

**10<sup>th</sup> World Chinese Entrepreneurs Convention**  
World Prosperity Through Chinese Entrepreneurship

Philippine Prosperity Through Chinese-Filipino Entrepreneurship

**Insights of a Second-Generation Chinese-Filipino Entrepreneur**

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A pleasant good morning to all of you honorable guests and distinguished delegates to this 10<sup>th</sup> World Chinese Entrepreneurs Convention!

As this is quite a landmark event for the Philippines to host this prestigious World Chinese Entrepreneurs Convention through the auspices of the Federation of Filipino Chinese Chambers of Commerce and Industry, allow me to genuinely thank you for inviting our company to present ourselves in the context of this conference's theme of "Philippine Prosperity through Chinese-Filipino Entrepreneurship". Indeed, many companies in the Philippines have prospered over the decades and a significant number of these can be attributed through the entrepreneurial spirit and leadership of the Chinese-Filipino business community. It is quite an honor for me to humbly share this moment with some of our country's most prominent Chinese-Filipino entrepreneurs and specially to address this eminent body of world businesses. I am proud to participate in the hopeful goals and thrust of this Convention and the Federation, to bring greater economic understanding, cooperation and unity amongst overseas Chinese and business communities worldwide and particularly in the Philippines.

Yet in this momentous conference successfully organized with the presence of very accomplished and long-established companies and organizations from Asia, China and the Philippines, it seems that our group is perhaps the least known to you. Thus, I will introduce our group of companies and proceed to share with you, on what I believe is, a good story of Chinese-Filipino entrepreneurship.

Our entire business group is basically involved in the Food, Property and Banking industries founded in three different decades, serving the diverse Filipino

consumer and corporate market, in key geographic market locations as well as with nationwide market reach.

Let me begin with our third and relatively young business interest in the banking and financial services industry- the Asia United Bank (AUB). AUB started operations as one of the country's youngest commercial bank in October 1997, at the height of the 1997 Asian Financial Crisis, and has modestly grown to have 50 branches nationwide with about 700 employees servicing more than 50,000 depositors. It has reached the 1 billion Philippine Peso net income mark and has been recognized as one of the most profitable bank in the country. The bank has consistently grown from an initial capital of 1.6 billion Pesos to 7.1 billion Pesos now, with total assets nearly at 50 billion Pesos. The bank on its third year onwards, has performed very well with return on asset at 1.6% and a return on equity at 12.9%, exceeding banking industry averages and has consistently ranked in the top 3 in the industry. These and all were organically accomplished in a short span of just 12 years despite the many turbulent local, regional and global financial crises that has plagued the banking industry that saw several instances of consolidation in the banking sector.

AUB offers traditional banking products and services such as deposits, loans, trade facilities, and foreign exchange. Moreover, AUB is proud to be 1 of only 5 banks accredited in the country to offer the Chinese Yuan. To establish its niche differentially in the market, AUB has ventured into non-traditional products and services leveraging its organic information technology to offer online corporate cash management systems, as well as secured Internet banking for corporate and individual clients. AUB has its thrust and commitment in serving the mass Filipino market with its remittance business that services some 100,000 overseas Filipino workers across the globe and their families nationwide; and with its salary loan facilities to over 70,000 employees with about 1.3 billion Peso in credit balance.

Very soon, Asia United Bank seeks to pursue greater growth and expansion by upgrading itself into a Universal Bank, increasing both its branch and services network through investment-acquisitions and realize the prospects of having the bank publicly listed, of which AUB is qualified in compliance with central bank policies.

Our second major business is in the property and housing development industry, led by both our Extraordinary Group and the Earth+Style Group of companies. The Extraordinary Group was founded in June 1983 during the Ninoy Aquino Assassination Crisis and the Earth+Style Group in September 2000 in the midst of a Political Revolution Crisis. Being in the business for more than 25 years, the combined group of companies with about 500 employees has developed a total of more than 100 projects, covering close to 1,000 hectares of real estate, constructing and selling over 80,000 units of lots and houses with an aggregate revenue of nearly 35 billion Pesos.

The Earth+Style Group is focused on developing suburban housing communities for the middle-income market and the large overseas Filipino workers market, and has innovatively pioneered and elevated standards for lifestyle-oriented, mass-customized designed houses in themed residential villages. The Extraordinary Group, on the other hand, has always been socially committed to serving the low-income mass-market offering one of the commercially most affordable price for a decent single-family house and lot in the metropolitan market at only 8,000 US Dollars and financed for 30 years with close support and partnership with various government-led home financing institutions.

The outlook for our property development groups are quite exciting as we currently are planning for 2 major residential developments with each covering as much as 300 hectares of land that shall respectively serve both the low-income and middle-income markets located in the fast-growing provinces of Laguna and Cavite, just south of Metro-Manila. The grandest near future milestone however, shall be hinged in our “New City” development plan, composed of 1,000 hectares of prime real estate located just adjacent to Metro-Manila and only 7km from the international airport. This “New City” shall perhaps become the newest center and the largest, closest, prime development connecting the growing urbanization of nearby provinces with the expanding modernization of Metro-Manila.

Our original and primary business interest in the Philippines is in the food, snack and confectionary industry. This is led by our premier flagship company-

Republic Biscuit Corporation that has expanded to become the Rebisco Group of companies. Rebisco started baking biscuits in August 1963 from a tiny rented second-hand factory and with about a meager 5,000 US Dollars only in start-up capital. Furthermore, our founder started the business with neither the advantage of a complete formal education, nor any baking experience and technological know-how. This event was perhaps the greatest crisis ever experienced by our company, as the beginning of creating something from nothing was the most difficult situation to be at, where everything was a real-world risk for failure and the opportunity for success was anchored only on the intangible conviction of our founder's passion and determination to persevere with personal sacrifices in order to succeed. Fortunately, Rebisco to date has succeeded convincingly and has willfully weathered all the crises in the latter half of the Philippines' hundred years history.

With more than 45 years in existence, Rebisco has grown beyond biscuits and cookies and it has ventured into cakes and breads, chips and curls snacks, chocolate and candy confectionaries, organic snack foods, including its own packaging unit through 7 companies employing some 12,000 people, equipped with modern, state-of-the-art facilities benefiting from technologies across Asia, the US and Europe. Rebisco originally and primarily serves the mass Filipino consumer market across the entire nation, covering all provinces and cities around the Philippines. To date, the Rebisco Group has an aggregate inventory of over 250 original proprietary types of food products. And today, Rebisco dominates the Philippine market in every major product category claiming about 50-60% in average market share.

Arguably, the Rebisco Group is the most successful of all our businesses given it is the most stable company despite it being the most competitive company since it deals with the most volatile mass-based, consumer market dynamics than any of our other businesses. It successfully competes not only in a very tight price-conscious market but exists in a highly competitive marketplace with large local conglomerates and the increasing entry of multi-national and regional companies.

Nevertheless, the future prospect of Rebisco is very promising as growth targets includes further diversifying our product offerings by leveraging our mass-based and nationwide distribution network. In addition, Rebisco will leverage its

recognized quality products and extend its market reach to nearby Asian countries, including to the most important market- China.

As can be observed, all our companies are diverse and unrelated in its industry, market and scope. Yet all these companies share a single source of commonality and are attributable to a single person who founded these businesses consistently with a single set of values that serves as the core foundation for his entrepreneurial success and the successes of the companies despite the extraordinary crisis-ridden beginnings of each enterprise. And this single person is the one man who is our founder, our chairman and our leader, but more importantly and with great pride, this man who has worked passionately for half a century for so many, is...my father- Mr. Jacinto Ng, Sr., a second-generation Chinese-Filipino entrepreneur that successfully built all these businesses from the meat of his own bones.

As I became more involved and responsible of our businesses, particularly the real estate development companies, and specially, as I myself am now a father to my own 4 children, I continuously strive to study and learn my father's way in achieving his success. In doing so, I may apply the same to further ensure our family's success and to pass-on and teach the same to my children for their own future. What I have learned can be summarized in these 3 factors: 1) firmly living out a strong set of values consistently, 2) being guided by practical yet profound business philosophies, and 3) nurturing and exercising a great entrepreneurial spirit.

1) In firmly living out a strong set of values consistently, my father has always espoused the principles of conducting oneself with integrity and treating people with mutual respect, fulfilling one's responsibility and at all times to maintain one's simplicity, in order to focus on what must be done and to do so in the most honest and direct manner without excuses for failure and to constantly learn and improve for success.

2) In being guided by practical yet profound business philosophies, my father has persistently taught us these 3 principles: a) "Should we have a market to serve, a profit to earn and an organization to operate, then have no fear", b) "If others can, so

can we, if not, even better”, and c) “In whatever we choose to do, be good at it, if not, the best”.

3) And, in nurturing and exercising a great entrepreneurial spirit, my father has always exhibited a strong affectionate passion in whatever he does, never to be daunted by the magnitude of the challenges but maintaining at all times a “can-do-will-do” attitude. This spirit includes keeping the mind determined to succeed with the constant discipline of humbly learning from the past and from experts. And more importantly, my father’s entrepreneurship is deeply rooted to always persevere with no fear for hardship, and moreover, to constantly brave his own struggles and inspire himself towards achieving success on the goals he chooses and plans for.

Quite frankly, being innately a Chinese-Filipino, to my mind, is not a major factor for success for my father, as these characteristics may surely be found in any person of any ethnicity, just as my father has learned from different people of many cultures. However, unlike today’s wide acceptance of “globalization”, I believe that it was the circumstances of being a Chinese-Filipino minority back in an era where cultural diversity resulted in lesser societal integration that has challenged and motivated my father to bring out the best in him to gain cooperation and obtain more opportunities for business success.

And if anyone were to complement my father with admiration, he would modestly decline such and would immediately redirect the complement to the first generation Chinese immigrants that came to the Philippines in search of prosperity. He always points out the struggles of poverty, the lack of education and the language barrier that made their lives miserable and difficult. My father often speaks of the unimaginable struggles and pains of this generation. Yet they sacrificed and persevered and kept the passion of traditional values alive in their hearts and passing these on to the next generation until they have prevailed and evolved to what we have today- a Chinese-Filipino community that is totally integrated and a valuable productive member in all facets of modern Philippine society. The sacrifices towards prosperity, despite seemingly impossible odds, of the first-generation Chinese immigrants are truly admirable and profoundly inspire my father and our family greatly to this day.

Moreover, my father has always maintained his deep gratitude for this country, as he proudly treasures the Philippines to be our homeland. While we are inescapably and honorably of Chinese descent, we were all born here and it is this land and society that has nurtured us from our humble beginnings to our present-day life. Despite the numerous times of great uncertainties and difficulties in the country which resulted in discouraged companies, investors and the outward migration of many families to other parts of the world, our family proudly chose to stay, invest and live here and even became naturalized Filipinos citizens in the process. This is our home and we are proud and happy. On a lighter note, my only regret is that my being a naturalized Filipino disqualifies me from being elected as the President of the Philippines.

The gratitude for the Philippines is not only heartfelt but also very logical. The Philippines is fundamentally a country of tremendous strengths and opportunities. This is a country of progressive and modern government management, of a maturing and stable democracy where the rule of law is respected and upheld with justice and compassion, of a resilient and vibrant economy despite the current Global Financial Credit Crisis. The Philippines is rich in minerals and energy resources that is steadily being developed, where peace and order has increasingly been sustained, where different cultures are mutually accepted and flourishes in society. And the Philippines with its 7,107 islands is a country filled with so much innate natural beauty and significant bio-diversity, with generally good climate conditions in most part of the country, a geographical center in Asia, and a rich cultural heritage that is very much connected to the rest of Asia, America, Europe and of course China.

However, the true greatness of this country in no doubt lies in the rich intellectual and creative talent and the warm hospitality and adaptability of the Filipino people. The Filipinos are multi-lingual and proficient in the English language; they are team players, service-oriented, innovative, resilient, persevering, loyal, and fair and generally have a positive disposition towards life despite the hardships and challenges of their personal economic realities. It is with this greatness that has empowered numerous Filipino corporations to flourish in other parts of the world beyond our boundaries and some of these world-class companies are present with

us today. This greatness is furthermore evident with the increasing global reliance for the current 11 million overseas Filipino workers found in major continents and in most professions, even occupying senior levels both in the private and public organizations. The “Global Filipino” is very much competent in the fields of information technology, telecommunications, engineering, construction, design, medicine, healthcare, business management administration and various disciplines of the arts.

The Philippines will always be a land of opportunities for our family and perhaps for all of you. There are significant opportunities in leisure and tourism-related infrastructure, knowledge-based business process outsourcing, agricultural-related infrastructure, mineral and energy development, heavy-engineering fabrication, entertainment media production, software development, roadways and transportation and higher-educational institutions.

Due to these compelling factors, our group has embarked on a new major business enterprise in the Philippine tourism and leisure industry through our development company in August 2006- Quantuvis Resources Corporation and our leisure company in August 2009- Joy~Nostalg Corporation. It is with enduring confidence in the Philippines that we have successfully launched our first 41-storey mixed-use building project last September 9, 2009- THE “Joy~Nostalg Center”. Built and operable in less than 2 years from principal construction, it houses all our corporate headquarters and 3 fine-dining restaurants. More importantly, it houses 233 hotel-residential suites of the new “Oakwood Premier Joy~Nostalg Center, Manila”. We are proud to be recognized by the Philippine Department of Tourism as the first and only De Luxe-rated hotel/serviced apartment in the Philippines due to its world-class luxurious design quality and state-of-the-art amenities. In addition, Joy~Nostalg Center is also one of the true environmentally friendly buildings in the country, where we have pioneered in reducing 35% cooling energy usage required of a building of this scale.

On a personal note, many have asked of my own opinions and plans for the future with respect to our companies and my family. Allow me to share with you some of my thoughts in this regard. In my 40 years, I have grown to learn many valuable

lessons from my father and have been very appreciative and fortunate to live a much more convenient and comfortable life than earlier generations and most people today, due to the hardships and sacrifices of my parents. I live therefore a life of eternal gratitude and of eternal responsibility; after all, I am my father's son. I am grateful not only to my parents but to this wonderful nation for providing an open environment for our livelihood and having nurtured and sustained my family and me, including the third generation- my children.

I hold myself responsible for returning the favor of a good life back to my parents by honoring their values, philosophies and teachings, and to pass their great legacy to my children. It is my challenge not only to sustain this legacy but also to ensure the continuing growth and relevance of our businesses in order to give tribute back to the Philippines and to be instrumental in uplifting the lives of others and further contributing to the greatness of this nation.

In closing, I hope I have imparted something useful and inspiring to you and our generation as we face a future full of challenges and opportunities. At the end of the day, all we truly hold are the values and wisdom of our parents, our leaders and our shared history. I believe that with our collectively shared values and wisdom, the future is a time we can all prosper together, through greater unity, mutual learning and cooperation amongst us Chinese entrepreneurs as our future will surely be intertwined just as our past great heritage was.

Thank you very much once more for this opportunity of inviting me here to share with you our story, our insights and our hopes. It is a great honor and privilege for me to join you and to be in the presence of highly successful world business leaders. I sincerely wish you all growth and prosperity in your businesses and happiness in your families and countries. And I wish that our paths may cross once more in the near future and further enrich our friendship and our business.

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