



LETTER TO THE EDITOR

I refer to recent media reports about changes to the Board of Directors of City Developments Limited (CDL). The reports have focused on CDL's investment in China's Sincere Property Group, which surely must be viewed against the backdrop of a fast-changing business environment, made even more challenging by the global pandemic.

Of late, issues of corporate governance and gender diversity have been hotly debated. Having sat on various boards of the Hong Leong Group for over 40 years and served as Executive Chairman of CDL since 1995, I believe I have sufficient experience to assess what makes a successful board.

There are rules limiting the tenure of an independent director. After nine years, a director who stays on is deemed non-independent and needs to undergo a two-tiered voting. But beyond the letter of the law relating to these and other stipulations, we must address the role of and value that an effective board member can bring to foster business success. If a business fails, there is no shareholder value to speak of.

When the management presents a business strategy, the Board should ask tough questions and raise concerns openly and robustly. Recommendations and constructive advice can be made to refine the strategy. But once a collective decision is made, unanimously or by majority votes, a director who may have disagreed, should now support its successful implementation.

Recently, the CDL Board has undergone changes. As Chairman, I thank the outgoing Directors for their past contributions. Over the last three months, CDL has evaluated its Board composition, Board Committees and qualifications of its members. The departures of several directors offer CDL an opportunity to renew its Board bench.

Accordingly, we have recruited new Independent Non-Executive Directors with diversified skill sets and perspectives. Each of them brings to the table different industry experience at senior levels.

Mr Colin Ong (appointed 7 Oct 2020) is a financial services industry veteran with over 28 years of experience. An entrepreneur with a strong background in sales and marketing, his insights will be useful for CDL's digital transformation and expansion of online sales channels for our hospitality divisions.

Mr Daniel Desbaillets (appointed 20 Nov 2020) is a hospitality veteran with over 40 years' experience and is also a successful entrepreneur in F&B businesses spanning from Asia to Europe.

Mr Chong Yoon Chou (appointed 20 Nov 2020) is a seasoned international fund manager who has managed assets of over US\$80 billion. He has an extensive network of international private and institutional investors.

Ms Carol Fong (appointed 29 Dec 2020) is an investment banker with 33 years of track record. As the current CEO of CGS-CIMB Securities Pte. Ltd., she has extensive experience in capital markets and has built a strong global network among senior financial and banking executives.

Mr Philip Lee (appointed 4 Jan 2021) is a Chartered Accountant with 35 years of accounting, audit, and finance experience, of which 23 years were at KPMG involving senior roles in disciplines such as audit, HR and advisory.

With such deep expertise and networks, these Directors, together with existing Directors, will refresh the Board and Board Committees. The vigour and insights of the refreshed Board can foster success for CDL's strategy of Growth, Enhancement and Transformation to deliver sustained shareholder value.

I advocate the adage "Effective people are not problem minded. They are solution minded. They feed solutions and starve problems."

Mr Kwek Leng Beng
Executive Chairman
City Developments Limited

6 January 2021