

Press Release

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Kwek Leng Beng Honoured With SG50 Outstanding Chinese Pioneers Award

Singapore, 6 February 2015 – Property and hotel magnate, Mr Kwek Leng Beng, Executive Chairman of Hong Leong Group, received the SG50 Outstanding Chinese Pioneers Award from President Tony Tan today. The award, by the Singapore Chinese Chamber of Commerce & Industry (SCCCI), honours the Republic's outstanding Chinese business pioneers and their exemplary contributions to nation-building. This is the first major event of 2015 Jubilee celebrations of independent Singapore.

Mr Kwek, who also helms listed property giant City Developments Limited (CDL), is known for his business acumen, foresight and passion, forged through more than 50 years of managing businesses, from real estate, hospitality, financial services to trading and manufacturing. Today, Hong Leong Group has over 40,000 employees worldwide and its global footprint spans more than 25 countries, from China, the US, Europe, to Australasia and Asia.

"I am deeply honoured and humbled to receive this distinguished accolade and would like to share this privilege with my management and staff, past and present. Many have worked with me closely and tirelessly, to grow the Hong Leong Group to what it is today," said Mr Kwek who is also Executive Chairman of CDL.

"Singapore is my country. It is where my ancestors set foot almost a century ago. We have been fortunate to settle here and call it our home. I am proud and grateful to be a Singaporean. I am indebted for the continual support from the people of Singapore. Since the Hong Leong Group was founded by my father more than 70 years ago, I resolved to make every company within the Group a leader in their respective fields, and to fly the Singapore flag with honour, locally and globally. At the same time, we commit ourselves to foster community service, through civic and cultural activities. These, we will continue to uphold."

Mr Kwek led a takeover of CDL in the early '70s, then a small loss-making company. He turned the company around and transformed CDL into a household name, having developed over 34,000 housing units ranging from mid- to high-end. CDL has developed a diverse portfolio comprising numerous office buildings in the Central Business District (CBD), industrial estates and malls, dotting Singapore's cityscape, and making CDL one of Singapore's biggest office landlords. Today, CDL is Singapore's largest private developer by assets, possessing one of the largest land banks, and the second largest in Southeast Asia by market capitalisation.

In terms of its hotel portfolio, the Hong Leong Group has more than 36,000 rooms in over 150 hotels across 24 countries, with another 8,000 rooms in the pipeline. This includes the Group's London-listed hospitality arm, Millennium & Copthorne Hotels plc (M&C) – one of the world's largest global hospitality groups.

When asked what advice he can offer the younger generation, Mr Kwek said, "Work hard. Have passion in everything you do. Do well and always be professional and respectful."

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Please refer to attached Annexes on Mr Kwek Leng Beng's corporate journey in growing a small, Singapore-based company into a global business empire

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Annex 1:

Quotes from Mr Kwek Leng Beng:

1. On his most important achievement and contributions to Singapore over the course of his career

There have been as many high moments as there have been challenges, so it is difficult to select one as the most important. Let me choose four:

Firstly, in the early '80s, I was part of a group of developers in the Real Estate Developers' Association of Singapore (REDAS), who banded together and worked out reforms such as setting up the Developers (Project Account) Rules. This was aimed at protecting buyers. This measure enforced the rule that money collected by developers for a specific property project, could not be used for any other purposes. Prior to this rule, developers were not restricted and that placed home buyers in extremely vulnerable positions. The new rules went a long way to safeguard buyers' money and also brought credibility to developers.

Secondly, I have tried to do whatever I could, to help the country when it faced tough times. I was part of an Economic Review Committee set up in 2001 and led by then Deputy Prime Minister Lee Hsien Loong, tasked to help Singapore get back on the growth path after a sharp recession. I was involved in one of seven sub-committees, focusing on entrepreneurship and internationalisation, especially helping SMEs. I was privileged to contribute to the national effort.

Thirdly, on the corporate front, I had set my eyes on the growth potential of CDL, then a small loss-making company. With the permission of my late father, I bought a block of CDL shares, and subsequently gained control and turned the company around. That was in the early '70s and I was just a young man then. Today after nurturing it for over 40 years, CDL has grown to be a leading, trusted property developer in the region, consistently profitable, while championing sustainability. You can call it an achievement.

Fourthly, I am also proud to have put Singapore on the global hospitality map. In 1996, Millennium & Copthorne Hotels plc (M&C), our main hotel arm, was the first Singapore-controlled company listed on the London Stock Exchange. We have since grown Hong Leong Group's hotel portfolio to over 150 hotels, with more than 36,000 rooms worldwide. I believe our M&C hotels globally, are helping to sell the Singapore brand.

2. On the outlook of Singapore's future

Singapore's progress is largely due to the pro-business environment and the harmonious society that the Government has built and nurtured. For Singapore to excel and compete with other developed nations, much credit goes to the strategic policies of our Government. Despite facing several challenges, the Government continues to ensure that Singapore remains competitive and is making efforts to restructure the economy. In the longer term, prospects are positive. I am confident the country will continue to prosper in the global economy, evolving into a smart city, being innovative and forward-looking. We can succeed if all parties, unions, business owners and the Government work together as a team.

3. On the key challenges as well as opportunities for the Hong Leong Group as well as the nation

Singapore hasn't remained unaffected in the challenging global environment following the 2008 global financial crisis. But every crisis opens new opportunities. My Group has been looking for opportunities overseas. We have had to innovate, coming up with new products, moving to new markets to ensure continued growth when our home market is facing headwinds. One challenge is talent. If Singapore wishes to remain competitive, we need to address this key issue of attracting and retaining people.

Nationally, we should join the Government's efforts to narrow the income gap. We need to look at new and urgent ways to train our workforce, with companies taking the lead in curriculum, in a pragmatic way. This has been done in other countries. Education will equip Singaporean workers with new and relevant skills, and enable them to earn decent wages. Giving them the opportunities to receive education and training are ways to help close the widening income gap. And getting trained Singaporeans to be waiters, plumbers, bus drivers, engineers etc, helping to them to upgrade themselves and valuing them, will help mitigate the need for foreign workers too.

Even those who are in better financial positions must realise the importance of diversifying their investment portfolio in different asset classes. They will need income in their retirement years and current bank deposits will not provide the sufficient recurring income especially given the very low interest rates.

The Singapore economy needs to grow steadily in order to ensure job security to its people. We need to ensure that every Singaporean can enjoy the fruits of our country's prosperity.

Annex 2:

Mr Kwek Leng Beng
Executive Chairman, Hong Leong Group

Acumen, Vision and Passion -- The Building of a Global Business

Visionary, bold and decisive, Mr Kwek Leng Beng is widely regarded as a key mover and shaker in the local and global property and hotel landscape. In the late 1960s, the young Mr Kwek, an executive at Hong Leong, already possessed sharp acumen when he saw the vast potential of acquiring a struggling real estate firm with its untapped land bank. He led Hong Leong's takeover of City Developments Limited (CDL) soon after and transformed the company from a loss making one into a bellwether stock on the Singapore Exchange. Under his leadership, besides establishing CDL's status as Singapore's residential property pioneer, he continued a strategic diversification into commercial, industrial and retail developments. Today, CDL is a trusted brand in property development, and one of the largest property developers here and in the region. Its corporate network spans 88 locations in 25 countries, including five companies listed on stock exchanges worldwide.

From One Hotel to Global Player

After acquiring CDL, Mr Kwek set on fast tracking its expansion through a strategy of acquisition. He expanded into hospitality, starting with the opening of King's hotel in 1970 (now Copthorne King's), followed by other trailblazing hotel acquisitions in the region and globally, including London's Gloucester and Bailey's Hotels, New York's Millennium Hilton and The Macklowe at Times Square (now Millennium Broadway). In 1992, CDL started acquiring several hotels in New Zealand and eventually established the largest hotel chain in the country.

Mr Kwek cemented his reputation as a "mover and shaker" in the international hotel arena when in 1995, with Saudi Arabian Prince Al-Waleed, he acquired the iconic Plaza Hotel in New York from American tycoon Donald Trump. That same year, he acquired the Copthorne Hotel chain. He later purchased the US Regal Hotels, which were molded into a global hotel chain, further cementing his reputation as a global hotelier.

By that time, M&C became the first Singapore-controlled firm to be listed on the London bourse in 1996. Today, M&C is one of the world's largest hotel groups, which owns, operates and/or manages over 110 hotels worldwide.

The appetite to grow the hotel portfolio has not abetted. Last year, M&C acquired three hotels, the high-end Boscolo Palace Roma in Rome, the Novotel New York Times Square and the all-suites Chelsea Harbour Hotel in London. In December, M&C also opened its first hotel in Japan, the Millennium Mitsui Garden Hotel in the heart of Tokyo's Ginza district.

The Entrepreneurial & Innovative Spirit

Similar overseas expansion has hastened in other business segments in recent years. Mr Kwek's foresight led him to accelerate property development in new markets such as China, Japan and United Kingdom.

He also injected vibrancy into the Singapore funds market by broadening the range of financial instruments. In 2006, Mr Kwek's brainchild, CDL Hospitality Trusts, was established, the first listed hotel REIT in Asia (excluding Japan), and several companies have since followed suit. In 2008, CDL created another industry milestone by issuing Singapore's first Sukuks or Islamic financing. In 2014, CDL unveiled a unique S\$1.5 billion investment platform that will invest in the cashflows from CDL's upscale properties – The Quayside Collection in Sentosa Cove. These platforms have enhanced Singapore's reputation as a major international financial hub.

Beyond shaping the financial landscape, Mr Kwek's vision led to the creation of several iconic architectural landmarks including the award-winning Republic Plaza, one of Singapore's tallest skyscrapers and South Beach, the upcoming new mega integrated development, to name a few.

Other companies of the Hong Leong Group have also expanded under his headship. Hong Leong Finance (HLF) which started small in 1961 is now Singapore's largest finance company with 28 branches islandwide, through acquisitions and organic growth. Under him innovative services such as factoring and accounts receivable financing were introduced for the first time in Singapore aimed at assisting Small and Medium Enterprises (SMEs). This focused SME strategy enabled HLF to expand while it helped enterprising individuals and companies grow their businesses. Innovative financial services have continued to be developed even as the financial services sector grew more competitive. Among them - Corporate Finance, including being a Catalyst full sponsor and corporate advisory. Today, both HDB owners and well-to-do persons are depositors and loan clients of HLF.

But it is in the building materials sector, the original business of Hong Leong Group that has changed dramatically while being essentially the same. Hong Leong Corporation and Hong Leong Asia (HLA), which entered the China market in early '90s, are China's leading private producer of diesel engines, supplying nearly half a million engines a year. A blue ribbon year came when engines of China YuChai, a HLA subsidiary, was selected to power a fleet of buses at the Beijing Olympics. HLA is a major manufacturer of white goods in China known to introduce innovations in that sector. Yet the Group is still a leading supplier of building materials, a business founded by Mr Kwek's father, the late Mr Kwek Hong Png. Much of the granite and cement, the building blocks that go into buildings and homes here, come from HLA and so are relatively new products such as pre-fabricated walls and pre-cast concrete.

With indefatigable energy and passion, Mr Kwek continues to contribute to the business community through his bold visions, astute judgment and pioneering spirit. These qualities, together with the depth of his over 50 years of experience and richness of wisdom, will inspire the many generations to come.

Annex 3:

The Singapore Story of Hong Leong

VISIONARY

1960s: From a small company dealing in building materials formed by his father Kwek Hong Png, and where he first worked, Kwek Leng Beng helps set up Hong Leong Finance (HLF) and property firm Hong Leong Holdings, developing private housing and enabling home buyers to realise their dreams.

ACUMEN

1970s: As Singapore's growth plans intensify, Hong Leong Group enters the hospitality sector with King's Hotel and Orchid Inn.

With the blessings of his late father, Mr Kwek takes over control of City Developments Limited (CDL), a small loss-making property firm, transforming it into a major real estate company. Today, CDL is Singapore's largest private developer by assets and the second largest in Southeast Asia by market capitalisation. It has built over 34,000 housing units ranging from mid- to high-end, possesses one of the largest land banks and is one of the biggest commercial landlords in the city state.

Hong Leong Finance acquired Singapore Finance and subsequently merged the two into one. This merger positions the Hong Leong Group as a key finance company, helping SMEs and consumers with a variety of financial services. In 1976, its flagship Hong Leong Building opens its doors, becoming one of the three tallest and largest office buildings in the CBD.

BOLD

1980s: In addition to launching numerous turn-key residential projects, Mr Kwek steers CDL's expansion into investment properties, further contributing to CDL's steady profit growth. Hong Leong Group amasses a large portfolio of office buildings and becomes Singapore's largest office landlord.

Meanwhile, the Group begins looking for opportunities beyond Singapore and acquires five hotels in the region, including the development of Grand Hyatt Taipei. This cluster of hotels is later listed on the Hong Kong Stock Exchange, creating a platform for global expansion.

AMBITION

1990s: Mr Kwek Leng Beng succeeds his father in 1995 as Executive Chairman of the Hong Leong Group and further cements his reputation as a key mover and shaker in the local and global business landscape.

Hong Leong Corporation acquires the largest Chinese private diesel engine manufacturer, Guangxi Yuchai Machinery. China Yuchai later lists on the New York Stock Exchange. Subsequently, Hong Leong Corporation acquires a controlling stake in China's leading white goods maker, Henan Xinfai. Hong Leong Holdings develops the upscale residential development, Beijing Riviera in Beijing.

Mr Kwek leads the Group's globalisation strategy through trail blazing acquisitions, becoming the biggest hotel owner/operator in New Zealand with over 20 hotels, and makes its foray into Europe and US with the acquisitions of Millennium Gloucester London, New York's Millennium Hilton and Millennium Broadway. Mr Kwek makes international headlines when with billionaire Saudi Prince Al-Waleed, he acquires the iconic New York Plaza Hotel from tycoon Donald Trump.

Mr Kwek continues acquiring the entire Copthorne hotel chain from Air Lingus. In 1996, Millennium & Copthorne Hotels plc (M&C) becomes the first Singapore-controlled company listed on the London Stock Exchange, placing Singapore on the global hotels map.

In 1998, Republic Plaza – one of Singapore's tallest skyscrapers and CDL's corporate flagship building was officially opened by the then Prime Minister Goh Chok Tong.

This decade ends with another series of acquisitions, including the Regal Hotel chain in the US. Today, Hong Leong Group is one of the largest hotel owner/ operator in the world with more than 36,000 rooms in over 150 hotels across 24 countries, with another 8,000 rooms in the pipeline.

INNOVATOR

2000s: In 2006, Mr Kwek launched the first listed hospitality REIT in Asia (excluding Japan) which is his brainchild. Several other corporations have since followed suit. In 2008, CDL marks another milestone by issuing Singapore's first Sukuk or Islamic financing.

Over the years, the Group introduces a number of iconic buildings including the tallest residential tower – The Sail @ Marina Bay, the first branded residences – St. Regis Residences, and the first eco-mall – City Square Mall. On the hospitality front, M&C continues its expansion into China, Middle East and the Group opens the ultra-luxe hotel – The St. Regis Singapore.

In trade and industry, Hong Leong Asia (with Hong Leong Corporation) is truly a regional company, with over 80% of its revenues derived from its operations abroad.

PASSION

2010s: Mr Kwek's entrepreneurial flair drives him to seek property development opportunities abroad namely in London, Tokyo and some cities in China, as Singapore real estate market faces new challenges.

New hotels in London, New York, Rome and Tokyo are added to the Group's portfolio.

In 2014, CDL unveils a unique \$1.5 billion investment platform. Partners include Blackstone's Tactical Opportunities Fund and CIMB Bank Berhad, Labuan Offshore Branch. It leverages on the strong cashflows of CDL's upscale integrated development on Sentosa Cove.

South Beach, a mega integrated development along Beach Road is expected to fully complete by the fourth quarter of this year. It will be one of Singapore's most recognisable landmarks and will be a testament to Mr Kwek's foresight and vision.

These qualities, coupled with the depth of his over 50 years of experience and richness of wisdom, will continue to inspire the many generations to come.

From "local to global" could be the metaphor that best describes the Hong Leong story that parallels Singapore's extraordinary rise as a global city over the past five decades.

This Singapore story will continue.

Annex 4

English – Chinese names

English	Chinese
Kwek Leng Beng	郭令明
Kwek Hong Png	郭芳枫
Hong Leong Group	丰隆集团
City Developments Limited	城市发展有限公司
Hong Leong Holdings Limited	丰隆实业有限公司
Millennium & Copthorne Hotels plc	千禧国际酒店集团
CDL Hospitality Trusts	城市发展酒店服务信托
Hong Leong Finance Limited	丰隆金融有限公司
Hong Leong Asia Ltd	丰隆亚洲有限公司
Hong Leong Corporation Holdings Pte Ltd	丰隆控股私人有限公司
China Yuchai International Ltd	中国玉柴国际有限公司
Henan Xinfei Electric Co. Ltd	河南新飞电器有限公司
Guangxi Yuchai Machinery	广西玉柴机
Republic Plaza	共和大厦
Hong Leong Building	丰隆大厦
South Beach	风华南岸