's creative output at Adidas: a trove of sneaker prototypes baking in the midday sun, variants of his 350s in a rainbow ranging from blood orange to creamy pistachio alongside a few yet-to-be-released gems like the almost triangular Yeezy basketball shoe (which, he adds almost proudly, has yet to be approved by the NBA—echoing the days when the league fined Michael Jordan for wearing his eponymous sneakers because they violated uniform rules).

West scoops up a 1050 Vortex Boot, which debuted in prototype form at Madison Square Garden in 2016. "I just looked at this line right here," he says, motioning to a thin strip of blue masking tape on the sole. "I'm going to make this part of the boot. The inside of this will be blue. And I just go with the flow."

There are about 1,000 pairs laid across the lot, it seems, but when I ask West for the exact tally, he seems almost offended at the notion of reducing his creations to numerals. "You can't calculate love," he explains. "If you get a surprise cake from your grandmother, and you didn't know she was in town, do you start asking her about the batter and specifically the frosting?"

Grandmother?

"These things are made to bring incalculable joy," he continues. "So to ask me to somehow translate this to numbers is to ask your grandmother exactly what the recipe of the cake was."

West claims to not be a "numbers guy," but he has reached an inflection point where someone in the Yeezy orbit needs to be. His brand built its following through its limited releases and surprise drops, much like Air Jordan. The latter, according to NPD retail analyst Matt Powell, has lost a bit of its cachet in recent years as Nike moved to fill declining volume in other areas of business with its iconic sub-brand. "What makes celebrity products sell so well is scarcity," he says. "So if they make it too broadly available, I think it crashes the business model."

Adidas seems to be aware of this. "We are continuing to manage volumes in a very disciplined manner so that for 2019 Yeezy sales will not make up a significant share of Adidas' overall expected sales growth," says the company's chief executive, Kasper Rørsted. "Not because brand heat is decreasing, but because we have a disciplined approach to managing volumes and product lifecycles."

In other words, he's not willing to chase sales at the expense of prestige, instead continuing to build buzz with surprise drops. The May release of the glow-in-the-dark 350 v2 sold out immediately, even though it rolled out at 6 a.m. in some countries. In June, customers lined up around blocks in Moscow to get a reflective version of a sneaker that had already debuted in the U.S. There are even more far-out concepts in the works, including a shoe made out of algae that will biodegrade completely over time in landfills—or almost immediately if sprayed with a certain type of bacteria.

Perhaps most impressively, West still owns 100% of Yeezy. This is the reason he became a centimillionaire many times over much earlier in his life than Jordan. Given Yeezy's success, West should eventually join the NBA legend—alongside sister-in-law Kylie Jenner and mentor Jay-Z—in achieving billionaire status, though the never-modest West would claim he's there already. And then some. "We've yet to see all of the beauty that would be manifested through this partnership," West says. "We've only experienced a small glimmer of light." F

Additional reporting by Monica Mercuri and Natalie Robehmed.

2014

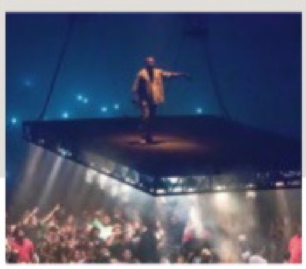
Marries Kim Kardashian in Florence, Italy.

2015

Debuts the Yeezy Boost 350 with Adidas.

2016

Cancels tail end of Saint Pablo Tour and is hospitalized.



2018

Returns with new album *Ye* and produces records for Pusha T and Nas.

VIETNAM'S NEXT GAME CHANGER: ART

Entrepreneur Nguyen Thi Kim Duc has big plans to grow the local art market by launching a platform for investment.

Entrepreneur Nguyen Thi Kim Duc sees art as an important investment channel for the wealthy in Vietnam.

The art market has been viewed as an asset class in its own right by investors around the world for decades now. This continuing trend has helped to contribute to the current boom in the global art market, which reached more than US$67 billion in sales in 2018, up 6% from a year earlier, Art Basel and UBS reported in March.

While works by great Impressionist or Modern artists such as Claude Monet or Pablo Picasso might be top targets for investors, their pieces are already largely in public and private collections. As a result, more investors are turning their focus to newer markets and artists, including artwork coming out of Vietnam. In June 2019, for instance a piece by late Vietnamese artist Le Pho sold for $1.4 million at Christie's in Hong Kong, a record price for a work by a Vietnamese artist.

One prominent art investor is Vietnamese entrepreneur Nguyen Thi Kim Duc, who has invested in paintings from notable Vietnamese artists such as Bui Xuan Phai, Nguyen Sang, Nguyen Gia Tri, Nguyen Tu Nghiem, Tran Van Chan, Le Pho, Le Tiet Cuong and Trinh Tu, among others.

"America, Europe and China have long invested in art; indeed it is an important investment channel for the super-rich. Vietnam should also be part of this trend. I see great potential and opportunity in art investment," Duc says.

An Artistic Streak

Duc, Founder and Chairman of HTD Media, was born in Hanoi in a family of artistic talent. Her father, Nguyen Son Dong, is well-known for his novel *Xu Doai May Trang May*. Under his influence Duc has maintained an interest in the arts even as she built a successful career in business.

Duc's painting "Cover of Future" was on display at the UN Day of Vesak celebrations in Vietnam in May.

Aside from being a collector, Duc herself is a painter. Earlier this year, she presented "Cover of Future"—a watercolor on Vietnamese silk that she painted to show the devastating result of climate change—to world leaders at the United Nations Day of Vesak in Vietnam. The painting will also be exhibited at the Florence Biennale art exhibition in Italy in October.

Bringing Vietnam's Art to the World

Duc has gone beyond investing in Vietnamese art for her own collection, and is now focused on growing the market by attracting more investors. "I do not want to invest alone and succeed, I want the Vietnamese super-rich to join in helping the local art scene to grow and spread to the region," she says.

In September, Duc launched the Kim Duc Art Investment Fund in Vietnam to invest in artworks from Vietnam and from around the region, with plans to open the site to global investors in 2021. She also started the Local Art auction site, which will sell the works of talented Vietnamese and Southeast Asian artists. By leveraging blockchain technology, the site will help to protect artists' works from being copied.

She hopes to expand the investment fund's focus beyond Vietnam to international markets and auctions and believes that, "one day our art collections will be in the spotlight for world art collectors." Just as Chinese artwork has sold for record prices in New York and Hong Kong, Duc is confident the same can happen for Vietnamese art. She realizes, however, it will take more time and resources to grow the Vietnamese market and launch Local Art globally. Despite the challenges, she is determined to make Local Art a game changer in the art market in Vietnam and Southeast Asia.

Local Art plans to donate 10% of its turnover to plant trees in Vietnam. Duc has also committed to giving 50% of her wealth to charitable causes, and will support young artists in Vietnam through the Kim Duc Art Investment Fund from next year.

Local Art Advisory Board

The advisory board of the Local Art auction site started by entrepreneur and artist Nguyen Thi Kim Duc is comprised of the following members:

Nguyen Hong Hue (Peter Hong) - Chairman of Advisory Board - Permanent Vice Chairman / General Secretary of Vietnam Overseas Business Association

Nguyen The Khai - Member of Advisory Board - Architectural consultant - in charge of more than 100 Planning and Architecture projects with five architectural awards in Vietnam

Mike Lai - Member of Advisory Board, CEO Vietnam Global Media

Building Momentum

Edgar Saavedra has gone from building for Manila's biggest tycoons to bidding against them.

BY ROEL LANDINGIN

The usual suspects submitted bids last year to redevelop Manila's dilapidated international airport. But among the lumbering conglomerates run by the country's biggest tycoons, there was one unexpected—more modestly fortuned—contender: Edgar Saavedra, the mere multi-centimillionaire chairman of local construction company Megawide, which came in with a 156 billion pesos ($3 billion) bid that would have given Megawide and its Indian partner, GMR Infrastructure, an 18-year concession to run the Ninoy Aquino International Airport (NAIA).

After more than a decade building structures for the Philippines' biggest developers, the 44-year-old engineer is competing head-on with some of his wealthiest customers. Megawide's bid lost—the government picked a "superconsortium" made up of seven conglomerates. But the battle may not be over: the government is due to put the contract back up for challenge later this year. And Saavedra's bid laid down a firm challenge: that his company's affordable engineering solutions give it a competitive advantage over its big-money rivals. "They may have more money, but it's not all about money. You also need technical know-how," Saavedra says.

Since Saavedra formed it with cofounder Michael Cosiquien in 1997, Megawide has grown into a diversified construction group, with 16.8 billion pesos in annual revenue last year. Saavedra owns about 46% of Megawide, enough to put him among the country's 50 richest, at No. 34, with an estimated fortune of $260 million. (Cosiquien, who ranks No. 35 with an estimated $250 million, divested from Megawide in 2017 and last year resigned from the company's board to start other ventures. He and Saavedra continue to work together on some projects.)

Behind Megawide's rapid growth was the founders' early decision to build a prefabrication plant that would cut labor costs and construction time. Able to build quicker and more cheaply than rivals, Megawide became the go-to builder for many of the country's biggest companies. Now, Megawide is ready to make the leap from a construction-only company into a diversified infrastructure group.

SAAVEDRA AND COSIQUIEN started out in construction shortly after earning their civil engineering degrees from Manila's De La Salle University. They could have worked for their families' businesses, the Saavedras in shipping and the Cosiquiens in residential property construction. But the two fresh graduates wanted to build eye-catching structures.

It was 1997, an inauspicious year to start a business. When the Asian financial crisis hit, the cost of importing cement and steel soared as the Philippine peso plunged and with it any profits Megawide might have earned. Just as the economy recovered, China's roaring economy kept steel prices soaring.

Desperate to cut costs, Saavedra and Cosiquien reached out to a German company that sold them the technology to begin prefabricating and, in 2005, Megawide built its first prefabrication plant. By casting concrete in a central location and then transporting sections of a building to a site, Megawide could cut the cost not only of transporting and pouring concrete at multiple sites, but also the number of workers it needed at each site to pour it.

The result wasn't just lower costs, but also quicker construction. "They were one of the first construction companies which managed to complete one floor of a high-rise building in just a week's time," says Manolito Madrasto, the former executive director of Philippine Contractors Association, on the impact of Megawide's prefabrication plant in 2005. "That allowed property developers to build and sell residential condominium units faster."

Clients soon flocked to Megawide, sending the company's annual revenues in 2008 over the billion-peso mark. Among them: SM Group, the leading property developer founded by the late billionaire Henry Sy, Sr., as well as Andrew Tan's Megaworld and the Gotianun family's Filinvest Land. Megawide listed on the Philippine Stock Exchange in 2011, selling a third of the company for 2.3 billion pesos. Two years later, Saavedra and Cosiquien joined *Forbes Asia*'s list of Philippines' 50 richest.

SONNY THAKUR FOR FORBES ASIA

Mactan-Cebu International Airport

Saavedra's bid laid down a firm challenge: that his company's affordable engineering solutions give it a competitive advantage over its big-money rivals.

MEGAWIDE'S ABILITY to build faster for less became a big advantage when it began bidding to build and operate infrastructure projects tendered by the government under its public-private partnership (PPP) scheme. So in 2012, Megawide built an even bigger prefabrication plant that allowed it to prefabricate not only walls and floors for high-rise structures, but also components for roads, light rails and tunnels.

Between 2010 and 2016, the company won four PPP infrastructure projects from the government of then-President Benigno Aquino III. These included the 25-year concession to upgrade and operate the Mactan-Cebu International Airport, the country's second-biggest airport, which it won in April 2014 in partnership with GMR.

By 2017, it had group revenue of 19.2 billion pesos. Apart from winning projects, Megawide and its partner for airport ventures, GMR, which runs India's international airports in Delhi and Hyderabad, have proven they can successfully operate an airport in the Philippines. After improving Cebu's facilities, they convinced several airlines to use Mactan-Cebu as a hub for their international flights instead of Manila. Over the past three years, the number of airlines using the facility has more than doubled to 25 and Cebu's airport traffic has grown by 44% to 11.5 million passengers.

Last year, revenue from Cebu's airport operations rose 35% to 3.3 billion pesos, accounting for a fifth of Megawide's total revenue. Megawide's experience running the Cebu airport may yet give it a chance to win the NAIA redevelopment project. The contract was initially awarded to an alliance of seven of the country's biggest conglomerates, the NAIA Consortium, which is controlled by some of its wealthiest citizens, which submitted a bid for 350 billion pesos and a 35-year concession. With a combined capitalization of 2.2 trillion pesos, its members have interests in real estate, retail and food.

Megawide, an engineering and infrastructure developer with a market capitalization of only 39.5 billion pesos, believes it still stands a chance to grab the project when its rival's offer is put up for a competitive challenge later this year. It won't be easy: The NAIA Consortium in May revised its proposal, cutting its projected cost to 105 billion pesos and the concession period to 15 years. Saavedra remains optimistic. "Do you think a property, food or retailing company would be more technically competent that a construction company in infrastructure?" The NAIA Consortium did not respond to requests for comment.

Since establishing a foothold in airports, Megawide is preparing to expand further into infrastructure by teaming up with more experienced companies abroad. "We're partnering with Korean and Chinese companies to [build] toll roads, rail projects and other [developments]," says Saavedra. Learning from more experienced partners is key to Saavedra's growth strategy, he says, citing lessons Megawide has learned on running airports from GMR. "That's the reason why we are confident," he says. F

SONNY THAKUR FOR FORBES ASIA

BY GRACE CHUNG

Change of Guards

A generation's passing makes way for a new crop of leaders.

From left: Arthur Ty, Alfred Ty, Alesandra Ty and Anjanette Ty Dy Buncio.

Five long-time members of the country's richest passed away since we last measured fortunes in August 2018, creating a new class of second-generation successors who secured a spot on this year's list. The transition comes at a challenging time, amid rising concern of a global recession.

The **Sy Siblings** best illustrate this shift. With a combined net worth of $17.2 billion emanating from the country's biggest conglomerate, SM group, the six siblings made the list at No. 1, which their father Henry Sy, Sr., held for 11 consecutive years.

The **Ty Siblings** of GT Capital—Arthur, Alfred, Alesandra and Anjanette—made the list with a combined net worth of $2.6 billion, succeeding their father George Ty, who built GT into a major conglomerate, with interests in autos, banking, insurance, power generation and real estate.

The **Campos Siblings**—Jocelyn, Joselito and Jeffrey—replaced their late family matriarch Beatrice Campos. Their $650 million fortune stems from the country's pharmaceutical giant Unilab. Jocelyn, the eldest of the three, is now chairman of the company cofounded by their late father Jose Campos.

Heirs of Gilberto Duavit and Jon Aboitiz weren't wealthy enough to make the $130 million cutoff individually.

Among this year's newcomers were three self-made entrepreneurs. **Antonio Lee Tiu** came in at No. 49, with a net worth of $135 million as shares of AgriNurture, the agri-products company he founded 22 years ago, rose steadily over the past three years. Logistics and energy tycoon **Dennis Uy** debuts on the list after net assets of his Udenna group rose 28% in 2018. Uy is awaiting approval for the backdoor listing of Udenna on the Philippine Stock Exchange. **Delfin Wenceslao** makes his debut after taking real estate developer, D.M. Wenceslao & Associates, public in June 2018.

Despite the lackluster performance of Philippine stocks, with the benchmark index rising a mere 2%, 21 listees added to their fortunes. One of the biggest gainers: **Mercedes Gotianun**'s fortune surged 91% to $2.2 billion, as shares in her Filinvest Development soared after posting a 31% leap in net income for 2018. Revenues for Filinvest's main property and banking segments rose on higher rental income and fees from lending.

Vivian Que Azcona's net worth now includes stakes held by four of her siblings. While Vivian holds the largest slice of Mercury Drugs, each of them was wealthy enough to make the cutoff on their own, thus the added $860 million.

There were five returnees this year including **Philip Ang** who came in at No. 44 with $160 million after shares at Nickel Asia soared amid news on Indonesia's ban on nickel exports; investors expect the company will benefit from market demand. Among the 16 listees who saw their fortunes decline was **Tony Tan Caktiong**, who shed $850 million of his fortune. Shares at his fast food chain Jollibee took a hit in July after announcing the $350 million acquisition of loss-making Coffee Bean & Tea Leaf.

Apart from the five deceased, five other names dropped from the list this year.

With reporting by Jane Ho, Sean Kilachand, Anis Shakirah Mohd Muslimin, Suzanne Nam, Anuradha Raghunathan, Sheela Sarvananda, Jessica Tan and Jennifer Wells.

METHODOLOGY

The list was compiled using information from the individuals, stock exchanges, analysts, private databases, government agencies and other sources. Net worths were based on stock prices and exchange rates as of the close of markets on September 6. Private companies were valued by using financial ratios and other comparisons with similar publicly traded companies. Since 2017, we're no longer including families in which the founder of the business has died, unless the successors are wealthy enough to make the cutoff individually; in these cases, we combine the inherited fortunes.

THE LIST

1.
SY SIBLINGS
$17.2 BILLION ★
SM INVESTMENTS

2.
MANUEL VILLAR
$6.6 BILLION ▲
GOLDEN BRIA
AGE: 69

3.
JOHN GOKONGWEI JR.
$5.3 BILLION ▲
JG SUMMIT
AGE: 93

4.
ENRIQUE RAZON JR.
$5.1 BILLION ▲
INTERNATIONAL CONTAINER TERMINAL SERVICES
AGE: 59

5.
JAIME ZOBEL DE AYALA
$3.7 BILLION ▼
AYALA CORP.
AGE: 85

6.
LUCIO TAN
$3.6 BILLION ▼
LT GROUP
AGE: 85

7.
TONY TAN CAKTIONG
$3 BILLION ▼
JOLLIBEE
AGE: 66

8.
RAMON ANG
$2.8 BILLION ▼
SAN MIGUEL
AGE: 65

9.
TY SIBLINGS
$2.6 BILLION ★
GT CAPITAL HOLDINGS

SY SIBLINGS

Lasting Legacy

THE JANUARY DEATH of one of Asia’s best-known tycoons—Henry Sy, Sr.—heralded the transfer of a colossal fortune in generational wealth and placed a new No. 1 atop the list of the Philippines’ richest. The combined $17.2 billion of the six Sy siblings includes a part of their late father’s estate and is made up largely of stakes in their publicly listed SM Investments and SM Prime.

The late tycoon moved to the Philippines from China’s Fujian province at the age of 12 and learned the ropes of retail at his family’s convenience store. In 1958, he opened his own small shop selling shoes in Manila that he aptly named Shoemart. Over the next two decades, Sy gradually expanded Shoemart into a chain known simply as SM. In 1979, he and his eldest daughter Teresita opened one of the nation’s largest department stores. Today, SM is one of Southeast Asia’s largest conglomerates, with interests in shopping malls, supermarkets, banks, hotels, real estate and mining.

Revenue and net profits at SM Investments, which account for the lion’s share of their fortune, both grew 13% last year on robust performance at its three core businesses—retail, banking and property. The performance was good enough for SM Investments to secure a spot on our Global 2000 and inaugural Best Over a Billion lists this year.

SM’s property arm, SM Prime, reported a 14% increase in revenue in 2018 and a 17% jump in net income, due largely to property sales and rental income from its malls.

Sy, who died at age 94, was the Philippines’ richest person for 11 consecutive years and in 2018 ranked No. 52 on the World’s Billionaires list.

While day-to-day operations are now run by professionals from outside the family, the Sy siblings are all involved in various parts of the business. —*Grace Chung*

Teresita Sy-Coson, 68

As chair of BDO Unibank and co-vice chair of SM Investments, she is the de facto head of the group. She opened SM’s first department store when she was 22.

Harley Sy, 59

Harley is an executive director of SM Investments, a director of China Banking and an adviser to BDO Unibank.

Herbert Sy, 62

A director of SM Prime, Herbert manages SM’s supermarket operations, comprising 900 stores across the Philippines.

Elizabeth Sy, 67

Runs the company's tourism and hospitality operations as president of SM Hotels and Conventions, which comprises seven hotels and over 38,000 square meters of convention space.

SM INVESTMENTS

Sectors (% of revenue):
property (41%), banking (38%), retail (21%),

2018
revenue: 450bn pesos ($8.5bn) ▲13%
net profit: 37bn pesos ($700mn) ▲13%

SM PRIME

Sectors (% of revenue):
malls (57%), residential development (35%), others (8%)

2018
revenue: 104bn pesos ($1.97bn) ▲14%
net profit: 32bn pesos ($607mn) ▲17%

Henry Sy, Jr., 65

Chairman of SM Prime and co-vice chairman of SM Investments, he manages property development and acquisitions. He set up Big Boss Cement in 2017 to capitalize on massive, new government infrastructure plans.

Hans Sy, 63

Oversees group strategy and also known for his philanthropy—supports a shelter for children with cancer, while acting as the chair of SM Prime's executive committee and of local bank China Banking Corp.

10.
ANDREW TAN
$2.55 BILLION ▼
ALLIANCE GLOBAL
AGE: 67

11.
INIGO & MERCEDES ZOBEL
$2.5 BILLION ◀▶
AYALA CORP.
AGES: 63, 62

12.
MERCEDES GOTIANUN
$2.2 BILLION ▲
FILINVEST DEVELOPMENT
AGE: 91

13.
CONSUNJI SIBLINGS
$2 BILLION ▼
DMCI

14.
LUCIO & SUSAN CO
$1.8 BILLION ▲
PUREGOLD PRICE CLUB
AGES: 64, 61

15.
ROBERTO ONGPIN
$1.75 BILLION ▲
ALPHALAND
AGE: 82

16.
EDUARDO COJUANGCO
$1.5 BILLION ▲
SAN MIGUEL
AGE: 84

17.
ROBERT COYIUTO JR.
$1.35 BILLION ▲
PRUDENTIAL GUARANTEE & ASSURANCE
AGE: 66

▲UP ▼DOWN ◀▶FLAT
★NEW TO LIST ↻RETURNEE

The Philippines' 50 Richest

THE LIST

18.
VIVIAN QUE AZCONA & SIBLINGS
$1.15 BILLION ▲
MERCURY DRUG

19.
RICARDO PO SR.
$950 MILLION ▼
CENTURY PACIFIC FOODS
AGE: 88

20.
WILLIAM BELO
$870 MILLION ▲
WILCON DEPOT
AGE: 74

21.
DEAN LAO
$840 MILLION ▼
D&L INDUSTRIES
AGE: 60

22.
DENNIS UY
$660 MILLION ★
UDENNA
AGE: 46

23.
CAMPOS SIBLINGS
$650 MILLION ★
UNILAB

24.
CARLOS CHAN
$610 MILLION ▼
OISHI
AGE: 78

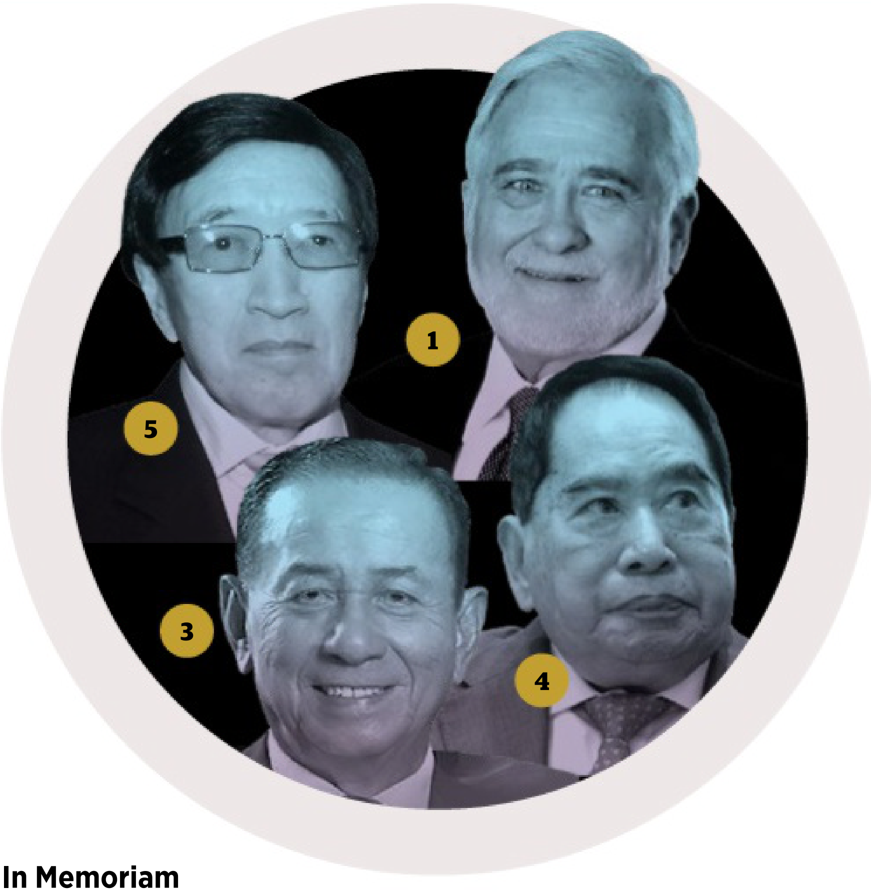
25.
DELFIN J. WENCESLAO
$500 MILLION ★
D.M. WENCESLAO & ASSOCIATE
AGE: 75

26.
JACINTO NG
$480 MILLION ▲
ASIA UNITED BANK
AGE: 77

PASSING THE BATON

Five of the Philippines' wealthiest people died in the past year, a telling sign of the ongoing intergenerational transfer of wealth now underway across the globe. In the next three decades some $16 trillion worldwide will change hands, the largest wealth transfer in history, according to a 2018 study by Transamerica insurance and *Asian Private Banker* magazine.

Asia will be home to a good chunk of that shift. Many tycoons in Asia started building their fortunes more than half a century ago, while in their 20s and 30s—and now are in their 70s and 80s. The oldest billionaire in the world is in Asia, Singaporean Chang Yun Chung, at 101. In the Philippines, the average age of the listees is 62 years, and 12 of them are over 80. The oldest is Bienvenido Tantoco, Sr., at 98.
—*Roel Landingin*



In Memoriam
1. **Jon Aboitiz,** 70, CEO, Aboitiz group
2. **Beatrice Campos,*** 93, widow of founder Jose Campos, Unilab
3. **Gilberto Duavit,** 84, cofounder, GMA Network
4. **Henry Sy, Sr.,** 94, founder, SM group
5. **George Ty,** 86, founder, Metrobank

*unpictured

WILLIAM BELO: RAISED HIGH ON ROOF BEAMS

When William Belo was a young man, he dreamed of owning a house for his family and building his own business. Four decades later, his company, **Wilcon Depot**, is at the center of a boom in Philippine home ownership and construction.

Wilcon dominates the Philippine market for home improvement and construction supplies, with a 56% market share, and has seen its share price surge along with revenue and earnings since going public in March 2017. In 2018, it recorded net income of $35 million, up 33% from a year earlier, on an 18% gain in revenue, to $404 million. Revenues in 2019 are expected to grow 14% and net income by 19% year on year, says Credit Suisse Philippines Research head Hazel Tanedo. "We are always bullish at Wilcon," says 72-year-old Belo, who handed over the reins to daughter Lorraine Belo-Cincochan, 39, in 2016 and now serves as chairman emeritus. "It's a mindset."

Belo, who started the business in 1977 with just 100,000 pesos ($1,945), now has an estimated net worth of $870 million. A greater emphasis on in-house brands, exclusive distribution deals and in-store improvements has followed an ambitious expansion program. Wilcon opened nine new depots last year and plans to open another 49 by 2025 to bring its total to 100. It also launched an online store in January.

Wilcon's growth spurt tracks what Belo calls "the golden age of Philippine construction," fueled by rising incomes, foreign remittances and Philippine President Rodrigo Duterte's "Build, Build, Build" infrastructure program. Wilcon has also benefited from the rapid growth of cities outside Manila: it plans to open 17 depots outside the capital by year's end. "You can't expect people from cities hours away to come to Manila to buy a product," says Belo, "so you should go to them." —*Sunshine Lichauco de Leon*

BELO: COURTESY OF WILCON DEPOT, RAZON: PATRICK T. FALLON/BLOOMBERG, UY: COURTESY OF UDENNA GROUP

ENRIQUE RAZON, JR.: PORT IN A STORM

The ongoing China-U.S. trade war has left Philippine billionaire Enrique Razon, Jr.'s cargo terminal business, **International Container Terminal Services**, or ICTSI, blissfully unscathed. Net profit in the first half of 2019 climbed 42% to $129 million as revenue rose 14% to $752 million amid increased cargo volumes for ICTSI's operations in Australia and Mexico and the opening of new terminals in Papua New Guinea. The company continues to expand overseas and in July won a contract to manage a container terminal in Rio de Janeiro. That performance has helped lift ICTSI shares 42% in the past year, helping boost Razon's net worth by 31% to $5.1 billion and lifting him to No. 4 on our list.

Razon's gaming company Bloomberry Resorts is also expanding. In July, it broke ground on a new casino resort in Quezon City, north of Manila. Slated for completion in 2022, it will be the company's second Philippine casino resort after the opening of Solaire Resort in 2012. Bloomberry also plans by 2021 to build the $100 million Solaire Cruise Center, next to the Solaire Resort, which will have retail, dining and entertainment outlets. Casinos have proved a cash cow for Bloomberry, which posted another year of record revenue in 2018 and a 10% increase in gross gaming revenue in the first half of 2019. Net income, however, fell 12% to 5.3 billion pesos on lower foreign exchange gains and higher interest expenses. —*Pamela Ambler*

DENNIS UY: MAKING WAVES

Dennis Uy is a man in a hurry. Through his **Udenna** group he has, in just a few years, bought stakes in more than 50 companies. Only 46, he now joins the ranks of the country's 50 richest, with an estimated net worth of $660 million.

Uy's ascent began in 2002, when he founded Phoenix Petroleum, growing it into the Philippines' largest independent fuel retailer. "We disrupted petroleum. And maybe now telco," he says, referring to Udenna's joint telecom venture with China Telecom, Dito Telecommunity. In July, Dito Telecommunity won a license to offer nationwide cellular service and crack the existing duopoly of PLDT and Globe Telecom.

Some worry about Udenna's debt load of roughly 111 billion pesos ($2 billion), which Uy used to fuel his buying binge. The group's total debt climbed 38% last year, more than double shareholder equity. Yet Uy is unfazed. "Part of our challenges of being entrepreneurs, especially from the province and with no name, is how to borrow money," he says. Udenna posted a profit of 2.6 billion pesos last year as sales jumped 86% to 95 billion pesos.

Next up for Uy is a possible backdoor listing of Udenna. In January, Udenna reached a share-swap agreement with listed telecommunications holding company ISM Communications, in which Uy bought a controlling stake last year. Uy is now waiting for regulatory approval to complete the deal. "If I were a son of a taipan, growing into this business, nobody would question me," Uy says. —*Annalisa Burgos*

27.
OSCAR LOPEZ
$460 MILLION ▼
ABS-CBN CORP.
AGE: 89

28.
EDGAR SIA II
$400 MILLION ▼
DOUBLEDRAGON PROPERTIES
AGE: 42

29.
MANUEL ZAMORA JR.
$360 MILLION ▲
NICKEL ASIA
AGE: 80

30.
FREDERICK DY
$355 MILLION ▼
SECURITY BANK
AGE: 64

31.
MARIANO TAN JR.
$350 MILLION ▲
UNITED LABORATORIES
AGE: 57

32.
JORGE ARANETA
$330 MILLION ▲
ARANETA GROUP
AGE: 83

33.
TOMAS ALCANTARA
$300 MILLION ↻
ALSONS CONSOLIDATED RESOURCES
AGE: 73

34.
EDGAR SAAVEDRA
$260 MILLION ▲
MEGAWIDE CONSTRUCTION
AGE: 44

▲UP ▼DOWN ◀▶FLAT ★NEW TO LIST ↻RETURNEE

THE LIST

35.
MICHAEL COSIQUIEN
$250 MILLION ▲
MEGAWIDE CONSTRUCTION
AGE: 45

36.
WILFRED STEVEN UYTENGSU JR.
$240 MILLION ▲
ALASKA MILK
AGE: 57

37.
ALFREDO YAO
$235 MILLION ▼
MACAY HOLDINGS
AGE: 75

38.
JOSE ANTONIO
$215 MILLION ▼
CENTURY PROPERTIES
AGE: 72

39.
NECISTO SYTENGCO
$210 MILLION ▲
SBS PHILIPPINES
AGE: 65

40.
P.J. LHUILLIER
$208 MILLION ▲
CEBUANA LHUILLIER
AGE: 74

41.
EUSEBIO TANCO
$205 MILLION ↻
STI EDUCATION SYSTEM
AGE: 70

42.
JOSE MA. CONCEPCION
$200 MILLION ▼
CONCEPCION INDUSTRIAL
AGE: 61

▲UP ▼DOWN ◀▶FLAT
★NEW TO LIST ↻RETURNEE

WEALTH CREATION

Build, Build, Build

The country needs infrastructure—and China has the cash to fund it.

BY YUWA HEDRICK-WONG

THE PHILIPPINES' SHORT-TERM economic outlook has dimmed. According to government data, real GDP growth weakened in the second quarter to 5.5%, the slowest pace in four years, while growth in domestic demand dropped to a sluggish 2.4%. The country's fiscal deficit, meanwhile, reached 3.2% of GDP in 2018, up from 2.3% in 2016. This downbeat outlook, however, masks a deep and potentially powerful reboot of the Philippine economy that could set the country on a stronger and sustainable growth path for years to come.

The game changer is investment, especially in infrastructure, and in particular infrastructure investment from China. For decades, the Philippines underperformed compared with its neighbors in East and Southeast Asia. Foreign direct investment (FDI) was chronically low, infrastructure inadequate and crumbling, and the manufacturing sector underdeveloped.

The Philippines suffers from congested ports, overcrowded airports, inadequate rail and road connections, and cities choked with traffic. Weak investment is partly to blame, but so is bureaucratic inertia and weak government execution. Combined, they have stunted infrastructure development, placing a constraint on growth, and significantly, deterring expansion of the manufacturing sector.

How bad is the country's infrastructure? A good proxy is the estimate of an economy's per person capital stock, that is, all the obvious public infrastructure—roads, airports and ports—as well as the less obvious, such as power and water utilities. The chart (on the next page) shows how the Philippines fares against other nations.

At $10,360 per capita in 2015, the Philippines lags behind virtually every major Southeast Asian economy and is only slightly ahead of Vietnam. Between 2000-2015, the Philippines' capital stock per capita rose 18%, the region's slowest growth rate and dwarfed by Vietnam's 260% increase. Vietnam will surpass Philippines soon—if it has not already done so.

China illustrates how an increase in capital stock per capita can fuel economic takeoff. Its outstanding economic performance over the past 45 years is underpinned by a stupendous rise in its capital stock per capita, which rose 365% between 2000 and 2015, to $36,000—triple India's rate, though only a third of developed countries such as Japan and the U.S. For development, rapidly rising capital stock per capita is a prerequisite for raising an economy's growth rate. No economy has ever had a sustainable takeoff without removing this binding constraint. The Philippine government needs to tackle this challenge head on.

There are signs that the Philippines is doing just that. Despite the current slowdown, prospects are improving for an investment upturn, energized by buoyant FDI inflows, which came to 3% of GDP in 2018, the second-highest in emerging Asia as a percentage of GDP—after Vietnam. Stronger FDI has pushed overall investment to 28.5% of GDP, high enough to support real GDP growth of at least 6%.

ISTOCK / GETTY IMAGES PLUS

Build It (or They Won't Come)

The Philippines' infrastructure on a per-capita basis, a key prerequisite to growth, has fallen far behind other countries.

Capital stock per capita (in constant 2011 dollars)

SOURCE: IMF AND UN (DATA AS OF JAN. 2017)

Under what Manila has dubbed its "Build, Build, Build" program, infrastructure spending grew by 35% in 2018, rising to 5.5% of GDP from 4.5% a year earlier. The government aims to raise it to above 6% by 2020. Supporting this investment push is the government's easing of FDI restrictions. Firms with up to 40% foreign ownership can now bid to work on locally funded infrastructure projects. The government has also signaled that it will push for changes to make the Philippines' constitution more friendly to FDI.

The main source of this upturn in infrastructure investment is China. China has so far pledged $9 billion in infrastructure investment in the Philippines, including the $4.3 billion expansion and upgrade of the road and railway networks around Metro Manila, equivalent to 1.2% of GDP. Beijing and Manila have inked roughly $300 million loan agreements to fund water and irrigation projects, equivalent to 0.1% of GDP.

However, the relationship between China and the Philippines is complicated by their rival territorial claims in the South China Sea, and by domestic opposition that characterizes rising investment from China as "neocolonialism." Resistance is also fueled by concerns that, when some countries fell behind on debt repayments to China, they had to swap debt for equity, as Tajikistan did in 2011 and Sri Lanka in 2017.

So far Philippine President Rodrigo Duterte is not backing away from working closely with China to drive infrastructure investment. China's financing is the best option for addressing the Philippines' deep infrastructure deficit quickly and on a massive scale. Barring a major policy U-turn, it is clear that the Philippines is at a tipping point. Rising investment by China in Philippine infrastructure is a powerful catalyst for stronger FDI growth.

The productivity of the Philippine economy is poised to improve as better infrastructure eases constraints. When coupled with a better welcome for foreign companies and investment, the Philippines' anemic manufacturing sector could get a powerful boost, giving the economy a more balanced foundation supported by both industrial production and services. Accordingly, the Philippines' merchandise exports would pick up, making the current account more stable and the peso more resilient. A new and stronger economy could emerge, spawning new opportunities for wealth creation.

43.
ERRAMON ABOITIZ
$165 MILLION
ABOITIZ EQUITY VENTURES
AGE: 63

44.
PHILIP ANG
$160 MILLION
AGE: 78

45.
JULIETTE ROMUALDEZ
$150 MILLION
BANCO DE ORO
AGE: 83

46.
FELIPE GOZON
$145 MILLION
GMA NETWORK
AGE: 79

47.
BETTY ANG
$141 MILLION
MONDE NISSIN

48.
BIENVENIDO TANTOCO
$140 MILLION
SSI GROUP
AGE: 98

49.
ANTONIO LEE TIU
$135 MILLION
AGRINURTURE
AGE: 44

50.
MENARDO JIMENEZ
$130 MILLION
GMA NETWORK
AGE: 86

FOR MORE INFO, GO TO FORBES.COM/PHILIPPINES

Ginkgo cofounder and CEO Jason Kelly. "You can't eat software," he says. "All the physical stuff will be owned by synthetic biology. That's trillions of dollars."

The Life Factory

Customized organisms will revolutionize the way we manufacture everything from car seats to cellphones. A group of MIT-trained scientists at $1.4 billion synthetic biology startup Ginkgo Bioworks is brewing the building blocks for our bioengineered future.

BY AMY FELDMAN

Walk down Drydock Avenue in the old industrial waterfront of Boston and you'll be reminded that the city remains a significant industrial port. Trucks rattle past the working dry dock. A FedEx shipping container terminal looms to the south while the Coastal Cement Corporation anchors the street. Inside building number 27, Ginkgo Bioworks CEO Jason Kelly and his four cofounders are working on a different industrial vision—one in which biology is at the core. This quintet of modern-day Frankensteins design, modify and manufacture organisms to make existing industrial processes cheaper and entirely new processes possible.

It's heady stuff. Fertilizing corn usually requires spraying hectares of farmland with a stew of nasty chemicals. Ginkgo is working on bioengineered, environmentally friendly coatings for corn seeds that will fertilize themselves. Today, most biotech drugs are nonliving proteins. Ginkgo is working on creating living creatures, genetically programmed to seek and destroy disease, that would be ingested whole.

And that's just the beginning. Recently Ginkgo recreated the scent of an extinct Hawaiian hibiscus, blurring the line between what's living and what's dead. Ultimately, Kelly believes his company will power a science-fiction future where trees naturally grow into the shape of tables, seaweed morphs into car seats and smartphones repair themselves with a few drops of sugar. That's a long way off, but nearly 11 years after founding Ginkgo, "it's a little easier to talk about this and not sound like a crazy person," Kelly says.

These are exciting times for companies like Ginkgo (named after a dinosaur-era tree that's a living fossil) that work in the emerging field of synthetic biology. Spurred on by technological and economic advances, particularly the plummeting cost of DNA sequencing and the development of a precision gene-editing tool called Crispr, entrepreneurs have been falling over themselves to start companies. Today, more than 600 companies work in the space, according to SynBioBeta, a California firm that hosts the industry's premier conference and maintains a database of synthetic biology startups. And that universe is growing at a rate of 5% to 10% each year, as money pours into these firms, including $3.8 billion last year alone, according to SynBioBeta founder John Cumbers. The promise of the field is not just a proliferation of new products, but also a reduction of the environmental harm that comes from our heavy reliance on petrochemicals.

These startups run the gamut from sellers of the DNA molecules that are the building blocks of life to high-profile consumer companies. Plant-based-burger startup Beyond Meat went public in May and is now worth nearly $10 billion; its synthetic biology competitor Impossible Foods is a venture-backed unicorn that recently began selling Impossible Whoppers to fast-food giant Burger King. Bolt Threads, valued at $700 million, makes bio-based spider silk for use in textiles and skin care. At the other end of the spectrum, Twist Bioscience, the largest seller of synthetic DNA (which counts Ginkgo as its largest customer), went public last year and now has a market cap of nearly $1 billion.

Ginkgo is the leader in organism engineering. "Ginkgo is category defining," says Cumbers, who first met Kelly when they were struggling Ph.D. students (Cumbers at Brown, Kelly at MIT). "They pretty much created the whole idea of the organism being a product." Founded by Kelly, former MIT professor Tom Knight and three other MIT Ph.D.s—Reshma Shetty, Barry Canton and Austin Che—Ginkgo today has gained a toehold in fragrances, agriculture, food, therapeutics and cannabis with some two dozen customers and 50 active engineering projects. Ginkgo doesn't create any of these products, but by using data analytics and robotics to speed up the process of discovering and making new organisms, Ginkgo will be at their core. Revenue last year reached some $40 million, doubling the previous year's; it's expected to double again this year.

Ginkgo's bigger bet is a portfolio approach—inspired, in part, by Kelly's attendance last year at Warren Buffett's annual Berkshire Hathaway shareholder meeting. Ginkgo now creates and invests in companies, including protein-alternative specialist Motif Ingredients, which Ginkgo recently spun off, and Joyn Bio, its agricultural joint venture with Bayer. "That's how we are scaling the business," Kelly says. "It's a Berkshire for biotech."

MICHAEL PRINCE FOR FORBES

> The idea of using biology for industrial purposes has long been a dream.

A lot of smart money is betting on Ginkgo. An alumnus of *Forbes*' Next Billion-Dollar Startups list, it has raised more than $400 million from investors that include Bill Gates' Cascade Investments, Viking Global and General Atlantic. As of December 2017, it was valued at $1.4 billion. Over a decade after Ginkgo's founding, Kelly and his cofounders all still work there and have retained stakes in the company that *Forbes* estimates at more than $100 million each. Kelly figures he'll take Ginkgo public eventually—he's in no rush. After all, synthetic biology is hot, and there's lots of private capital available. "Biology is programmable, but it doesn't process information—it builds stuff," says Kelly, who carries a notebook with an "I (heart) GMOs" sticker on it. "Food, housing, materials, electronics—all will be disrupted by biology."

Jason Kelly, 38, grew up in Jupiter, Florida, a small beach town near Jupiter Island, the ultra-wealthy barrier island famously home to Tiger Woods. A sleepy community when Kelly was growing up, Jupiter has since become infamous as the location of the Orchids of Asia massage parlor, where New England Patriots owner Robert Kraft allegedly solicited prostitution. Kelly's parents, both pharmacists, moved to Jupiter in the 1970s to escape the cold farther north and because the area, with its aging population, offered more jobs.

By high school, Kelly was excited about the potential of genetic engineering. "There must've been at least some seed planted by *Jurassic Park*," he says now of the Steven Spielberg film about using fossil DNA to resurrect dinosaurs. He did a school project on Herceptin, a genetically engineered antibody used to treat breast cancer, and was wowed by the idea that you could program a cell like a computer.

As an MIT undergrad, Kelly spent two summers in the lab, attempting to move a single gene into the bacteria E. coli, which is often used to make drugs. It was slow, frustrating work, and he failed at it. Then he met Drew Endy, a young professor and colleague of Knight's in synthetic biology. Kelly was so drawn to the idea that the digital code of cells, with its As, Cs, Gs and Ts, could be read and written like a computer program that he joined Endy's lab as an undergrad. In 2003, he started a Ph.D. in biological engineering at MIT.

The rest of Ginkgo's student cofounders arrived on campus around the same time. Shetty, 38, had studied venomous cone snails, which use neurotoxins to paralyze their prey, as a teenager in Salt Lake City, but switched to computer science for her bachelor's degree at University of Utah. Canton, 39, arrived from Ireland after studying mechanical engineering at University College Dublin and developing an interest in, as he puts it, "taming the complexity of biology via engineering know-how." Che, 39, grew up near Apple's headquarters, in Cupertino, California, learned to program at age 7 and finished a bachelor's degree in computer science at Stanford before shifting gears.

Knight, 71, a computer expert, had made an unusual mid-career switch. In the 1990s, he'd begun to wonder when Moore's Law—Intel cofounder Gordon Moore's observation that the number of transistors on a microchip doubles every two years—would end. The problem, he explains, is that structures eventually become so small that you're working with silicon at the atomic scale, and placing atoms in the right place with precision requires biochemistry.

In 1997, Knight set up his own microbiology lab in the computer science building. "Some of my colleagues thought I was going to kill them," Knight says. After all, bioengineers work with bacteria such as E. coli, which can cause sickness and even death. He didn't care what others thought. "He unapologetically wanted to program biology, even though all the biologists were like, 'It's way too complicated, and all the things you are trying to do are bullshit,' " Kelly says.

MIT's synthetic biology community was small and close-knit. Shetty and Che worked in Knight's lab; Kelly and Canton worked in Endy's. The two labs bonded over group lunches, contributing to OpenWetWare, a wiki for sharing biological knowledge, and the International Genetically Engineered Machine (or iGEM) student competition. Kelly and Canton shared a house in grad school. Canton and Shetty were dating and subsequently married. "Drew and Tom were like magnets, sucking in the bio-nerds," Kelly says.

Kelly broached the idea of starting a company after the four finished their Ph.D.s in 2008. They all wanted to make bioengineering faster, cheaper and easier—which was important for industry, but wouldn't get a new professor published and on the tenure track. "It's not scientific discoveries that are needed. It's process engineering," says Kelly, whose graduate thesis was on how to standardize measurement in biology.

With an initial investment of $100,000 from Knight (eventually growing to $140,000), the five started Ginkgo. Their timing was lousy. The financial crisis had pushed the economy into recession. Banks weren't lending, and venture capitalists weren't investing. And even if they were, Ginkgo wouldn't have appealed then. "We don't look like normal biotech founders," Kelly says. "No one starts a biotech company out of school, we weren't doing a therapeutic and we had no product in mind."

Instead, they applied for grants to cover living expenses and scrounged for equipment, buying it at auction when other startups failed. They rented a storage locker at U-Haul, dragging in liquid-handling robots and lab supplies.

From left: Ginkgo Bioworks cofounders Tom Knight, Reshma Shetty, Jason Kelly, Barry Canton and Austin Che.

After a few years of trial and error, they had a brainstorm. At MIT all five had worked on an iGEM competition project that made stinky E. coli bacteria smell minty fresh by inserting new genetic material into it. Building off that, they broke into flavors and fragrances. They got their first major deal with French fragrance and botanicals company Robertet and developed a bio-based rose scent. The project was smart because it's very expensive to distill smells from flowers, but most people don't associate biotech with fragrances. The deal was a coup for Ginkgo. "There was a lot of skepticism about synthetic biology that Jason had to overcome," says Bryan Johnson, founder of OS Fund and a Ginkgo investor.

The dream of manufacturing stuff from biology goes back a long time. When biotech giant Amgen was founded nearly 40 years ago, its efforts to create a process for producing indigo dye in E. coli landed it on the cover of *Science* magazine. Other companies have attempted to grow spider silk in the lab for decades. In the early 2000s, a wave of synthetic biologists hoped to create fuel from bacteria and yeast, but while replacing hydrocarbons is a good idea for the environment, most biofuels startups failed when the price of oil fell.

"The idea of using biology for industrial purposes has long been a dream," says Josh Hoffman, CEO of Emeryville, California-based Zymergen, Ginkgo's closest competitor. "Unless you can get it to work at scale it's a dream with wonderful appeal, but it's unlikely to have impact."

Over the past few years, big economic and technological trends have pushed that dream forward. The cost of DNA synthesis has plummeted from around $4 a base pair (the unit of two nucleobases that form the building blocks of the DNA double helix), when Kelly and his cofounders were students, to just 7 U.S. cents a base pair, with even lower prices for bulk orders. The development of Crispr, which allows for precise genome editing, opened up new possibilities. And artificial intelligence and machine learning help synthetic biologists iterate designs for new organisms more quickly.

Against that backdrop, entrepreneurs founded companies with different approaches. Six-year-old Zymergen, for example, now has 750 employees and a partnership with Sumitomo Chemical, a major supplier to consumer-electronics manufacturers. One goal: To put living cells into next-generation display coatings for cellphones to make them scratchproof. CEO Hoffman won't disclose revenue, but says that its partners will have sold $1 billion worth of products made with Zymergen's bugs by the end of 2019.

On a recent afternoon in Boston, Canton gives a tour of Ginkgo's life factories. Inside Bioworks 3, a robot does pipetting, moving fragments of DNA suspended in liquid into a tray with eight rows and 12 columns at a speed beyond human capability. After the cells grow in plastic containers, another robot photographs them and uses that image to ac-

> “We all do synthetic biology, but we are a craft brewer and they are Budweiser.”

curately pluck the irregularly shaped colonies from the surrounding jelly. The facility is quiet, with relatively few people. Largely, the machines do the work.

The automation allows Ginkgo to test thousands, or even tens of thousands, of designs on each project, Canton says, compared with a traditional lab where a bench scientist might be able to do ten. “We were inspired by what Intel and others do in building their semiconductor facilities,” he says. This winter, Ginkgo opened Bioworks 4, which will work with mammalian cells.

Already, Ginkgo is the largest user of lab-printed DNA in the world—Kelly estimates it uses about 25% of the total, or about 50 million base pairs a month—and it recently purchased Gen9, a supplier that specializes in long strands of DNA. It also maintains a massive and growing “codebase” to track and analyze what it has learned from each project. “You can apply manufacturing theory to cells,” Kelly says. “The more cell programming you do on our platform, the cheaper and easier and faster you do it.”

Kelly believes that scale will allow it to succeed in a variety of unrelated industries. “We all do synthetic biology, but we are a craft brewer and they are Budweiser,” says John Garrett, co-CEO of Glycosyn, which Ginkgo has partnered with to more efficiently produce oligosaccharides, a healthy component of breast milk, in E. coli (a boon for mothers who can’t breastfeed but also potentially a treatment for maladies such as Crohn’s disease).

The first major deal Kelly struck was with Bayer, the world’s largest seed company since its acquisition of Monsanto. In September 2017, the two created their Joyn Bio joint venture with a $100 million investment, to develop seed coatings that will enable farmers to use less chemical fertilizer. Soybean microbes have an enzyme that lets them take nitrogen out of the air, but corn microbes do not, so Ginkgo is taking genes from the soybean microbe and redesigning them to work in microbes that live on corn. It’s an early-stage big idea—worldwide, farmers spend more than $150 billion a year on fertilizer—that’s at least five years from market, even if all goes well. “The challenge for any big company is how do you realistically go after these moonshots,” says Joyn Bio CEO Mike Miille.

Jason Kelly in Ginkgo Bioworks headquarters in Boston.

For Ginkgo, Bayer’s interest was a turning point. More deals followed. With Canadian cannabis company Cronos, for example, it is developing lab-grown rare cannabinoids that could be used for appetite suppression and anti-inflammatory creams. If Ginkgo can deliver the strands, it will get stock valued at more than $200 million today. With Cambridge, Massachusetts-based biotech Synlogic, it is working on living, gut-based treatments for liver problems and neurological disorders.

In February, Ginkgo spun out Motif Ingredients which is developing vegan-friendly proteins that can be added to food to replace animal products such as meat and cheese, with $90 million in funding from Viking and others. And in May it acquired the genome-mining platform of Warp Drive Bio, a subsidiary of Redwood City, California-based Revolution Medicines, and with it an agreement with pharmaceutical giant Roche to search for a new class of antibiotics, a deal that could be worth $160 million, plus additional royalties if Ginkgo succeeds.

Kelly believes he could easily add 50 or 100 more partnerships or investments without maxing out. “Nobody has cracked the puzzle at scale yet,” says Endy, now a professor at Stanford and not affiliated with the company. “Jason, with his business acumen, is testing an experiment with these joint ventures. I think that’s a good way to approach it, and I hope it works. But nobody has done that before.”

Back at Ginkgo’s headquarters, Kelly picks up a copy of Knight’s first cellular computing study, written for the U.S. Defense Advanced Research Projects Agency more than two decades ago, and thumbs through it. Stopping at page 14, where a graph shows zero sequenced genomes in 1995 rising to just 10 in 1997, he lets out a loud laugh. “We just acquired a database of 135,000 sequenced genomes.”

Today, he believes, synthetic biology is developing at a similar pace to computing in the mainframe era. As the field develops and creates products currently unimaginable, he argues, biology will help people live better lives, while moving away from chemical-based processes that lead to climate change and environmental degradation. “Eventually,” he says, “it should be a point of pride. You should want things made with GMOs because they’re made with biology.”

MICHAEL PRINCE FOR FORBES

Personalizing Cancer

Eric Lefkofsky made it big with five startups—most famously Groupon—by harnessing data. Will it work for diseases?

BY NOAH KIRSCH AND MICHELA TINDERA

Tempus founder Eric Lefkofsky

JEFF SCIORTINO FOR FORBES

Eric Lefkofsky hasn't taken a science class since college. But as he meanders through the Chicago lab of Tempus, his medical startup, he presents an air of expertise. "One thing you can see right off the bat is the purple staining of this cell," he says, pointing to the pathology slide of a patient with breast cancer. He walks past vials of lysis buffer and a $1 million genomic sequencer. "Tempus is attempting to bring the power of artificial intelligence to healthcare," he says. "The first step in all that is data."

Assembling data was the first step in Lefkofsky's other ventures. The 49-year-old has launched five companies worth at least $250 million apiece, each promising to transform an industry by using big data. His best-known venture is Groupon; despite the deals site's disappointing share price, Lefkofsky is worth an estimated $2.7 billion.

Tempus is predicated on the theory that information, lots of it, will enable doctors to personalize cancer treatments and make them more effective. A doctor treating a patient with lung cancer might send a tumor sample to Tempus for genomic sequencing. Tempus identifies a mutation in the gene for epidermal growth factor receptor, which causes cells to grow and divide too much. With that, the doctor prescribes a targeted therapy that can have better results than chemotherapy.

So far the 700-employee company has raised $520 million (Lefkofsky put in $100 million). The lavish $3.1 billion valuation suggests investors expect his approach to make a big score, starting with cancer, then against chronic conditions like depression and diabetes. But precision medicine is a nascent field. Tempus, on its own or with a research partner, has published fewer than 20 peer-reviewed manuscripts since its founding four years ago. A competitor, sequencing firm Foundation Medicine, has published over 400 in 9 years.

While the cost of sequencing has dropped, it still runs $1,000 to $5,000 per analysis, and Tempus loses money doing it. Tempus also licenses its library of anonymized data to drug companies, insurers and researchers. Lefkofsky won't reveal revenues, but says it gets seven-figure fees from seven of the ten largest cancer drug companies.

Lefkofsky got the entrepreneurial bug at the University of Michigan, where he studied history and made money selling carpets. In 2001, he cofounded InnerWorkings (marketing), then Echo Global Logistics (transportation) and Mediaocean (advertising software). One of Lefkofsky's hires, Andrew Mason, pitched an idea for a business focused on "collective action." Lefkofsky invested $1 million in what became Groupon. A year after its 2008 founding, it booked $14.5 million in revenue; in 2011, it generated $1.6 billion.

Lefkofsky spent a few years dabbling on other projects, including Uptake (predictive analytics for heavy industry). "I always knew back then, [with] those businesses, that I would be in and out," he says. In 2014, Lefkofsky's wife, Liz, was diagnosed with breast cancer. "I was just perplexed at how little data had permeated her care," he says. That experience ultimately launched Tempus. (Liz has "been taking it one day at a time," Lefkofsky says.)

Yet again, Lefkofsky needed data. But some researchers were initially hesitant to share. "They wanted us to basically send all our samples there for all our patients" in the future, says John McPherson, deputy director of the University of California, Davis Comprehensive Cancer Center. "But we took a more cautious approach." They ran a head-to-head comparison involving gastrointestinal cancer between Tempus and Foundation Medicine; Tempus fared well.

In 2017 Tempus reached a licensing agreement with the American Society of Clinical Oncology to extract and organize data from 1 million patient records. Today the company says it already works with 30% of U.S. oncologists; many send patient records and biopsies to Tempus for analysis. Tempus hopes to sequence 120,000 genomic samples for doctors this year.

Even with that data, Tempus faces stiff competition. Last year Swiss drug giant Roche spent $4.3 billion acquiring Foundation Medicine and big data firm Flatiron Health. Another startup, Concerto HealthAI, backed by billionaire Romesh Wadhwani, has access to many of the same records as Tempus.

Doctors at UC Davis, McPherson says, have only sent about 100 samples to Tempus, considerably fewer than they've sent to Foundation. "I think they were a little baffled by the amount of data that came back [from Tempus]," McPherson says. Clinicians "tend to take the easier route just to save time. But there are several clinicians that are now working fairly closely on the research side with them."

Lefkofsky remains supremely optimistic. "It certainly feels like my entire career has led to this point," he says. "I hope this will be my legacy project." F

Inside the lab at Tempus.

JJ JETEL

DEAL THYSELF

In 2010, Eric Lefkofsky, Andrew Mason and Brad Keywell's Groupon was the hottest company in America. Reeling in consumers with bargains and freebies, though, is a long, proud tradition. Some early examples of now-common tactics:

Coupon: In the 1890s, Coca-Cola owner Asa Candler created tickets good for a free fountain drink. Between 1894 and 1913, one in nine Americans took Coke up on it.

Loyalty Card: As far back as the 1920s, stamped metal tokens were the frequent-consumer discounts of their day. During the Depression, Procter & Gamble introduced tokens redeemable for laundry soap.

Rewards Program: From the 1930s to the 1980s, the Sperry & Hutchinson company printed stamps available at stores and gas stations. The more you spent, the more stamps—redeemable for assorted gewgaws—you received.

Flash Sale: Kmart introduced the Bluelight Special in 1965—literally a colored light bulb that signaled an immediate 15-minute sale on goods in certain areas of the store. The last Bluelight went out in 1991 before the gimmick returned in the 2000s.

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To commemorate China's 70th anniversary, Forbes China and the Department of Commerce of Shandong Province are proud to present 2019 Forbes China Leadership summit in Qingdao, Shandong on 19th October. The summit highlights the issue of multinational business development and forecasts the trends in future economy on a global scale.

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30 UNDER 30 ASIA ALUMNI

Shock to the System

Ather's Tarun Mehta and Swapnil Jain are out to electrify India's two-wheeled transport market.

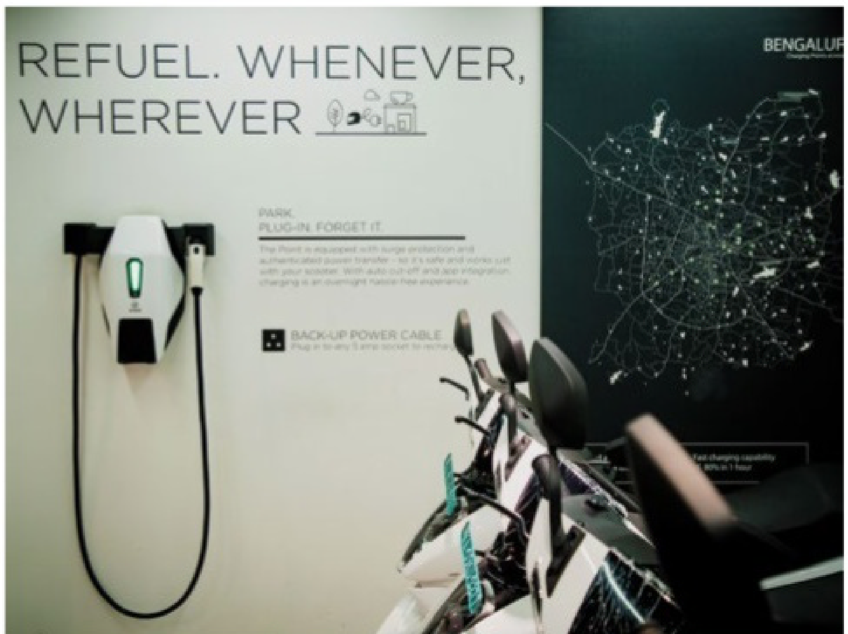
BY AMBIKA BEHAL

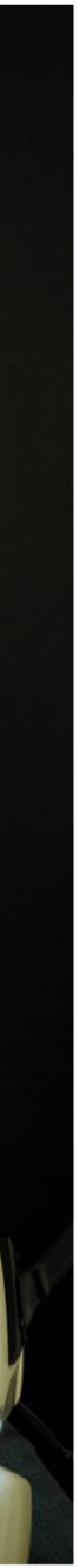
Swapnil Jain (front) and Tarun Mehta

"We didn't start this to save the environment," Tarun Mehta confides of the electric scooter company he cofounded in 2013 with college pal Swapnil Jain, Ather Energy. But if challenging the country's gas-guzzling vehicles helps clear the air, so be it. "The right way to actually do that is to create a product that people will buy—we believe the future is electric," he says.

Ather and other makers of electric scooters are shaking up a two-wheeled market that grew 6% in the year ended March 31, to 24.5 million units, according to the Society of Indian Automobile Manufacturers. That's helped draw roughly $93 million in investment to Ather, including a $51 million round in May led by e-commerce marketplace Flipkart cofounder Sachin Bansal that valued it around $400 million. Other investors include VC firm InnoVen Capital and scooter and mo-

Ather 450 electric scooters (left) at the Ather Experience Center in Bangalore. Interactive touchscreen dashboard (above). AtherGrid chargers (bottom) are positioned across the city.





NAMAS BHOJANI FOR FORBES ASIA

torcycle maker Hero MotoCorp, which owns a 32% stake in the company. Hero is the biggest maker of gas-power scooters by sales in India and the world, and this year started selling electric scooters under its own brand.

CEO Mehta and Jain, now Ather's chief technology officer, first became interested in transport technology while studying engineering at the Indian Institute of Technology Madras (IIT Madras)—in the city now called Chennai. "We started building a Stirling engine," says Mehta, referring to a closed-system engine that uses compression and expansion of liquid to transfer heat into motion. "We couldn't, but the philosophy of what we wanted to do went pretty deep for us."

The two took engineering jobs after graduating in 2012, but were soon back in IIT Madras' labs, using its tech incubator to test an idea for battery packs. That work quickly led them into electric scooters. The next year, Mehta and Jain launched Ather. The name comes from the ancient Greek concept of a fifth element, "the purest form of energy," says Mehta. "We really wanted to build an energy company. Except for the internet, you can trace almost any industry to energy."

Last year, they opened a showroom in Bangalore and a second this year in Chennai, with plans to launch in Delhi, Hyderabad, Pune and then Mumbai. They're also looking to find partners in Asia and Latin America. However, Mehta says he wants to stabilize sales across India before Ather ventures overseas.

Sleek designs and brand loyalty are important to Indian scooter drivers, but price is paramount. There Ather has a disadvantage; its Ather 340 sells for roughly $1,600 and its Ather 450 for $1,770. Equivalent gas-powered models go for about $950. Electric competitors have also popped up, with local websites offering comparisons of the best electric scooters for sale.

The pair plan to lower prices by taking advantage of subsidies and tax breaks being rolled out across India to incentivize lower emissions. Mehta says customers are also drawn to the bikes' interactive touchscreen dashboards and built-in Google-backed navigation systems, along with faster acceleration than gas-powered kin.

"Not even 5% of our market is the hip, T-shirt wearing, Apple watch-using, Uber-taking kid we expected," says Mehta. "You'd be surprised, a lot of people are actually extremely keen for a lot of freshness in the market. We've had a massive change of opinion on who is going to buy our product." Creating more sustainable transportation is only one piece of the puzzle though, says Mehta. "Twenty years from now, Ather should be way beyond an automotive company," he says. F

CHARGING AHEAD

Can India successfully switch over to electric scooters? Scooter charging needs to happen largely at home, says Mehta, and the installation of charging points in customers' homes, as well as across cities the e-scooters ride in, is key to the infrastructure. "I was honestly worried that when we started installations, people would drop out," says Mehta, "but the success rate in Bangalore has been over 90%."

If every two-wheeler in India went electric, Mehta estimates, annual electricity consumption would actually rise by 6%. But the additional vehicles would place almost no extra demand on India's already overtaxed power grid. He compares charging each bike to everyone going out and purchasing two new fans for their homes, products with nominal impact on a household's electricity use.

Magic Touch

Siam Wellness is creating a Thai-based wellness chain, bringing its massages to a new level of *ahhh*.

BY DANIELLE KEETON-OLSEN

Wiboon Utsahajit at a Let's Relax Spa outlet in Hotel Nikko Bangkok

BRENT LEWIN FOR FORBES ASIA

Their massage parlors began as a closely guarded secret. Wiboon Utsahajit and Prasert Jiravanstit tried to maintain appearances, working for their respective family businesses. Unbeknownst to their parents, however, they would slip away on weekends from Bangkok to the northern city of Chiang Mai to run a Thai massage chain they started called Let's Relax.

That was 1998. What Wiboon and Prasert started in stealth has become one of the few publicly traded spa companies in the world, Siam Wellness Group. The company also stands out by using big data analysis to improve its services—and profits.

"At that time, massage parlors weren't that clean," says Wiboon in an interview in a Let's Relax branch inside Bangkok's Hyatt Regency. "The good ones were in the hotels. They were clean, but the therapists weren't professional. And at the mom-and-pop shops, the therapists didn't look good, but their skills were good. So we decided to open something better."

Since opening their first Let's Relax 21 years ago, Prasert and Wiboon have launched five more spa brands with 69 branches around Thailand as well as in Cambodia, China and Myanmar. Siam Wellness is also listed on Thailand's stock exchange with a market capitalization of roughly $260 million. Now, fueled by rapid earnings growth, Siam Wellness aims to become a global massage and wellness brand.

Prasert and Wiboon, both 55, didn't have a background in massage. Wiboon, whose family ran a copy and printing business, earned a bachelor's degree in computer science from the University of Southern California. It was there he met Prasert, whose family makes shoes. After graduating, the two set up a business importing goods to Thailand to sell to tourists.

Running a business takes legwork, and Wiboon soon developed foot problems. The relief he found from Thai massage inspired him to take a class in the technique. Soon, he and Prasert got the idea to start a branded Thai massage chain marketed to tourists.

Their first Let's Relax was somewhat typical: an unregistered parlor in a night market. Small, often unregistered, family-run businesses still make up about 90% of Thailand's spa market, which Thailand's Public Health Ministry values at $1 billion (sales).

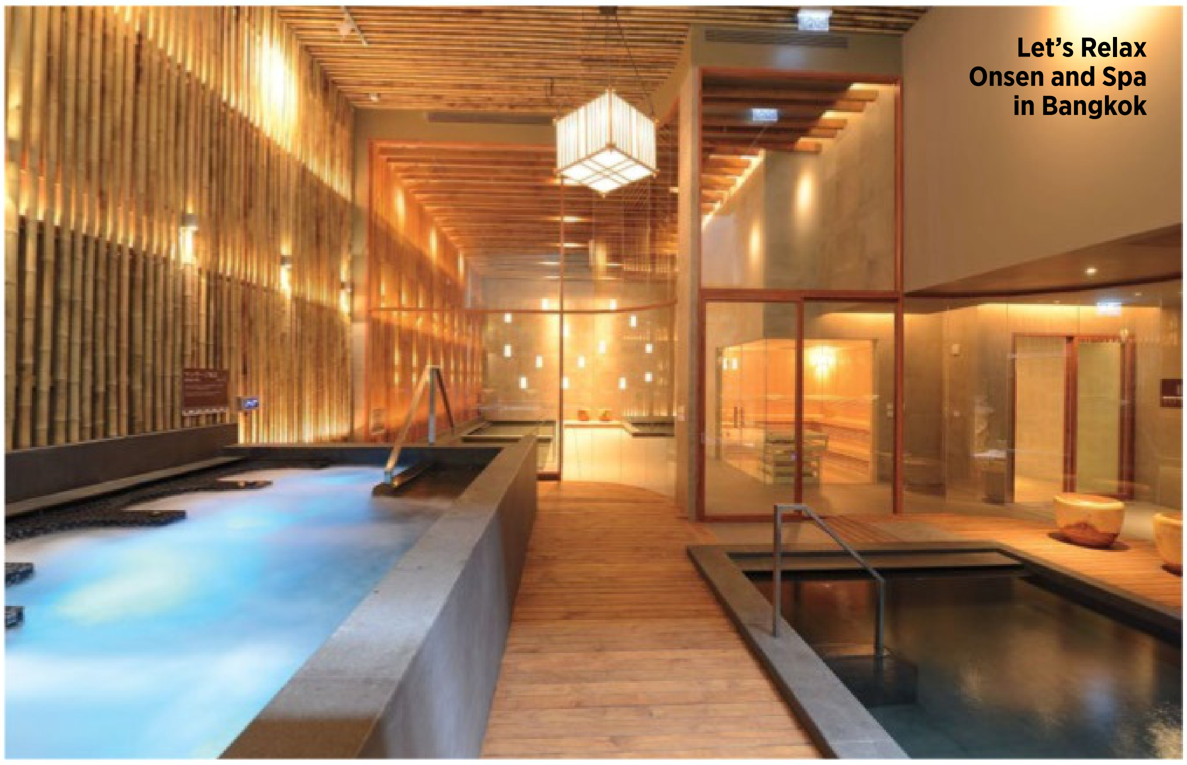
As Let's Relax's first shop was unregistered, Wiboon says sometimes police raided the outlet. It was one of these raids that tipped off his family to his side hustle.

Staff panicked during a raid trying to telephone him while traveling abroad instead reached Wiboon's sister. "She answered [my staff's call] like, 'What massage? What kind of massage? Who is this?,'" Wiboon says. "Finally the receptionist had to tell my sister that this business belonged to me, so the secret was no more."

Once his family was in on the secret, though, they saw the opportunity. He began recruiting siblings and cousins to executive positions, including Wiboon's nephew Narun Wiwattanakrai, now Siam Wellness' chief marketing officer. Before long, Siam Wellness surpassed the family's copy-print business in size. Siam Wellness emphasized on bright, clean interiors and efficient service. The company portioned massage oil and lotions into individual sachets so it could determine usage per massage.

Next came data mining. Armed with his computer science degree, Wiboon designed and commissioned a customer registration system that collects basic customer details, treatment preferences and any health issues, which Narun then uses to devise targeted promotions and spot tourism trends. One they saw early on was the growing numbers of mainland Chinese tourists, so Siam Wellness now actively markets to Chinese tour groups.

Soon, Siam Wellness was branching out, launching in 2005 a destination spa resort, RarinJinda, which now has three locations. In 2007, it created a company to market its own massage oils and other products, Siam Wellness Lab, followed in 2011 by its own massage school, Siam Wellness Education. In 2015, it bought rival massage chain, Baan Suan, with 10 branches.



Let's Relax Onsen and Spa in Bangkok

The company enjoys gross margins over 30% and net of 20%.

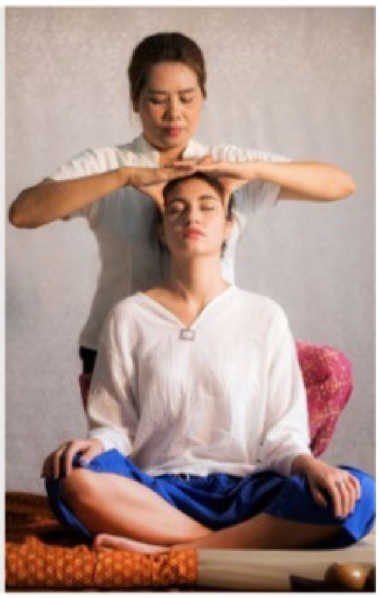
In late 2014, Siam Wellness went public, raising 280 million baht ($8.7 million) on the Stock Exchange of Thailand's market for small and midsized enterprises. Profits have soared since: Siam Wellness last year reported $6.4 million in net profit, up 17% from 2017 but six times what the company was earning when it listed. The company enjoys gross margins over 30% and net of 20%.

Siam Wellness' growing branch network abroad, analysts say, can help it weather a slowdown in outbound China tourism to Thailand. It's also diversifying, adding a facial care salon, makeup studios and yoga studios.

Expansion puts Siam Wellness in competition with bigger, international names in hospitality. But Wiboon is confident that when it comes to Thai massage, Siam Wellness has a home-field edge. "At this point they have to run really fast to catch up," Wiboon says of his competition. "We have the advantage." F

Hands-on Experience

Thai massage—with its signature lemongrass-infused oil—has become a staple of the wellness industry. It's part of an ancient healing system first recorded in the original codex of Theravada Buddhism in the 1st century B.C., and traditionally passed down from master to trainee. At massage institutes such as the one at Bangkok's famous Buddhist temple Wat Pho, masseurs are trained to focus on 10 energy lines, called *sen* in Thai, that run through the body. A Thai massage can include stretching and kneading by hands—or even elbows, knees and feet.



LET'S RELAX SPA: SIAM WELLNESS GROUP; MASSAGE: ISTOCK/GETTY IMAGES PLUS


FIRST MOVE
with JULIA CHATTERLEY
NYSE
Hosted by Julia Chatterley, this new, fast-moving show, presented live from the floor of the NYSE, covers the latest market moves in the U.S. and around the world, and look ahead to the key business stories of the day.
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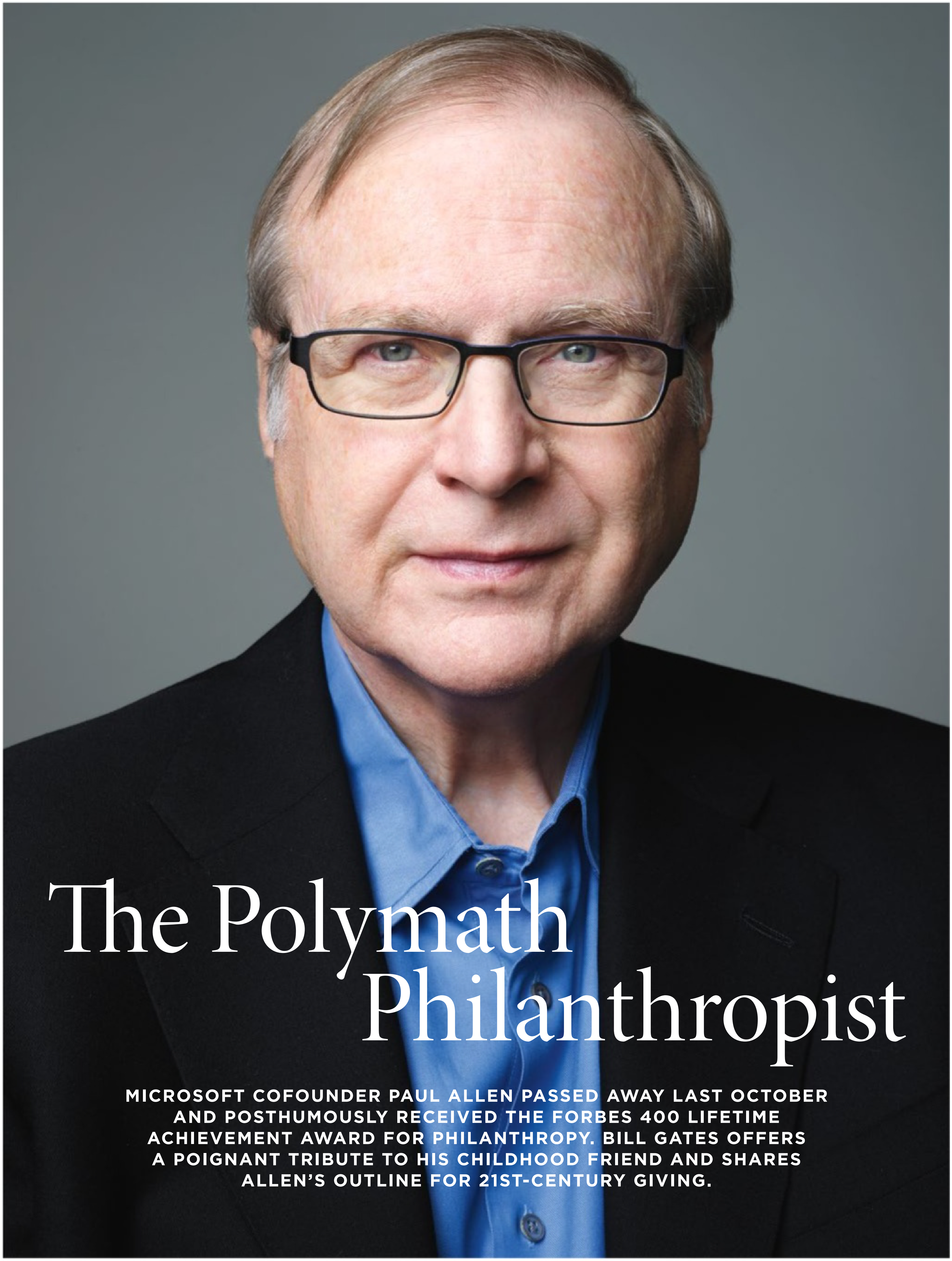


The Polymath Philanthropist

MICROSOFT COFOUNDER PAUL ALLEN PASSED AWAY LAST OCTOBER AND POSTHUMOUSLY RECEIVED THE FORBES 400 LIFETIME ACHIEVEMENT AWARD FOR PHILANTHROPY. BILL GATES OFFERS A POIGNANT TRIBUTE TO HIS CHILDHOOD FRIEND AND SHARES ALLEN'S OUTLINE FOR 21ST-CENTURY GIVING.

MARTIN SCHOELLER-AUGUST IMAGES

To fully appreciate the philosophy behind Paul's giving, you need to know one thing about him: Paul was driven by an incredible curiosity his whole life.

Even when we were just kids, he seemed to be interested in just about everything. Later in life, Paul gave to a huge spectrum of issues that seem unrelated at first glance.

He wanted to prevent elephant poaching, improve ocean health and promote smart cities. He funded new housing for the homeless and arts education in the Puget Sound region [outside Seattle]. In 2014 alone, he supported research into the polio virus and efforts to contain the Ebola outbreak in West Africa—all while setting up an amazing new institute for studying artificial intelligence.

If you knew him, the logic in Paul's portfolio is easy to see. He gave to the things that he was most interested in and to the places where he thought he could have the most impact.

I wish Paul had gotten to see all of the good his generosity will do. He was one of the most thoughtful, brilliant and curious people I've ever met. He deserved so much more time than he got—although no one can say his wasn't a life well-lived. F

Hackers' Delight

Our school bought this teletype, and we were obsessed with it. It was really expensive to use—$40 an hour! The only way for us to get computer time was exploiting a bug in the system. We eventually got busted, but that led to the first official partnership between Paul and me: We worked out a deal with the company to use the computer for free if we would identify problems.

Tuning In

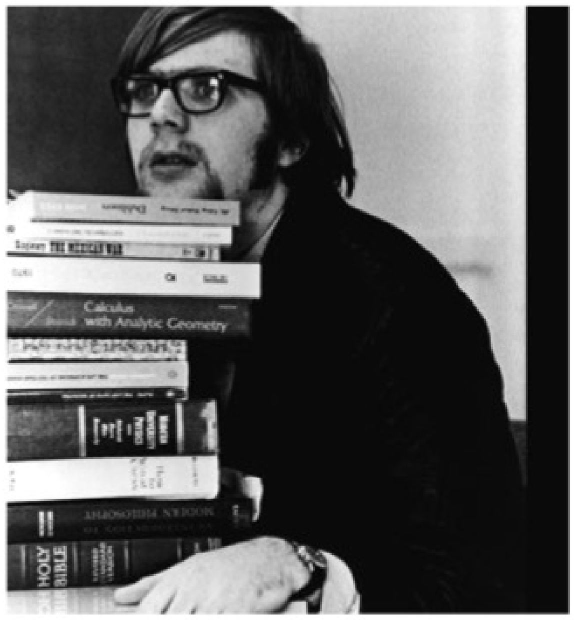
Paul was also cooler than I was. He played the guitar and was really into Jimi Hendrix, and I remember him playing "Are You Experienced?" for me. Paul was so passionate about the album that he wanted to share it with me. His early love for music—and pop culture in general—would end up influencing a lot of his giving later on.

Champs!

Paul wasn't a big football fan when he bought the Seahawks. But he wanted to help Seattle—so he took a risk and became the new owner. Clearly, it paid off.

Book Values

This was his high school yearbook picture. He always loved to read, and this stack includes James Joyce's *Dubliners*, textbooks on philosophy and physics, and the Bible.

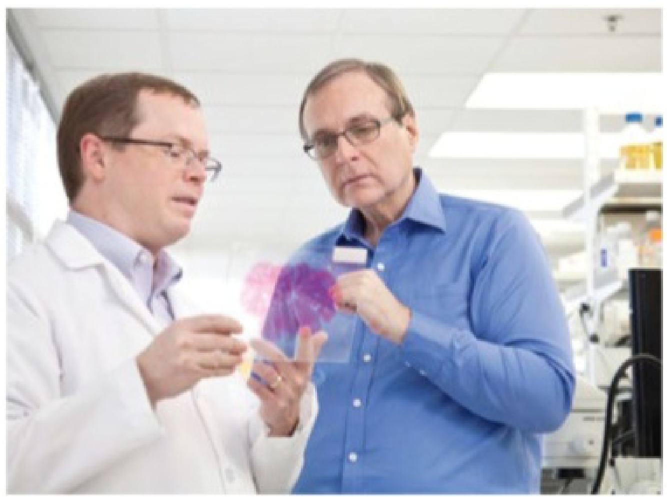


Microsoft's Magic

This was taken right after the company started to grow and we relocated from Albuquerque, New Mexico to Seattle. The machines in this photograph are the ones we actually used to program a lot of Microsoft's early software.

Mind and Money

When I first heard he was creating an organization, the Allen Institute, to study brain science, I thought, "Of course." Paul had been obsessed with understanding the human mind since we were kids.



COURTESY BILL GATES

HUBRIS

"And the devil did grin,
for his darling sin is pride
that apes humility."
Samuel Taylor Coleridge

"Conceit spoils the finest genius."
Louisa May Alcott

"I'm the greatest golfer!
I just haven't played yet."
Muhammad Ali

"Once, many, many years ago, I thought I had made a wrong decision. Of course, it turned out I had been right all along. But I was wrong to have thought that I was wrong."
John Foster Dulles

"Some of the biggest cases of mistaken identity are among intellectuals who have trouble remembering that they are not God."
Thomas Sowell

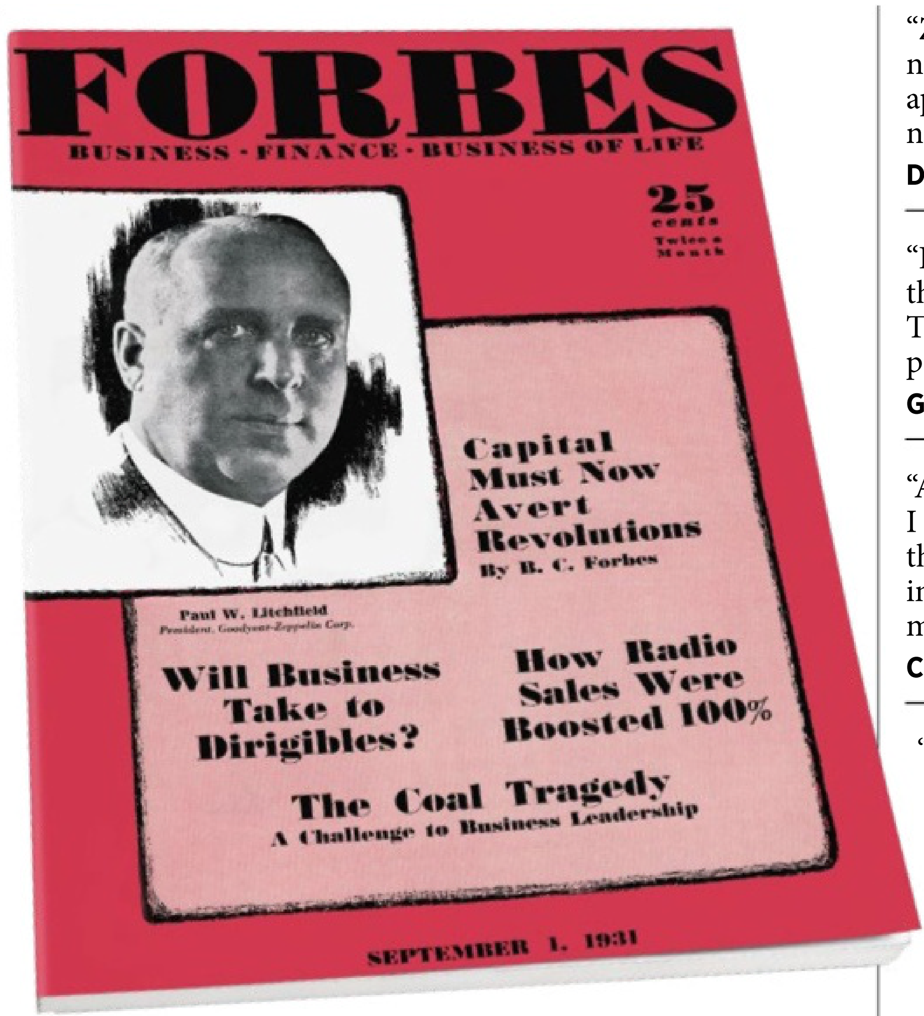
"It is the certainty that they possess the truth that makes men cruel."
Anatole France

"Should man call himself master and emperor of the world, of which he has not power to know the least part, much less to command the whole?"
Michel de Montaigne

"Hubris is one of the great renewable resources."
P.J. O'Rourke

"Nothing is more beautiful than to know all."
Athanasius Kircher

"When the divine element in them became weakened, and their human traits became predominant, they ceased to be able to carry their prosperity with moderation."
Plato



Dirigible Dreams: September 1, 1931

The U.S.S. *Akron* was a marvel, a 240m-long helium-powered dirigible that could travel 20,000km without refueling. The Goodyear-Zeppelin Corp. and its president, Paul W. Litchfield, built the *Akron* for the U.S. Navy—it cost some $84 million in current dollars—but it was easy to envision using similar aircraft to ferry both passengers and mail "with **perfect safety and dispatch**." Sure, past airships had "been destroyed by . . . fire or structural failure," but by fall 1931, it appeared that both problems had "been minimized to the disappearing point." That titanic bravado was dashed in the waves of the Atlantic Ocean less than two years later when a squall off the New Jersey coast brought down the *Akron*, killing all but 3 members of its 76-person crew. The world's fascination with zeppelins would collapse four years later, when the *Hindenburg*—filled with hydrogen after U.S. trade restrictions sapped Nazi Germany's helium supply—concluded its 63rd flight in a famous inferno that destroyed the balloon and killed 36 people.

SOURCES: THE DEVIL'S THOUGHTS, BY SAMUEL TAYLOR COLERIDGE; LITTLE WOMEN, BY LOUISA MAY ALCOTT; APOLOGY FOR RAYMOND SEBOND, BY MICHEL DE MONTAIGNE; TIMAEUS, BY PLATO; THE COLDEST WINTER, BY DAVID HALBERSTAM; MAJOR BARBARA, BY GEORGE BERNARD SHAW; ON EMPIRE, LIBERTY AND REFORM, BY EDMUND BURKE.

"Zeal moves the megalomaniac with a complete lack of appreciation for what he does not know."
David Halberstam

"He knows nothing, and he thinks he knows everything. That points clearly to a political career."
George Bernard Shaw

"Arrogance is in everything I do! It is in my gestures, the harshness of my voice, in the glow of my gaze, in my sinewy, tormented face."
Coco Chanel

"Whoever undertakes to set himself up as a judge of Truth and Knowledge is shipwrecked by the laughter of the gods."
Edmund Burke

"I am incapable of mediocrity."
Serge Gainsbourg

"A fool's mouth lashes out with pride, but the lips of the wise protect them."
Proverbs 14:3

FINAL THOUGHT

"It's so much easier to suggest solutions when you don't know too much about the problem."
—Malcolm Forbes

Advertisement

HONG KONG

You have read a lot, seen a lot, heard a lot about
the events and protests in Hong Kong.

But what you read, see, hear – or "share" on social media –
is just one piece of a complex social, economic and political jigsaw puzzle.
It is a puzzle that we will solve on our own.

And, it may take time.

But we are determined to achieve a peaceful,
rational and reasonable resolution.

A few points we would like to make …

- We are resolutely committed to "One Country, Two Systems" which provides the constitutional guarantee for Hong Kong's continued development and success as a free and open society and economy.
- Hong Kong people have a long tradition of peaceful and rational protest, which continues. But, we reject the use of violence to resolve our current challenges. Violence solves nothing. We place our trust and faith in the rule of law which has served us so well for so many decades.
- The Government has started a cross-sector dialogue to talk through differences and look for common ground with no preconditions in the spirit of healing and reconciliation. It is our sincere and solemn wish to discuss grievances, issues, problems and solutions in a calm, respectful and meaningful way.
- Hong Kong has always been a resilient, resourceful and reasonable society. Our people are our greatest strength and possess the wisdom and wherewithal to handle anything that comes our way. And we will.
- Despite recent disruptions, the fundamentals and institutional underpinning of our economy and society are strong. We remain a safe, open, welcoming and cosmopolitan society and an internationally connected, vibrant and dynamic economy.

**We will no doubt bounce back.
We always do.**

The Government of the Hong Kong Special Administrative Region
of the People's Republic of China