

200 Best Under A Billion Deborah Orr, 10.30.06

The Asian miracle has been built on the sweat of small and midsize enterprises--thousands of them. So choosing only 200 is a challenge. To assemble our Best Under a Billion for Asia-Pacific, we look at only listed entities under \$1 billion in sales that have posted solid top- and bottom-line gains and appear to be headed for more.

With Asian factories churning out so much of the world's clothing, furniture and electronics, it's no surprise that manufacturers have a strong presence on our list. So do basic materials, the stuff that goes into manufactured goods--and into building more factories, housing and office towers. But there is still room for the unusual and the clever. Slot machines that speak Chinese? Astro of Taiwan makes these and other gaming machines for hot hands in Russia, Japan and Australia. Singapore snackmaker Want Want Holdings has lived up to its name by selling rice crackers and gummy sweets wherever Chinese is spoken. Tong Ren Tang's Chinese medicine shops have been concocting remedies out of cicada skins and jujubes since 1669 and now hope to gain from worldwide interest in traditional remedies.

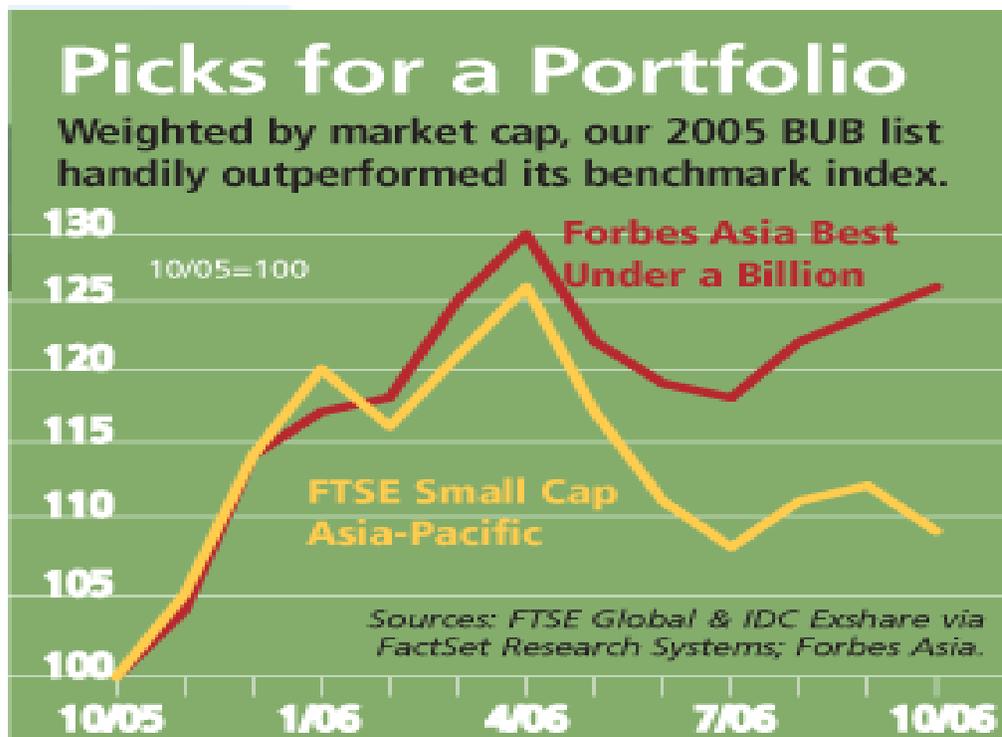
One place that stands out this year is Taiwan, a tiny island that supplied 31 names--more than any other country on the list. Even more surprising, most of these companies (such as Aten International) make switches that run other people's networks or LEDs (such as Everlight Electronics) that light up other companies' gadgets. How can these humble component makers stay so profitable when the prices of their customers' TVs, DVD players and laptops are falling every year?

Being really good and really small is something that entrepreneurs on the island have turned into an art form. Jack Huang, who runs U.S. law firm Jones Day's greater China practice out of Taiwan, works with some of these entrepreneurs. The successful ones "picked their battles well" by targeting a niche so small and insignificant that bigger companies wouldn't be tempted to take it on but vital enough to a finished product that they can keep some loyalty with their customers: big consumer electronics companies such as **Sony** (nyse: [SNE](#) - [news](#) - [people](#)), Matsushita or **Dell** (nasdaq: [DELL](#) - [news](#) - [people](#)).

They make parts that cost pennies apiece--a small fraction of the cost of a finished good--and they do it well. This matters, explains Huang, "because the cost of a recall could be \$5 for every item returned plus the damage to a company's reputation." Then they stay one step ahead of their customers by investing in their own research to come

up with a better chip design or a quieter fan with functions that copycats would have a hard time matching quickly. That makes it less tempting for anyone back in Tokyo or Silicon Valley to cut half a penny by finding an alternative partsmaker.

Not every company in Asia is feeding the region's export machine. In fact, most of the mainland Chinese companies on our list are selling to China's fabled 1.2 billion consumers and many in Japan and India to their domestic markets. Pantaloon, a Mumbai retailer, sells everything from cell phones to saris. Riso Kyoiku in Japan keeps the competitive spirit alive with its neighborhood cram schools. Even amid globalization, expect to see more local favorites in years ahead.



<u>Name</u>	Country	<u>Sales</u> <u>(US\$mil)</u>	<u>Net</u> <u>Income</u> <u>(US\$mil)</u>	<u>Market</u> <u>Value</u> <u>(US\$mil)</u>	<u>Industry</u>
Plotech	Taiwan	86	8	106	electronic components
Powercom	Taiwan	88	12	342	electrical equipment
Powertech Technology	Taiwan	340	107	1,275	semiconductors
Sincere Navigation	Taiwan	146	89	626	maritime
Sinyi Realty	Taiwan	159	27	462	real estate development
Sitronix Technology	Taiwan	111	19	307	electronic components
Springsoft	Taiwan	43	27	243	software
Symphony Holdings	Taiwan	239	28	207	apparel
Taiwan Paiho	Taiwan	128	12	146	textiles
Tong Lung Metal Industry	Taiwan	63	12	97	basic materials
Tripod Technology	Taiwan	461	65	1,109	electronic components
TXC	Taiwan	114	15	365	electronic components
Unimicron Technology	Taiwan	858	92	1,273	electronic components
Wah Lee Industrial	Taiwan	592	37	414	electronic components
Bangkok Dusit Medical Services	Thailand	250	20	895	health care services
Banpu	Thailand	614	135	1,128	basic materials
Dynasty Ceramic	Thailand	104	18	162	basic materials
Lanna Resources	Thailand	97	8	107	basic materials
Precious Shipping	Thailand	268	150	581	maritime
Regional Container Lines	Thailand	523	117	393	maritime
Siam Steel International	Thailand	109	22	78	oilfield services & equipment
Sikarin	Thailand	22	3	23	health care services
Thai Carbon Black	Thailand	120	22	134	chemicals
Thoresen Thai Agencies	Thailand	363	145	437	maritime
Univentures	Thailand	25	3	28	basic materials