Brand award to honour resilient transformers

At the launch of the 2020/21 Singapore Prestige Brand Award (SPBA) yesterday were (from left) Mr Rob Khoo, Sunseap Group head of marketing and communications; Mr Ernst Huber, Huber's executive producer; Mr Eugene Ang, JK Technology director; chairman of the award organising committee Chew Lee Ching and co-chairman Goh Sin Hwee. (Below) The SPBA, which is now in its 20th year, has recognised more than 470 local brands. PHOTOS: LIANHE ZAOBAO

SPBA organisers note how enterprises had to accelerate digitalisation and innovation

Jolene Ang

Innovative local brands that have transformed their businesses and shown resilience amid the pandemic can throw their hats in the ring for a coveted annual award.

The Singapore Prestige Brand Award (SPBA) has recognised the unprecedented environment of the past 12 months by making "On to Higher Ground" the theme for this year.

It reflects the challenge the current economic climate presents as businesses make their way towards recovery after the pandemic, said the event's joint organisers, the Association of Small and Medium Enterprises (ASME) and Chinese newspaper Lianhe Zaobao.

"2020 was a year of immense challenges and disruptions, with many businesses having to operate in survival mode," they noted at a launch ceremony at the Singapore Press Holdings News Centre in Toa Payoh yesterday.

"Moving away from traditional business models, enterprises had to accelerate their pace of digitalisation and innovation in order to transform and adapt to a completely new business landscape."

The SPBA, which is now in its 20th year, has recognised more than 470 local brands.

Ms Chew Lee Ching, chairman of the award organising committee, praised previous winners such as White Restaurant, which she noted had seen an increase in takeaway and delivery orders during the circuit breaker last year.

The eatery, which is known for its signature white beehoon dish, worked with Oddle, an online food delivery platform, to implement a system for order taking, delivery and marketing.

Around 50 per cent of its sales now come through this platform, said Ms Chew, adding that "the brand's digitalisation investment has certainly paid off". She is also vice-president of ASME's awards and special projects department.

Ms Goh Sin Hwee, co-chairman of the award organising committee, said: "Many enterprises and business owners have experienced challenging and difficult ordeals since the onset of the Covid-19 pandemic."

Ms Goh, who is also associate editor of Singapore Press Holdings' Chinese Newspapers Division, said that the awards seek to recognise deserving local enterprises that have overcome setbacks and transformed their business.

"We earnestly encourage brands to join and embark on the award journey."

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SK Hynix speeds up spending but warns tight chip supply will persist

SEOUL • SK Hynix, the world's No. 2 memory-chip maker, said yesterday that it will bring forward planned capital spending, but warned that supply increases from the investment will come only next year, pointing to a prolonged global semiconductor shortage.

Chipmakers around the world, from Intel to Taiwan Semiconductor Manufacturing Co (TSMC), have pledged billions of dollars of investment to ease the chip shortage, but many have cautioned that tight supplies will likely continue into next year.

The shortage, exacerbated by a fire at a chip factory in Japan and a storm in Texas, has affected carmakers in particular, forcing many automakers to halt production.

"We expect our (chip) inventory to remain tight throughout the year and become even tighter in the second half of this year," SK Hynix chief financial officer Kevin Noh told analysts.

Mr Noh said demand from computer server operators, the company's key clients, will increase from the second quarter, tightening overall demand for memory chips.

The South Korean company is reviewing various options to help alleviate the global chip shortage problem, he said.

SK Hynix, which spent 9.9 trillion won (S$11.8 billion) on capital expenditure last year, did not specify how much of its planned capital spending for next year would be brought forward to the second half of this year.

Earlier this month, TSMC unveiled a plan to invest US$100 billion (S$132.6 billion) over the next three years to increase capacity, days after Intel announced a US$20 billion plan to expand its capacity.

SK Hynix posted a 66 per cent jump in first-quarter profit on continued stay-at-home demand for devices, and forecast strong demand for chips over the rest of this year.

"The company expects customers' chip inventory to decrease quickly as current stronger-than-expected demand growth in the broader IT market continues," it said in a statement.

DEMAND WILL STAY STRONG

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SK HYNIX, which posted a 66 per cent jump in first-quarter profit.

The chipmaker, which counts Apple among its customers, reported an operating profit of 1.3 trillion won from January to last month, up from 800 billion won a year earlier.

That was below a Refinitiv SmartEstimate of a 1.4 trillion won profit, drawn from 20 analysts. The SmartEstimate gives more weight to consistently accurate analysts.

First-quarter revenue rose 18 per cent year on year to 8.5 trillion won, thanks to strong sales of smartphones and personal computers during the pandemic.

Shipments of personal computers in the first quarter jumped 55 per cent year on year, a sharp contrast from a decline in the PC market of about 2 per cent a year over the past decade, according to NH Investment & Securities.

Shares in SK Hynix fell 2.9 per cent, lagging a 0.8 per cent drop in the broader market, after its quarterly profit slightly missed analysts' expectations. It competes with bigger rival Samsung Electronics, which will report quarterly earnings today. BLOOMBERG

Standard Chartered considers slashing S'pore office space

Standard Chartered is weighing options to downsize its office space in what could become the biggest floor cuts by a bank in Singapore in recent years, according to sources familiar with the matter.

The London-based lender could give up some of the 21 floors it leases at Marina Bay Financial Centre Tower 1 in the Central Business District, according to the sources, who requested not to be named because the matter is private.

An option for the bank is to cut a minimum of four floors – the equivalent of about 80,000 sq ft – one of the sources said.

The plans are under discussion and subject to change, the sources said.

StanChart is among a number of global banks that are moving to permanent hybrid working amid the Covid-19 pandemic.

Should it proceed with its plans in Singapore, it could be the biggest office space cut among lenders in the city in recent years, mirroring a similar downsizing it is undertaking in Hong Kong.

It will join a list of other global banks like Citigroup, DBS Group and Mizuho Financial Group.

StanChart may be even more aggressive in trimming, as it needs to retain only four floors to keep its logo on the building's facade, the sources added.

One option is cutting its space by half, one of the sources said.

The bank is an anchor tenant in the building, which is part of a three-tower complex managed by Raffles Quay Asset Management.

The bank is looking to optimise its offices in Singapore while boosting the wellness of its employees by providing amenities including gyms.

It is also trying to make better use of its massive facility at Changi Business Park, according to the sources.

It is renovating the place to make it an open, university campus-style workplace, where there are more collaborative spaces that even the public can use, one of the sources said.

StanChart said in an e-mailed statement that the company constantly reviews its workplace environment to make it more open and campus-like, embracing new ways of working.

Currently, about 80 per cent of the company's employees in Singapore are on a flexible working arrangement, it added, declining to comment further on its office rental plans.

BLOOMBERG

CapitaLand to acquire Shanghai data centre campus for $748m

The hyperscale data centre campus in Shanghai comprises four buildings with a gross floor area of up to 75,000 sq m and serves two of China's largest telecoms companies, CapitaLand said. PHOTO: CAPITALAND

Property giant CapitaLand will invest 3.66 billion yuan (S$748.6 million) to acquire its first hyperscale data centre campus in China, the world's second-largest data centre market.

The potential acquisition is via the purchase of 100 per cent equity interest in two companies in China, the firm said yesterday.

The Shanghai campus, which serves two of China's largest telecoms companies, comprises four buildings with a gross floor area of up to 75,000 sq m and up to 55MW of IT power capacity, CapitaLand said.

It is looking to acquire the campus from an arm of Shanghai-listed Avic Capital and an unrelated third-party vendor.

It expects the acquisition to be completed by the third quarter, subject to certain conditions.

RHB analyst Vijay Natarajan believes CapitaLand may inject the campus into one of its private funds or real estate investment trusts (Reits).

"Generally, if the asset is mature with stabilised yields and fits within the mandate, it will be ideal for the Reit to acquire," he said.

He added that assets at the campus were not fully ramped up and enhancement work is needed.

CapitaLand has four data centres in Singapore, 11 in Europe and is the fund and asset manager for the development of a centre in South Korea.

The acquisition of the Chinese campus would bring the group's combined data centre portfolio to more than $2.5 billion in real estate assets under management.

Ms He Jihong, chief executive for data centre and chief corporate strategy officer at CapitaLand, said: "5G, artificial intelligence and big data are driving the growth of the digital economy and creating strong demand for data centres.

"(They) are a growing new-economy asset class and represent a global investment opportunity and a key strategic business focus for CapitaLand."

CapitaLand shares closed down 0.54 per cent at $3.72 yesterday.

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