

MIDAS LIST: NEIL SHEN IS NO. 1 VC

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# Forbes

## Asia



**Esther Wang**  
Her educational toy rabbits make doctor visits less scary for kids.

**Kazuo Ishigame**  
His Airbnb for satellites is a true space saver.

**Brian Imanuel (Rich Brian)**  
Indonesia's booming hip-hop voice rises to the top of the charts.

**Su Chunzi**  
Her bouquets blossom for 5 million Chinese.

**Shi Xiaogang**  
His augmented-reality goggles are a hit with cyclists, engineers and cops.

## 30 UNDER 30: 2018

OUR ANNUAL REGIONAL ROSTER OF MILLENNIALS SHAKING THINGS UP



AUSTRALIA.....A \$12.00	INDIA.....RS 400	KOREA.....W 9,500	PAKISTAN.....RS 600	TAIWAN.....NT \$275
CHINA.....RMB 85.00	INDONESIA.....RP 77,000	MALAYSIA.....RM 24.00	PHILIPPINES.....P 260	THAILAND.....B 260
HONGKONG.....HK\$80	JAPAN.....¥1238 + TAX	NEW ZEALAND.....NZ \$13.00	SINGAPORE.....S \$12.50	UNITED STATES.....US \$10.00



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**“AS PEOPLE’S DISPOSABLE INCOME GROWS IN CHINA, THEY ARE SPENDING MORE ON THINGS THAT WILL IMPROVE LIFE QUALITY.”**

—SU CHUNZI, 28, executive vice president & partner, Flowerplus

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MUNSHI AHMED FOR FORBES; IRWIN WONG FOR FORBES; ROBERT GALLAGHER FOR FORBES; STEFAN CHOW FOR FORBES (2)

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UNLESS OTHERWISE SPECIFIED, ALL TOTALS AND PRICES EXPRESSED IN OUR STORIES ARE IN U.S. DOLLARS.



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**“DISRUPTION IS EVERYWHERE THESE DAYS. YOU HAVE TO CHANGE WITH THE TIMES.”**

—**APICHART CHUTRAKUL**, CEO of Thailand’s Sansiri

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**“I DARE TO DREAM BIG.”**

—**ALLEN LAW**, CEO of Hong Kong’s Park Hotel Group



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# NEW FED HEAD SAME OLD, BAD OLD

BY STEVE FORBES, EDITOR-IN-CHIEF

**THE FEDERAL RESERVE'S** new chairman, Jerome Powell, recently presided over his first meeting of the Federal Open Market Committee, which sets central bank policy, most particularly the level of interest rates. Powell looks to continue the same destructive policy that has done so much harm to the economy.

The episode underscores that our central bank won't rid itself anytime soon of its three fatal flaws:

- **The belief in funny money, that is, an unstable dollar.** The Fed never resists when the Treasury Department wants a weaker greenback, as happened in the early 2000s under President George W. Bush. No country does well with wobbly money. Our feeble dollar was the foundation of the disasters of 2008–2009. A floating currency is as helpful as a watch or clock that can't keep proper time. It harms long-term investing, the crucial key to a higher standard of living.
- **The bogus theory that prosperity causes inflation.** One newspaper commentator—reflecting the predominant thinking—said Powell faces the tricky task of increasing unemployment while avoiding a recession. This fake holy writ comes from the long-discredited Phillips Curve, which posits that if you want low inflation, you must have higher



unemployment, and conversely, if officials desire more employment, they must engineer more inflation by undermining the value of the currency. Hence all the jabber about trying to achieve an inflation rate of 2%.

- **The belief that the Fed can guide the pace of economic activity—and drive the economy like one would an automobile.** Its tool to do this is manipulating interest rates. The fact that for more than a decade our central bank has consistently

misjudged how the economy would perform has made little impression on the way in which its personnel view the world. The notion that a handful of Beltway-based economists can control an immense economy of hundreds of millions of people and millions of entities is so preposterous as to defy belief.

Another thing: Why do conservatives meekly accept the idea of Fed price controls on the cost of money? They understand the destructiveness of rent control yet accept the Fed's control of the price you pay to "rent" money from a lender.

Perhaps Jerome Powell will someday surprise us and not simply be an amiable time server. But that someday certainly is not now.

## President McKinley: Architect of the American Century

Robert W. Merry (*Simon & Schuster, \$35*)

So obscure is the popular perception of William McKinley, the 25th president of the U.S., who was assassinated early in his second term in 1901, that there was hardly a peep of protest (other than some ritual denunciations from his home state of Ohio) when in 2015 Barack Obama changed the name of America's highest mountain from Mount McKinley to Denali. It didn't help that this cautious, frock-coated and self-effacing politician was succeeded by the always dramatic and dazzlingly colorful Theodore Roosevelt, whose volcanic energy sharply contrasted with McKinley's

seemingly somnolent way of doing things.

Don't judge a book by its cover, we were once taught, and in no case has this been more true than in McKinley's. His presidential record is impressive, yet the way McKinley did things—methodically, cautiously and with behind-the-scenes consensus-building—made it easy for denigrators to portray him as following events instead of shaping them. His leadership, Robert W. Merry points out in this excellent, highly readable biography, was "more of the hidden-hand variety." As McKinley's secretary of war,

# EVER SKYWARD

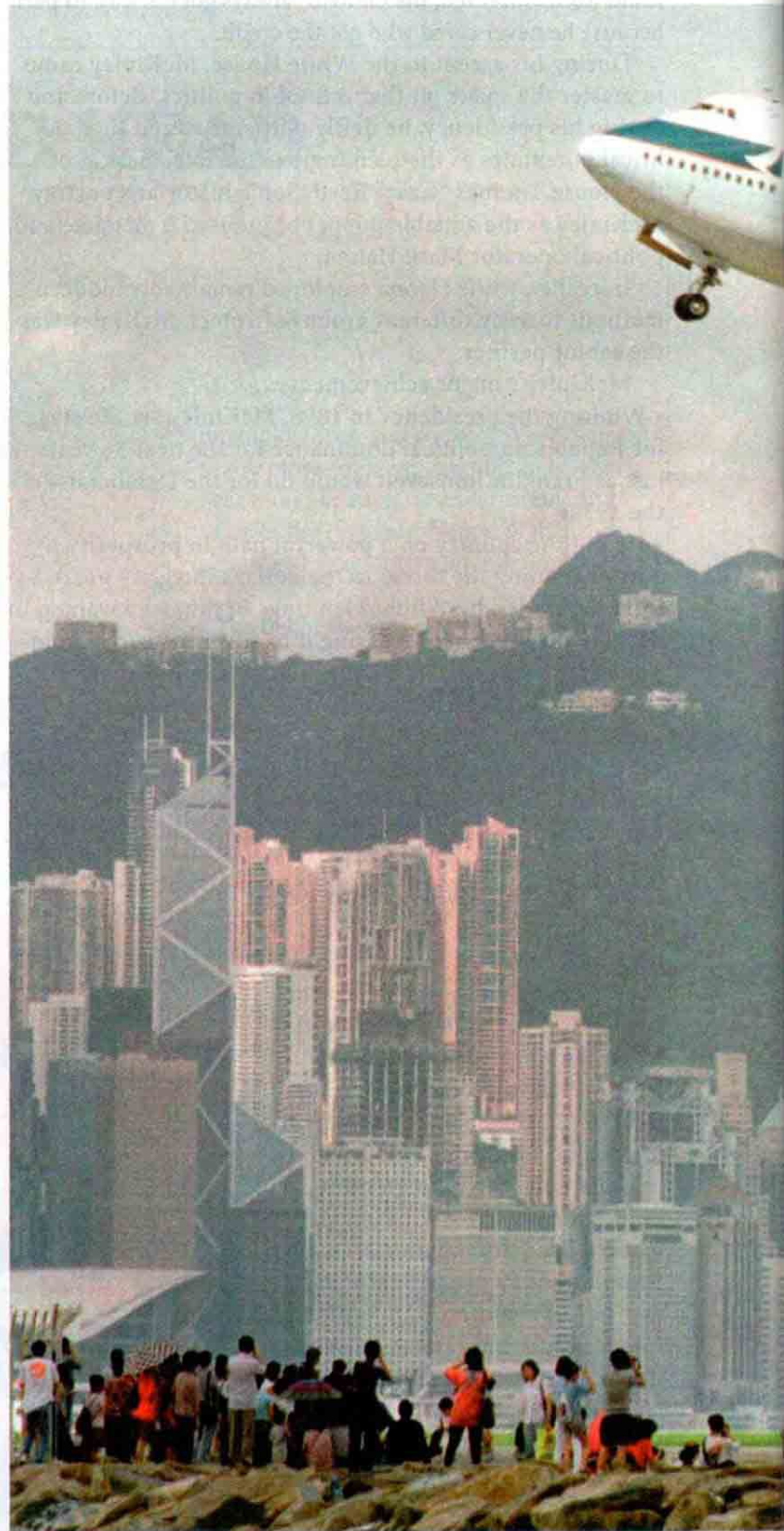
Hong Kong's apartment math should work for property moguls who bought HNA's sites at Kai Tak.

BY ROBERT OLSEN

**T**wo of Hong Kong's billionaire property moguls have set new records with the lofty prices they've paid for land at the city's former Kai Tak airport. But in the world's least affordable housing market, who's to say they won't come in for a smooth landing?

Lee Shau Kee's Henderson Land Development bought two plots from the cash-strapped Chinese conglomerate HNA Group for an eye-catching \$2 billion in February. With a total gross floor area, on buildout, of around 1 million square feet, the transaction equates to \$1,931 per square foot.

By the time of its completion in two to three years and taking into account that Henderson will be pitching a high-end product, the units may sell on average for \$4,076 per square foot, according to a spokesman from the developer. That's because the majority of the apartments will have unobstructed views of Victoria Harbour, an added attraction for buyers already willing to pay a premium to live in what the government plans as another Central Business District—its "CBD 2" initiative. When completed, overall CBD 2 development (including the Kai Tak site) will span 58 million square feet of



commercial space with numerous parks and venues for cultural and artistic performances along with an already operational cruise-ship terminal.

Henderson said that based on a total development cost of just over \$2,930 per square foot, it targets a profit margin approaching 30% on its project, consistent with its average de-

# India's Virtual Mall-Cum-Bank

Vijay Shekhar Sharma's Paytm unifies small shops and runs circles around stodgy lenders.

BY HARICHANDAN ARAKALI

**S**amsung Electronics sells its phones through about 150,000 authorized shops in India. And Paytm Mall, through a collaboration with Samsung that started in November 2017, is bringing all of them onto its online marketplace, giving each one a QR code (matrix bar code), and the requisite training and support.

Paytm Mall is the recently formed e-commerce business of One97 Communications, which was separated from its parent to function independently a year ago. One97 Communications, based in Noida, operates the Paytm mobile wallet. And with backing from China's Alibaba Group and Japan's SoftBank, billionaire founder Vijay Shekhar Sharma, 39, has been expanding into online commerce, financial services (including wealth management and insurance), as well as travel and entertainment.

While Samsung is also popular on websites such as Amazon and Flipkart, its massive offline distribution is its strength. However, as online smartphone sales rose in India, it was a challenge for the brick-and-mortar stores to match e-commerce offers. Getting onto Paytm Mall's platform—whether at an actual retail store or on the online app or website, or even on Samsung's own online storefront—means that “the offer is the same,” says Amit Sinha, a vice president at Paytm and COO of its e-commerce business.

“The O2O strategy has been working wonders for us,” says Sinha. O2O refers to “offline-to-online” because Paytm is attempting to connect to the internet via its QR codes every offline store it can reach. And not just with Samsung. Red Tape, Khadim's shoes—the latter particularly famous in Kolkata—and Lenovo laptops are among the many brands that are beginning to tap Paytm Mall to boost their sales.

Sinha says the e-commerce business, which saw the formal launch of the marketplace in April 2017, doubled its market share to about 14% by November, helped in part by the \$350

million-plus in sales in the 30 to 40 days through Diwali the month before.

In 2017, One97 Communications restructured itself. The mobile wallet service became part of the newly formed Paytm Payments Bank, which in turn will lead the company's financial services foray for consumers. And the e-commerce part of selling various products and services—from train and movie tickets to smartphones, air purifiers and washing machines—became part of Paytm E-commerce, a separate company that runs the Paytm Mall online marketplace and mobile app.

“We are raising a large amount of money on the e-commerce side as we speak,” says Sharma. That will make the e-commerce business alone “doubly unicorn,” he adds, and the entire company could be valued as high as \$12 billion. That would top Flipkart's value of \$11.6 billion at the time of the Bengaluru rival's \$1.4 billion fundraising in April 2017, possibly making Paytm India's most-valued startup. Paytm Mall's funding deal is expected to conclude soon, he says, but doesn't add details.

The funding, led by SoftBank, is to the tune of \$460 million, a person with knowledge of the transaction tells *Forbes India*, and Paytm Mall will likely raise more money as well.

India's retail scene comprises some 15 million shops, with an overwhelming majority of those being run by individual owners. They lack scale and have limited inventories, Sinha points out. Paytm plans to offer them a way of eliminating these two obstacles, so that those mom-and-pop stores could do a lot more.

Paytm is digitizing them and training them to take orders from consumers online and at the store. This means the consumer gets “the same level of service,” Sinha says, that one is used to at large retailers or on e-commerce sites. It includes matching the discounts and offers.

Therefore, there will be millions of points of sale and ful-

FORBES ASIA

**30 UNDER 30**

**ASIA'S CLASS OF 2018**

In its third year, our annual 30 Under 30 Asia list features young innovators in ten categories who are reinventing their industries. Representing 24 countries across Asia-Pacific—including Azerbaijan and North Korea for the first time—these finalists were selected from thousands of online nominations, researched by our team of reporters and vetted by a panel of A-list judges.

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**REPORTING BY** Ambika Behal, Kate Davies, Ying-Ying Lu, Elaine Ramirez, James C. Simms II, Carla Thomas, Glenda Toma, Yue Wang and Tania Willis.

THE BIRTHDAY CUTOFF TO MAKE THE LIST WAS DECEMBER 31, 1987

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**Forbes Under 30 Summit Asia** will bring together some 300 young leaders, entrepreneurs and gamechangers from Forbes' "30 Under 30 Asia" lists, as well as CEOs, mentors, industry leaders, investors and disruptors. The summit will feature three days of motivating panels, tech demos, networking, as well as a food and music festival.

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