



SINGAPORE

Looking to the Future

Known worldwide as a top business, banking, and investment destination, Singapore has sustained its stellar international reputation for decades: It ranked 2nd out of 190 economies surveyed on the World Bank's Doing Business 2020 Survey, with the bank reporting it is among the top five countries globally in categories including "starting a business," "dealing with construction permits," "protecting minority investors," and "enforcing contracts."

Like the rest of the world, Singapore is facing unprecedented economic challenges; the coronavirus holds the potential to completely remake markets, economies, and societies. But Chng Kai Fong, Managing Director of Singapore's Economic Development Board (EDB), stressed the importance of focusing on Singapore's post-coronavirus future, as well as the opportunities presented by the current crisis.

"Our first priority of course is to manage the situation at the medical and healthcare levels. We've dealt with SARS before, and

it impacted our economy quite strongly. But during the SARS outbreak, we focused on opportunities to strengthen some of the capabilities of our companies. The minute the crisis ended, our economy rebounded. This is the same strategy we are pursuing now," he said.

Singapore is no stranger to an economic renaissance. The country's modern growth story has been nothing short of remarkable - GDP growth averaged 6.5% between 1976 and 2019 - and its economy has maintained momentum in recent years, supported by a powerhouse manufacturing sector that pushed export revenues to \$411 billion in 2018, a 52% increase over 2009 levels. Its forward-looking government is now supporting a push for innovation in manufacturing.

"One of the initiatives that EDB has been pushing is in the Advanced Manufacturing Space, or Industry 4.0, where we work with large and small companies. We've recently rolled out a smart industry readiness index which measures companies' I4.0 readiness across different indicators. We want

companies to say, 'this is where we stand,' and have a development road map enabling them to upgrade operations and improve efficiency and productivity," said Chng.

A strong focus on innovation has already benefitted Singapore's world-famous financial services sector, with PwC reporting in October 2019 that Singaporean banks have the potential to outgrow their UK and Australian counterparts over the next eight years, as a result of rapid digitization and corresponding productivity improvements.

Singapore's competitive advantages are indisputable, and as always, the government continues to look to the future, with an eye on transforming the country into an engineering and data center hub for the region's fast-rising tech sector.

"From Singapore, companies can launch into larger economies like China and India, while benefitting from our strong rule of law and good network of free trade agreements. What we are saying now is what we've always said: Singapore is a place that investors can trust," said Chng.

AT Capital Group - Long Term Vision

Singapore offers transparent business-friendly policies and exceptional global talent that unquestionably makes it the leading choice for businesses like AT Capital.

Ranking second in the world on the World Bank's ease of doing business index, Singapore has a long-held reputation for being one of the world's most open and investment-friendly economies. Building on its long history as a trading entrepot between East Asia and the world, the city-state has been one of the top three countries in the Bank's index since its launch in 2004. As well as its business-friendly legislation, Singapore boasts an efficient and independent legal system, political stability, a highly-skilled workforce, and an enviable location surrounded by some of the world's largest emerging markets.

These competitive advantages, together with a robust regulatory environment, have cemented Singapore's position as one of the world's leading financial centres, alongside London, New York, and Hong Kong. The financial sector grew by 6.1% in 2018, according to the Monetary Authority of Singapore, well above broader economic growth. In its 2019 compulsory Financial Sector Assessment Programme, the IMF said that Singapore's financial sector oversight is "among the best globally."

This provides the springboard for AT Capital Group, a Singapore-based global investment firm with a US\$2.5bn asset portfolio, comprising 50 companies in more than ten countries. Founded and led by India-born Arvind Tikku, the firm is a family office investment powerhouse, with an approach similar to that of traditional private equity, but deploying its own funds rather than raising them from third parties. "AT Capital has a considerably longer investment horizon compared to traditional private equity. We have long-term vision. We're not looking for short term gains. We are comfortable investing over a 15 to 20 year period," says Tikku.

Tikku argues that family offices generate better returns compared to other companies. This is primarily because of the long-term capital outlook, and secondly because of the associated ability to attract and hire the best professionals to run sustainable companies with long term growth models. At the same time, AT Capital's strategy allows it to participate in

activities which banks are less willing to do, for example metals and mining, where the group is becoming active just as many banks are tapering down funding. "We are able to manage risk better than banks" he says. AT Capital's diverse risk-adjusted portfolio focuses on sectors where it has developed expertise, including real estate, hospitality, engineering and construction, oil and gas and renewable energy. Currently, it has a presence in markets from Western Europe to China.



Arvind Tikku
Founder - AT Capital Group

AT Capital started assessing investments in renewable energy in 2011. After analysing the market, it decided to focus on India, given its high dependence on imported energy sources and large talent pool. The result was Orange Renewable, a subsidiary which became a significant contributor to the group's growth. AT Capital sold Orange Renewable in 2018 for an enterprise value of c. US\$ 1 billion. While building Orange Renewable's 800 MW portfolio, AT Capital developed its expertise in the Indian renewable energy industry, and reassessed its risk profile. As a result, it shifted focus towards solar energy in Indian states with the most favourable investment environment. Retaining the Orange Renewable

management team, Tikku has already built a new 350 MW solar platform under Juniper Green Renewable and is keen to continue to build his renewables business within and beyond India.

As elsewhere, AT Capital has placed emphasis on engaging local expert teams, and ensuring that investments have a positive impact on local communities. This is also reflected in the AT Capital Group's structure, with the holding company overseen by an independent board of highly-experienced professionals, with family members barred.

"Our philosophy is to foster talent with astute domain knowledge and expertise to optimise the deployment of capital, mentor strategy and business direction and monitor business outcomes," says Tikku.

Examples of AT Capital's strategy to diversify its portfolio and leverage its finance and real estate expertise, include its recent substantial investment in an SGX listed REIT alongside an equity investment in the REIT's licensed fund manager and AT Capital's Dutch subsidiary, Experion Assets Holdings Europe. In the Netherlands, the group is bringing its real estate development expertise to bear in projects, including BajesKwartier, a brownfield former state prison site in the heart of Amsterdam being developed with European partners Cairn Real Estate and AM (a Netherlands subsidiary of BAM International).

As it continues its international expansion, AT Capital will continue to leverage the benefits of its Singapore base, which reinforces the credibility of its capital, and provides an ultra-secure centre from which to do business.

"Singapore offers transparent business-friendly policies and exceptional global talent that unquestionably makes it the leading choice for businesses," Tikku says.



Tuan Sing Holdings

Rising Real Estate Star

With a GDP per capita of nearly \$58,000, Singapore is a high-income country known for its business-friendly regulatory environment, competitive economy, and sizable base of highly skilled human capital. As one of the world's most livable cities, Singapore also benefits from a dynamic and fast-growing real estate sector: property investment sales rose by 36% y-o-y in 2019 to hit S\$7.16 billion (\$5.12 billion), while primary residential sales rose 29% during the second half of the year.

Investor sentiment remains strong despite challenging external headwinds, helping developers like Tuan Sing Holdings make their mark both domestically and abroad. Founded in 1969, Tuan Sing Holdings is a diversified, fast-rising regional investment holding company active in property development and investment, as well as hotel ownership. The group has built its portfolio over the decades to include strategically located real estate assets in Singapore and beyond, with a focus on Indonesia, China, and Australia.

The Group's international expansion has helped it build a solid track record of successful projects, including some of the first high-end luxury residential developments in Shanghai, China, with Tuan Sing Holdings being the first foreign company to enter the property market there.

"We have accumulated a lot of experience over the past few decades. Our knowledge and expertise is not something that you get overnight. It took a lot of trial and error, experimentation, and decision-making for us to be where we are today. We like to be ahead of our time and bring different methods and high-quality developments to the region," said William Liem, the company's CEO.

After celebrating its Golden Jubilee last year, and finishing work on Singapore's Robinson Tower more recently, the Group launched a strategic business transformation agenda with the aim of becoming a major regional player across all real estate segments in key cities across the Asia-Pacific region. One of the most significant projects driving this transformation is Opus Bay, a flagship

mixed-use megaproject offering a high-end escape from the urban life.

Just a 45-minute ferry ride from Singapore's HarbourFront Center, Opus Bay is a real estate community project located in Batam, Indonesia. The project sprawls across more than 100 hectares of lush greenery and beachfront, offering the highest-quality lifestyle for residents and visitors. The planned development will comprise apartments and villas, tourist attractions, retail developments, hotels, conference facilities, international schools, and medical facilities.

The business case for a project like Opus Bay is also rock-solid, supported by more than 1 million annual visitors from Singapore to the city.

"The most exciting thing about the Opus Bay project is that it is aligned with what the country and government are doing: The President of Indonesia has identified Batam and Bintan as key tourism destinations in Indonesia, and the potential capital appreciation of the project is significant. Singapore also has many synergies with Indonesia, and Singaporean companies find the lower cost of doing business in Batam attractive," said Liem.

In addition to Opus Bay, Tuan Sing is working on a growing portfolio of top-quality projects, including the Grand Hyatt Melbourne site, a separate S\$2 billion mixed-use project spanning 1.2 million sq ft in Melbourne, the integrated, 2.5 million-sq-ft Sanya project in China, and perhaps most significantly, one of the largest tourism projects currently under development in Bali.

Known as Kura Kura Bali, the project spans on an independent island between



William Liem
CEO - Tuan Sing Holdings

Nusa Dua and Sanur. Tuan Sing is the lead development partner in this upcoming sustainability-based integrated project, which will offer a comprehensive suite of commercial, residential, healthcare and education amenities upon its completion and launch - from luxury bungalows and hotels, to retail and factory outlets. Among these offerings will be Tsinghua Southeast Asia Center, a creative cultural exchange-focused educational center which will be built on the island in partnership with China's Tsinghua University and aided by Indonesia's non-profit United in Diversity Foundation.

Tuan Sing now holds S\$3 billion of assets under management, and expects to double that figure in the coming years. Profits grew by 115% in 2018 and the company maintained very healthy financials in 2019, creating high-potential opportunities for savvy property investors.

"We want to tell our shareholders and potential investors that Tuan Sing is an undervalued company. We're very open and transparent, and believe the best is yet to come. We expect extremely fast growth over the next several years, whether organically or through mergers and acquisitions," said Liem.



Soilbuild Group Holdings - At the Forefront

One of only two countries in the Asia-Pacific region that have the top credit rating with all three major ratings agencies, Singapore's macroeconomic strengths have made it a model for governments the world over. In February, Fitch Ratings noted Singapore's "exceptionally strong external and fiscal balance sheets", and said that it would achieve its aim of a balanced budget over the current parliamentary term.

This healthy macroeconomic environment has supported the growth of the construction industry, even at a time of growing international headwinds. In 2019, total construction demand hit a five-year high of \$23.9bn, up 9.5% on 2018, according to the government's Building and Construction Authority (BCA). Both private and public sector projects have driven growth. In 2017, the government launched the Construction Industry Transformation Map (ITM), which seeks to upgrade the industry and strengthen areas such as green buildings and design for manufacturing and assembly (DfMA), which focuses on ease of manufacture and efficiency of assembly of construction components.

This combination of growth together with a new emphasis on sustainability, use of precast elements and DfMA stands Singaporean real estate group Soilbuild Group Holdings in good stead. The group started investing heavily in its precast business and DfMA technologies, and took pioneering steps in employing sustainability concepts into its investment properties a good decade ago.

As of the end of 2019, it has two Green Mark Platinum certified buildings (the highest certification for green buildings in Singapore) under its portfolio and another two currently under development.

One of the company's landmark green projects is Solaris, a 15-story office building located in the Fusionopolis hub in central Singapore's one-north business park. Opened in 2011, the iconic structure's most celebrated feature is a 1.5km "green ramp" spiralling around the building from the basement to the roof gardens. The ramp features deep overhangs with large shady plants that provide ambient cooling of the building's façade. The two towers of Solaris are

connected through a naturally ventilated atrium which is shielded from weather elements through weather sensor controlled roof panels. It was a ground-breaking development both for Singapore and Soilbuild. "You don't want to just create a concrete structure; you want to create something that's iconic, lasting and with a personal touch," says Lim Chap Huat, the company's executive chairman and CEO, who founded the company in 1976. "Solaris was a vision we believed in strongly. Now the green concept is one of our competitive advantages."

As Lim notes, green construction benefits more than just the environment - it saves energy, lowers costs for owners and tenants, and tends to have a longer lifespan than conventional building. Soilbuild has also assiduously pushed green and smart technology in its developments, including sensors for detection of intensity of light, volatile organic compounds for better indoor air quality, and integrated smart building management systems. Soilbuild was also an early adopter of green financing among its industry peers.

Being a market-leader in precast technology has put Soilbuild in a favourable position as the government intensifies its push for uptake of DfMA to boost the sector's value-added component, lower construction times, and reduce dependence on foreign labourers. Soilbuild owns three precast plants, one in Singapore and two in neighbouring Malaysia, and expects them to contribute a growing proportion of company revenues over the coming years.

"As well as supplying third parties, we supply precast products internally to all our projects," says Lim. "This helps shorten construction time and leads to



Chairman - Lim Chap Huat
Director - Lim Han Qin

financial savings as well as addressing quality-control issues. We have invested heavily in innovation and technology, such as robotics for assembly in our plants." The use of precast products improves construction speed and efficiency has helped Soilbuild continue to deliver projects on time and on budget, a promise that is at the core of the company's competitive advantage.

After four and a half decades, Soilbuild remains a family company. Two of Lim Chap Huat's sons are on the board, and the chairman has passed on his values and diligent, assiduous approach to them. "My father built this business himself starting from scratch," says Lim Han Qin, the founder's middle son, who now sits on the board. "He visits all the construction sites himself. I share his satisfaction on a building where the team comes in and works together, overcoming technical issues, tight construction time-lines, and delivers."

"Our integrated real estate platform, spanning from construction, development to management, has differentiated us in the industry. But I believe that we have been sustained and will continue to grow thanks to the eagerness of the team to always better ourselves, whether through innovative solutions, investment in new technologies, or nimbleness in decision making and responding to changes," added Han Qin.

Soilbuild Group was most recently awarded 2nd position in the 2019 Enterprise 50 Awards, a prestigious award recognising the 50 most enterprising local, privately-held companies.