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Forbes Asia

— 200 —
BEST OVER
A BILLION

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CEO of San Miguel Food and Beverage

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Forbes Asia **BEST OVER** A BILLION

◀ **PAGE 30**

The inaugural Best Over A Billion list of the top-performing listed companies in the Asia-Pacific region with revenues of \$1 billion or more.

11 | FACT & COMMENT // STEVE FORBES

This past is no path for the future.

14 | TECH CONNECTOR // RICH KARLGAARD

Startups supreme.

16 | THOUGHT LEADERS // YUWA HEDRICK-WONG

Cross purposes.

TECHNOLOGY

18 | SPACE MAVEN

Singapore’s JustCo is capitalizing on Asia’s growing demand for shared workspaces.

BY PAMELA AMBLER

22 | THE NEW NUCLEAR

Some A-list names—including the Rockefellers, Charles Schwab and Buzz Aldrin—are chasing the sun at fusion-energy firm TAE Technologies.

BY CHRISTOPHER HELMAN

BEST OVER A BILLION

30 | TAPPING GROWTH

San Miguel lured investors back to its beer and food businesses by pouring both into a single stock.

BY ROEL LANDINGIN

33 | THE LIST

The inaugural Best Over A Billion list of 200 top-performing listed companies in the Asia-Pacific region with revenues of \$1 billion or more.

BY JONATHAN BURGOS

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▲ PAGE 52

“WE ARE NOT A COMMODITY. WE ARE FOCUSED ON THE MASS-AFFLUENT.”

—**Ron Sim**, Founder and Executive Chairman of V3 Group



▲ PAGE 78

“GIVING MONEY IS EASY. MORE IMPORTANT IS THE CONTACT—CONNECTING.”

—**Peter Woo**, Former Chairman of The Wharf (Holdings) Ltd.

ENTREPRENEURS

40 | DOING THE MATH

Former whiz kid Byju Raveendran turned his knack for numbers into a \$5.5 billion education technology giant.

BY ANURADHA RAGHUNATHAN

44 | CLOUD WARS

A bevy of startups aim to revolutionize how we predict and model the weather. Aging stalwarts like AccuWeather have the most to lose.

BY SUSAN ADAMS

SINGAPORE'S 50 RICHEST

52 | SITTING PRETTY

With KKR riding pillion, billionaire Ron Sim is retooling his massage chair and luxury tea businesses into a regional wellness giant.

BY PAMELA AMBLER

58 | ROOM AT THE TOP

Shipping tycoon Michael Kum always wanted to own a hotel. He got his wish in 2009, buying the first of what is now a \$1.6 billion hotel empire.

BY ANURADHA RAGHUNATHAN

62 | THE LIST

A new entry at the top of the list perks up a sluggish year.

BY JUSTIN DOEBELE & NAAZNEEN KARMALI

INVESTING

72 | ORACLE OF APOPKA

Eddie Brown grew up as a laborer in America's segregated South. What he's accomplished since is one of Wall Street's greatest untold stories, a study in growing rich on the ignorance of the crowd.

BY ANTOINE GARA

FORBES LIFE

78 | RELENTLESS PURSUITS

Five years after leaving the helm at Hong Kong developer Wharf, Peter Woo is finding more time for philanthropy, travel—and extreme sports.

BY RON GLUCKMAN

84 | SERENA'S NET GAINS

The most successful woman athlete ever is now translating her game and name into startup investing and entrepreneurial ventures. And she's figured out a formula that will make it hard for her to lose.

BY KURT BADENHAUSEN

UNDER 30 ALUMNI

97 | TASTE SENSATION

After developing his popular Japanese recipe video app, dely founder Yusuke Horie is testing sales for ready-to-cook frozen meals.

BY JAMES SIMMS

100 | THOUGHTS

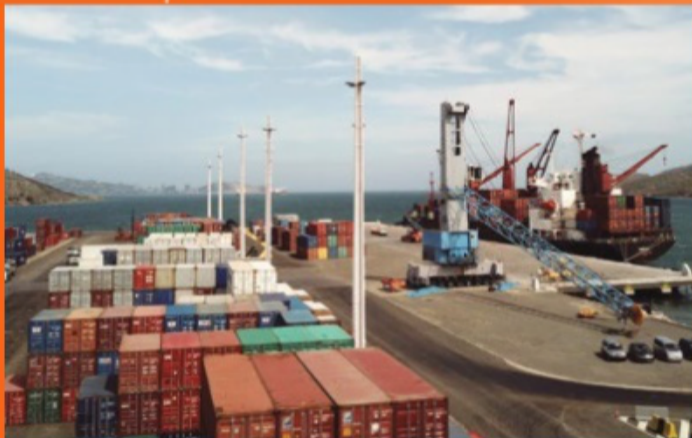
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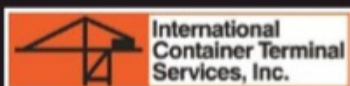
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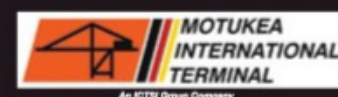


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September 2019 Volume 15 • Number 6

FORBES ASIA (ISSN 1793 2181) is published monthly, except bimonthly in May/June and July/August, with an additional special issue in October. FORBES ASIA is printed at Times Printers in Singapore. Singapore MCI (P) 069/12/2018. Malaysia KDN PPS 1411/01/2013 (022902).

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Being **the Best**

This issue inaugurates a new list: the annual Best Over A Billion, with 200 of the best-performing listed companies in the Asia-Pacific region with revenues of \$1 billion or more. The list was designed as a bookend to the notable Best Under A Billion, which selects the region's 200 best-performing companies below \$1 billion in sales.

The spectrum is now complete, with a group of 400 companies representing the top-performing companies in the region. While some chose to focus on one metric, such as sales, for rankings, the approach here is different: select the companies that perform well over a range of metrics, using a composite scoring system to find those managed astutely across the board.

The Best Under A Billion list has had a track record of identifying early on some of Asia-Pacific's most successful companies, such as Alibaba and Jollibee. By adding this second list, the radar screen has been expanded to the bigger firms in the region. The criteria for this second list, while not identical, was designed to be similar enough to create continuity, so companies showing up on the Best Under A Billion list can "graduate" to the Best Over A Billion list as their revenues top \$1 billion.

Another new metric introduced this year makes the connection between Best Over A Billion companies and those dominated by Asia-Pacific's business families or entrepreneurs. Unsurprisingly, the correlation was quite strong—nearly two-thirds of the 200 are controlled or connected to families or individuals who have appeared on *Forbes Asia* rich lists.

This finding makes intuitive sense, as the interests of key shareholders and those of their companies are strongly aligned. If the company does well, so will the family or the individuals. When one has many eggs in one basket, it's natural to closely watch—and grow—the basket.

Importantly, the motivation is to seek long-term sustainable growth, a hallmark of the Best Over A Billion companies, rather than short-term gains. That approach is an oft-proven method for gaining entry on one of the various regional rich lists, and why many members of these rich lists remain fixtures, year after

— 200 —
BEST OVER
A BILLION

— 200 —
BEST UNDER A
BILLION

year, on these rankings. It's a strategy that can be found in others, such as Warren Buffett, who has for decades remained one of the world's richest men due to his astute management of his Berkshire Hathaway, in which he is also a major shareholder.

Lessons can also be drawn from the other list in this issue, the Singapore rich list, whose collective membership of 50 continue to create wealth despite a slight overall decline in the Singapore stock market since the last iteration of this annual list. As long argued by *Forbes Asia*, entrepreneurs left to their own devices, with minimal interference and a level playing field, will always find a way to bring value to themselves and the society in which they operate. For any and all comments, feel free to email me at editor@forbesasia.com.



JD

Justin Doebele
Editor, Forbes Asia



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THIS PAST IS NO PATH FOR THE FUTURE

BY STEVE FORBES, EDITOR-IN-CHIEF

EUROPEAN ECONOMIC growth rates have lagged those of the U.S. for decades. Since the crisis of 2008, for instance, the average pace for the EU has been 0.9% versus almost 2% for the U.S.—and that 2% is regarded as subpar. This EU sluggishness (along with deep concerns over uncontrolled immigration) has spurred the rise of nontraditional, “populist” political movements. And how are existing parties responding? By promoting policies that guarantee even more economic stagnation: more taxes on corporations and the “rich,” more spending for social programs and pensions and more regulations on businesses. As the *Wall Street Journal* headlined, “Europe’s Political Parties Promise a Return to 1970s—To fend off populists, struggling parties embrace bigger government.”

Yes, our continental friends did do some things right, thanks to the successes of Ronald Reagan and Margaret Thatcher, primarily selling off government-owned businesses and somewhat reducing their sky-high tax rates—especially in recent years—on corporations. However, compared with U.S. standards, the EU’s tax and regulatory burdens are still crushing.

Every one of these countries has fearsome value-added taxes, which are really super sales taxes. In Denmark the VAT is 25%, in beleaguered Greece 24%, in the U.K. 20% and in Germany 19%. The U.S. has no VAT; most states have levies, but none above 10%.

Far worse are European payroll taxes. The American version, dubbed FICA, is 15.3% on the first \$132,900 of income and 2.9% on income above that. In contrast, the level in EU countries is, astonishingly, two to three times ours. In France, a sluggish economic performer since the 1970s, the payroll tax is 65%—45% paid by the employer, 20% by the employee.

Regulations, especially those regarding labor, have long been more onerous and severe than those in the U.S. Observers are only half-joking when they say it’s easier to divorce a spouse than it is to shed a worker in most of Europe. These burdens have been eased only slightly since the 1970s.

Structural changes in pensions for government bureaucrats or in labor laws are fiercely resisted, as any French president can testify. Germany was able to make some reforms in the early 2000s that led to better growth. But they cost the chancellor his job and have been chipped away at since then.



Countries that have upped their economic game a bit in more recent times, such as Sweden, Denmark and Hungary, didn’t go in an anti-Reagan/Thatcher direction.

What we see unfolding in the EU is a form of insanity: Keep applying what doesn’t work, and when that fails, do it some more. It reminds one of medicine a few centuries ago, when doctors would bleed patients: The worse they got, the more they were bled.

This is all the more reason to clear away the trade/tariff uncertainties that are holding back corporate investment. Businesspeople need to know what the rules are before they will commit. Provide those, and the U.S. economy will really roar—and that big success may provide a teachable moment to our floundering friends overseas.

Try Common Sense: Replacing the Failed Ideologies of Right and Left

By Philip K. Howard (*W.W. Norton*, \$25.95)

HERE’S A SMALL BOOK with blockbuster content. It gets to why, even in the midst of a strong economy, Americans feel there is something deeply wrong with our country today. We once were a commonsense, can-do country. Yet we’ve become a place seemingly stuck in molasses, and we are ever more fearful of inadvertently offending something or somebody. Society has never seemed so disputatious.

Why, for decades, have we been inundated with an endless blizzard of nitpicking rules and regulations? Why does it take ten years to build a highway that once took two years? Why can’t teachers discipline students anymore? Why can’t grossly incompetent or abusive government workers be fired without immense, time-consuming procedures? Why have judges lost control of their courtrooms to extortionist litigants? Why have so many colleges and universities surrendered to anti-free-speech extremists? When things are not done right in the government, why is it impossible to insist on responsibility?

And the political consequences are serious, as people increasingly feel they’re losing control over their lives.

Howard says the crisis began in the late 1960s, when the notion grew in law schools that society would run better

and more fairly if we were governed by precise rules that would minimize individual discretion, thereby preventing the exercise of arbitrary power. The situation was made worse by the rise of government unions that have made the removal of nonperforming personnel a virtual impossibility.

Howard's short yet blood-pressure-raising book makes the case that the current political parties—rhetoric to the contrary—are too vested in the status quo to make the radical changes that would allow America to again be the practical culture we once were.

True, the Trump administration is making a sustained effort to roll back provisions that have been crushing the economy, an effort that has been crucial to the economic resurgence since 2017. But these gains still pale beside the 150 million words (this is only a rough estimate, as no one really knows) of rules and regulations out of Washington that have stultified American life for a half century. How durable will the Trump gains be? Judging from attempts by several preceding administrations to curb excesses, the regulatory onslaught will resume as soon as there is a political change. Like kudzu, it seems unstoppable.

Congress, for example, struts about issuing statements, holding hearings and raising funds but defers real responsibility to others, particularly administrative agencies. Call it press-release politics.

Independent judgment by officials achieving real results and being individually accountable for performance have been smothered by a culture of operating by the rules. "Terrible officials, teachers and contractors keep their jobs because they fill out the forms correctly. . . . Washington is run by inertia. No one wants responsibility for actual results."

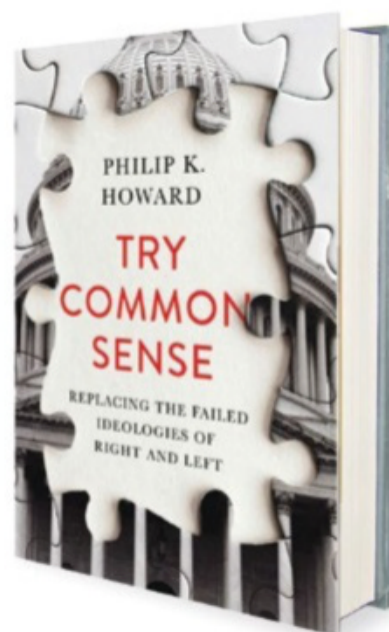
The consequences of this tsunami of rules go beyond government. Businesses

spend more and more brainpower and resources trying to comply with idiotic strictures. Howard cites the case of an upstate New York apple orchard that is subject to 5,000 rules from 17 different programs and agencies. One particularly nonsensical edict: When apples are removed from a tree, the cart in which they are put must be covered by a tarp lest birds poop on them. Remember, these apples have been on tarpless trees for five months before being harvested and will be rigorously washed when they get to the shed!

Undermining democracy with a blizzard of nitpicking, suffocating rules was a danger foreseen by Alexis de Tocqueville, author of the still highly pertinent book *Democracy in America*. He warned back in the 1830s of "a network of small complicated rules, minute and uniform, through which the most original minds and the most energetic characters cannot penetrate. . . . The nature of despotic power in democratic ages is not to be fierce or cruel, but minute and meddling."

What's to be done? Here are some remedies.

• **Regulation by principles, not massive rule books.** Among the examples cited by Howard is the case of Australian nursing homes. Thick rulebooks were replaced with 31 general principles. Result: "Within a short period, nursing homes were markedly better because . . . the operators, regulators, and family representatives started focusing on quality instead of compliance."



• **Remove most government agencies from Washington and relocate them around the country.** This way officials would be living and working among real people instead of being ensconced in the Beltway bubble.

Performance would improve as well. The effective Centers for Disease Control & Prevention is located in Atlanta. The Food & Drug Administration, for example, could move to a science-oriented locale, such as Boston. The Department of Housing & Urban Development could pull up stakes for the reviving city of Detroit.

Decentralizing the federal government would also make life infinitely harder for the hordes of lobbyists to ply their trade: Agencies would no longer be a cab ride away.

• **File the lawsuit of the century.** Thanks to unions and ill-conceived legislation, it's virtually impossible to fire government workers. This dramatically hurts performance and has made it impossible to hold bureaucrats to any kind of accountability. This is demoralizing to people who are actually dedicated to their work. And it makes for bureaucratic bloat.

But such civil service invulnerability is unconstitutional. Article II of the Constitution gives the president the power to remove executive branch employees. James Madison, considered to be the intellectual father of the Constitution, said: "If any power whatsoever is in its nature executive, it is the power of appointing, overseeing and controlling those who execute the laws." The whole civil service reform movement of the late 19th century was about stopping the hiring of political hacks and instead relying on exams to test for competency. It was not about the president's power to dismiss government employees. A successful suit here would dramatically change the culture of modern governance.

Howard also discusses other actions.

Kudzu may be unstoppable, but the poisonous plants of witless, asphyxiating, ever proliferating rules and unresponsive, unaccountable government bodies can be halted and rooted out—but as this book makes clear, only if we, the people, take action. **F**



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SINGAPORE

Startups Supreme



John Chambers, who just turned 70, prefers to take any stage at a run. In his tech trendy uniform—blue blazer, designer jeans, checked shirt, and blue boat shoes—he still exudes the physical energy of his successful tenure as CEO at Cisco Systems, which he

grew from an annual revenue of \$2.2 billion in 1995 to \$49 billion in 2015 when he stepped down. Today Chambers runs his own boutique investment firm, JC2 Partners, in Palo Alto, California. He prefers to call himself a mentor to startup CEOs rather than a venture capitalist. When he's not in Silicon Valley he can often be found in India, where he advises Prime Minister Narendra Modi's government on digital transformation and the economy. I caught up with Chambers in mid-August:

Forbes Asia: Why are you interested in startups?

Chambers: I did 180 acquisitions at Cisco. Though Cisco was big, I had to think like a startup CEO. I believe that most of the innovations will come from startups in the future. Large companies are motivated by this quarter and this year. But big innovations take you three to five years out, and you need courage to go for it and no fear to make it happen. That favors a startup mentality.

That's not the accepted view. Many forecasters think tech giants like Google, Amazon, Alibaba and Tencent will drive innovation for the next decade.

Not what I see. I teach at Stanford. I forgot the last Stanford student that went to a large company. They go to startups. Same thing at MIT. Same thing with the IITs in India. Even with Polytechnique in France. The world desperately needs healthy startups. Large companies, because of AI, are not going to grow head count for the next decade. Or maybe ever again. So therefore all job creation will have to come from these smaller companies getting big.



Are you overhyping digital transformation and AI?

No. It's the biggest trend in the last 30 years, since the commercialization of the Internet. Bigger even. It will produce an impact two or three times what the Internet did and in a much faster pace. It is accelerating.

How do you like being a VC?

I'm not a real VC. I'm more of a strategic partner with these startups. I bring in talent to help them grow in scale. I'm a mentor and coach, and an investor. Once the team gets to know me, investing is probably number three or four of what they're after in terms of my time and my energy. I teach about 40 individual sessions a month. My idea of fun is to take 12 startup CEOs on a week of camping and fishing in Alaska.



“My idea of fun is to take 12 startup CEOs on a week of camping and fishing in Alaska.”

John Chambers at various events and conferences.

Will Silicon Valley remain the dominant hatchery for high-tech startups?

The \$600 billion in the valuation of U.S. unicorns gives Silicon Valley a false sense of optimism. In truth, the number of startups that are being put in the pipeline and the number that are coming out is half of what we did the 1990s.

Why are you so bullish on India?

If you believe that digital transformation and AI are economic and social game changers, with a potential impact greater than the internet, then you look at how a country thinks about this for their future. PM Modi is the best leader in the world on this topic. He gets the need to build a startup ecosystem because that's where the majority of your jobs will occur. He gets the execution, too: How you change education, build smart cities, improve security, create inclusion. I've met every leader in the world multiple times over the last 30-some years, and Modi is in the top three. I would say India is executing at the very high end of what is occurring anywhere in the world. The economy in India, in my opinion, will grow between 7% to 11% for the next decade.

Is that growth sustainable?

You're really asking, "Is India different?" Yes, and it's not just Modi's vision. It's their IITs. India is graduating 600,000 engineers a year. A dozen of the IITs are doing startup incubation groups. Remember, it took China over two decades to really get rolling in tech startups and then go explosive in the last 10 years. India may make this move in literally a decade.

Sort of like Singapore under Lee Kuan Yew.

If Singapore had 200 million people, it'd rule the world.

Are you bullish on the rest of Southeast Asia?

I think Southeast Asian countries like Indonesia and Vietnam will be the next inflection points. Their economies are already growing mid-single digits, maybe a little bit better than that. They have young populations. They have a role model in India. Deep down most of them have a fear of China, which means they will be more of a follower of India. So, yes, I think in India is where I'd double down today and Southeast Asia is where I'd be doubling down in 5 to 10 years. **F**

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.

Cross Purposes



The global economy is getting more turbulent. Edgy market sentiment could flip to bearish from bullish. Perversely, stock markets are rallying not because of the prospects for healthy growth, but on expectations that central banks will cut interest rates. Making the wobbles worse is the fact that President Donald

Trump has weaponized both trade and the dollar in pursuing his avowed goal of making America great again.

In imposing sanctions and tariffs—as well as banning American firms from doing business with a growing list of foreign companies on grounds of national security—Trump has enfeebled global trade, turning it into a brake on global growth. The business outlook has dimmed not because of poor fundamentals, but because companies are no longer sure where and with whom they can invest and expand without incurring the ire of President Trump, which affects companies in the U.S. and the rest of the world.

The China-U.S. trade war is especially damaging because it effectively puts global investment on ice and suspends any meaningful forward planning. Many American companies are also deeply worried about their business in China, which generates around \$250 billion of revenues annually.

Trump is also weaponizing the U.S. dollar, instructing the U.S. Treasury to put more countries under surveillance for suspected “currency manipulation,” making them vulnerable to potential retaliatory sanctions. No surprise that China has been named “currency manipulator” by Trump, but the list also includes many of America’s closest allies in Asia and Europe. Trump also changed the rules to make it easier to label a country a currency manipulator.

However, concurrent to these moves is Trump’s own hectoring and pressuring the Federal Reserve to cut interest rates to support domestic growth, which would weaken the dollar and make American exports

more competitive. All of these shenanigans have made currency markets more volatile, which directly affects global trade volumes, according to IMF chief economist Gita Gopinath.

Trump’s actions on trade and currency are now imposing a discernible drag on global economic growth. Less apparent is the deeper threat they pose to global economic stability. In weaponizing trade, Trump has infected the global economy with a deep uncertainty, driving footloose capital to seek the relative safety of the U.S. dollar, the de facto reserve currency of the global economy.

This serves to push the dollar upward—the exact opposite of what Trump wants. Trump is working at cross-purposes and succeeding only in destabilizing the global economy. In the language of physics, turbulence results from the mixing of chaotic changes in energy flows bumping up against each other from different directions. This is what is happening to the global economy. Global economic stability will inevitably return once trade and interest rates are normalized. Under Trump, neither of those things is likely to happen anytime soon. **F**



In weaponizing trade, Trump has infected the global economy with a deep uncertainty.

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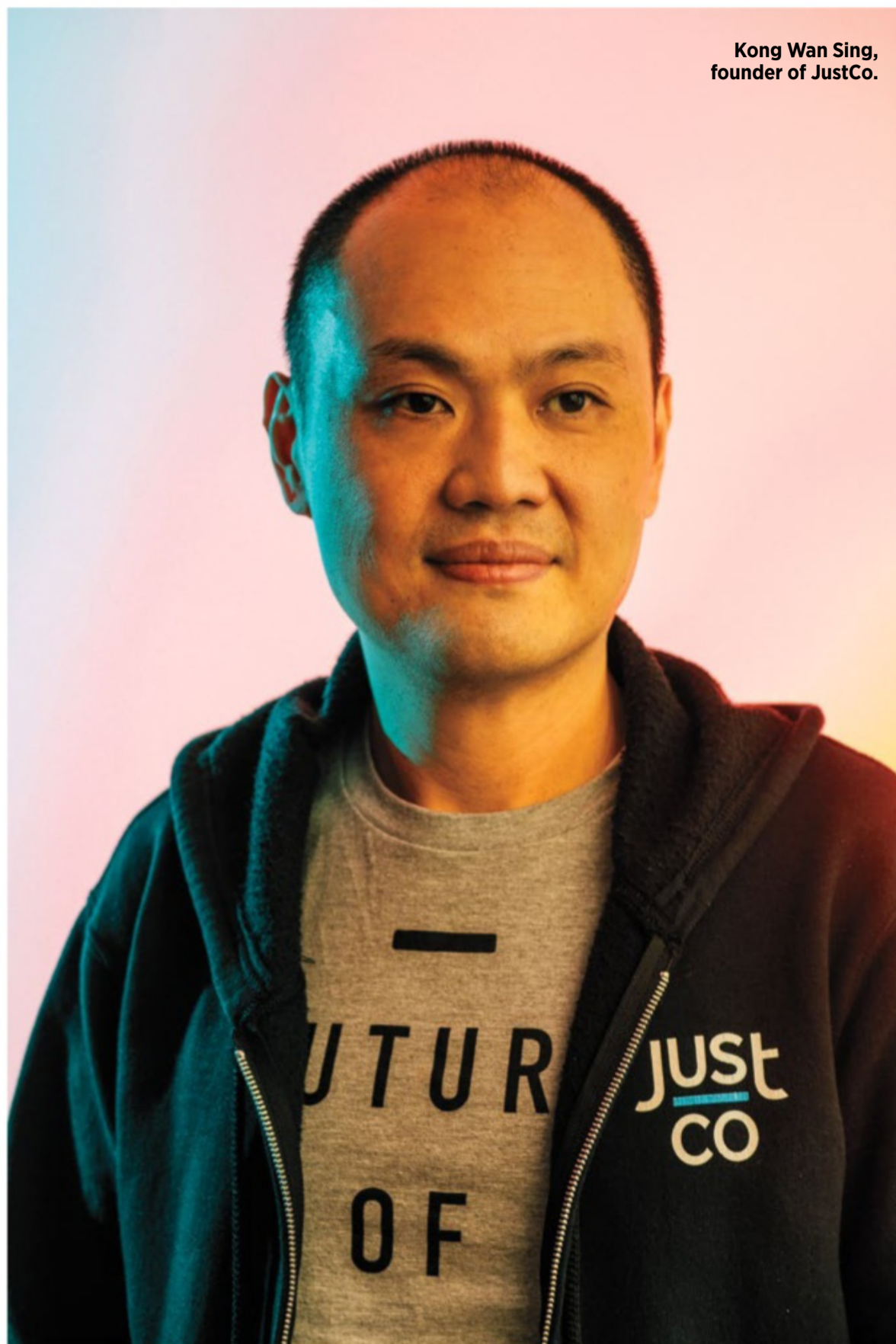
Singapore's JustCo is capitalizing on Asia's growing demand for shared workspaces.

BY PAMELA AMBLER

Kong Wan Sing has bounced back from a brush with entrepreneurial oblivion. Early last year, he walked away from a merger he needed to keep his Singapore-based coworking space operator, JustCo, from being gobbled up by the likes of giant rival WeWork. The deal would have combined JustCo, Southeast Asia's largest operator, with WeWork's closest rival in China, Shanghai-based Naked Hub, creating a combined entity valued at roughly \$600 million. But as the two companies were conducting their due diligence, Kong started to see cracks forming in the relationship.

Rather than try to paper over the differences, Kong rejected the advice of shareholders and made the fateful decision to go it alone. "It was painful to kill the merger because I had no clue how to grow the business anymore," says the Malaysia-born Kong, 42. "If I don't merge to get bigger, I get consolidated or I get killed off."

But JustCo wasn't killed off. On the contrary, the company Kong founded in 2011 is on track to triple its regional footprint by the end of the year, to more than 140,000 square meters of office space in eight cities in Australia, Greater China and Southeast Asia. And Kong is busy raising \$500 million in new funding, a deal he expects to close by year-



Kong Wan Sing,
founder of JustCo.

end that will bring the total raised to more than \$700 million.

Asia's larger landlords and developers are also jumping into this game. In Hong Kong, Swire Properties in 2015 opened its own flex space, Blueprint, while Hongkong Land is set to launch its own coworking space this year. In Singapore, CapitaLand is installing flexible workspaces in two of its prime office buildings.

JustCo offers larger spaces than most of its competitors for less than WeWork; a desk at JustCo starts at below \$300 a month, compared with \$400 and up at WeWork. WeWork declined to comment for this article.

Entrepreneurship is in Kong's blood. His father ran a textile business in Malaysia, Sing Long Group, supplying the likes of Adidas, Nike and Reebok. After earning a bachelor's degree in fi-



Shared Opportunity

JustCo's expansion comes at what appears an opportune time: demand for flexible work space in Asia is outpacing any other region. Coworking space in Asia is growing roughly 36% a year, according to property consultant JLL, compared with 26% in the U.S. and 22% in Europe. The proliferation of startups is feeding this trend, as many of them prefer shared workspaces.

Even multinationals are making room for shared space, lured by the ability to rent fully furnished space with more flexible leases. Roughly 60% of JustCo's tenants are big corporations, including Dropbox, General Electric and Grant Thornton.

Serviced offices have been around for decades, but shared offices offer much more than a receptionist and desk. Many offer a shared kitchen and bar, common games such as billiards and space for yoga and meditation. They also take advantage of social networking tools to match clients to potential business partners.



nance and information systems at NYU Stern School of Business in 1998, Kong turned down an offer to work at Goldman Sachs. Instead, he moved to Boston at the height of the dot-com era to develop an equity research website with a classmate. Within six months, his firm folded and Kong took a job at Ernst & Young in New York.

Back home in Malaysia, Kong's father, facing a shift in manufacturing to China, sold Sing Long's factory and invested the cash in property. Not wanting to rely on outsiders to develop the land, Kong's father phoned his son, who eagerly ditched his job in accounting to come home. By 2007, Kong had built six residential and commercial buildings and, all the property sold, retired from development to perfect his golf game,

even considering turning pro. His mother talked him out of it. "My mom told me, 'Hey, you got to stop this,'" Kong recalls. "She said, 'Go get a job in Singapore. Learn from big firms.'"

So he did. Kong landed a job at Mapletree Investments, the property arm of Singapore's sovereign fund, Temasek. It was there he first saw business center operators such as Luxembourg-based Regus capitalizing on the shift to flexible workplaces. "I felt they were lacking something, the human touch," he says. With \$5 million in seed financing from his family, Kong in 2011 started JustOffice and launched his first serviced office in downtown Singapore. Within two months, JustOffice had leased out its space, so Kong rented another floor in the same building, then another floor in the office tower next door. Six months later, the space was filled and Kong rented another floor.

By 2015, JustOffice could boast that it was the biggest coworking space operator in downtown Singapore and began turning its gaze to the rest of Asia. Funding to expand rolled in. In 2015, Kong raised \$8 million for an undisclosed stake from Singapore's Pinetree Capital and Paris-based

Tikehau Capital Partners. In October 2017, the company—now renamed JustCo—raised another \$12 million for a 7% stake from Thai property developer Sansiri International, which JustCo says valued it at \$200 million.

But JustCo wasn't the only coworking company expanding: in mid-2017, SoftBank and Beijing-based Hony Capital pumped \$500 million into New York-based WeWork to fund its own Asian expansion. WeWork then bought Spacemob, a smaller coworking space operator in Singapore and started snapping up space across Southeast Asia. Kong knew even as the Sansiri deal was closing that he was outgunned.

It was then he sought out Grant Horsfield. Horsfield, a South African entrepreneur who moved to Shanghai in 2007 and started Naked Group. By 2017, he had built his Naked Hub into China's biggest coworking space operator, with 21 locations. Kong flew to Shanghai to meet Horsfield. Over a steak dinner, they bonded over their shared vision. A merger between JustCo and Naked Hub seemed a foolproof way to fend off WeWork, Kong says: "He'd look after China, and I'd look after outside China," Kong says, "and conquer Asia together."

Kong also started talking to Singapore's sovereign wealth fund GIC in 2016 about an investment into JustCo. Those talks got more serious, Kong says, when he told GIC it might soon be able to invest in a pan-Asian workspace operator with exposure to China.

As the merger talks ground on, though, Kong began to have doubts. "The DNA of how he runs the company and how I run the company are very different," says Kong. The two entrepreneurs tussled over management, he says, and their external communications began to reflect different interpretations of the deal. It became apparent to Kong that Naked Hub saw JustCo as the junior partner.

Horsfield agrees somewhat. "I think from our perspective the partnership just didn't make sense once all JustCo's demands were considered. Very possibly a different DNA," he says. "For us it was a very lucky miss."

Kong's shareholders were still gung-ho for a merger, though. "They all kept telling me to swallow whatever ego you have," says Kong. Late one night the following January, however, he called with his decision: the merger was off. Kong

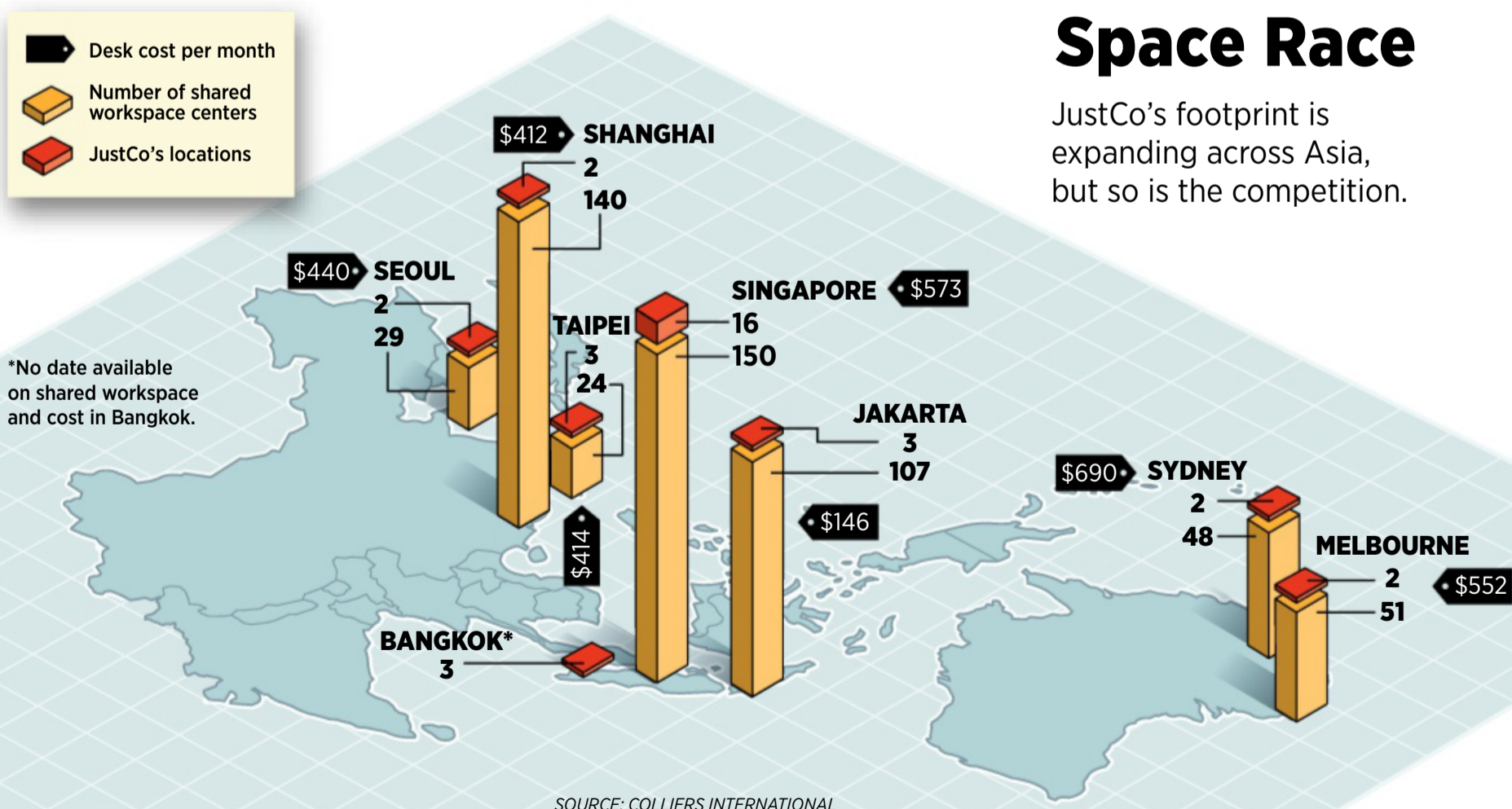
then told GIC the news, he says, and suggested they might want to consider investing in Naked Hub alone.

But GIC had a different reaction. A week later, Kong says, it told him it would prefer to invest in JustCo and fund its expansion into Naked Hub's China turf. Shortly thereafter, Kong says he got a call from the CIO of Singapore-based, Thai-owned Frasers Property, Uten Lohachitpitaks, asking Kong to visit. "The next day I was meeting with Panote Sirivadhanabhakdi," Kong recalls, Frasers' CEO and the son of Thai billionaire Charoen Sirivadhanabhakdi. Frasers wanted in, too. "JustCo's platform as a service approach is aligned with Frasers Property's commitment to deliver enriching and memorable experiences for our customers," says Panote, in an emailed comment.

In May 2018, Kong reached a deal for JustCo to issue new shares and sell 70% of the company to GIC, Frasers and Kong for \$177 million. Kong retained roughly a third of the company after the deal, according to JustCo, while its remaining shareholders were diluted down to a 30% stake.

Around the same time, Horsfield sold Naked Hub to WeWork for \$400 million and JustCo opened its first space abroad, in Bangkok. That was the start of a rapid Asian expansion that has now taken JustCo into Australia, Greater China and South Korea. Less than a year after Kong walked from the merger with Naked Hub, JustCo had surpassed the size of their combined entity. By the end of this year, JustCo aims to have 40 locations and is eyeing India and Japan.

It's also moving beyond leasing its own properties and instead running someone else's. Singapore's GuocoLand, for example, has appointed JustCo to manage three floors in one of its downtown office towers. "The design of JustCo's latest coworking concept will further enhance our building's vibrancy," says Valerie Wong, general manager of commercial for GuocoLand Singapore, in an emailed comment. Kong says he's pursuing similar partnerships with top property developers in Hong Kong, Jakarta, Manila and Taipei. With his deal to close \$500 million in new funds ostensibly near, Kong wants more than money. "I want strategic partnerships rather than a financial investor," he says. **F**



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The New Nuclear

Some A-list names—including the Rockefellers, Charles Schwab and Buzz Aldrin—are chasing the sun at fusion-energy firm TAE Technologies.

BY CHRISTOPHER HELMAN

Walking with Michl Binderbauer into his 8,000 square meter laboratory feels a bit like taking a factory tour with Willy Wonka. In one corner Binderbauer, chief executive of TAE Technologies, shows off a new machine that blasts cancer tumors with a neutron beam. Engineers huddle in a control room. Beyond their window: Norman.

That's the name of TAE's 30m-long prototype nuclear fusion reactor, a magnificent assemblage of stainless steel vessels, electromagnets and particle accelerator tubes. Once every eight minutes Norman emits a clang, as it transforms 100 million watts of electricity into a cloud of 30 million degrees Celsius plasma and blasts it with beams of protons (the simplest form of hydrogen). They smash together with enough force to fuse into helium—releasing copious amounts of energy in the process. "It's a function of violence," says Binderbauer, 50, with a smile.

TAE, known until last year as Tri Alpha Energy, has raised \$600 million, most recently at a valuation of more than \$2 billion. Investors include the late Paul Allen's Vulcan Capital, the Rockefeller family's Venrock, and Big Sky Capital, family money of billionaire stock trader Charles Schwab. They're betting that TAE will be able to tame fusion into a source of electricity.

Fission, which powers several hundred nuclear plants, is the splitting of uranium atoms into medium-size atoms to release energy. Fusion, which makes the stars glow, goes the other way, combining small atoms into larger ones to release energy. Fission carries the risk of a melt-

TIM PANNELL FOR FORBES



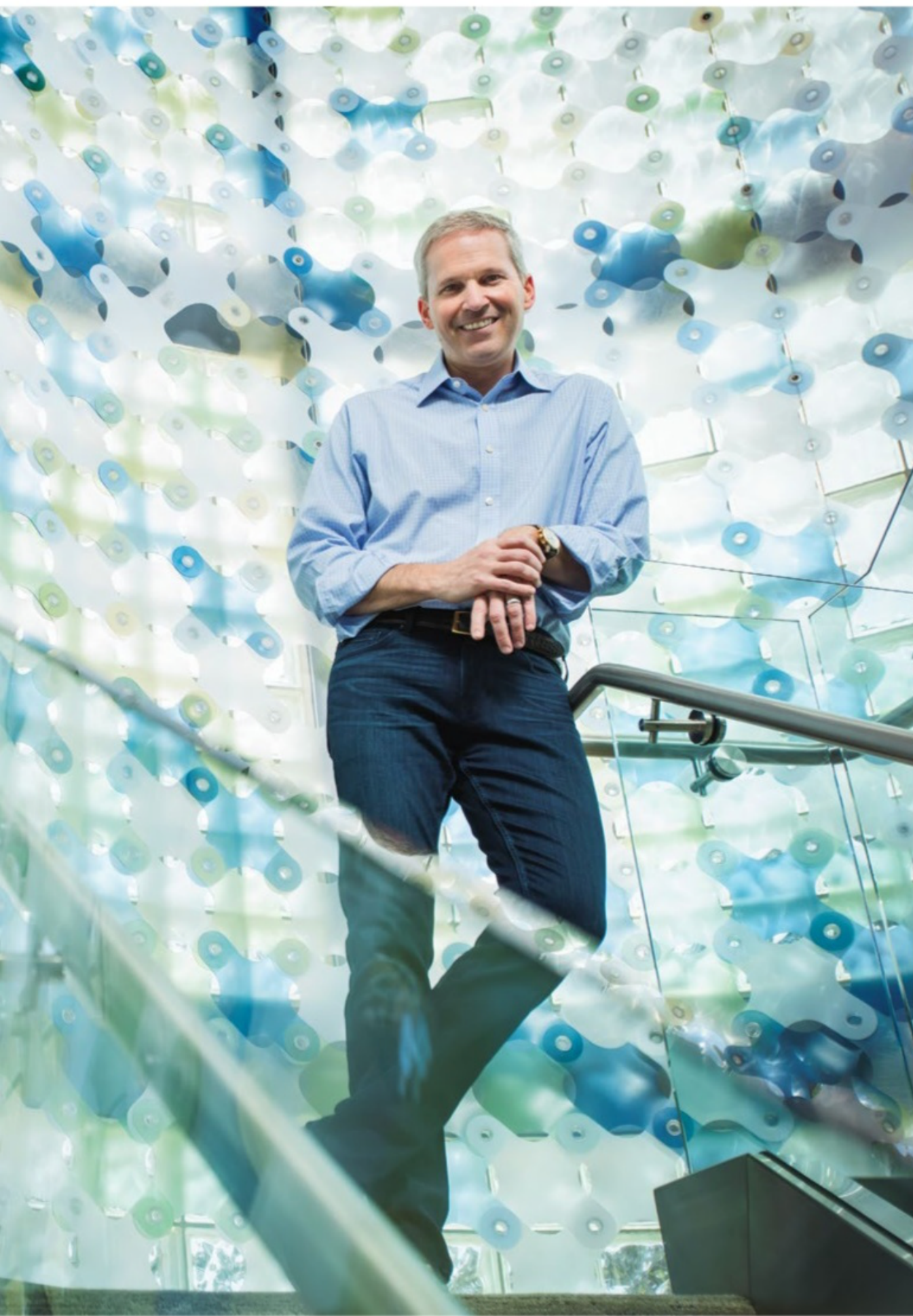
down and creates radioactive waste that has to be set aside for 10,000 years. Fusion promises to be meltdown-proof and waste-free.

“With fission it’s a chain reaction—once you’re in, it’s like a pact with the devil; it’s hard to get out,” says Binderbauer, an effusive talker who runs TAE from a eucalyptus-lined industrial park southeast of Los Angeles. “With fusion you don’t have that. It’s tricky to get started and even trickier to keep going.”

Tricky—or impossible. Binderbauer

“We struggle with a millionth of a second, and the stuff oozes away.”

Michl Binderbauer (below) pitches the cocktail party circuit on TAE’s fusion energy promise.



er likens the process of controlling a ball of plasma to holding a spinning ball of liquid Jell-O in place with rubber bands: “We struggle with a millionth of a second, and the stuff oozes away.” Thirty million degrees, moreover, is too cool; TAE aims for 2 billion degrees.

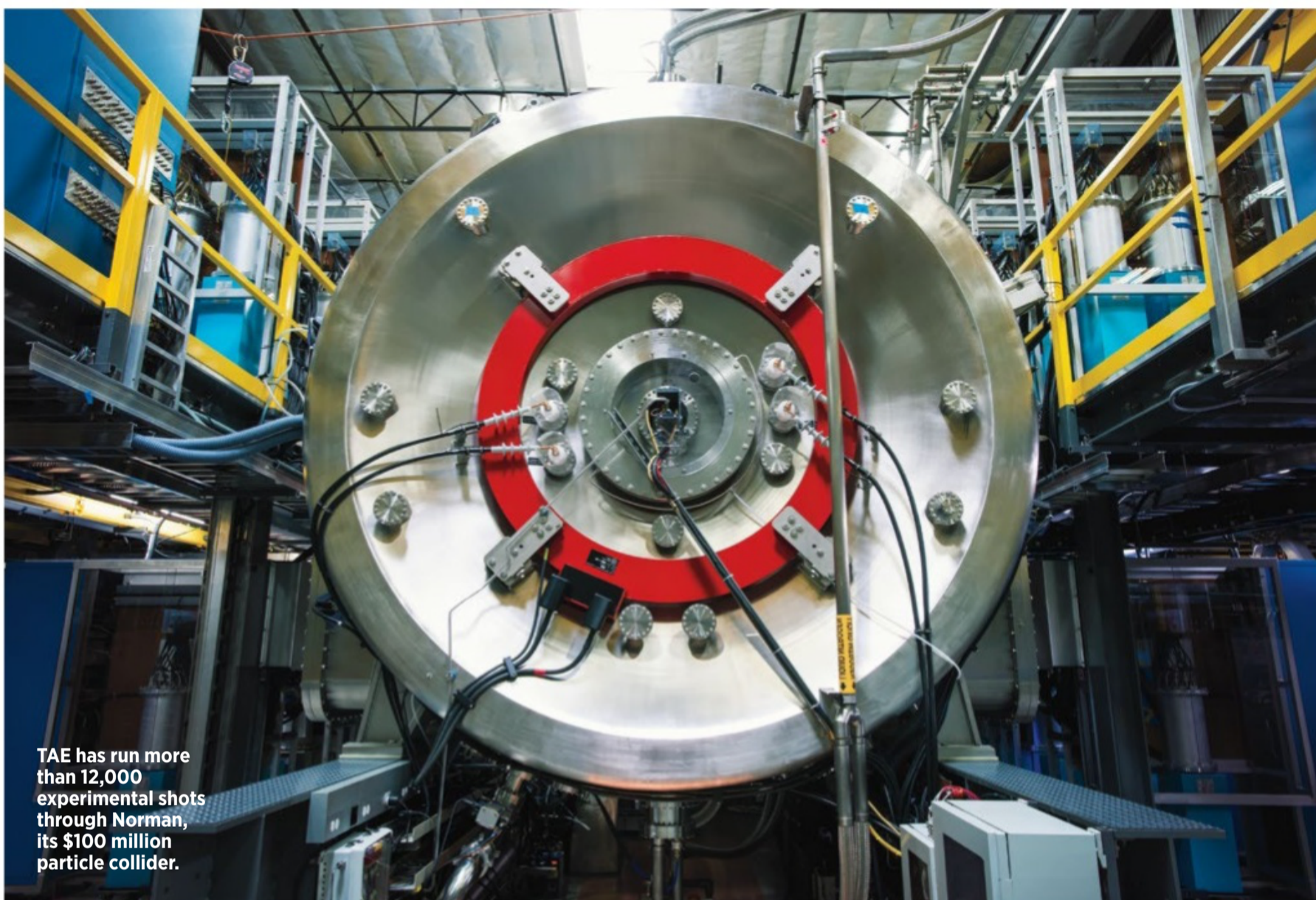
Russian physicists began working on fusion in the 1950s. They thought a commercial reactor might be ready in 15 years. That’s been the forecast ever since. In a corner of the laboratory, Binderbauer keeps a gallery of past fusion prototypes, none of which produced more electricity than it consumed.

But the believers keep coming. “Right now, nuclear technology is one of our best scalable, baseload, zero-carbon power sources,” Bill Gates says in a statement. “But it comes with a number of challenges.” Gates is putting money into a Massachusetts Institute of Technology fusion spinoff called Commonwealth Fusion Systems, which hopes to have an energy-positive reactor by 2025. Digital billionaires Peter Thiel and Jeff Bezos are backing yet other fusion schemes. They’re all competing with a multinational project in France that is using \$20 billion of taxpayer money.

“I understood the limitations of renewables,” says Charles Schwab’s son Michael, who invested \$50,000 in Tri Alpha in 2002 when he was 25 and has participated in every funding round since. “This could solve our energy problems.”

What makes fusion safer than fission? The reactor is under vacuum, explains David Hill, director of a fusion test reactor at General Atomics in San Diego. “Any leaks are inward, and a leak would put the fire out.” Besides, he says, there’s nothing to melt down. “If you turned all the plasma into a solid” and piled it up, the amount “is less than a grain of salt.”

Tri Alpha Energy got its start with Norman Rostoker (1925–2014), a Canadian who taught at the University of California, Irvine, and in 1988 won the Maxwell Prize for plasma physics. He and Glenn Seaborg, the Nobelist discoverer of plutonium, saw the technical limitations of the consensus ap-



TAE has run more than 12,000 experimental shots through Norman, its \$100 million particle collider.

proach to fusion energy, which smashes heavy isotopes of hydrogen together, fusing them into helium while magnetically confined in a donut-shaped vessel called a tokamak. Much of the energy emitted from that reaction comes as high-speed neutrons, which over time corrode the reactor vessel.

Rostoker, with Austrian-born Binderbauer as a postdoctoral student, worked on an alternative plasma-chamber reaction that involves shooting beams of protons (elemental hydrogen) at an isotope of boron. This chemistry produces few neutrons; instead, it spits out positively charged alpha particles that might be able to generate electricity without the steam turbines now seen in nuclear plants. In 1997 they created a stir when Seaborg helped them publicize their breakthroughs in the journal *Science*. But landing government grants to pursue their work was difficult. Too many plasma experts had devoted their careers to the tokamak.

Enter Hollywood. Rostoker met actor Harry Hamlin, the son of a rocket scientist, who, despite being named the sexiest man alive by *People* magazine in 1987, rubbed elbows with plasma physicists at cocktail parties. Hamlin co-founded Tri Alpha. Then moon-walker Buzz Aldrin signed on. Google co-founder Sergey Brin has taken a tour and has lent his artificial intelligence brain trust to help crunch data. Jeffrey Immelt, the deposed boss of General Electric, is the latest star on the board.

Celebrity brings in dollars, and TAE drinks up a lot of them. The building and equipment in Foothill Ranch, California, cost \$150 million (or \$250 million including Norman) and need another \$50 million a year to keep humming. Now Binderbauer wants \$200 million or so to build the first hydrogen-boron prototype, the last stepping stone in plasma research before a commercial fusion reactor, operating at much higher temperatures.

Binderbauer fantasizes about the economics. Solar cells can be made at a cost of a dollar per watt of peak-time generation capacity. Maybe TAE could get the price of building a fusion generator down to \$1.50 per watt, at which point its electricity would be cheaper than solar because it doesn't go off at night.

But it's going to be a long wait before venture capitalists see a TAE power plant. To amuse them in the meantime, Binderbauer has set up a subsidiary that produces particle accelerators for use in cancer treatment. (The idea is to shoot neutrons at tumors that have taken up boron molecules, causing a pinpoint of intense heat to kill the tumor.) Last year TAE raised \$40 million to build the first device, which will soon be shipped off to China. GE is big in medical equipment, and Immelt's connections will help. TAE is going to need connections, dollars and luck to achieve ignition. Two billion degrees? "It sobers you up," Binderbauer says. **F**



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HENRY JACQUES

The Art of Fragrances

Like its bespoke creations, the French haute perfume house has designed its exclusive boutiques to be timeless and showcase a distinctive style and elegance all of their own.



Inside the Singapore boutique



Henry Jacques boutique in Singapore



The private viewing room

Since its founding in 1975 by Henry Jacques Cremona, French haute perfume Henry Jacques has forged a reputation for creating bespoke scents for elite members of society—from members of royalty to captains of industry. The soul of Cremona's creations lies in a laboratory in the town of Grasse on the French Riviera, where more than 3,000 formulas are housed. These are comprised of natural ingredients painstakingly sought from around the world by the brand's perfumers. From the essences to the bottles, every aspect of a Henry Jacques creation is created in-house to ensure that the quality of the brand's offerings are maintained at an exceptional level.

The perfume house has only recently expanded its exclusive distribution with the opening of a highly select number of retail

shops. Its first-ever retail presence debuted as a store-in-store at Harrods in London in 2014. This was followed by two stand-alone boutiques in Asia; the first at the Singapore luxury hotel Marina Bay Sands, and another located at Pavilion Kuala Lumpur shopping center. These boutiques offer a diverse range of products—from the brand's Couture collection, Masterpieces collection, High Jewelry collections and Les Classiques collection. As tribute to their heritage, the Henry Jacques boutiques offer the brand's bespoke perfume service.

To create the exceptional scents contained in each bottle, Henry Jacques perfumers take inspiration from a variety of sources, resulting in a dazzling concoction of notes and blends, colors and textures, to delight even the most discerning nose.

A Palette of Essences

Henry Jacques perfumes are created only with the highest quality natural essences sourced from around the world, which are as varied as the flowers from which they are extracted. This wondrous palette of essences includes velvety rose, intoxicating tuberose, sunny lavender, sumptuous jasmine, soft, sensual, heady musk, and the subtle heat of marine ambergris. Like highly skilled alchemists turning metal into gold, Henry Jacques perfumers then work rigorously in their laboratories to bring out the quintessence of each of these premium ingredients.

To ensure that their presentation accurately reflects the quality of the product within, the finished perfumes are bottled in intricately designed crystal flacons or customized

jewel-toned flasks made by the world's leading crystal-glass makers and jewelers.

Les Classiques Collection

In 2014, Henry Jacques's daughter, Anne-Lise Cremona, introduced the world to the Les Classiques collection, which is made up of 50 scents that come in 15ml or 30ml flacons. Les Classiques was born from a challenge: to create an exquisite selection of perfumes to represent the perfumer's extensive and diverse body of olfactory work in a single collection. The 50 unique fragrances act as a gateway for newcomers to the Henry Jacques universe. Each perfume is designed to enhance the personality of the person who uses it. In essence, the perfumer becomes a match-maker between customers and the ideal life they seek.

Fittingly for such an exclusive collection, each fragrance is housed in a minimalist crystal bottle specially designed by the brand's Artistic Director, Christophe Tollemer. Each Classique is presented in a varnished wood case embellished with gold leaf, opening to reveal a bottle resting on a silk cushion.

Henry Jacques is also working to revive the pleasure and satisfaction of assembling one's own personal perfume collection; an art that is akin to building an elegant wardrobe. To this end, the brand has come up with Caves à Parfums, a cabinet to hold crystal bottles from the Classiques de HJ line. Selecting perfumes from Henry Jacques wide range of fragrances has added meaning as you piece together your own mosaic of scents in this exquisite cabinet available in two sizes: 10 x 15ml and 15 x 15ml.



Mr Henry Jacques Cremona in the laboratory



Les Classiques Collection



Les Toupies I

Les Toupies II

A Haven for the Senses

Henry Jacques has always been discreet about how it distributes its exclusive products, only setting up a retail presence as recently as 2014. The decision to do so was accompanied by months of consideration and reflection over how these boutiques could best reflect Henry Jacques' brand values.

Tollemer led the creative process, designing each space as a haven to escape daily life; a place where customers can realize the most idealized versions of themselves through the brand's offerings. Each of the boutiques feature cabinets of curiosities, elegant design, comfortable furnishings and discrete service to reflect the Henry Jacques legacy. While the perfume organ takes center stage, the collections themselves are hidden from sight, waiting to be discovered.

The Henry Jacques Singapore shop was its first stand-alone boutique. The space was inspired by the old-world charm and grandeur of historic Parisian apartments, but given a twist of modernity to suit today's consumer

tastes. "The entire boutique was conceived and assembled in France, and reassembled in Singapore by our team. This long process was the only way to guarantee uncompromised French craftsmanship. Like our perfume, each component is of rare quality," says Tollemer.

Les Toupies: A Fairytale Fragrance

One standout piece from Henry Jacques Masterpieces collection is Les Toupies. This collection was creatively envisioned as part of a tale, with each perfume representing a character in a love story.

Les Toupies, which means Spinning Tops, are made up of couples: two unique and exclusive fragrances—one for men and one for women. These creations are designed to be timeless while showcasing a distinctive style all of their own.

The first two from the collection were "Mr. H and Mrs. Y," followed by the next couple, "No. 16 de HJ and No. 81 de HJ." Each fragrance is inspired by French romance and

elegance. The perfumes are housed in extraordinary crystal flacons that took more than three years to develop and represent a technical and artistic breakthrough for Henry Jacques perfumes.

They are specially designed for those who are passionate about art and historic French craftsmanship, with every detail meticulously crafted by Tollemer. He created a bottle that is both multifaceted and symmetrical, but with no central point. Despite their intricate design, these crystal marvels sturdily hold the precious nectars within.

The men's flacon is slightly larger than that for the women, but the curves of each appear to respond to each other in a reflection of their synergy. says Henry Jacques: "We imagined the Toupies collection as a great fresco, filled with myriads of stories and characters, like [Honoré de] Balzac's 'The Human Comedy.' One Toupie after the other, one fragrance after the other, we wish to express the immensity and fragility of life and its many romances."

— 200 — BEST OVER A BILLION

BY JONATHAN BURGOS



Welcome to the inaugural Best Over A Billion list of the top-performing listed companies in the Asia-Pacific region with revenues of a \$1 billion or more. This new list is meant to complement the long-established Best Under A Billion list of the 200 best-performing, small and mid-sized companies in the Asia-Pacific region with less than \$1 billion in revenue.

These two lists now comprehensively cover all of Asia-Pacific's listed companies, selecting the best 400 from the smallest to the biggest, using \$1 billion in sales as a dividing line. For continuity, the criteria developed for this list were similar to those used for the other one. In fact, some notable companies on Best Over A Billion have raised revenues above \$1 billion and graduated to this list, such as Alibaba, Jollibee and Tencent.

Another metric, highlighted on this list, was a connection between the companies and members of our Asia-Pacific rich lists. Many have noted the positive correlation in Asia between corporate performance and entrepreneurial involvement—after all, if your personal fortune is linked to that of a company, there's motivation to ensure that company does well over the long-term. The result? Nearly about two-thirds of the companies on this list are controlled or connected to families or individuals who have appeared on *Forbes Asia* rich lists.

Tapping Growth

San Miguel lured investors back to its beer and food businesses by pouring both into a single stock.

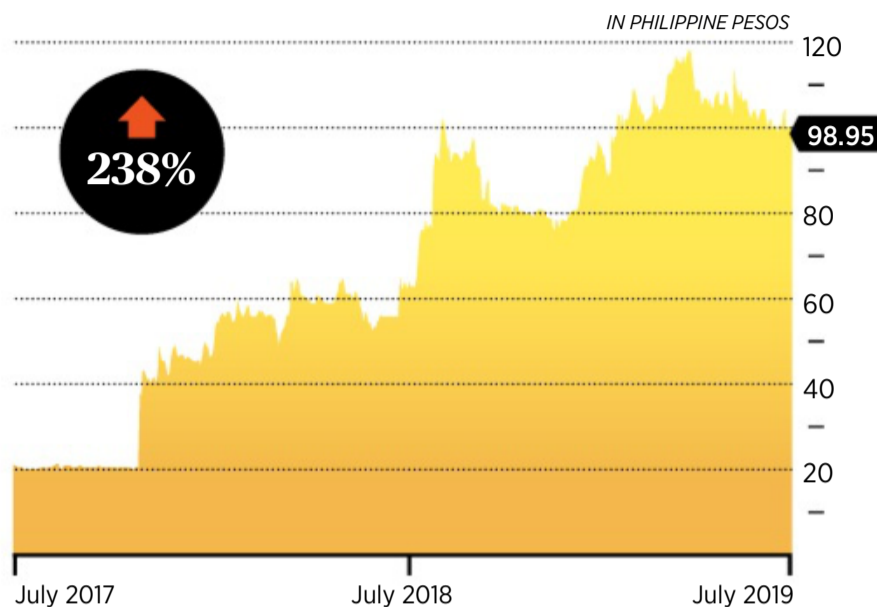
BY ROEL LANDINGIN

SAN MIGUEL'S BILLIONAIRE PRESIDENT RAMON ANG turned 65 in January, an age when many think about slowing down. Instead, Ang is busy orchestrating a massive expansion planned as the biggest in the 129-year history of the Philippine conglomerate. Within five years, he aims to more than double the group's production capacity, which in 2017 stood at 19 million hectoliters of beer and 2.6 million tonnes of feed. "Our target is to put up 10 new breweries with an initial capacity of 2 million hectoliters each," says Ang in a rare interview. "On our food expansion, we are on track to finish our 12 brand-new feed mills of 500,000 annual tonne capacity per feed mill by 2023." Agribusiness expert Rolando Dy at the University of Asia and the Pacific in Manila sums up the plan simply: "It's unprecedented."

Details of the new plan were announced last June during a shareholders' meeting. They come on the heels of a restructuring that Ang started in January 2018, when he merged San Miguel's beer and liquor business into its listed food unit, renaming the combined entity San Miguel Food and Beverage, or SMFB. The company's market capitalization jumped to \$7 billion from just \$2 billion on the move. By November, the company sold just under 7% of its shares in a deal valuing SMFB at \$10 billion, 35% higher than when the merger was announced. So far this year, SMFB stock has climbed more than 20% to about 100 Philippine pesos, after languishing for most of this decade at below 50 pesos.

Bubbling Up

SMFB's stock has more than tripled since July 2017.



SOURCE: BLOOMBERG

Reservation Required

One unexpected consequence of SMFB's growth story is the popularity of its quarterly briefings for investors. With the once-sleepy stock now a hot item, the company sometimes doesn't have enough space to accommodate all those who want to attend its stockholder meetings. Similar to securing a reservation at a trendy restaurant, investors have been allocated seats at these events. "I can only get two slots max," notes MBG Capital's Tan.

To pull it off, Ang will need funding—200 billion pesos (\$3.8 billion), he estimates. Part will come from cash flow, some will be borrowed. The rest will come from selling shares. And that's where what may have been just another value-crushing corporate mash-up may yet prove a master stroke, turning what was once an also-ran in the rapidly consolidating global beer industry, dominated by multinationals such as Anheuser-Busch InBev and Heineken, into a regional brand that's a must-have for international fund managers. "The bigger the company, the more people want in," says Alvin Tan, a fund manager at MBG Capital in Manila.

SMFB also remains tightly controlled by its listed parent San Miguel Corp, which holds an 89% stake in SMFB, where Ang is also president. The namesake San Miguel of both companies harks back to a brewery that was established in 1890 when the Philippines was still a Spanish colony. Over the next 100 years, SMFB built a food conglomerate that today accounts for almost half of the company's revenues; beer and non-alcoholic beverages represent 45% and liquor 8%.

To be sure, Ang should emerge as one of the biggest winners from this restructuring of the venerable San Miguel. Already among the top ten wealthiest Filipinos with an estimated net worth of \$2.85 billion, his fortune is tied closely to the value of San Miguel Corp., where he is one of the largest shareholders. He acquired most of his San Miguel shares back in 2012 from his close business associate Eduardo Cojuangco, Jr.,



A beer drinker himself, Ang pushed to develop low-calorie, flavored and premium beers that would revive San Miguel's appeal with younger consumers.

who is CEO of San Miguel Corp. and has a net worth of \$1.4 billion. San Miguel Corp.'s stock has traced a similar path to that of SMFB, up around 20% in the year to date.

Ang joined the firm as vice chairman in 1999 after running the privately held companies held by Cojuangco. Beer sales in the late 1990s were so dismal that, as Ang recalls, some managers considered shifting from beer to wine. "That's what we were talking about in the board," he says.

In early 2002, San Miguel got a lifeline from Japanese brewer Kirin, which paid \$540 million for a 15% stake in the company. Ang became the company's president and COO. He began using the Japanese cash to go on a foreign shopping spree, buying Australia's leading dairy producer National Foods, juice maker Berri and Singapore-based ice cream maker King's Creameries. With the onset of the global financial crisis in 2007, however, Ang reversed course and began selling off San Miguel's overseas acquisitions to refocus on the market back home. A beer drinker himself, Ang pushed to develop low-calorie, flavored and premium beers that would revive San Miguel's appeal with younger consumers.

To address a similar downturn in San Miguel's meat business, Ang moved to introduce higher-margin chicken nuggets as well as sliced and marinated meat to the company's existing fresh meat offerings. "The name of the game is low-cost, high-quality value-added products sold directly to the consumer," says Ang.

Ang's investment in new production comes amid a sharp pickup in food and beverage sales. After growing just 0.2% a year between 2004 and 2015 because of higher taxes and volatile economic growth, per-capita beer consumption in the Philippines surged almost 11% annually between 2016 and 2018.

In 2018, SMFB's net profit rose 8% to 30.5 billion pesos on a 14% increase in revenue to 286 billion pesos, the same year Ang was appointed president and CEO of the company. Ang says his expansion plan will double revenue to 500 billion pesos in five years. The new facilities will be closer to growing markets, which analysts say stands to slash logistics costs and boost margins.

These greater efficiencies haven't materialized yet, though: while SMFB's return on equity of 25% bests its pre-merger return of roughly 15%, margins fell last year and again in the first half of 2019; Ang blames rising imports for hitting prices for its poultry products. And even if he manages to double revenue, SMFB's contribution to the parent San Miguel Corp. isn't likely to beat rapid expansion at San Miguel's other businesses.

Parent San Miguel's fuel sales last year, for example, rose 28% while revenue at its power business climbed 45%. San Miguel is half-finished building a 23km light rail system that Ang says will account for 5% of group revenues when it is completed in 2022. And it's set to break ground on a new airport north of Manila next year with triple the capacity of the capital's decrepit, existing airport—a long overdue move



Get Your Motor Running

Ang, a mechanical engineer, has a passion for collecting vintage cars and big motorbikes. He's especially fond of German BMW cars and motorbikes. Last July, he gave the keynote address at the official launch event for BMW's M5 sports car in Manila (San Miguel owns the license to sell BMW in the country). In addition, late last year the dealership for BMW was renamed from Autohaus BMW to RSA Motors Corp—the RSA reportedly standing for the initials of Ramon S. Ang.

which could bolster the country's attraction as a travel destination and be a major money-spinner. Aside from the revenues of the airport itself, there are plenty of potential ancillary income streams from retail, logistics, support services, fuel supplies and hospitality.

But by swapping its 51% stake in beer unit San Miguel Brewery and 78% interest in distillery Ginebra for the 89% stake in SMFB, San Miguel not only created an entity with double the revenue of its former food-only unit, but put SMFB on the radar screens of foreign fund managers looking for a play on the rising consumer demand. The country also has the benefit of the demographics—while many developed countries have aging populations, an overwhelming majority of Filipinos are below the age of 40.

SMFB's larger market capitalization has made it one of Southeast Asia's biggest food companies. And the November sale of shares lifted SMFB's public float to 11%, above the minimum required by many big global funds. "That's the time that [large institutional investors] came in because it complied with their checklists," says Tan. Among the big funds that have been lured to SMFB's shares since the merger are BlackRock, State Street and Vanguard, as well as Norway's sovereign wealth fund.

Asked how he finds the time to plan new airports and railways while keeping track of San Miguel's chicken sales in supermarkets, Ang replies, "We are more hands-on and we spend more time in the office. On average, all of us spend 10 hours a day in the office, Monday to Saturday." **F**

— 200 — BEST OVER A BILLION

COUNTRY/TERRITORY

	SALES (\$B)	NET INCOME (\$M)	MARKET VALUE (\$M)
AUSTRALIA			
A.P. Eagers <i>Retail</i>	3.1	74	1,353
AGL Energy <i>Electric</i>	9.9	1,230	8,835
Automotive Holdings Group <i>Retail</i>	5.0	25	659
Bluescope Steel <i>Steelmaker</i>	8.9	1,216	4,058
Cochlear <i>Healthcare</i>	1.1	191	8,251
Computershare <i>Computers</i>	2.3	300	5,449
CSL <i>Biotechnology</i>	7.9	1,729	66,810
Evolution Mining <i>Mining</i>	1.2	204	6,150
Goodman Group <i>Real Estate</i>	1.2	851	17,973
Harvey Norman Holdings <i>Retail</i>	1.5	291	3,290
JB Hi-Fi <i>Retail</i>	5.3	181	2,142
Lendlease Group <i>Engineering & construction</i>	12.8	615	5,271
Mirvac Group <i>Real estate</i>	1.7	844	8,437
Orora <i>Packaging</i>	3.3	165	2,625
Reece <i>Retail</i>	2.1	174	3,872
Seek <i>Internet</i>	1.0	41	4,545
Stockland <i>Real estate</i>	2.2	795	7,276
TPG Telecom <i>Telecommunications</i>	1.9	306	4,168
Treasury Wine Estates <i>Beverages</i>	1.9	279	8,020
Vicinity Centres <i>Real estate</i>	1.0	945	6,403
Viva Energy Group <i>Energy</i>	12.3	433	2,999
CHINA			
Aier Eye Hospital Group <i>Healthcare</i>	1.2	153	13,135
Alibaba Group Holding <i>Internet</i>	56.2	13,098	409,880
Anhui Gujing Distillery <i>Beverages</i>	1.1	256	7,058
China TransInfo Technology <i>Computers</i>	1.1	115	3,110
Foshan Haitian Flavouring & Food <i>Food</i>	2.5	660	37,559
Guangdong Haid Group <i>Agriculture</i>	6.4	217	6,848
Guangzhou Shiyuan Electronic Technology <i>Electronics</i>	2.6	152	6,795
Haidilao International <i>Restaurants</i>	2.6	249	20,548
LONGi Green Energy Technology <i>Energy</i>	3.3	387	12,580
Luxshare Precision Industry <i>Electronics</i>	5.4	412	15,548
Midea Real Estate Holding <i>Real estate</i>	4.6	486	2,952
Ronshine China Holdings <i>Real estate</i>	5.2	350	2,131
Shanghai M&G Stationery <i>Retail</i>	1.3	122	5,073

BY JONATHAN BURGOS

METHODOLOGY

The search started with a pool of 3,200 listed companies in the Asia-Pacific region with \$1 billion or more in revenue in their latest financial year. Unprofitable companies and those whose sales declined in the past five years were then eliminated. Next off the list were companies carrying long-term debt equal to or greater than half their capital and those with glaring governance or legal problems.

Lastly, contenders were ranked by a battery of more than a dozen metrics, including average five-year sales, operating income growth, return on capital, and projected growth over the next one to two years. Those having the highest composite score earned a place in the final list of 200.

Our goal is to find the region's best-run outfits that are doing well on not just one metric but across many of them. While companies from China, Japan and South Korea naturally dominated the list due to the larger candidate pool, many came from smaller markets such as Indonesia, Malaysia and Vietnam. The final result is a list that represents the best of Asia-Pacific's big companies.

Data as of July 31, 2019, based on GAAP.
Sources: FactSet, Bloomberg, Forbes



CHINA

Tongwei

Although China slashed subsidies for solar projects last year, solar cell maker Tongwei still managed to boost sales by winning contracts from clients overseas. The company's revenue rose 5% in 2018 to 27 billion yuan (\$4 billion) compared to the previous year. Tongwei, which also makes animal feed, plans to increase its capacity to produce solar-powered batteries to 20 gigawatts by the end of the year, up from 12 gigawatts. While the feed business was hit by China's epidemic of African swine fever, the company says demand for fish food remains strong and has helped boost first half profits by 58%.

—Yue Wang



CHINA

STO Express

The rise of online shopping has given a boost to China's parcel delivery industry. In August, logistics firm STO Express signed a \$1.4 billion deal with Alibaba that gave it an option, valid for three years, to buy an additional 31% of STO. Alibaba bought its current 15% share for \$693 million in March to cut its logistics costs. The first courier service in China to go public in 2015, STO has a 10% share of China's express-delivery market. The Shenzhen-listed company's net profit rose 38% in 2018 to 2.1 billion yuan (\$310 million) on a 35% jump in revenues. —Pamela Ambler

COUNTRY/TERRITORY

	SALES (\$B)	NET INCOME (\$M)	MARKET VALUE (\$M)
Shanxi Meijin Energy <i>Electronics</i>	2.2	272	5,011
STO Express <i>Transportation</i>	2.6	310	5,193
Sunwoda Electronic <i>Electronics</i>	3.1	106	2,605
Tencent Holdings <i>Internet</i>	47.3	11,910	412,613
Tongwei <i>Agriculture</i>	4.1	305	7,290
Wens Foodstuff Group <i>Agriculture</i>	8.7	599	31,521
Wuhu Sanqi Interactive Entertainment Network Technology <i>Software</i>	1.1	153	4,152
Zhejiang Supor <i>Houseware</i>	2.7	253	7,750

HONG KONG

AIA Group <i>Insurance</i>	32.4	2,597	118,401
CK Asset <i>Real estate</i>	6.4	5,119	25,153
CK Hutchison <i>Diversified</i>	35.4	4,976	33,294
Great Eagle <i>Real estate</i>	1.3	741	2,669
Hang Seng Bank <i>Financial services</i>	8.4	3,089	42,181
Hong Kong & China Gas <i>Energy</i>	5.0	1,202	36,306
Johnson Electric <i>Electronics</i>	3.3	281	1,492
Kerry Logistics Network <i>Transportation</i>	4.9	311	2,825
Kingboard Holdings <i>Chemicals</i>	5.9	775	2,409
Lee & Man Paper Manufacturing <i>Packaging</i>	4.1	623	2,296
New World Development <i>Real estate</i>	7.8	3,051	12,558
Nine Dragons Paper <i>Paper</i>	8.1	1,207	3,429
NWS Holdings <i>Engineering & construction</i>	4.5	776	6,903
S.A.S. Dragon <i>Electronics</i>	3.2	40	188
Sino Biopharmaceutical <i>Pharmaceuticals</i>	3.2	1,369	14,866
Sino Land <i>Real estate</i>	1.4	1,789	9,928
Sun Hung Kai Properties <i>Real estate</i>	10.9	6,406	41,317
Swire Pacific <i>Diversified</i>	10.8	3,015	14,563
VSTECs Holdings <i>Software</i>	8.0	95	723
Wheelock & Co. <i>Real Estate</i>	6.2	2,200	11,848
Xinyi Glass <i>Building materials</i>	2.0	541	3,873

INDIA

Adani Ports & Special Economic Zone <i>Commercial services</i>	1.6	571	10,919
Ambuja Cements <i>Building materials</i>	3.8	319	5,740
Asian Paints <i>Chemicals</i>	2.7	309	21,110
Avenue Supermarts <i>Food</i>	2.9	129	12,557
Britannia Industries <i>Food</i>	1.6	166	8,613
Federal Bank <i>Financial services</i>	1.9	188	2,435
Future Retail <i>Retail</i>	2.9	105	2,909
Grasim Industries <i>Building materials</i>	10.4	254	6,850
HCL Technologies <i>Software</i>	8.6	1,441	19,655
Housing Development Finance Corp <i>Financial services</i>	13.7	2,322	52,852
IndusInd Bank <i>Financial services</i>	4.0	472	13,957
Infosys <i>Computers</i>	11.8	2,204	47,840

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INDIA

Titan

Jewelry and watch retailer Titan's net profit surged 26% to 13.9 billion rupees (\$201 million) for the year ended March 31 on rising demand among Indian consumers for gold. But record-high prices for the precious metal and weaker consumer sentiment will pose headwinds this year. Titan will also see a changing of the guard in October when jewelry business head C.K. Venkataraman takes over as managing director from Bhaskar Bhat, who is due to retire after 17 years at the helm.

—Anuradha Raghunathan



JAPAN

Advantest

This Tokyo-based producer of semiconductor production and testing equipment is benefitting from a growing need to test chips to power 5G smartphones and AI applications. Advantest tripled its net profit in the year ended March 31 to 57 billion yen (\$524 million) as revenue climbed 36% to a record 282 billion yen. Investors appear so confident in the 5G trend that they're shrugging off company forecasts for slower orders this year amid the escalating China-U.S. trade war:

Advantest shares are trading near a 12-year high after rallying 97% this year.

—James Simms

COUNTRY/TERRITORY	SALES (\$B)	NET INCOME (\$M)	MARKET VALUE (\$M)
JSW Steel <i>Steelmaker</i>	11.8	1,093	7,247
Marico <i>Consumer goods</i>	1.0	160	6,893
Pidilite Industries <i>Manufacturing</i>	1.0	132	9,243
Piramal Enterprises <i>Financial services</i>	1.9	211	4,775
Shree Cement <i>Building materials</i>	1.8	144	9,896
Sundaram-Clayton <i>Auto parts</i>	3.1	62	599
Titan <i>Retail</i>	2.8	201	12,909
INDONESIA			
Adaro Energy <i>Mining</i>	3.6	418	2,486
Bank Central Asia <i>Financial services</i>	5.3	1,818	52,116
Bayan Resources <i>Mining</i>	1.7	500	4,010
Chandra Asri Petrochemical <i>Chemicals</i>	2.5	182	8,656
Gudang Garam <i>Tobacco</i>	6.7	548	9,907
Indah Kiat Pulp & Paper <i>Paper</i>	3.3	588	2,569
Indofood Sukses Makmur <i>Food</i>	5.2	293	4,534
Japfa Ltd. <i>Food</i>	3.5	100	660
Kalbe Farma <i>Pharmaceuticals</i>	1.5	173	4,715
Mayora Indah <i>Food</i>	1.7	121	3,853
Sumber Alfaria Trijaya <i>Retail</i>	4.7	46	2,687
JAPAN			
Advantest <i>Semiconductors</i>	2.5	524	7,689
Bandai Namco <i>Entertainment</i>	6.6	572	12,449
Chugai Pharmaceutical <i>Pharmaceuticals</i>	5.3	838	39,654
CyberAgent <i>Internet</i>	3.8	44	5,192
Daifuku <i>Machinery</i>	4.1	357	6,266
Disco <i>Tools</i>	1.3	260	6,342
Fast Retailing <i>Retail</i>	19.3	1,403	63,187
Keyence <i>Machinery</i>	5.3	2,043	70,001
M3 <i>Internet</i>	1.0	177	13,897
Nintendo <i>Entertainment</i>	10.8	1,750	48,540
Nippon Paint <i>Chemicals</i>	5.7	411	13,640
Nippon Shinyaku <i>Pharmaceuticals</i>	1.0	147	5,275
Open House <i>Real estate</i>	3.5	288	2,520
Persol Holdings <i>Commercial services</i>	8.4	220	5,962
Recruit Holdings <i>Commercial services</i>	20.8	1,572	57,718
Relo Group <i>Real estate</i>	2.3	117	4,063
Shiseido <i>Cosmetics</i>	9.9	556	26,752
Tokyo Electron <i>Semiconductors</i>	11.5	2,239	28,245
Welcia <i>Retail</i>	7.1	158	5,109
Yaskawa Electric <i>Machinery</i>	4.3	373	8,231
ZOZO <i>Internet</i>	1.1	144	5,847
MALAYSIA			
Batu Kawan <i>Chemicals</i>	4.7	115	1,519
Hap Seng Consolidated <i>Agriculture</i>	1.5	284	5,796
IHH Healthcare <i>Healthcare</i>	2.9	156	12,046

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COUNTRY/TERRITORY	SALES (\$B)	NET INCOME (\$M)	MARKET VALUE (\$M)
Kuala Lumpur Kepong <i>Agriculture</i>	4.6	187	6,001
Press Metal Aluminium <i>Mining</i>	2.3	153	4,528
Public Bank <i>Financial services</i>	5.1	1,386	19,724
PHILIPPINES			
Ayala Corp <i>Real estate, financial services</i>	5.2	604	11,171
Cosco Capital <i>Retail</i>	3.2	105	942
GT Capital <i>Auto manufacturer</i>	3.8	254	3,743
JG Summit <i>Food, airlines</i>	5.3	364	9,037
Jollibee Foods <i>Retail</i>	3.1	158	4,829
Megaworld <i>Real estate</i>	1.0	289	3,765
San Miguel Food and Beverage <i>Food and beverages</i>	5.4	346	11,861
SM Investments Corp <i>Retail, real estate</i>	8.0	704	22,796
SINGAPORE			
ASM Pacific Technology <i>Semiconductors</i>	2.5	283	4,359
CapitaLand <i>Real estate</i>	4.2	1,307	12,638
City Developments <i>Lodging</i>	3.1	413	5,980
DBS Group <i>Financial services</i>	13.7	4,135	46,333
Olam International <i>Food</i>	22.6	258	4,538
Oversea-Chinese Banking Corp <i>Financial services</i>	11.0	3,331	34,557
United Overseas Bank <i>Financial services</i>	10.4	2,972	31,275
Venture Corp <i>Electronics</i>	2.6	274	3,027
Wilmar International <i>Food</i>	44.5	1,128	18,224
SOUTH KOREA			
AK Holdings <i>Chemicals</i>	3.4	97	385
Amorepacific <i>Cosmetics</i>	4.8	302	5,922
Cheil Worldwide <i>Advertising</i>	3.2	118	2,435
CJ CheilJedang <i>Food</i>	17.0	796	3,298
Daelim Industrial <i>Engineering & construction</i>	10.0	588	2,740
GS Retail <i>Retail</i>	7.9	110	2,451
Hanon Systems <i>Auto parts</i>	5.4	252	5,100
Hanwha Aerospace <i>Aerospace</i>	4.0	29	1,221
Hotel Shilla <i>Retail</i>	4.3	100	2,415
Hyundai Glovis <i>Transportation</i>	15.3	398	4,664
Kakao <i>Internet</i>	2.2	44	8,491
Korea Zinc <i>Mining</i>	6.3	480	6,613
LG Household & Health Care <i>Cosmetics</i>	6.1	621	14,934
Meritz Fire & Marine Insurance <i>Insurance</i>	6.7	213	1,755
Mirae Asset Daewoo <i>Financial services</i>	3.2	415	3,784
Naver <i>Internet</i>	5.1	590	18,664
NCSOFT <i>Internet</i>	1.6	380	9,236
Netmarble <i>Software</i>	1.8	172	6,254
Samsung SDS <i>Computers</i>	9.1	572	12,427
SK Hynix <i>Semiconductors</i>	36.8	14,129	43,949
Taeyoung Engineering & Construction <i>Construction</i>	3.5	172	796


JAPAN
Recruit Holdings

Japan's biggest employment search and recruiting company by market value posted its third consecutive year of increased earnings as more people used Recruit's websites to look for everything from jobs to apartments and even haircuts. Its net profit rose nearly 15% in the year to March 31, to 174 billion yen (\$1.6 billion) on 2.3 trillion yen in revenue. Recruit expects its current fiscal year to be even better. It has been expanding overseas with acquisitions, including last year's \$1.2 billion purchase of U.S.-based employer-review and job-search site Glassdoor. —James Simms


SOUTH KOREA
Naver

The South Korean search and internet services company has pursued new sources of growth in recent years by expanding into new business lines. IT services including e-payments and cloud services were the fastest-growing segments, expanding by over 60% and contributing to the company's nearly 20% increase—to 5.6 trillion won (\$5 billion)—in 2018 revenues. Naver is best known outside Korea for LINE, a messaging app that's big in Japan, and SNOW, a Snapchat-like app which in 2018 received \$50 million in funding from SoftBank and Sequoia China. —Luke Kelly

BEST OVER A BILLION



VIETNAM

Vietjet

This Ho Chi Minh-based budget carrier has proved a force to be reckoned with, becoming Vietnam's biggest airline in just 8 years. Vietjet Aviation (its full name) transported 23 million passengers in 2018, giving it a 46% share of Vietnam's booming air travel market, surpassing flag carrier Vietnam Air. Vietjet's net profit rose 5.3% to 5.3 trillion dong (\$232 million) in 2018 as revenue climbed 27% to 54 trillion dong. Vietjet expects to grow even faster this year, projecting that it will carry 30 million passengers as it adds more international destinations.

—Lan Anh Nguyen



VIETNAM

Vingroup

The property to retail conglomerate continues to diversify. After rolling out the first automobiles in June from its factory, Vingroup is already looking to launch its next venture: an airline to cash in on the country's booming travel market. Diversification is a drag on earnings, though. Vingroup's net profit dropped 15% to 3.8 trillion dong (\$164 million) in 2018 as it ramped up investments in its car business. Revenue rose 36% to 122 trillion dong. Vietnam's first billionaire Pham Nhat Vuong, who made his initial fortune selling instant food products in Ukraine, founded Vingroup when he returned home in 2001 and started developing properties.

—Lan Anh Nguyen

COUNTRY/TERRITORY

	SALES (\$B)	NET INCOME (\$M)	MARKET VALUE (\$M)
TAIWAN			
Advantech <i>Computers</i>	1.6	209	5,731
Catcher Technology <i>Metal works</i>	3.2	928	5,043
Chailase <i>Financial services</i>	1.7	444	5,233
Delta Electronics <i>Electronics</i>	7.9	604	12,340
E.Sun Financial <i>Financial services</i>	2.3	566	9,212
Feng Tay Enterprise <i>Apparel</i>	2.1	175	4,739
FIT Hon Teng <i>Electronics</i>	4.0	234	2,669
GlobalWafers <i>Semiconductors</i>	2.0	452	4,071
Hotai Motor <i>Retail</i>	6.1	333	7,454
Kinpo Electronics <i>Office equipment</i>	4.4	18	471
Largan Precision <i>Manufacturing</i>	1.7	809	16,154
MediaTek <i>Semiconductors</i>	7.9	689	16,042
Micro-Star International <i>Electronics</i>	3.9	201	2,301
Nanya Technology <i>Semiconductors</i>	2.8	1,306	6,773
Realtek Semiconductor <i>Semiconductors</i>	1.5	144	3,302
Supreme Electronics <i>Electronics</i>	4.7	48	333
Taiwan Semiconductor Manufacturing Co. <i>Semiconductors</i>	34.2	11,654	204,345
Wistron Corp <i>Computers</i>	29.5	163	2,014
WT Microelectronics <i>Electronics</i>	9.1	92	740
Yageo Corp <i>Electronics</i>	2.6	1,123	3,400
Yuanta Financial Holding <i>Financial services</i>	4.1	620	6,313
THAILAND			
Bangkok Bank <i>Financial services</i>	5.2	1,094	10,626
Bank of Ayudhya <i>Financial services</i>	4.4	768	8,834
Berli Jucker <i>Food</i>	4.8	206	6,598
BTS Group <i>Transportation</i>	1.4	89	5,176
Central Pattana <i>Real estate</i>	1.0	347	10,051
Charoen Pokphand <i>Food</i>	16.8	481	7,616
Home Product Center <i>Retail</i>	1.9	174	7,299
Indorama Ventures <i>Chemicals</i>	10.7	819	6,971
Kasikornbank <i>Financial services</i>	6.0	1,190	13,011
Land & Houses <i>Real estate</i>	1.1	324	4,344
PTG Energy <i>Retail</i>	3.3	19	1,062
Siam Makro <i>Retail</i>	5.9	184	5,842
Thai Union <i>Food</i>	4.1	101	2,896
True Corp <i>Telecommunications</i>	5.0	218	6,823
VIETNAM			
Masan Group <i>Diversified</i>	1.7	214	3,766
Mobile World Investment <i>Retail</i>	3.8	125	2,174
Saigon Beer Alcohol Beverage <i>Beverages</i>	1.6	181	7,734
Vietjet Aviation <i>Airlines</i>	2.3	232	3,054
Vietnam Dairy Products <i>Food</i>	2.3	444	9,076
TechComm Bank <i>Financial services</i>	1.3	368	3,027
Vingroup <i>Diversified</i>	5.3	164	17,006

Controlled by or connected to families or individuals who have appeared on *Forbes Asia* rich lists.

VIETJET: EHRIN MACKSEY; VINGROUP: YEN DUONG/BLOOMBERG

ASIA INNOVATIF+

LEADING NEXT GENS TOWARD INNOVATION

The inaugural Asia Innovatif+ Summit & Awards event in October will gather leaders, investors and startup owners on the island state of Penang, Malaysia, to talk about the new economy.

In the digital economy, the challenge for the next generation of leaders (Next Gen) in traditional family businesses is to innovate or risk being upended by new market disruptions.

The Asia Innovatif+ Summit & Awards, which will be held October 26–27, is aimed at “promoting innovation through global collaboration by bringing together Next Gen leaders, startup owners and venture capitalists from across the region under one roof,” says Mei Tan, Co-founder of Asia Innovative Agency, the event organizer.

“The movie ‘Crazy Rich Asians’ may be fiction but there is some truth to family offices holding enormous wealth in this region, and many are prepared to embrace innovation or invest in startups,” she says.

Tan herself is no stranger to innovation. After an eight-year stint in the U.S.—first as a student and later as a graphic designer—she returned to Penang in 2010 to join the family business, Asia Green Group, an established property developer, plywood manufacturer and international trading company. As the company’s COO, Tan began to introduce innovative technology in the workplace. On the side, she launched a co-working space called Scoopoint to foster creativity within a community of like-minded people. The Asia Innovatif+ Summit & Awards event is her latest initiative, working with Co-founder, Steve Wee and the Penang state government to promote innovation in the digital economy.



Setia Spice Convention Centre in Penang, venue of the Asia Innovatif+ event

“There is a bit of something for everyone attending the summit. Next Gens will get the chance to hear success stories first-hand from those who have successfully transformed their businesses. They will also get new ideas on how to incorporate innovation into their family businesses and how to leverage on startup ventures. VCs will get the chance to tap into the Next Gen network and resources, and at the same time discover new startup ideas. Last but not least, startup owners will get exposure and may potentially find the right match for their future growth,” explains Tan.

The summit will feature a star-studded cast of Next Gen leaders coming from companies such as BookDoc in Malaysia, MaBelle in Hong Kong and PT Citra Marga in Indonesia, among others. Topics discussed will range from real estate, manufacturing, agriculture and retail to artificial intelligence, fintech and B2B innovations. Startup owners will get the chance to present their business case and vie for the “Startup of the Year Award.”

Keynote speakers during the event include Penang’s Chief Minister Chow Kon Yeow and Dato’ Seri Anwar Ibrahim, President of the People’s Justice Party and leader of the Pakatan Harapan coalition. Joining the lineup will be speakers from China, Indonesia, Singapore, Thailand, Vietnam, Germany and the U.S., besides Malaysia.

One of the event highlights is a panel discussion by Next Gen leaders who will share their views on challenges faced by family-owned businesses. Fringe activities during the event include industry visits, sightseeing and networking sessions.

Besides Next Gen leaders, venture capitalists and startup owners, the event is expected to attract entrepreneurs and C-level executives from 18 countries to the island state of Penang, famous as a tourist destination with Unesco World



Asia Innovative Agency’s Co-founder, Mei Tan

Heritage status and hailed as the “Silicon Valley of the East” by international media.

“With this event, we hope to create a better ecosystem linking Next Gens with startup entrepreneurs. We also hope that all the participants will better understand innovation and be prepared to create disruptions in their respective industries. Who knows, the next Airbnb or Uber could arise out of this event to revolutionize old business models,” says Tan. ■



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Doing the Math

Former whiz kid Byju Raveendran turned his knack for numbers into a \$5.5 billion education technology giant.

BY ANURADHA RAGHUNATHAN



Byju Raveendran got the first inkling he might have a future in education as a teenager tutoring 11th and 12th graders clamoring for his help to pass their exams. Back then, he was just an 8th grade math whiz. Today, he's a billionaire.

In 2006, Raveendran launched what has turned into the world's most valuable education technology business, Byju's. From its start offering test-prep classes, Byju's has become the rage among students across India, enrolling 35 million to its math and science tutoring app. In July, it received funding from a group of investors that included Qatar's sovereign wealth fund and valued it at \$5.5 billion—and Raveendran has a 26% stake in the company.

"This is not a business which I started as a business," says Raveendran, who plans to use his new funding to expand his \$200 million (sales) company into Australia, the U.K. and the U.S. "It's a passion which ended up becoming a business." His timing appears ripe: the global education technology, or edtech, industry will grow 61% from \$349 billion in 2018 to \$562 billion by 2022, according to U.K.-based market-research firm Technavio. The latest \$150 million infusion led by Qatar Investment Authority brings the total funding received

by Byju's to more than \$1 billion, following a \$31 million investment in March led by U.S. private equity firm General Atlantic and China's Tencent, and \$540 million last December from South Africa's Naspers and the Canada Pension Plan Investment Board.

Raveendran, 38, is the son of teachers. After earning a bachelor's degree in mechanical engineering in Kerala, India, he took a job in Singapore in 2001 as a globetrotting engineer at a shipping company. During trips back home, he helped friends prepare for the ultra-competitive admission test for India's elite business schools, the Indian Institutes of Management. Just for fun, he took the exam twice himself, scoring in the top 1% each time.

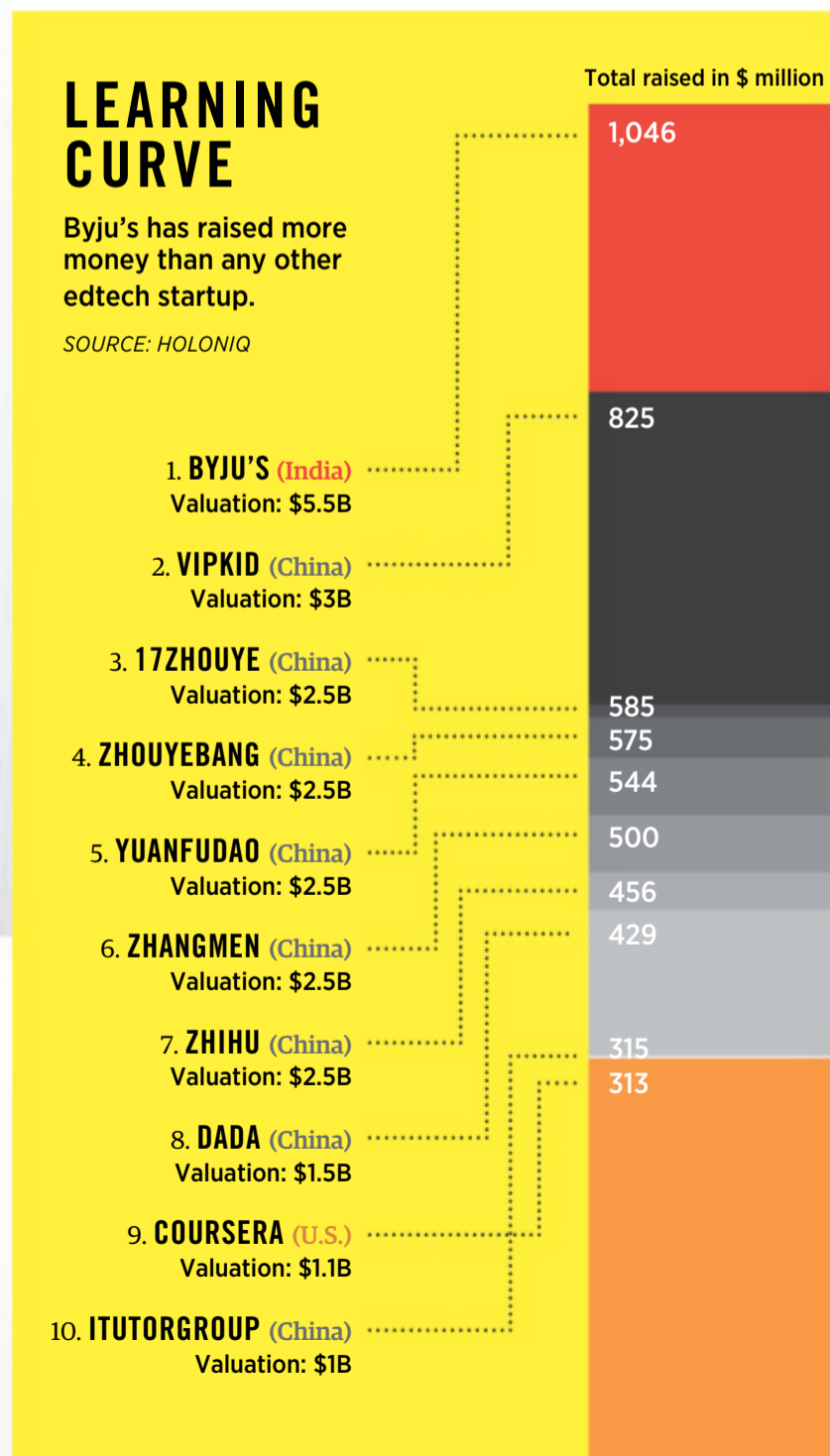
In 2005, Raveendran quit his job and returned to India to teach business-school applicants full-time. Within six weeks, he had 1,200 students. He soon started traveling to nine cities. But by 2009 he started broadcasting lessons via satellite. Raveendran soon realized that his aspiring business-school students were struggling with math and science that they should have learned at a much earlier age. To help redress that gap, in 2011 he launched Think & Learn, the company that is Byju's parent.

"The first thing that struck me about Byju was that he was passionate about teaching," says Ranjan Pai, the billionaire doctor who controls the education and healthcare focused Manipal Group. "But when he asked me for \$8 million, I nearly fell off my chair." Impressed by Raveendran's confidence, Pai obliged him and in 2012 became one of Byju's first two investors, buying a 26% stake alongside a former software executive. He still retains 1% of Byju's.

India appears fertile ground for edtech: the country has 260 million school-age children struggling through a system rife with poorly qualified teachers in an increasingly tech-savvy economy starving for skilled workers. "You have here a proliferation of smartphones, almost-free bandwidth, ubiquitous internet access and ease of digital payments," says Krishnan Ganesh, who cofounded the online education company TutorVista in 2005, then sold it to U.K.-based Pearson in 2011, before Byju's bought part of it from Pearson in 2017. "And you have parents who will spend a disproportionate amount of their disposable income on education."

In 2015, Byju's released its first app, a math and science tutor for 6th to 12th graders and followed it up two years later with one for 4th and 5th graders. In addition to providing video lessons, the app gauges whether the student has understood the concepts. Based on the response, the app takes the student either to the next level or back to basics. "This is what teachers can never do," says Raveendran. "They're unable to assess how much each student has really understood any topic."

Within three months of launching, the app had been downloaded two million times. Today, Byju's has enrolled 35 million students, with 2.4 million paying between \$150 to \$200 each for an annual subscription. Byju's \$200 million



Byju is now the fourth most-highly valued startup in India, after mobile payments and e-commerce firm Paytm, hotel operator Oyo and ride-hailing app Ola.

in annual sales is still tiny compared to the \$3.9 billion at Japan's Benesse Holdings, Asia's largest listed education company. Yet it's already profitable—earning more than \$2 million in its latest fiscal year—and growing fast. Spurred on by a recent focus on students in smaller cities, Byju's expects revenue for the year ending next March to more than double to \$440 million.

Byju's inevitably faces a proliferation of challengers, including Vedantu, which is backed by China's TAL Education Group and offers live, one-on-one tutoring, as well as Toppr, which provides online test preparation. And while China's own edtech players—such as VIPKid—are not direct rivals, they compete for the same investment pool.

So far, Byju's has grabbed the largest chunk of money. In

2016, Byju's landed \$50 million for an undisclosed stake from a group that included U.S. venture capital firm Sequoia Capital and Mark Zuckerberg and wife Priscilla Chan's Chan-Zuckerberg Initiative, marking that fund's first investment in Asia. In 2017, China's Tencent invested \$40 million on its own. Byju's is now the fourth most-highly valued startup in India, after mobile payments and e-commerce firm Paytm, hotel operator Oyo and ride-hailing app Ola, after the latest Qatar-led investment round.

Raveendran hopes to stay ahead of the competition by broadening his product offering and expanding into new markets. This year, Byju's plans to add English and social sciences to its curriculum. And in January, Raveendran paid \$120 million to buy Osmo, a U.S. maker of education games. In June, he launched a cobranded app with Disney called the Disney Byju's Early Learn app, aimed at India's 5 to 8-year olds. "We'll be expanding with more products, more grades and more markets," he says.

Byju's is already working to widen its youth appeal: In Bangalore, a team of 1,100 animators, gamers, developers and teachers are developing lessons for tech-savvy 3 to 8-year-olds that feature *Peppa Pig*, the hit British cartoon. "They have some X factor which kids like," says Raveendran. **F**

Byju Raveendran's wife Divya Gokulnath, 33, is cofounder and a director on Byju's board.



ICBC:

LEADING THE WAY IN PRIVATE BANKING IN CHINA

Over the past decade, ICBC Private Banking has developed a wide range of services and industry expertise to meet the increasingly complex needs of its clients.



ICBC Private Banking's headquarters in Shanghai

Industrial and Commercial Bank of China Limited (ICBC) has grown its private banking business over the past decade to become one of the leading players in China, with an expanding presence abroad. Headquartered on the banks of Shanghai's historical Huangpu River, ICBC became the first financial institution to be granted a license specializing in the private banking business by the China Banking Regulatory Commission in 2008.

Since then, the bank's private banking team has developed assets under management (AUM) to more than RMB 1 trillion (US\$145.05 billion) as it capitalized on the country's rapidly growing wealth in that period.

As of the end of June, ICBC Private Banking's AUM stands at 1.6 trillion RMB (US\$232.08 billion). It serves more than 90,000 high-net-worth clients and 400 service institutions, covering main cities and regions in mainland China. Internationally, the private bank has established

sub-branches in more than 20 countries and regions, forming a global network in Asia, Europe, North and South America as well as in Australia and New Zealand.

Exclusive and Integrated Services

As part of a global banking group, ICBC Private Banking is able to leverage on the integrated resources of the entire bank—from investment banking and corporate finance to credit cards and insurance—to offer a holistic service and better meet the increasingly complex needs of its clients.

Internally, ICBC Private Banking continues to build its brand by adding new exclusive services, such as concierge services and emergency assistance, that are designed to serve its clients' needs in a wide range of areas, including health-care, education and business travel.

Embracing a Digital Strategy

ICBC Private Banking is also investing in fintech solutions such as big data

and artificial intelligence to improve efficiency and customer service. For instance, it offers an AI-advisor service that helps financial advisors quickly provide clients with investment portfolio and asset allocation strategies.

Meanwhile, ICBC's various online and mobile services platforms help to deepen and improve the interaction between HNWI clients and the bank, promoting security and efficiency in the process.

Committed to Philanthropy

Throughout its growth journey, ICBC Private Banking has been committed to giving back to the less privileged in the community. Last year, for instance, it collaborated with clients to promote better living conditions for children in remote regions. Together with professional charitable foundations, ICBC Private Banking raised money to donate water heaters to nearly 50 primary and secondary schools in Sichuan province.

Grooming Talent

Over the years, ICBC Private Banking has built a team of professional talent with the necessary knowledge and skill sets to serve the high-net-worth segment in China. To achieve this, it has put in place a training system that caters to different levels of expertise. The system is made up of various components—including online classes, remote learning platforms, case studies and overseas training opportunities—to help its people develop transferrable skills.

Leveraging both internal and external resources, ICBC Private Banking will continue to develop its services platforms across markets, institutions and products, and provide its clients with exclusive services with integrity, professionalism and passion.

ICBC  Private Banking

www.icbc.com.cn/ICBC/EN/Others/PrivateBanking/default.htm

Joel Myers, founder and CEO of AccuWeather.
“We did big data before it was big data and AI before it was called that.”





CLOUD WARS

A bevy of innovative startups are leveraging low-cost sensors, cheap processing power, AI and advances in machine learning to revolutionize how we predict and model **the weather**. Businesses ranging from auto-racing to agriculture stand to benefit while aging stalwarts like AccuWeather have the most to lose.

BY SUSAN ADAMS

“Nasty.”

That is the professional opinion of Joel Myers, the CEO of AccuWeather, about the weather on Mother’s Day in New York City, as rain pelts the pavement nonstop and temperatures drop below 5 degrees. From the corner of 50th Street and 3rd Avenue, he shoots a text to company headquarters in State College, Pennsylvania, suggesting employees use the

word in the day’s New York forecast. “I’m always looking for ways to make the information we communicate better and more accurate,” he says.

Wiry and fit at 79 with a full head of dyed brown hair, Myers runs America’s oldest independent private weather forecasting company. He founded it in 1962 while studying for his master’s in meteorology at Penn State University. His first client, a local gas company, paid him \$150 to forecast three months of winter weather so it could plan for home heating demand.

Today conservative estimates of AccuWeather’s annual revenues exceed \$100 million. Customers include hundreds of TV and radio stations across the country plus major print outlets like the *New York Times*, the *Wall Street Journal* and *USA Today*. More than 1,000 companies use AccuWeather’s private weather forecasts to improve their bottom lines. Those range from the obvious—railroads and amusement parks like Six Flags—to the less obvious—say, Clemson University’s campus police department and Starbucks.

In all, the business could be worth as much as \$900 million, and Joel owns more than half of it, with the rest split among company executives and employees, including his youngest brother, Evan, who serves as COO. Joel’s other brother, Barry, who was AccuWeather’s CEO until January, recently sold his small stake for \$16 million after being nominated in 2017 by President Trump to head the \$5.4 billion (2019 budget) National Oceanic & Atmospheric Administration (NOAA).

For decades, private weather forecasting has been a cozy industry, dominated in the U.S. by AccuWeather, the Weather Company (founded as the Weather Channel in 1982 and bought by IBM for \$2.3 billion in 2016) and DTN, which focuses on industrial concerns and was purchased by a Swiss holding company for \$900 million in 2017.

But now a perfect storm of macro-trends—ever cheaper processing power, cloud computing, vastly improved AI and a proliferation of low-cost sensors—has opened up the field to a fresh crop of ambitious startups. In aggregate, they have raised hundreds of millions of dollars from investors, who think the incumbents look vulnerable to creative new business models.



AccuWeather

Founded: 1962 by CEO Joel Myers

Private forecasts for consumers, media outlets and enterprises

Number of employees: 500

Money raised: Self-funded

“THE MOST IMPORTANT THING IN A WEATHER FORECAST IS ACCURACY. WE STAND BY OUR NAME, AND THE STATISTICS SUPPORT IT.”

They are fighting over a big and growing pie. Recent numbers are hard to come by, but a 2013 study from the Wharton School estimated that overall revenues for climate and weather companies were about \$3 billion and that, in aggregate, the industry was worth some \$6 billion. A 2017 report from the National Weather Service included a prediction that the sector could quintuple in size.

“Every time we turn around, a different market cracks open,” says Glen Denny, head of enterprise solutions at Baron Services. The 29-year-old firm in Huntsville, Alabama, which manufactures \$1 million Doppler radar units, has been beefing up its custom forecasting business.

The possible applications are nearly endless. Take Nascar races, which are halted in the event of rain. At a recent event at Michigan International Speedway, Chevy driver Austin Dillon skipped a pit stop and placed first when a downpour cut the race short. His secret weapon? A private IBM forecast that alerted him to the likelihood of precipitation. “We get turn-by-turn forecasts within a quarter of a mile on the track,” says Pat Suhy, manager of the Chevrolet Nascar Competition Group, which pays more than \$100,000 a year for its forecast subscription.

The impact grows with the size of the concern. Xcel Energy, a Minneapolis utility with \$11.5 billion in annual sales and a big wind-power division, saved its customers more than \$60 million in fuel costs over seven years using private forecasts from Boulder, Colorado-based Global Weather Corp.

Each private forecaster starts with freely available information from the National Weather Service. Most then add their own data sources, collected using cheap sensors deployed on everything from seafaring drones to, in Xcel’s case, its wind turbines. That data is fed into custom algorithms and weather models, often underpinned by rapid advances in AI and machine-learning.

“It’s not only easier to collect massive amounts of data more and more quickly and run models on that data, it’s easy to disseminate the results quickly,” says Eric Floehr, the 49-year-old founder and CEO of ForecastWatch in Dublin, Ohio, regarded as the J.D. Power of weather prediction. “There is just more experimentation.”

Among the many weather-related startups, three stand out because of the money they’ve raised; the innovative ways they are gathering, evaluating and selling weather data; and the scope of their ambitions.

The most audacious may be Saildrone, founded by Richard Jenkins, 42, in Alameda, California, in 2012. A mechanical engineer and sailor, he was born in the U.K. to Australian parents and moved back and forth between an English country home near the yachting destination of Southampton and his grandfather’s Australian farm.

Before he studied engineering at Imperial College London, he spent a year on the open water, including a stint as a crew

member on a yacht owned by the Italian tycoon Gianni Agnelli. Two years into his degree, Jenkins started building a contraption called a land yacht, with a tubular carbon-fiber cockpit and three race-car wheels, topped with a 12m sail. In March 2009, he zipped across a dry lake in the Mojave Desert, hitting 203kmh and setting a world record for wind-powered speed.

That experience incubated the idea of creating an armada of oceangoing robots with a design similar to his land yacht. He formed Saildrone as a research project that would produce a fleet of 7m-long, 4.5m-high unmanned vessels, each equipped with up to 20 meteorological and oceanographic sensors. At first, he says, his idea was to collect data on ocean acidification, temperature and salinity and use it for the “greater good.” His first customers were government agencies like NOAA and NASA.

By 2017, Jenkins realized that Saildrone’s robots were gathering a unique and powerful data set that could factor into superior weather forecasts. After all, most weather forms over the oceans, where there are few weather stations to notice it. Though it only has 25 robots deployed, he says Saildrone is already selling forecasts to sports teams, insurance companies and hedge funds.



ClimaCell

Founded: 2015 by CEO Shimon Elkabetz
Hyperlocal forecasts using data from cellphone towers and street cameras

Number of employees: 100

Money raised: \$77 million

“WHAT WE’RE DOING IS
REVOLUTIONARY. WE’RE
CHANGING THE PARADIGM.”



Jupiter Intelligence

Founded: 2017 by CEO Rich Sorkin
Combines weather, climate and terrain data to create geographically-specific risk profiles

Number of employees: 50

Money raised: \$33 million

“UNDERSTANDING CLIMATE RISK IS ONE OF THE BIGGEST CHALLENGES FOR THE PLANET.”

More than a half dozen investors, including the foundation run by former Google CEO Eric Schmidt, are backing the company with \$90 million in venture capital. Pitchbook pegs its value at \$260 million. Employee head count is at 100 and growing. In January, the company launched a free weather app and plans to charge for a premium version starting in June. Cheap computing power allows Sairdrome to quickly test powerful weather models. But its vast trove of sensor data makes it a novel challenger to AccuWeather and its ilk. “We have a unique data source that they don’t have,” Jenkins says.

Other startups take weather data and go several steps beyond forecasting. Two-year-old Jupiter Intelligence, based in San Mateo, California, with offices in New York and Boulder, Colorado, combines weather data with information about an area’s environment and terrain to create “climate risk assessments.” It sells two services, short-term predictions of one hour to five days and long-range projections that look up to 50 years into the future.

Jupiter hopes that major cities planning for hurricanes, floods and fires, like Houston and Los Angeles, will eventually become customers, but in the short run businesses affected by severe weather seem like surer sells. Any company with

a warehouse in a low-lying area wants to know how much area it might lose to sea-level rise and when that loss might happen. The company’s insurer wants to know that too. QBE, a big Australian insurer, is already a Jupiter customer, as is Nephila, an insurance-focused investment firm. Both are also investors who have contributed to the company’s \$33 million in backing.

“IBM and AccuWeather predict the weather,” says Jupiter founder and CEO Rich Sorkin, 57. “We predict the impact of that weather.” Jupiter charges \$200,000 to \$500,000 to run a pilot for new clients. Yearly subscriptions cost \$1 million and up. Revenue to date is in the single-digit millions he says, but he projects ten times that for 2019.

A Yale grad with an M.B.A. from Stanford who started his career as a management consultant, Sorkin ran Elon Musk’s first breakout venture, Zip2, which developed online city guides, before it sold to Compaq for \$300 million in 1999. In 2008 he made a first attempt at a startup to sell weather forecasts to businesses. His idea was to take publicly available meteorological models, pump them up with computing power and sell 30-day forecasts to energy commodities traders. But the forecasts were no better than the competition’s. He raised only \$1 million for the company, Zeus Analytics, and it went out of business in 2011.

Jupiter looks more promising. The 50-person team includes talent from the federal government’s National Center for Atmospheric Research and NOAA. Like Zeus, Jupiter uses government-issued weather data, but Sorkin says artificial intelligence and detailed terrain-based information are producing risk projections that customers are willing to pay for. Without cloud computing, he says, Jupiter wouldn’t exist.

Another challenger with huge ambitions: ClimaCell, cofounded in 2015 by Shimon Elkabetz, 32, a former Israeli air force pilot, while he was earning his M.B.A. at Harvard. When he was in the military, he nearly lost control of his plane after a forecast failed to warn him that he was about to fly into a thick bank of clouds. At the time, he thought to himself, “Someone has to come up with a new tool.”

Together with two cofounders, he developed what he says are minute-by-minute, hyperlocal forecasts that he claims are 60% more accurate than those of competitors. ClimaCell’s

The possible applications are nearly endless.

edge, according to Elkabetz: In addition to the government weather data all the private forecasters use, it pulls weather inputs from new sources like cellphone signals and street cameras. “We call it the weather of things,” he says. “We turn everything into a weather sensor.”

The company has raised \$77 million in venture capital, valuing it at a reported \$217 million. Elkabetz has opened offices in Tel Aviv and Boulder, Colorado, to supplement his Boston headquarters. He is taking dead aim at many of the industries that AccuWeather serves. “We’re going to be bigger than AccuWeather,” he says. “We want to become the biggest weather technology company in the world.”

Already ClimaCell is making ground-operation forecasts for airlines including JetBlue, which is also an investor, and game-day forecasts for the New England Patriots. Via, a ride-sharing company, uses its forecasts in five cities including London and Amsterdam. On a Sunday in mid-May, Via got an alert from ClimaCell about heavy rain in New York that would last from late morning to midday, with varying intensity in different parts of the city. Knowing demand would spike, Via made sure it had enough drivers in the wettest spots. “There is a significant monetary value to us in using ClimaCell’s platform,” says Ari Luks, Via’s director of global marketplace economics.

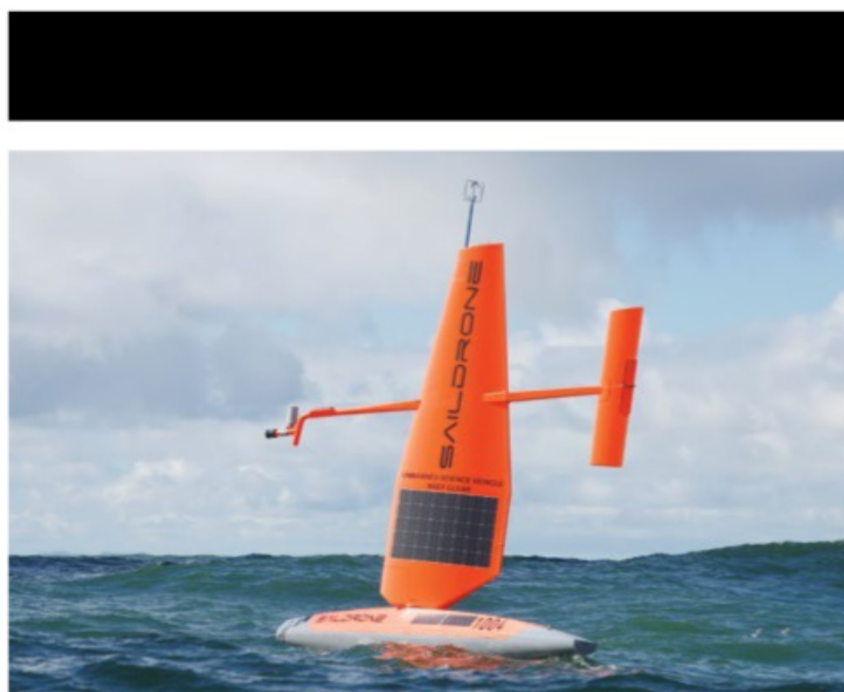
Can ClimaCell best the incumbents? Marshall Shepherd, director of the University of Georgia’s atmospheric sciences program and a past president of the American Meteorological Society, says he’s yet to see robust statistics proving the company’s claims, but adding lots of new data inputs could help produce more accurate forecasts. “I’m bullish on what they’re doing,” he says.

Others are skeptical. “ClimaCell makes a lot of claims, but I’ve never seen proof of anything,” says Clifford Mass, a longtime University of Washington atmospheric sciences professor. “Street cameras are not going to improve weather forecasting.” Elkabetz counters that prospective customers are given proof of its claims.

ForecastWatch’s Eric Floehr is as close as it comes to an expert with a broad view of the private forecasting business. He says the jury is out on Saildrone, ClimaCell and Jupiter Intelligence. What about ClimaCell’s assertion that its forecasts are 60% more accurate than the competition’s? “Extraordinary claims require extraordinary evidence,” he says.

Criticism of AccuWeather has been heating up since Trump nominated Barry Myers to head NOAA. Widespread reports have alleged the company engaged in a multiyear effort to push the government out of providing free weather forecasts. Despite the reams of coverage, Joel Myers angrily denies it, “That’s a bunch of bullshit,” he fumes. “Nobody was trying to restrict the role of the National Weather Service.”

He also flatly denies that harassment took place at AccuWeather, despite the fact that the company paid \$290,000



Saildrone

Founded: 2012 by CEO Richard Jenkins

Sensor data from oceangoing robots produces unique forecasts

Number of employees: 100

Money raised: \$90 million

“THE OCEAN IS DRIVING OUR WEATHER, AND BOTH THE CLIMATE AND THE OCEANS ARE CHANGING RAPIDLY. WE HAVE TO UNDERSTAND THAT.”

in 2018 to settle a Department of Labor investigation that found “widespread sexual harassment at AccuWeather.” “We denied all that,” he says. “There was no proof of harassment,” says Barry, who had the top job at the time.

Less easy to dismiss is the pack of hungry competitors that are looking to eat AccuWeather’s lunch, though Joel tries to with a blanket “I’m not going to sit here and talk about competitors” before allowing, in a later interview, that “Everything is accelerating. Any business leader who says he knows what the world will look like in 20 years is making it up.”

Where AccuWeather will be in 2039, when Joel is 99 years old, is anyone’s guess. The company won’t discuss specifics of its succession plans, and none of Joel’s seven children are involved with the business day to day. The Myerses are surprisingly sanguine about the future. “Eighty is the new 60,” Barry says. “Joel’s an energetic guy. He’s working 24-7, and he loves what he does.”

“I’ve seen lots of new companies come along,” Joel says. “Some of them will find a niche, and some of them will fail.” **F**

PROMOTION

G20 INTERFAITH FORUM JAPAN 2019

**CROSSING BOUNDARIES BETWEEN POLITICS,
ECONOMICS AND RELIGION, GLOBAL LEADERS COME
TOGETHER FOR A MORE SUSTAINABLE WORLD.**



From left: David Cameron, former British Prime Minister; Enda Kenny, former Irish Prime Minister; Haruhisa Handa, WSD Chairman; John Key, former New Zealand Prime Minister; Graca Machel, the first Education Minister of Mozambique

The G20 Interfaith Forum took place at Hotel New Otani Makuhari in Chiba prefecture from June 7 to 9. Speaking at the conference, Haruhisa Handa, Chairman of Worldwide Support for Development (WSD), a nonprofit organization that cohosted the event, stressed that cooperation among religious, political and private sectors is crucial to the realization of the U.N.'s Sustainable Development Goals (SDGs).

This year's sixth annual G20 Interfaith Forum was the largest to date, attracting an audience of 4,000 over the course of the two days, with sessions open to the public. Discussions covered a range of local and global issues, and the forum's agenda focused on how religious leaders can point the way forward and inspire people around the world—particularly in regard to SDGs—targets adopted by all

U.N. member states in 2015 to achieve a better and more sustainable future.

The 17 SDGs are based on the philosophy that “no one should be left behind.” As all are linked, a breakdown in the process of achieving even one goal hinders the success of the entire agenda for sustainable development.

One of the major factors slowing down the movement is the lack of progress toward ending poverty—a target defined in goals one and two. The forum's main mission is to highlight issues gathered from the global network of philanthropists and charitable organizations of various faiths that provide support in impoverished areas, and to make policy recommendations to G20 leaders.

Also attracting attention to the forum was key organizer WSD. The group offers

humanitarian assistance to victims of conflict and refugees, and has established a neonatal hospital in Laos and a free medical emergency clinic in Cambodia. WSD also holds various international forums to promote the spread of peace around the world. It hosts the annual Global Opinion Leaders Summit, which has welcomed former British Prime Minister Tony Blair and former U.S. Presidents Bill Clinton and Barack Obama, among others, to present guidelines on how developed countries should tackle increasingly complex societal issues.

In addition to his leadership of WSD, Handa is President of Misuzu Corp., which runs the Handa Watch World event. Handa, who is well known for his numerous charitable activities and achievements, has named John Key, former Prime Minister of

PROMOTION

New Zealand, and Enda Kenny, former Prime Minister of Ireland, as honorary chairs of WSD.

At this year's G20 Interfaith Forum, 300 leaders in the fields of religion, politics, economics, education and the sciences gathered in Japan to exchange ideas on topics ranging from poverty and the refugee crisis to education and environmental degradation. The lineup included prominent speakers such as former British Prime Minister David Cameron; Graca Machel, the first Education Minister of Mozambique and Chancellor of the University of Cape Town; and Nobel Peace Prize winner Denise Coghlan. Discussions on the second day of the forum began with remarks by Koichi Hagiuda, Executive Acting Secretary-General of Japan's Liberal Democratic Party, who delivered greetings from Prime Minister Shinzo Abe.

WSD Chairman Handa opened the forum on June 8, stressing the need to include faith leaders in policy decisions: "As 85% of the world population has a deep connection to religion, politicians must include [a network of religious leaders] in addressing global problems," he said.

Religious leaders, including Pope Francis and Ecumenical Patriarch Bartholomew, gave messages to the forum about the shared care and concern across diverse religious communities for underprivileged children and others. Professor Osama Al-Azhari, adviser to the Egyptian President on religious affairs, echoed this sentiment, noting that the principles of the SDGs match the teachings of the Koran—a view shared by Muslim leaders.

Innocent Children Are the Biggest Victims

Most of the speakers touched on the problem of poverty. Estimates from the World Bank show the number of people in extreme poverty—those living on less than US\$1.90 a day—remains unacceptably high. According to U.N. data, most of the world's poor live in developing countries, and one in nine are suffering from starvation. University of Cape Town's Machel, who was married to late South African President Nelson Mandela and is a staunch advocate for women and children, spoke on the issue. "Due to conflicts and the effects of climate change, 6.5 million people are refugees, of which 52% are



1. Panel discussion with Enda Kenny, John Key and Graca Machel
2. WSD Chairman and G20 Interfaith Forum host Haruhisa Handa
3. David Cameron delivering his keynote speech
4. Denise Coghlan, winner of the Nobel Peace Prize, and 5. Osama Al-Azhari, adviser to the Egyptian President on religious affairs, served as moderators

children," she said, describing how the weak become targets of criminal networks engaged in human trafficking and illegal organ harvesting.

Machel also emphasized the necessity of providing education for refugee children, who are half as likely to attend elementary school as non-refugee children.

"Children are treasures. If given a chance, they will contribute to the economic growth of developing nations. Without [education], they will grow up without morals and creativity, and as adults they will be unable to fully participate in society," she observed, urging collaboration among academic, religious and private sectors to come up with innovative solutions.

About 90% of refugees flee to developing countries, where they are vulnerable to the worst human rights violations. It has been reported that criminal organizations impersonating humanitarians infiltrate refugee camps, kidnapping children and selling them into sex and labor trafficking.

What can we do? First, we must accurately grasp the situation, and then act upon our natural human emotions. The evolution of technology has made it possible for anyone to speak up and send a message all over the world.

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Sitting Pretty

With KKR riding pillion, billionaire Ron Sim is retooling his massage chair and luxury tea businesses into a regional wellness giant.

BY PAMELA AMBLER

Pulling an IPO is generally not a sign of corporate confidence. Ron Sim knew that. It was early 2018, and he was on the brink of relisting the company he had taken private just two years earlier, the company that made him a billionaire. The syndicate of underwriters was lined up, the prospectus was out and Hong Kong's exchange had given the green light for a listing by his company Vision Three (V3) and its flagship OSIM unit.

Then Sim shut the deal down. "I felt it might not be the best time," says Sim, 61. His instincts were right: Hong Kong, it turned out, was at the start of an eight-month tailspin that would wipe nearly \$600 billion off its market capitalization that year, its worst slide in seven years.

Sim was also confident he could get a better deal. Even as he was arranging the IPO, he was being courted by potential private investors. Last December, KKR emerged as the victor,

Singapore's 50 Richest

investing S\$500 million (\$367 million) for what *Forbes Asia* estimates is roughly a third of V3. “It took them almost a year to do due diligence,” says Sim in his first one-on-one interview since the deal. “It helps us because it helped to crystalize things, which is good for any business.”

Together, Sim and his executives are working with KKR to get V3 firing on all cylinders. Top priority was OSIM, one of the top 10 massage chair brands in the world, according to U.K.-based research firm TechNavio. With KKR, Sim and his team reorganized OSIM’s network of stores to better tap Northeast Asia’s increasingly urban middle class and souping up V3’s luxury tea brand, TWG, into an even bigger global player. “The commonalities here is that he wanted to grow,” says Jaka Prasetya, a Singapore-based KKR partner who negotiated the deal. “And obviously us being a global player, we provide him connectivity.”

The goal is to eventually take V3 back to market in an IPO that eclipses the S\$1 billion Sim’s company was worth when he took it private in 2016. That would be a fillip to what is already a rags-to-megariches story. Ron Sim Chye Hock—his Chinese given name Chye Hock means “fortune” and “luck”—started out selling household appliances after quitting high school. In 1980, he started R. Sim Trading, which sold an assortment of kitchenware, home goods, wooden massagers, and reflexology rollers, and changed the name to OSIM years later as he began expanding across Asia, narrowing his focus to health and lifestyle equipment.

It was in massage chairs, though, that Sim found his niche, teaming up with Japanese engineers nearly 30 years ago to impart OSIM’s chairs with the sensation of a genuine shiatsu massage and then building a factory near Shanghai to keep costs low. Sim took OSIM International public in 2000, selling just over 25% of its shares in a deal that valued the company at just S\$71 million. Today, its top-of-the-line massage recliner, the S\$6,199 uLove2, promises to mimic the sensation of having two masseurs, and OSIM is the market leader in massage chairs in Greater China, Malaysia and Singapore.

Sim views his chairs as just part of a wider lifestyle and wellness proposition, and early on began using acquisitions to round out his offerings. In 2003, OSIM branched out into

nutritional supplements, paying about S\$10 million for a 30% stake in Singapore-based Global Active, which owned the franchise for parts of Southeast Asia for U.S.-based GNC. V3 today owns 90% of Global Active, now called ONI Global, whose 226 stores in Malaysia, the Philippines, Singapore and Taiwan last year generated S\$16 million in profits on S\$174 million in sales.

But Sim learned a costly lesson in 2005 when OSIM, Singapore sovereign fund Temasek and Boston-based private equity firm J.W. Childs paid \$450 million for Brookstone, the U.S. specialty retailer known for its quirky gadgets. While the move gave OSIM a way to sell its chairs in Brookstone’s nearly 300 U.S. stores, the company failed to transition to online shopping. In 2009, OSIM took a \$100 million writedown on Brookstone, which went bankrupt in 2014.

Sim says the setback helped hone his operational, financial and management skills. “The key principle I learned from the Brookstone acquisition is that I understand the psychology of the financial market and the financial player,” he says.

Two years after its Brookstone writedown, OSIM bought a 35% stake in a luxury tea chain with only three shops in Singapore called TWG Tea. “It was losing S\$2 million a year and I got scolded by shareholders,” he recalls. But Sim saw in TWG a luxury experience that would appeal to the same consumers with discretionary spending power he was targeting with his chairs and GNC. He also saw potential in TWG’s cofounder, Frenchman Taha Bouqdib, now its CEO. “Taha is a genius in terms of marketing, he is a creative guy who understands merchandising,” says Sim.

Within a year of OSIM’s purchase, TWG broke even and, over the next two years, OSIM bumped its stake up to 70%. Today, TWG has 70 of its ornate tea salons and épiceries, with their floor-to-ceiling chinoiserie and eggshell tea tins, in more than 18 cities worldwide. Last summer, TWG opened a salon and tea museum in London’s Leicester Square that drew capacity crowds—a ringing endorsement from a country with a long tea pedigree.

“We are getting very strong traction of our tea,” says Sim between sips of TWG tea in his freshly renovated and re-branded V3 headquarters atop OSIM’s headquarters. “We are

SIM'S CITY

Ron Sim took OSIM International private in 2016 under his V3 holding company, which holds:



FUTURISTIC STORE FIXTURES

shelving for retail outlets



ONI GLOBAL

nutritional supplements



OSIM

massage chairs and related equipment



TWG TEA

restaurants, tea and related merchandise

SOURCE: FORBES ASIA



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Singapore's 50 Richest



"We are not a commodity. We are focused on the mass-affluent," says Ron Sim.

not a commodity. We are focused on the mass-affluent." Next stop: North America, where TWG has already established a Vancouver beachhead.

TWG's biggest source of profits comes not from the boutiques, though, but from selling tea and related merchandise to hotels and other luxury retailers. In 2017, TWG earned S\$4.5 million on nearly S\$70 million in sales, down from S\$7.4 million in 2016 as raw material costs swelled. That should recover, Prasetya argues, as expansion gives TWG greater pricing power. "The economies of scale of each country still needs to be established," he says.

Even after TWG's turnaround, though, OSIM relied on chairs for the lion's share of its revenue. And it's there that sales were languishing, dragging group profit down 42% in the first quarter of 2016. With OSIM's shares trading at half their 2014 peak, Sim in April that year used V3 to buy back the 31% of the company he didn't own in a deal that valued OSIM at S\$1 billion. OSIM was delisted from Singapore's exchange in August.

Freed from quarterly reporting and other obligations, Sim focused on restructuring the business. In March 2017, V3 bought a 75% stake in Futuristic Store Fixtures, a Singapore-based maker of shelving for global retailers such as Bath & Body Works, Starbucks and Victoria's Secret. To help pay for Futuristic and pay off the more than S\$300 million he borrowed to take OSIM private, Sim began laying plans to list V3 in Hong Kong. Sim's hope was that V3 could fetch a higher price in Hong Kong than in Singapore.

But even as Credit Suisse, Bank of China's BOC International and New York-based investment bank Jefferies were lining up potential investors, Sim was being courted by KKR, which offered not only funding, but also a potential solution to OSIM's sluggish sales. "They have depth in terms of their analytical tools, which is helpful to us because we are business people first, operational second, financial third," says Sim.

Led by Prasetya and his team of analysts, KKR mined customer data OSIM had accumulated over four decades—customer surveys, focus group reports and foot traffic—to evaluate its product placement and store locations. Prasetya's conclusion: "Something was not exactly right in his stores across China."

Together, KKR and OSIM's managing director, Teo Chay Lee, mulled over which stores to keep and improve, and which ones to close or relocate. The result was the closure of 112 OSIM-owned and franchised stores and the opening of 27 new ones in different locations. Outlets with smaller footprints made way for larger stores that could display more products for customers to try before they buy.

So far, the strategy seems to be working. In 2017, the most recent year figures are available, OSIM's net profit climbed 23% to S\$64 million on a 3% increase in sales, to S\$594 million. OSIM and its investors say it's now better positioned to take part in the growth of a global market for luxury massage chairs that TechNavio predicts will grow to 35%, to \$1.8 billion, between 2017 and 2022. China, Japan and South Korea lead the global market in growth thanks to the rise of stressed-out, dual-income households, according to Ritesh Kumar, a senior industry analyst at TechNavio.

Time to start revising V3's prospectus? Sim says another IPO isn't yet on the horizon. "Certainly not this year. I don't see next year as a possibility. Maybe 2021," he says. "I have time, lots of time." **F**



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› Available in summer 2020



Room at the Top

Shipping tycoon Michael Kum always wanted to own a hotel. He got his wish in 2009, buying the first of what is now a \$1.6 billion hotel empire.

BY ANURADHA RAGHUNATHAN

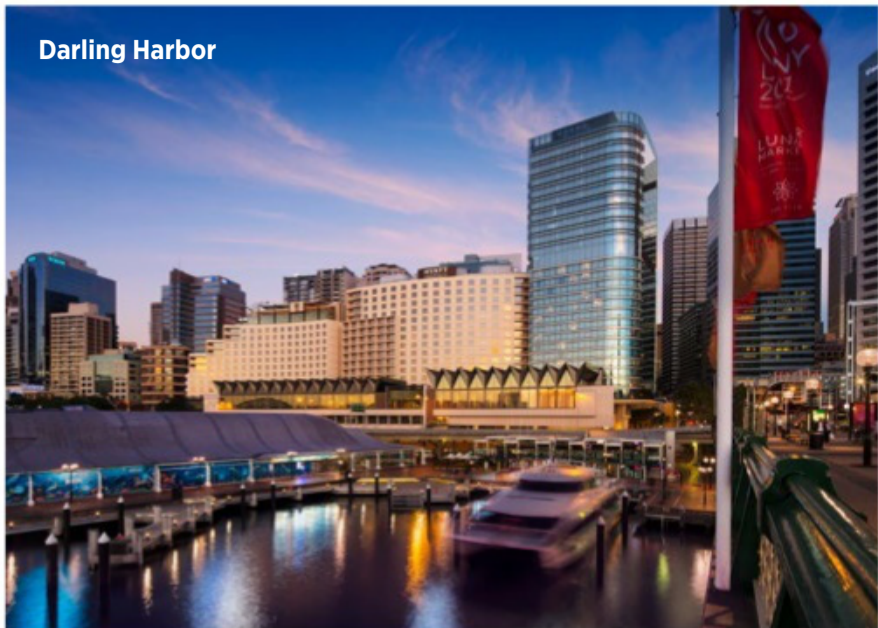
Singapore shipping magnate Michael Kum had just retired with \$350 million in the bank in 2009 when, casting about for investment ideas, he visited Sydney's 630-room Four Points by Sheraton overlooking Darling Harbor. Determined to buy it, he paid \$170 million for it after months of negotiations. "It was like putting money in a casino," Kum recalls. "After 30 years of hardship, I was putting so much of my savings into this. There was no guarantee that I was going to make it."

But he did. Over the next few years, he snapped up hotels across Australia, Japan and Singapore. That was the start of what is now an estimated \$1.6 billion hospitality empire, with nearly 5,400 rooms in 19 hotels spanning 12 cities around the globe, from Auckland to Scotland's Aberdeen.

Kum's company M&L Hospitality—named for him and his wife Lynda—boasts 80% to 85% occupancy at its properties and expects ebitda in excess of \$110 million this year on



"We've never lost money—in shipping or in hotels," says Michael Kum, pictured here with daughter Jocelyn.



\$320 million in sales. Kum's estimated net worth stayed steady at \$930 million from last year. "We've never lost money—in shipping or in hotels," says Kum, 75, in a rare interview, held in the M&L Hospitality office in downtown Singapore.

Kum has a very different life than the one he was born into. His parents migrated to Singapore from China on a barge before he was born. Kum grew up on the banks of Singapore's Kallang River in an attap house. He earned a certificate in cost accounting from the London Chamber of Commerce in Singapore and in 1969 started working for a shipping company. In 1976, Kum set up his own firm leasing vessels to oil and gas companies in the Middle East and Southeast Asia.

Eldest daughter Jocelyn—armed with a business degree from Australia's Monash University and nine years of investment banking experience in Hong Kong and Singapore—joined her father's business in 2004. As profits surged, the Kums sold the shipping business just before the global economic crisis in 2008 for \$290 million to Australian investment bank Macquarie. That cash helped bankroll his entry into the hospitality business. "My father always wanted to own a hotel," says Jocelyn.

Buying his way into hotels put the Kums in a select group of wealthy Asians who became late-career hoteliers, including former textile magnate Choo Chong Ngen (No. 10), who runs Worldwide Hotels, and former property tycoon Law Kar Po from Hong Kong, who runs the Park Hotel Group.

"Hospitality is a must-have when you have lots of money," says Govinda Singh, executive director for valuation and advisory services in Asia at Colliers International in Singapore. "A lot of second-gen entrepreneurs are interested in hotels because they provide new business streams."

While he may not have known it when he bought his first hotel, Kum chose to break into hospitality at the cusp of a travel boom in Europe and Asia. STR, a U.S.-based hospitality research firm, predicts that growing demand will fuel a 16% increase in rooms in the Asia-Pacific over the next six years, and a 9% increase in Europe.

M&L, whose brands include Hilton, Hyatt and Ibis, is well-placed to benefit from the boom. "Their selection of markets and brands is very smart," says Daniel Voellm, managing partner at global hospitality consultancy HVS Asia Pacific (M&L isn't a client). "What's unusual is the diversity of the portfolio

across so many geographies."

Kum still manages M&L with his daughter Jocelyn, 47, and CEO Neil Maxwell. The family has other investments too. Kum's second daughter Gwen, 46, handles the family's shipping investments. The youngest, Steven, 45, is a vascular surgeon who advises on medical investments.

The family still owns 100% of M&L. The company filed for a Singapore IPO in April 2012, but withdrew the application within a month after the Kums decided listing conditions weren't favorable. The Kums say they also value the independence and nimbleness that come with having the family at the helm. "The team is us," says Jocelyn. "We act very quick and we are very discreet."

The Kums are hands-on owners, taking charge of everything from curating their hotels' bar menu to pricing the food. They have a simple formula that determines which hotels to include in their portfolio: stick to central business districts and locations near train stations and airports. Five of M&L's properties are near airports.

"We can also be a bit contrarian in our approach," says Maxwell, 59, who joined the company in 2009 after Kum acquired the Four Points in Sydney. M&L started buying in Japan, he says, before it was fashionable and acquired hotels in Australia and New Zealand when others wouldn't. "For us it is location, location, location," says Maxwell, who is from Australia.

While the Kums are eager to acquire properties, they are also not afraid to exit when it makes sense. They've sold six hotels in the last ten years, including Singapore's 241-room Ibis Novena, which M&L sold in 2013 for \$120 million, two years after buying it for \$96 million. And after buying four hotels in Japan in 2011, they sold them and exited the country in 2016.

M&L is also looking to turn some of its hotels into multi-use properties that mix hospitality with commercial space. In 2016, for example, it completed the \$250 million redevelopment of Kum's first hotel, now rebranded as the Hyatt Regency, adding a 25-story, 222-room tower, a 3,700 square meter convention center and nine floors of office space. M&L also has \$900 million in ongoing development projects. Next up? M&L plans to buy or develop properties in Australia, New Zealand and Europe, all with a view of nearly doubling its empire over the next five years. **F**

MANAGING WEALTH IN AN ERA OF CHANGE: WILL YOU THRIVE?

AS ASIA'S WEALTH SHIFTS TO THE NEXT GENERATION, HSBC'S WEALTH PROFESSIONS ARE WELL-POSITIONED TO REALISE THE SOCIALLY CONSCIOUS ETHOS OF YOUNGER FAMILY MEMBERS WHILE NAVIGATING THE NEW ECONOMY.

Wealth management, an industry that has upheld traditions for centuries, is undergoing rapid transformation. At the heart of today's changes are the evolving needs of clients. These are being shaped by the enormous amount of wealth that is increasingly held by Generation X and Millennials. The younger generation is not solely concerned with financial gains: It is equally motivated to help overcome environmental and social issues such as climate action, water security and poverty reduction.

A further consideration is the growing proportion of wealth held by women, which today stands at about 30%. This is significant, as research has shown that while women typically make less aggressive investment decisions, they create an inclusive environment that promotes cohesiveness and well-being among staff and the wider community.

"In about five years' time, one-third of Asia's wealth will have moved from the older generation to the next," explains Michelle Lau, Head of Private Wealth Solutions, Southeast Asia, HSBC Private Banking. "That's about US\$40 trillion of the region's estimated US\$115 trillion of wealth."

The amount of new wealth generated by Asian entrepreneurs and business owners is also noteworthy. Currently, more than 40% of new wealth globally resides in the region, split equally between mature markets such as Singapore and Hong Kong, and emerging markets such as China and India.

"Although interest in sustainable investments is booming, viable opportunities that support environmental and social causes

while delivering financial returns remain limited," cautions Lau. "Identifying these requires specialist investment managers who understand both the rewards and risks these types of investments present."

Against the Odds

Managing wealth in today's era of change is greatly challenging for entrepreneurs and business owners. Not only must their businesses stay on top of a myriad of



Michelle Lau, Head of Private Wealth Solutions, Southeast Asia, HSBC Private Banking; **Philip Kunz**, Head of Global Private Banking, Southeast Asia, HSBC Private Banking

PROMOTION

macro issues—including trade tensions, digital disruption and increased demand for greater personalisation by customers—they must also manage investment portfolios that are exposed to heightened volatility across a wide range of asset classes and markets.

For entrepreneurs and business owners seeking to pass their business to the younger generation, they too face difficulties. Typically, this is due to two reasons: Either there is no successor or there are too many, where rivalry and conflict among siblings flourish. Secondly, the younger generation is often unprepared for leadership, lacking the skills, knowledge and expertise required for the new role.

clear vision for the future,” says Lau. “This involves the agreeing of goals and objectives, and the creation of a governance framework.”

The drafting of values is equally as decisive. Not only do they unite business owners and staff internally, they can also be a business’s unique proposition. Having a distinct set of values not only attracts top talent, research finds, it also appeals to customers and can act as a differentiator to rival businesses.

Complementing these measures, the establishment of a family office can enable greater oversight of business and personal interests. These range from investments to tax, estate management and philanthropic activities. The fam-

that is growing annually by more than 5%, Singapore is well positioned to assist regional entrepreneurs and business owners with their wealth needs.

“Singapore’s safety and security, pro-business environment, transparent legal framework and regional interconnectivity make the city-state the premier location within Southeast Asia from which to manage wealth,” says Kunz. “Equally, Singapore’s wide pool of highly skilled wealth management professionals rival those of any other city globally.”

Embracing Change, One Generation to the Next

The family office is commonly used to support the ambitions of the next generation.

“The family office allows the younger generation to explore new opportunities and help grow the business in novel and innovative ways,” says Lau. “Not only can the younger generation draw on the know-how of other family members, it can capitalise on the wisdom of specialist advisors from a wide variety of fields.”

For second- and third-generation family business owners, this is crucial, as typically they are more risk-averse than the founding generation but need to continue innovating to keep up with market changes. Fear of failure, Lau asserts, must be replaced by the entrepreneurial spirit that drove the founding generation. Otherwise, the longevity of the business will be challenged.

“By creating a holistic plan that outlines a business’s goals and objectives, and considers generational preferences, equal opportunities and the need to continually innovate, entrepreneurs and business owners will have built a platform that allows them to prosper for many generations to come,” says Kunz. “Having served Asia’s business community since the bank’s formation in 1865, HSBC has a rich history of realising the wealth preferences of clients, and ensuring that their companies and investments thrive during times of great change.”

“By creating a holistic plan that outlines a business’s goals and objectives, and considers generational preferences, equal opportunities and the need to continually innovate, entrepreneurs and business owners will have built a platform that allows them to prosper for many generations to come.”

— PHILIP KUNZ, HEAD OF GLOBAL PRIVATE BANKING, SOUTHEAST ASIA,
HSBC PRIVATE BANKING

“Studies find that only 30% of wealth is successfully passed to the second generation, with 12% passed to the third,” says Philip Kunz, Head of Global Private Banking, Southeast Asia, HSBC Private Banking. “Just 1% of wealth reaches the sixth generation.”

This trend, attests Kunz, shows no sign of abating. Against these odds, how can entrepreneurs and business owners thrive?

Robust Planning Required

Planning can overcome most issues that entrepreneurs and business owners encounter.

“As a starting point, they must establish a shared sense of purpose and a

family office can ensure greater alignment between all activities, and shield each interest against the risks associated with internal and external changes.

The family office usually includes its own team of wealth professionals, who understand the investment preferences of entrepreneurs and business owners, and can allocate their wealth to viable, performing investments. For investors concerned about climate change, for example, these might include green bonds, which fund carbon-neutral projects while delivering healthy returns.

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Planning for your today
and your family’s tomorrow



Singapore's 50 Richest

BY JUSTIN DOEBELE AND NAAZNEEN KARMALI

Slow Motion

A new entry at the top of the list perks up a sluggish year.

With global trade tensions showing no signs of abating, Singapore's economy has flatlined. A recent government forecast projects virtually no growth for the island-nation in 2019, citing potential risks such as a deepening slowdown in China, uncertainties in Hong Kong and further afield, the fallout from a no-deal Brexit. Despite these looming headwinds and a stock market that declined 3.5% since we last measured fortunes in July 2018, the collective wealth of the top 50 richest was up more than 12% to \$130 billion.

A good part of that boost is due to the debut of hot-pot billionaire **Zhang Yong**, founder of Hong Kong-listed Haidilao International. A naturalized Singapore citizen and resident, Zhang, who was featured previously among China's richest, is the new number one this year with a net worth of \$13.8 billion. His company is also increasingly global in its expansion.

Zhang replaces real estate siblings **Robert and Philip Ng**, who had occupied the top spot every year this decade; they are now at No. 2 with \$12.1 billion. The biggest dollar gainer this year is another property tycoon, **Kwek Leng Beng**, chairman of the Hong Leong Group. Kwek added \$1.2 billion to his wealth partly on the back of an overseas expansion of flagship City Developments, which acquired two London office properties for \$690 million in 2018. Paint tycoon **Goh Cheng Liang** also got a billion-dollar boost, thanks partly to new information about his holdings.

More than half of the returnees to the list saw their wealth decline, such as Facebook billionaire and Singapore resident **Eduardo Saverin**, who is down by \$1.2 billion. While he



retains a minority stake, Saverin plays no role in the social media giant, which has been battling investor concerns about user privacy issues. Shipping tycoon **Chang Yun Chung** suffered a 27% erosion in his wealth amid a sluggish shipping sector in the trade-dependent country. Chang, now age 101, is the world's oldest billionaire.

The cutoff to make the top 50 increased marginally this year to \$560 million. There were three dropoffs, including Ching Chiat Kwong, the former cop turned developer, who came to be known as the king of shoebox apartments. The debt-fueled expansion of his Oxley Holdings made investors wary, causing its shares to dip.

Additional reporting by Pamela Ambler, Wayne Arnold, Megha Bahree, Jonathan Burgos, Shu-Ching Jean Chen, Russell Flannery, Sean Kilachand, Anis Muslimin, Suzanne Nam, Anuradha Raghunathan, Sheela Sarvananda and Jessica Tan.

METHODOLOGY

The list was compiled using shareholding and financial information obtained from the families and individuals, stock exchanges, analysts and other sources. Unlike our billionaire rankings, this list includes family fortunes, including those shared among extended families such as that of Kwek Leng Beng and his cousins. Net worths are based on stock prices and exchange rates as of the close of markets on August 13, 2019. Private companies were valued based on similar companies that are publicly traded.

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DARYL NG

Location, Location, Digitization

IN AUGUST 2018, Daryl Ng, chairman of the Hong Kong Innovation Foundation, met Toby So, founder of a one-year startup Film Players, over lunch during a Hong Kong government-sponsored awards ceremony. They became partners two months later.

So's company was developing "smart film," a self-adhesive, 0.3mm thick film that can transform glass panels into interactive digital screens when connected to the internet. With advice from Ng's team, Film Players added a "dimmer switch" to reflect varying visibilities of light, creating the effect of switchable window curtains. That's ideal for the Ng family's hotels and serviced apartments.

Ng is better known as the 41-year-old scion of Singapore property developer **Far East Organization**, a family business started 57 years ago by Ng's late grandfather that is today one of Asia's largest real estate groups. Ng serves as the de facto CEO of Sino group, Far East's Hong Kong arm, where he is deputy chairman and his father, Robert Ng, chairman. Sino Land, the group's property company listed in Hong Kong, is included in the Best Over A Billion list in this issue.

The Ng family's fortune continues to benefit from premium prices for its high-end properties, which remain undented by the recent political ructions in Hong Kong or by Singapore's slowing economy. The Ngs' collective net worth edged up to \$12.1 billion from \$11.9 billion.

After 16 years in the property business, the younger Ng has joined a digital wave sweeping Asia's next-generation business owners as they rush to explore the commercial possibilities of predictive analytics, 5G, robotics and other emerging technologies. Ng is turning his family's sprawling network of hotels, property developments and investment projects into a massive digital incubation hub to explore (and exploit) the frontier of smart home and office automation.

Ng launched the foundation early last year as part of that effort. A recent tour of the foundation's lab in one of Hong Kong's gritty industrial districts revealed a dozen innovations Ng's Sino group is considering adopting or investing in. Among them: wireless chargers that can transfer energy through nonconductive surfaces and don't require drilling a hole in furniture or walls; 3-D interactive mapping for interior design, and an integrated system for monitoring indoor air quality, power consumption, the number of visitors, and even toilet and waste bin usage.

Also on display was an innovation Sino group's businesses are already using: AI-powered car-park lighting that saves energy, collects data and sends out security and maintenance alerts. "This is a win-win-win situation," says Ng. "By providing a sandbox platform for these tech startups, our real estate projects can benefit from their fresh ideas while they can test and grow their tech innovations, and in turn introduce our colleagues and customers to new possibilities and investment opportunities." —*Shu-Ching Jean Chen*



Daryl Ng (left) and Robert Ng

JONATHAN WONG/SOUTH CHINA MORNING POST/GETTY IMAGES

THE LIST

1.
ZHANG YONG
\$13.8 BILLION ★
HAIDILAO INTERNATIONAL
AGE: 49

2.
ROBERT & PHILIP NG
\$12.1 BILLION ▲
FAR EAST ORGANIZATION
AGES: 67, 60

3.
EDUARDO SAVERIN
\$10.6 BILLION ▼
FACEBOOK
AGE: 37

4.
GOH CHENG LIANG
\$9.5 BILLION ▲
NIPPON PAINT
AGE: 92

5.
KWEK LENG BENG
\$8.8 BILLION ▲
CITY DEVELOPMENTS
AGE: 78

6.
WEE CHO YAW
\$6.6 BILLION ▲
UNITED OVERSEAS BANK
AGE: 90

7.
KHOO FAMILY
\$6.5 BILLION ▼
GOODWOOD GROUP
OF HOTELS

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THE LIST

8.
KWEE BROTHERS
\$5.7 BILLION ▲
PONTIAC LAND

9.
KUOK KHOON HONG
\$3 BILLION ▲
WILMAR
AGE: 69

10.
CHOO CHONG NGEN
\$2.95 BILLION ▲
HOTEL 81
AGE: 66

11.
RICHARD CHANDLER
\$2.9 BILLION ▼
CLERMONT GROUP
AGE: 60

12.
RAJ KUMAR & KISHIN RK
\$2.65 BILLION ▼
RB CAPITAL/
ROYAL HOLDINGS
AGES: 65, 36

13.
ARVIND TIKU
\$2.2 BILLION ▼
AT HOLDINGS
AGE: 49

14.
PETER LIM
\$2.05 BILLION ▼
THOMSON MEDICAL
GROUP
AGE: 66



SAM GOI

Expanding the Realm

AT 70, SINGAPORE'S "POPIAH KING" Sam Goi still has his sights set on expanding his food and property empire. After earning his royal sobriquet—and his \$2 billion fortune—making the paper-thin crepes used to wrap spring rolls known as popiah, he is now branching out. He wants to invest in meat substitutes and other special-diet foods, and play angel investor to food startups like the one he started in 1977, **Tee Yih Jia Food**.

Goi knows something about building a brand. Privately held Tee Yih Jia (TYJ) today exports Asian food items such as spring rolls, glutinous rice balls and samosas to more than 80 countries. It's now in the process of doubling its production capacity with a new facility due for completion in 2021.

Goi's Singapore-listed development company GSH, however, has hit a lull. After a S\$75 million windfall in 2017 from its sale of private-equity unit Plaza Ventures, net profits dropped 93% in 2018 to S\$6 million on a 9% decline in revenues. That's pushed GSH's shares down 13% in the past year, helping pull Goi's fortune down by \$100 million.

Goi arrived in Singapore in 1955 when he was six years old with little but the shirt on his back after his family fled China's Fujian province in a small boat. Goi dropped out of high school, but used his training in a repair shop to gain a toehold in the food industry. With S\$450,000 borrowed from a bank and his father, he bought an underperforming food company and overhauled it, increasing production from 3,200 popiah skins a day to 25,000. In 1980, he brought in technicians to design the world's first automated system for making spring roll pastries at the blistering rate of 30 million a day. He then branched out, pumping out fortune cookies, flatbread and samosas.

Goi returned to his hometown in Fujian in 1985 and built his first China factory there, later adding a frozen-food facility, a brewery and a vinegar plant in other parts of China. Goi also snapped up land in China's second-tier cities long before China's property boom. Most of Goi's exposure to property, though, has come through GSH, where he now has a nearly 60% stake.

TYJ also has a subsidiary in Yangzhou focused on developing residential and commercial properties in surrounding Jiangsu province. But Goi's plans for TYJ are more food-related. Goi's youngest son Ben, TYJ's former COO, was building a state-of-the-art food factory in Singapore when in February he suffered a fatal stroke, cutting short those plans.

Now, TYJ is relocating to a new Singapore facility nearly four times larger that features the latest in automation, including driverless vehicles. The new facility will also have a laboratory developing new products, and TYJ may even invest in and incubate promising food ventures, furthering Goi's legacy as a foodstuff innovator. —*Pamela Ambler*

JOSEPH NAIR/THE BUSINESS TIMES/NEWS.COM

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FORREST LI

Joining the Three Comma Club

ONE YEAR AFTER DEBUTING on the list of Singapore's richest, Forrest Li has made his mark as this year's only online gaming billionaire. Li saw his rank jump 21 spots to No. 21 as his net worth more than doubled—from \$738 million to \$1.57 billion—since we last measured fortunes in July 2018.

Shares in Li's U.S.-listed **Sea**, of which he owns 15.5%, took off in February after the group posted record sales of roughly \$1 billion for 2018 and beat expectations for fourth-quarter earnings. The stock has continued to climb in 2019, up almost threefold since January, to about \$34.50. Behind its stunning rise: Sea's mobile battle royale game, Free Fire, ranked fourth last year on the list of most-downloaded games for Apple and Google's stores combined, according to analytics firm App Annie. Free Fire now boasts 350 million registered users. Meanwhile, Sea's e-commerce business Shopee, which makes up more than 25% of group sales, saw active buyers more than double last year to nearly 50 million.

Sea's performance was strong enough to catapult Gang Ye, who cofounded Sea and holds just under 9% of the company, onto our list with an estimated net worth of \$900 million. The duo started Sea—then called Garena—in 2009 and in less than a year scored their big breakthrough when they clinched a partnership with U.S.-based game developer Riot Games (the company behind the League of Legends title that was acquired by China's Tencent in 2011).

For all its successes, though, Sea has yet to turn a profit, and losses have climbed alongside sales: net losses in 2018 were up 70% from the year before, to \$961 million. A company spokesperson said this was mainly due to investments in Shopee, which is still trying to expand since its launch three and a half years ago. Rising GDP and internet connectivity in Southeast Asia should continue to generate strong growth for Sea, and its long-term earnings outlook was positive, according to a May report from Piper Jaffray. —*Grace Chung*

NICKY LOH/BLOOMBERG

15.
SAM GOI
\$2 BILLION ▼
TEE YIH JIA FOOD
AGE: 70

16.
ONG BENG SENG & CHRISTINA ONG
\$1.7 BILLION ▼
HOTEL PROPERTIES
AGES: 74, 71

17.
ASOK KUMAR HIRANANDANI
\$1.69 BILLION ▲
ROYAL GROUP HOLDINGS
AGE: 64

18.
LIM OON KUIN
\$1.65 BILLION ▼
HIN LEONG TRADING
AGE: 75

19.
LEE FAMILY
\$1.61 BILLION ▼
OCBC BANK

20.
HO FAMILY
\$1.6 BILLION ▼
TAI TAK ESTATES

21.
FORREST LI
\$1.57 MILLION ▲
SEA
AGE: 41

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22.
CHANG YUN CHUNG
\$1.5 BILLION ▼
PACIFIC INTERNATIONAL
LINES
AGE: 101

23.
TANG WEE KIT
\$1.43 BILLION ▼
TANG HOLDINGS
AGE: 64

24.
CHEW GEK KHIM
\$1.42 BILLION ▲
STRAITS TRADING
AGE: 57

25.
ZHONG SHENG JIAN
\$1.41 BILLION ▼
YANLORD LAND
AGE: 61

26.
OEI HONG LEONG
\$1.4 BILLION ▼
AGE: 71

27.
LIEN FAMILY
\$1.35 BILLION ▲
UNITED OVERSEAS BANK

28.
GORDON TANG
\$1.3 BILLION ▲
SINGHAIYI HOLDINGS
AGE: 71

29.
TAY FAMILY
\$1.29 BILLION ▼
MEMOCORP

CHANG YUN CHUNG

Shipping Legacy

CHANG YUN CHUNG, the world's oldest billionaire, isn't slowing down after turning 101 years old this month. He handed over the reins of the shipping company he founded in 1967, **Pacific International Lines (PIL)**, to his son Teo Siong Seng last year. But Chang still reports to the office every day and is providing strategic guidance to the company's board as chairman emeritus.

Teo, who took over as PIL's executive chairman in April 2018, may need his father's advice as he navigates the company through challenging times. PIL posted a net loss of \$208 million in 2018 against a net profit of \$119 million the previous year, as lower freight rates and higher fuel costs ate into rising shipping volumes that pushed revenue up 11%, to \$4.5 billion. The escalating China-U.S. trade war is making things tougher this year.

The challenging business environment has dragged down Chang's fortune. His net worth

declined 27% to \$1.5 billion from \$2.05 billion. Chang, who holds a roughly 94% stake in PIL, declined to comment.

His son, however, remains optimistic about the company's prospects, according to a message he posted on the company's website in December. "Our company and business activities are well-positioned and remain cautiously optimistic to face the challenges moving ahead," he wrote. Teo declined to comment for this story, but a PIL spokesperson says Teo still holds that view. While PIL may be suffering, net profit at Singamas Container, the world's second-largest builder of cargo containers that's 41% owned by PIL, climbed 74% to \$72 million in 2018.

PIL added 12 new container ships between late 2017 and early 2019, bringing its fleet to 180 vessels, able to carry 500,000 twenty-foot equivalent box containers between them. The company is also looking to invest in container terminals and logistics centers in emerging countries such as Nigeria, Sudan and Tanzania to complement its shipping operations.

PIL, which is among the world's 10 largest

container carriers, has a strong presence in Africa and serves the trans-Pacific and north-south trade lanes. According to a May report by maritime publication *Alphaliner*, that makes it an attractive potential takeover target to the likes of Cosco Shipping, which is spearheading China's efforts to connect Asia and Europe by sea, rail and road. But it's unlikely Chang will accept an offer for the company. "PIL is not for sale," a company representative says. —*Jonathan Burgos*



Chang Yun Chung (seated, age 99) with his children, from left: Lisa Teo, Teo Choo Wee and Teo Siong Seng.

YEN MENG JIIN/THE BUSINESS TIMES/SPH

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KOH WEE MENG

Smell of Success

WHILE HIS FRAGRANCE GROUP is still expanding into hotels and property overseas, Koh Wee Meng last year decided to put the 23 budget hotels in Singapore that made him his initial fortune up for sale. “I’m very tired,” says Koh, 56. “I am thinking of retirement already. I have been running this business for the last 26 years, and if there’s someone who envies the hotels and gives the right price, I will make good friends with him.”

Koh has yet to accept an offer for the hotels, however, which Savills values at roughly S\$1.4 billion (\$1 billion). Koh started the hotels back in the mid-1990s, building the first Fragrance Hotel in Singapore’s bustling red-light district when he was 33. Today, the bulk of Koh’s fortune is still tied to his 86% stake in **Fragrance Group**, where he is executive chairman, and the privately held hotels.

Ranked No. 32 on the Singapore rich list, Koh’s net worth dropped 7% as Fragrance Group’s share price fell 14% in the past year on concern property sales will decline after Singapore’s government introduced further measures to cool the housing market.

MUNSHI AHMED FOR FORBES

Fragrance has been launching fewer residential projects in Singapore, while stepping up investments overseas. After embarking on an expansion in Australia five years ago, Fragrance is now building six hotels and residential projects in Melbourne, Perth and Tasmania.

Koh says his primary focus, however, is on buying—rather than building—hotels in the U.K. With the pound still reeling after the U.K.’s

vote to leave the EU, Koh spent roughly a month in 2016 and 2017 crisscrossing Britain by rail, hunting for mid-tier hotel bargains. “The pound was cheap,” he recalls. “We went to see, and we did the sums; it looked good, so we went in.”

Fragrance has since spent more than £60 million (\$75 million), mostly cash, snapping up 11 properties in Bath, Blackpool, Devon, Liverpool and Manchester. This allows his Singapore-listed group to start managing the property and immediately accrue revenue and profits. “We don’t have so many hands to manage all the development projects,” says Koh.

Among Fragrance’s recent acquisitions is Blackpool’s 152-year-old Imperial Hotel, which it bought for £12.8 million in February 2017. The Imperial is known for having hosted high-profile guests such as Charles Dickens, who stayed at the Imperial while on a break during his farewell tour in 1869; and Winston Churchill, who in 1954 made the hotel his base for the year. Fragrance’s revenue climbed 65% to S\$326 million in 2018 from the previous year, bolstered by sales of properties in Melbourne and Singapore as well as contributions from hotels in the U.K. and Tasmania. —*Jessica Tan*

30.
RON SIM
\$1.28 BILLION ▲
V3 GROUP
AGE: 60

31.
CHUA THIAN POH
\$1.25 BILLION ▼
HO BEE LAND
AGE: 71

32.
KOH WEE MENG
\$1.20 BILLION ▼
FRAGRANCE GROUP
AGE: 56

33.
ROBERT FRIEDLAND
\$1.05 BILLION ▼
IVANHOE MINES
AGE: 69

34.
WONG BROTHERS
\$970 MILLION ★
CHARLES & KEITH

35.
MICHAEL KUM
\$930 MILLION ◀▶
M&L HOSPITALITY
AGE: 74

36.
LIM CHAP HUAT
\$925 MILLION ▲
SOILBUILD GROUP
AGE: 65

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37.
GANG YE
\$900 MILLION ★
SEA
AGE: 39

38.
PETER FU
CHONG CHENG
\$890 BILLION ▼
KUO INTERNATIONAL

39.
LIM HOCK CHEE
\$870 MILLION ▲
SHENG SIONG GROUP
AGE: 57

40.
MUHAMMED
AZIZ KHAN
\$850 MILLION ▼
SUMMIT GROUP
AGE: 64

41.
KUIK AH HAN
\$800 MILLION ▲
SIM LIAN GROUP
AGE: 73

42.
CHENG WAI KEUNG
\$790 MILLION ▲
WING TAI HOLDINGS
AGE: 68

43.
TAN BOY TEE
\$705 MILLION ▼
BESTFORD GROUP
AGE: 70

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WEALTH CREATION

Shifting Shores

Singapore can no longer afford to be just a link in the global value chain.

BY YUWA HEDRICK-WONG

SINGAPORE HAS GOTTEN a long way by being open and technologically advanced. Though small with no natural resources, its residents enjoy a high standard of living in a clean, well-planned environment and stable, safe and lively multicultural society. In its impressive journey from post-colonial outpost to first-world metropolis, Singapore's government has been key to its success, providing the strategic vision, pragmatism and execution. Though the island-state is fully exposed to the impact of global economic volatility, Singapore has been able to navigate through several global and regional financial crises and external shocks in the last five decades, while riding each new technological wave to emerge stronger and better.

Singapore will face yet more new challenges in the coming years. While trade and geopolitical tensions stemming from the China-U.S. rivalry will be a constant drag on the global economy for the foreseeable future, rapid advances in information-communications technology (ICT) will radically transform global value chains. Paradoxically, ICT today enables companies to both offshore (send business and production tasks to overseas locations) and reshore (replace low-skilled routine tasks in low-wage countries with high-tech automation at home) their production. These technological disruptions will again challenge Singapore's capacity to adapt.

Here's how: ICT makes it easier and more cost-effective for companies to offshore complex services they used to do at home,

unbundling them into ever-finer subcomponents and tasks. These include "prefabrication" services such as R&D, product design, market research, business intelligence, finance and logistics, as well as "post-fabrication" services such as sales and marketing, shipping and delivery and after-sales customer service.

Advanced robotics and artificial intelligence, meanwhile, enable companies to replace lower-cost, less-skilled workers abroad with increasingly sophisticated automated systems back home nearer their customers. Overseas production is in this way being reshored. The net result is that manufacturing is becoming more service-intensive. In fact, in today's manufacturing, services are contributing more value than fabricating the physical product. Consequently, ICT is upending global value chains, which will be driven more by trade in services and less by trade in physical components.

This trend is illustrated in the chart, which summarizes data from the World Input-Output Database. In the decade between 2007 and 2017, global trade intensity declined in every major sector except one: knowledge intensive services, which have become more trade-intensive, enabled by ICT, and are now driving global value chains.

The economic and business impact of the new global value chains will be hard to predict. In the past, Singapore's government could hitch its economic wagon to entire industries like biotech, pharmaceuticals, and finance as new economic engines, luring them to Singapore and instantly becoming a link in the global value chain.

In the future, however, attracting the right industries to locate factories or offices in Singapore will no longer guarantee success. In a profound shift in the nature of international competition between business locations, competitiveness is increasingly defined by a location's ability to innovate new and higher value-added services in the production process. A business location can succeed simply

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by providing services effectively to global industries from a distance; being a base for manufacturing is no longer a prerequisite for competitiveness. Conversely, a city could play host to a variety of important industries, yet still underperform if those industries end up procuring higher value-added and knowledge-intensive services located somewhere else.

Take for example the immensely successful Fast Retailing, the Japanese clothing manufacturer and retailer that owns the Uniqlo brand. In the past, competitive success in garment manufacturing was all about finding the right low-wage locations for large-scale production. Uniqlo's success, as exemplified by its high-tech, innovative and popular "Heat-tech" fabric, which is based on cutting-edged R&D and knowledge-intensive and creative services in both before and after production. Companies like Uniqlo could soon replace their thousands of factory workers in, say, Sri Lanka or Vietnam, with facilities wherever their customers might be—whether Japan, or Australia or Germany—and run them with just a few hundred highly skilled engineers and technicians. Simultaneously, they could offshore their R&D and other knowledge-

intensive activities to locations as far afield as Dublin, Shanghai, Tel Aviv or Singapore.

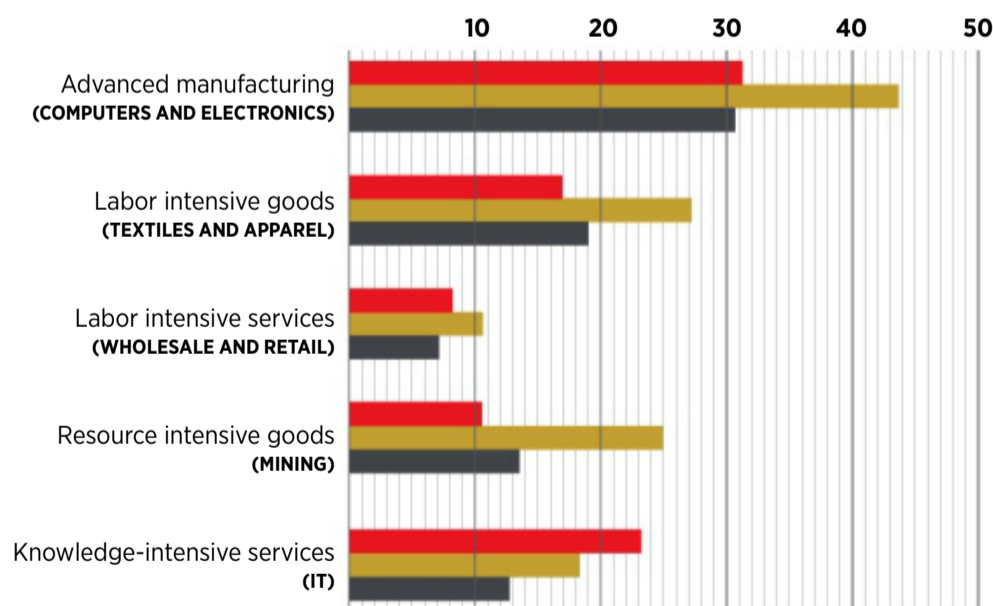
The growing importance of global trade in knowledge-intensive services will actually play to many of Singapore's competitive strengths: a highly educated and skilled workforce, world-class ICT infrastructure, ease of doing business and rule of law, and deep experience in harnessing technology to drive business development.

However, given the fast-moving and unpredictable nature of ICT, Singapore's tried and tested, government-led approach will need to be complemented by a more organic and nimbler response, both in the private and public sectors. This means the government should look more to risk-taking entrepreneurs able to innovate and quickly seize emerging opportunities. It also means becoming a hub for indigenous innovations where global companies can organize and network with partners everywhere. Achieving a critical mass of diverse, globally aware and risk-taking entrepreneurs that excel in knowledge-intensive services will be the key, which can thrive in partnership with Singapore's infrastructure of industrial parks and financial services. The future success of Singapore will depend on it. **F**

Technology Opens Global Manufacturing

Changes in trade intensity (defined as gross export as % of gross output)

2017
2007
2000



SOURCE: WORLD INPUT-OUTPUT DATABASE (WWW.WIOD.ORG)

44.
SAURABH MITTAL
\$700 MILLION ▼
MISSION HOLDINGS
AGE: 45

45.
LOO CHOON YONG
\$695 MILLION ▼
RAFFLES MEDICAL GROUP
AGE: 70

46.
JOHN LIM
\$690 MILLION ▼
ARA
AGE: 63

47.
SHAW VEE MENG
\$610 MILLION ▲
SHAW ORGANIZATION
AGE: 86

48.
DANNY YONG
\$590 MILLION ▼
DYMON ASIA CAPITAL
AGE: 47

49.
YAO HSIAO TUNG
\$585 MILLION ▼
HI-P INTERNATIONAL
AGE: 79

50.
MIN-LIANG TAN
\$560 MILLION ▼
RAZER
AGE: 41

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Chairman, Esquel Group



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Adrian Cheng
Executive Vice Chairman, New World Development, Founder, K11



Miwako Date
President & CEO, Mori Trust



Enrique K. Razon Jr.
Chairman & President, International Container Terminal Services, Inc.



H. Roger Wang
Chairman & CEO, Golden Eagle International Group, Chairman, Committee of 100



Roshni Nadar Malhotra
Executive Director & CEO, HCL Corporation, Trustee, Shiv Nadar Foundation



Mike Flewitt
CEO, McLaren Automotive



Kuldip Singh Dhingra
Chairman, Berger Paints India Group



George Osborne
Senior Adviser, BlackRock Investment Institute



JP Gan
Managing Partner, Qiming Venture Partners



Goh Choon Phong
CEO, Singapore Airlines



Chairul Tanjung
Chairman, CT Corp



Jane Sun
CEO, Ctrip.com International



Ho Kwon Ping
Executive Chairman, Banyan Tree Holdings



Goodwin Gaw
Managing Principal & Chairman, Gaw Capital Partners



Anderson Tanoto
Director, RGE



Rose Damen
Family shareholder & Non-Executive Director, Damen Shipyards Group, MD, Damen Yachting



Forrest Li
Chairman & Group CEO, Sea



Achal Bakeri
Founder, Chairman & MD, Symphony



Moira Forbes
Executive Vice President, Forbes Media, President & Publisher, ForbesWomen



Stuart Parkinson
Global Chief Investment Officer, HSBC Private Banking



Danny Yong
CIO & Founding Partner, Dymon Asia Capital, Chairman, The Majority Trust



Douglas Hsu
Chairman & CEO, Far Eastern Group



Samantha Du
Founder, Chairman & CEO, Zai Lab



William E. Heinecke
Founder & Chairman, Minor International



Mitch Garber
Chairman, Cirque du Soleil, Chairman, Invest in Canada



Wendy Yap
President Director & CEO, Nippon Indosari Corpindo



Jack Cowin
Chairman & MD, Competitive Foods Australia



Gaurav V. Burman
Director, Dabur International



Frank Doyle
Dean, John A. Paulson School of Engineering and Applied Sciences, Harvard University



Eric Gnock Fah
COO & Cofounder, Klook



Dipali Goenka
CEO & Joint MD, Welspun India



Yoshito Hori
President, GLOBIS University, Managing Partner, GLOBIS Capital Partners



Antoine Firmenich
MD, Aquilus, Founding Partner, Alatus Capital



Yuwa Hedrick-Wong
Chief Economics Commentator, Forbes Asia, Visiting Scholar, Lee Kuan Yew School of Public Policy, National University of Singapore



Chavalit Frederick Tsao
Chairman, IMC Group, Founder, Octave Institute



Rich Karlgaard
Editor-at-Large & Futurist, Forbes Media

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Oracle of Apopka

Eddie Brown grew up as a laborer in America's segregated South. What he's accomplished since is one of Wall Street's greatest untold stories, a study in growing rich on the ignorance of the crowd.

BY ANTOINE GARA



Brown Capital founder Eddie Brown in the company's boardroom. He learned entrepreneurship from his uncle, a moonshiner, who taught him to drive at age 6.

JAMEL TOPPIN FOR FORBES

Inside a four-story, sumptuously restored 19th-century town house in the historic Mount Vernon district of Baltimore, three of Wall Street's best stock pickers are roasting each other in a wood-paneled boardroom as sunlight streams through stained-glass windows.

"Usually when we're getting rid of something [in the portfolio], we're getting rid of Kempton's mistakes," booms Keith Lee with a laugh, referring to Kempton Ingersol, a Brown Capital Management portfolio manager and the son-in-law of the firm's CEO and founder, Eddie Brown. Lee, 59, is the president of \$12 billion (assets) Brown Capital and leader of a team of portfolio managers that Morningstar has put in its hall of fame. A former star linebacker at the University of Virginia, Lee was once a New England Patriot. "I played 'right bench,'" he jokes.

It's about noon on a Wednesday and stocks are sliding. These fund managers are laughing at a time when most other active managers are facing redemptions—a testament to the firm's counterintuitive approach to finding great stocks. Brown Capital is an old-school stock-picking operation that doesn't chase the latest fads on Wall Street. The firm hunts for unglamorous but fast-growing companies. Ever heard of Balchem, Bio-Techne, Manhattan Associates, Tyler Technologies or Veeva Systems? They are all top holdings at Brown. And they all have long-term returns that rival Apple's.

Brown mostly buys growth companies that have revenues of less than \$250 million. Its approach is simple: Find businesses that save time, money, headaches and lives. Then determine whether management has the skills to execute a growth strategy that will push their products or technology into new markets. If these criteria are met, load up on the stock and wait.

On average, turnover in Brown's 40-stock Small Company Fund is about once per decade. Its investment in Cognex Corp., a Natick, Massachusetts, maker of machine vision equipment, was initiated in 1992 when the company's market cap was under \$200 million. Today the stock represents 5% of the fund and has a market cap of nearly \$8 billion.

So far this year, Brown's flagship Small Company Fund is up 21%, trouncing the market, and has averaged a 19% return annually over the past decade. Since its inception in 1992, the fund is up 22-fold.

"We take what we do extremely seriously," says Lee, who started at the firm 28 years ago. "We just try not to take ourselves that seriously." The firm's informal culture and its commitment to championing unloved growth stocks is in many ways a reflection of the incredible life journey of Eddie Brown, one of the great untold stories of African American success on Wall Street.

Brown, 78, was born in Apopka, Florida, in 1940 to an unwed 13-year-old mother and raised by his grandparents in a part of town without paved roads, indoor plumbing or electricity. His grandfather toiled in the fields of the nearby citrus groves, where Brown also worked as a child driving a truck, and his grandmother was a laborer at a nursery that produced philodendrons. Brown's grandmother would take her young

grandson to nearby Orlando to see office workers, lecturing: "If you stay in school and study hard, you too one day can sit behind a desk like that person with a white shirt and tie, and you won't have to go out into the fields in the hot sun."

Two things drove Brown. His uncle Jake, an entrepreneur who ran a fleet of trucks that transported citrus, laborers and moonshine, showed him that it was possible to earn money without a boss. The teachers at Brown's segregated schools instilled a different lesson: "They beat it into our heads that as a black you are going to have to be twice as good to make it," he recalls.

In 1955, when Brown was in tenth grade, his grandmother died. A cousin became fearful that Eddie would follow his uncle's path (Jake wound up in prison), so she called Brown's 27-year-old mother, then living with a boyfriend in Allentown, Pennsylvania, to come fetch her son.

The white administrators at Brown's new high school in Allentown assumed (without testing) that he should repeat tenth grade and follow an industrial arts curriculum, but Brown's

BROWN'S TOWN

Eddie Brown and his wife, Sylvia, have restored a number of historic buildings in Baltimore, including what's now his company's headquarters. His legacy includes:



- **Bromo Seltzer Arts Tower**

Built in 1911, modeled after the Palazzo Vecchio in Florence. Once decrepit, it now features 30 rentable art studios near Camden Yards.



- **The Ivy Hotel**

Restored brick Mount Vernon mansion from 1889. Its restaurant, Magdalena, has a wine cellar curated by Robert Parker.



- **Brown Capital Management Headquarters**

Three buildings, including a restored 19th-century mansion, plus two carriage houses on the street behind the main building.

mother demanded her son be placed in college prep courses. Then, after taking an aptitude test that indicated he might make a good engineer, Brown applied and was accepted to Howard University, a historically black school in Washington, D.C.

An Allentown woman anonymously paid for Brown's tuition, room, board and books at Howard, where he met his future wife, Sylvia. (They've been married for 56 years.) After graduating with a degree in electrical engineering in 1961, Brown worked at Martin Marietta and then as an engineer at IBM. During this time, he discovered a love for investing, so he enrolled in Indiana University's business school on a scholarship. After graduating in 1970, he took a job in Columbus, Indiana, at Irwin Management, a family office created by J. Irwin Miller, the CEO of Cummins Engine. Miller was one of the 20th century's enlightened capitalists, working with Martin Luther King Jr. to organize the March on Washington.

At the firm, Brown became an equities analyst. In 1973, T. Rowe Price's president, Charles Shaeffer, offered Brown a position at the pioneering growth-stock fund manager. He became the Baltimore firm's first African American portfolio manager. Soon afterward Shaeffer, nearing retirement, turned over many of his accounts to Brown, who was surprised that few of his white clients batted an eyelash: "It taught me something," Brown says. "Money is green."

Brown's next big break came in 1979, when he began appearing regularly on the iconic weekly PBS show *Wall Street Week with Louis Rukeyser*. The credibility led Brown to start his own firm in 1983. His first account, \$200,000, came to him via a letter sent to the show. It was President Johnson's former personal secretary, Geraldine Whittington, the first African American to work in the White House in that role. Whittington had been awarded a malpractice settlement.

"Eddie was such an important role model," says John Rogers, founder of Chicago's Ariel Investments. "It was an inspiration to see him on that iconic television show, which everyone watched on Friday evening." In 1992 a former T. Rowe colleague Robert Hall urged Brown to launch his unique small company fund, which would measure companies by revenue rather than market capitalization. The fund, which Hall wound up managing with Lee, soon became heavily weighted in healthcare, business services and technology. It avoided cyclicals, real estate and banks.

To gain an edge in healthcare, Brown's managers enlisted genomics experts at nearby Johns Hopkins Univer-

sity to teach them. Ideas came from everywhere. Hungry on a business trip in the Midwest in 1998, Lee uncovered Panera Bread when he walked into one of its bakery-cafes called Saint Louis Bread Co. Green Mountain Coffee Roasters was discovered in a newspaper article when it was a small Vermont wholesaler. The stock was the firm's best-ever investment, rising ninetyfold until it was sold in 2012.

"I wish I could sit here and tell you that we have all these incredible algorithms and a very sophisticated way," Lee says. "It really is fundamental research." Not everything has been a success. One of its top holdings, Inogen, a California maker of portable oxygen tanks for sufferers of respiratory ailments, had an earnings shortfall and plunged 76% in eight months. In this case, Brown Capital can afford to be patient. The fund's nearly tenfold gain on the stock, which it started buying in 2016, has all but evaporated, but Brown has been adding to its position.

In 2013, after two decades of average annual returns of 14%, Brown Capital's Small Company Fund closed to new investors. So Brown and Lee are now applying their strategy to even less-followed small company stocks overseas. Led

by four portfolio managers, including MIT-educated Kabir Goyal, 39, the \$400 million International Small Company Fund has returned an average of 18% annually over the last three years, versus 10% for its peers. Its biggest holding is MercadoLibre, the South American version of Amazon.com, based in Argentina. It has risen fivefold during Brown's brief holding period.

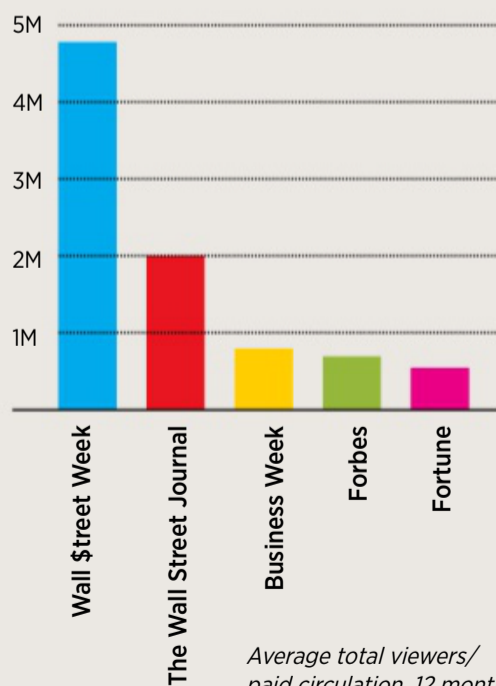
Now a centimillionaire, by *Forbes*' estimate, Brown is bothered by recent closures of African American-owned investment firms like Holland Capital and Herndon Capital. In 2016, he completed an employee stock ownership plan, meaning Brown's 36 employees—70% of them minorities—now own the Baltimore firm. With a succession in place, Brown is giving away his money, inspired by his anonymous benefactor in Allentown. Over the past quarter century, he and Sylvia have distributed over \$39 million to dozens of educational, religious and artistic endeavors, especially in Baltimore.

"It's incumbent upon those of us who are of color in the investing field to do everything we can to spread the word that this is an area of tremendous opportunity to create wealth," says Brown. "It's not just about wealth, but to be in a position to then do some good for others." **F**

WHAT WALL STREET WATCHED



The 1980s bull market also meant good times for business media—and nothing was bigger than Louis Rukeyser's *Wall Street Week*. The irreverent PBS show paved the way for everything from Jim Cramer's *Mad Money* to the *Motley Fool*. The *Wall Street Journal* averaged 2 million readers a day, *Forbes* 725,000 an issue.



Average total viewers/paid circulation, 12 months ending June 30, 1983.

ASIA

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NGUYEN THI KIM DUC:

A Vietnamese Entrepreneur's Success Story

Her determination to get ahead propelled Duc from real estate investments to startups—now her vision to put Vietnam on the tech world's map is driving her next chapter.



Nguyen Thi Kim Duc

As a child growing up in the 1970s in Hanoi, Nguyen Thi Kim Duc, the founder of Vietnamese technology group HTD Media, dreamt of being an artist. But life was difficult in Vietnam in the years following the Vietnam War, so she put aside her artistic passions in favor of more practical pursuits.

She finished high school but found her employment prospects were limited to low-paying jobs. Determined to get ahead, Duc plunged head first into the world of entrepreneurship. She started her business in the 1990s with the meager savings she had managed to accumulate, filling the gaps in her knowledge by devouring books on business and economics.

"Initially I was just buying and selling some items to make a profit. After accumulating some capital, the savings from business profits gave me a chance to participate in real estate. This was a big turning point in my life," recalls Duc.

She invested in property in neighborhoods around Hanoi that were thinly populated at that time though located relatively close to the city's center. "I expected that after a few years, when the population increased, the economy would develop more and the areas I invested in would increase in value quickly," she says.

Her instincts proved true; after a few years, the real estate market boomed, allowing Duc to net a huge profit. She sought the advice of experienced investors on how to make the best use of her new wealth, who suggested reinvesting the money in real estate with a focus on locations that had yet to be developed. It was a formula that made Duc a millionaire by the time she was 30. She believes the country's buoyant real estate market—which has propelled the fortunes of other savvy investors—is a reflection of Vietnam's rapidly growing economy.

She also learned an important lesson from her success in real estate investment: that women can succeed if they make the effort to acquire knowledge and are able to use their negotiating and diplomatic skills to their benefit.



Duc meets her partners at HTD Media's office in Hanoi.

"The real estate sector in Vietnam is dominated by men." However, after what I experienced, I can be confident that women in Vietnam and developing countries can have equal opportunities to compete and even have an advantage over men in some areas," she says.

The key success factors that can help any woman succeed in any field, she says, are "concentration, determination, derring-do, a spirit of not giving up, flexibility and discipline."

Duc adds, "I have done it, [and] will continue to do more than that. Hopefully, my story will prove that women can succeed and follow their own destiny."

Vision is Key to Success

After her success in the property market, Duc looked at other entrepreneurial opportunities that she could capitalize on. Realizing that the global economy is increasingly being driven by technology, she started investing in technology startups in 2015. "The reason why I

boldly changed to a new field was based on my vision. It had previously helped me succeed in real estate, and today it will help me succeed in the field of technology. Vision is very important, it determines everything," she explains.

Duc founded HTD Media, a technology company engaged in content production, social networking services, financial technology, communications, e-commerce and software production. The company's vision is to become the leading technology company in Southeast Asia. Specifically, it aims to provide products and content that have a global influence and help put Vietnam on the world's technology map.

Besides technology, she believes art will be another investment for emerging Asian wealth in the near future, and has invested in thousands of artworks around the world through an art investment fund. In the future, she plans to introduce an innovative service that uses blockchain technology to protect buyers from art forgeries as well as make the

buying and selling of artwork faster and easier, creating greater value for global investors.

A Responsibility to Give Back

Duc believes in giving back to the communities around her. She chose reforestation as one of her key charitable initiatives after witnessing the negative impact of urbanization on trees and forests in Vietnam. Her efforts have led to the planting of about 200,000 trees across the country in the past five years.

Her company HTD Media has donated millions of dollars to the poor throughout the country, including the elderly, the disabled, students and orphans. "This is something I have to do to share opportunities with others and help reduce the gap between rich and poor, which is a serious problem in Vietnam," Duc says.

Most recently, she participated in a campaign to limit plastic waste. This initiative led her to being honored in June by Vietnam's Prime Minister Nguyen Xuan Phuc. "I believe that there are many successful people around me and most of them are talented, kind people, so hopefully through my story, I can further promote the spirit of giving back to the community to successful individuals around the world," she says.

As for her childhood dreams of being an artist, Duc has not given up on that either. Earlier this year, she presented "Cover of Future"—which she painted to show the devastating result of climate change—to world leaders at the UN Vesak festival in Vietnam.

"Through the 'Cover of Future,' I wanted to remind world leaders about their responsibility of preserving our world. Even though I'm just a businesswoman in Vietnam, I want to do my part in preserving our world and this is the first step," she says.



HTD Media's core team



**Peter Woo at
the Murray Hotel,
Hong Kong**

Relentless Pursuits

FIVE YEARS AFTER LEAVING THE HELM AT HONG KONG DEVELOPER WHARF, PETER WOO IS FINDING MORE TIME FOR PHILANTHROPY, TRAVEL—AND EXTREME SPORTS.

BY RON GLUCKMAN

Even as he turns 73 this month, Peter Woo prefers to build things rather than boast about them. Before stepping down in 2015 from the companies he ran for over 30 years, Hong Kong property developer The Wharf and its parent Wheelock and Co., he seldom gave interviews. On this occasion, he is already thinking ahead to his next scheduled activity—helicopter skiing. And don't mention retirement, as Woo hasn't slowed down. "Nowadays, with all the advances in healthcare, everything is being pushed back," says Woo. "Now, the 60s isn't your middle age."

Woo is greeting his golden years with the same relentless drive that powered his success, venturing into everything from philanthropy to scuba diving and, yes, helicopter skiing. And he continues to oversee his companies as senior advisor, while remaining executive chairman at his privately held company Wheelock Holdings. "But I'm picking my projects carefully," he says.

Woo detailed some of those projects in a rare interview at Hong Kong's Murray Hotel, the 1960s heritage office building that Wharf remodeled and last year reopened as a 336-room luxury hotel—the new crown jewel in Wharf's hotel collection. "It's very special to me, and to Hong Kong," he says of the Murray. Woo is also dedicating much of his time to Project WeCan, which mentors students and provides funding to 76 of Hong Kong's secondary schools.

Woo's commercial legacy is visible all over Hong Kong. The teeming Times Square shopping center in Causeway Bay, the vast Harbour City mall overlooking the city's iconic waterfront and the historic Star Ferry that plies Victoria Harbor:

all are part of Wharf, one of Hong Kong's oldest companies, formed in 1886. Woo has handed off daily management, but still advises Wheelock, the holding company that controls Wharf. "I'm just an asset manager," he says.

That might seem job enough. Wheelock is today a \$6.2 billion a year (revenue) company with almost \$76 billion in assets whose 18% average growth in sales over the past five years earned it a spot on *Forbes Asia's* inaugural Best Over A Billion list of the Asia-Pacific's best-performing companies with revenues of \$1 billion or more. Woo's latest wealth is estimated at \$10.3 billion, putting him No. 7 on this year's list of Hong Kong's 50 Richest; 129th on the global list of billionaires.

Woo actually stepped down once before: in the 1990s, he left the company to run for the post of Hong Kong's first chief executive when the U.K. handed the territory back to China in 1997. He lost to Tung Chee-hwa, another Shanghai immigrant whose family also became wealthy in shipping. Woo, intent on public service, then took a series of posts, including chair of the Hong Kong Hospital Authority, and the Hong Kong Trade Development Council.

When *Forbes Asia* last featured Woo, six years ago, he was in the boardroom and ramping up China expansion. "In 2006 I made a substantial policy decision. Half of my assets were going to be in China," he said then, pledging: "I will build three Harbour Cities. I've got to build four super towers. I have to build six hotels."

He now laughs at the memory. "Yes, that's all done!" he says. Wharf initially launched malls styled after Times Square, but China's boom and competition dictated a different strategy. Woo switched to building in secondary cities where Wharf could afford to lease large tracts of land and



The newlyweds with their parents, (from left) Pao Yue-kong and wife, Bessie Pao (the bride), Peter Woo (the bridegroom), John Woo and wife.

CAN-DO WOO

Even in a city renowned for its can-do spirit, Woo has always seemed determined to do more. Born in Shanghai in 1946, his father was a prominent architect, his mother a nurse. They immigrated to Hong Kong in 1950 and lived in Little Shanghai, not far from where Wharf would later renovate a dilapidated area into the towering Times Square shopping mall in Causeway Bay.

Woo went to the U.S. for university, earning in 1970 a bachelor's degree in physics and mathematics from Ohio's Cincinnati University, where he was valedictorian, senior class president, and the only Chinese student.

Woo earned his MBA in 1972 from Columbia University, finishing the two-year course in just one year. Settling on a career in finance, he entered Chase Manhattan Bank's one-year management course and finished that in half the time, too.

It was while in the U.S. that Woo met his wife Bessie Pao. Her father was the late shipping tycoon Pao Yue-kong, who built World-Wide Shipping Group into a global leader. In 1978, Pao gained a controlling stake in what was then known as the Hongkong and Kowloon Wharf and Godown Company and, in 1985, another outfit called Wheelock Marden.

In 1975, Woo left Chase and, at his father-in-law's request, moved back to Hong Kong to run the growing business. Woo became Wharf's chairman in 1986. When Pao died in 1991, his assets were split among his four daughters,

with their husbands at the helm. Woo thus came to control the bulk of the family fortune.



Woo (left) on Kowloon Wharf to board the SS President Wilson to Kobe with his parents. Harbour City today (right).



Woo speaking to Project WeCan students (top). Passing the finish line (left) with a Project WeCan student.

erect towering skyscrapers that loom over a sprawling mixed-use podium at least as big as Harbour City's 780,000 square meters of floor space filled with the same mix of shops, offices and condominiums. Top-tier cities such as Beijing, Guangzhou and Shanghai were skipped in favor of Changsha, Chengdu, Chongqing and Wuxi. And atop each skyscraper: a ritzy Niccolo hotel, Wharf's own luxury hospitality name.

"Each is like a Harbour City," says Woo. "All of them are leaders in the market. And I have one more to go, which is Suzhou next year. So that by next year I will finish that list. Because when I start something I always want to finish."

Woo wanted his son Douglas to get experience running the company before he turned 40, just as Woo had under his late father-in-law, the shipping tycoon Pao Yue-kong. So on New Year's Day in 2014, he handed the reins at Wheelock

over to Douglas, formerly an analyst at UBS. The next year, Stephen Ng, Woo's right-hand man, took over as chairman at Wharf. "Things always change," Woo says. "Positions change, but one thing that doesn't change is your ownership and responsibility to capital."

With that in mind, Woo didn't leave before setting in motion one more deal: In 2017, Wharf spun off its six flagship Hong Kong properties into Wharf Real Estate Investment Company, or Wharf REIC,

raising \$29.5 billion in an IPO and leaving Wharf to focus on big projects in China.

China now accounts for 80% of Wharf's earnings. Not surprisingly, efforts by Beijing to stem speculation in the real estate market and the escalating China-U.S. trade war are taking their toll: in August, Wharf reported a 14% drop in first-half net profits. Woo also became the first Hong Kong tycoon to publicly decry the violence marring Hong Kong's protests against a proposed extradition law.

Now freed from the daily task of running Wharf and Wheelock, Woo is pursuing his passion projects. "I say, always focus on what you can do now," he says. Woo has thrown himself directly into his charity program, Project WeCan. Launched in 2011 to help needy students in Hong Kong, Project WeCan began by adopting schools, offering not only funds, but also mentoring. "Giving money is easy," Woo explains. "More important is the contact—connecting." Project WeCan has so far provided funds to 76 secondary schools and provided mentoring to 66,000 students. Woo vows to keep expanding until the project has reached all of Hong Kong's secondary schools.

"It's been a real eye-opener for us, and our colleagues," says Pat Woo, head of Corporate Social Responsibility for KPMG in China, a Project WeCan partner (no relation to Peter Woo). "I saw how much of a difference it made to the school," he says, "and how it helped the students."

Peter Woo's involvement goes well beyond writing checks, though. Students at Project WeCan's schools can find themselves running a race or shooting hoops with the septuagenarian billionaire. "They revitalize me," says Woo, who at the time of his interview was wearing a hand brace—he required six stitches after a basketball showdown with Project WeCan teens.

He waves off the injury; nothing compared with his accident a few years ago while skiing in Austria. "I broke eight ribs," he recalls. "When he took that fall, I thought he'd never ski again. It was horrible," says Anthony Ng, an architect who met Woo eight years ago and became Woo's tennis partner and ski pal. "I told my wife, 'He'll never go back to the slopes. Never!'" Woo's enthusiasm for skiing goes well beyond a few runs on well-groomed slopes, though. "Peter is very competitive," says Ng. Woo and Ng ski for months at a time, he says, chasing winter from the Alps to the Andes.

The two have also taken up scuba diving, a hobby that has taken them to exotic reefs in the Maldives and Palau. They're also ticking off bucket-list destinations such as Easter Island and the Galapagos. Woo says he's already managed to visit two dozen UNESCO sites in recent years.

Woo isn't daunted by his growing years. His mother, he points out, lived to be 104. "I created a space for myself where I have more freedom," he says. "More freedom to be selective." For what? "To learn things. To discover things. But I don't stop building things," he responds. Even in his 70s, he remains can-do Woo. **F**



Woo enjoys helicopter skiing, tennis and basketball.



"Now, the 60s isn't your middle age," says Woo.

CANADA POWERING UP IN THE ASIA-PACIFIC

Having already reached a free trade agreement with the European Union and a revised deal that preserved the three-party Nafta, Canada has shifted more attention across the Pacific as it pursues growth opportunities in what is the world's largest, most populous and fastest-growing region.

While China's economy still dominates in Asia, Japan has exhibited a fresh commitment to restart its stagnant economy and India looks set to eclipse those two economies in a few years.

"For the first time, there's a genuine appreciation that the center of gravity has shifted from the Atlantic to the Indo-Pacific. Therefore, we must get it right in Asia," **Canada India Business Council President and CEO Kasi Rao** said.

Amid the fast-changing landscape in global trade, Canada's government wants to double its overseas exports by 2025.

"Asia is a key market in realizing these

goals. Engaging with the different markets in Asia is a long-term commitment and we are investing heavily in terms of time, human resources and capital," **Canada's Chief Trade Commissioner Ailish Campbell** said.

Tasked to help Canadian companies access overseas markets, the Trade Commissioner Service (TCS) has made progress over several years. But, it still has much work to do in helping Canadian firms expand Canada's trade with the rest of the world.

In 2000, the U.S. accounted for about 76% of Canada's trade activities, with Asia-Pacific accounting for only 10%. In 2018, the figure for the U.S. shrank to 63%, while that of Asia-Pacific grew to 17%.

Also, Canada's trade with Asia-Pacific is expected to expand even more rapidly because of the Comprehensive and Progressive Agreement for Trans-Pacific

Partnership (CPTPP), which has come into effect in Australia, Brunei, Canada, Japan, Malaysia, New Zealand, Singapore and Vietnam, among others. It also has a free trade agreement (FTA) with South Korea.

"Our research has shown that Canadian companies are much more confident in choosing a country if it is covered by a free trade agreement. It gives them a lot of comfort if there is an understanding of how trade will be done and how tariffs will be applied," **Export Development Canada CEO Mairead Lavery** said.

Business Council of Canada Vice President for International Trade Brian Kingston agreed but further clarified, "These trade deals are not the be all and end all. Rather, they are the government's measures that pave the way for Canadian companies and nudge them in the right direction. FTAs provide focus on opportunities in markets that Canadian companies otherwise might not have thought of."

Canada also hopes that the CPTPP will attract more inward investment.

"Investors can secure preferential access to Canada's network of 14 free trade agreements. This makes Canada an even more ideal location for a North American office," Campbell said.

Within the vast country, Canada's provinces present various opportunities that have drawn in certain investors. British Columbia and Nova Scotia remain the preferred destinations for Asian investors, particularly Chinese investors, while Saskatchewan attracts Indian business, which accounts for one-third of bilateral trade.

As the location of country's political and financial capital, the province of Ontario is first-in-mind when it comes to investment, whether across the southern border or the Atlantic and Pacific oceans.

"Companies are naturally drawn to Ontario because of its steady pipeline of diverse talent, world-class universities and colleges and incubators," said **Todd Smith**, who led **Ontario's Ministry of Economic Development, Job Creation and Trade** and organized several road shows across Asia to directly promote the province.

"The message is simple and clear: We are open for business," Smith said. ■

YOUNG ENTREPRENEUR FINDS LINKS BETWEEN CANADA AND ASIA

GCI Capital Founder and CEO Larry Liu is a young entrepreneur serving as a bridge between Canadian and Asian companies and marketplaces.

Founded in 2014, GCI thrived with its robust growth investments in startups across Canada, especially in cities such as Toronto, Montreal, Ottawa and Waterloo, as well as in the Atlantic provinces of New Brunswick and Nova Scotia.

"Providing funds to companies is not enough. We are not like other venture capitals," said Liu, who attributes GCI's success to its ability to choose companies that are right for its portfolio and guide them correctly after investment.

Apart from the typical venture capital investments, GCI connects Canadian companies to the Chinese market through its extensive network and its knowledge of local culture and the business environment in China.

In fewer than five years, with 20 companies in its portfolio and six exited companies, the venture capital company has expanded to China and the U.S. via a second fund that has helped some companies

penetrate foreign markets.

Conversely, GCI also handpicks successful Asian marketplace business models and introduces them to North America.

"We have helped companies in the food delivery, powerbank sharing and fintech sectors. We have also introduced an online marketplace for high-quality, affordable goods," Liu said.

For GCI Capital, helping its portfolio companies find success is important.

"We want to go beyond requirements and to take a hands-on approach during intensive work with the companies," said Liu, who travels regularly to China to visit his team

and further strengthen his network there.

Although a young venture capital, GCI has built quite a reputation for having narrowed the gap between Canada and China and forging a partnership with Zhejiang province's Innovation Center. While the partnership encourages Canadian companies to invest in Zhejiang, it also allows Chinese companies to access GCI's expertise as they expand to North America. ■

www.gci.vc



YORK UNIVERSITY GRADUATES GLOBAL CITIZENS EQUIPPED FOR SUCCESS

THE GLOBAL KNOWLEDGE ECONOMY, fueled by automation and technologies such as AI, is changing the way we work and the skills we need to succeed.

York University graduates globally educated citizens with the transferable skills they need for success in a rapidly changing economy. In this context, York is redefining how to prepare students for success with innovative opportunities for students, showcasing teaching, learning and research excellence.

Since York's founding in 1959, the university has opened the door to success for hundreds of thousands of students from diverse backgrounds, including young people who are the first in their family to attend university, new Canadians, mature students, and students of all ages from other countries who want a uniquely Canadian post-secondary education experience.

York continues to develop new programs that respond to emerging labor



Rhonda L. Lenton, President and Vice-Chancellor of York University, pauses to speak to a group of students on the university's main campus in Toronto, Canada.



Faculty of Health students working collaboratively in the anatomy research lab.

market needs while also growing the number and quality of experiential education opportunities available to its students both locally and internationally. Experiential education provides students with hands-on learning activities that connect the skills and knowledge acquired in academic programs to the workplace or the community through internships, co-op programs, community-service learning, community-based research activities, clinical placements and more.

York University's internationally acclaimed Vision: Science to Applications (VISTA) program is one example of a global partnership between five faculties and more than 50 academic, nonprofit and commercial partners. This vision research has important implications for human health and for the technologies that we use. Supported in part by the government of Canada through a

C\$120 million (US\$90.6 million) research grant, VISTA aims to integrate biological and computational vision research to produce technologies that help people live healthier, safer and more productive lives.

Such collaborations and partnerships exemplify York's approach to local and global engagement geared toward social, economic, cultural and environmental wellbeing. York recently ranked No. 5 in Canada and No. 26 in the world by the inaugural *Times Higher Education* University Impact Rankings, which set out to measure how global universities contribute to the United Nations' Sustainable Development Goals.

York University is committed to expanding access to higher education, ensuring that graduates have the knowledge, skills and experience to realize their full potential for their own benefit and that of the world.

Serená's Net Gains

THE MOST SUCCESSFUL WOMAN ATHLETE EVER IS NOW TRANSLATING HER GAME AND NAME INTO STARTUP INVESTING AND ENTREPRENEURIAL VENTURES. AND SHE'S FIGURED OUT A FORMULA THAT WILL MAKE IT HARD FOR HER TO LOSE.

BY KURT BADENHAUSEN • PHOTOGRAPH BY LEVON BISS FOR FORBES

Serena Williams is seated on
Karl Lagerfeld's personal sofa
in the Rome Cavalieri,
A Waldorf Astoria Resort.

MAKEUP BY PAULINE BRISCOE. HAIR BY LORRAINE DUBLIN

On Serena Williams' calendar—which is to calendars what Jackson Pollock paintings are to art—Saturdays are designated family time.

The Saturday I'm with her in Rome (she was in New York earlier in the week and will be in Paris the following one) carries extra significance. Exactly four years ago, in exactly that Eternal City, she met her husband, Alexis Ohanian, cofounder of online community Reddit.

The two celebrate, in part, with the kind of outing anyone who's not the most famous woman athlete in the world takes for granted: a stroll in a hotel garden with their joint venture, 22-month-old Olympia, in tow. It's more romantic than it sounds: The Rome Cavalieri goes so far as to call its 6ha garden a "private park," littered with marble and bronze, lions and unicorns.

The regal surroundings befit a historic figure of American sport, who has 23 Grand Slam titles and has blown away any number of barriers and stereotypes. And the unicorns? Between Reddit and his \$500 million fund, Initialized Capital, Ohanian does his part. But it turns out that Williams has quietly been playing that game, too. She's now the first athlete ever to hit Forbes' annual list of the World's Richest Self-Made Women, with an estimated fortune of \$225 million, the vast majority of it having come via her brain and brand rather than her backhand. And over the past five years, she's been quietly dropping money into 34 startups. In April, Williams formally announced that Serena Ventures is open for business, to fund others and launch companies herself.

Athletes are richer than ever, thanks to the explosion in TV rights fees for live sporting events, which trickle down to players. The 50 highest-paid athletes in the world made \$2.6 billion last year, versus \$1 billion 15 years ago. And Williams is hardly the first to put newfound disposable income to active work—in the NBA alone, LeBron James, Stephen Curry and Kevin Durant have all launched media companies, and Durant, Andre Iguodala and Carmelo Anthony are active venture capital investors. But she is one of the few specifically gearing investments around a single north star: herself.

"I want to be a part of it," she says, sitting at the hotel. "I want to be in the infrastructure. I want to be the brand, instead of just being the face." Given her longtime background in style and design, that means overweighting on fashion lines, jewelry and beauty products. Yes, she'll keep competing at tennis—her resilient comeback last year after giving birth burnished her as a cultural icon who transcends sports. And sure, she'll happily continue to rake in easy endorsement

money from the likes of Nike and JPMorgan Chase—her \$29 million total income over the past 12 months is the highest of her career. But like a ground stroke with torque, Williams bets she can eventually dwarf those figures by leveraging some of her own cash with her name and fame.

The story of how sisters Serena and Venus Williams reached the top of the tennis world is the stuff of Hollywood legend: a black father with limited tennis experience homeschools his two daughters and teaches them on the streets of Compton, California, to penetrate and then dominate a lily-white sport. "You'd see different people walking down the street with AK-47s and think, 'Time to get in the house,'" she remembers of those early years. "When you hear gunshots, you get low."

Their father's insistence that his precocious daughters avoid the private tennis academy machine and well-oiled junior tournament circuit left a mark on the younger one, especially after she won her first Grand Slam title at age 17. "It really shaped me for the rest of my career both on and off the court in terms of taking a chance and how to be different and how to stand out," Williams says of his strategy. When everyone zigs, she zags.

So at Serena Ventures, she focuses on companies founded by women and minorities. Yes, there's a social purpose to that decision. But as with her tennis upbringing, she's also finding opportunity by avoiding the herd. Just 2.3% of the total venture capital invested last year in the U.S. went to women-led startups—and even when including firms with both a male and female founder, you're just at 10%. The numbers are worse for black and Hispanic founders. Yet some 60% of Williams' investments so far have gone to companies led by women or people of color. "What better way to preach that message?" asks Williams.

The only way to find enough of those companies right now is to nurture them early, something that Williams got hooked on after investing and losing (eventually) \$250,000 in a startup in the years before Serena Ventures. "I learned you can't overspend, but I also learned that I love seed investing," she says. Of the 34 companies she's backed through Serena Ventures, more than three quarters are early-stage. "It's fun to get in there. I don't gamble. I don't jump off buildings," says Williams. "I'm the most non-taking-a-chance kind of a person, but I felt like seed was where we wanted to be."

Given the exponential riskiness involved in pre- and early-revenue companies, Williams has built a team of Silicon Valley mentors around her, much as Patrick Mouratoglou has guided Williams on the court and WME's Jill Smoller has handled her endorsements—almost a quarter-billion worth—for nearly two decades. There's Chris Lyons, from Andreesen Horowitz, who is an informal advisor and friend. "She is more passionate than 99% of the people in this space," says Lyons. "She's reaching out to me regularly asking what we think of companies."

There's Facebook chief operating officer Sheryl Sandberg, a longtime friend, with whom she serves on the board of SurveyMonkey. "I always ask her advice in a lot of different areas," Williams says. (The tennis star is also on the board of the social shopping platform Poshmark.)

But one mentor stands above the rest—the one she married. "I've been really leaning on Alexis," she says. Williams had never heard of Reddit when the pair met in 2015 and Ohanian knew little about tennis. But they bonded over ambition. "She is determined to be great at everything she does," says Ohanian, who Forbes estimates is worth \$70 million on his own.

His venture firm's targets are traditionally more tech-focused—big scores include grocery delivery service Instacart and fellow San Francisco-based Patreon, a crowdfunding website for artists. But in living through Ohanian's deals, Williams has learned. Initialized and Serena Ventures have even co-invested on a few, including Gobble, which does weekly dinner-kit deliveries, and Wave, which offers no-fee transfers on money sent to Africa by phone. "I'd like to call us a more modern business family," says Williams.

The rate of Williams' investments has ramped up in lock-step with the onboarding of a portfolio manager. Alison Ra-

paort, 29, was fresh out of Harvard Business School with an M.B.A. after a five-year stint in JPMorgan's asset management group, when she got connected with Williams through Andreesen's Lyons. Williams told Rapaport to come to the interview with three investment ideas, along with the numbers and rationale behind them. Rapaport did her homework on the investment ideas—and diligence on her potential new boss, who earlier in the week posted on Instagram how much she liked Taco Sunday. Rapaport arrived at Williams' home outside San Francisco for a Sunday meeting at noon armed with investment ideas and two bags of takeout, make-your-own tacos, and she handled Ohanian's rapid-fire follow-up emails with aplomb. "I knew this was our girl," Williams says.

Serena Williams slides around the red clay of the Tennis Club Parioli in Rome a few days ahead of the Italian Open, practicing to an eclectic mix of musical genres whose only commonality is that they're sung by powerful women, from Rihanna to Adele to Pink. As word spreads around the club that the world's most famous tennis player is hitting balls in their midst, a crowd predictably gathers, the youngest among them squealing "Serena!", the oldest snapping and sharing pictures.

Williams is by far the most famous female athlete in the U.S.—and only Tom Brady and Tiger Woods finish a tick ahead among all athletes in terms of awareness. And that fame carries almost no brand downside—her appeal rates above average across all demographics, from Millennials to blue collar to high income, says Henry Schafer, who tracks Q Scores, which measure the likeability of a celebrity.

After 20 years in the spotlight, Williams knows how to handle the star power. At the end of the two-hour session, she gracefully obliges several with autographs and selfies.

But more important: She has figured out at Serena Ventures how to harness it. The past decade has given rise to the celebrity VC investor, spurred by the success of people like the actor Ashton Kutcher and the musician Nas, who both have their own funds. The recent IPOs for Uber and Lyft included scores of musicians and Hollywood A-listers like Gwyneth Paltrow, Jay-Z and Olivia Munn, who got in early and cashed in big. Overall, Ohanian is skeptical of the trend. "The advice I generally give to founders is don't take money from celebrities," he says. "The only exception is when they are really going to add value. Because in most cases, they are not really familiar with this world and if you are doing it to feed your ego, it's a bad idea."

So Williams tries to put money in deals where her fame and brand and platform grow the pie. As one of the better product endorsers of this century, it's something she's honed in ways that most musicians and actors (who turn up their noses at most product deals) have not. She counts nearly 30 million followers across social media—her posts of herself wearing Nike's swoosh generated

PORTFOLIO OF A CHAMPION

WILLIAMS' VENTURE INVESTMENTS ARE FOCUSED ON E-COMMERCE, FOOD, FASHION AND HEALTH. HERE IS A SAMPLING.

Brandless (*e-commerce*): Sells unbranded personal care, food and household goods products.

Billie (*personal care*): Offers shaving supplies and body products at a fair price, without the "pink" tax.

Coinbase (*financial software*): Allows traders to buy and sell bitcoin in the cryptocurrency and blockchain space.

Daily Harvest (*food delivery*): Delivers pre-prepped, frozen, healthy cuisine to your door.

Floravere (*apparel*): Makes bridal gowns for under \$2,500 via a direct-to-consumer model.

HoneyLove (*apparel*): Sells Sculptwear as an alternative to traditional shapewear that gives a smooth and tucked-in look under clothing.

Impossible Foods (*food*): Produces a new generation of meats and cheeses made entirely from plants.

Lola (*personal care*): Offers delivery service for organic cotton tampons.

Tonal (*fitness*): Develops software and equipment to deliver online strength-training programs.



Honeylove



Tonal



Impossible

more than \$2 million in promotional value for the brand over the past 12 months, according to Hookit, which tracks celebrity influence on social media. “Serena is a once-in-a-generation voice, reaching a global audience that extends well beyond tennis,” says Hookit CEO Scott Tilton.

And that voice is amplified exponentially when dealing with an early-stage brand, rather than one like Nike. She shared a pair of videos in an Instagram story of her entourage eating Daily Harvest meals ahead of her hosting duties for the Met Gala. She collaborated with Neighborhood Goods, which brings a pop-up approach to retailing, for her clothing line. “Using her platform to talk about our mission was the biggest support we’ve had besides her capital,” says Georgina Gooley, cofounder of Billie, which makes razors priced to eliminate the “pink tax” that makes female-targeted products cost more than similar versions for men.

The dating and networking app Bumble added Williams as an endorser for 2019, including a Super Bowl ad. The pair also partnered in a pitch competition in which two winners with female founders were chosen for funding from Serena and Bumble. Three executives of companies in the Serena Ventures portfolio—Daily Harvest, the woman-centric co-working space The Wing, and Lola, a natural tampon brand—networked at the first-ever Bumble Fund Summit in April. “She is facilitating a place for people to connect with one another,” says Jordana Kier, Lola’s founder.

That kind of investor-as-rainmaker power translates into another benefit: deal flow. For more mature deals, tradition-

al venture firms need to take large ownership stakes to hit return targets. Williams, though, is happy to ride along. “Firms know Serena is a hugely valuable strategic investor,” says Ohanian. “I think it is the best of all opportunities, and she can essentially cherry-pick from the top VC firms on deals that are interesting that come her way and at the same time she still has her own deal flow from folks who want her to invest.”

Another benefit of early-stage investing: Even with 34 checks written, she has still sunk only an estimated \$6 million into these companies. As venture investing goes, given her net worth, it’s still low-risk stuff. And the returns so far seem promising; Serena Ventures says they currently value the portfolio at more than \$10 million and double the initial investment. Nearly half of the companies have had follow-up rounds of venture investment since Williams invested, and Serena Ventures even seems poised to score its first exit after Unilever announced plans to buy supplement firm Olly Nutrition in April. Five of her investments are up at least five-fold. Top performers include Billie, Daily Harvest, MasterClass and The Wing.

But Serena Williams wouldn’t be one of the all-time great competitors without also needing to invest more in herself. While she’s known as a fashion icon, she has cashed in only via others’ platforms, whether endorsements or partnerships. Now that’s changing. Smoller, her longtime endorsement agent, recalls a recent meeting at Nike. “I was talking, and Serena interrupted me and started asking all these questions about their distribution channels, KPIs and growth strategies,” he says. “I looked around and saw their faces. . . . She’s at a level where she wants to understand the process and methods, which I think a lot of people don’t expect.” In May last year, Serena Ventures launched a self-funded, direct-to-consumer clothing line, S by Serena. She kept waiting for someone to fund a company for her to design clothing, she says, but “I was thinking of this the wrong way. I had to invest in myself.”

The line includes dresses, jackets, tops, denim and more mostly priced under \$200. She’s excited about an S by Serena show for New York Fashion Week in September. The line got a boost in October when Williams’ close friend Meghan Markle was spotted wearing the collection’s “Boss” blazer, which quickly sold out on the website. Williams returned the favor when she hosted a baby shower for the Duchess of Sussex in February. Williams plans to launch an S by Serena jewelry line this year and one of beauty products in 2020.

With all this commerce, Williams says she’ll continue to abbreviate her on-the-court schedule, prioritizing the Grand Slam events that burnish her brand. While a dinosaur in the tennis world at 37, she still figures she has two or maybe even three years left. “I am in no rush to get out of this sport,” she says. But in Serena Ventures, she’s laid the foundation to keep playing the game her entire life. “I want to create a brand that has longevity, kind of like my career,” she says. “It’s not fancy, it’s not here, it’s not out, it’s not trendy, it’s a staple, like my tennis game.” **F**

CELEBRITY CAPITAL

ACTORS, MUSICIANS AND ATHLETES HAVE ALL CAUGHT THE SILICON VALLEY BUG. THE TRIO BELOW STARTED VENTURE CAPITAL FUNDS OVER THE PAST DECADE.



Ashton Kutcher

Actor, Age 41

Select Investments:
Airbnb, Pinterest, Spotify, Uber, Warby Parker

The star of *That ‘70s Show* and *Two and a Half Men* launched A-Grade Investments in 2010 with music manager Guy Oseary and billionaire Ron Burkle. The fund scored with one of its early investments, \$500,000 in Uber.



Nas

Musician, Age 45

Select Investments:
Away, Casper, Coinbase, Dropbox, Genius, Lyft

The rap legend named his fund QueensBridge Venture Partners after the housing projects in New York City where he grew up. He cashed in last year when Amazon bought Ring, the virtual doorbell.



Kevin Durant

Athlete, Age 30

Select Investments:
Acorns, Lime, Overtime, Postmates, Rubrik

The ten-time NBA All-Star played in the heart of Silicon Valley for the Golden State Warriors the past three years, before joining the Brooklyn Nets in July. His company, Thirty Five Ventures, named after his uniform number, holds stakes in more than 30 companies.

Forbes

under 30 summit

ASIA

JULY 11-13, 2019 | HONG KONG



A LASTING IMPACT

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The annual Forbes Under 30 Summit Asia took place in Hong Kong for the second year in a row, from July 11-13, 2019. Now in its fourth year, the summit brought together some 340 entrepreneurs and gamechangers from across the Asia-Pacific region, as featured in the Forbes' 30 Under 30 Asia lists, as well as CEOs, mentors, investors and industry leaders.

Themed "A Lasting Impact," the summit saw these young leaders sharing ideas not just on how to drive change, but also how to cement its positive effect in the long run. Spanning three days, the event presented diverse content in different formats—from panels and keynote interviews, to tech presentations and displays—as well as networking opportunities, a Food and Music Festival and a startup pitch onboard a Hong Kong iconic junk boat.

Welcome & Opening Remarks



Randall Lane, Chief Content Officer, 30 Under 30 Founder, Forbes Media



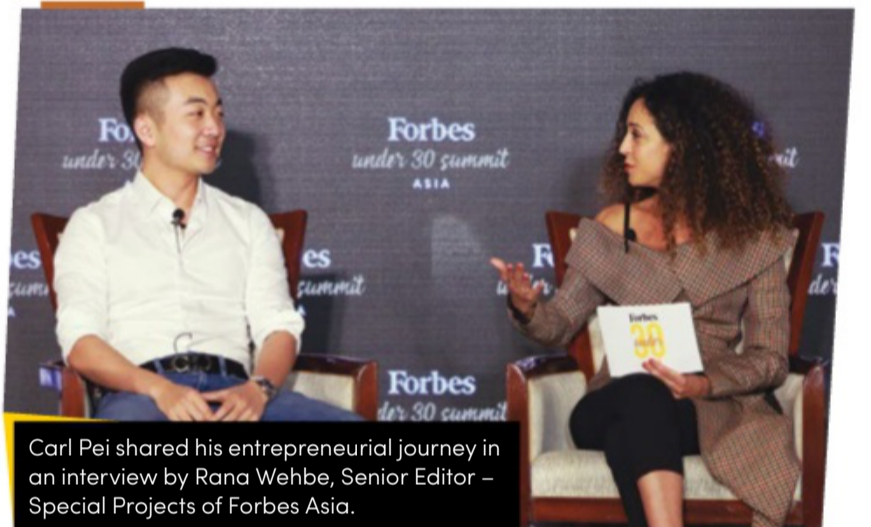
Daryl Ng, Chairman, Hong Kong Innovation Foundation

Keynote Interview: One-on-one with Tony Fernandes, CEO, AirAsia Group



Tony Fernandes gave attendees some invaluable advice about building a successful and disruptive business, in an interview by Wayne Arnold, Executive Editor of Forbes Asia.

One-on-one with Carl Pei, Cofounder & Head of Global, OnePlus

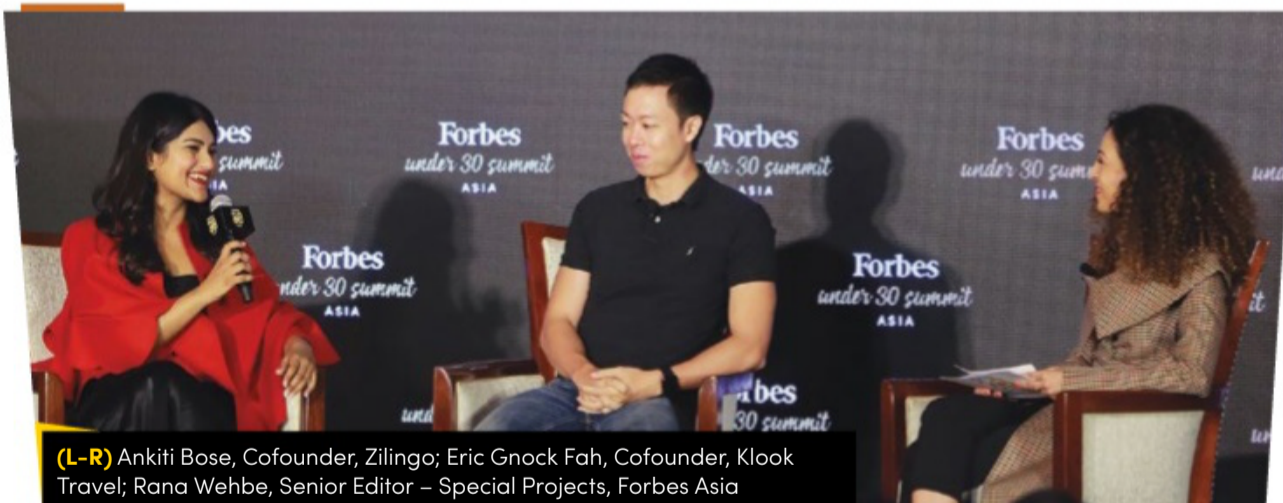


Carl Pei shared his entrepreneurial journey in an interview by Rana Wehbe, Senior Editor – Special Projects of Forbes Asia.

Innovating For The Long Haul

In this segment, speakers discussed their journeys and challenges as they take on new technologies and introduce innovative solutions that will take us to the next level.

Building A Billion Dollar Startup



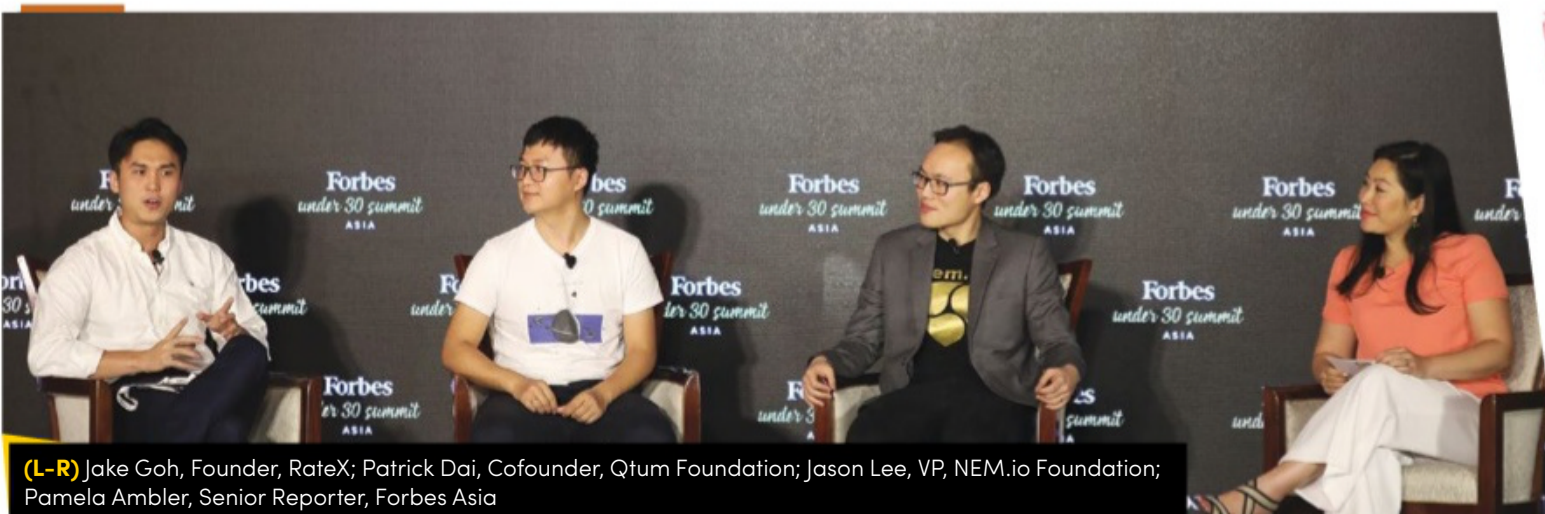
(L-R) Ankiti Bose, Cofounder, Zilingo; Eric Gnock Fah, Cofounder, Klook Travel; Rana Wehbe, Senior Editor – Special Projects, Forbes Asia

Women On The Rise – The Next Wave



Sarah Chen, Cofounder, The Billion Dollar Fund for Women

Blockchain Unchained



(L-R) Jake Goh, Founder, RateX; Patrick Dai, Cofounder, Qtum Foundation; Jason Lee, VP, NEM.io Foundation; Pamela Ambler, Senior Reporter, Forbes Asia

The Hackers' Hustle



Saket Modi, Ethical Hacker, Cofounder & CEO, Lucideus

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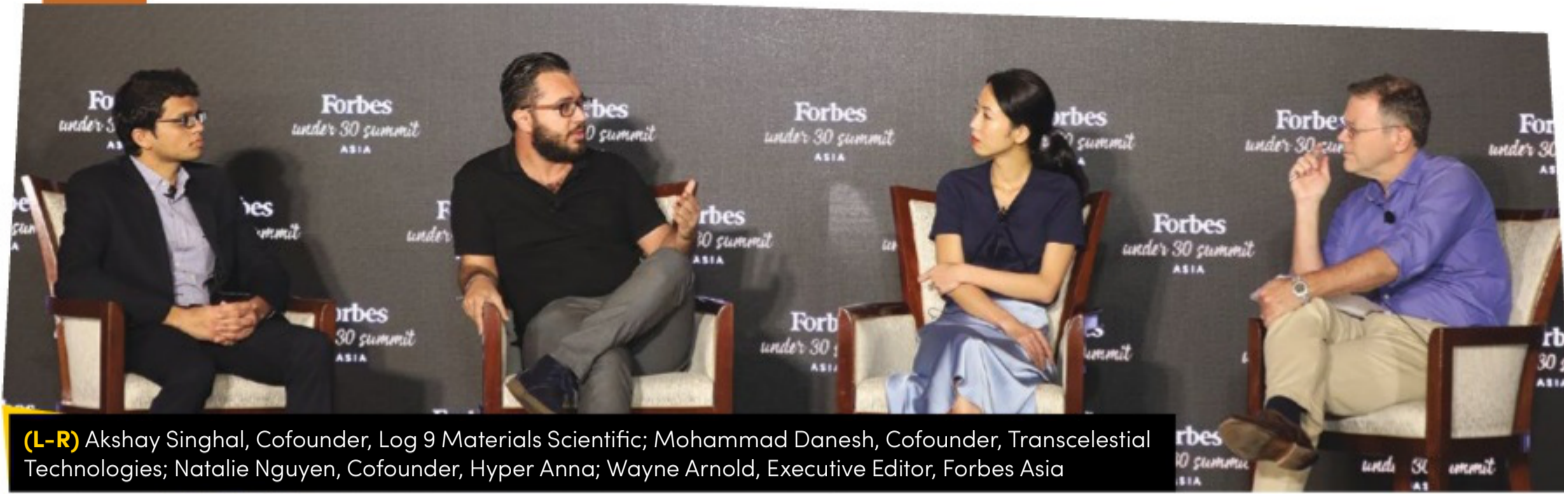
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(L-R) Akshay Singhal, Cofounder, Log 9 Materials Scientific; Mohammad Danesh, Cofounder, Transcelestial Technologies; Natalie Nguyen, Cofounder, Hyper Anna; Wayne Arnold, Executive Editor, Forbes Asia



(L-R) Pamela Ambler, Senior Reporter, Forbes Asia; Samer Al Moubayed, CEO, Furhat Robotics

Startups With A Mission

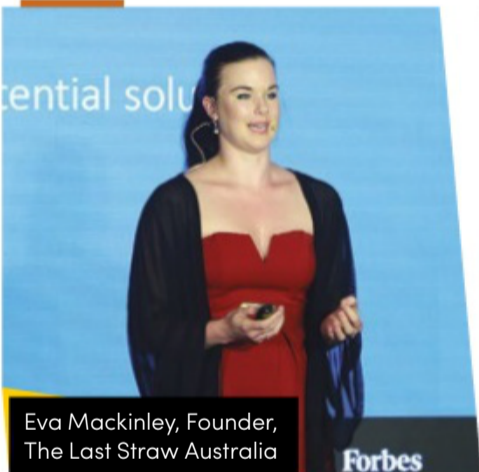


(L-R) Hanaa Lakhani, Cofounder, Roshni Rides; Manuri Gunawardena, Founder, HealthMatch; Grace Chung, Associate Editor, Forbes Asia

Driving Sustainability

Participants discussed how they are tapping new opportunities by being considerate to the environment.

The Last Straw



Eva Mackinley, Founder, The Last Straw Australia

Sustainability As A Business Opportunity

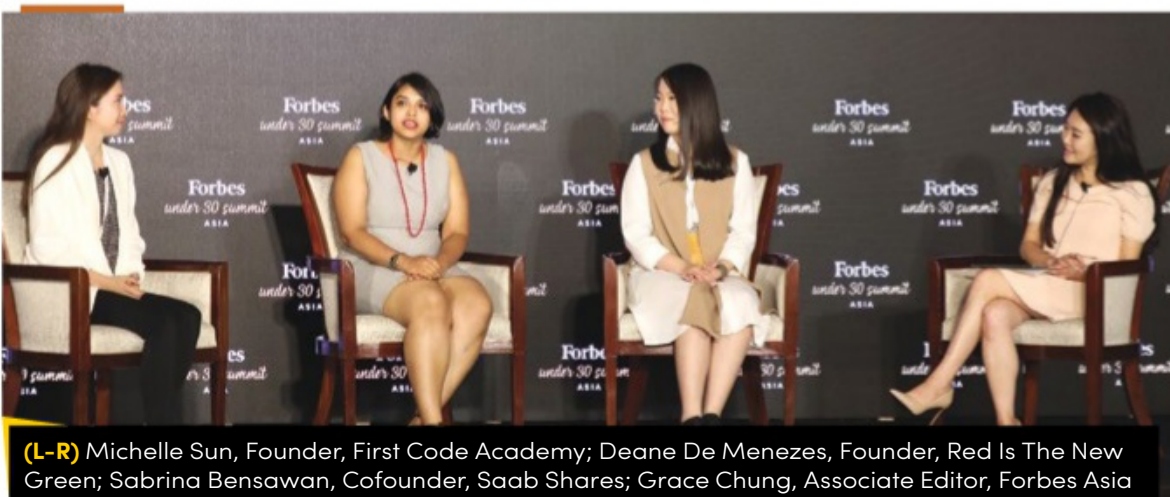


(L-R) Tarun Jami, Cofounder, GreenJams Infrastructures; Katy Zhao, VP, International Client Advisor, Morgan Stanley; Orchlon Enkhsetseg, CEO, Clean Energy Asia; Rana Wehbe, Senior Editor – Special Projects, Forbes Asia

Solving Today's And Tomorrow's Social Problems

30 Under 30 Asia honorees shared about their causes and stories, as well as their solutions to solve pressing social problems.

Creating A Long-Term Social Impact



(L-R) Michelle Sun, Founder, First Code Academy; Deane De Menezes, Founder, Red Is The New Green; Sabrina Bensawan, Cofounder, Saab Shares; Grace Chung, Associate Editor, Forbes Asia

Solving A Forgotten Problem



Richard Yim, Founder, Demine Robotics

The Human Cost Of Technology: My Fight For Justice



Noelle Martin, Law Reform Campaigner

Discovery Area

The discovery area showcased some of the most exciting inventions and products from their creators who made it to the Forbes 30 Under 30 Asia list – including smart locks, sunglasses, 3D-printers and healthy beverages.



An attendee interacting with a robotic forearm specially designed to help amputees, created by 30 Under 30 Asia honoree Kim Young-Jin, Cofounder of TESOLLO (right).



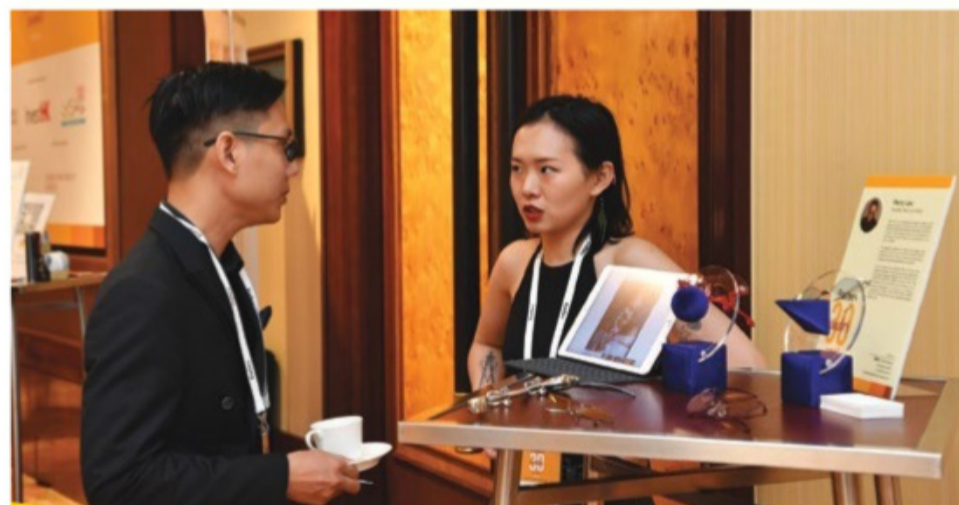
Morshed Abdulla Al, Cartoonist of Morshed Mishu's Illustration (middle) exhibited his personal project titled 'Global Happiness Challenge'—a viral series which transformed tragic images from wars into joyful art.



Kaushik Mudda (middle) and Navin Jain (right), Cofounders of Ethereal Machines presented products printed from their consumer-oriented 5D printer, Ethereal Halo.



Florence Van Dyke, CEO of Chia Sisters, showcased her CHIA products—healthy energy drinks crafted from juices with hydrated chia seeds.



Percy Lau, Founder of Percy Lau Studio (right), introducing her sunglasses to an attendee. The eponymous eyewear brand is famous for its bold style and irregular shapes.



Kenny Wang, COO of igloohome (right), explained his company's keyless solutions and demonstrated the usage of the Smart Padlock, a Bluetooth padlock.

Food & Music Festival

PROMOTION 5

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Attendees were treated to a Food & Music Festival to round off the day of panel discussions, presentations and product displays. The line-up featured culinary experiences as well as lively music and entertainment performances by 30 Under 30 Asia list honorees and rising stars from Asia for a truly memorable end to the night.



Chef Vinesh Johny, Cofounder & Executive Pastry Chef of The Lavonne Academy (right), demonstrated the art of working with chocolate.



Ah Moon, one of Myanmar's most recognized singers, returned to the stage in Hong Kong with her energetic performance.



Victoria Chow, Founder of The Woods, presented her innovative cocktail concoction at the festival.



Chef Anahita Dhondy, Chef-Partner of SodaBottleOpenerWala, whipped up a Parsi cuisine creation – Ragi and oat pancakes topped with local seasonal greens and spices.



Hong Kong-based beatbox champion Heartgrey (left) and vocalist James Morley (right) teamed up for an exciting collaboration.



Indian illusionist and TV personality Neel Madhav (middle) wowed summit participants with a special performance.

Pub Crawl @ Lan Kwai Fong

Participants also hit up trendy bars in Lan Kwai Fong, Hong Kong's famous nightlife district.



(L-R) Rod Askarov, Founder, Credit Exim; Usman Ashraf, Senior Director, Seed Out; Dastan Omuraliev, Founder & CEO, Ecoproduct Asia; Kyrylo Medvediev, Cofounder, Persollo; Roman Vernidub, Founder & CEO, Koru Pharmaceuticals



(L-R) Htet Arkar Kyaw, Founder, Giant Pay; Mortaza Behboudi, Founder, GUITI NEWS; Jonny Wilkinson, Cofounder & MD, Equitise; Pamela Ambler, Senior Reporter, Forbes Asia; Deep Bedi, Chief Product Officer, PayMe from HSBC; Ajay Prakash, Cofounder, Perlin

Hong Kong Startup Open House



Timothy Yu, Cofounder, Snapask



Florian Simmendinger, Founder & CEO of Soundbrenner (far right), shared insights on building a successful startup in the city.

The Hong Kong Startup Open House gathered Forbes 30 Under 30 Asia listmakers and local entrepreneurs from some of Hong Kong's hottest startups, spanning various industries like fintech, consumer tech and F&B. Held at K11 Atelier, Victoria Dockside, four Hong Kong entrepreneurs shared their journeys and experiences in being part of the city's flourishing startup scene.

In collaboration with Hong Kong Tourism Board, the summit offered attendees the chance to participate in satellite activities and selected sightseeing tours to make the most of their stay in Hong Kong.

Startup Pitch

Forbes hosted a startup pitching session onboard the Aqua Luna junk boat, where three entrepreneurs presented to a panel of VCs to get valuable feedback on funding and growth.



Photo credit: Hong Kong Tourism Board

Lantau Island & Monastery Tour

Summit attendees enjoyed an afternoon escapade to Lantau island, which included a visit to one of the largest outdoor bronze Buddha statues at Po Lin Monastery.



Sino Inno Lab Tour

Forbes 30 Under 30 Asia listmakers had the opportunity to visit a startup community hub, Sino Inno Lab, to get further insights into the city's tech and innovation scene.



Networking

PROMOTION 7

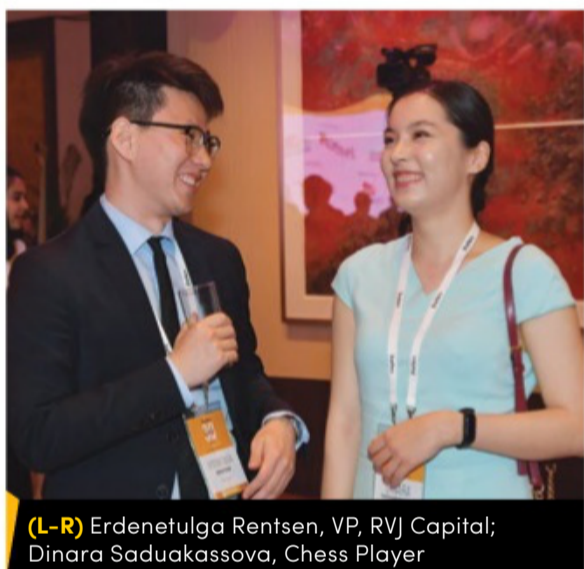
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(L-R) Kenneth Wong, GM, MICE & Cruise, Hong Kong Tourism Board; Anthony Lau, Executive Director, Hong Kong Tourism Board; William Adamopoulos, CEO, Forbes Media Asia; Brett Free, Deputy Director, Information Services Department, HKSAR Government



(L-R) Jeffrey Yam, Executive Director, Integrated Capital; Daryl Ng, Chairman, Hong Kong Innovation Foundation



(L-R) Erdenetulga Rentsen, VP, RVJ Capital; Dinara Saduakassova, Chess Player



(L-R) Steven Wongsoredjo, Cofounder & CEO, Nusantara Technology; Gitta Amelia, Founder, EverHaus



(L-R) Tony Fernandes, CEO, AirAsia Group; William Adamopoulos; Manuri Gunawardena, Founder, HealthMatch



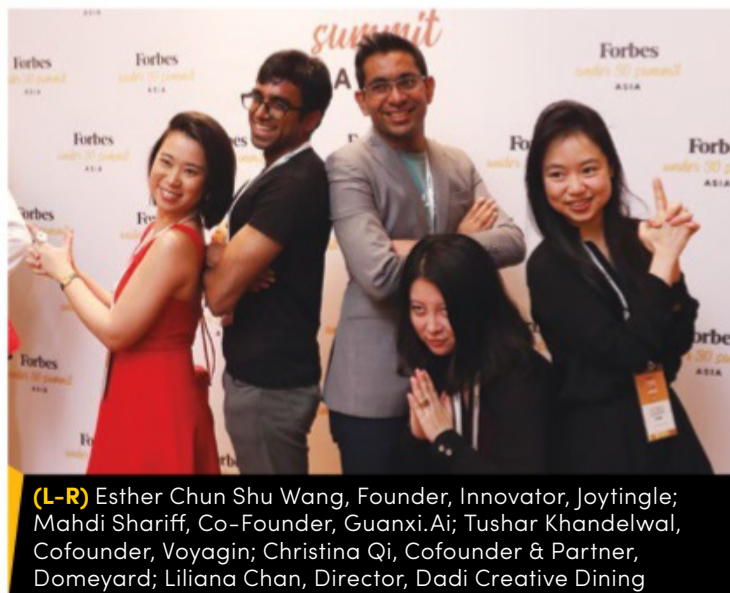
(L-R) Soravis Srinawakoon, Cofounder & CEO, Band Protocol; Sorawit Paiboonrattanakorn, Founder & CEO, Saturday School Foundation; Pahrada Sapprasert, Director, 500 TukTuks (500 Startups Thailand); Pongcharn Russell, Cofounder, Ter'Ra; Panupong Tejapaibul, Founder & CEO, Ticketmelon



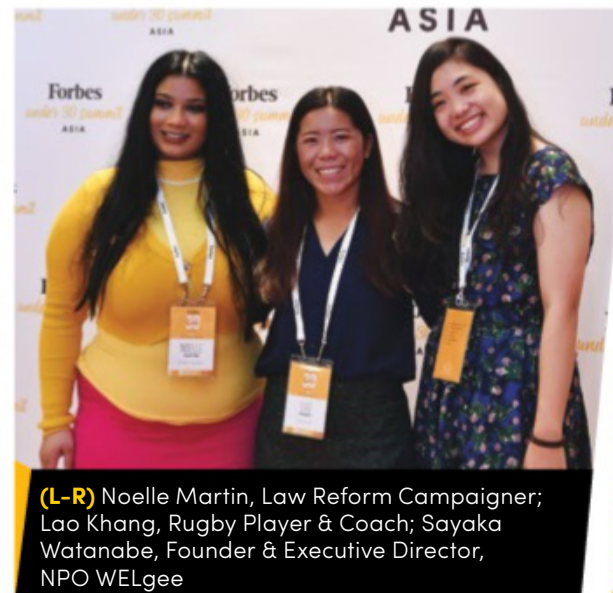
(L-R) Randall Lane, Chief Content Officer, 30 Under 30 Founder, Forbes Media; Piyush Ghosh, Cofounder, The Optimist Citizen; Tuhin Sen, Cofounder & Desk Editor, The Optimist Citizen; Tannison Mathews, Cofounder & Director, The Optimist Citizen



(L-R) Hussain Elius, Cofounder & CEO, Pathao; Justin Doebele, Editor, Forbes Asia, Executive Director - Content, Forbes Asia



(L-R) Esther Chun Shu Wang, Founder, Innovator, Joytingle; Mahdi Shariff, Co-Founder, Guanxi.AI; Tushar Khandelwal, Cofounder, Voyagin; Christina Qi, Cofounder & Partner, Domeyard; Lilianna Chan, Director, Dadi Creative Dining



(L-R) Noelle Martin, Law Reform Campaigner; Lao Khang, Rugby Player & Coach; Sayaka Watanabe, Founder & Executive Director, NPO WELgee



(L-R) Earl Forlales, Cofounder & CEO, CUBO Modular; Kenn Costales, Owner & Lead Consultant, Monolith Growth Consulting; Georgianna Carlos, Founder & Pack Leader, Fetch! Naturals; Rana Wehbe, Senior Editor – Special Projects, Forbes Asia; Zahra Halabisaz Zanjani, Cofounder & COO, CUBO Modular



(L-R) Kalyan Sivasailam, CEO, 5C Network; Deane De Menezes, Founder, Red Is The New Green; Kevin Tung Nguyen, Founder & CEO, JobHop; Tarun Jami, Cofounder, GreenJams Infrastructures; Varun Jami, Cofounder & Partner, GreenJams Infrastructures



(L-R) Zaire Rozmat, Founder & CEO, The Steppe; Zain Ashraf, Founder, Seed Out; Shabana Basij-Rasikh, Cofounder & President, SOLA Afghanistan; Usman Ashraf, Senior Director, Seed Out



(L-R) Adam Bao, VP, Cherubic Ventures; Stella Zhao, Investment Vice President, Lightspeed China Partners; Wang Zhikai, COO, Shanghai Goose Culture Dissemination; Wang Taizhou, Cofounder, Shiheng

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Japanese entrepreneur Yusuke Horie is no foodie. The 27-year-old says he had absolutely no interest in cooking before 2016 when the company he founded, dely, launched video recipe app Kurashiru. It has since been downloaded 18 million times and is one of Japan's top-three recipe or cooking apps by daily downloads. Horie started watching his own videos to make his own meals and even splurged on a \$300 Vermicular cast-iron enamel pot—a princely sum for a devotee of instant ramen noodles.

Now Horie, a member of *Forbes Asia's* inaugural 30 Under 30 in 2017, is looking to take dely abroad and make Kurashiru a gateway between the food industry and consumers. The company recently sold a nearly 46% stake in dely to Yahoo Japan, controlled by SoftBank Group, for ¥9.3 billion (\$86 million). That investment upped the amount Horie has raised in the past three years to ¥17 billion. (The company declined to disclose his current stake.) Horie still hopes dely can someday launch an IPO as he pursues bigger dreams. His target within the next four years is for dely to have 50 million users in Japan, up from 35 million now—a figure that includes users of the women's fashion and advice site and app Trill acquired in March, and 10 million elsewhere in Asia.

Horie resolved to become an entrepreneur while in high school. He worked as a volunteer following the 2011 Tohoku earthquake and tsunami, but wanted to do more. Noting that Softbank's Masayoshi Son pledged ¥10 billion to help the victims and that Rakuten CEO Hiroshi Mikitani used his own wealth to fund cancer research after losing his father to the disease, Horie decided to start a company that could help and shape society. "I didn't want to regret later in life, if something like the earthquake happened again, that I would be helpless," he says.

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Taste Sensation

After developing his popular Japanese recipe video app, dely founder **Yusuke Horie** is testing sales for ready-to-cook frozen meals.

BY JAMES SIMMS

Videos feature home-style dishes.



Kurashiru now delivers roughly **50 new videos** of a minute or less every day.

Horie started dely in 2014 while studying at Japan's elite Keio University following a failed attempt in his sophomore year to start a meal delivery service. (He later dropped out of Keio.) Dely started out as a lifestyle information site before settling on recipe videos. Within months after its launch, Kurashiru had been visited 100 million times.

Kurashiru now delivers roughly 50 new videos of a minute or less every day, each showcasing a home-style dish that takes between ten to 20 minutes to make and uses readily available ingredients. Its millions of users for recipe videos put it on top of the market, edging out its biggest competitor Cookpad. Horie believed that, with just ¥10 billion in capital, he could use a well-funded advertising and marketing campaign to grab eyeballs from Tokyo-listed Cookpad, which had a nearly two-decade head start for online recipes.

Despite having a roughly ¥350 billion market capitalization, Horie says, Cookpad was doing almost no advertising. "That indicated to me that its policy was not spending money on advertising to get users," he says. "Companies that have such rigid policies can easily fall into an innovation dilemma, like not being able to deal with a new wave of competition." Dely also had the advantage of timing: it launched its video app just as Japan introduced faster 4G cellular service, which made watching video on mobile devices much easier.

The jury is still out: while dely has topped Cookpad's video traffic, Cookpad has nearly tripled ad spending since 2018, says the company, and started its own video service and app. Cookpad's shares have fallen roughly 90% in the past four years, as revenue has dropped almost 30% over the past two years and profit plunged by nearly 90% last year. Cookpad didn't respond to a request for comment.

In addition to its free videos, Kurashiru now offers a ¥480 monthly subscription that provides more space to save recipes and displays both recipe rankings and the calories in each dish. Dely has also inked tie-ins with food makers to promote their products, and is testing sales of ready-to-cook frozen meal kits based on the site's videos.

The most promising avenue for new growth, Horie says, is to compete in the market for supermarkets and grocery deliveries now dominated by Japan's member-owned consumer cooperatives, or *seikyo*. In 2018, these coops had nearly \$29 billion in sales, according to the organization.

"We could combine the internet with real world stores, delivering to our customers from our stores and having customers pick up from them," says Horie. "We're considering how we can expand the brand beyond just the internet."

Dely is busy at the moment focusing on integrating its recent acquisitions, including Trill. But Horie's hope is that it can someday venture abroad. His idea is to create JVs with foreign partners, with dely providing its 30,000 videos for use in its partner's market and the partner providing videos dely can use in Japan. (The firm isn't pursuing any specific talks, including through Yahoo Japan, this year because it's focusing on integrating recent acquisitions, he notes.)

Going abroad will present difficulties, Horie says, particularly bridging different national tastes, cultural traditions and religious restrictions. "If we had an Indian partner, for example, we could attain the rights to their curry videos," he says. "We don't know about eating habits in India, so that's why it would be good to have a local CEO who understands that overseas culture." **F**



Cooking up a recipe video.

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“We should meet in another life. We should meet in air, me and you.”

Sylvia Plath

“If you do not understand a man, you cannot crush him. And if you do understand him, you probably will not.”

G.K. Chesterton

“I did not always think he was right, nor did he always think I was right. But we were each the person the other trusted.”

Joan Didion

“The meeting of two personalities is like the contact of two chemical substances: If there is any reaction, both are transformed.”

Carl Jung

“It takes two flints to make a fire.”

Louisa May Alcott

“Alliances are difficult precisely because there is no ‘boss’ in them. One cannot give orders to a partner.”

Peter Drucker

“Art is a collaboration between God and the artist—and the less the artist does, the better.”

André Gide

“Ours has been a contented and reasonable partnership, he with his solo jobs and I with mine. But always with work and play together, conducted under a satisfactory system of dual control.”

Amelia Earhart

“By the time a partnership dissolves, it has dissolved.”

John Updike

“One’s not half two; it’s two are halves of one.”

E.E. Cummings



Paint It Green: October 2, 1989

The Rolling Stones spent part of the '80s adrift, their two leading men, Keith Richards and Mick Jagger, engaged in a public feud for control of the band and pursuing their own projects. But neither of their solo records achieved much success. So “after a couple of years of going their own ways, Richards and Jagger **shook hands again in August 1988. . . . Although [they] are radically different from each other, they seem to have established an efficient, if fragile, balance.**” Their partnership has held together in the ensuing decades, a time in which the Stones have won their only three Grammys, been enshrined in the Rock & Roll Hall of Fame—and, since 1999, have earned more than \$650 million from tours, album sales and merchandise. “We never dreamed there was any money when we started this thing,” Richards said in 1989, a cloud of Marlboro smoke curling around him. “But then, suddenly, the impossible happened.”

SOURCES: DEAN AND ME: A LOVE STORY, BY JERRY LEWIS; THE LOVE MINDSET, BY VIRONIKA TUGALEVA; THE GREEN KNIGHT, BY IRIS MURDOCH; THE CANTERBURY TALES, BY GEOFFREY CHAUCER; LITTLE WOMEN, BY LOUISA MAY ALCOTT; CREATIVE QUEST, BY QUESTLOVE; AMELIA EARHART: THE SKY'S NO LIMIT, BY LORI VAN PELT; COUPLES, BY JOHN UPDIKE; ARIEL: POEMS, BY SYLVIA PLATH; THE YEAR OF MAGICAL THINKING, BY JOAN DIDION.

“Two are better than one, because they have a good return for their labor: If either of them falls down, one can help the other up. But pity anyone who falls and has no one to help them up.”

Ecclesiastes 4:9-10

“He watched me breathe. He knew my breath.”

Jerry Lewis

“The great irony emerges: Those who believe in soul mates are much less likely to actually find one.”

Vironika Tugaleva

“To find someone—oh, yes, that is the problem. To have mutual love, that is so difficult, indeed.”

Iris Murdoch

“Collaborations work best this way: when there’s a mutual desire to see what the other side adds.”

Ahmir “Questlove” Thompson

“By mutual aid much gold they’d always won; their friendship was a thing not new begun.”

Geoffrey Chaucer

FINAL THOUGHT



“The world expects each man to do his duty. If he doesn’t, both suffer.”

—B.C. Forbes

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