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# Executive Summary

The year 2020 will be remembered for the turbulence caused when a pandemic swept through the world, fundamentally changing people's way of life, presenting unprecedented challenges to governments worldwide, and forcing businesses to reflect and adapt in order to survive. With this in mind, the Asia Business Council and the Tanoto Center for Asian Family Business and Entrepreneurship Studies at the Hong Kong University of Science and Technology (HKUST) embarked on a six-month research project to analyze how Asia Business Council member companies have responded to the pandemic in strategic, innovative, or impactful ways.

The eight companies that were selected employ over 360,000 people and have assets totaling over \$680 billion. In terms of geographical distribution, the companies are headquartered in Mainland China, Hong Kong, Taiwan, Myanmar, Philippines, Singapore, South Korea, and Vietnam. The key industries the companies are engaged in include education, entertainment, financial services, information technology, investments, real estate, retail, telecommunications, and textile manufacturing.

Several major themes emerged from the study. First, the most important alliance during a global crisis like the pandemic is that of the public sector with the private sector. Governments can tap into the vast resources of businesses, while businesses can seize the opportunity to play a vital role in society. Companies like Ayala Corp., DatVietVAC Group Holdings, Fubon Group, and Yoma Group all demonstrated the efficacy of public-private collaboration in crisis management and can serve as a model for future calamities.

The second theme that emerged is the deepening and reframing of corporate social responsibility (CSR). Apart from supporting their employees, companies rolled out initiatives to support the wider eco-system, from small business partners to underprivileged communities. Indeed, companies like Ayala Corp., Esquel Group, Lenovo, Temasek, and Yoma Group all took social responsibility to a new level through their economic, educational, and environmental initiatives.

The third theme that emerged is the accelerated migration to all things digital. School closures, work-from-home arrangements, and lockdowns of entire cities led businesses to seriously re-evaluate their digital strategies and offerings. Many have leveraged technology as a force for good in the process. It is fair to say that companies like DatVietVAC Group Holdings, Lenovo, Lotte Group, and Yoma Group have been at the forefront of digital transformation in their respective economies.

The following are short summaries of each case study.

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## **Ayala Corp. (Philippines): Recommitting to a Broad Stakeholder Ecosystem During the Pandemic**

Ayala Corp is one of the oldest conglomerates in the Philippines with a history of supporting the wider community in difficult times. The company realized many years ago that it could be more effective during crisis situations by engaging a network of companies to coordinate relief efforts. In 2009, it helped establish the Philippine Disaster Recovery Foundation (PDRF), known today as the Philippine Disaster Resilience Foundation, a consortium of some of the largest private-sector corporations and NGOs in the nation.

As the COVID-19 pandemic unfolded, Ayala stepped in to help the broader community through Project Ugnayan, which provided unconditional emergency cash transfers to economically vulnerable families. Ayala also played a major role in Task Force T3, a partnership to enable the testing, tracing, and treatment of COVID-19 patients. Indeed, Ayala's efforts supported the government's response by bringing together the major actors in the private sector and civil society.

## **DatVietVAC Group Holdings (Vietnam): Leveraging Entertainment as a Force for Good in Face of COVID-19 Challenges**

Vietnamese entertainment giant DatVietVAC Group Holdings is an example of how a company can leverage media and content as a force for good during the pandemic. It played no small part in helping the Vietnamese government promote the official BlueZone app, which helped contain the virus. By mobilizing its network of celebrities, DatVietVAC encouraged the public to download the official app, which registers health information, traces close contacts, and provides up-to-date information on the virus.

DatVietVAC also launched online streaming platform VieON and continued to develop dramas and entertainment shows which led to nothing short of a cultural phenomenon in Vietnam. This proved two things: that Vietnam is a prime market for digital media, and that digital media can be used for good. The company is now looking to transform its internal operations, while expanding its digital business with a focus on local content.

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## **Esquel Group (Hong Kong): Launching a Sustainable Mask Amidst a Public Health Crisis**

Hong Kong-based textile company Esquel Group reaffirmed its commitment to sustainability and social responsibility by developing a reusable mask even as it was hit hard by the unfolding pandemic and escalating U.S.-China tensions. While initially made for donations, especially in the communities where it had operations, the product soon became a business as well, demonstrating that social responsibility can go hand in hand with opportunity.

The desire to protect the environment is one that runs deep in the family-owned business, and the company has potentially saved 1.3 billion single-use masks from disposal. Esquel's achievements are due to a convergence of innovation, a focus on wellness, and an ethos of carving out new opportunities while serving the community.

## **Fubon Group (Taiwan): Forming a Mobile Phone-Based Information System to Prevent Community Outbreaks**

One of the main reasons Taiwan had so few COVID-19 cases at the start of the pandemic was the development of a mobile phone-based information tracking system called the Intelligent Electronic Fences System (IEFS). Taiwan Mobile, the telecoms arm of the Fubon Group, played a key role in this endeavor, as it joined hands with the government and other carriers.

Each carrier was responsible for monitoring its customers who needed to be quarantined. The government, on the other hand, operated an aggregated platform that monitored all subjects. As Fubon Group seeks to expand its business in Southeast Asia, its experience-sharing of successful examples like the IEFS is expected to facilitate partnerships and contribute to positive social impact.

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## **Lenovo (Mainland China): Championing Educational Technologies to Enable Virtual Learning Experiences Worldwide**

Leveraging its resources and expertise, Lenovo, a leading technology company with operational headquarters in Beijing and Morrisville, North Carolina, and financial headquarters in Hong Kong, developed educational solutions that could “go beyond the device” during the pandemic. While its commercial solutions ranged from hybrid classrooms to cybersecurity and virtual reality, Lenovo’s philanthropic efforts included hardware donations in North America and laptop donations to students in Milan and refugees in the Netherlands.

Lenovo’s Chairman and CEO Yuanqing Yang also made a personal donation to a public welfare project in Hubei province called the “Lenovo E-classroom.” Through this project, the company sent tablets and three-month data cards to students from underprivileged backgrounds so that they could have access to virtual learning. Lenovo also addressed systemic problems in education in India by developing a student-teacher matching platform. Lenovo’s business and philanthropic endeavors illustrate how Asian businesses can have truly global impact.

## **Lotte Group (South Korea): Embracing “Open Innovation” in E-Commerce for the Post-Corona Era**

For Lotte Group, the fifth largest conglomerate in South Korea, the response to the crisis was not just about braving the storms of the pandemic but also about accelerating pre-COVID-19 developments. Lotte saw its e-commerce app, Lotte On, as the key to its business transformation. Building on the idea of “open innovation,” or the practice of sourcing ideas and solutions from other organizations, Lotte On has collaborated with a number of start-ups since the app was launched in April 2020.

These start-ups include start-ups invested by Lotte Accelerator, namely online convenience store start-up Nowpick, delivery start-up PLZ, and beauty marketing start-up LYCL. Lotte On also rolled out a new brand in partnership with a fashion A.I. start-up Designovel. Given that South Korea already had one of the most sophisticated technological infrastructures in the world prior to the pandemic, the challenge for Lotte is whether it can adapt, transform, and emerge as a winner in the post-coronavirus era.

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## **Temasek (Singapore): Tapping Investment Expertise and Diverse Networks to Help Fight the Virus**

Among its many initiatives in response to the COVID-19 pandemic, Temasek's investments in medical initiatives best demonstrate its agility, resourcefulness, and innovation. Widely seen as one of the most sophisticated government-owned investors in the world, the Singapore-based company has been applauded for tapping its diverse networks and expertise to find solutions for global shortages of medical supplies such as swabs, testing equipment, and masks.

Collaboration with small and medium enterprises (SMEs) was a recurring theme in Temasek's initiatives during the pandemic. Not only did this help ramp up local manufacturing capabilities; it also allowed SMEs to thrive in a harsh business environment. Temasek's response to the COVID-19 pandemic has no doubt prompted a rethink of the traditional boundaries of philanthropy and social responsibility.

## **Yoma Group (Myanmar): Accelerating Financial Inclusion in a Time of Social Distancing**

For Myanmar-based conglomerate Yoma Group, the COVID-19 pandemic was a defining moment in its service to the country. Although its acquisition of mobile financial services operator Wave Money was planned before the pandemic, it was the trying times of 2020 that truly underscored the importance of mobile money in promoting financial inclusion in Myanmar.

The widespread use of Wave Money was significant in Myanmar because most of the population has no access to banking services. From sending money to family members to distributing government aid, Wave Money was a true game changer, especially since its coverage reaches 91 percent of the country and 90 percent of rural areas. Partnering with the Myanmar government, Wave Money promoted transparency and helped to minimize corruption for relief aid, in fitting with Yoma's mission to "build a better Myanmar for its people".