



>> Baguio Green Group chairman Ng Wing-hong hails from a tight-knit family and he loves traveling.

CLEAN-UP KING

VISION & STRATEGY

• Bonnie Chen, business news editor, hopes Money Glitz gives readers valuable investment insight, helps institutions boost transparency and allows executives reach their key clients.



Ng Wing-hong, together with his siblings, faced financial hardships when he was young. But that didn't deter the tightly-knit family from overcoming the stiff challenges.

The Baguio Green Group (1397) chairman epitomizes Hongkongers' "Lion Rock Spirit" of diligence and uncanny ability to create wealth and climb up the social ladder.

For more than a decade since the firm's founding in 1980, it provided cleaning services. But over the past two decades, it has significantly expanded to become an integrated environmental services provider, offering cleaning, landscaping, pest management, waste collection and recycling services.

From just a few family members, the company now employs about 9,000 people.

The SAR government remains its major customer, contributing 75 percent of revenue. It listed in May last year.

Like a sponge, Ng constantly absorbs and strives for knowledge in different areas, aimed at better equipping himself in running the company.

He has an MBA and a law degree along with qualifications as an accountant, a company secretary and an arborist. He also holds certificates in occupational safety and in handling clinical waste.

"I armed myself with an MBA degree and accounting knowledge so I know how to manage the firm and its finances. A law degree helps me draft contracts, knowledge as a chartered secretary helps me ensure our company is compliant with laws and regulations," he says.

"Qualification as an arborist and tree risk

assessor is helpful in our company's venture into landscaping and horticulture. I'm spending more time now on rules for listed companies," he adds. His seemingly unquenchable thirst for more knowledge stems from his humility and humble background.

"I know very well how to do a cleaner's job because that's what I did when I was young. I come from a poor family. My father was a caretaker and my mother was a hawker," he reveals.

"My mother noticed that many people had renovations and they would need post-renovation cleaning services. That's how we started," he recalls.

"During holidays, my six siblings and I formed into three teams to provide cleaning

"Our business is recession free. The worse the economy is, the more workers become available."

services to people in different districts. We cleaned offices, banks and clinics after people were off from work," he says. That family teamwork, started decades ago, remains very much in place today. His sister Phyllis Ng Yuk-kwan serves as the company's chief executive and his brother, Ng Wing-chuen, is an executive director.

Several years after graduation, he saved enough to buy a two-bedroom, 1,000-square-foot flat in Baguio Villa in Pok Fu Lam after forking out a down payment of H\$200,000. His residence gave him an idea for a unique company name.

When Baguio Green Group was set up, almost each and every member of the family had a role to play. But in those days, he sometimes still needed to do cleaning jobs.

"Other than that, it was also disappointing that we failed to get paid for some of the work that we did," he recalls.

Ng set an example to his staff to tackle

frontline work in 2003 as the SARS epidemic struck Hong Kong, presenting a golden opportunity for Baguio as its public cleaning services were in high demand.

"For instance, streets had to be washed four times a day, more than double than usual. Public hygiene was of utmost concern. And the government was also very keen to create more jobs at that time," he recalls.

"Our business is recession free. The worse the economy is, the more workers become available," he says.

Ng adds that 60 percent of Baguio staff are paid higher than the minimum wage of HK\$32.50 per hour.

Aside from being labor intensive, the environmental industry is now more challenging.

"The industry has become more specialized and more skill sets and technologies are required to handle large-scale jobs. This is very much unlike in the past when you could start a business with a few buckets that was family-run," he says.

With Hong Kong people getting more demanding in their living conditions, environmental and greening services are growing fast, Ng says.

The company's revenue grew 25 percent in 2014 from a year earlier, and the number of contracts has been increasing.

As at December, 2014, cleaning services contributed 71.4 percent of the total HK\$1.03 billion revenue. But Ng sees greatest potential with waste management and recycling.

For example, the company has been sorting waste for the Hong Kong Airport Authority, where a lot of useful items can be found in their waste materials. As such, he says waste sorting is a growing sector.

The potential of the environmental industry is huge with the development of green economy. "This potential stems, for instance, from water treatment and emission reduction. There is a lot that we can do. It's a sunshine industry," he beams.

WHAT A WASTE!

Recycling and turning waste materials into useful products is a huge opportunity that Hong Kong has not been exploiting, says Ng Wing-hong.

Baguio Green Group is teaming up with the Environmental Protection Department to set up 100 recycling spots where glasses will be collected and later turned into bricks by other recyclers.

"Since we provide waste sorting services, we are looking into prospects of turning some of the wastes into products. For instance, some of the plastic waste that we are collecting could be turned into plastic bags instead of just exporting them as waste to the mainland."

"If half of the waste dumped at landfills are useful, that would potentially mean HK\$2 billion," he says, quoting EPD's 2013 data.

Ng is also looking at opportunities beyond Hong Kong. China is relatively more advanced than SAR in the use of clean energy and turning waste into material for power generation.

Despite these opportunities and ample labor supply on the mainland, many companies there may not be very good at managing people and costs.

This presents opportunities for Hong Kong firms, he says. Baguio Green Group has initiated preliminary talks with mainland companies in the Pearl River Delta on possible joint ventures or merger and acquisition opportunities.

He reveals that some overseas companies from The Netherlands and Norway are also exploring prospects of teaming up with local firms to look for opportunities in China.

Ng says Hong Kong enjoys an edge in various areas, such as food waste management, and this can prove useful.