

Singapore - Asia's superstar city welcomes global business

Singapore is one of the world's best-connected cities and the global business community's gateway to the fast-growing economies of Southeast Asia. Over the past two decades, sustained government investment in R&D - lately with a 25 billion SGD investment in research, innovation, and enterprise under REI2025 - and pro-business incentives have catapulted Singapore's economy into the third most competitive in the world, according to the IMD World Competitive Ranking 2022, and has cemented it as the best place to do business for the past 15 years, according to the Economist Intelligence Unit (EIU). According to the World Bank, it takes just 15 minutes to register a company online and only one and a half days to set up a business in Singapore - 17 times faster than the regional average - resulting in a dynamic, fast-moving ecosystem of start-ups, often working in synergy with the many multinationals and leading Fortune 500 companies headquartered in the city.

"Businesses, investors, and talented individuals in the region and beyond show great interest in Singapore. They want to come here, to bring in their talent, capital, and investments... because of the strong international reputation that Singapore has built up over the years. People know that the Singapore system works... know our people are of high quality; our workers are hardworking, skilled, and



Lee Hsien Loong
Prime minister of Singapore

reliable; our professionals are competent, honest, and trustworthy," said Singapore's prime minister, Lee Hsien Loong, in a recent speech to parliament. According to government figures, over half of Singapore's workers are employed in high-skilled jobs, and INSEAD recently affirmed the city as the best place for attracting and growing talent worldwide.

Singapore's government is providing grants to support training in research and innovation, in addition to tax incentives for eligible expansionary economic activities, and recently allocated 4 billion SGD to support business growth and upskilling. Elsewhere, the city's robust stance

on property rights and anticorruption laws, paired with its comprehensive regulatory framework, makes for an unparalleled commerce experience for global businesses. "Singapore is a nice place to do business. The rules and regulations are clear and concise, which makes for a very friendly business environment," says LHN Group's executive chairman and managing director, Kelvin Lim.

In 2014, Singapore launched its tech-driven Smart Nation initiative, which has gifted it a competitive edge in the global digital marketplace - 5G coverage recently reached 95%. The city now hosts Asia's most digitally competitive economy and has the world's best-in-class technological infrastructure, according to the IMD World Digital Competitiveness Ranking 2022. Last year, Singapore hosted 60% of Asia-Pacific's data centres, according to the International Trade Administration, reflecting its leadership role as the region's digital hub. "The digital economy will continue to be a large part of the region's growth... Singapore continues to be a welcoming location for firms to invest in and offers a nurturing and vibrant ecosystem that supports tech companies. With Singapore's strong intellectual property (IP) ecosystem, we have become known as a centre for digital innovation activities," says the Singapore Economic Development Board's (EDB) managing director, Ms Jacqueline Poh.

LHN Group

Creating a sustainable real estate market through space optimisation

Singapore's economy is forecast to grow by 0.5-2.5% this year, according to the Ministry of Trade and Industry, with a favourable external demand outlook as China eases its Covid-19 restrictions earlier than expected.

According to Bloomberg, China's post-Covid reopening will also stimulate Singapore's already-booming real estate market, with property prices surging by 8.6% and rental prices by 30% in 2022. Looking ahead, an influx of foreign wealth, together with Singapore's safe-haven status, will give its real estate market the regional edge, according to Savills and Knight Frank.

Formed in 1991, LHN Group is a real estate management group specialising in space optimisation, logistics services, and facilities management for residential, commercial, and industrial purposes across Asia. LHN is dual-listed on the Singapore Exchange (SGX) and the Hong Kong Stock Exchange (SEHK) and registered a revenue of 118 million SGD in FY22, with a net profit after tax of 47.5 million SGD - up by 64.6% year-over-year.

"Our space optimisation business is about adding value to underutilised buildings through modern space planning and design," says LHN Group's executive chairman and managing director, Kelvin Lim. LHN began offering furnished residential and office spaces tailored to emerging markets across Southeast Asia - including Myanmar, Cambodia



Kelvin Lim
Chairman & Managing Director

and Indonesia - but it was not until the Covid-19 pandemic - when a rush of young people moving out generated high demand for affordable living spaces - that LHN fully reaped the benefits of its diversification, starting with its brand Coliwoo.

With one of the largest selections of co-living spaces in Singapore, Coliwoo channels the post-Covid lifestyle trend for community-based private living spaces and the demand amongst foreign professionals, students, and

Singaporean citizens for affordable, flexible accommodation. Coliwoo's co-living concept has proved an enormous success, boasting an occupancy rate of 98% as at 30 September 2022.

LHN is currently open to strategic partnerships with domestic companies and leading regional players in relevant markets. "ASEAN will be our growth platform, and co-living is a concept we want to bring to these countries. Many companies are relocating from China - there are more opportunities in developing ASEAN countries than ever before," says Lim. Meanwhile, LHN intends to drive organic growth through continued in-depth market research and cost-effective renovation techniques to maximise its leasable units and rental yield. Plus, besides 'recycling' buildings, LHN is keen to enhance its solar energy and EV charging solutions profile with its brand LHN Energy.

In a booming real estate market defined by land scarcity, space optimisation companies like LHN are profiting hugely. "Thanks to its political stability and pro-business policies, Singapore offers an exceptional environment for conducting business. With proper licensing regime and good governance, there are hardly any limitations on what you can accomplish," says Lim.



BreadTalk Group

Singapore's Innovative Brand Pioneer

Ranking second in the world and first in Asia in the World Bank's most recent Ease of Doing Business index, Singapore is widely regarded as having one of the best investment environments on the planet. The country benefits not only from its strategic location, but active government support for business, an excellent legal framework, and light-touch regulation and taxation.

This backdrop has long benefited Singapore's food and beverage industry, which was worth around \$8.2bn on the eve of the covid pandemic, according to Black Box Research. A recent report by GlobalData estimates that the sector will grow at 11% a year to 2025 as it bounces back, with both domestic demand and growing tourism contributing to the stellar performance.

This resurgence - and that of the global hospitality industry - is proving a boon for Singapore-based BreadTalk Group. The company was founded in 2000 by George Quek, who had an entrepreneurial vision to transform the bakery sector. That vision has been realised at a large scale, with BreadTalk Group now having more than 600 outlets in 15 territories worldwide, across China, South East Asia, India, the Middle East, and the UK.

"We are a pioneer in building successful brands, adapting quickly to consumer trends," says Quek, BreadTalk Group's Chairman. "We have developed strongly over the past 23 years, building more brands, and we're not stopping - we are still exploring, innovating, and reinventing ourselves. For example, to embrace new emerging trends and to cater to the shift in the consumer's palate, we have been readjusting our business models from product development to marketing approaches to ensure the brands continue to stay relevant in the market."

This business model has proven to be extremely successful, as is evident both from the company's expansion and the numerous international awards it has won. These include the Singapore Promising Brand Award, being ranked 48th in the Top 100 Brands in Singapore by Brand Finance, Brand of the Year in World Branding Awards, Growth Market Retailer of the Year in World Retail Awards, etc.

BreadTalk's first, eponymous, brand follows the Group's blueprint of innovation and reinvention, incorporating natural ingredients, artisanal techniques, and modern technology. The Group's other directly owned brands include Toast Box, a Singaporean contemporary Nanyang coffee chain which



George Quek
Chairman

BreadTalk
BreadTalk Group Pte Ltd

recreates the 1960s and 70s Nanyang coffee and toast culture; Food Republic, a thematic food court offering local and international delights; Food Junction, offering Asian street food in the air-conditioned comfort of shopping malls; Thye Moh Chan, an 80-year-old heritage Teochew pastry house acquired by the Group in 2013 that offers traditional handmade Teochew pastries; and Butter Bean has a more modern coffee-and-toast concept which is also halal-certified to cater to a wider community.

Partner brands include Din Tai Fung, an internationally acclaimed restaurant chain that has been ranked as one of the Top 10 Restaurants in the world by The New York Times; Song Fa Bak Kut Teh, a Teochew-style restaurant that has received the Michelin Bib Gourmand award; and Wu Pao Chun Bakery, a bakery hailing from Taiwan.

BreadTalk Group's strategy is to deepen its presence in territories in which it is already

established, where it can concentrate its resources on markets that it is familiar with, and in which it has strong brand awareness. Quek is also open to bringing new international brands to Singapore. In every case, mutually beneficial partnerships are crucial.

"No matter where we are, what products we sell, at the end of the day it's about selecting the right partners," he says. "I firmly believe that for our organisation, it's very important to have a partner that is aligned with our value system. When we select our partners, they have to be honest and credible. And innovation is in BreadTalk's blood, so those working with us need to be willing to learn because the world is changing every day. It's also very important that we focus on quality first, delivering the best for our customers, to keep them satisfied. Selecting a partner is a mutual process - we are a conscientious company, we always honour our promises, and we put quality and food security as our top priorities. Our potential partners should be confident when comparing us to our competitors."

Brand awareness is another key strength that BreadTalk's partners benefit from, and Quek also highlights his company's intimate understanding of the markets it operates in - its business circles, cultural norms, and practices.

Another strength that BreadTalk can draw on is its Singaporean background - the country is known for its high standards of food quality and safety, so when Singaporean restaurant brands go abroad, customers are more assured of their products and their quality. Being based in the city-state brings other advantages of course - not least in its business climate.

"Singapore has a big impact on the world," says Quek. "We are a very small country but have achieved a lot. We have a very business-friendly environment - it's simple to invest here, and the legal system is very transparent. Any company wanting to do business here can focus on their business. Singapore is also a great place to live, which helps attract talent. The government is very efficient and the tax system is favourable. We're headquartered here for all these reasons."