HK's Raffles Family Office opens in Singapore

Firm serves clients in Greater China and is now targeting Asean market; it aims to grow AUM to at least US$5 billion by next year

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HONG KONG multifamily office Raffles Family Office has launched in Singapore with the intention of investing in startups, incubating other family offices and leveraging strategic partnerships to grow its client base.

The firm, which manages more than US$2 billion in assets, is looking to serve clients in the Asean region, though its existing clients in Greater China are also looking at diversifying.

Founder and CEO Kwan Chi Man told *The Business Times* that Raffles Family Office is "one hundred per cent" looking at making more direct investments into startups.

"We all know that in this industry, the pace and the rate of return – there's so much to be seen. We have seen how startups can be unicorns within a very short period of time.

"And we're not just talking about the US and Israel, you're talking about Malaysia, Singapore and Indonesia. So I think opportunities are everywhere, and people are getting new ideas every day. We just have to keep our eyes and minds open."

Startups with an environmental, social and governance (ESG) angle will be of particular interest to the team, said managing partner Kendrick Lee.

More family offices are turning their attention towards startups as a generation of millennials inherit their family's wealth. While the older generation has traditionally placed their faith in real estate and the equity market, the new generation is known to be more tech-savvy and open to taking risks.

The Asia family office sector is relatively underdeveloped compared to Europe, though there has been steady growth in recent years. Average family office portfolio return in the Asia-Pacific in 2019 was 6.2 per cent, higher than North America's 5.9 per cent and Europe's 4.3 per cent, according to a report by UBS and Campden Research.

But the returns for all regions were lower than those in 2018.

Raffles Family Office, founded in 2016, is aiming to grow its assets under management to at least US$5 billion by next year, and wants to double that figure by the end of 2021. It now has offices in Singapore, Hong Kong and Taipei, and will open one in Shanghai early next year. It expects two to three more offices in 2020.

The Singapore office houses 18 staff and is led by Mr Lee and Jaydee Lin, the chief operating officer and managing partner.

The company's total office space now spans about 12,000 sq ft. Within the next two years, it aims to hit 25,000 to 30,000 sq ft of space across six to eight offices, and wants to increase its employee headcount to 100-120, from the current 57.

Besides directly serving clients and working with professionals such as accountants, lawyers and trustees, the firm will work with tycoon families in the region to run their newly set-up family offices.

Raffles Family Office has a joint venture called RafflesTech with Hong Kong-based co-working space operator WorkTech, aimed at building an ecosystem of partners for wealth and asset management. WorkTech manages about 400,000 sq ft of space.

Mr Kwan said that among other benefits, the partnership will allow the firm to better service the family offices it incubates. "Their business is present in a few countries. So they need to be present in a few cities, and obviously for them to set up an office in so many places, it's very hard. It's not easy, but with WorkTech and us, we have a few offices so they can leverage on our presence," he said.

Raffles Family Office will also be on the hunt for strategic partnerships for specific segments of their clients. For instance, it recently announced a joint venture with a Chinese subsidiary of Singapore Exchange-listed iFast, as it looks to better serve the fast-growing ultra high net worth market in China.

INDEX CHANGES

Mapletree Logistics Trust added to STI, Golden Agri-Resources dropped

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MAPLETREE Logistics Trust has been added to the Straits Times Index (STI), while Golden Agri-Resources will be excluded, following the latest quarterly review of the STI by FTSE Russell.

The STI reserve list, comprising the five highest ranking non-constituents of the STI by market capitalisation, are: Suntec Reit, Mapletree Industrial Trust, Keppel Reit, Mapletree North Asia Commercial Trust and NetLink NBN Trust.

Stocks on the reserve list will replace any constituents that become ineligible as a result of corporate actions, before the next review.

FTSE has partnered Singapore Press Holdings, publisher of *The Business Times*, and Singapore Exchange to jointly calculate Singapore's main stock market benchmark.

The STI is widely followed by investors as the benchmark for the Singapore market and is used as the basis for a range of financial products, including exchange traded funds, warrants, futures and other derivatives. FTSE is the index administrator.

The next review will take place in March 2020. The indexes are reviewed quarterly in accordance with the index ground rules and to facilitate the inclusion of eligible initial public offering stocks.

Manulife US Reit joining FTSE EPRA Nareit Global Developed Index

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MANULIFE US Reit will be included in the FTSE EPRA Nareit Global Developed Index with effect from Dec 23, the manager of the pure-play US office real estate investment trust said in a Singapore Exchange filing on Thursday.

Jill Smith, chief executive officer of the Reit manager, said the inclusion in the index signifies higher trading liquidity and visibility to institutional investors and property funds, as well as a potential positive rerating of the units.

"This will bolster our strong position as the US Reit of choice as we continue to grow responsibly in 2020 and plan the way ahead for the new decade," Ms Smith added.

Manulife US Reit has tripled its market cap to US$1.5 billion since it went public three and a half years ago, she added.

She had said in the release of the Reit's third-quarter results in early November that inclusion in the index was "in sight" as the Reit "has steadily attracted a significant institutional investor base" since going public.

The index reflects the performance of listed property companies and real estate investment trusts worldwide, and is tracked by a majority of global property sector equity funds.

Manulife US Reit units closed up one cent, or 1 per cent, at US$0.98 on Thursday.

Keppel Infrastructure unit to invest 53m euros for 20% stake in Swiss energy firm

Keppel Infrastruture, MET Group will jointly explore European energy assets

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KEPPEL Infrastructure Holdings subsidiary Keppel Energy Switzerland Holding is investing 53.02 million euros (S$80 million) for a 20 per cent stake in MET Holding (MET Group), an integrated European energy company headquartered in Switzerland.

In addition, Keppel Infrastructure and MET Group will enter into a strategic partnership to jointly explore investment opportunities in European energy infrastructure assets.

MET Group has businesses in natural gas, power and oil markets, focused on multi-commodity wholesale, trading and sales, as well as energy infrastructure and industrial assets.

With 10.7 billion euros in revenue in 2018, it has a presence across 15 European countries. MET Group is active in 26 national gas markets and 22 international trading hubs, having traded more than 42 billion cubic metres of gas across Europe in 2018.

Keppel Infrastructure is the infrastructure arm of Keppel Corporation. Its energy infrastructure division provides competitive energy solutions and services, anchored by an integrated natural gas and power business in Singapore.

Switzerland-based European energy company MET Group is the majority owner of Hungary's largest gas-fired power plant, the 794 MW Dunamenti Power Plant. PHOTO: KEPPEL INFRASTRUCTURE

Ong Tiong Guan, CEO of Keppel Infrastructure, said the investment in MET Group is its first step into the "dynamic" European energy market.

"MET Group's integrated strategy across the energy value chain is aligned with Keppel Infrastructure's strategy. Through this, we will not only gain exposure to the growing energy platforms that MET Group is active in, but will also be able to leverage their presence to jointly explore energy infrastructure investment projects in the region."

The deal is not expected to have a material impact on the net tangible assets or earnings per share of Keppel Corp for the current financial year.

Keppel Corp shares rose one cent to S$6.70 on Thursday before the announcement of the deal.

Singtel names Kelly Rosmarin as CEO-designate of Optus and Consumer Australia

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SINGTEL has named Kelly Bayer Rosmarin as CEO-designate of both Optus and Consumer Australia, the telco announced in a statement on Thursday.

Optus is Australia's second-largest telco, and a wholly-owned subsidiary of Singtel, while Consumer Australia is the consumer arm of Optus.

Ms Bayer Rosmarin takes over from Allen Lew, and will join the Singtel management committee with effect from April 1, 2020. As deputy CEO of Optus, Ms Bayer Rosmarin has been driving customer experience improvements and market share growth for Optus' consumer business, the company noted.

Ms Bayer Rosmarin said: "I'm honoured to be given the opportunity to lead Optus at this exciting juncture, with 5G on the horizon and the Australian economy digitalising rapidly."

Prior to joining Singtel in March 2019, Ms Bayer Rosmarin was group executive of institutional banking and markets at the Commonwealth Bank of Australia, where she drove business growth and digital transformation programmes. She has been named among the top 10 businesswomen in Australia, and the top 25 women in Asia-Pacific finance.

Separately, Mr Lew will take on the newly-created role of CEO group strategy and business development, and country chief officer for Thailand. He will also continue as chairman of the executive committee of Singtel's Thai associate, AIS.

Mr Lew was appointed CEO of Optus and Consumer Australia in 2014. Since joining the group in 1980, he has held various senior management roles including CEO of group digital life, CEO Singapore and COO of AIS.

Kelly Bayer Rosmarin takes over from Allen Lew from April 1, 2020. She has been named among the top 10 businesswomen in Australia.

For the three months ended Sept 30, Optus posted a 24.2 per cent rise in its Q2 net profit to A$130 million (S$121 million), while revenue inched up 0.4 per cent to A$2.21 billion from a year earlier.

In terms of overall group revenue, Optus contributed about half, or 50.1 per cent of Singtel's S$4.15 billion revenue for the second quarter. This was slightly less than its revenue of S$2.2 billion in the year-ago period, which made up 51.5 per cent of Singtel's operating revenue in Q2 2018.

Singtel shares rose one cent to S$3.41 on Thursday.

Thakral Corp sets up venture to invest in Japan properties

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MAINBOARD-LISTED Thakral Corporation has set up a joint venture (JV) to invest in properties in Japan.

The company has incorporated new subsidiaries Thakral Umeda Properties (TUP) and Nihon Property Investments in preparation for further investments in Japan together with other investors, it said in a statement on Wednesday.

Thakral Corp and its subsidiaries have collective direct shareholdings of about 79.1 per cent in TUP.

TUP is a pooled investment JV through which the group, certain entities controlled by the Thakral family and certain third-party investors, will invest in structures established in Japan (TMK Japan), the company said.

The business of TMK Japan involves the acquisition, ownership and management of properties in Osaka.

The directors of the company believe that the JV is part of its overall strategy to "diversify its asset and earnings base in Japan to capitalise on the country's strong economic fundamentals and tourism boom, and to ultimately enhance shareholder value".

In total, TUP will issue a million shares worth 100 million yen (S$1.25 million), in denominations of 100 yen each to the shareholders in their respective proportions on/about the completion of the investment in the Japanese structures.

TMK Japan shall use the proceeds to conduct the business and distribute the net proceeds of the business either in the form of profit distribution or capital to TUP, the company said.

While the JV is considered an interested-person transaction under the Singapore Exchange listing rules, Thakral Corp's audit committee has reviewed the terms and is of the view that the risks and rewards of the JV are in proportion to the equity of each partner, and that these conditions are not prejudicial to the interests of the issuer and its minority shareholders.

None of the partners brought in have an existing equity interest in TUP prior to the group entering into the JV.

Therefore, although the value of the JV to the company upon further issue of shares on/about the completion of the investment will be more than 5 per cent of the group's latest audited net tangible assets, Thakral Corp is exempted from seeking shareholders' approval for the JV.

Shares in Thakral Corp closed at 47.5 Singapore cents on Thursday, down one per cent, or 0.5 cent.

CORPORATE DIGEST

Silkroad Nickel

CATALIST-LISTED Silkroad Nickel announced after trading hours on Thursday that, together with its subsidiary PT Teknik Alum Service (PT TAS), it has signed a binding definitive head of agreement with Renewable and Sustainable Energy Holding (R&S), PT Artabumi Sentra Industri (PT ASI) and PT Anugrah Tambang Smelter (PT ATSM) to form a joint venture to build and operate smelter facilities for the production of nickel pig iron (NPI) on the group's mine site in Sulawesi, Indonesia.

Eagle Hospitality Trust

AN audit of the Queen Mary lease agreement by the City of Long Beach's auditor will be commencing, in a bourse filing by Eagle Hospitality Trust (EHT).

The City of Long Beach indicated that an outside review of financial statements is a normal practice of good lease management. The upcoming audit of the Queen Mary's financials and lease compliance will be the sixth audit of the Queen Mary conducted by the office. The previous five audits were conducted while the Queen Mary was managed by a different operator.

Design Studio Group

MAINBOARD-LISTED Design Studio Group on Thursday said its chief executive Edgar Ramani has resigned with effect from Dec 4 to pursue other career opportunities, and director Steven Salo has been appointed interim CEO.

The announcement follows an earlier report on Thursday that Design Studio is taking an unsecured loan of up to 20 million dirhams (S$7.4 million) from Depa United Group.