

GROUP CHIEF EXECUTIVE RETIRES AFTER 45 YEARS OF DEDICATED SERVICE

SPECIAL EDITION



“MY PEOPLE ARE MY MOST PRECIOUS ASSET”

CEO Gwee Lian Kheng has dedicated 45 years of his career to one of Singapore’s leading property developers, UOL Group.

Having spent 30 of those years at the helm of UOL Group, CEO Gwee Lian Kheng is preparing to hand over the reins in January 2019. Leaving behind a strong legacy, Lian Kheng speaks with The CEO Magazine about the company’s growth and the part he played.

After graduating in 1970, Lian Kheng started his career as a senior accountant at BP Singapore, where he eventually became an economic controller and found himself in a safe position, taking home good pay, but his ambition would not let him rest. “I was seeking new challenges in a sector that could contribute towards Singapore’s industrialisation program and, back then, BP was not expanding so fast,” he recalls.

A large bank ended up catching his eye: he admired the aggressive takeover approach the United Overseas Bank (UOB) took when conducting a series of acquisitions, and in the wake of UOB’s acquisition of a controlling interest in what was then known as Faber Union (in 1975 it would become United Overseas Land and, in 2006, UOL), Lian Kheng joined the management team as a company secretary and group financial controller in 1973.

The first 15 years of Lian Kheng’s tenure with UOL were marked by several crises. The oil crisis of 1973 was later followed by the Singapore economic recession of 1985, and in 1987, the Singapore stock market crashed. During this period, the company could not pursue any of its plans for expansion, forced to remain passive and conservative instead by Lian Kheng’s predecessors. With the economy showing signs of recovery in the wake of 1987, it soon became strong enough for UOL to raise its equity capital to S\$252 million in 1988 and embark upon a series of development acquisitions, including shopping malls and hotels, designed to shape a more balanced property portfolio.

A period of heightened activity between 1993 and 2006 saw the Group purchase five more hotels in Australia, and several more in Singapore, Vietnam, Malaysia, China, and Myanmar. These days, UOL owns about 30 hotel properties, comprising roughly 10,000 rooms, mostly under its Pan Pacific and PARKROYAL brands. In 2003, the company moved quite aggressively into the residential market in Singapore and has continued to pursue this strategy since, developing luxury, high- and mid-end projects, including Nassim Park Residences, Newton Suites, and The Clement Canopy. UOL also built up its commercial portfolio through the acquisition of Goldhill Square in 1987, which was subsequently renamed United Square, and the development of Novena Square, which was completed in 2000. Both properties comprising retail and office components, continue to enjoy strong occupancy and rental rates today.

Lian Kheng’s longevity enabled him to pursue UOL’s vision of acquiring its rival, United Industrial Corporation (UIC). A significant achievement for the Group, the process took 25 years, relying upon the patience and perseverance of UOL management. UIC became an associated company of UOL when, against the backdrop of the global financial crisis, UOL increased its strategic stake to 30.78 per cent in early 2009. In June 2018, UIC became a subsidiary, when UOL acquired more than a 50 per cent interest.

UOL has grown its assets from S\$749 million in 1987, to about S\$20 billion in 2018. Lian Kheng is evidently leaving the company in a strong and healthy position, and has a clear vision for its future. “There needs to be an efficient use of capital, and decisions must be made regarding when and where we should monetise our properties. UOL needs to diversify into global commercial properties and hotels in key cities of the world, to balance geographical risks. We need to buy more, but we cannot put all of our money in London, or in China. We must keep a balanced portfolio.”

Lian Kheng is certain that the company will remain, on the one hand, disciplined in managing costs, risks, and returns, and, on the other, agile in its acquisitions. He is also adamant that innovative design will remain a part of UOL’s DNA, with the company already having received recognition, in the form of FIABCI Prix d’Excellence and President’s Design Awards, for projects like the Newton Suites and PARKROYAL on Pickering, in Singapore’s CBD.

“The people together have made this a success, not me alone. One cannot get very far with their own two hands; they need many hands.”

The team at UOL will be missed by Lian Kheng when he departs. “My people are my most precious asset,” he says, “and I could not have carried on without their loyalty and support. The people together have made this a success, not me alone. One cannot get very far with their own two hands; they need many hands.” He notes that roughly 30 per cent of his management team have been with UOL for 15 to 40 years, no mean feat given that these days, by his own admission, it is difficult to retain staff beyond five years.

During his tenure, Lian Kheng also enjoyed a strong relationship with the UOL Board – a relationship aided by a shared commitment to operating with integrity, and in line with a sound business model. Having gained the Board’s trust, Lian Kheng was given the authority to execute the company’s business ventures. The vision for UOL’s future has always been shaped collectively through its CEO and its Board, and this practice is likely to continue.

Lian Kheng received the Asia Pacific Hotelier of the Year Award in 2003 and the Hotel Legends Hall of Fame Award at the 11th Australian New Zealand Pacific Hotel Industry Conference in 2011. Beyond work, Lian Kheng is active in the social service sector and for his long-term contributions to the Singapore Children’s Society, he was conferred the Pingat Bakti Masyarakat (PBM) Public Service Medal and the Bintang Bakti Masyarakat (BBM) Public Service Star by the President of Singapore in 1994 and 2002 respectively. Lian Kheng made a strong impression, too, on his peers. “My impression of the man, after many years of interaction, is that he has an instinctive feel of the property market not only in Singapore but also in the region,” says Francis Lee, Head of Group Retail at UOB. “Lian Kheng has a strong entrepreneurial spirit tempered with a prudent risk appetite. This has aided UOL’s growth.”

“With years of experience in commercial and hotel real estate, Mr Gwee is without doubt one of the most successful investors in Asia-Pacific,” says Mike Batchelor, CEO Asia, JLL Hotels & Hospitality Group.

Lian Kheng is ready to relinquish the responsibilities attendant upon running a company. At 77, he accepts, “retirement is long overdue”. He recounts a story from 20 years ago, in which a fellow CEO shares some words of advice with his general manager while dining. “Don’t look at UOL as a tiny kitten,” the CEO says. “One day, it will grow to become a majestic tiger.”

(This interview was first published in the December 2018 issue of The CEO Magazine – Asia with further editing by UOL)

> **DESIGN EXCELLENCE IS IN UOL’S DNA**



> PARKROYAL on Pickering’s iconic ‘hotel-in-a-garden’ design has put UOL on the world map with its wins at many notable international awards such as World FIABCI Prix d’Excellence Awards, CTBUH Skyscraper Award and German Design Council Iconic Awards.



> Mr Gwee at the President’s Design Award in 2007 with the late Mr S R Nathan (centre), where 1 Moulmein Rise clinched the Design of the Year.



> Nassim Park Residences has won numerous international awards in recognition of its architectural and design excellence.

> **CELEBRATING PEOPLE AND SUCCESSES**



> UOL Chairman Wee Cho Yaw (centre) and Mr Gwee, together with UOL Board of Directors and Senior Management, celebrated the company’s 50th anniversary at the annual Dinner and Dance in 2013.



> UOL Chairman Wee Cho Yaw honoured Mr Gwee for his 45 years of service with the Group.



> Mr Gwee received the Asia Pacific Hotelier of the Year Award at the 6th Asia Pacific Hotel Investment Conference in 2003.



> Healthy balance sheet and strong management team Mr Gwee nurtured in place as he leaves one of the largest property developers in Singapore.



> Mr Gwee at the annual Lo-Hei celebrations with staff to toss up good fortune for the year ahead.



GIVING CONTINUES AFTER RETIREMENT



Mr Gwee was presented with the BBM Public Service Star in 2002 by the late President.

Mr Gwee has built an illustrious career and an outstanding team at UOL, but he remains a low-key man.

In one of his rare media interviews in 2003 after receiving the regional hospitality award, Mr Gwee shared with The Business Times that he had left school without a GCE certificate. But when his father’s business failed when he was 17 years old, he realised the importance of an education in order to survive in a harsh world, and to lead his family and siblings. He eventually obtained his honours degree in accountancy from the University of Singapore through seven years of part-time studies where he graduated as a top student in 1970, which was a feat in those days.

Mr Gwee’s own experience led to his conviction that a good quality education helps children achieve their full potential. That also provided the answer to UOL’s focus on children for its corporate social responsibility initiative. On a personal level, Mr Gwee has been serving the Singapore Children’s Society since 1980. For his long-term contribution, Mr Gwee received two public service medals.

After his retirement, Mr Gwee will not only devote more time to his family, but also to community service, which is close to his heart.

(Mr Gwee’s passion for children and education has motivated the UOL Management to give to a good cause. The contribution, donated in the name of Mr Gwee and the Management, would be channelled to the operations of book clubs for three years under kidsRead, an initiative by the National Library Board to promote the love of reading among young children from low-income families. Mr Gwee would match the contribution from his team dollar for dollar.)



UOL PAYS TRIBUTE

Just as Mr Gwee sees people as his most precious asset, staff from UOL and PPHG (Pan Pacific Hotels Group) will also miss their chief as he moves into the next phase of his life.

“Mr Gwee has UOL in his blood. He has dedicated 45 years of his life to the organisation and its people. It is my privilege to have worked under Mr Gwee for 25 years. He is demanding, but he is fair and sees things in a bigger perspective. He instructs, but leaves room for ground judgment and execution. Mr Gwee moves seamlessly from meeting to meeting, even though he is required to wear different hats. Remarkably, he has this big calculator in his head that can punch out numbers faster than the computer.

When eating out with him, Mr Gwee makes sure that we don’t waste food. In the same manner, he is very careful not to allow wasteful spending in the company. Mr Gwee also has a curious mind. Coming back from overseas trips, he will haul us in the first thing in the morning to tell us his observations. While he shoulders heavy responsibilities, Mr Gwee has a big heart for his people.

A growing and generous man is able to laugh at himself. Mr Gwee does that often, and very loudly.”

- Mr Liam Wee Sin, UOL Group Chief Executive (designate)

“I have been fortunate to serve under Mr Gwee’s leadership over 40 years and be given opportunities to learn and broaden my experience. Mr Gwee is a sharp and decisive leader, exacting high standards of work and integrity, yet having a soft and humorous side despite his stern demeanour.”

- Mr Wellington Foo Thiam Fong, UOL Chief Financial Officer/Group Company Secretary

“Mr Gwee balances tough love with our best interests at heart. While he has high standards and holds his people to them, he helps them to achieve their goals through close guidance and mentoring. He is a firm believer of honesty, sincerity and integrity as enduring values in business, and he imparts these to his people, shaping both their personal and professional values. I am grateful to Mr Gwee for all that he has taught me, and I hope to continue nurturing my teams and helping them to succeed in the same way.”

- Mr Neo Soon Hup, PPHG Senior Vice President (Operations)

“Thirty years ago before I met Mr Gwee, I was told that he was a fierce man who didn’t suffer fools gladly. He had a reputation of being a tough negotiator and a strategist. After working with him, those statements about him were indeed true. Mr Gwee is a demanding boss, but he is fair and sincere in the way he treats his people. We may not always agree with him on all matters, but his views are always full of learning points.”

- Mr Han Chan Juan, Marina Centre Holdings Senior General Manager

“Mr Gwee appears to be a very strict boss with a quick temper. He is definitely a perfectionist who expects high quality work from his staff. However, Mr Gwee has a softer side. He is a compassionate man and cares deeply for his staff. There was a period when I was unwell. He found out and asked if I would like to assume a position that was less demanding. I will always be grateful to Mr Gwee for his kindness and the many opportunities he has given me to grow and develop in the company.”

- Ms Nancy Ng, PPHG Vice President (Finance)

“One of my favourite stories reiterated by Mr Gwee over the years involves the refurbishing of an old hotel decades ago. While preparing to redevelop the hotel, bed frames were removed from the rooms. To his horror, he found out some guests had actually cut out sections of the carpet below the beds and taken them away! While the moral of the story has varied over time, my takeaway is that we have to always remain vigilant!”

- Mr Jonathan Eu Zai Jie, UOL Deputy General Manager (Investment)

“Mr Gwee is a very meticulous man. When he is at the hotel, he will observe how we serve our guests and give us advice directly on how we can do better. I appreciate his straightforward manner in correcting us rather than going through our manager. I miss seeing him in the hotel these days.”

- Mr Johnson Pillay, Concierge at PARKROYAL on Beach Road

Even former UOL staff who worked under Mr Gwee, penned down their heartfelt gratitude to him for being a mentor and an inspiring figure to them.



Mr Gwee with Jestine Chin, former UOL General Manager (Furniture Division) (seated), Dolly Lian Ah Cheok, former UOL General Manager (Marketing) (standing), Mr Liam Wee Sin, UOL Group Chief Executive (designate) (second right) and Mr Wellington Foo Thiam Fong, UOL Chief Financial Officer/Group Company Secretary (far right).

“Mr Gwee was a strict and fair superior. He appreciated his subordinates’ views and contributions, and gave due credit where it was due.”

- Mr Wey Kim Long, former UOL Deputy President (Properties)

“Mr Gwee was very sharp, astute and result-oriented. As he was decisive and gave clear direction, work could move forward expeditiously. I reminisced fondly of my 20-year career at UOL, working alongside great colleagues, under his strong and able leadership. Though he was not one to show his emotions outwardly, during many moments of mentorship, Mr Gwee showed me his softer side, which I appreciated. Till today, Mr Gwee is one mentor that I know I can turn to for sound advice.”

- Ms Dolly Lian Ah Cheok, former UOL General Manager (Marketing)

“Mr Gwee had an imposing stature, but he was also astute and charismatic. Under his stewardship and guidance, the organisation had prospered and its people had their mental horizons widened. Mr Gwee’s simplicity of life, sense of foresight and prudence, made him a powerhouse in the industry. Yet, under the hard edges of a strong leader were his wicked sense of humour, humility and appreciation towards those surrounding him. For all he does, for all he is, I am forever grateful for his encouragement and kindness.”

- Ms Jestine Chin, former UOL General Manager (Furniture Division)