

HUNDRED SHORT STORIES

THAT MAKE US WEARNES

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CELEBRATING 100 YEARS OF WBL CORPORATION LIMITED



WBL Corporation Limited 801, Lorong 7 Toa Payoh, #07-00, Singapore 319319. www.wbl.com.sg



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C F F Wearne & Co founded on 1 April
by Charles and Theodore Wearne
with a capital of \$700.





Foreword

from Wearnes Centennial
Organising Committee Chairman
Royston K S Tan



Sold its first motorcar,
a seven-horsepower
Oldsmobile.



Inaugurated a bus service
on 1 July to run between
Johnston's Pier and the
Botanical Gardens.



Became a public company on
23 November under the name of
Wearne Brothers Limited with
a capital of \$275,000.



Purchased Ford Motors
(Burma) Limited in Rangoon.

How do you condense the full legacy and rich heritage of Wearnes in just 100 short stories? This seemingly impossible mission was accomplished, with the help of over 50 Wearnes staff, associates, former colleagues and Directors, and of course, the Wearne family, who shared with us many anecdotes, stories and photographs documenting Wearnes' development, innovation and achievements over the past century.

We are one of the few corporations in Singapore to survive 100 years. During this time, Wearnes has weathered many crises: two World Wars, the Oil Crisis in 1973, several economic crises and most recently, the SARS crisis in 2003. But with each crisis, Wearnes emerged stronger and more resilient. While it has undergone several transforma-

tions since it first started business on 1 April 1906, one thing has not changed, the ability of Wearnes to continually adapt and reinvent itself to meet the challenges of a dynamic business environment. The Wearnes story is one of adaptability and flexibility, a dominant theme in the hundred short stories presented in this book.

When I was first tasked to chair the committee for the Wearnes Centennial Celebrations, which kicked off with a gala dinner on 1 April 2006 for some 1,000 guests and staff, I was overwhelmed by the challenge. I knew it would be a daunting task to put together a year-long series of activities that would reflect the proud legacy of Wearnes, not just its achievements, but also the tough battles it has had to face in the last 100 years.

It has been a walk down memory lane for me as we ploughed through the archives and

official documents to uncover interesting facts and stories. It has also been a nostalgic journey for colleagues and former staff who were interviewed for the stories, as they reminisced about their working life with Wearnes. I would like to take this opportunity to thank all of our interviewees who made this book possible.

I would also like to thank the editorial team, Debra Soon, Lee Siew Hoon, Anthony Leong and Serene Soh for putting this book together. Special thanks also to the Wearnes Centennial Organising Committee members Alice Chan, Chan Heng Pong, Daisy Cheng, Corinne Chua, Tiffany Lim and Tan Chee Yong for their efforts in making the year-long celebrations a success.

We hope that you will be inspired by "The Hundred Short Stories That Make Us Wearnes".



Walter Wearne, son of Charles Wearne, joined the company.



Malayan Motors opened its doors in Orchard Road.



Set up an assembly line for model T Ford, producing as many as 15 cars a day.



Foster Wearne, Charles Wearne's other son, became the Company Secretary.

Universal Cars Limited formed to handle Ford operations.



Message

from Wearnes Chairman
Wong Nang Jang



Wearnes put the first
“Yellow Top” taxis
on Singapore roads.



Wearnes Air Services
inaugurated.



In February, company ceased
operations in Malaya due
to Second World War.



On 1 April, Wearne
Brothers recommenced
operations.



Progress Motors set
up to handle Fiat
agency.

Double-decker buses
introduced by
Federated Motors.

I am pleased to note that this collection of anecdotes and stories has served to highlight two ingredients of our success story. First, that Wearnes has been built by many dedicated people, and second, Wearnes is an adaptable and innovative company, qualities that will enable us to succeed in our second century of existence.

This book traces the story of how we started out as a one product company in 1906, selling second-hand cars and spare parts from the back of a coach house, to a company with an annual turnover of S\$2 billion, a diversified portfolio and particular strengths in technology manufacturing. You will learn that Wearnes has clocked many firsts. The first company to operate a commercial airline in Singapore, the first to offer postal air services in Malaya and the Straits

Settlements, the first to bring in double-decker buses, one of the first Singapore companies to manufacture personal computers and the first to venture into Northeast China via the city of Shenyang.

The stories recount how Wearnes has proven its ability to adapt and reinvent itself while staying true to its roots over the years. They show how strong leadership built a team dedicated to excellence and which had a “can do” attitude which holds true till today. Venturing into the future, these qualities, together with an entrepreneurial spirit inherited from our forebears, will ensure our continued relevance.

This project was spearheaded by Royston K S Tan, Chairman of the Wearnes Centennial Organising Committee in 2006. The team has spent much time researching and

unearthing information and have turned what could have become just another coffee-table book, into a compelling and sometimes humorous collection of stories. Some of the stories are downright amusing, such as “Driving Away with the Bride”; others offer interesting insights into development, not just of a company but of working in foreign countries, like Phil Harding’s account of setting up a factory in China in the early 1980s entitled “Surviving Shenzhen”. Still others offer a glimpse of the thinking and strategies which helped build a multi-nation conglomerate which is today’s Wearnes. More importantly, these are real stories, told in the first person, by real people.

The book is a way to remember all who have contributed and who are still contributing to our success. I have been inspired by them. Happy reading!



Theo Wearne retired as Chairman.



Diversified into heavy equipment.



Wearne Brothers Limited became a holding company.



Walter Wearne appointed Chairman, Tan Sri Tan Chin Tuan joined Board of Directors.



Tan Sri Tan Chin Tuan appointed Chairman, intensified diversification efforts.

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Published by WBL Corporation Limited – 801, Lorong 7 Toa Payoh, #07-00, Singapore 319319.
www.wbl.com.sg

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Produced by Epigram. Photography by Frank Pinckers.
Stories written by Ann Peters, Lee Siew Hoon, Debra Soon.
Printed in Singapore. ISBN 981-05-6435-X



Tang I-Fang appointed to Board of Directors.



Relinquished Ford franchise.



Tan Sri Tan Chin Tuan retired.



Tang I-Fang appointed Chairman. Diversified into technology business.



Group turnover: S\$98.7 million.



Wearnes' ALR computers enjoyed impressive sales.



Acquired Rank O'Connor's.



Group turnover: S\$193.8m.



Named one of the 66 companies of the future by *The Wall Street Journal*.



Tang I-Fang won "Businessman of the Year" Award.



Group turnover: S\$562.4m.



One of the first Singapore companies to invest in Northeast China.



Group turnover: S\$930m.

HUNDREED

CELEBRATING 100 YEARS OF WBL CORPORATION LIMITED

SHORT STORIES

THAT MAKE US WEARNES



Wearne Brothers Limited renamed WBL Corporation Limited.



Wearnes International became the listed trading arm of WBL Corporation Limited.



Divested ALR and acquired Pacific Silica.

Group turnover: S\$907.9m.

Volvo distributor SM Motors acquired.



MFS Technology listed in Singapore.



Group turnover crossed S\$1 billion mark for the first time.



Multi-Fineline Electronix Inc. listed on Nasdaq.

Tan Choon Seng appointed new Group CEO.



Streamlined businesses into three core divisions: Technology Manufacturing, Technology Solutions and Automotive Distribution.



Tang I-Fang retired, Wong Nang Jang appointed Chairman.

Wearnes turns 100.

1906
2006
WEARNES CENTENNIAL



ONE MAN'S VISION

VISION

He has been described as a visionary, strategist, charismatic leader, trouble shooter and corporate treasure. While Chairman of WBL Corporation Limited (“Wearnes”), he was voted “Businessman of the Year” in 1989 by Singapore’s *The Business Times*. The same year, Wearnes was the only Southeast Asian country that made *The Wall Street Journal Centennial Edition’s* list of 66 “Companies of the Future” along with others such as IBM, General Motors, AT&T, Ben and Jerry’s and Coca Cola.

He led the diversification into technology, revived the company’s sagging profits and kept it at the forefront of technology. He moved manufacturing operations to China, long before it became “the thing to do”.

But former Chairman Tang I-Fang is reluctant to take credit. He shakes his head at suggestions that he was a pioneer in the business and rates his contribution as “very little”, attributing success instead to “my capable colleagues”.

But the facts speak for themselves.

Wearnes Chief Executive Officer Tan Choon Seng has more than once told rooms full of people that he considers Tang a corporate gem. Tan says that it is rare for anyone to identify two big “winners” in a lifetime. One was flexible printed circuits (“FPC”), a big revenue generator for Wearnes today. The other was Tang’s success with Advanced Logic Research (“ALR”) computers, which made Wearnes one of the first Singapore companies to manufacture personal computers in the 1980s. At the time, Wearnes was making what was considered the world’s best computer, but it eventually exited the business, selling it for a tidy

profit. This is one of Tang’s biggest regrets. He feels responsible for the loss of the computer business, although the facts point to increased costs in Singapore and razor-thin margins.

The FPC business was a different story. It struggled initially, but took off in a big way with the mobile phone boom. Asked if it was luck or foresight, he modestly says it was 50-50. “Tan Sri Dr Tan Chin Tuan, my predecessor at Wearnes, always said that no matter how hard you work or how smart you are, if you don’t have luck, you won’t be able to make it.”

When he became Chairman in 1983, after being a Director since 1978, Tang saw a need for Wearnes to branch out from its mainstay – automobile distribution – to technology. “I didn’t see it as a sunset industry, but we couldn’t make a living with cars alone. We had to consider the long-term. Being a listed company, we had to perform and I thought we could only have a good score card with technology.”

And it did. Group turnover jumped from S\$98 million in 1984 to nearly S\$130 million in 1986 and more than S\$373 million in 1988.

On the whole, he is happy with what he has done. “We’ve reached the S\$2 billion revenue mark in 2005. Not many companies have this, or a product that is number two in the world. Now, it is up to the new management to build on the foundations,” says Tang, who at 82 has handed over the reins to Mr Wong Nang Jang.

Tang, originally from Anhui Province in China, graduated from Chongqing Central University before the Second World War broke out. He enlisted during the war and ended up working as a translator for the US Army, giving in-

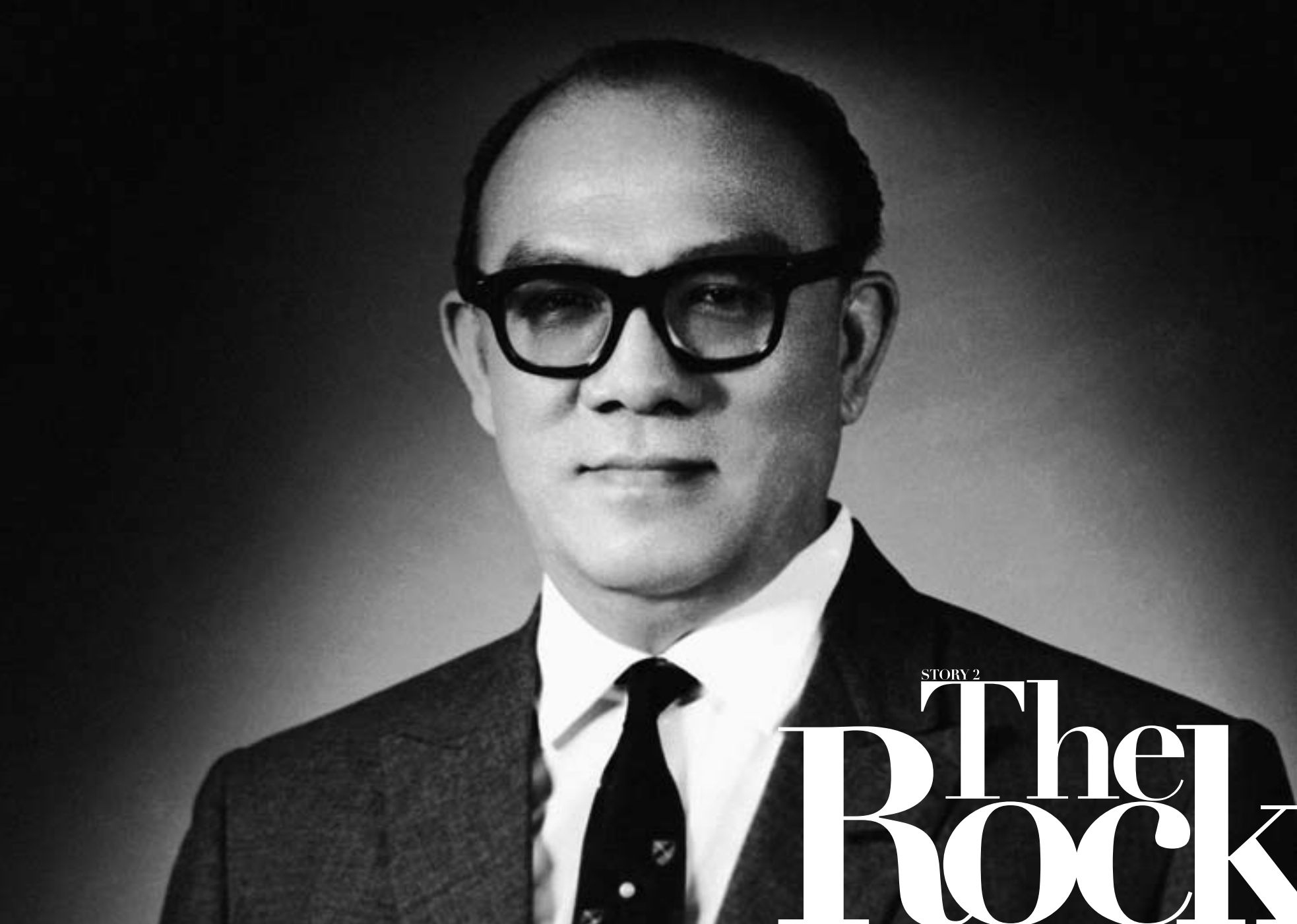
structions to Chinese labourers who were working on the Burma/China Road. The US Army later sent him to the United States to work on translating manuals. Tang eventually decided to do his MBA at Harvard, initially using the income he was paid by the US Army. Later on, he was also awarded funding by Harvard. He graduated with an MBA in 1948. He later worked with the United Nations (“UN”) and the World Bank and was sent to various Third World countries to give advice on development.

His involvement with Singapore began in 1959 when he arrived here as deputy leader of a UN delegation led by Dr Albert Winsemius, a world expert on development economics, to advise on Singapore’s development. Tang fell in love with Singapore and later returned at the government’s invitation to set up and head the Economic Development Board. He also helmed Jurong Town Corporation and as a naturalised citizen, sat on the board of a string of public listed companies including Singapore Press Holdings.

After his stint here, he went to Jordan to run his own business and headed a company with more than 1,000 workers. But his wife missed Singapore, so they returned in the 1970s, which was when Wearnes Chairman then, Tan Sri Dr Tan Chin Tuan, called him. “He said he has two companies which needed help – United Engineers – which was insolvent and Wearnes which had lost many of its showrooms in Orchard Road due to land acquisition to build Singapore’s Mass Rapid Transit Line.”

“He gave me many dinners, so it was hard to turn him down,” laughs Tang.

And the rest, as they say, is history.



STORY 2

The Rock

The pioneer banker and philanthropist, Tan Sri Dr Tan Chin Tuan, was Wearnes' Honorary Life President when he died in November 2005 at age 96.

A self-made man and a risk taker, he was often referred to as "the Rock" in banking circles because of his integrity and insistence on corporate values long before others had coined the term corporate governance. The book *Rock Solid – The Corporate Career of Tan Chin Tuan*, launched shortly after his death, charts his lifelong contributions to the companies he headed and in industry.

He started as a bank clerk at 17, became the Oversea Chinese Banking Corporation's ("OCBC") Managing Director in 1942 and its Chairman in 1966, retiring in 1992 after more than 50 years with the bank.

During the Second World War, he was in Australia and India looking after the bank's assets. After the war,

he built up the bank's business and also helped in the reconstruction efforts by serving in the colonial Legislative Council. While there, he declined offers to become a director of some foreign companies, saying he wanted to manage companies which served Singapore's interest.

Between 1955 and 1970, he was appointed Chairman of 10 blue-chip Singapore companies. One of them was Wearne Brothers Limited (later renamed WBL Corporation Limited in 1994) whose Chairman, A J Sampson, invited him to become a Director in 1967. When Chairman Walter Wearne (eldest son of founder Charles Wearne) died in 1974, Tan Sri Dr Tan became Chairman.

At that time, he found the company laden with problems. The oil crisis hit the car business hard. Higher taxes on larger capacity vehicles sold by Wearnes compounded the problem as Japanese car-makers started to make an impact. His 1975 annual statement to share-

holders describes the year as a "most difficult one in the history of Wearnes".

He started implementing wide-scale changes, to make Wearnes a leaner, fitter organisation. Excessive stock was liquidated, the car assembly plant in Jurong was shut, sectors that were doing well were prudently expanded, borrowings and costs trimmed. Retrenchments were unavoidable. And in 1981, "after much deliberation and most reluctantly", he decided to relinquish the Ford franchise, ending the company's 70-year-old association with Ford, which had catapulted it to prosperity in the early years.

When he retired in 1983, the Board of Directors noted that the company was in a "healthy financial position". In appreciation of his guidance through the difficult years, Tan Sri Dr Tan was appointed Wearnes' Honorary Life President.

MAKE NO MISTAKE

Tan Sri Dr Tan was an eagle-eyed man who could spot any mistake, no matter how small it was. Doreen Tan, currently the Personal Assistant to an Executive Director at Wearnes, used to type the minutes of the Board meetings. She says whenever Tan Sri Dr Tan spotted an error, she would have to re-type the whole page.

Back in the early 1980s, correction fluid was not a common stationery item. But even if Doreen did have a bottle of correction

fluid, there was no way she could have used it to correct the minutes as these were typewritten on light beige-coloured paper instead of normal white paper.

“We knew Tan Sri Dr Tan was a very sharp man and did not like to see mistakes in important documents. So we learnt to be extra conscientious and disciplined in our work,” Doreen recalls. Needless to say, Doreen’s typing skills improved tremendously while working under him.

STORY 4

A SWEET GESTURE

Siti Zaiton bte Rahmat remembered the day in 1991 when she received a big *hongbao* from the late Tan Keng Siong, who was a Director at Wearnes from 1984 to 1994. Mr Tan was the son of the late Tan Sri Dr Tan. Siti, currently a secretary in the corporate and legal department at Wearnes’ headquarters, was then standing in for Mr Tan’s secretary, who was on maternity leave. Siti remembers Mr Tan for encouraging her and giving her confidence. “I was just a clerk relieving other secretaries and not a full-fledged secretary as I did not have any secretarial qualifications. But Mr Tan was very patient with me and told me to take it easy and not be flustered. That really helped to boost my morale and confidence.”

To show his appreciation of her good work, he gave Siti a S\$150 red packet during Chinese New Year. Siti says she profusely tried to refuse the red packet as it was a significant sum of money. “But he insisted that I must take it. He said: ‘This is my own money, I want to give it to you, you deserve it!’ I thought serving Mr Tan was already the most rewarding experience, so when he gave me the *hongbao*, I was really honoured beyond words!”



The Founders



It was no April's Fool joke but Wearne Brothers was set up on 1 April, exactly 100 years ago in 1906. Two Australian brothers, Charles (Charlie) Frederick Foster and Theodore (Theo) James Benjamin Wearne, set up C F F Wearne and Co in a coach house belonging to their brother-in-law, James Craig.

Craig, a master mariner and husband of their elder sister Mary, took a one-ninth share while Theo invested \$700, all the money he had in the bank. Theo continued working for civil engineer and contractor, W Palliser, for about nine months, paying Charlie \$200 each month to run the company.

According to Christopher Fyfe's *Wheels in Malaya – The Wearne Brothers and Their Company*, a book that documents the history of Wearnes and its founders, the brothers had spent some time working in Singapore. They were first apprentice ship's engineers and later qualified as mechanical engineers. Charlie had arrived at 15 to work for the New Harbour Dock Company, a job he got with Craig's help. The younger Theo did the same when he was 14.

Legend has it that Charlie started the business by assembling bicycles. What is clearer though was his belief and fascination with the fledgling motor industry worldwide. The brothers bought the Oldsmobile agency from Howarth Erskine and acquired two second-hand cars and some spare parts. Three months later, Charlie and Theo's firm was the only exhibitor of vehicles and accessories at an agri-horticultural show in Beach Road.

Business was good. The timing of the company's formation was fortuitous, coinciding with a boom in the demand for rubber. There were a number of rich people in Malaya who wanted to show that they had arrived and there was no more obvious way to do so than with a new fangled machine called a motorcar. Soon, the coach

house was too small for the expanding business. They had to move to premises on Orchard Road. In the ensuing years, they acquired franchises for various makes of cars, including Reo, Star, Morris, Renault, Buick, Daimler, Rover, Rolls-Royce and Bentley, and vast amounts of property in Orchard Road, including the site of the present Dhoby Ghaut MRT station.

They brought the first Rolls-Royce into Malaya in 1910, which cost a local Chinese businessman \$15,000. The company also serviced cars and was reputed to be one of the best garages in Singapore. But it was with Ford that the brothers sealed their fortune. The first time Theo drove a Ford, he knew what price he could sell the car for. He told his brother: "Come out with me and see what this car can do, our fortunes are made."

On 1 October 1911, they were appointed the sole agent for Ford cars in the Straits Settlements and the Malayan states with a contract of 60 cars a year. In the first full year of the agency, they sold 137 cars and 300 cars in the second year.

On 26 November 1912, C F F Wearne and Co became the public company Wearne Brothers Limited. Branches soon opened in Kuala Lumpur, Ipoh, Penang, Malacca, Borneo and later, Burma. In 1925, the company set up an assembly plant in Penang Lane to handle Fords. The most economical way to buy Fords was to ship the chassis, together with the other parts of the vehicle in lots of one hundred, build the bodies and assemble the vehicle locally, for which jigs were obtained from Ford in Canada. There was no welding and the panels were nailed on. The plant assembled an average of six cars a day.

Profits rose. Its reputation grew. Charlie and Theo became respected businessmen and had some standing in society. They built homes in Singapore and Western Australia, where they intermittently holidayed. They were also avid sailors and commissioned the *Black Swan* – an ocean-going craft that Charlie used to sail from

Australia to Britain.

By 1924, when Charlie's eldest son, Walter, joined the company and his brother, Foster, a year later, Wearnes was assembling 12 to 15 Ford cars a day and the newly opened Malayan Motors in Orchard Road was selling Morris cars and spare parts.

Charlie and Theo relinquished active control of the company in 1928 but remained on the Board of Directors. The brothers had complementary styles of management – Charlie was expansive, while Theo more guarded – but in his book, Fyfe notes that they were both equally generous in their own ways. The company was noted for caring for all its employees and Charlie, who spoke fluent Malay, could be seen frequently chatting with the staff.

The company bounced back from bad times after the First World War and again in the Depression of the 1930s to prosper. In 1937 it went into the airline business as Wearnes Air Services, offering daily flights between Singapore and cities in Malaya, until the Japanese Occupation halted operations. Charlie and Theo managed to leave Singapore on the last boat out to Australia, but not Charlie's sons and some employees.

During the war years, Charlie had news that his sons were alive but prisoners of war. Back home, he helped the war effort by conducting auxiliary naval patrols with his boat *Selamat* along the West Australian coast. However, in 1944, he caught a chill after wading ashore at Mandurah, developed pneumonia and died in July that year.

After the war, the company, headed by Theo, picked up the pieces and recovered. In 1954 Theo retired and went to live in South Africa. Walter and Foster, Charlie's sons, remained to run the business. Tan Sri Dr Tan bought over the business for the OCBC Banking Group in 1974 and was made Chairman of the company. And a new chapter in the history of Wearnes began.



Wheels in Malaya

*The Wearne Brothers
and
Their Company*

CHRISTOPHER FYFE

LP

Story 6 The STORY TELLER

Christopher Fyfe first came into the Wearne family when he married Charlie Wearne's granddaughter Shirley, 11 years after Charlie's death. Despite this, by the time he finished writing *Wheels in Malaya – The Wearne Brothers and Their Company*, he felt he knew the man pretty well.

"I'd read letters that he'd written and all the anecdotes I'd heard about him emphasised one sterling quality. He had great loyalty to family and friends in Fremantle and Mandurah and was very considerate to his staff," says Fyfe, 76, at his home in Claremont, Western Australia.

The story of Charlie and Theo is told against a backdrop of people, places and the history of the company. Fyfe says the brothers were direct opposites but complemented each other. "People say Theo was a mean old skinflint and didn't do anything with his money while Charlie gave it away like it was going out of fashion. But if you look closely at what they did, on balance, there was little to choose between them. Charlie did things in an impromptu way, whereas Theo thought about it, then made a substantial donation."

The book was his late wife's idea. "She knew her grandfather as a child and teenager, but in the early 1980s she became interested in learning more about him. She interviewed relatives and former employees, many of whom were living in

Western Australia and became convinced that there was enough there for a book," says Fyfe.

In 1984, she and Fyfe started serious research. They went to Cornwall in England, where the Wearne family hailed from and looked at tombstones in church graveyards. They got microfilm copies from Singapore's daily newspaper, *The Straits Times* and scanned every page. They looked at shipping lists, deck lists, passenger lists and whatever else they could get their hands on, hoping for a breakthrough somewhere.

"Then one day she came to me with a big smile on her face and said 'I found something'. It was a substantial newspaper article about Charlie's exhibition of cars at an agricultural show in Singapore in 1906."

Later research took them to Singapore, Malaysia, various parts of Australia, the United States, London and St Martens Island in the West Indies. Fyfe says there was a heap of material to sift through. "If you left Aunt Ella (who died as a toddler) out of the family tree, you'd be known as the fellow who left Aunt Ella out." When Shirley died in 1996, Fyfe completed the research and the book was launched in 2002 at a ceremony attended by 22 relatives, including some of Charlie's great-great grandchildren.

Fyfe remembers his first meeting with his prospective father-in-law, Walter Wearne (Charlie's son). "He was around the place when I called

to see Shirley once. He was very good to me but I was eyeing him, aware of the fact that he was also eyeing me." He only met him three times, but saw more of Charlie's younger son, Foster, at family gatherings, after Foster retired to Australia and describes Charlie's daughter, Connie, as "a very gracious lady."

He says the two brothers were also opposites, just as Charlie and Theo were. Walter was energetic, the get up-and-go type. "He'd go upstairs two steps at a time, which is what I still do." Foster was quieter. He was the Company Secretary for many years, was involved in the sports club and enjoyed rowing.

Fyfe, who has three children and is a grandfather, has written several other books including *Gentlemen's Agreements* (on Australian wartime wool appraisal schemes) and *Heritage for the Future* (on a Western Australian tree planting society). He has also edited the memoirs of a Western Australian Surveyor-General and *Early Days*, the journal of the Royal Western Australian Historical Society. Before turning to writing, Fyfe was a wool valuer, wool auctioneer and accountant.

He ended the book on the Wearne brothers in 1956. "It's not always easy to know when to stop. But by this time Charlie had died and Theo had gone to live in South Africa. It seemed the sensible time to cut the story off."

First Things First

DO NOT SECOND-GUESS, HERE IS HOW IT ALL STARTED...

1ST AIR MAIL:

Wearnes Air Services was the first company to offer postal air services in Malaya. Letters were carried on passenger flights to the airline's destinations: Singapore, Kuala Lumpur, Penang and later Ipoh and Kota Bahru. Letters posted before 6am arrived the same day.



1ST SHOWROOM:

When the coach house in Charles Wearne's brother-in-law's residence became too small for the burgeoning business, C F F Wearne and Co moved to new premises at 168-169 Orchard Road. By 1909 it had become an agent for a host of car makes including Star, Reo, Belsize, Standard, Rover, Frick and Napier vehicles, plus a range of Vindec motorcycles.

1ST CAR SALE:

In 1907, C F F Wearne and Co sold its first motorcar – a seven-horsepower Oldsmobile – to E A Hilkes, a leading citizen of Bandjarmasin in Southern Borneo. The car was running perfectly, until it arrived by ship in Borneo. It just would not start. Within four days, Charlie was in Borneo and before long, had the car up and running. Apparently, some curious passengers on board could not keep their wandering hands off the engine.

1ST ADVERTISEMENT:

On 1 December 1906, C F F Wearne and Co placed its first advertisement in Singapore's daily newspaper *The Straits Times* announcing that the company had the "World's Best 'Star' Motorcars" for sale. Serious buyers and eager on-lookers thronged the showroom at 168-169 Orchard Road.

The World's Best "Star" Motor Cars

Patronized by the Automobile Club of Great Britain and Ireland.
Unrivalled for Elegance of Design and Reliability.

One	7	H.	P.	2 Cylinder Car	} TO ARRIVE SHORTLY
..	10	H.	P.	4	
..	14	H.	P.	4	
One	16	H.	P.	2 Cyl. 10 Passenger "REO" Bus	} IN STOCK
..	16	H.	P.	2 Cyl. Touring Car	
Two	8	H.	P.	4 Seated Runabout	

For further particulars apply to

The Sole Agents,

C. F. F. WEARNE & Co.

168 & 169 Orchard Rd.
Telephone 514.



DRIVING AWAY WITH
The Bride



• STORY 8 •

The first “motorised” wedding in Singapore in 1906 was not without incident. The bride and groom were a Mr and Mrs W J Mayson and the driver was none other than Charlie Wearne, who had just set up his company with his brother Theo, according to a report in the *Free Press and Malay Mail Shell Motor Rally Supplement*.

Charlie had taken on the task of “conveying the couple from the reception at a house in Orchard Road to Changi where they were to spend their honeymoon.” As the car “was inclined to be temperamental, Mr Wearne had to devote his entire attention, first to starting it, and then, to keep it running.”

When it was time for the couple to set off down the road, the report continued, “As soon as he heard the door bang at the back of the car, he started the engine and the car took off for the long journey to Changi.” But having gone a few yards, Charlie heard loud protests. “Looking back, he saw the bridegroom running after the vehicle.”

**CHARLIE
AND THE
ANGRY
ELEPHANTS**

STORY 9

Charlie Wearne had his car to thank for a lucky escape from a herd of angry elephants. He was driving in Ipoh when he met a herd of elephants that took exception to “the noisy animal,” according to a report in the *Free Press and Malay Mail Shell Motor Rally Supplement*. He hastily backed his car down the road until he could turn around. “Fortunately his car was able to go faster than the elephants,” said the report. Charlie and Theo were opening up branches in Malaya around the time and had just begun their first bus service operating from Ipoh to Gopeng.

STORY 10

The Early Local Directors

Among the Caucasians was a smattering of early local Directors of Wearnes. The first two, as early as 1912, were Tay Chay Yan and Tan Kheam Hock, both listed as Singapore merchants.

According to *Wheels in Malaya – The Wearne Brothers and Their Company*, a British-educated lawyer Dato Wong Siew Qui joined the Board in 1920. He was on the Board of the Singapore Building Corporation Limited, a company which Wearnes had shares in. Formed in 1920, it had built Amber Mansions, a residential and shopping complex bordered by Orchard Road and Penang Road, and was into a similar project in Penang Road.

In 1922, Chinese businessman, Eu Tong Sen (O.B.E.), after whom the street in Singapore’s Chinatown is named, became a Director. Eu took over his father’s business when he was 21 and quickly expanded it. By 30, he was one of the richest men in the region and known as “King of Tin” because of the tin mines he owned. He also owned a chain of medicine shops and rubber estates. He later set up Lee Wah Bank with two businessmen to cater to the Cantonese community. Because of his prolonged absence from Singapore, he resigned from the Board in 1932 and his place was taken by his eldest son, Eu Keng Chee.

After the war, Dato Loke Wan Tho joined the Wearnes Board of Directors in 1957. Dato Loke went to school in Switzerland before graduating from King’s College in Cambridge, at 21.

Together with his mother, he established the Associated Theatres Ltd and built the business into what was later renamed as the Cathay Organisation, one of the leading film enterprises in Southeast Asia. He died in an air crash in 1964.

STORY 1 THE WAR YEARS

The war years were hard times. When the Second World War broke out in 1939, Wearnes was firmly behind the war effort, donating S\$100,000 towards the War Fund, despite poor car sales. Charlie and Theo, too, made substantial personal contributions.

In 1941, some Wearnes planes were requisitioned and absorbed into the Malayan Volunteer Air Force. By December, the military had acquired some S\$600,000 worth of vehicles and spare parts from Wearnes. In Burma, the military even requisitioned the entire operation. Before the country fell, the manager of the Ran-

goon office, John Pestall, buried company records and escaped by walking 1,000 kilometres to North India.

Just before Singapore fell, a scorched earth policy was implemented; spare parts and working equipment were demolished at Universal Cars. At Far East Motors and Malayan Motors, a sledgehammer-wielding Walter Wearne led staff in smashing the cars in the showroom.

Since many Wearnes staff members had stayed behind to provide goods and services to the military, they were taken as prisoners of war. Charlie received news that his sons and many staff members were among them. Charlie, who

had managed to escape to Australia, died in 1944 after he succumbed to cardiac failure.

Walter and Foster Wearne were interned by the Japanese; Foster at Changi Prison and Walter ended up serving on the infamous Burma Railway. Fortunately, both men survived the war.

After the war, Theo returned to Singapore and became Chairman of the company. After a short stint recuperating in Australia, Walter and Foster too returned to Singapore. By 1 April 1946, Wearnes resumed trading at nine of its subsidiaries and restarted services in Malacca, Kuala Lumpur, Ipoh and Penang.

俘虜郵便

Service des Prisonniers de Guerre

M^{RS} F. F. WEARNE,
NO 36 CIRCE CIRCLE,
DALKEITH,
WESTERN AUSTRALIA.

Enemy Civilians Internment Camp No. I

MALAYA

SENDER

FREDERICK FOSTER WEARNE.

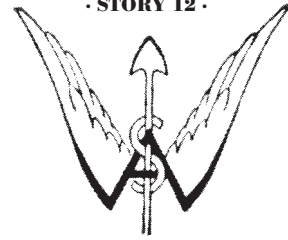
20.6.42 My darling wife, I am quite all right and getting along very well, there is no need for you to worry at all. The other boys are all well and happy.

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· STORY 12 ·



ON
THE
WINGS
OF
A
DRAGON



Wearne Brothers made air history in Malaya on 28 June 1937 when a de Havilland Dragon Rapide aircraft, the *Governor Raffles*, took off from Singapore for Kuala Lumpur and Penang, inaugurating the first commercial air service between the three cities by Wearnes Air Services.

According to Christopher Fyfe's *Wheels in Malaya – The Wearne Brothers and Their Company*, five Chinese passengers took the flight either to Kuala Lumpur or Penang and on the return flight, there were two passengers. Earlier, on 25 June, a test flight had carried others, including Wearnes' executives, a family member, the press and a representative from the Post and Telegraphs Department.

The flights proved popular and within a year the air service was extended to Alor Star, Taiping, Ipoh and Kota Bahru. Fares cost about S\$30 from Singapore to Kuala Lumpur, S\$30 from Kuala Lumpur to Penang and S\$50 from Singapore to Penang. The planes were also used to transport issues of the *Singapore Free Press* to Kuala Lumpur and Penang, as well as bulk mail.

Wearnes Air Services was noted for its punctuality and reliability but there was a crash when a plane went down near Rawang during a storm. But it was a rare incident in over 900,000 kilometres travelled in all, with over 4,550 passengers ferried until June 1939.

With the outbreak of the Second World War, flights came to a halt and all its aircraft were requisitioned by the government. After the war, Wearnes was approached to restart the service but, without subsidy from the government, declined.



PLANE CRAZY

In 1938 a young man, crazy about planes and with some engineering experience, applied to join Wearnes Air Services. He was hired as an apprentice, along with eight other young locals.

Sekhara Varma, now 94, and who in recent years was declared Raja of the small kingdom of Palakkad in Kerala, India, remembers those years vividly.

He recalls that they were propeller driven de Havilland planes which were flown low – about 8,000 to 9,000 feet – and these were very visible from the ground. The plane’s exterior was fortified with cloth that had been painted over 30 or 40 times. “The technology was very primitive then, even though it was considered high-tech in those times. They could not use aluminium as it would have been too heavy.”

The route taken was Singapore, Kuala Lumpur, Ipoh, Penang and back. “We had no radio contact, so each time a plane left a city, they would inform us in Singapore and the people at the next destination, by telephone. We would then, at the expected time of arrival, go out to look for it in the sky.”

He was stationed at Kallang Airport in a building that still stands today and looks very much the same on the outside, although the inside has been refurbished. The runway was Kallang Road, starting from where the football field is.

Apprentices earned S\$10 a month, but Varma says that was pocket money while they were undergoing training. Most of the apprentices came from well-to-do families. Things were also cheap then. Breakfast – tea, toast and a banana – cost 10 cents. There were two local Eurasian engineers who gave the apprentices lessons. They earned about S\$175 and drove cars.

The apprentices were in charge of overall maintenance and cleaning of the aircraft, carrying passengers’ bags, loading and unloading them, changing the cloth on the back of seats, putting chewing gum in the seat pockets (the only food offered on board) and if the ticket clerk was not there, they wrote out the tickets. Passengers were mostly Caucasians, with the occasional rich local.

Sometimes if the plane’s propellers did not turn when the plane was ready to take off, one of the apprentices would have to manually give it a heave-ho. “It was dangerous work and luckily, it did not happen often. You had to flick it and move away quickly, otherwise you could be cut in half by the propeller,” recalls Varma.

But Wearnes’ aircraft and flights were generally problem-

free. In fact, the aircraft had such a reputation for punctuality that footballers on the field used to be able to tell the time by when the aircraft left and arrived.

There was, however, one crash. A flight returning from Ipoh to Kuala Lumpur crashed in bad weather. When it took off from Ipoh, the weather was fine but it suddenly took a turn for the worse on the way. There was no way to forecast this and it was made worse because the plane was flying low over an area with lots of rubber plantations.

Varma recalls the pilot’s wife, who always drove her husband to the airport in the morning and picked him up in the evening, waiting in vain for his return.

He says weather reports were inadequate in those days compared to today. In Singapore the government station would send up a balloon. “But that report is only for Singapore. It didn’t tell you what the weather was like in Malaysia.”

When that crash happened, the first thing the apprentices did was to check the log to ensure that they had made their entries correctly. “If I remember correctly, we also had to give evidence in court.”

During the war, they were conscripted and he worked on the ground, resisting pressure to train as a pilot. “I think only one of the apprentices joined. I don’t know what happened to him, but there were many plane crashes at that time.” Also, with conscription, he found class barriers between the British and the locals breaking down, except for differences in rank and unlike before, there was more equality and camaraderie. “We had to work as one unit.”

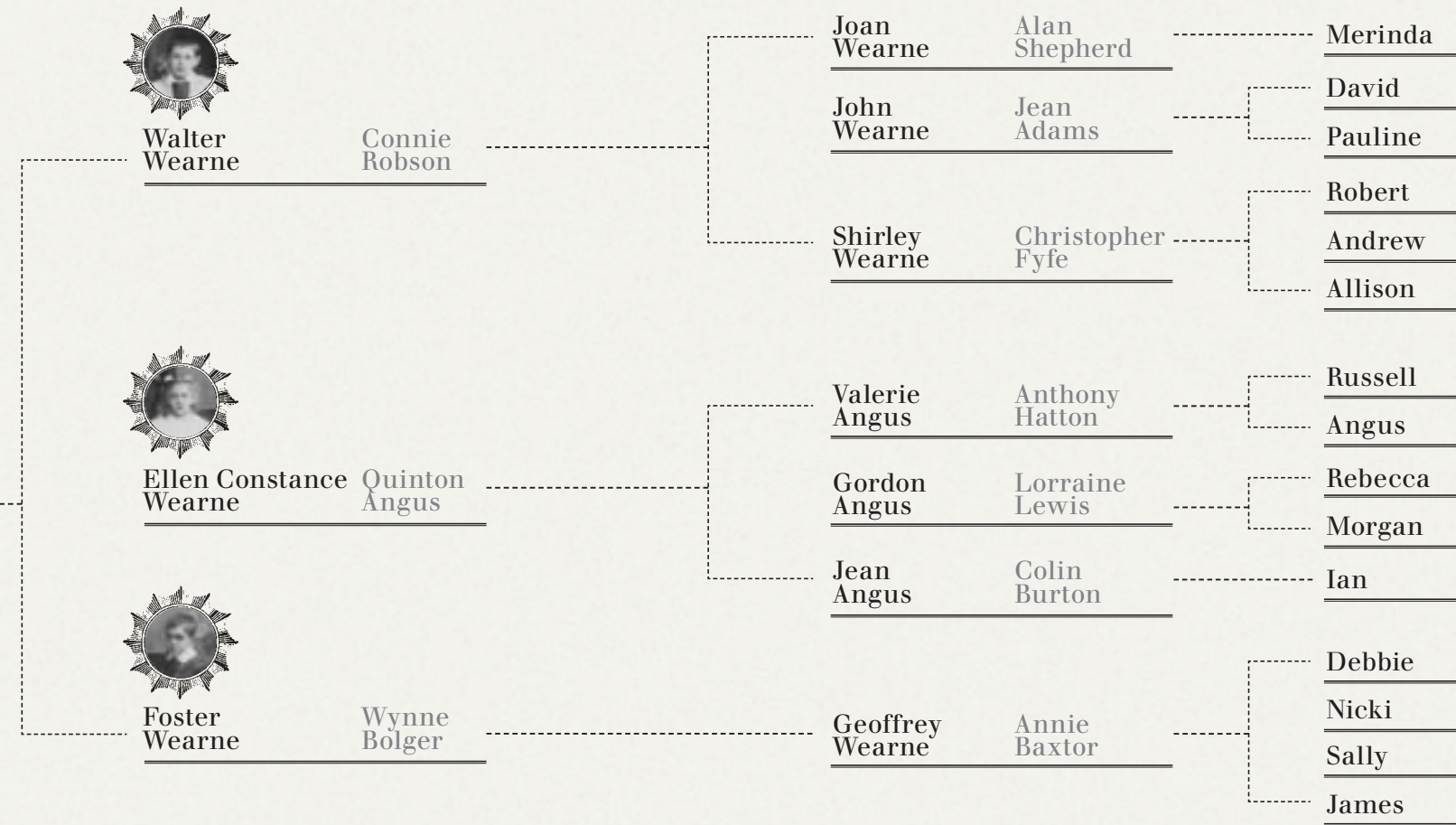
Varma recalls that the first bombs dropped by the Japanese were near Kallang Airport. “Anxious relatives gathered at the gates and some of the people were picking up the debris and stones.”

After the war, Wearnes Air Services ceased operations and Varma went to study engineering in the United States, then worked in a London aircraft company before returning to Singapore to join Japan Airlines, where he remained till he retired. He says if not for the war, he would probably have stayed on with Wearnes.

“It was a good company to work for. We had the chance, as young men, to be trained as aircraft engineers. It was a great thing. In those days there was no school or college here where you could go and study this field. Wearnes Air Services was the only place.”

He says Wearnes should be proud of itself. “It was the foundation of the airline industry here.”

Charlie's Angels STORY 14



Theodore Wearne
Isabella Hodge
Ella Dorothy Wearne

A hundred years on and the Wearne clan have remained in Perth. Although they now do not have any interest in the company, having sold all their shares, their links with Singapore remain through association, memories and affection for the company their ancestors founded.

Most of the family are Charlie's descendants through his three children Walter, Foster and Connie. Currently, there are seven grandchildren, 15 great grandchildren and 17 great-great grandchildren.

Theo had only one daughter, Ella Dorothy, who died in childhood. When a cemetery in Singapore was shut and the graves exhumed, the family had her ashes brought back to Perth for a quiet re-burial in a Fremantle cemetery, where Charlie, other family members and some former Wearne Brothers employees are also buried.

In a restaurant on the banks of the Swan River – a small gathering of family members met for lunch. Present was Charlie's grandson, John, whom everyone says looks like Charlie and has his temperament and mannerisms. John is quiet, gentle, gracious and has a genial smile. He is known for his generosity and good nature. But there are more similarities. John is

an engineer like his grandfather, loves sailing and fishing and does not get seasick easily even in rough weather. Charlie for all his good nature could not abide with anyone who was seasick on a ship.

John remembers happy childhood days spent at Charlie's house in Mandurah. His grandpa taught him fishing on the *Selamat* and they "caught lots of big fish". He had great regard for the old man. "If he had said John, jump, I would have jumped." He also recalls how, during the war years, Charlie would sit in a corner listening to the news on the radio. Charlie died a year before the war ended and never got to see his sons after they were interned by the Japanese as prisoners of war.

John's father, Walter, was based in Singapore throughout John's youth and John and his sisters Shirley (who died in 1996) and Joan (who now lives on the Australian east coast) did not see much of him. Even when Walter was in Perth on holiday, John remembers him being anxious to return to Singapore. The siblings used to make the seven-day sea voyage, often on rough seas, from Perth to Singapore during school holidays. After the war, John's mother settled in Perth, their parents divorced and Walter remarried. Walter returned to Perth in 1974

for an operation but died without regaining consciousness.

Charlie's other grandson is Geoff, Foster's only child and John's first cousin. Everyone says Geoff is like his uncle Walter – jovial, fun and with a ready joke. He is a Cambridge-educated doctor, now retired and doing volunteer work. He does not recall his grandfather at all, as he was very young when his grandfather passed away. He was also in boarding school in Australia and used to make those long sea journeys to Singapore to see his parents, Foster and Wynne.

Geoff's memories of Singapore are somewhat warm and fuzzy, holidays in the big bungalows at Cornwall Gardens, houses with arches and long driveways, his Chinese *amah* (housemaid), shopping at Cold Storage, swimming, parties and the Tanglin Club.

He wishes he had asked his parents more questions. "I remember some things but not the details. Dad was always quiet. Mum did most of the talking and I gathered it was quite a pampered existence for women then. I wasn't very interested in things then, but now, there's so much I want to know. Ah well!"

People have told him about how good his father Foster was to other POWs during the war, always helping them, giving them food. "It is nice

to have someone say that." One incident he was related regarded how Foster managed to lay his hands on an egg and wanting to share with the others, saved it for a special occasion. When he finally broke it open, there was a terrible smell as the egg had gone rotten.

When his father returned to Perth to recuperate after the war, Geoff says: "I saw this small yellow man in a big overcoat stepping off the plane and asked mum if that was him. She said: 'I think it is'. He was seven stone and an anti-malarial drug had turned his skin bright yellow."

When Foster retired at 55, he returned to Perth and spent his retirement "playing bridge with mum and me and gardening, which was his special hobby. But by that time, I was already about to go off to college." Foster died at 80.

John married Jean, a kindergarten teacher whose father was a missionary in Penang. She was born in Singapore and spent much of her childhood in Penang and in Singapore. They met in Singapore and have been married for 46 years and have two children; David, a businessman and Pauline, a business development manager with a financial consultancy. Jean too used to make the sea voyages and like the others recalls that although it was awful and choppy, it was fun

sometimes as the kids used to hide in the lifeboats and played games on deck.

Geoff the doctor, married Annie, a British nurse, in London. They have four children, three girls in the medical line and a son, James, who is in banking. Shirley is survived by her husband Christopher Fyfe, author of *Wheels in Malaya – The Wearne Brothers and Their Company* and their three children; Andrew, a surveyor in Brisbane, Robert a photographer and Allison, a librarian, both living in Perth.

Charlie's daughter Connie Angus had three children; her daughter Valerie Lefebvre, lives in Wyoming and has two sons in Australia whom she visits regularly. Gordon Angus lives in Perth and has a son and a daughter and Jean lives in Sydney and has one son. Joan's daughter, Merinda, now lives in Narooma in New South Wales.

Some things have changed although Charlie's spirit, it would appear, is very much alive in his descendants. The holiday house in Mandurah was donated to charity and is now a nursing home. Theo's house too was donated to the church.

All the family's shares in Wearnes were sold on the advice of a relative who said they needed to get out of Singapore and diversify.

Now the fourth generation of the family, who are mostly professionals in their 30s, led by

David and James, are attempting a reconnection with the company through their own investment in a high-tech Radio Frequency Identification company in Australia. James is particularly keen to get in touch with his roots. When he lived in Fremantle, he used to visit Foster's and Charlie's graves and put flowers there, says mum Annie.

Allison and Pauline are proud of their association with the company and Singapore and love all things Asian as a result of their connection. "My grandma and ma brought the cuisine down. My grandma was not like the other memsahibs. She used to go into the kitchen and learn how to cook. So we grew up on curries, stir-fries, rice and noodles and were using chopsticks long before our friends," says Allison.

It was the same for Pauline because of her parents' long association with Penang and Singapore. She says her generation does not want to lose the connection with their heritage. "It's not just about the money."

Allison says the family has kept alive Charlie's generous spirit by anonymously making huge donations of money to various charities. "Like aunt Joan always says, we have a responsibility. We are caretakers of a legacy, of someone's vision 100 years ago."



STORY 15

HERE COME THE YELLOW TOPS!

In 1933, Wearne Brothers brought in the first Yellow Top taxis to Singapore in response to public demand, according to the book *Wheels in Malaya – The Wearne Brothers and Their Company* by Christopher Fyfe. Their success saw 25 more taxis being put on the road within six months.

The press praised the conspicuously coloured, clean taxis and the courtesy of the drivers, which they said stood in sharp contrast to the larger dirty taxis and their

overbearing drivers.

Taxi services were also launched in Malacca, Kuala Lumpur, Ipoh, Penang and Rangoon. By 1934 the venture had become so successful that a new subsidiary, General Transport Company, was formed.

It is not known what make the earlier cars were but by 1936 the fleet consisted of Morris 8 saloons. Charges were 20 cents for two kilometres and S\$50 for a 12-hour hire of no more than 80 kilometres.



STORY 16

Cornwall and Ford

Cornwall Gardens, off Holland Road in Singapore, was named after Charlie and Theo's father's native county of Cornwall, England.

Ford Avenue, a little further along Holland Road, was named after one of Wearnes' most successful early franchises – the Ford franchise.



STORY 17

STRANGE COINCIDENCE

Walter Wearne ordered a Jaguar in 1971 – a light green 4.2. When the car arrived, he asked a manager to collect it and register it for him. When the registration number came back, it was SE 145. "Isn't it remarkable," Walter exclaimed. "I'm the eldest born and also the number one at 45 Orchard Road!"



When David Wearne joined the merchant navy and left Australia for the first time in 1980, it was to go to Singapore on a ship, just like his great grandfather, Charlie Wearne, three generations before.

His father John (Charlie's grandson by Walter) had said to him: "When you're in Singapore, why don't you go and pay the company a visit?"

So the 17-year-old did. He rode up the lift at the OCBC Centre and entered the reception to find his family name in huge letters on a wooden panel. "I was floored. I'd come from a fairly humble existence in Western Australia."

He recalls telling the receptionist his name, saying: "Dad asked me to come and say hello." After a few phone calls, he was asked to "come this way" and taken straight to the office of then Group General Manager, Teo Eng Guan, who received him warmly. In years to come, Teo was to become his dear friend and mentor or "as they say in Australia, my oldest mate."

Teo and his wife took him under their wing during subsequent visits and looked after him. "It was tough being a young boy on a ship, so it was nice to have a soft place to land and friendly faces to greet you."

The Teos were living in Cornwall Gardens, next door to where his step-grandmother (Walter's second wife) lived, and in the area where Charlie built houses for family members and company executives in the days before the Second World War.

He grew up hearing lots about the company and Singapore, and tucking into his grandmother's "legendary curries". He met Walter once in 1974 when his grandfather returned to have surgery in Perth, shortly before his death. "He came to visit Dad and I and my understanding was that he knew he wasn't to be long in this world. I recall it vividly, him shaking my hand, looking down at me with one of those 'there's going to be a lot going on for you in years to come' kind of look. I just had this distinct feeling of that."

That is proving true. The family, which sold off its shares in Wearnes, is now looking to reconnect through its Radio Frequency Identification company in Perth. David is spearheading the move with his sister and some cousins.

"There was a time when someone from the family could have joined the Board. But they didn't feel capable of doing it because they were grandsons and daughters of the founders, not business people."

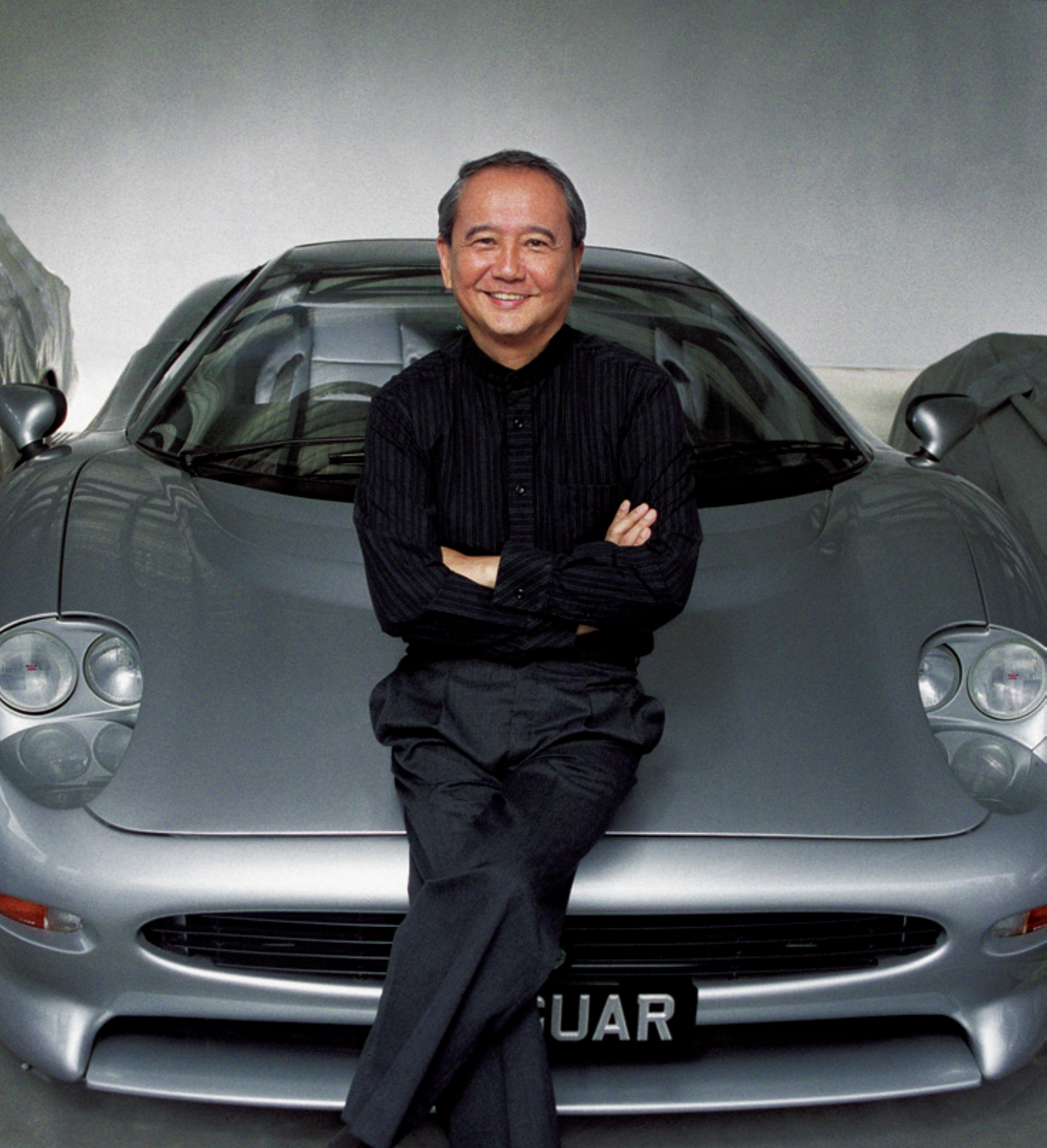
As Executive Director of CareTech Group Proprietary Limited, a medical device company, he says: "Having had some business experience, I now believe that these people were very capable and would have made significant contributions to the Board and company."

His links with Singapore have grown stronger through the years and he considers it his second home. After all, his father spent some time here, his grandfather most of his time and his great grandfather made his fortune here.

Linking up with the company is a dream at the moment. He says: "It would be like bringing the family home."



1 ONE MAN'S VISION PG 1	2 THE ROCK PG 1	3 MAKE NO MISTAKE PG 2	4 A SWEET PICTURE PG 2	5 THE FOUNDERS PG 2	6 THE STORYTELLER PG 2	7 FIRST THINGS FIRST PG 2	8 DRIVING AWAY WITH THE BRIDE PG 2	9 CHARLIE AND THE ANGRY ELEPHANTS PG 2	10 THE EARLY LOCAL DIRECTORS PG 2	11 THE WAR YEARS PG 2	12 ON THE WINGS OF A DRAGON PG 2	13 PLANE CRAZY PG 2	14 CHARLIE'S ANGELS PG 2	15 HERE COME THE YELLOW TOPS! PG 2	16 CORNWALL AND FORD PG 2	17 STRANGE COINCIDENCE PG 2	18 THE SECOND HOME PG 2	19 THE UNOFFICIAL HISTORIAN PG 22	20 AUSTIN POWER PG 24
21 THE MIGHTY MINI PG 26	22 OUT OF THE BLUE PG 26	23 WHAT A BONANZA! PG 27	24 WHEN THE KING CALLS PG 27	25 THE FINE ART OF SELLING TO ROYALTY PG 28	26 ALL THE KINGS' MAN PG 30	27 THE QUEEN'S VISIT PG 32	28 COINS GALORE PG 32	29 THE PARADISE CLUB PG 32	30 JAGUAR SPRINGS INTO THE FRAY PG 33	31 WHEELS OF CHANGE PG 34	32 PRICELESS PITCH PG 34	33 REVERSE PSYCHOLOGY PG 35	34 THE SPIRIT OF COMPROMISE PG 36	35 PLAYING SOCCER FOR WEARNES PG 38	36 NO RED RIDING DUDE PG 40	37 GENERATOR OF REVENUE PG 41	38 THE MYSTERY OF THE RACING GREEN BENTLEY PG 41	39 RED CARPET SERVICE PG 41	40 OUR MAN IN MALAYSIA PG 42
41 AUSPICIOUS DELIVERY PG 44	42 A CHOKE OF GENIUS PG 45	43 A LAST WISH FULFILLED PG 45	44 STAR PERFORMER PG 46	45 THE JAGUAR TRAIL PG 48	46 POLE POSITION PG 49	47 I HAVE NOT WORKED A DAY IN MY LIFE PG 50	48 THE GOOD OLD DAYS PG 52	49 BUSINESS AS USUAL PG 52	50 THE GOOD EARTH PG 52	51 CLEAN WATER FOR A THIRSTY WORLD PG 52	52 GROWING THE COMPANY PG 52	53 FABULOUS PRE-PAY PG 52	54 SAFE PASSAGES PG 52	55 HIDDEN WEALTH PG 52	56 PIE IN THE SKY PG 52	57 MAKING THE WORLD A LITTLE SAFER PG 52	58 NO DIRTY LAUNDRY HERE PG 52	59 BACK END OF THE BUSINESS PG 52	60 HURRAY FOR THE JCO'S! PG 52
61 JET OUT OF HERE! PG 52	62 SMILE, YOU ARE ON CAMERA PG 52	63 TRAPPED IN THE TOILET? PG 52	64 MY LIFELONG EMPLOYER PG 52	65 THE ALP STORY PG 52	66 THE BOLDLINE COMPUTERS PG 52	67 FIRST, A PC FOR THE MASSES PG 52	68 THEN THE BEST PC IN THE WORLD PG 52	69 A COMPANY OF THE FUTURE PG 52	70 CHAIRMAN'S ADVICE PG 52	71 NAIL THE ALP ERA! PG 52	72 SIZE DOES MATTER PG 52	73 FLEXING HIS MANAGEMENT MUSCLE PG 52	74 I HAVE A DREAM PG 52	75 BIG BLUE IN TOA PAYOH PG 52	76 HOME IS WHERE MFS IS PG 52	77 A WALK DOWN TOA PAYOH LANE PG 52	78 RED YEAST RICE PG 52	79 THE SPEEDLING STORY PG 52	80 MEDICAL ADVICE ON THE INTERNET PG 52
81 FROM HERE TO UNIVERSITY PG 52	82 COMPUTERS AND CHOLESTEROL PG 52	83 THE ART OF THE LONG VIEW PG 52	84 THE WONDERS OF VIDEO STREAMING PG 52	85 TECHNOLOGY FOR THE AGE OF TERRORISM PG 52	86 THE BEST OF BOTH WORLDS PG 52	87 WIFI, WIMAX, WHY NOT? PG 52	88 TAG IT! PG 52	89 POWERED BY WINDIGO PG 52	90 THE NON-CONFORMER PG 52	91 RIDING THE DRAGON PG 52	92 SURVIVING SHENZHEN PG 52	93 LIFE IN CHINA PG 52	94 MAKING IT IN SHENYANG PG 52	95 BEST FACTORY MANAGERS PG 52	96 THE BEST FACTORY WORKERS IN THE WORLD PG 52	97 HOW TO DO BUSINESS IN CHINA PG 52	98 CHINESE CONNECTION I PG 52	99 CHINESE CONNECTION II PG 52	100 THE BUCK STOPS HERE PG 52





THE UNOFFICIAL HISTORIAN

In the last 30 years or so, Royston K S Tan has been unofficially keeping tabs on the company's history. Over the years, Royston, who is the Managing Director of Wearnes Automotive and Equipment, would stash news clippings whenever he came across them in the bottom drawer of his desk. When the drawer became full, he started scanning them into his computer.

"I just keep them," he says. The clippings came in handy when he was organising the company's centennial celebrations in 2006. "We were fortunate to have a lot of material to draw from."

Viewed as the unofficial company historian, Royston, 58, admits to having a personal fascination with Wearnes' history. Over the years, he has not only met, but also kept in touch with many people who used to work in Wearnes, some during colonial times. But he says he did not go out of his way to do this.

"Somehow, they found their way to me. Some would be passing through Singapore, en route to Australia or Britain. They'd drop in to say: 'Hello, I'm Mr So and So. I used to work here.' I'd take them to lunch, we'd get talking and that's how I found out more and more about Wearnes."

Royston's own history with Wearnes began in the early 1970s when he left the Administration Service of the former University of Singapore to join Wearnes as a trainee sales executive. Interviewed by a panel of three, including then Group General Manager Jack Ladbrook, Royston recalls being asked why he wanted that position. His reply was: "Because I'd like to eventually get to the rarified atmosphere that you are currently in." Ladbrooke's response was: "Cheeky blighter! But we'll take you on."

He started in the equipment department of Far East Motors, learning about bottle jacks, drills, hydraulic hoses, trolley jacks, vehicle hoists, engine diagnostic equipment, wheel balancers and other workshop equipment sold to service stations and motor vehicle workshops. In a short time, he put in place a new sales and administrative system and quickly rose to Assistant Equipment Manager.

Shortly after he joined the company, between 1974 and 1976, Wearnes

went through a series of retrenchment exercises. "British and Continental cars were taking a beating from the influx of Japanese franchises, so much so that in 1981 we had to relinquish our Ford franchise." But he survived the retrenchments, and in the ensuing years climbed the corporate ladder. "And I'm still here, 33 years later," he laughs.

The company's car business in the 1970s and 1980s focused on two things, people movers like double-decker buses and luxury vehicles, such as Rolls-Royce and Jaguar.

Later, as it expanded regionally, Jaguar was the vehicle or "anchor tenant" and Wearnes was asked to pitch and won the Jaguar franchise in Taiwan in 1989. It went into a joint venture and sold Jaguar cars in Thailand in 1992 and started a joint venture in Indonesia in 2000 to handle both Bentley and Jaguar cars. However, it relinquished its Jaguar and Rolls-Royce franchises in Malaysia because of the country's New Economic Policy that required bumiputra equity participation.

Royston says Wearnes has now come back into the auto trade in a big way, with a return in demand for Continental cars. It garnered the Volvo franchise in 2001 and Daewoo in 2000, which has since been used to launch the General Motors brand, Chevrolet, in Singapore. It also secured two Mazda dealerships in Thailand the following year and was made the Renault importer for Hong Kong in 2005.

Having established a strong foothold in Singapore with Volvo, Wearnes has gone regional with this major business partner, now the new "anchor tenant". In 2003 it secured the Volvo importership for Hong Kong, became a Volvo dealer in two areas in Malaysia's Klang Valley, and in 2005 won two dealerships in Thailand. "Today we have the biggest Volvo dealership chain in Asia," says Royston. "We're on our way back!"

His current brief is "to expand if we can expand" and so he is talking to some overseas and local parties regarding this. "We're looking at new franchises, dealerships and markets, in Australia, China and the United Kingdom."

But this time Wearnes is not limiting itself to just the luxury car market. Royston says: "If any franchise is up for grabs, we will go for it."

STORY 20

AUSTIN POWER

At his home in Sussex, England, Richard Arblaster (or Dickie as everyone knows him in the motor industry) has a postcard of the P&O liner, *Chusan*, on his mantelpiece. “That big, beautiful ship carried me from Tilbury in England to Singapore, 53 years ago, on a journey that changed my life,” says Arblaster, now 74 and retired.

As a young lad of 20 in 1952, he embarked on the 20-day voyage to Singapore, with stops in Port Said, Aden, Bombay, Colombo and Penang, to take up a job with Borneo Motors here.

He remembers the interview, one snowy evening, in a hotel near Coventry in the Midlands. “They apparently liked me. After the interview they had to rush off, but told me to feel free to order myself some dinner in the hotel and a glass of wine. A glass of wine now is nothing much, but in those austere post-war years, it was a rare luxury.”

He stayed with Borneo Motors, building up a solid reputation looking after its Austin car franchise, until 1967 when Wearnes came a-calling. He was on holiday, driving around Europe, when he got a letter at his forwarding address in Monte Carlo from Borneo Motors, telling him that the Austin franchise was moving from them to Wearnes. “It was a bit of a bombshell for me. We’d lost Austin, which I had become irrevocably associated with, having been apprenticed to the Austin works in Birmingham.”

But in England, there was another letter waiting for him, from Wearnes, offering him a job to return to Singapore and set up Federated Motors to handle the Austin franchise. He did just that. He cut short his leave, flew back and spent three weeks setting up the company for the

launch. He was the manager, but in later years, as he took on other franchises, plus the running of Malayan Motors, he became Franchise General Manager for all the UK-based brands including Rolls-Royce.

Describing himself as an “industry enthusiast”, he has chalked up a number of firsts in the car industry. He introduced the Mini to Asia, brought the Jaguar franchise to Wearnes, put the first large contingent of double-deckers on Singapore roads and sold the first diesel taxis here. He is even associated with Comfort taxi’s choice of light blue for its taxis and minibuses.

“In the post-independence days, there was no time to call for tenders. I might get a call one day from an army officer for instance, who’d say: ‘Dickie, come and see me in the afternoon.’ And when I got there, he’d say: ‘We need 12 staff cars urgently. How quickly can you deliver them?’ I’d say three weeks and he’d say: ‘Can you make it two?’ That was how things were then. Now, of course, it’s different.”

A Briton, he got his Singapore Identity Card in the 1950s. He qualified for one then as he had been a resident in Singapore for five years. His other attachment to Singapore is his wife, a Singapore Chinese whom everyone simply calls S J, whom he met here. And he says he has the Jaguar franchise to thank for that.

“She was temping for two weeks to help sort out our Jaguar claims registry, which was in a bit of a mess. In fact it was non-existent, as the person in charge was not very fond of paperwork. Recommended by one of the office girls, she phoned me about the job and I remember we had this blunt argument about money,” he laughs. Soon after her stint, she agreed to help him do

lap scoring at the Singapore Grand Prix. “Things took off from there.” They have been married for 27 years and have a son and a daughter.

They return to Singapore twice a year to see her relatives. Arblaster says he was always very much at home in Asia, in fact, he was often more comfortable here than in European cities. In Singapore, he never lived the expatriate life or hung out in expatriate clubs. “Anyway, in Singapore there was no segregation like in Hong Kong then, with the expatriates on one side, the Cantonese on the other and a gulf between. Here it was more *campur campur* (a mixture).”

He left Wearnes to work for Inchcape in Hong Kong in 1978, at a time when the car industry was not at its best, although he says that was not why he left. “I had a wonderful time at Wearnes. I was well looked after and well rewarded. I’d done some good pioneering work and built up the business and although I was convinced there was still a future for it, Inchcape had been chasing me for a while. They asked me for a shopping list of what I needed, and when they met everything on it, I had to say yes.”

After Hong Kong, he returned to Singapore to work independently, but left in the mid-1990s for the UK, where the children were at university. “We wanted to be there to support them.”

Today, fully retired and umpiring for the local cricket club, while his wife potters in her garden, the picture of the *Chusan* reminds him of Asia, and the day he set sail to a new life. “It was a journey that set me out on a great adventure. I had an exciting time and a fulfilling life in this part of the world. It was also very successful in business terms. There was never a dull moment. I have no regrets. No, none at all.”





Something wonderful came out of the merger between Austin and Morris, which resulted in the birth of the British Motor Corporation (“BMC”). The BMC started making the Mini, a legendary small car that took the motoring world by storm. Malayan Motors together with Borneo Motors jointly launched the Mini in 1960.

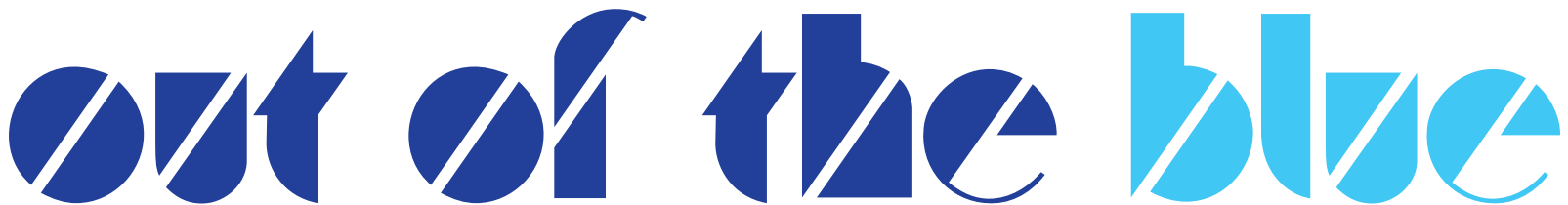
Part of its success can be attributed to Dickie Arblaster (who was then with Borneo Motors) winning the Johore Grand Prix Saloon Car race in a Mini – the first time it was seen in competition – and the first time it won a race outside Europe.

Arblaster says he had the car shipped out in October 1959 and before

the race, under the cover of darkness, had been running it to Kota Tinggi and elsewhere, to clock the miles and get the feel of the car. “I liked its handling and road holding. And its steering was a revelation at that time. We’re talking some 45 years ago.”

When he won, there were gasps. Buyers – informed ones – had seen it in the showrooms. They had taken one look under the bonnet and exclaimed that it would not work as the engine was the wrong way round. “But that race in Johore proved it did. And it worked a lot better than anybody else’s car,” he says.

Over five million Minis were made before production ceased.



When the National Trades Union Congress (“NTUC”) decided to set up the Comfort Cooperative for taxi drivers and mini bus drivers, the late Mr Devan Nair, who was then NTUC’s boss, and later President of Singapore, came to see Dickie Arblaster, then with Federated Motors.

According to Arblaster, Nair said: “I’ve been to Malayan Motors and ordered 1,000 Morris Oxford taxis from them. I need 200

mini-buses, with seats and everything to go, for the opening of the new school year on 2 January 1971.” Arblaster was given four months to complete deliveries.

Then he had to decide on the colour. “I had already anticipated this and checked with the assembly plant,” says Arblaster. “They gave me two colours – a sickly green or a light Kurrewa blue, of Australian origin. There was no time to order any other colours if the vehicles were to be ready in time.” He arranged for two vehicles in those

colours to be in the showroom for Nair to preview. Nair did not like the green. He said: “We’ll take the blue.”

The vehicles were assembled at the Associated Motor Industries plant in Jurong and by the new school year, 192 brand new buses were delivered. “We were eight short. I rang up to apologise, but Nair said: ‘Don’t worry. Good job.’”

Now, three decades later, the Kurrewa blue has just been phased out and replaced by a darker shade of blue.



What a Bonanza!

STORY 23

Those old enough to remember the TV series *Bonanza*, will recall its catchy opening theme tune. Well, a member of a regional royal family took a particularly strong liking to it. In fact, he liked it so much that he wanted to have the tune custom-built as the horn of his next Rolls-Royce. And yes, the folks at Malayan Motors could arrange for it.

The order was placed and a few months

later the car arrived. The customer was down in a jiffy with his entourage to inspect it. He sat in the driver's seat and honked the horn. His entourage clapped. He honked again. After playing with it for sometime, they all left for some shopping and lunch.

After lunch, they swung by the showroom again. After playing with the horn again, they left and all was quiet on the

Malayan Motors front, but not for long. On their way to dinner, he asked his chauffeur to go past the showroom again. He wanted to honk the horn one more time that day.

When the car was delivered to his royal residence, two people were extremely happy – the client and the manager of the retail outlet who found himself humming the *Bonanza* theme tune to sleep.

When The King Calls

STORY 24

While on business in Malaysia, then Wearnes Franchise General Manager Dickie Arblaster got a call from a Malaysian business contact. He said the King wanted to buy a car and told Arblaster to standby for more details. Arblaster thought he would get an early night and be ready for the call the following day.

But at 11pm, the phone rang. "Come now! The King is ready to see you," said his contact. "Wear a dark suit, don't put your hands in your pocket and enter by *Pintu Lima* (Gate Five)."

He got dressed, took his briefcase and hailed a taxi. "Can you take me to Istana Negara?" he asked the driver. The cab driver looked at him for a few seconds, then waved him off, grunting: "*Abhh, orang puteh,*

mabok lah!" (Ahh! This white man is drunk!)

The next taxi driver agreed to take him. He was met at *Pintu Lima* and taken to the palace, where he discussed the deal with the King, who wanted the car in a week. Arblaster said: "I think I can do it, but I'll need some cash in the bank or an official order." The King told his chamberlain to get the order ready by 10am the following day and true to his word, a courier arrived at the hotel with it the next morning.

The car was flown in the following week and at the King's request, Arblaster supervised the unloading. With a hired driver and accompanied by outriders, they drove through heavy morning traffic, down the Federal Highway with no obstructions.

It was smooth sailing all the way and the spanking new car was handed over 48 hours later.

STORY 25

THE
FINE
ART
OF
SELLING
TO
ROYALTY



Do not approach royalty directly, do not speak directly to them. Do it through their aides. Never give instructions, only suggestions, when it comes to servicing their cars. Never say no, even if it means having to lug stacks of cold hard cash back to the office.

These are just some of the dos and don'ts when it comes to the fine art of selling Rolls-Royces, Bentleys and Daimlers to royalty. An art that Barry Kan, Malayan Motors General Manager, has honed over the years.

He will be the first to admit that he learnt on the job by listening to his boss, Royston K S Tan. It is a Malayan Motors tradition, handed down through the years.

"We understand royalty. We know you need to show them respect and know your place in society. If you don't know your place, then it becomes very difficult," stresses Kan.

With other prestige clients – those who have reached the pinnacle of their careers or society – once you build a relationship, things get easier,

he says, adding that it is important to never abuse the relationship and badger them for favours. "Always respect boundaries. Give them the latest information, the best information and if there is something you can't provide, find out where you can get it for them. These people are at the pinnacle. You don't have to hard sell them anything and they have the facilities or people to cross check your information anytime. But say if you know there is a new model coming out soon, they appreciate your telling them, even if they have decided on the old model."

He adds: "I always tell my guys that selling them the car is only the first step. In 10 or 20 years, we want their children to come back and buy cars from us." He says it is a skill you cannot learn in school. "A lot of it is intuitive. You have to read your customer right. Some want to know everything about the car and ask a lot of questions. They take time to decide. So, when you deliver the car you go through everything with them. We tell them: 'Here's the key, here's the starter button, here's how you engage the gears!'

Others just want to know how much, what colour it comes in and when they can have it." There are also customers who just drop in while passing by, wanting nothing in particular, but just to stay and chat for hours. "We have this facility. We want them to feel comfortable and welcome here."

Kan, originally from Malaysia and a father of three, has been with Malayan Motors since 1981, working his way up from Service Manager. He was initially rejected when he applied for a job in Wearnes as a trainee after finishing school in Malaysia. But he found his way back after higher education in Singapore and a stint with Singapore's port operator, PSA International.

"I've always been interested in cars and as a child was fascinated by my uncle's Jaguar which was one of the first few cars with air conditioning. He used to switch off the engine at the traffic lights and coast down the road to the house, exclaiming: 'See how quiet it is. You can't even hear it coming.'"

The cars may have changed but the fascination has obviously stayed.



All the Kings' Man • Story 26 •

Malayan Motors foreman, Soo Tin Cheong, or Uncle Soo as he is affectionately known to colleagues, has been going to work every day with his passport in his back pocket. That is because when it comes to cars – he is the Kings' man.

With 54 years to his name tending to Rolls-Royces and other luxury cars, Uncle Soo is the man Asian royalties rely on when their cars need attention. At a moment's notice he may be on a plane heading for a royal garage in the region, or delivering a Rolls across the Causeway.

At 71, he has seen the insides of palaces and driven many a Rolls, but this father of seven is happy to return to his three-room HDB flat and take the MRT to work. He used to cycle to work and once owned a Mini-Clubman.

Muscular, tanned and able-bodied, but speaking with a forced whisper (the result of a throat cancer operation some years ago), he has many stories to tell. Like the time when the late Singapore President Benjamin Sheares' Rolls-Royce broke down near the old Kandang Kerbau Hospital.

Uncle Soo was inspecting the engine, when the President told him: "Carry on. Don't worry about me. I'll go on with the police escort." Or the time when he had the roads all to himself in Bangkok. He had to test drive the Thai King's Rolls-Royce and the roads were cleared for him to speed down in it accompanied by mobile police escorts. If you press him further, he will confirm that a Malaysian Sultan has offered him a job several times, and even told his boss to inform him if Uncle Soo ever leaves.

But Uncle Soo is happy where he is. He joined the company in 1951, at 18. He can still recall the bomb that went off at nearby MacDonald House in 1965 during Confrontation with Indonesia as he was then stationed at the nearby Malayan Motors workshop.

The Japanese Occupation ended his education, so he hardly speaks any English. Despite this, he has been trained at the Rolls-Royce Centre in England. He went for training only after much assurance from Malayan Motors General Manager (then Service Manager) Barry Kan, who acted as interpreter, boss and friend. After that trip, whenever Uncle Soo was asked to go to England, he would say: "I'll go Mr Kan, no problem, provided you come along too."

As the longest serving and oldest employee in the Leng Kee Road workshop, Uncle Soo has seen times, technology and people change – from a one-to-one-mentoring system to computers. But the advent of new technology does not faze this old hand, who can gauge what is wrong with a car just by listening to the engine. Younger colleagues often use the computer to confirm his findings.

None of his children have followed in his footsteps, although several sons are in the technical field. A daughter used to work in Wearnes, but now runs her own business and he says helping her is an option, if he retires. But thoughts of retirement are far off as he says he will be bored, and "if you slow down, your brain deteriorates". He recalls how, when he had his throat operation, he found it difficult staying away from work despite being on medical leave. Citing a fourth brother who worked till he was 84, Uncle Soo says it is in his genes to carry on. "I'll be here until the company doesn't want me anymore."



Q THE QUEEN'S VISIT

When Queen Elizabeth was to visit Sarawak in 1971, a Wearnes manager received a call. The request was: "The Queen's coming and they want a Daimler limousine within six weeks. Can you get one for her?"

What? A Daimler limousine sent from Coventry to Kuching in six weeks? "Money's no object. Just get the car," said the man at the other end of the line. So the manager got a car flown out from England to Singapore. On arrival, the Daimler went straight from Paya Lebar Airport to the docks where a coastal steamer was ready to ship the car to Kuching.

The manager flew to Kuching to supervise the delivery. They got it ready for Her Majesty – with two days to spare!



STORY 28

COINS GALORE

Up to the mid-1970s when Progress Motors was supplying spare parts to separate bus companies such as Changi Bus Company, payment was invariably made with coins collected from the bus companies' daily takings. These coins were put into gunnysacks, which were then placed in rattan baskets and delivered to Progress Motors in lorry loads.

This was in the days when there were no restrictions on the amount of coins that could be deposited in banks. This was also before the advent of electronic weighing machines that enabled

banks to determine the value of the coins by weighing them. Progress Motors had no choice but to set up a task force to count these coins every time payment was made.

This carried on till the mid-1970s when with the onset of new legislation, banks would not accept coin deposits in such copious quantities. The bus companies, which had amalgamated into Singapore Bus Services by then, switched to cheque payment. Even then, they would pay Progress Motors in coins whenever they had excess and could not deposit these with their banks.

STORY 29



This was the unofficial club housed in a loft at Progress Motors in Orchard Road, next to Macdonald House. It was first started in the mid-1960s by one of the company's managers. The loft housed vehicle body parts, a few aircraft wings and other spares. The manager got it cleaned out and outfitted for a few hundred dollars. He put in an air-conditioner, set up a bar and it looked very cozy indeed. Many managers would drop in for a drink after work.

Every fortnight, on a Wednesday, a special lunch was hosted and the guys took turns to bring an unmarried female guest. She could be local or Caucasian but the criteria was that she had to be under 30.

Informants say that some of the guys who either could not find a girl to invite, or were afraid their wives would spot them with another woman, cried off, and excused themselves.



JAGUAR SPRINGS INTO THE FRAY

STORY 30



In July 1969, Dickie Arblaster was called in for a meeting with the General Managers at 45 Orchard Road. They told him and six other managers that Wearnes had just been offered the Jaguar franchise. Did they want it?

Cycle and Carriage, which had held the franchise for many years, had only sold 11 cars in the previous year and was giving it up to concentrate on Mercedes Benz. Jaguar had just launched the new XJ6 series a year before, a huge leap forward in luxury car design, says Arblaster. However, the other managers were not interested in taking it on. They said the car overheated, the Chinese would not go for it because of bad *fengshui*, and so on.

“I said: ‘Rubbish! This is a magnificent car. I’ll take it on.’ I was convinced because I’d read the motoring journals which I always had flown in. I’d read the test reports, and I knew it was a good car. I saw the opportunity and grabbed it.”

The next month, he went to Coventry in the UK. “After a splendid lunch and two bottles of good red wine, we signed up the deal, starting 1 January 1970.” Within the first five months, Federated Motors, a Wearnes subsidiary, had sold 100 cars. Arblaster says: “We got off to a terrific start and I don’t think we’ve looked back since.”



In 1961, some Austin export sales personnel came from Britain desperately looking for new business. Dickie Arblaster, who was then with Borneo Motors, an Inchcape company, had been marketing the Austin A60 for a year and had introduced the 152 omnivan with the 1.5-litre diesel engine.

“I asked them why they couldn’t put the 1.5-litre diesel engine into the Austin A60. The sales personnel said: ‘No one had asked for that before.’ The A60 then only came with a petrol engine. I asked if they could build three cars and ship them out to Singapore.” They did. He went out with some help from an interpreter and handed flyers to taxi drivers, telling them about this new diesel taxi being available. Within the first week they had 15 firm orders, and within the first three months 700 orders. “I was the culprit who upset the taxi business,” he says. Those who were selling the Morris, Fords and Hillmans took fright.

But soon, the Morris Oxford, marketed by Malayan Motors, began arriving with the same specification diesel engines. “For a while, everyone prospered.” It is interesting to note that by 1967, the Austin franchise joined the Wearnes stable.

• STORY 32 •

Priceless Pitch

Sometimes customers do the selling. Like the case of the hopping mad Bentley owner who stormed into Malayan Motors’ showroom. He gesticulated, uttering each word forcefully: “Three times I used this car, three times it failed to start. I have never been so embarrassed!” He had never had any trouble in all his years of driving a Bentley until this car came along, he raged.

The salesman looked at him sympathetically and said: “I tell you what, mister, I’ll take the problem away for you. Would you consider taking this new Bentley in the showroom?”

“What do you mean?” the frustrated owner

asked with increasing irritation.

“I’ll trade the cars. I’ll sell you this new car at cost. Just pay me the difference. You can take the new car away right now,” the salesman promised.

The doubtful owner looked at the salesman, then the car and asked apprehensively: “Are you really serious?”

“Yes, you can drive it away right now,” the salesman repeated.

And so a gentleman’s agreement was reached. They shook hands on it and the now happy customer drove away with the new car. The salesman lost money on the deal, but he was soon to find out what he had gained.

Sometime later they met at an embassy party. The customer greeted him warmly and introduced him to some friends. Then, turning to his companions, he said: “If you guys are looking for a Bentley, this is the place to go. These guys at Malayan Motors, they really look after you.”

The salesman was gob smacked. The S\$20,000 he had lost on the deal was nothing compared to this kind of genuine advertising – from a credible source to a cache of potential clients some of whom called with enquiries after that. You could not even pay someone to do it even if you had wanted to – to say the right thing, at the right time, to the right people. It was priceless.



Reverse Psychology STORY 33

For 18 months, the businessman hemmed and hawed. Then from out of the blue, he called Malayan Motors. Speaking to one of the salesmen, he ordered: “Come to my office at 8am tomorrow. I’m ready to buy a Rolls.”

The next morning, the salesman dutifully went to meet the customer. He was asked to wait and was offered coffee. He drank some, and then some more. He waited. Then the businessman came rushing past and apologised: “Sorry, I forgot I had made an appointment. I have to rush out now.”

The salesman returned empty-handed to the showroom, as was the case for every single previous “confirmed deal” meeting for a year and a half with the same customer.

After two months, the businessman called again. “Come now, right away. My lawyer is here. I’m ready to sign.”

So without raising his hopes too high, the salesman went, thinking this could finally be the day the customer signs on the dotted line.

When he got there, the businessman said: “You know, my lawyer says not to buy a Rolls. It will draw attention to me and it’s bad for business.”

“I gave up. I really gave up,” recounted the salesman. Some time later, when the businessman was driving past the showroom, he saw a newly arrived Rolls-Royce from the main road and decided to drive in. He looked it over and told the salesman: “I must have this car. This is the one I want.”

Remembering the customer’s track record, he decided to try a new tack. “This car has been ordered by a Sultan. He’s coming in a month to look it over and decide. So, I can’t let you have it,” explained the salesman.

“But has he put a deposit down?” the businessman demanded. “I can give you a S\$100,000 deposit right now.” The salesman replied: “Sorry but we have to honour our word to him.”

Three weeks later, the salesman called the businessman up and said: “Okay, the royal client doesn’t want the car. He says it is too small.”

The businessman screeched: “Too small? What does he want?”

“He’s looking for a stretched Rolls, a bigger one, with a few more doors,” said the salesman. “So, do you want this?”

“Yes, yes, I want it,” said the businessman.

And sure enough, the deal finally went through. Fortunately, the Sultan did not want the car. After nearly two years of chasing the businessman, the salesman had finally turned the tables on the customer.

A few years later when the by then retired salesman bumped into this customer, he enquired about the car, his business and if there was any truth in his lawyer’s warning.

The businessman replied: “Business is great and the car is wonderful.”

In fact, you could say the car brought him luck. By then, he was already into his third car with Malayan Motors.

THE SPIRIT OF COMPROMISE

Atop the aristocratic chrome grill of every Rolls-Royce stands an angel poised in flight. An ultimate symbol of the sumptuous luxury and refined craftsmanship that comes with every Rolls-Royce since 1911, the statuette mascot is officially called The Spirit of Ecstasy, informally, The Flying Lady.

Imagine the indignation all round when a right royal client said he did not want The Flying Lady. The Sultan, a jazz lover and clarinet player, wanted something that would reflect his love of music instead. But Rolls-Royce was adamant. They would not agree to a change.

So Malayan Motors had a problem, but not for long. The

company asked Rolls-Royce if it could get their blacksmiths to come up with something else in exactly the same dimensions as the original Flying Lady. And Rolls-Royce did not have to mount it on the vehicle. They just had to make it. Could their craftsmen do it? Yes, they could. Will they? Yes, they said.

When the Rolls finally arrived at the airport, there it was resplendent in all its glory with the chrome stainless steel lady mascot affixed. It was driven from the airport to the palace. But when the Sultan stepped out to receive the Rolls, there was his very own custom-made symbol. The switch had been made right there at the airport. Do not ask how. What was more important was that all parties were happy.





In the 1960s, if you were young, played soccer and were looking for a job on the shop floor, Wearnes was the place to be.

That is what Tan Pang Seng found out at 18 when his friends, who were playing soccer for Wearnes, said: “Eh, Pang Seng, come and join us!”

“I heard from my friends that at the interview, if you said you played soccer or badminton, you’d immediately be shortlisted. So, I applied for the job, got it and joined Wearnes in 1960, mainly to play football,” recalls the 64-year-old, now retired after 43 years as a Parts Executive with Malayan Motors.

His job was to help sell spares – and play football. “I’d come in at 8am. By 4pm I’d stop, wash my hands and catch the bus to Farrer Park for training.” He would be joined by players from other companies in the Wearnes Group, such as Progress Motors and Far East Motors. Among them were the Quah brothers, a family of national footballers.

Tan and his mates would even be down in the park on weekends, as early as 6am, to train. They were paid about S\$60 a month but he did not care. “I was crazy about football. We all were. It was more like an allowance, so that we could take a bus, buy a drink, get something to eat.”

They did not have a coach then. “Those days were way different from now,” he recalls. “Now, you have a coach, manager, team captain, secretary, so many people. Then, we all trained individually or with our own clubs and picked up the

game as we went along. I belonged to the Chinese Athletic Club, so I trained with them. However, some of us managed to get Choo Seng Quee, the father of local football, to give us some tips. He was willing to train anyone who was interested.”

Wearnes provided jerseys and football boots. “In those days, we didn’t have brands like Nike or Converse. Our boots were custom-made by a shop called Broadway in Bras Basah Road. They cost about S\$14 and when we wore them at Farrer Park, they were always much admired by other footballers. In fact, when a Hong Kong team came to Singapore, all of them made boots at Broadway.”

Matches were played against other Wearnes firms as well as other companies in the Singapore Business Houses League. “During my time, we actually took home three business match trophies.”

The expatriate bosses would turn up for the finals, but most of the time, it was the Secretary of the Football Club, J E Roberts, an Indian Eurasian from the finance department, who would be there to cheer and spur them on. He would arrange transport and their allowances. He was there at training sessions and for all the matches, big and small.

The boys used to hang out at the clubhouse for soccer, badminton and billiards, at the building in Dhoby Ghaut where the Management Development Institute of Singapore is now located. They could buy drinks, and there were billiards and table tennis tables. The expatriates favoured Ho Ah Kee’s coffee shop in Killiney Road.

Tan describes Roberts as “a nice guy” who would be in the soccer club most days. “He’d usually have two drinks, then leave. Sometimes if we performed really well, or won a match, he would say to the bartender: ‘Suppiah, take six bottles to the boys and put it on my bill.’” Tan also recalls that when they won, they would get their pay right away and would not have to wait for payday. “We were usually paid fortnightly, but when we won, he’d tell the clerk to prepare our paycheck for the next day.”

After a year, Tan got a permanent job as a clerk and a pay increase. Rival companies offered him jobs but he was never tempted. “The offers were not much better than what I was getting at Wearnes and I was happy there. We were like one big family. The people were nice. That’s why I stayed so long.”

He played football for five years and by 1965, was promoted to Grade Two and had his salary upped to S\$250. “It was good pay in those days.” But after five years he made way for younger players. “I was in my 20s, started going to parties and forgot about football... at least for a while.”

The Wearnes soccer club itself went on for a while longer and was finally dissolved sometime in the 1970s.

Today Broadway is no longer there, Farrer Park has evolved; the club building though now used by others, still boasts the old facade. Whenever he passes it, Tan cannot help but be reminded of the good old days playing soccer for Wearnes.



vodafone

NO RED RIDING DUDE

STORY 36

He found the car he wanted but not the colour. A Daimler it was to be. The showroom manager had already sold him on that. But what of the colour? Even after judiciously going through the entire colour palette, the lawyer could not find the red he wanted. Finally, he said: "Give me the Ferrari red." And not just for the bodywork; it was for the interior as well, including red leather seats.

And so the order was placed. Five months later (yes, it takes that long to get a Daimler painted and upholstered) the car arrived in a crimson blaze. But when the customer saw it in

its full glory, it was just too much. "It's too red," he cried out in despair.

"I don't want it. You have to take it back," he insisted. "And never mind the deposit. Just get me another car."

"No problem," said the manager, who was already wondering how to dispose of the red monstrosity. With the customer agreeing to the loss of his booking deposit, another car was ordered for him. The startling red "beauty" was eventually sold to a buyer in New Zealand. He received a very good discount and was last reported to be very happy with it. Of course he repainted it first. No news about the upholstery though.





GENERATOR OF REVENUE

Malayan Motors had a pile of leftover Gardner diesel engines and spare parts, which were used in heavy commercial vehicles. Royston K S Tan, then the Parts Manager of Progress and Malayan Motors, was wondering what to do with them when, on a trip to Hong Kong, he noticed that all the bumboats were powered by Gardner engines.

Apparently, the engines and spares came off buses that had been scrapped. The bus companies sold these items off as “scrap iron” to spare parts retailers, who in turn sold them cheaply to bumboat owners who then modified them for marine use.

So, through a contact, Royston sold all his Gardner engines and spare parts in Hong Kong. “We didn’t lose a cent. In fact, we made more profit than we would normally make,” he quipped.

THE MYSTERY OF THE RACING GREEN BENTLEY

A young woman “with the face of an angel and skin like fine porcelain” walked into the Malayan Motors showroom in Leng Kee Road one day and ordered a Bentley. Flipping through the colour sample catalogue, she pointed to a racing green swatch and exclaimed excitedly: “That’s the colour!”

So the order was placed and when it was ready some three months later, she came in to view it. “It’s wonderful, fine,” she said delightedly and wrote out a cheque in the region of S\$1 million. She asked for the car to be registered and walked out as every head turned to follow her every move. A week later, Malayan Motors got a call from her. She said: “I don’t want the car. I’ve changed my mind. It’s not the colour I want. Get rid of it.”

The salesman was perplexed. Why the sudden change of mind over the colour? And then he started worrying about the money they would undoubtedly lose on the sale. To re-do the entire car for another client would mean having to strip it down to bare metal, spray paint the car, not to mention having to change the interior trim as well. Plus, the transfer fee – two percent of the original retail price – would be sizeable.

Even if he could find someone else to buy it the way it was – that is, make a quick sale – it would probably have to go at a heavily discounted price. By his calculations, the frustrated sale would cost the company quite a bit of money. He told her it would cost her at least half a million dollars.

“That’s fine”, she said. “Just get rid of it! By the way, I want you to order for me another car, the same model but in Bentley’s beautiful signal red!”

Red Carpet Service

STORY 39

When it comes to a Bentley, the sales personnel at Malayan Motors bend over backwards for their customers. Customers might want a personalised or customised finish rather than the standard walnut trim. Or perhaps they would like their names monogrammed onto the steering wheel. Perhaps specially upholstered cushions in Thai silk.

A particularly unusual request came from a lady who wanted the carpet in her Bentley to be in the exact same shade of red as the carpet in her house. None of the sample swatches available matched.

“Why don’t you ask get someone to vacuum the carpet and let us have some of the fluff from it?” the salesman advised.

She obligingly did so and brought in the bits of fluff a day later. The bits of fluff were packed and air-flown to the factory in Crewe, where it was inspected, analysed, matched, colour-coded and a sample was custom made and couriered back to the customer. The salesman brought it to her. “Is this the colour you want?” he asked. The customer took the sample, went down on her knees and placed it on the carpet. It was perfect, she exclaimed.

So they went ahead to manufacture the carpet – not just the bit for the Bentley but all 200 yards or so of it as there was a minimum order. And although they only used a few yards of it, she had to pay for all 200 yards. But then, money was never the issue in the first place.



Our man in malaysia

STORY 40

As a schoolboy, Syed Hussain Syed Mohamed used to admire a sports car that went past his house every morning. He wanted one too. He obtained his driving licence while still in school and as soon as he finished schooling, he joined Wearnes in Malaysia, where he sold cars and drove cars. Everyone, including his father who worked for the government, told him he was crazy and should, like other bumiputras, join the civil service. But he recalls how even the government then was encouraging young Malays to go into business or join commercial firms.

Now 68, the semi-retired Managing Director of Sisma Auto – the sole importer and distributor of Jaguar cars in Malaysia – says he learnt the trade on the job. “In those days they sent you to various departments – the store, service station and finally sales. As a manager, they sent you around Malaysia. They also sent you for training in Australia and Britain.”

At first, he sold the Morris Minor and Mini, visiting canteens to talk to office workers and teachers. He was promoted to manager and started selling Rolls-Royces to the Sultans – a job made possible because of family connections. “You need to know them personally. Otherwise it is difficult. One Sultan bought about 15 cars from me over a period of 20 years. Every time a new model came out, I’d go and see him.”

Apart from royalty, the market for Rolls-Royces was limited. “Even if the well-to-do could afford them, out of respect for the Sultans, they would not buy a new one and if they did it would be a second-hand one from the Sultans. Now however, some of the super-rich don’t hold to this, but the Datos (titles conferred by Malaysian royalty) still refrain from buying a new one.”

He no longer handles Rolls-Royces, but has kept the Jaguar dealership, something he took over after Wearnes exited most of its auto opera-

tions in Malaysia.

“A top-end prestige car like the Jaguar,” he says, “is the ambition of most executive men because it has an image that says ‘you’ve made it’. In fact, some *towkays* (big bosses) who can buy, don’t, for that reason. They reckon people will think they’re so high up that they won’t do business with them.” There is a new line of smaller, lower-priced Jags now to capture the young professional market.

This father of four and grandfather of eight has two sons and a nephew working in the business with him. He says they have the professional qualifications and experience to take it to the next level.

He acknowledges that business is tough, not just here but worldwide. “That’s why I’m semi-retired,” he laughs adding that he remains overall in charge. He still holds weekly meetings to be brought up to speed and to keep an eye on things. “If something goes wrong, I’ll jump in.”

STORY 41

AUSPICIOUS DELIVERY

It is quite customary for the Chinese in Singapore to buy a new car for the Lunar New Year. And this was indeed the desire of a millionaire businessman, who in the early 1980s ordered a Rolls-Royce. He had ordered it six months before the Lunar New Year as it takes that time for any Rolls-Royce to be hand-built and shipped out from England. The salesman remembers there were frequent strikes in Britain at that time and there was a possibility that the delivery would be jeopardised.

Everything was then done to ensure a prompt delivery. But a few snags started creeping in and the Rolls could now only arrive on or around the first day of the Lunar New Year, hardly comforting news for Malayan Motors. Its managers thought it

would be wise to forewarn the client – just in case the car could not be delivered as promised.

“No,” boomed the tycoon, “If you can’t deliver it to me by Lunar New Year’s eve, you can keep the car!”

So the managers at Malayan Motors had no choice but to go into overdrive. They called the shipping agents to time the arrival. They talked to the station manager of the shipping agency. They prayed hard that there would be no storm along the way to delay the ship. They spoke with Singapore Customs and made special arrangements to pay the import duty beforehand. In those days, you could only pay the duty when the car arrived.

It was then confirmed the Rolls would arrive

on Lunar New Year’s Eve, when traditionally, most people have a half-day off work to prepare for their reunion dinners. Malayan Motors’ mechanics and salespeople were all primed for a quick delivery. Luckily, it arrived as scheduled and went straight to the freight forwarder. Everyone along the line did their part and the gleaming Rolls emerged, ready for the road. It was delivered to a beaming client at 6.30pm.

He was happy. The timing was auspicious. It was like a big *hongbao* for him.

There was just one small oversight. In his excitement, he forgot to give the guys who delivered it, a token *hongbao* for good luck. They, however, were just thankful they could still make it to their reunion dinners.



A Last Wish Fulfilled

STORY 43

There was an elderly gentleman who wanted to own a Bentley within his lifetime. His wife rang Malayan Motors to ask how soon it could get a Bentley for him if ordered immediately.

Unfortunately, there were none available in the showroom at the time. It would take at least four months for the factory in Crewe to have one made to order. Ordering one from what was available from existing stock in the United Kingdom would be a quicker proposition which the customer's wife agreed to.

The UK office had four ready-made cars and she confirmed her husband would be most pleased with the model in racing green. She also agreed to airfreighting the car out on the next available flight.

The car was registered upon arrival and delivered to the house on a Monday. The customer was assisted out of bed and stood on his doorstep to take a lasting look at the Bentley. He smiled and asked to be taken out for a ride around the estate. The salesman willingly obliged. The wife told the husband: "The driver's coming next week."

A week later when the salesman informed the customer's wife that the driver was reporting for work the following day, she sadly informed him that her husband had passed away that very morning.

The salesman asked the wife if he had said anything about the car before his death. "No," she assured him, "although he never got to enjoy his new Bentley for long, at least he got to ride in it before he died. And that was his last wish fulfilled."

• STORY 42 •



A CHOKE OF GENIUS



Everything about the Jaguar was perfect. Well, nearly. Could Malayan Motors remove the Jaguar "growler" badge on the steering wheel?

"It's bad *fengshui*, the animal is an overpowering symbol," said the businessman eyeing the coupe. "It cannot be done," replied the salesman. The badge was an integral part of the design and mechanism. But the client insisted: "No removal, no sale!"

Malayan Motors' sales executives put their heads together and called a geomancer in Hong Kong. They explained the problem. He had a simple solution, a minor tweak was all that was needed to contain the menacing terror. "Put a ring around the badge, to tame the animal. It would be like putting a collar and leash on a dog before taking it for a walk," he advised. It was done and Malayan Motors closed the sale.

A choke of genius?

STAR PERFORMER

STORY 44

Former motoring journalist and racecar driver Lee Chiu San joined Wearnes when his friend, Barry Kan, rang him to ask: “Hey Chiu San, can you help me get Volvo?”

Lee, now General Manager of Starsauto, the dealer for Chevrolet, replied incredulously: “Barry, you don’t need me for that. Just hop along the road and you’ll find dozens of models.”

“No, I don’t mean *a* Volvo. I mean Volvo!” clarified Kan.

Lee said his ears pricked up. “Now you’re talking!” he told Kan. So, round about the start of the new millennium, he found himself in Wearnes, helping to win the Volvo dealership.

“Royston K S Tan realised that you need critical mass to be a player in the Singapore car market. With globalisation, the whole economics of the car business had changed. You had to have big numbers to be a serious player. Volvo was his first step.”

A few days before the year 2000, they succeeded in buying SM Motors and adding the Volvo franchise to the Wearnes stable.

Lee says Royston’s next move was to have him help acquire the insolvent Starsauto, which was at the time representing the ailing Daewoo. At the Pine Tree Club in Singapore, Royston introduced him to a group of Wearnes managers, saying: “Meet the man who’s going to run an insolvent company representing a bankrupt principal.” The move was a strategic one, as Royston realised one of the big car companies in the world would buy up Daewoo. In this case, it turned out to be General Motors.

“We climbed out of bankruptcy. Unfortunately we had to retrench a few people. We then signed an agreement with General Motors to be its dealer, not specifically for Chev-

rolets, but for whatever vehicle they wanted us to carry. We launched Chevrolet in 2003 and it took off. But the in-between years were lean ones with a lot of cost cutting, DIY-ing and pulling ourselves up by the bootstraps.”

With Chevy they had an advantage. Seen as an American brand, with cars possessed of a European feel, put together by German designers, it is very much part of American popular culture and heritage. There are about 300 songs written about it, including American Pie, Crocodile Rock, Riding with Private Malone, Route 66 and Little Red Corvette.

“My parents know it from the movies of the 1950s and 1960s as this huge American car usually with a successful businessman in the back. The new Chevys, however, are value for money and fun to drive.”

In Singapore the brand went straight for the English-speaking market, selling on the Chevy’s heritage and it took off. Now Starsauto is going to the heartlands. There was of course, the very successful tie-up with the popular American and Singapore Idol TV shows.

Although his days as a motor journalist and racecar driver are behind him, Lee is still a fast car enthusiast, which he picked up as a teen from an uncle who raced cars. Over the years, he has owned and driven three Austin Healeys, five Volvos, a Lotus, a Volkswagen Golf, a Mini Cooper, two Alfa Romeos and a Jaguar. He now drives a Chevy “like a good corporate man” and a Suzuki Vitara on weekend nature drives, an interest he shares with his wife.

But there is still fire in his blood. Sometimes he goes to the racetracks in Sepang to race a saloon or rented sports car, although he says a bit woefully: “At 59, I’m not as fast as I used to be.”





The Jaguar Trail

STORY 45

In response to complaints of the Jaguar's reliability in the late 1980s and early 1990s, Malayan Motors came up with the idea of inviting Jaguar owners to put their cars to the test on a long drive upcountry. So the Jaguar Drives were born.

"Why worry?" said the organisers. "It's all paid for by us, and we have all our guys on standby, our breakdown crew, spare parts, spare cars." Arrangements were also made with the Malaysian authorities to ensure a smooth drive.

The owners set off in an impressive line of Jaguars with friends and families in tow. It turned out to be more than a holiday for all; lots of unscheduled networking along the way, with promises to follow up again in Singapore.

One person who went on the Jaguar Drives was Paul Chan, until recently Senior Vice President of the Technology Solutions Group and Managing Director, Asia Pacific & Japan of Hewlett-Packard Asia Pacific. In the mid-1990s, he joined a drive to Penang and back, stopping over in Kuala Lumpur. A total of four nights were spent on the road – two in Penang and one night each, either on the way up or down – in Kuala Lumpur.

He drove his XJ6. "It was a great way to enjoy the car," he said. His wife and three children went along and they all took part in a treasure hunt organised by Malayan Motors. He recalls: "There was this competitive spirit and having young children along came in useful, as they

were full of energy and could go all out looking for clues in the competition. It was a lot of fun. We came in third and won S\$2,000 cash. I used it to buy a set of alloy wheels for the car."

Rating the drive a 10 out of 10, he said he would not hesitate to go on another one if ever there was one organised again.

For two other families, the Jaguar trail led, years later, to their children taking a different kind of journey together – a lifelong one.

The children, who met when they were about 11 or 12 years old on a Jaguar drive, stayed loosely in touch. When they met again and were re-acquainted in university, love blossomed. Not long after they got married.

The wedding car was a Jaguar, obviously.

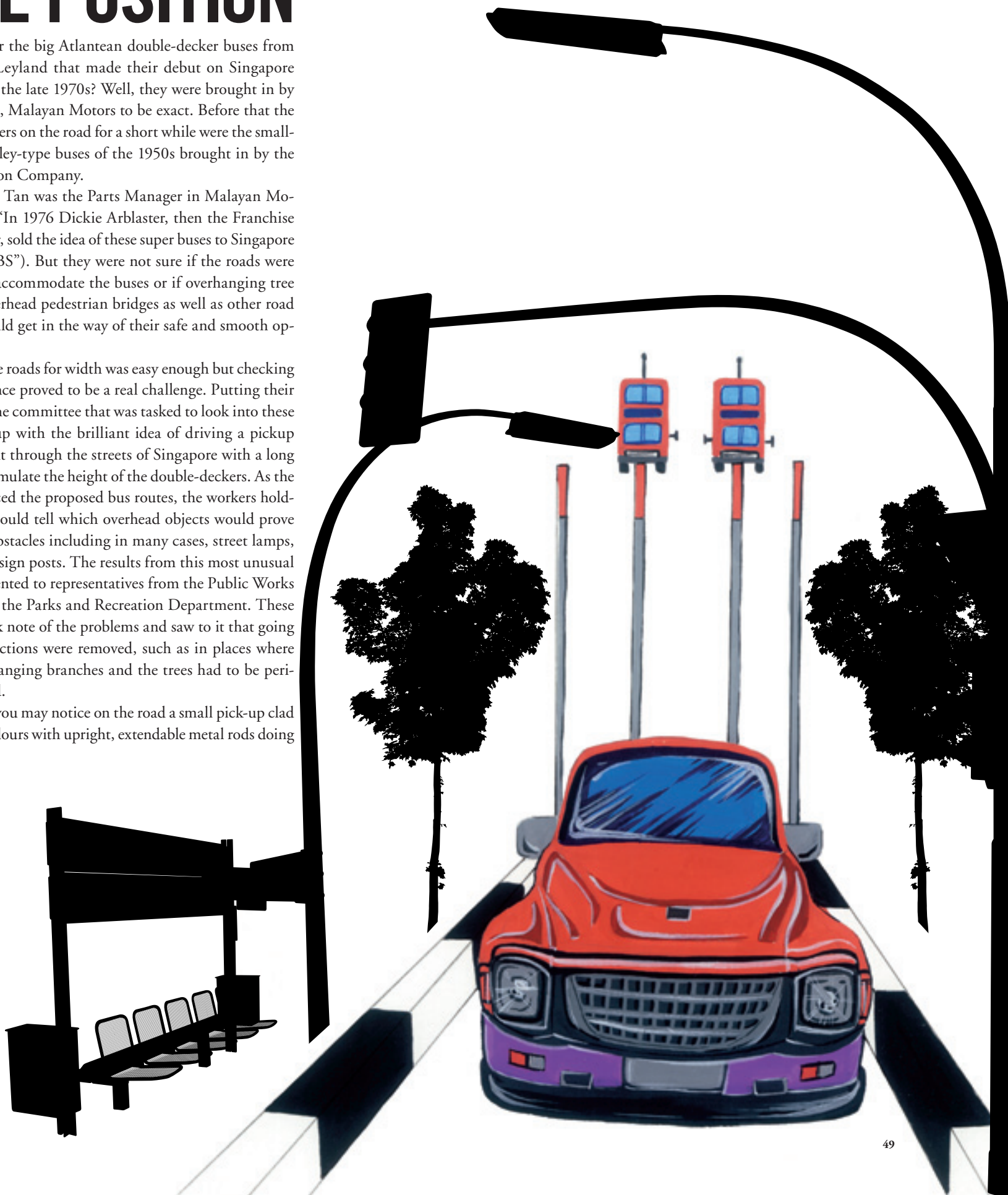
POLE POSITION

Remember the big Atlantean double-decker buses from British Leyland that made their debut on Singapore roads in the late 1970s? Well, they were brought in by Wearnes, Malayan Motors to be exact. Before that the only double-deckers on the road for a short while were the smaller, narrower, trolley-type buses of the 1950s brought in by the Singapore Traction Company.

Royston K S Tan was the Parts Manager in Malayan Motors. He recalls: "In 1976 Dickie Arblaster, then the Franchise General Manager, sold the idea of these super buses to Singapore Bus Services ("SBS"). But they were not sure if the roads were wide enough to accommodate the buses or if overhanging tree branches and overhead pedestrian bridges as well as other road obstructions would get in the way of their safe and smooth operation."

Checking the roads for width was easy enough but checking for height clearance proved to be a real challenge. Putting their heads together, the committee that was tasked to look into these problems came up with the brilliant idea of driving a pickup truck late at night through the streets of Singapore with a long pole held up to simulate the height of the double-deckers. As the pickup truck traced the proposed bus routes, the workers holding up the pole could tell which overhead objects would prove to be potential obstacles including in many cases, street lamps, traffic lights and sign posts. The results from this most unusual survey were presented to representatives from the Public Works Department and the Parks and Recreation Department. These departments took note of the problems and saw to it that going ahead the obstructions were removed, such as in places where there were low-hanging branches and the trees had to be periodically trimmed.

To this day, you may notice on the road a small pick-up clad in SBS Transit colours with upright, extendable metal rods doing their checks.



I have not
worked
a day in
my life

After Andre Roy's first visit to Singapore with his wife, escorting a group of Canadian Volvo dealers, he returned home where he casually said to his boss: "If something comes up in Asia, I'm for it."

Something did. Two years later in 1997, he found himself back in Singapore as President, Cars, Volvo East Asia. Shortly after, he joined Wearnes as Chief Executive Officer of SM Motors, the exclusive distributor of Volvo cars in Singapore. Since then he has increased sales by 300 percent, restructured operations and brought in a powerful new brand of "soft" sell.

The changes are visible when you walk into the customer-friendly Volvo showroom in Singapore, where there is an interactive display on safety and the first showroom café in Singapore. Customers enjoy refreshments on the house while browsing. There is also a theatre for screening product videos and the Art Loft for social and business functions. "The whole idea is that customers become comfortable with our brand and staff in a relaxed environment".

Roy says the soft sell is necessary in Asian markets, where, unlike in the West, you cannot

resort to "hard" sell techniques. "In Asia, it's not just about the deal. It's more about confidence and trust in the dealer and the brand."

He notes that worldwide, it is not uncommon for witnesses at accident sites to tell survivors: "You're lucky you were in a Volvo." In many countries there is a "Volvo Saved My Life Club" where people recount how they believe Volvo saved their lives.

In fact, some of Volvo's best customers are those who have been in accidents. "After the crash, they come into our showrooms and immediately start negotiations for a new car – this brand commitment will often last generations."

Generally, Volvo's main customers are families with children. In Singapore, there are more than 5,300 Volvo owners and sales of its sports utility vehicle, the XC90, have exceeded expectations in what is essentially a sedan market. "We had planned to sell about 50 units a year, but are now selling over 300 consistently."

To prove the point, although Volvo has a line of stylish sedans and a sexy new convertible, he himself, with three children in tow, drives the XC90. "I'll drive it even if I didn't work for Volvo," he says. "The modern estate is actually the

best concept for cars. You get the driving characteristics of a sedan and the added flexibility of space for active lifestyles."

Wearnes' Volvo business has been expanding over the past three years. Roy now oversees an operation which is Volvo's largest distributor in Asia, with dealerships in Thailand, Malaysia, Hong Kong and Singapore.

He now has a General Manager who runs the day-to-day operations here, while he scours overseas markets for more business. "Volvo, our strategic partner, is encouraging us to expand because of our good performance in Asia."

With most of his career spent in the automotive trade, Roy's interest in cars was sparked when, as a young boy, his father took him to local car showrooms every year on the day the new model arrived in town. "He liked cars, but not in the same way I do. With me it's a passion." So after finishing university, it was only logical for him to join a car company.

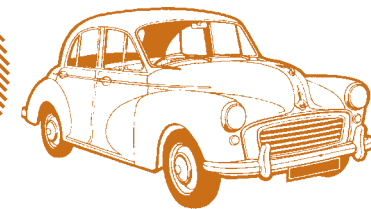
"It's a dream job being able to work with cars on a daily basis. It's like a hobby, not really like work. So, I can safely say, I haven't worked a day in my life!"





STORY 48

THE GOOD OLD DAYS



Thirty-eight years after he started work, Ong Kah Siong has come full circle. The 55-year-old Parts Manager of Far East Motors is back in Jalan Pesawat, Jurong, where he began his working life as a material handler in Associated Motor Industries (“AMI”), a car assembly factory where Far East Motors is today.

“But it has changed,” he says. When he joined AMI after his ‘O’ Levels in 1968, Jurong was not yet developed. The factory was surrounded by undergrowth with a long, dark road to the nearest bus stop. And buses were never on time. “Once I had to wait for half an hour in pitch darkness.”

Work began at 6.45am so he had to leave his house at 5.45am to get to work on time. He got home after dark everyday. “My mother used to say that I never saw the sun. It was dark when I left the house and dark when I got home.” Most of his colleagues rode motorbikes, but his mother was against it, so when he worked overtime, a supervisor usually gave him a lift to the nearest place where he could catch a bus home. Later, he bought a used Mini with financial help from his mother. “The company offered us discounts on their cars, but it was still beyond my means.”

To him, those were the good old days – among the happiest in his life. He had a job, friends at work and a driving licence, which to the car enthusiast meant the thrill of driving cars around the factory. There were many to pick from – Austin, Morris, Re-

naults, Chevrolets and Vauxhalls – all assembled at the AMI plant. They often worked overtime and weekends. “Wearnes had huge orders from the military then, because National Service had just begun and they were buying vehicles. Also the Mini was selling well at the time.”

It was good money too, with overtime pay often more than his basic salary of S\$150. Sometimes, after payday, he and his colleagues would hire a car and go out to celebrate. “Since I was the one with the licence, I would be the one who picked all of them up and dropped them all off, before returning the car.”

Best of all, he met the girl who would later become his wife. She was a clerk at AMI. He cannot recall exactly when their relationship began, but he remembers being very helpful to her. They dated for about two years while in Wearnes and by the time she left her job, they were already an item.

When AMI shut in 1974, everyone was retrenched and paid off. Four employees, including Ong, were re-hired. Two were not confirmed after three months and one left soon after. “I’m the only one remaining from those years,” says Ong. He was promoted to supervisor and his salary bumped up to S\$500. “It was good money in those days.”

“I just got my 30 years long service medal in December 2005,” he says. Although his service at AMI did not count toward this, Ong says: “I will always treasure my seven years in AMI.”



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BUSINESS

as usual

STORY 49

It was business as usual for the Managing Director and CEO of Wearnes International (1994) Limited (“WIL”), Soh Yew Hock, after it was privatised and brought back into the fold of parent company Wearnes.

Privatisation will represent the second milestone for Soh, who joined Wearnes in 1986 as Group Company Secretary. He became Group General Manager of Wearnes before assuming his position as CEO of WIL, after it was listed. He is also a Director of Wearnes subsidiary, MFS Technology and Asia Dekor Holdings.

The first milestone was when Polytek Wearnes Holdings changed its name to WIL. Six trading companies (Wearnes International, Jaguar Cars Taiwan, Wearne Brothers (1983), O’Connor’s Singapore, Welmate and Wearnes Gas) belonging to parent company Wearnes were injected into WIL. WIL then became the listed trading arm of the Group.

WIL has grown and diversified rapidly. From its listing in 1994, revenues have increased twenty-fold from S\$30 million to S\$590 million. The automotive business expanded regionally and is now poised to grow internationally. O’Connor’s, which was in consumer goods, has evolved into

one of the leading systems integration companies in the region. Pacific Silica’s sand quarry has turned out to be a good investment and the land itself is real estate which could be developed in the future. WIL has also made a foray into the water treatment business by acquiring EPD USA and now operates in the USA, China, Thailand, Malaysia, Philippines, Vietnam and Indonesia, and is also exploring possibilities in India, the Middle East and Eastern Europe.

Soh is a hands-on person, travels with his staff and does not believe in armchair management. “Unless you understand the practical problems your staff face and feel the ground, you will not be able to effectively lead, direct and support their initiatives. I need to touch and feel.”

He credits WIL’s success to teamwork and a “buy-in of ideas” by staff. He says it helps when there is real camaraderie in the company and no politicking – something he has almost zero tolerance for. His own management style is to focus on strengths and not nitpick on weaknesses. “It’s perhaps the only place I know where this is the case. There’s the occasional bickering down the line, but not the sinister backstabbing or jostling for positions. My senior colleagues and I don’t

engage in politicking ourselves and this has filtered down.”

As for the future, he thinks that the Group must venture abroad more. His own charter is to grow the water business and oversee the profitable sand mining business. “It’s a necessity, not an alternative. The market here is too small and the competition intense. We must see the world as our market, starting with the region. We have the expertise, experience and the reputation.”

He believes competition will always be there and he does not worry too much about it. “We have to stay alert, lean, hungry and productive. We must be aware of what’s happening in the market and be always one step ahead.”

But he points out the importance when venturing abroad, of understanding the business culture, building trust and maintaining a good reputation. “It is important that abroad, we fly our flag honourably. In WIL, we’ve done that.”

“In fact, because of WIL’s expertise and reputation, we have become a magnet for many manufacturers who have asked us to represent their products. It’s not just about us going after customers, they too come to us. And that speaks volumes!”



THE GOOD EARTH

STORY 50



In 1993 as Australia was coming out of a recession, a recently retrenched Ian Harrison made a discovery that was to be his El Dorado. He came across a piece of land in Ningi, Queensland that proved to be a potential source of silica sand. He took out an option for three blocks. The following year, drilling started and he reaped a bonanza. He was expecting a small yield of about A\$2 million but it turned out to be five times more. "I was elated. It was bigger than I thought and the quality better than expected," he says. On top of that, it was on freehold land that had no heritage issues or aboriginal claims on it.

It was not until 1996 before he got approval to mine the sand. "Identifying the resource was just the first step in the many steps along the way," says Harrison. He then put together a plan for extracting and selling the sand. "By 1997, I had exhausted all my family resources and was considering floating the project on the stock market," says Harrison, 55, who is married with three children. "But I was introduced to Soh Yew Hock, who suggested going down the route with Wearnes."

By late 1997, Pacific Silica was part of Wearnes. He became Executive Director, owning a little more than 25 percent and Wearnes, the rest. With the capital, a modern, state-of-the-art plant with lots of R&D was built. Marketing started in 1999 and from 1999 to 2000 the company sold 100,000 tons of sand.

The original 450 acres has grown to 2,417 acres, and in 2005, Pacific Silica sold 500,000 tons of sand. In the last quarter of 2005 alone, it sold more than 200,000 tons. Its current yearly turnover is A\$9 million, with a pre-tax profit of A\$2 million.

The sand has many uses. Its fine grain bunker sand is used in premium golf courses in Australia and Hawaii, where thousands of tons have been sent. It is also used in rugby, soccer and cricket venues where turf is grown on 30 centimetres depth of sand. It goes into cement, concrete and asphalt mixes in the construction industry and is also used in landscaping, horticulture and water filtration systems.

It will last another 10 years or less, if demand escalates, says Harrison. After that, the land may be used for residential real estate, as it sits 45 minutes from Brisbane's central business district, with beachfront and lakes bordering it. "I believe it is a prime place to have a masterplan community, as it can sustain a lot of people," he says.

Describing his relationship with Wearnes as excellent and fantastic, Harrison says: "When we first entered the relationship, they talked about how things would all work out. And it's worked out exactly as they said it would. They have been honourable. We are very blessed to be in partnership with Wearnes."

Story
51
Clean
Water
For a
Thirsty
World

Turn on a tap in Singapore and clean, clear drinking water flows out. But this is not always the case elsewhere in the world – not just in remote and rural areas – but even in Malaysia, Hong Kong, China and Thailand, says the CEO of Wearnes Environmental, Loh Tong Soon.

“Our water here has a clarity of 0.21 microns – same as in the US – where standards are even higher than the World Health Organisation’s 0.5 microns, as WHO has to take into consideration places without the means to achieve this 0.21 level.”

This is where Wearnes EPD USA, a company bought by Wearnes Environmental in 2002, comes into the picture. It has installed more than 4,000 portable water filtration systems around the world, bringing clear drinking water to people and places that have never known it before.

The concept is simple. Traditional water civil engineering structures are huge engineering projects, built to last and by this nature, expensive. They cannot be set up where there is a need for drinking water, so small townships and rural areas are often just not connected. But with EPD’s portable containers, simple yet sophisticated water filtration systems can be set up for about one-tenth the cost, anywhere in the world where there is a water source, in a matter of days. This means rural communities, small townships, temporary abodes and even disaster areas can have clean drinking water almost instantly. It is ideal for small communities of up to 100,000 or even 200,000 people. Beyond that, a large civil engineering project is better, says Loh.

Coming in pre-fab containers with filtration tanks, it can be easily expanded if the population expands. Loh says civil engineering structures are usually built to last about 20 years, but EPD already has a track record for some of their installations in the US being in operation for 15 years without any drop in standards.

The heart of the system is its remarkable filtration method – a technology that won praise from the American Environment Protection Agency in a study – where it not only met, but exceeded the stringent US standards. The system’s filtration sits in a steel tank and a high pressure jet frequently backwashes the water (the sand bed is washed of the dirt and contaminants it traps).

For drinking water, fine low-grade garnet (yes, the semi-precious stone) crystals are used, as their sub-angular structure traps more dirt than sand, which is round. The filtration also removes turbidity (cloudiness) and viruses. Loh says usually, surface water (i.e. water from rivers) has a turbidity problem but the garnet bed can easily reduce this to well below even the 0.21 microns requirement. It also removes the common water-borne viruses giardia and cryptosporidium, which cause diarrhoea and which can be present even in clear river water. Ground water (i.e. well water) can contain iron and manganese that can adversely affect the liver, kidneys and brain and a special green sand, made in the US is used to filter it.

EPD’s big name clients in the US include the 1984 Los Angeles Olympics, Disney properties, universities, hotels and resorts in Las Vegas. In Asia, it is focusing on the rural districts where there is a big need for clean drinking water. It has installed systems in Vietnam and the Philippines where there is a lot of contaminated well water. In Indonesia, where there is a lot of peat contamination and the water is tea coloured, it uses ozone to oxidise and pre-treat the water, before filtration.

Loh says there is a big need in remote parts of Asia and Africa, but Africa is without funds. In rural Asia – its niche market – EPD is working with development banks to negotiate funding. China, although a big country, is well served by existing civil engineering structures, although EPD did have a successful pilot project in Shanghai, filtering at the receiving end, the rust-coloured water that flowed from the pipes to the city.

EPD has an almost 500,000 square feet factory in Los Angeles and a factory in Suzhou. It also acquired Pure-ionics Suzhou, a company which through reverse osmosis and membrane technology, provides 100 percent pure water for industrial use in high-tech industries.

Loh, who travels extensively to remote areas where he has to carry bottled water to bathe with, says bringing clean water to the world is a business.

But it is also a whole lot more.





STORY 52

Former Managing Director of O'Connor's Malaysia Lee Geok Tian says the company was a small one in the early days and only took off after Wearnes came into the picture.

When he started his career in 1974, he says he had to report to his bosses in London. "Because of the distance, different time zones and different cultures, our operations were very restricted. That meant we couldn't expand quickly, so we remained a small company for many years."

After Wearnes took over in 1987, things started to change rapidly. "We were given the leeway to expand our business and in a mere five years, we made it to the mainboard of the Kuala Lumpur Stock Exchange in 1992." He sees this as his biggest achievement – turning the company into an entity that could be listed.

When Wearnes acquired the company from the Rank Organisation in UK, Lee was its General Manager. A year later, he was promoted to Managing Director, in charge of its entire Malaysian operations. "That was the best moment of my life and the pinnacle of my career with Wearnes," he says.

O'Connor's Malaysia is involved in systems integration

of voice, data and radio telecommunications, electronics and instrumentation, professional sound, lighting and video surveillance systems. In the years he was heading it, turnover jumped from about RM1 million to its peak in the 1990s of more than RM250 million.

Although he worked for two other organisations for a decade before joining Wearnes, Lee says his years at Wearnes gave him the greatest satisfaction. "Without the understanding and great support of a good employer like Wearnes, I don't think I would ever have succeeded." He credits his success to hard work, honesty, integrity and ethics. "These are of paramount importance." wThere were problems too but he saw them as human problems. "How a head of an organisation manages its workers usually had a strong impact on the performance of his organisation," he says.

Lee, who has four children, retired in 2003 on his 65th birthday, after 29 years with Wearnes. He is enjoying his retirement travelling and reading – mostly newspapers and financial journals. And, no doubt, following with interest, O'Connor's progress.

FABULOUS PREFAB

STORY 53

If the three little pigs want to keep a 21st century wolf out of their homes, they should go for prefabricated wall panels, not bricks.

"This is the trend now. Contractors are moving away from bricks," says Liew Kuan Sing, General Manager of Welmate, a Wearnes company that distributes building products and construction materials. "Bricklaying is slow and labour intensive. With wall panels, we can install any wall quickly."

Liew says pre-fab is the future. He says the government is actively encouraging it and architects are increasingly asking for it. There will be more and more buildings done this way because there are the advantages of uniformity of quality and speed."

The pre-fab wall panels are produced by a company in Malaysia. "The panels may cost more, but you save on time and labour. With bricks, it takes three times longer to lay them on row by row, plaster over, make sure the surface is smooth, then put a skim coat."

And there is no way to tell the difference, except during the building process.



STORY 54

SAFE PASSAGES

As more road tunnels are built in Singapore, a Wearnes company, Welmate, is right there making sure they are adequately fire-protected. "MRT tunnels do not need fire protection as the trains run on electricity, not petrol, and the concrete shell is non-combustible," says Welmate's General Manager Liew Kuan Sing.

In road tunnels, it is vital to protect the soffit (where the telephone, light and emergency signal cables are housed) so that explosive spalling of the concrete does not occur in a fire. If it does, not only will the concrete slabs fall and block escape routes, the heat will also weaken the steel reinforcements.

Welmate is working on a section of the Kallang-Paya Lebar Expressway – the part that goes under the Kallang River – where it is most vulnerable. Without protection, if the concrete suffers thermal spalling in a fire, the reinforcements will be exposed. When that gives way, the tunnel will collapse and water will rush in, flooding the tunnel. "The protection will prevent this from happening," says Liew.

To fire-protect the road tunnel, a fire-resistant material with more than twice the thickness of that used in buildings, is fixed as a soffit lining. It gives two hours of protection, enough time for people to

escape, vehicles to be removed and rescue teams to douse the fire before it damages the concrete structure. The material has been tested in an accredited laboratory in the Netherlands, the world's foremost authority on fire protection in road tunnels.

Singapore has learnt the importance of having this protection from tunnel fires which have cost lives and money, like the 1996 fire inside the Channel Tunnel and the 1999 fire in Switzerland's Mont Blanc Tunnel where 39 lives were lost.

Liew, who joined Wearnes in 1988 and has a degree in chemistry, explains that in a hydrocarbon fire (e.g. petrol fires) the temperature can reach 1,380°C. "At this temperature, concrete collapses and the steel reinforcements soften like butter. Like in the 9/11 World Trade Centre fire. A building fire would normally reach 850 to 900°C."

Welmate is also involved in fireproofing buildings, including cladding structural steel so that in a fire, its temperature does not rise above 500°C, above which steel buckles. It also clads air ducts so that the spread of fire in an outbreak can be contained inside the ducting system. Some of its jobs in Singapore were at Suntec City, Singapore Post Centre, Bank of China Building, Alexandra Technopark, SIA Air Freight Terminal V and Temasek Polytechnic.





STORY 55 HIDDEN Wealth

O'Connor's Malaysia's Engineering Executive Director Yong Seong is tight-lipped about giving away trade secrets, but agrees to let one out of the bag. One reason for his company's success is its "hidden wealth." He is referring, of course, not to money, but people. Yong, 51, who has himself been with the company for 27 years, says that there are many long-serving employees in the Malaysian office. "It is one of our strengths and an open secret," he laughs.

Nowadays business is done by relationship selling rather than just direct product selling alone. "You sell trust, credibility, your track record and reputation, things that O'Connor's has carefully and painstakingly built up over the years." In fact, he notes that the company's reputation was so good that in its heyday selling Nokia phones, unscrupulous distributors slapped on fake O'Connor's logos and warranties on phones they sold.

The company, started by a British sergeant, was originally known as H.A. O'Connor in 1959 and was later sold to the Rank Organisation. The

company was subsequently acquired by Wearne Brothers in 1987 and listed on the Kuala Lumpur Stock Exchange mainboard in 1992. Wearnes eventually bought over the entire company in 2005.

Originally, it consisted of O'Connor's Engineering and O'Connor's Trading with a workforce exceeding 600. O'Connor's Trading was shut and with its closure, the company reduced its staff to 250 employees. It is a systems integrator, total solutions provider and distributor of various high-tech products including communication and surveillance systems.

It has installed systems in banks, airports, offices and in highway projects. It handles sophisticated systems for top-end customers. "We customise systems for our clients but also undertake to do systems which can be replicated, so that similar business solutions can be sold to other customers." It also handles regional business and links up with local organisations that operate in various countries "to ensure that we get paid."

O'Connor's advantage is its reputation for reliability, trust and service, the "O'Connor's Confidence" that comes with the product. "We're

not saying this. It's customer feedback and our track record earned in the marketplace. People are willing to pay a premium to buy from us because they feel comfortable and confident dealing with us." To sustain this reputation in an increasingly competitive environment, Yong says the company must continue to provide value-added top-notch service, top quality work and complete projects on time without glitches.

Another secret of success he lets out of the bag is O'Connor's sales managers. "This is the key difference between us and other IT companies. You don't need an engineer to run the business but if you want to grow and expand, it helps that the sales people know what they are talking about. You cannot possibly, for example, sell an airport system, unless you are informed and can speak convincingly about it."

O'Connor's does not just sell systems. It also offers expert after-sales service and maintenance, something that not many are focusing on, says Yong. "Like a computer, you can buy it from anywhere, but after you get it, you need to make sure it works."



PIE IN THE SKY

At 40, Vincent Lee is one of the youngest Directors in O'Connor's Singapore. Lee has risen through the ranks in the 13 years since he joined O'Connor's Singapore in 1992, as a marketing executive selling telex transmission systems and time division multiplexes to the telecoms industry. But he is modest about his achievements. "There were so many opportunities along the way," he says.

One opportunity came two years after he joined the company. SingTel was then building a satellite station in Seletar. He persuaded his bosses to enter the satellite communications business, a topic he had studied during his engineering course at university. The foreign firm setting up the satellite station for SingTel took O'Connor's on as its local partner.

Lee and his team quickly learnt everything they could about the business. "You learn about the equipment, how to install it, how to bring costs down. Eventually, you learn to do the whole system yourself," he says. Soon, O'Connor's was competing with both its foreign partner and others for local and regional business. It has since installed satellite systems in countries in the region and established itself in Cambodia, Vietnam and Indonesia. Malaysia is next on its horizon.

Lee sees a bright future for the technology, especially in the broadcast industry in Asia as more licences are granted to people for home satellite dishes. Laying of cables is costly and the investment makes sense only in a small place like Singapore. In countries like Indo-

nesia, with many islands spread over a vast area, cabling is expensive and unfeasible. In inland Indochina, undersea fibre optic cables cannot reach many areas.

"For them, a satellite network is the best option. All they need to do is set up a station where they can lease a satellite from an operator. One station can serve a wide area, perhaps up to 20 or 30 provinces."

The widespread use of mobile phones makes satellite technology inevitable, especially in remote parts of the world where there is no base station or operator because of the paucity of subscribers. Mobile phones also cannot work in the middle of the jungle or ocean. "Even in certain parts of the North South Highway in Malaysia, the phones don't work," says Lee. "That's when you'll need a satellite phone which can be leased from an operator."

When he was appointed Executive Director of O'Connor's Singapore, he had to weed out unprofitable businesses and consolidate the 100-member team. So out went mechanical and electrical operations. "We're not specialists in this area and it was taking too much money and resources to maintain it." Industries that stayed were: broadcasting and multimedia, security and surveillance, communications and IT and scientific and biomedical.

Although a trained engineer, he prefers business. "There's always an answer in engineering. Through technology you can always find a product to meet a need. But it's different in business. There are no straightforward answers, so it is more challenging."





MAKING THE WORLD A LITTLE SAFER

In a world where terror can lurk around any corner, Steven Yeow's job makes it just that little bit safer for you. As General Manager of O'Connor's Security and Surveillance Division, he leads a team that puts together, distributes and installs security and surveillance systems in Singapore and elsewhere. It has made many buildings secure, including airports, petrochemical plants, VIP complexes, shopping malls, jungle outposts and perimeter fences in some of Asia's troubled spots.

In Singapore, his team is involved in a multi-million dollar, two-year project to upgrade SMRT's closed-circuit TV system.

"We're helping to keep Singapore safe and that gives us a sense of satisfaction," says Yeow, 54, who was a naval officer in Malaysia before joining O'Connor's as a project engineer in 1984.

Other projects here include installing hundreds of cameras in shopping mall Ngee Ann City, Singapore Changi Airport, Singapore port operator PSA International's gates

and the transmission station near Sungei Buloh where camera installation had to be carried out in snake infested swamps. "In one of the night testing exercises in knee-deep water, I can remember the dilemma of having to keep my eyes on the camera screen and what was moving around in the water!"

Outside Singapore, his teams have been busy securing jobs like a wafer fabrication plant project in China and an airport project in Sri Lanka. Along the way, they have been asked to venture to southern Thailand, Aceh in Indonesia and the Middle East. Yeow says: "These are very dangerous places and it is a nightmare to do work there." He recalls an experience in Sri Lanka where he was taken to inspect a surveillance site close to a troubled spot by the edge of the forest. His escort said to him: "If you hear rifle shots, duck!" He replied: "Won't it be too late by then?"

His naval training has helped him in his job. As he averred: "You learn leadership, discipline, how to work as a team and valuable management skills."

No Dirty Laundry Here!

STORY 58

Thanks to Wearnes, dirty laundry on board at least one major airline's flights is well taken care of. Two giant Milnor tunnel washing machines, installed in one of the airline's two companies, are capable of handling all the airborne linen and laundry. Wearnes installed the first tunnel washing machine sometime in the 1990s and another one later, says the former General Manager of Polytek Engineering Singapore, Andrew Kan Hai Chee, 53, who remembers the contract well.

The airline's blankets were previously drycleaned. Drycleaning is not as clean as wetwashing. "The other problem with drycleaning is that it can't handle bulk. But the airline had a large number of blankets to launder and it needed quicker turnaround."

So the airline called for tenders. Wearnes competed with giants in the laundry business here and won. "We did our research," explains Kan, who was with Wearnes from 1988 to 1999. "Our machines could clean by wet washing. I know this sounds contradictory, but what it involved was a way to achieve a gentle wash to attain a certain level of cleanliness."

But the machines did not come ready-made. They had to be customised to the airline's needs. "We were distributors, not the guys with the technology. So, we asked Milnor in the US if they could do it. They tested and said yes and gave us the green light." The airline bought two tunnels – one during his time with

Wearnes, and one later – where the laundry goes in at one end and comes out at the other, cleaned and dried. The blankets were then folded and packed into polythene bags by another set of machines.

Apart from large laundry systems, Wearnes also sells boilers, commercial kitchen equipment and toilet compartments. The airline was the third company in Singapore to acquire this tunnel washer. Now there are five, including two installed in leading hotels. One of the hotels had been a reference client which had enabled Wearnes to clinch the airline contract.

"After that, the market had confidence in us, but we went through a very difficult time with that initial contract." He explains that the hotel was not geared up for the installation of the huge piece of equipment. "We had to take out a large glass panel, dismantle the machine into 12 pieces and build a five-storey platform to move the pieces inside, where we assembled it compartment by compartment. And we were only given a month to do it, as the year-end peak Christmas season was approaching."

He and his men remember the sight of happy Christmas shoppers traipsing about and Christmas songs in the air while they worked frantically round-the-clock, with a half-hour for lunch most times, to meet the deadline.

Nowadays, most hotels have their laundry done offsite as space is expensive in the city. But this one hotel still has its Milnor, Kan says: "It's difficult to move it out."





STORY 59

BACK END OF THE BUSINESS

The General Manager of Wealco Equipment (“Wealco”) Anthony Wong runs three companies but does not wear a tie to work. Neither do his staff or clients as their work takes them to construction sites and engine rooms, where ties would not only be out of place, but dangerous.

“Ties can get caught in engines and that can be disastrous. I don’t even wear my wedding ring. Also, it would be awkward walking around construction sites with a tie on.”

Although in charge, he very much remains hands-on. “I have no qualms about getting my hands dirty,” says Wong, who also looks after Wearnes Auto Centre and Malayan Motors Commercial Division located at Jalan Pesawat in Jurong.

Wealco, a division of Wearnes Automotive and Equipment, handles vehicle equipment and spare parts. It has been instrumental in putting JCBs (yellow road excavators) on Singapore roads and pioneering the use of Hamilton water jets to

replace propeller-driven boats. Wealco was already distributing JCBs when Wong joined Wearnes, but he has since made a friend of the developer, Joseph Cyril Bamford (Mr JCB) who kept an office here before.

Wong says sales were particularly good when Singapore was laying telephone and power cables. “The JCB Backhoe Loader’s rubber wheels did not damage our roads and later, when they were laying fibre optic cables around Singapore, we sold quite a few more.”

When he introduced Hamilton Water Jets here, though, it was a different story. “It wasn’t immediately popular. The commercial sector was initially reluctant to take it on and only did, after the para-military started buying it.”

Wong says the developer, Sir John Hamilton, who was JCB’s distributor in New Zealand, is a brilliant man, now semi-retired, but they are still in touch. “The last time I saw him, I gave him a copy of Mr Lee Kuan Yew’s book, *The Singapore Story*. By the evening of the same day when we met for dinner, he’d already read the first chapter and found it extremely interesting. So, I promised to send him the second volume of Mr Lee’s memoirs when it came out, and I did.”

On an ad hoc basis, Wealco has also supplied the Singapore Civil Defence Force with a Hazmat (Hazardous Materials) vehicle, a customised van specially equipped to handle chemical and biological attacks.

The auto centre does accident repairs and pre-delivery inspections of new cars that come in from the port. The new Jaguars, Volvos and Chevrolets are cleaned, polished, fitted with accessories and checked before going to the showrooms in town. There is also a training room for the Bentley regional office in Tuas, and the auto centre can even service the odd Rolls-Royce or vintage car. Last year, a bunch of vintage cars, passing through Singapore in a rally, rolled in for servicing. Staff worked round the clock to get them ready in time for their departure.

Wong, who has been with Wearnes for 23 years, gets satisfaction from “seeing the successful application of the equipment, people gaining from it, coming back for repeat orders and treating you like a friend.”

His open-door policy at work allows staff to come to him with problems but he lets them take responsibility and make decisions. “They shouldn’t always have to come to me, otherwise they won’t learn, but they do need to tell me if there’s a problem.”

The atmosphere at the Jalan Pesawat office is very family-like with many long-term staff serving there. He says: “I didn’t create this atmosphere. It is part and parcel of Wearnes’ intrinsic culture, filtered down. Or perhaps it’s because we are such a long way from the other companies in the Group. I suppose you can say that, here in Jurong, we are at the back end of the business.”

HURRAY FOR THE JCBs!

STORY 60

One vehicle which has been at the centre of Singapore's changing landscape for decades is the JCB excavator. During the years of the building boom, these mighty yellow diggers could be seen parked at construction sites all around Singapore.

It was developed in the UK by Joseph Cyril Bamford (Mr JCB) who, in 1945, used his engineering skills to make this new machine for handling construction materials. He started by making a Tipping Trailer. Shortly afterwards he began work on a Backhoe Loader, a machine that was to change the construction equipment

market forever.

Wealco's Anthony Wong, who was supplying the market here with JCBs, says the Backhoe Loader was the first JCB machine introduced to the Singapore construction industry. Everyone was calling it the JCB and the name stuck. It was instantly accepted. For one thing, it had wheels, so it did not damage the roads. During the construction boom, it was used to lay telephone lines, power cables, construct drains and do maintenance work.

Wong recalls that the biggest customers were construction companies. "There wasn't one single large fleet then, but numerous owner-opera-

tors, who bought the machines and leased out the JCBs. They offered their services as operators, as you needed to know how to operate these machines." But when the construction boom ended, Wong says many of these owner-operators lost their source of income and turned to driving taxis for a living.

Over the years, JCBs have acquired a strong reputation in the industry as reliable workhorses. The UK company currently manufactures more than 130 different machines and sells them to more than 150 countries worldwide. It is still a private family-owned company, now run by the founder's son, Sir Anthony Bamford.



STORY 61 **JET OUT OF HERE!**

When Wealco first introduced Hamilton Water Jets to the boat market here, there was considerable resistance. “Nobody would accept it as a propulsion system,” recalls Anthony Wong. “We had a lot of persuading to do.”

It was not until he managed to get the para-military interested that he won over the commercial sector. “After knocking on a lot of doors in the commercial sector, I decided to focus on the military. When the para-military people accepted it, the commercial sector sat up and took notice.”

He adds: “With the commercial people, it’s always a case of dollars and cents. They found it expensive and they weren’t that sure of its capabilities. But with the para-military, they had a need to fulfil, so they were prepared to look at alternatives.”

Wong explains that the jet engine works on the same principle as that of a high-pressure water hose pushing things forward. It is unlike a propeller engine which has an ‘appendage drag’ that slows it down. Built by Sir John Hamilton in New Zealand, where rivers are shallow and cannot use propeller engines, jet engines get more efficient

above 25 knots and also allow a boat to stop within very short distances. “If you watch speedboats racing in New Zealand, you’ll see those boats go spinning all over the place. That’s because they’re all fitted with Hamilton Water Jets,” says Wong.

Another advantage is that a boat with this jet engine does not need a rudder. Also, the engine is encased, and therefore, less susceptible to damage if the boat hits something in the water, compared with regular engines fitted with propellers.

“Water jets are more cost efficient because there are fewer breakdowns, often no more than 10 percent of the fleet at any one time. This is especially significant on patrols where spare boats are needed in case of breakdowns. So, by using water jet engines you’ll need fewer boats to do the same job,” says Wong.

The jets have improved over the years and they have since taken off in Singapore. “In recent times, we’ve also been able to get the ferry boat business. The Batam ferry boat from Singapore uses water jet engines. We’ve also delivered jet engines to nine 600-passenger ferries built here for Portugal and three built here for Cochin in India.”

• STORY 62 • **SMILE, YOU ARE ON CAMERA**

When Singapore sleeps, teams from O’Connor’s security division arrive at MRT stations to install the latest in security surveillance systems. Like proverbial elves, they work in the dead of the night, between 1.30am and 3.30am, when the trains have stopped running. They do the wiring and installation and test cameras and recorders. They work swiftly and steadily and are out of the stations before the first trains start operations again. By the time this two-year project is completed, Singapore’s MRT stations will have one of the most sophisticated security surveillance systems in the world.

The digital closed circuit TV (CCTV) system project covers all stations and depots. Work is being carried out in three phases.

When complete, Big Brother will undoubtedly have eyes everywhere in the MRT network. One immeasurable advantage of a digital system is that it affords almost unlimited recording and dispenses with the use of tons of unwieldy recording equipment and tapes, which is the bugbear of the current system.

Steven Yeow, General Manager of O’Connor’s Security and Surveillance Division, adds that with the onset and proliferation of terrorism, the surveillance business has been growing. With present-day technology being state-of-the-art, digital cameras are getting smaller and can be discreetly mounted anywhere. Wireless transmission further helps to bring the pictures literally, “into the living room”.

STORY 63

TRAPPED IN THE TOILET?



What happens if someone faints in a toilet compartment and needs emergency help? Rescuers would have to squeeze through a gap in the top or bottom, if there is one, and if it is large enough. Otherwise, the door will have to be kicked down, possibly endangering the occupant.

Not so with the Bobrick toilet compartments, fitted by Wearnes subsidiary Polytek Engineering in buildings here. Designed and hinged in a special way, the doors can simply be lifted up and off in an emergency. Built to stringent specifications, they are installed in numerous buildings in Singapore, including Changi Airport.

And in case anyone is wondering, they look like ordinary toilet doors, as outside of emergencies, they open and shut in the usual manner.



STORY 64

My Lifelong Employer

Despatch rider Pipi bin Abdullah, or Supri as everyone calls him, is a “one-company” man, having worked with Wearnes and only Wearnes, for the past 52 years.

“It is my first job and my only job, just like my father,” says Supri, whose father worked as a driver for a Chinese firm from his youth to age 78 when he retired.

Supri, 69, who has two children and is a grandfather of three, still loves the job he started doing at 17 and expects to continue until he retires.

He has seen bosses come and go, buildings go down and up and roads change. But the one constant has been his job. Stationed at headquarters, he ferries important documents and packages to bosses across the Wearnes Group.

He was introduced to the job by his late elder brother, who was also a despatch rider with Wearnes before he became a taxi driver. Supri almost followed in his footsteps but his brother advised against it, telling him he was better off where he was.

He remembers the fun-filled early days in Orchard Road. He was paid S\$38 and used to roam around town after work with fellow des-

patch riders, all single, and sometimes even sleep in the office.

His first and most favourite boss was Walter Wearne, who gave him the name Supri. “I don’t know why. I told him my real name, but he called me Sup, Sup, Supri... I think he said it was short for super.”

He says Walter always joked with him. “He would challenge me to race up the stairs to his office on the third floor. Of course, being younger and fitter, I would always win.”

He remembers Foster as being stricter but with a good heart. “At Universal Cars, we had tea breaks at 10am and 3pm. A siren would go off to announce this. Once, Foster looked for me when I was out. When I returned, he asked me where I was and I said: ‘I went to eat *mee rebus* (Malay noodles) and drink *teh tarik* (Malay traditional “pulled tea”)’. He asked how much it cost. I told him 30 cents and he gave me a dollar.”

He was sad to hear of Walter’s death and later Foster’s. He also remembers the late President Wee Kim Wee when he was a Director at Wearnes. “I used to take documents to him at Singapore Broadcasting Corporation. He would always speak to me in English and Malay. He

asked if I rode a motorbike, then he told me to take care.” In fact, Supri says all the bosses always say “take care”. And he does. He says: “If you stick to the rules and take precautions, it’ll be okay.” He has only had one accident and it happened when a lady driver jammed her brakes, causing a pile-up and he hit the car in front of him. He was slightly hurt but reported to work the next day.

Looking younger than his age, he keeps fit by jogging and occasionally, body building, something he won trophies for in his younger days. A brief compulsory conscription in the army during Confrontation also helped toughen him up he says. “But every two weeks I’ll come back to Wearnes to get my pay.” So what has made him stay so long in Wearnes? “It’s a good company to work for. I know everyone and people are friendly. We work as one team,” he says.

He has a few work principles that he adheres to. One is finishing his work before resting, no matter how long it takes. “I cannot take it easy until my work is completed.” The other is a possible explanation why he has stayed so long and so happily in his job. “If you’re good to people, they will be good to you,” he says.





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STORY 65

THE ALR STORY

The CEO and Chairman of Multi-Fineline Electronix Inc. (“M-Flex”) Phil Harding says Wearnes first crossed his path in 1983, when Harding was President of the Remex division of Excello Corporation in the US. Excello, a machine tool company, was trying to sell its mismatched floppy disk drive manufacturing business. Wearnes wanted to buy it, but wanted Harding to come with the deal. Talks began in 1983. In 1984, he said yes.

Weltec, a subsidiary of Wearnes Technology, was formed to manufacture floppy disk drives. Because it was small, it could not sell directly to major corporations such as IBM, but was selling to third tier computer suppliers.

“We found that these small companies who would buy our disk drives did not design their own central processing units (“CPUs”), but were merely licensing the technology from someone else.” Harding was given the task to track down one of these companies by then Managing Director of Wearnes Technology, Wong Chun Wing, so that Wearnes could buy it and make its own computers.

One such company was Advanced

Logic Research (“ALR”), which Harding discovered in 1985.

“I went to visit ALR. At that time it was a very small company with two rooms. Gene Lu and four other people were designing CPUs, not manufacturing them but building prototypes and then giving licenses to these other companies to physically make the computers.” ALR in other words, would be the brains of any manufacturing operation. “I took Chun Wing to ALR. He was intrigued, so Weltec put in that early investment of 40 percent into ALR. Later on, we transferred Weltec’s ownership to Wearnes Technology.”

ALR moved into the Weltec building in Anaheim in Los Angeles and Harding, who was Chairman of the Board of ALR for three years, did some marketing and was even responsible for the accounting. “We probably were the catalysts to make ALR grow. We helped it quite a bit. We did the finance. We managed and helped with their suppliers.”

Then ALR outgrew Weltec and moved out. Harding stayed on the Board until it was sold.

THE BOLDLINE COMPUTERS

STORY 66

Wearnes started making its Boldline computers following an investment in ALR of Silicon Valley founded by American electronics engineer, Gene Lu.

“ALR was making computers for people who knew computers and thought they were good. They designed one of the best computers in those days – fast, efficient, value for money, upgradeable, even better than IBM,” says Hoong Bee Teck, former General Manager of Wearnes Technology and the current Managing Director of Wearnes Biotech and Medicals. In fact, the ALR computers received rave reviews from *Fortune*, *PC Magazine* and *Byte Magazine*. *Byte* billed it as “a computer that is high performance in nearly every sense of the word”. In 1988, the Advanced Logic 386/220 personal computer was named the “Best PC of 1987” by *PC Magazine*. The Advanced Logic Flexcache 25386 was named “Best PC” the following year. “In those days, if you were IBM compatible, you were it. You could run the IBM software better, faster and cheaper than IBM. Gene Lu was a young engineer when we bought into his company and convinced him to set up an operation in Singapore. That’s how we started making ALR computers under our Boldline brand here.”

The Boldline computers were sold in Singapore, the Philippines, Malaysia and Indonesia, and came with the full complement of software, services and branding support. The company also made computers for others, including IBM, under the Ambra brand, for sale in Europe.

“We were value-added contract manufacturers, making computers under different brands for different people. We were like Thailand or China today, a low-cost manufacturing

centre. We did the design and marketing in the US, while the manufacturing was done here. We were attractive to people who gave us turnkey projects. We could manufacture here because of our cost advantage, bringing down costs by one-third, and so we were attractive to multinationals.”

The Wearnes subsidiaries which were assembling the computers were also making many of the other parts, the hard disk drives, the metal parts and plastic casings, so they found themselves very competitive, price-wise.

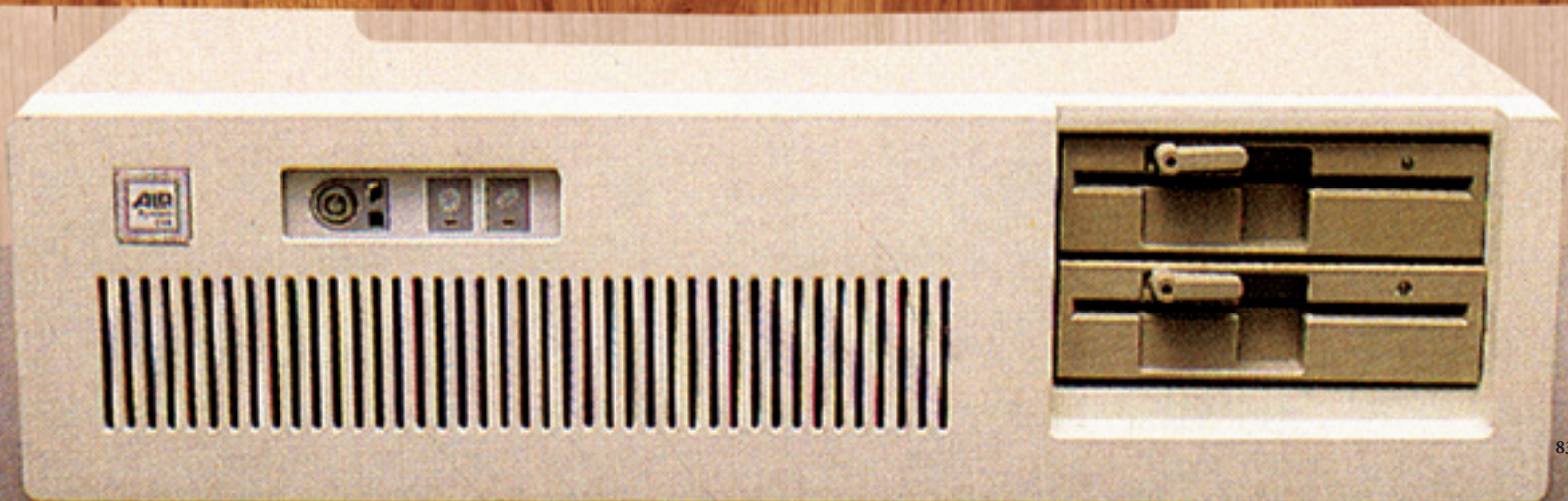
But Wearnes had to source the high-tech chips from elsewhere as the manufacture required wafer diffusion which it could not do then. It was only later that it went into the printed circuit board and flexible circuit board business, which grew. It also went into the chip design business with Chrontel and Intergrated Silicon Solution Inc. Chrontel is still part of Wearnes in the US and it makes a special digital analog chip, in layman’s terms it converts digital signals into analog signals and vice versa, says Hoong.

So why did Wearnes leave the computer business?

“The Taiwanese came into the business. Then the Chinese came in. They could make it cheaper in China,” says Hoong.

Wearnes moved its manufacturing base from Singapore to Malaysia, and then from Malaysia to China, where costs were much lower.

“But China has moved very fast in the last 10 or 15 years and with plenty of good engineers, it managed to come up with its own computer brands. It’s hard to compete with that! So we had to move on.”



FIRST, A PC FOR THE MASSES

Wearnes' Boldline computers, the first to bear the Wearnes name, offered unmatched performance and features for only S\$2,550 in 1989 and became the PC for the masses, according to a report in Singapore's daily newspaper, *The Straits Times*.

The basic model in the Boldline M series used an Intel 286 processor running at 12.5Mhz and was compatible with IBM's mid-range AT-PCs. It came with one megabyte ("MB") of RAM (640 kilobytes was the usual then), a 40 MB hard disk and a high-density 1.44 MB floppy disk and six expansion slots.

What set the Boldline apart from the competition was that it could be upgraded simply and inexpensively. It could be converted into a high-end system based on the more powerful 386 chip with a S\$770 modular card. In other PCs, an upgrade would have meant replacing the motherboard or making several complicated changes requiring a technician.

Former Chairman Tang I-Fang, told *The Straits Times* that Wearnes had been challenged to "produce a computer with low-cost entry that has built-in paths for upgrading, that both a research scientist and a school student would be proud to own." The Boldline computer was it.



THEN, THE BEST PC IN THE WORLD

A Wearnes computer built in Toa Payoh became the best computer in the world after winning what was widely seen as the equivalent of the Oscars in the PC world. In 1988, the ALR FlexCache 25386 won *PC Magazine's* "Technical Excellence Award" at the US Comdex show in Las Vegas. It was an industry milestone as Wearnes became the first company to wrestle the award from industry giants IBM and Compaq.

It also won *Personal Computing's* "The World's Fastest PC" award that year. Another of the company's computers, the ALR 386/220, had won *PC Magazine's* "The

Best of 1987" the previous year.

The computer was jointly designed by Advanced Logic Research, a California-based firm and Wearnes Technology.

Wearnes Technology's Deputy Chairman then, Tan Keng Siong, was quoted in Singapore's *The Straits Times* as saying that it was a significant milestone to win an award previously given to billion dollar players in the industry. ALR's President, Gene Lu told Singapore's *The Business Times*: "By winning the award we are making a statement that through hard work and good team effort, we can grow in an industry that is overrun by short term players."

A COMPANY OF THE FUTURE

Wearnes among Wall Street Journal's 66 companies of the future

By Long Siew Yee

In a recent issue of *The Wall Street Journal*, 66 companies were listed as "Companies of the Future". Among them was Wearnes Technology, a Singapore-based computer company.

The journal noted that Wearnes, which started as a car distributor, had successfully "shifted into the cutting edge of Singapore's drive for high tech superiority" and had come up with the FlexCache, a top-of-the-line personal computer.

CITATION

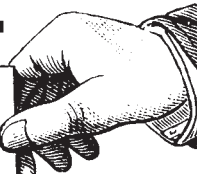
Wearnes is among those that could make our world different tomorrow - that will lead advances in technology, find new ways to make and market products and services and elevate the science of management to an art.

In 1989, Wearnes received a rare citation - it was among the 66 companies listed by *The Wall Street Journal* as one of the "Companies of the Future".

The citation appeared in the US daily's centennial edition. The exclusive international club of 66 companies was described as "a select few poised to lead business into the 1990s." They were also described as those that could make our world different, lead advances in technology, find new ways to make and market products and services and elevate the science of management to an art. The illustrious list of companies included AT&T, Acer, Ben and Jerry's, Coca Cola, Citicorp, General Motors, IBM, Walt Disney, Fujitsu, Honda Motor and Nippon Life. Wearnes was the only Singapore firm to make it to the list.

The journal noted that Wearnes, which started as a car distributor, had successfully "shifted into the cutting edge of Singapore's drive for high tech superiority" and had come up with the FlexCache, a top-of-the-line personal computer. It described Wearnes strategy for the future as ambitious and in keeping with its "aggressive, innovative image."

Commenting, former Chairman Tang I-Fang said modestly: "We had a bit of luck". He also said that the international recognition should encourage other Singapore companies to internationalise their operations and "look offshore."



STORY 70 Chairman's Advice

What are friends for unless they give and take? For the case of Phil Harding and former Chairman Tang I-Fang, one gives lectures which the other takes on board, quips Harding.

"He is always lecturing me," laughs Harding. "In Singapore for instance, when we go to dinner, he'll say: 'Be careful of hepatitis! Watch what you eat.'"

One bit of advice from Tang always makes him smile. It was in 1994 when he was preparing to go to Suzhou to build a manufacturing plant.

Tang told him: "WHEN YOU GO TO SUZHOU, BETTER BE GOOD. DON'T DO ANYTHING NAUGHTY, BECAUSE YOU'LL GO TO JAIL. THEY'LL PLANT A SAPLING AND WHEN IT GROWS TO YOUR HEIGHT, ONLY THEN WILL THEY LET YOU OUT." Harding has never forgotten the advice.

Others also remember Tang for his concern for their well-being. Linda Sivam, who served as his Executive Secretary for four-and-a-half years, says he always told her to take care of herself. "He was very gentlemanly, never had harsh words to say and never got angry. In fact a few times he would say: 'Don't wait for me, go home'."

Lim Swee Hong, the company's Corporate Secretary says he was a true gentleman, who always held doors open for the women, no matter who they were and what job they held. "The first week I was here, more than 20 years ago, I met him at the lift lobby as I was leaving for home and he approached me and asked me who I was and what I would be doing. He will attach importance to everybody, no matter what their job and had no airs about him. That part of him is very different and he is very consistent as he does it for everyone."

Swee Hong remembers that her counterparts in other companies who had dealings with Tang said the same thing. One lady, who

is now the Corporate Secretary of another public listed company, remembers the first time she met Tang when she says she was "a nobody". Tang walked over to her and introduced himself to her.

Chan Heng Pong, who has been with Wearnes for over 30 years, remembers him as a man with no airs, who always spoke nicely to staff and never bossed anyone around.

Chan says: "EVEN THOUGH HE TOLD MANY OF US NOT TO WORK TOO HARD, HE WAS VERY HARD-WORKING, EVEN WRITING HIS OWN SPEECHES AND THE WRITE UPS IN THE ANNUAL REPORT. FEW CHAIRMEN I KNOW WOULD ACTUALLY WRITE THESE THEMSELVES."

STORY 71

HAIL THE ALR ERA!

When Wearnes ventured into the PC business in 1985, Ambrosia Yap had just joined Wearnes Technology as an Administrative and Purchasing Officer. Now an Executive Secretary, she says: "We were like a mini Seagate factory then". The Wearnes Technology building was the birthplace of the ALR 286, Wearnes' flagship personal computer, and production staff worked relentlessly in three rotating shifts to put together the PCs.

The ALR 286 computer, equipped with one megabyte RAM, a 20 MB hard disk drive and a 1.2 MB floppy disk drive, was comparable to IBM's Advanced Technology PC. What made the ALR so alluring was its price tag – you could bring it home at half the price of an IBM PC. Back then, an equivalent IBM machine would have set you back by S\$10,000!

Ambrosia says Fred Tan, who was then the General Manager of Marketing and Sales at Wearnes Technology, had mapped out a bold plan with his team to market Wearnes computers overseas. "Fred was a very aggressive sales person and set up sales offices all over the world, from the United Kingdom to the then USSR. He worked very hard to promote the Wearnes PC and within a few years, we were a well-known brand all over the world."

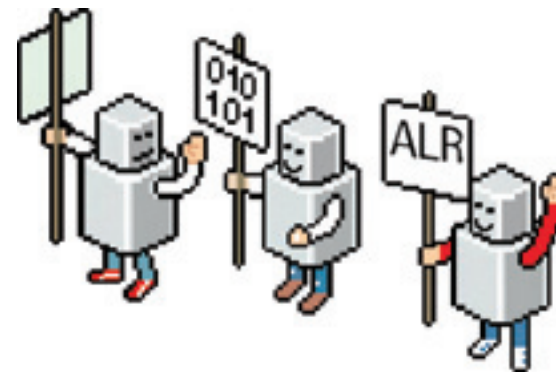
At PC trade shows and exhibitions in Singapore and overseas, crowds flocked to Wearnes' booth to check out the Singapore brand that took the world PC market by storm.

Ambrosia fondly remembers her own reaction when Wearnes' ALR brand of computers garnered several international awards for performance and technical excellence. "ALR garnered the top PC in the world award and was rated better than the more established foreign brands. We were very proud that we are the ones behind the 'Best PC in the World'. Imagine, the Wearnes brand put Singapore on the world map of technology!"

A global shake-up in the computer industry in the early 1990s resulted in severe price-cutting which saw the price of PCs plummeting by some 40 percent. Wearnes restructured its Technology Manufacturing business to focus on high-value added products such as integrated circuits and divested its PC manufacturing operations in 1996.

"I felt a sense of loss when we exited the PC business, but I know that this was a necessary albeit painful business decision. We did not let this affect our morale, because life has to go on and we were confident that there would be new Wearnes products down the road that would bring the company to greater heights."

She could not have been more right. Wearnes, which started investing in Flexible Printed Circuits or FPCs in the early 1990s, had by 2006, become the second largest FPC manufacturer in the world with the combined revenues of its two subsidiaries, Nasdaq-listed Multi-Fineline Electronix Inc., and Singapore-listed MFS Technology.





STORY 72

SIZE DOES MATTER

At the heart of today's handheld devices such as ultra-slim clamshell phones, swinging MP3 players and powerful PDAs, is a small chip called a flexible printed circuit board ("FPC"). It is the secret behind these smaller, slimmer, more compact, more flexible, more stylish and more powerful gadgets.

FPCs are as thin as a name card, smaller than a 20-cent coin and bendable, hence their monicker. They are fast overtaking the rigid printed circuit board that, by comparison, is as thick as a finger and does not have the pliability needed for the manufacture of, say, a clamshell phone. Another advantage is that FPCs dissipate heat more easily. All handheld devices generate heat, so it is important to dissipate heat quickly to prevent breakdowns.

Though thin, the FPC consists of many layers interlaced with insulating material. Components sit on top of the board and are connected by wires running through holes in the layers. These holes are drilled by lasers using special equipment. It is the equivalent of microsurgery and is a highly technical, specialised and difficult task, calling for skill, precision and know-how.

As the demand for smaller and more flexible handheld devices rises, so too does the demand for FPCs. In fact, demand is presently higher than supply and Wearnes' FPC subsidiaries, which have factories in China, Malaysia, Singapore and the US, are doing all they can to cope. Although there are many players in the market, not every player has the necessary skill and know-how to take on the highly specialised manufacturing process. To be profitable, a factory has to have a high yield. For example, out of every 100 pieces, at least 95 must make the grade and only five, discarded. But if 50 are discarded, the factory would run at a loss.

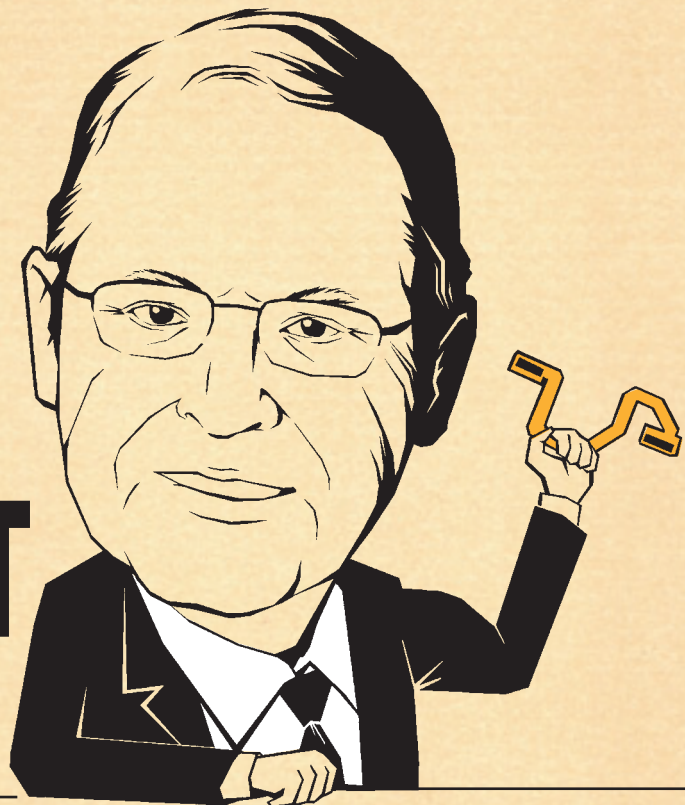
Wearnes' FPC business was nurtured for over 15 years. The flexes are developed and designed in the United States and Singapore and produced in volume in China, Malaysia and Singapore. In fact Wearnes is the second largest manufacturer in the world for these fine FPCs, which are 1.5 millionth of an inch thick.

Demand is expected to continue to escalate. Already FPCs account for the largest share of the Group's profits, contributing a pre-tax profit of S\$130.8 million to the Group's overall operational pre-tax profit in FY2005.

This small thing is, indeed, a big deal.

STORY 73

FLEXING HIS MANAGEMENT MUSCLE



Multi-Fineline Electronix Inc. (“M-Flex”) is one of Wearnes’ most successful companies today. However, when Phil Harding took over the running of M-Flex as CEO in 1988, the company was, to put it mildly, in shambles. In just two years, he turned its fortunes around. And it has been growing ever since – about 35 percent a year – and more.

“It’s good to see a company grow, an enjoyable task for a CEO,” says Harding, who at 73 is still going strong. He describes his 22-year-old tenure with Wearnes, as “very good.”

M-Flex was started in 1984 in the US, by a group of some 35 Chinese-American investors who were either doctors or engineers and technicians who had worked in the American military and aerospace industry. Almost none had any experience in running a manufacturing business.

The company, which was already manufacturing FPCs, was constantly running out of funds and on one of its fundraising forays, Wong Chun Wing, who was then the Managing Director of Wearnes Technology, was introduced to the company. Wong convinced then Chairman Tang I-Fang to buy up 19.9 percent of the company in February 1987. In May that year, the company once again ran out of funds. The Board of M-Flex turned to Wearnes for help. “They asked Wong if he could find a CEO and he asked me,” says Harding. “So I temporarily took charge.”

What started as a temporary position soon became a permanent one in January 1988 when it became clear that Harding was the right man.

In less than two years, M-Flex turned from a company with US\$600,000 in revenue a year and losses of US\$100,000 every month, to a profitable one with a bright future.

He had a mammoth clean-up task on his hands. Harding modestly says that the solutions were obvious and the problems were easy to fix. “Frankly, the people who ran the company didn’t have any experience, for example, when they shipped stuff to customers, often they wouldn’t get paid.” Apparently, customers who rejected and returned goods, were sent replacement goods, but never billed for the replacements. Flex material suppliers were sending in invoices quoting prices higher than those agreed upon in their contracts and these were not picked up.

M-Flex was also not handling COD (cash on delivery) shipments properly. “We had an agreement that customers who didn’t pay their bills would only get COD shipments. I noticed one customer on our overdue payments list. I asked the marketing man what happened and he replied that he went to see the customer but the customer had told him that he would pay after the goods were shipped. Our man thought that was what COD meant. So we never got paid.”

Harding says: “These people were not qualified. They were engineers used to working in aerospace and the military. They didn’t know how to run marketing. So, in the beginning I looked at every invoice and every purchase order to customers and suppliers, and every receipt from suppliers. Every document was on my desk.

I told them not to pay anything or accept anything unless I approved it.”

He ran every department – marketing, engineering, finance. “We had somebody in manufacturing, but eventually I had to get rid of that person too and do that job myself.”

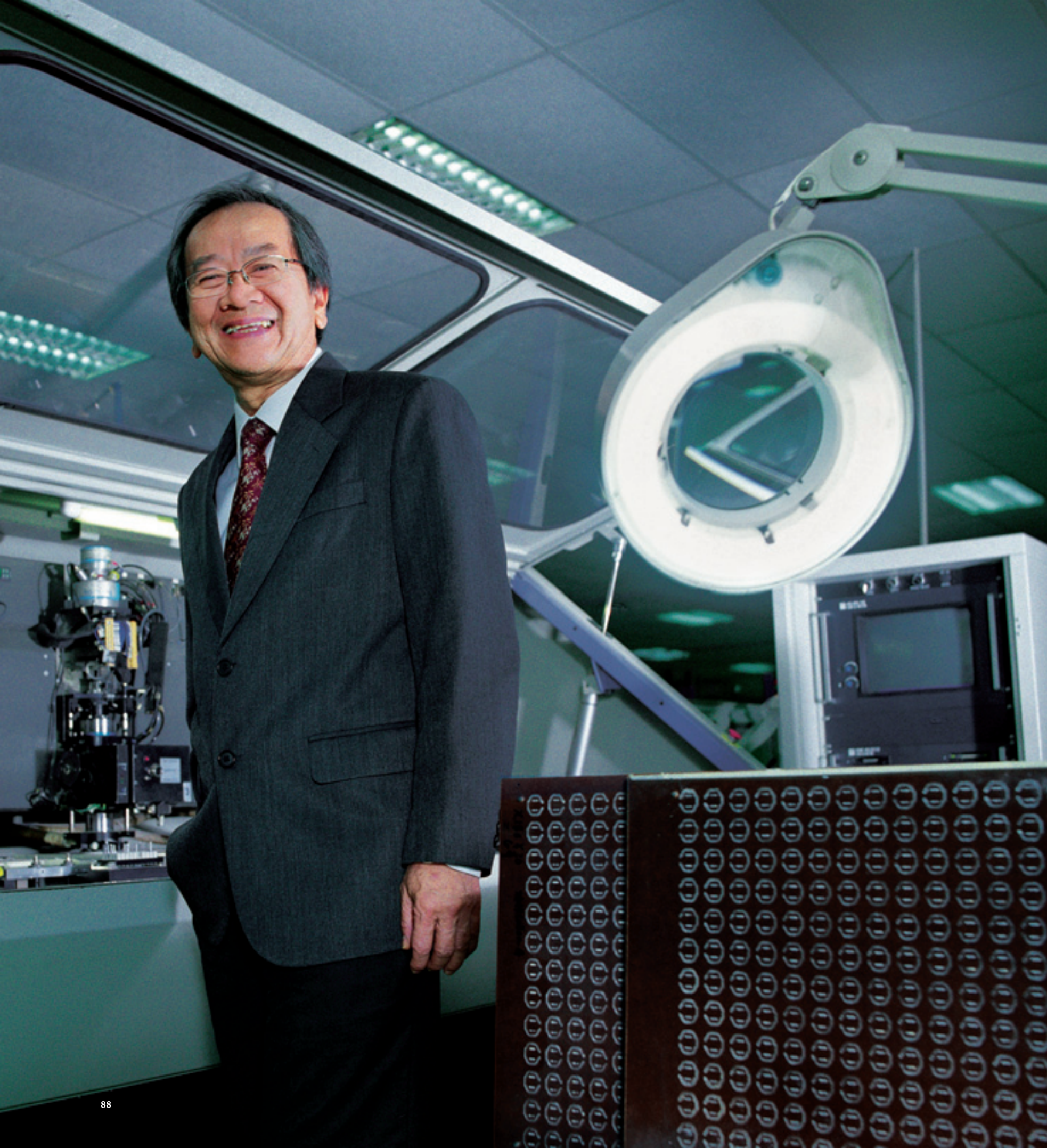
The result: in two years the company was in the black.

He sees M-Flex’s future as one of continued growth. However, his near-term objective is for the company to hit the US\$1 billion turnover mark. “We’re not that far away,” he notes. “And when that happens, it’ll probably be the time for me to retire.”

When that happens, what legacy would he like to leave? Harding says it is twofold. First, he would like people in M-Flex to continue looking ahead and anticipating the next course of action. “Often, companies don’t see the next thing they have to do. To me it has always been very clear. I’d like people in the company to keep on being able to do this.”

The other thing that he would like to see continue is the absence of politicking within the company. “People here seem to have a common goal, and to work towards that goal, rather than individually for their own benefit. This is very good.”

He is training his managers to maintain this as it will only be to M-Flex’s benefit. “If you have a good strategy and good people at the right levels focusing on doing the right thing, the company will be successful,” he says.



STORY 74

I HAVE A DREAM

When Pang Tak Lim returned from Hong Kong to become Managing Director of MFS Technology (“MFS”) in 1992, he exclaimed: “My God, we’re broke! We couldn’t even settle a S\$1,000 bill. I wondered how we were going to survive.” He also wondered if he had joined the wrong company. “I gave myself two or three years to see if I could make it.” It took him an extra year but by 1996, he had made it. Today MFS is a big earner for Wearnes, with 2,500 workers in factories in Singapore, Malacca and China. About 90 percent of its business is in flexible printed circuits (“FPC”) spurred by demand for mobile and hand-held devices.

The first thing Pang did was to put the processes right and place the right people in the right jobs – a hallmark of his management style. “Put them where they belong, tell them what you expect of them and work together with them to get it right,” he says.

Then he spelt out his dreams to staff in his monthly addresses to the whole company. “I told them different things at different stages. Initially I told them we had to survive. You can’t say ‘I want to be the best in the world’ if you’re still crawling. I had to be a bit autocratic then. I told them to listen to me and do as I say. If it fails, I’ll take full responsibility. If I listened to too many voices,

it would not have worked.”

After two years, the company broke even, then hovered. He resorted to factoring. “That gave us the money to correct the mistakes of the past, modify our equipment, find the right customers, deliver better service and bring costs down.”

The company set up low-cost factories in Malacca and China and rode out the Asian financial crisis, benefiting from the boom in the telecom business. Now, his dream is to make MFS one of the leading global FPC players in the world. To do this, it must retain, even increase, its edge in the market.

“Everyone is doing the same thing, cutting costs, fighting on quality, delivery, customer satisfaction. We must go further. Anybody can say ‘I can do this and that’ but can they do it well, and can they do it from multiple sites? Up till today, we are always of the view that we’re able to execute better than our competitors.”

He sees continued growth for FPCs as he does not see mobile technology being replaced in the next two or three years. His dream is to see MFS grow in the inter-connectivity field and in businesses linked to their activities. “It must position itself as an inter-connectivity solutions provider, but keep an eye out for unknown developments. I don’t think we’ve reached our limits. We don’t know how far this thing can stretch. But we must be ready to seize any opportunity that arises.”

BIG BLUE IN TOA PAYOH

For many years, the eight-storey Wearnes Technology Building has been a blue landmark in Lorong 7 Toa Payoh. Situated next to a Hindu temple and near the polyclinic, the building was a hub of manufacturing activities and the headquarters for the technology operations in its heyday.

Those who worked in the building before, like Executive Secretary Daisy Cheng, describe the atmosphere then as “lively” and say there was a lot of “traffic” then. Daisy, who has been with Wearnes for over 20 years, says at its peak, more than 1000 people worked in the building in three shifts. Wearnes has been in the building since 1983, when it bought the building from a garment manufacturing company.

It also holds special memories for M-Flex’s Phil Harding. “That’s where I started with Wearnes,” he says. Harding used to fly into Singapore, staying for about a month each time. “I had an office in that building. When I was there, every floor, including the annex building next door, was occupied by Wearnes. They used to manufacture ALR computers there.”

Computers, such as the ALR Boldline PCs, were manufactured on the fifth floor, there was a clean room for Hard Disk Drive manufacturing on the third floor, printed circuit boards were made on the fourth floor, and the second, sixth and seventh floors were offices. The fifth floor was a warehouse before it was converted into manufacturing space and Harding says some of the office girls claimed it was haunted.

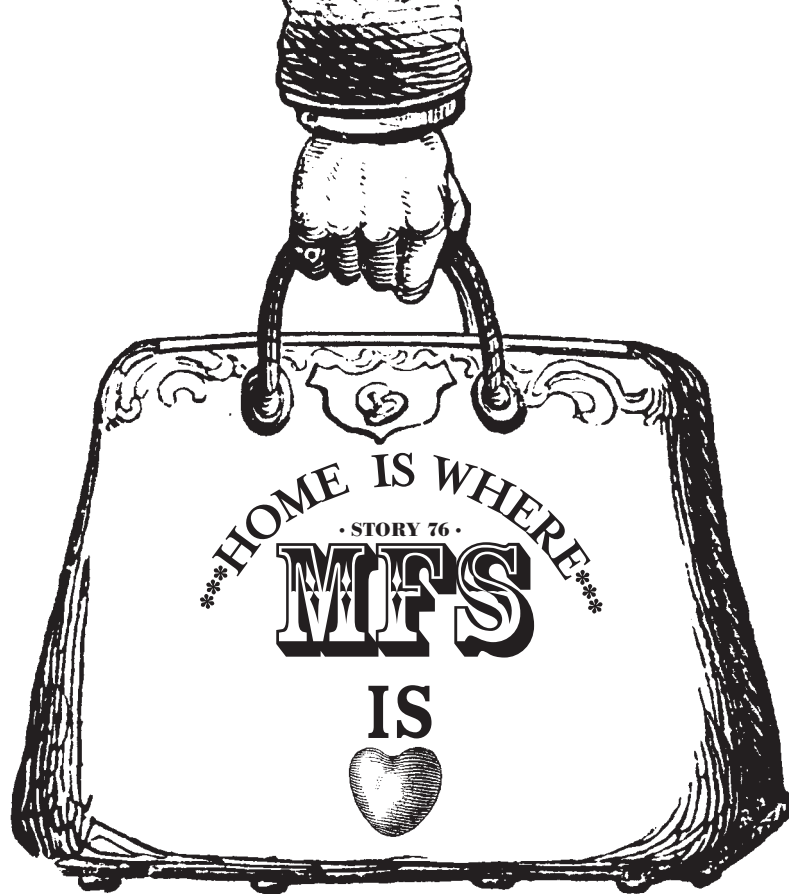
The company’s Precision Engineering operations were in the annex building, though these eventually moved out as neighbouring residents complained about noise pollution. Ivan Yeo, who started his 22-year career with Wearnes in the precision operations in Toa Payoh, laughingly recounts: “People used to scold us for dirtying the main building, because of the dirt on our shoes as we went for lunch!”

The eighth floor was for dining. There was an executive dining room and the staff were also offered subsidised lunches at 50 cents a meal. Production operators used to get 45-minute lunch breaks and a 20-minute tea break so the canteen was necessary as it would have taken too much time to leave the building to buy food.

Eventually, Wearnes sold its PC manufacturing business and moved its Precision and Electronic Manufacturing services overseas. Only the administrative offices for Wearnes Technology remained in the building. So for some years, some parts of the building were left empty. Today, some of its floors have been sublet and with the move to streamline and consolidate operations at the Group level, Wearnes has decided to move all of its Singapore operations under one roof as far as possible.

This could just give the building a new lease of life as the headquarters for Wearnes in Singapore.





Sally Lee remembers her very first day at MFS Technology (“MFS”) vividly. It was November 1995, the office at Singapore’s Tuas Avenue 8 did not impress her. The work areas were messy and cramped, and the furniture looked old and tired. The 25-year-old had just left a swanky office downtown to join MFS and was wondering if she had made the right decision. “It was a rather depressing workplace. I wondered how long I could stay in this job!” Sally recalls with a laugh.

But she stayed on. For the next 11 years, Sally, who is the Personal Assistant to Pang Tak Lim, witnessed the phenomenal growth of MFS. From a Singapore-based manufacturing plant with only 200 production staff, MFS now boasts three facilities in Singapore, Malaysia and China.

“When I first joined MFS, the company was still in the red. The next year, in 1996, we secured a huge order from a major mobile handset customer and from then on, our fortunes turned. We’ve never looked back since,” she said.

When MFS listed in Singapore in 2002, Sally found herself juggling several roles. Apart from supporting Pang, she was also roped in to assist the Company Secretary Peter Tan. “It was really challenging. I have absolutely no experience in public companies, I didn’t know how to deal with the Board of Directors, analysts and shareholders. Fortunately, Mr Tan and Mr Pang were very patient and showed me the ropes.”

Sally confessed that before she joined MFS, she had never stayed on in a job for more than a year. But the idea of leaving MFS has never occurred to her. “I am very happy working here, in fact, whenever I am on leave, I would miss work terribly! I am grateful to Mr Pang, who is a very understanding and reasonable boss and who gave me a lot of guidance. We’ve been through thick and thin together and we now feel as if we are one big family. Everyday when I come to MFS, it feels like I am coming home.”

A WALK DOWN TOA PAYOH LANE STORY 77

Singapore in the 1980s was a rather different place, says Phil Harding. He chuckles as he remembers the office girls at Wearnes Technology being very impressed by the fact that he came from Los Angeles. “They’d ask me what Hollywood was like and whether I knew or saw John Wayne and other stars.”

Just like the people, he feels life was simpler then and that there has been “too much construction”. He enjoyed simple things and was fond of walking for recreation and exercise.

He used to wander around bustling Chinatown and Serangoon Road on the weekends, exploring temples and other places. In fact, he used to schedule meetings at the Toa Payoh Wearnes Technology office on Saturday mornings and he would walk all the way from his hotel in Balmoral Road to Toa Payoh and back. Once, he walked from Balmoral Road to Sentosa, traipsed around the island, then decided to take a taxi

back as he was actually tired, after all, he had walked for at least a good 30 kilometres!

So perhaps it is hardly surprising that at 73 years old, Harding shows no sign of slowing down. What is his secret? This father and grandfather laughs and says that he is probably just blessed with good genes. “I don’t have grey hair. I don’t have to do anything to my hair. It stays the way it is. I’m physically very strong. I’m lucky that way.”

He thinks it may also have something to do with the way he unwinds.

“When I get off work, I can take my mind totally off it. In fact, I can stop worrying about work when I want to. So, my mind can clear up! Then I’m really fresh when I start work again. I’m very lucky that way. Maybe that’s what’s keeping me young too.”

Some people who have worked with him feel otherwise, they say Harding is a workaholic who obviously enjoys work and thrives on it and even

works on his time off. When he has free time, he likes to spend it surfing the Internet looking for patents. This gives him ideas to come up with solutions and patent things which are not available.

“It’s fun. I’m an engineer, but I don’t get a chance to do much of that, so when I have some free time, I go back to it,” says Harding, who has registered about 30 patents.

When he was unexpectedly hospitalised several years back, due to a rare speech disorder, he had his wife bring the computer to the hospital so that he could carry on with some ideas he had that eventually led to M-Flex patents.

He says the more recent patents he has filed are related to M-Flex. “I’ve started to do some new work in M-Flex, but now, some of our employees are doing it on their own.” While other more calculating engineers would have registered the patents in their own name, Harding has generously registered all his research and patents under the company, without so much as a second thought.



STORY 78

RED YEAST RICE



About 10 years ago Wearnes was approached by Peking University and offered a product that researchers there had developed and which showed tremendous potential.

It was red yeast rice (*hongqu* in Chinese), a natural fermented food that many Chinese eat. Researchers found it could reduce bad cholesterol, increase good cholesterol and improve blood lipids and circulation. In fact, according to the Chinese pharmacopoeia, which dates back to the Ming Dynasty (1368-1644), red yeast rice is said to improve blood circulation.

In its natural state, it is used to colour foods such as Peking duck and *char siew* (barbecued pork), and in the West, foods like salami. In Singapore, red-yeast rice chicken and noodles are popular with the Foochows.

Consumed all over China, each place has its own way of making it. However, the red yeast rice product that the researchers at Peking University offered Wearnes, was one of the best varieties in the sense that it could be standardised and manufactured under proper hygiene and pharmacological standards. In addition, there was solid science to back the researchers' claims on the efficacy of the product.

Work on the product began when the Cold War ended and there were thousands of displaced scientists and engineers. They were no longer needed to make nuclear weapons so their governments redirected their intellectual and professional talents, says Hoong Bee Teck, Managing Director of Wearnes Biotech and Medicals. In China, the government did not want to rely on expensive foreign drugs to treat patients with high cholesterol and other blood disorders, which they expected to increase as the Chinese economy continued to grow and the average Chinese enjoyed a richer lifestyle – and richer food!

In the 1980s, Peking University's Professor Zhang Maoliang, a nuclear scientist, advanced on the earlier findings of a Japanese scientist, who discovered that selected strains of *Monascus Purpureus* yeast, when fermented with rice, produced metabolites called monacolins, which had a positive effect on blood circulation. Prof Zhang identified and patented specific strains, which were developed under strict control and with the right mix of monacolins, had an optimal effect on maintaining healthy blood circulation, without any adverse effects.

Prof Zhang and his team did clinical trials throughout China and extensive research on its efficacy and were able to standardise effective doses in capsules. "They put science behind it," says Hoong.

But the product requires FDA's approval for sale over the counter in the United States because the active ingredient in the product is similar to a statin in a popular anti-cholesterol drug. The FDA said it could not be sold as a health supplement and listed it as drug in the US. That is the irony of the product. It is a natural product which works so well, it works as well as a synthetically manufactured statin, and so has to obtain regulatory approval in almost every market for the product to be sold.

the speedling story

STORY 79

While on a trip to Jordan, former Chairman Tang I-Fang was intrigued by the sight of an oasis in the desert across the border in Israel. On closer inspection, he realised that the oasis was full of seedlings grown in triangular plastic plant holders. He learnt that the man behind the seedling technology was in the midst of a dispute with an Israeli company, which was selling the technology without a license in Israel. George Todd, owner of Speedling Inc, a Florida-based company, wanted to sue.

Tang advised against it. "Don't waste your money. The lawsuit will probably take a decade to settle and you may not even win. And the lawyers' fees would be astronomical."

"Wouldn't you rather sell the company?" asked Tang. Todd agreed. They discussed terms and the deal was sealed, right there in Jordan.

Today Speedling, a wholly-owned Wearnes subsidiary in the US and a world leader in transplantation technology for the agriculture and forestry industries, has eight nurseries in the US and ten nurseries in China. Every year it produces more than two billion vegetable, fruit, ornamental and forestry seedlings. It also has horticultural products and a complete line of supplies and equipment offering customers a "one-stop shop" for their agricultural needs.

Speedling's transplant technology gives farmers higher yields. Normally transplants of seedlings have a high mortality rate, but when grown in these plastic containers, the shape of an inverted pyramid, to a size where the plants are sturdy enough to take on the elements, the near zero mortality rate almost guarantees a 90 percent yield compared to the usual 60 percent yield. The extra 30 percent is money in the bank for the farmer.

Currently in Wearnes' investment sector, Speedling has tremendous potential, says Tang. "With good management, it can have an international application in farming, particularly in China and the US. I believe there's a future there. But the opportunity must be explored."

Wearnes now plans to grow the Speedling China ornamental business to export flowers to the world. Its plants in Kunming and Guangdong in China have good yields and low cost advantages which, together with the special technology, may be a winning combination. Its US nurseries are also venturing into higher yielding ornamental plants and are also looking into growing traditional Chinese medicinal herbs. With more focus, it is likely the business will continue to grow.



Medical advice STORY 80 ON THE INTERNET



A few years after venturing into red yeast rice, Wearnes invested into MedicineNet, a dot-com company where qualified American doctors write medical articles and give professional advice online.

The investment was made after the dot-com bubble burst.

Before the bubble burst, the company was worth about US\$100 million. "We thought it was too high then. But after the bubble burst, we got in for US\$5 million for 33 percent ownership of the company," recalls Hoong Bee Teck.

Wearnes wanted to use it as a vehicle to market red yeast rice and other evidence-based natural and herbal products from Asia, in particular China, worldwide. "Singapore served as a bridge between East and West, where the richness of Asian cultures and medicine complemented the evidence-based medicine of the West and their marketing skills. We invested in MedicineNet with a view that it would be a channel for us to move good products from East to West," says Hoong.

MedicineNet was started by ALR's founder, Gene Lu who partnered Wearnes in the Boldline computer venture. He found that American doctors thought that the average consultation time of three minutes was insufficient

for doctors to impart sufficient knowledge and awareness of any disease to patients. They felt a website would be of real help.

Lu was the Chairman of MedicineNet and between 40 and 60 American doctors contributed articles on diseases as a service to the public.

The website took off in a big way. Soon it was recording a few thousand visitors per month, and today, this has mushroomed to millions.

So why did Wearnes give it up?

"We wanted to sell red yeast rice through it, especially in the US, where there is an estimated 60 million people with cholesterol problems. But with the FDA classifying it as a drug, not a dietary supplement, we couldn't sell it there. And it would have cost too much to do the clinical trials to get approval. So, we decided to focus our attention elsewhere and in a different way."

Wearnes is focusing on its core businesses and while many past investments may have made sense at the time, like MedicineNet, it makes more sense to slowly divest some of the non-core portfolio and reap the rewards of the investment. At the right price of course. Wearnes sold its share of MedicineNet for US\$7 million.

• STORY 81 •

FROM HERE TO UNIVERSITY

Former Member of Parliament and Dean of the Nanyang Business School at Nanyang Technological University, Professor Hong Hai was once a Wearnes man. He was invited in 1981 to join Wearnes by then Chairman, Tan Sri Dr Tan. He later worked with former Chairman Tang I-Fang. Describing the two men, he says: "Tan Sri Dr Tan was a man of vision who believed in staying with fundamentals and with proven methods. Mr Tang is more entrepreneurial and prone to taking risks."

Prof Hong, 63, joined at a time when Wearnes was moving into the high-tech area. He supported this and was partly responsible for forming Polytek Wearnes (later part of WIL (1994) Limited) and listing it on the Sesdaq. "The majority

shareholders from Hong Kong were interested in a listing as a way of raising capital for expansion and to give the company a better public profile. There were some difficult years in the beginning, as the businesses in China had to struggle to overcome teething problems and an unfamiliar business environment there. They eventually worked out," he says.

He was also involved in the acquisition of Speedling USA. "This looked like a promising diversification at that time. We were hopeful that the Speedling technology could be transferred to Asian farms to improve productivity and quality."

And he was instrumental in the formation of Wearnes Gas, a subsidiary that distributed bottled gas to domestic and commercial users. "It

was a window of opportunity, mooted by one of the Directors, Dr Michael Fam. It was a nice small business, but I did not see it growing to anything really large, because of its dependence on suppliers like BP, who would view us as competition if we grew too big."

He left Wearnes to become President and CEO of Haw Par Corporation where he stayed from 1990 to 2003. "It was a step up in my corporate career. My time at Wearnes was good preparation for my 13-year career at Haw Par."

He plans to step down as Dean when he completes his term in 2007. But he is not planning to stay still. "I am interested in Chinese medicine, philosophy and culture and shall continue to pursue these as hobbies."

COMPUTERS AND CHOLESTEROL

STORY 82

Hoong Bee Teck, currently Managing Director of Wearnes Biotech and Medicals ("WBM"), was part of the team that took Wearnes Technology from a company worth a few million dollars in 1984, to one that had a turnover of more than S\$800 million in 1994.

A British-trained industrial engineer, he recalls how he was co-opted, soon after joining as Corporate Development Manager, into the venture. "Venture funds were still new in Singapore then. We had S\$10 million – big money in China in those days. It would bring the mayor of a large city out to see you. Today you need to be talking about hundreds of millions to be of any significance there."

Technology too was in its infancy. Hoong remembers travelling to rural China with an advanced shortwave radio to stay in touch with world news. "Now, all you need is a handphone," he laughs.

"We made computers with 16-byte microprocessors and Intel chips and later, the virtual 32-byte computers, which were considered so advanced at the time that they required approval from the US government to be taken into countries like China."

As a "feast or famine" business, he says margins at certain times could go razor thin and were constantly under threat as competition intensified. Because of this, Wearnes chose to leave the computer business. To remain successful, he says: "You have to know not only when to get in, but also when to get out." And to succeed in the first place, you must be clear about what you are get-

ting into. "If you see the wrong picture in the sky and invest in the wrong thing, you could lose a lot of money. But if you back the right thing, then, you ride the wave when it booms."

Wearnes backed its flexible printed circuit business which boomed and spun off into two companies, Singapore-listed MFS Technology and Nasdaq-listed Multi-Fineline Electronix.

Hoong moved to WBM in 1999 after Wearnes was offered an interesting new product to commercialise by Peking University – red yeast rice – a fermented product used in Peking duck and *char siu* (barbecued pork). Researchers at Peking University found it could reduce bad cholesterol, increase good cholesterol and improve blood lipids circulation.

After clinical trials in China, it was marketed in standardised capsule form in China, and then later in Singapore as a Chinese Proprietary Medicine, opening up a whole new vista for the company.

"Unlike our technology items, this is a product developed and marketed entirely by us and not for other companies. It's a whole different equation. It has great potential to become a big business," says Hoong.

The company is adopting a wait-and-see attitude towards the enormous American anti-cholesterol market, estimated to be worth about US\$20 billion. It is poised for new developments, especially possible Food and Drug Administration ("FDA") approval of over-the-counter sale of statins. "If that happens, the US market will open up. Even if we get one percent of it, it'll be huge," says Hoong.





STORY 83

THE ART OF THE LONG VIEW

Forty years in the business has taught Dr Lim Huat Seng the importance of taking the long view. He believes the future is in wireless communications. As Executive Director of the recently formed Technology Solutions Division and Head of Special Projects, Dr Lim also oversees other high growth technologies in areas such as video streaming, video surveillance and hardware and software solutions for wireless devices, and their manufacture.

Having worked for American and British companies in the US, UK, Australia, China, Hong Kong and Malaysia, he has seen three generations of computer technologies come and go.

The first were mainframe computers – so large that today they would fill an entire floor of the Wearnes Technology Building or about 1100 square metres. The second were mini computers, which would occupy three-quarters of an average

conference room, and the third, personal computers as we know them now.

The fourth generation is already here – computers so small their entire operations are contained in a single chip the size of a 20-cent coin, thin as a business card, but with the power of the early mainframes.

The mobile phone is one such computer, notes Dr Lim, but it is “application specific.” It is possible to put full computation power into a handheld device but often not wise as this may raise costs and hence the retail price of devices.

He is no longer heavily involved in the technical side of things. “There are younger engineers who know this better than I. But having gone down that path, I can see the broader, larger view, the pitfalls and the potential.”

He knows that competition is fierce as new players enter the field and the technology gap closes. “Thirty years ago we didn’t have text-

books on computers, as the technology wasn’t documented then. Now, schoolchildren can build a computer from a manual.”

There is China and India, where labour is cheap and skills are fast improving. Luckily for Singapore and Wearnes, the business is not just about technology. “We still have the edge over other countries,” he assures.

Finding a “killer application” though – one that will take the market by storm the way mobile phones did – is a different thing. It is getting increasingly difficult as the market matures. The trend is on improving existing technologies and products, both cosmetically and functionally.

“There’s not much difference between products these days. To stay ahead we must keep being innovative and flexible. Our success so far has been because of this,” he says.

And that is not likely to change.

STORY 84

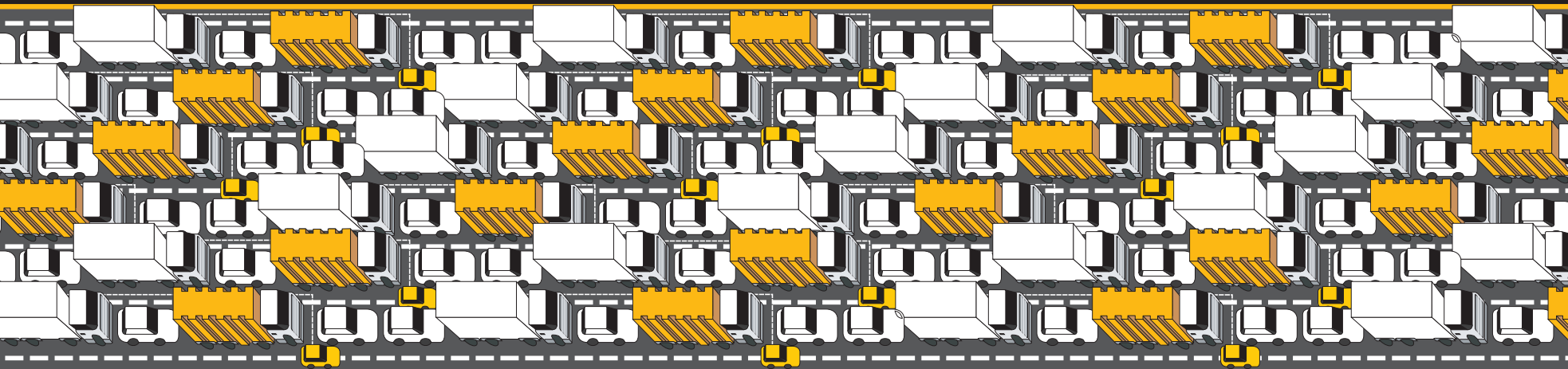
THE WONDERS OF VIDEO STREAMING

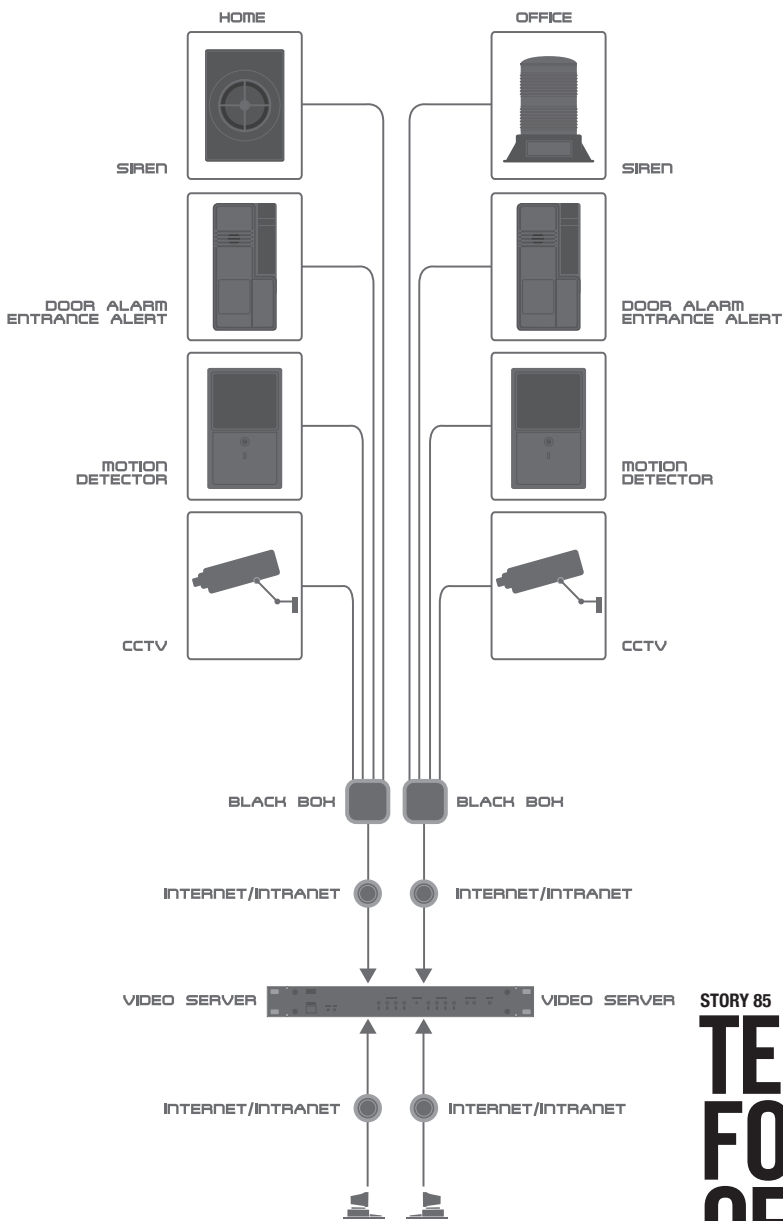
Video streaming is a growth area for Wearnes. It is the technology of capturing video and audio data and sending it to another location through the Internet. If it is sent one-way, it can be used for video surveillance as the person views and listens passively to what is being captured on camera and sent through the Internet from the other end of the world. Two-way streaming becomes video-conferencing where the viewer can see, hear and interact with the person on the other side.

Through video streaming, data is compressed and sent through the Internet to another location, where it is de-compressed and received. Dr Lim Huat Seng of the Technology Solutions Division uses the analogy of moving house to explain this. "When moving house, everything is packed and compressed; e.g. chairs folded, tables unscrewed and packed. At the other end you unpack and unfold." Another analogy is the highway. "If the highway is jammed, cars move slowly. But if you compress vehicles to say, the size of motorbikes, they can weave in and out of traffic and hence travel more quickly."

Wearnes owns the video streaming technology that was developed by its engineers in Wuhan, China. And it has gone one step further. "We have developed intelligent software to synchronise voice and sound better." Sometimes with foreign newscasts, the audio and video do not quite synchronise. Wearnes engineers managed to get around this problem. "We've highly qualified Chinese engineers in Wuhan, many of them with masters degrees and doctorates in computer science."

Video streaming applications include surveillance, conferencing and distance learning. It can even be used by hospitals although the technology was not specifically designed for that use. "We are not targeting it for this use, as there has to be more stringent foolproof safeguards, but broadly speaking, it would allow a doctor at home to connect to the Internet to check on a patient in an intensive care unit."





Technology has advanced so much that it is possible to monitor premises real-time from another location and shut an open window by remote control if necessary. Wearnes has sophisticated video surveillance technology, developed by the company's engineers in Wuhan, China.

This is how it works. At home or in the office, a black box is connected to all the necessary equipment – cameras, microphones, motion detectors, computers and other monitoring systems. Sensors on doors and windows can also be connected to the box, so that if a window is opened, the box will register it.

This box is connected through the Internet to a video server that could be on the other side of the world. A picture taken and sent to the box will go to the host server where it is stored.

The user can access this host server from any-

STORY 85

TECHNOLOGY FOR THE AGE OF TERRORISM

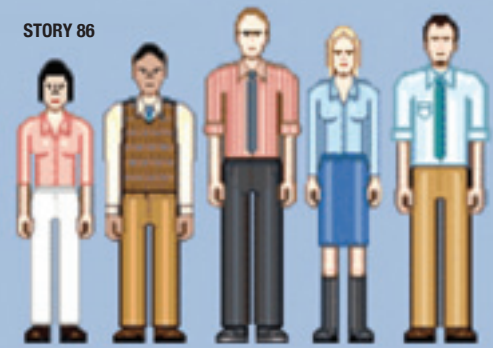
where in the world through the Internet, after satisfying all the security requirements. Via remote control, the user can even close that open window.

Wearnes engineers spent hundreds of man-hours developing this technology that is owned and copyrighted by Wearnes, although it has not yet been patented.

The system has already been sold to several organisations in China including banks, the military and an electrical power plant where cameras are needed on every floor. The system has also been installed in a historical garden in China, where about 30 to 40 cameras are placed all around the garden. This allows the security chief to monitor what is going on in the park from his own home if necessary.

In this age of terrorism, this could be one potent weapon in the fight against the bad guys.

STORY 86



THE BEST OF BOTH WORLDS

It is not uncommon to see companies rise and fall in the high tech industry. Yet Wearnes has managed to succeed in this very competitive arena. The secret lies in its winning formula of tapping the best of both worlds – the combined use of top quality American technology and skills with low-cost labour for volume production in China.

Wearnes maintains a small but efficient pool of highly skilled engineers based in Silicon Valley and Singapore. They watch trends and analyse the market, all the while understanding the shifts in technology and changing customer requirements.

The American and Singaporean engineers do the higher value-added work, the “architecture” so to speak. They define, design and build prototypes. When these are thoroughly tested and found to be ready, the whole project is then moved to China where a team of engineers are ready to take this to mass production. This is one reason M-Flex in San Jose, California has done so well.

Engineers in the US are expensive, so Wearnes only maintains a small team there which works very closely with customers. When the company wrote software solutions for a mobile phone company, which had a design centre in the States, its engineers worked with the customers right from the start. They worked together on the product specifications, found a design solution, then made a prototype. The engineers fine-tuned the processes and got the quality and yield right. When it was finally ready, the production shifted to China.

It is the same with Bluetooth products and flexible printed circuits. The rationale is that although China has its top engineers, they are not close enough to the design centres in the United States, but provide a valuable service during the manufacturing process in China.

Wearnes intends to apply the same principle to other products and are already working on future prototypes. When ready, Wearnes will once again, make that move to China.



STORY 87

WIFI, WIMAX, WHY NOT?

Bluetooth works for short distances. For wireless communication over longer distances, something else is needed. This is one reason which led Wearnes to acquire RFNet, a company that is into WiFi, WiMax and WiLan technology, which covers longer distances and complements Bluetooth. It also produces wireless products.

With mobile phones, the user has to pay for calls on a time basis, but with WiMax and others, there is no such payment. Also, Bluetooth cannot transmit a lot of video data over long distances but it is possible with the new wireless technology.

“This is a high growth area and we’re positioning ourselves for short and long distances,” says Dr Lim Huat Seng. “Our R&D people are also working on new technology where you can receive both the audio and video at the same time.”

He says today’s mobile phone video technology has limitations. “It’s a question of cost and that’s why the 3G phones are not taking off. The operator has to pay a very high fee to get the licence. With the extension of Bluetooth technology, we don’t have that costly infrastructure.”

One example is Ultra Wide Broadband (“UWB”), a technology that allows a large volume of data, such as motion videos, to be transmitted wirelessly without paying the telephone operator. Currently you pay to send Multi-Media Messages but UWB, like Bluetooth, is free.



STORY 88

TAG IT!

Many of the security tags on products sold in shops from Alaska to Zanzibar originate in a Wearnes factory in China.

The tags are made by Wearnes Electronic Manufacturing Services (“EMS”) for a company called Tyco in Shenyang, China.

The way a tag works is simple. If someone tries to steal a product that is tagged by taking it out of the store without paying for it, an electronic sensor will be triggered and the thief apprehended.

The technology involves the use of a magnetic strip in the tag made from a permanent magnet which costs more than US\$100 per kilogram, according to Managing Director of Wearnes EMS, John Koh. The raw material is processed to get the right frequency and tuned to the system. When the tag passes the system, it breaks the circuit. Nothing else will disarm it.

Koh says in the past, professional thieves have tried many methods, such as placing a coin on either side of the tag, to break the cir-

cuit. “But we’ve worked with this for many years and we know all the tricks.”

The tags come in various sizes with different models for various uses, including tags for clothes and jewellery. They are mainly found in high-end shops, and it is estimated that more than 90 percent of retailers use Tyco tags.

The company also makes more than a billion reusable barcode strips a year. It uses the same technology as tags but comes with a magnetic strip inside.

EMS is the sole supplier of these products and has been sub-contracted to do the work. Wearnes does not own the brand but supplies the labour, factory space and expertise to design and manufacture the products under the customer’s own brand name.

It is able to do this because of its strong manufacturing processes. The factories operate efficiently to produce high-quality products with higher yields – qualities that draw customers to Wearnes.

POWERED BY WINDIGO

Hot on the heels of mobile phone technology came hands-free Bluetooth headsets that made it possible for people to walk and talk on their phones or listen to their MP3 players without having to connect their phones or players physically with their headsets.

Windigo Systems, a Wearnes subsidiary, has spent the last few years chasing the Bluetooth boom. Its first Bluetooth product – headsets for mobile phones – was a big success and is used all over the world today under various brand names. One reason for its early success was because it was the first to offer eight hours of talk time, cancel out background noise and have an extended battery life to boot.

Today's headsets are more sophisticated than the early models. They allow the user to switch between mobile phones and MP3 players automatically. This means that if a call comes through while the user is listening to music, the headset will automatically switch to the mobile phone and the user can take the call. When the call ends, the headset automatically switches back to the music player.

The headset can also be used on devices that combine mobile phones and Personal Digital Assistants like the Blackberry. There is also one developed for use with the Apple iPod. For those who want better sound quality, there are headphones which offer stereo sound quality.

There is more. Bluetooth can be found in cars as well. They automatically connect devices in the vehicle, such as GPS devices which use satellite technology, the car's stereo system and your mobile phone. So you can switch from one device to another using your headset without having to fiddle with any buttons on the dashboard. In fact, some car manufacturers are looking at using Bluetooth to wirelessly connect parts of the car engine.

The products, although manufactured by Wearnes, do not carry its name. It produces them for clients to their specifications and under their own brands. Wearnes gets a fee but not the credit, although somewhere on the product there is a very telling stamp which says "Powered by Windigo".

Which also helps bring new clients to Wearnes.





· STORY 90 ·

THE NON-CONFORMER

During his time at Wearnes, Professor Wong Yui Cheong gained a reputation for being a non-conformist and oddball because his thinking and views were often not shared by his colleagues. Prof Wong (better known to friends and colleagues as Y C Wong) was then Executive Director of Wearne Brothers Properties, Wearnes Development and Wearnes Construction. He was brought on board by Wearnes former Chairman Tang I-Fang, who worked with him previously in the Economic Development Board.

He was responsible for the Singapore and Malaysian operations of Wearnes former Property and Leisure Division and shared Tang's view that the Group's properties were under-performing and under-utilised. He felt that serious consideration should be immediately given to put them to more gainful use by redeveloping them, so that they could be turned into performing assets and derive a higher economic benefit for the company.

But some major shareholders disagreed.

They held that the properties were acquired at very low cost and to hold on to them at their current state would attract no holding cost. Their book values too were a fraction of their market values. Once redeveloped and sold, they would be lost forever and replacement would be costly and difficult to come by. They felt it would be safer and prudent to sit on these properties.

But he says Tang, although not seeing eye-to-eye with him on many things, gave him his full support and he succeeded in getting approval to redevelop pre-war properties in Holland Road, into bungalows and condominiums. These were then sold at a substantial profit, propping up the company's performance during difficult times.

On behalf of Wearnes, he also entered into several joint ventures with well-known developers in Kuala Lumpur, Ipoh and Penang to redevelop residential and commercial properties there.

Prof Wong was in Wearnes briefly in the 1980s and then again from 1991 to 1999, but

when he re-joined, the company's large and choice commercial properties in Orchard Road had already been compulsorily acquired by the government for the development of the Mass Rapid Transit system.

He then took on a post as Executive Assistant to the Chairman of United Engineers, who was also Tang. He was to initiate and launch the UE Square commercial and residential development project in River Valley Road and the warehouse complex in Pandan Crescent.

Since retiring, Prof Wong, 77, has been teaching construction contract administration and construction project management in the Master of Science (International Project Management) programme run by Nanyang Technological University's School of Civil and Environmental Engineering. He also helps the Centre for Advanced Construction Studies to conduct seminars.

"I'm not just teaching," he says. "I'm passing on my experience in construction project management to the next generation, instead of only bringing it to my grave eventually."

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STORY 91

RIDING THE DRAGON



Wearnes former Chairman, Tang I-Fang, led a joint UN and World Bank study team to analyse investment opportunities in Liaoning Province, in Northeastern China, in 1990. This was not long after the Tiananmen Incident in 1989 and at a time when investors were staying away from China. Then economic advisor to China, Singapore's former Finance Minister, Goh Keng Swee had asked Tang to lead the study. It paved the way for foreign investors, including Singapore companies, to participate in the development of not only Liaoning Province, but other parts of China.

According to Wearnes' Chief Legal Representative in China, Mrs Tay Pi Lan, after the study, the Liaoning government urged Tang, as Chairman of several Singapore-listed companies, to invest in projects in Liaoning. Tang made clear that Wearnes companies were not to get involved in government projects and that commercial considerations should be the primary drivers for any venture.

By 1991, Wearnes became the first Singapore company to invest in Shenyang. Since then, it has spent over US\$180 million in a wide field of projects, starting with precision engineering and technology manufacturing, then agro-technology, property development and even social development, starting an international school in Shenyang. It was the first of its kind for expatriates working in the city in the 1990s. It built the Huaxin name in property development, which set the benchmark for high quality, upmarket projects in China. It also built Summer Palace, a leisure theme park.

In 2006, the Shenyang government awarded Wearnes "the model flagship enterprise" status, with

preferential tax and other economic incentives, as a recognition of its contributions to Liaoning. It is the first Singapore company to enjoy such privileges.

From Shenyang, Wearnes expanded to other parts of China.

In Suzhou, Wearnes started talking to the local government even before the Singapore government started the Suzhou Industrial Park. In 1993, its subsidiary M-Flex already started a factory there. Wearnes also partnered the local housing authority to build property in Suzhou. Many were prestigious projects, such as Suzhou Orchard Manor and Horizon Gardens, which also set new standards for quality housing projects in China. It developed Suzhou Agriworld, an agricultural theme park, as a tourist attraction.

Wearnes was viewed as a model Singapore company which had expanded in China, and current Minister Mentor Lee Kuan Yew, has visited several of its operations on his trips there. These include the theme park in Shenyang and the M-Flex operation in Suzhou. Other political leaders, such as Senior Minister Goh Chok Tong and Prime Minister Lee Hsien Loong, have also visited Wearnes projects in China.

Other areas which Wearnes ventured into were Chengdu, Chongqing, Guangzhou, Shanghai and Beijing. Most of the activities were either in technology manufacturing or property development. It also started agro technology operations in 10 different areas in China, introducing high tech processes in farming to China.

Wearnes was definitely a pioneering Singapore company to ride the wave of China's development.

STORY 92

SURVIVING SHENZHEN

Phil Harding had something to write home about in the 1980s. Not many can say that they were an American Jew, working for a Singapore company, based in Shenzhen in the 1980s. He was asked to set up a manufacturing plant there, because "it was a lower cost area than Singapore".

China, he says, has changed much in the last 20 years and was then "strange and very difficult" for any foreigner. He needed an interpreter. His "important executive" apartment "looked worse than any slum in the US". The ground floor often flooded because of badly laid cement, which caused the water to flow towards, rather than away, from the building. "I used to wade, shoes slung over my shoulder, to our factory, two blocks away."

The diet also took some getting used to. He had an Indian assistant from Singapore who was vegetarian and had to basically live off plain rice. Every

weekend, they would take a train to Hong Kong to eat and take a train back. There were other problems. Power was rationed and not always available. The local partners, who were actually from the Chinese aerospace ministry, were oblivious to budgeting, constantly sending workers when they were not needed. The work ethic was poor. Workers disappeared home for lunch and did not return for the rest of the day.

Harding also said they smoked incessantly and conveniently littered the factory floor with cigarette butts. Harding had to literally roll up his sleeves to pick every cigarette butt off the floor. He eventually started having "seminars" to educate the workforce. Yet there are no regrets. The experience itself, despite the problems, was satisfying. "The whole environment, the whole country was new. I was able to mould and develop and train people who basically didn't know how to do things, unlike in established places."

LIFE IN CHINA

Before he went to China for Wearnes in 1993, Wearnes EMS's John Koh was working in Shanghai. He says initially he could not even walk the streets without bodyguards. "There would be two in front, two at the back and one by my side," he remembers. There were hardly any vehicles on the street and foreigners like him were not allowed to interact with the locals. If they did, the penalty could be jail.

"They said it was for my own protection, but I think it was because they didn't want foreigners to get too close to the locals for fear of 'ideological contamination.'" Later, when they got to know him better, they relaxed these rules, but it was still very restrictive. Restaurants shut at 6pm and most activities were in the hotels where foreigners stayed.

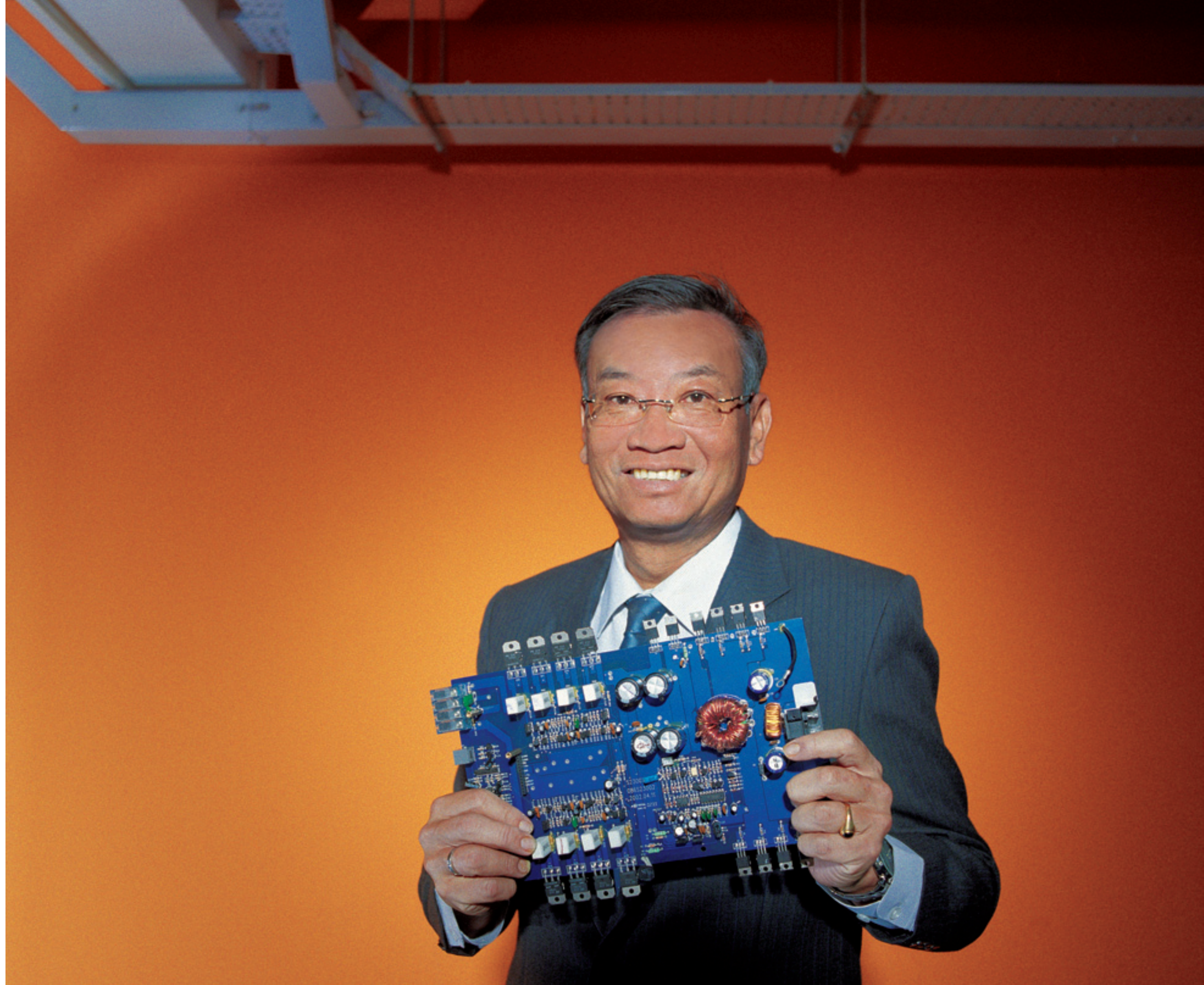
When he went to Shenyang in 1993, the cold did not bother him (having studied in the US) as much as the pollution. "At the time, Shenyang was the second most polluted city in the world because they used to burn coal for energy to keep warm. The black dust was everywhere, getting into your clothes, eyes and lungs."

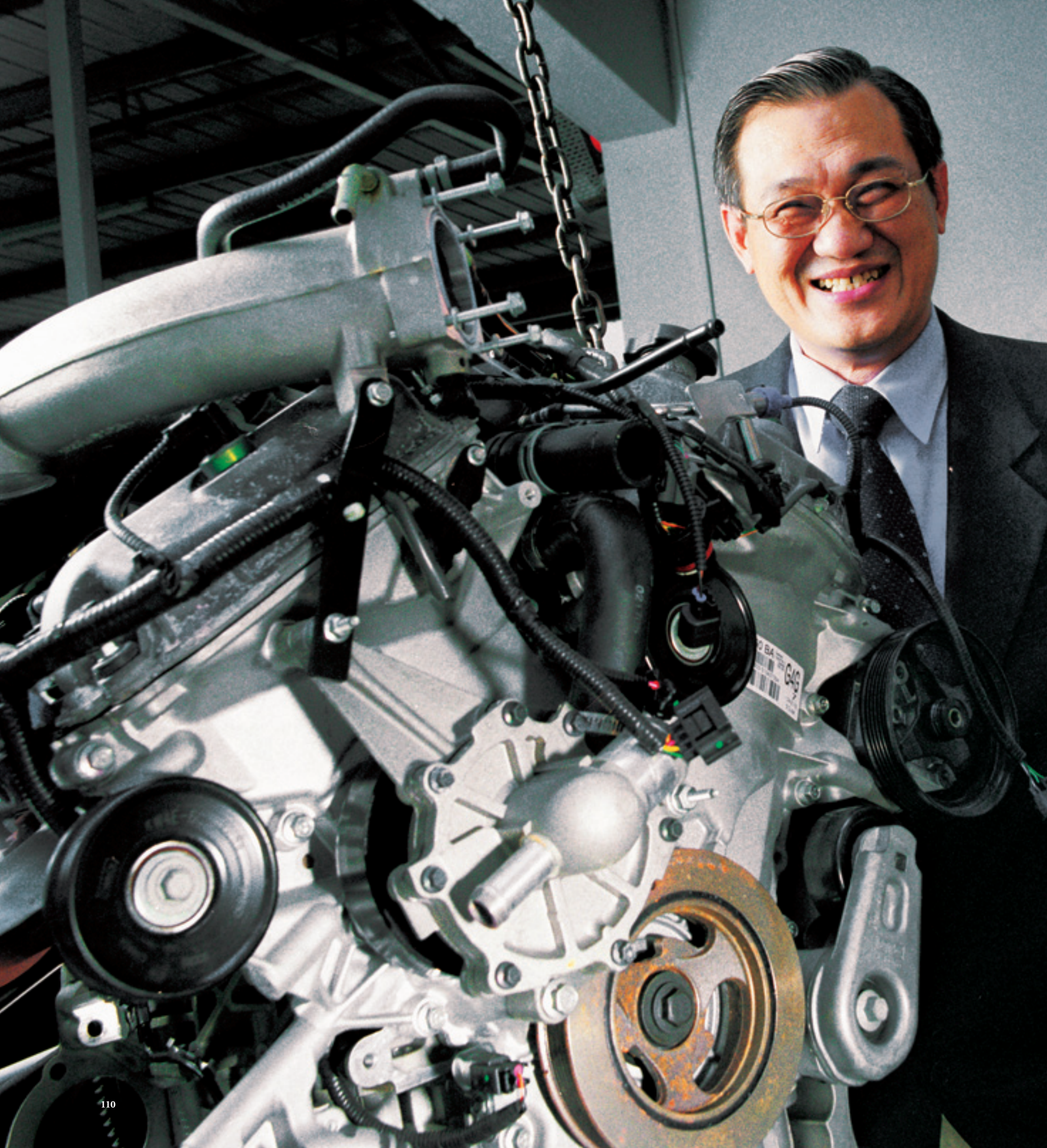
He went alone, leaving his family behind in Singapore. It was only three years later, when things were more settled, that he sent for them. "I thought it was important for the family to be there, otherwise I would miss their growing up years. Also, in the three years I was there, I came back to Singapore very infrequently."

His wife gave up her accounting practice and at first it was difficult for the children as there were no international schools. They went to a local school, where his daughter settled in well, but his younger sons found it difficult to study Chinese. Later, they went to an international school.

Koh foresees that when he retires he would spend part of his time here and part in China. "My friends are here and it's nice to spend time here, but China has undergone an amazing change in a short span of 10 years. Shenyang, for example, is no longer polluted. There are spanking new roads and condos. There are international newscasts and television programmes. The cities are pleasant and the environment beautiful with plenty of recreational facilities, nightlife and good restaurants. In China, you can afford to eat out at a different restaurant everyday."

Or, as he puts it, in business terms, "the fun factor, relative to cost, is high in China."







STORY 94

Making it in Shenyang

In 1994, an intrepid 37-year-old Ivan Yeo left his family behind in Singapore to set up the first Wearnes Precision factory in Shenyang in northern China. Now, after 13 years there, first as General Manager then Managing Director, he is back in Singapore, overseeing operations in Thailand and Shenyang. Although he still travels to Shenyang because “you can’t manage a remote place from here”, he says it is good to be home and “I could not have done it without my wife’s support.”

Of his pioneering days in Shenyang, he says the winters were unforgiving with temperatures dipping as low as minus 28°C. There was coal dust everywhere which got into your lungs and the loneliness too was hard to take. “For a Singaporean, it was no man’s land. An engineer who came out with me only lasted one year.”

It was a challenge to build a company from scratch. So Yeo threw himself into his job, work-

ing long hours and often, even sleeping in the factory on round-the-clock work shifts. He describes his stint there as “frustrating, lonely, isolating yet challenging, interesting and rewarding” and says it took strength and determination to overcome the conditions.

But why Shenyang? “We moved from Singapore to Thailand and China to reduce labour costs. In China, we considered a few places. Shenzhen was crowded and getting expensive. Shanghai was more for corporate management. Other places were scenic but without the infrastructure. We wanted a place where labour costs would remain low for a long time. Shenyang had an industrial manufacturing background and plenty of cheap labour, as the recession had left 60 percent of the population desperate for jobs. The government was willing to give us any benefit. Our former Chairman Tang I-Fang was one of its advisors there, so they welcomed us with open arms. It was the perfect time to go in.”

In the first year, sales reached US\$0.5 million and subsequently it grew about 10 to 20 percent each year. From 26 workers and 15 machines, it became a medium-sized company with 1,200 workers and 120 machines, with an annual turnover of about US\$20 million. Now, it wants to provide customers with value-added services by being a one-stop shop offering other sub-assemblies, to lower customers’ costs. Half its business consists of making computer-related parts, including hard drives, 30 percent automotive parts and the rest, electronic components.

Shenyang has come a long way since the early days. The environment has improved and there are now six Wearnes companies there. Yeo says he now operates there with ease. “In my first six months there I needed an interpreter. When the Chinese get excited they speak very fast and even if you think you know the language you just can’t follow. Now, I can negotiate, advise and even rebuke them using Chinese proverbs,” he laughs.



BEST Factory Managers

Two Chinese women are key to Wearnese operations in Shenyang. They have similar surnames and both have been with Wearnese for 13 years.

37-year-old Zhou Qing is currently the General Manager of the Wearnese Precision plant in Shenyang. She says she was the envy of friends when she left her stable state-owned enterprise job to work at the six-storey Wearnese Technology Building, then the only tall structure in Shenyang's San Hao Street. "Wearnese was a very well-known name in Shenyang as there were only a handful of foreign corporations in the city. It was everyone's dream to work for a foreign company."

In 1995, she was transferred to Wearnese Precision and was overseeing the production of components for personal computers. The plant had only 15 machines at the time, but today produces over 50 kinds of parts for PCs, automotive and other industries. She says with pride: "We have come a long way and are now the largest precision manufacturing and die-casting facility in Liaoning province".

She recalls the lean years when Wearnese was only in the PC business. "Orders for computer components fluctuated, affecting the company's operations and staff morale." Due to intense competition, sales were poor and the company decided to venture into making parts for the automotive industry.

It had to convince global automotive parts suppliers like Bosch that it could meet their requirements. It took five years and consistent quality reports from other customers to finally win the deal.

Wearnese Precision Shenyang garnered the "Excellent Supplier Award" from Bosch. Other automotive parts suppliers began to sit up and notice Wearnese. Zhou says: "Everyone in the company believed in this principle: Persevere, and you shall succeed."

A photograph of Singapore Prime Minister Lee Hsien Loong's visit to the company's facilities in October 2005 sits proudly on her desk. She recalls with excitement: "We spent one month planning for the visit. He was supposed to spend only half an hour at the plant, but stayed on for 45 minutes

and left with a very good impression of our plant. We were very encouraged and happy to do Wearnese proud!"

Her counterpart in Wearnese Electronics Shenyang, 50-year-old Zou Guizhi, looks after three plants doing contract manufacturing for the electronics business. She says she often loses sleep thinking about the business. "I am always thinking of how to meet our customers' needs and improve efficiency so that we can grow the business."

Zou's hunger is understandable. When she started in 1993 as the company's Human Resource Manager, the one-year-old company had no customers and was often cash strapped. Zou says in its first two years, the company lost three of its managers. "I decided to stay on with five others because we wanted to turn the company around."

She vividly remembers the first time she met her Singaporean supervisor John Koh. "He came to Shenyang in November 1993, it was a cold and bitter winter. The company was not making money then, we had to keep costs down. The heating was kept to the lowest level and everyone was so cold that our fingers were swollen. I felt very sorry for John, who had to wear gloves and seven pairs of socks in his office to keep warm! If he was willing to brave the cold and stick it out, I thought we should all rally together," says Zou.

The company secured its first customer, Vacuumschmelze China Magnetics, in 1994. Other big-name customers like electronic security solutions provider Tyco Safety Products, coil provider Perkin Elmer and automotive components supplier Valeo Sistemas Electrico, soon came on board. She says the company now faces a "happy problem" of finding capacity to fulfill orders. Staff are now putting in 200,000 man hours per month, compared to 30,000 man hours per month six years ago!

Having come so far with the company, Zou feels that she still has a lot to do. "The world is changing rapidly, we have to look out for new products and new customers constantly in order to stay ahead of the competition. The road ahead is still long!"



Factory Workers THE BEST IN THE WORLD

The Chinese are the best factory workers in the world because they are easy to train, extremely hard working and flexible, says John Koh, who has been doing business in China since 1987 and for Wearnes since 1993.

“As long as you reward them and pay them for their efforts, they will not hesitate to do the job. They won’t bicker about this not being their job or what they should be doing. Even now, after so many

years, I can still find good workers,” he says.

In China, his first experience was with workers who were high school graduates. “Education in China is by rote learning. From an early age, they’re taught to follow instructions, so it’s easy to train them. And due to their higher education, they have that mental capacity to absorb information. If you reward them, you’ll find them dexterous and fast workers. In the past they didn’t have

many opportunities for jobs, and even now, there are people begging for jobs, as demand for work is greater than the supply of jobs.”

“You must understand the scale of China. Shenyang is four times the size of Singapore. Most cities are bigger than Singapore. A lot of farmers in China are more than willing to take a long boring train ride to the city to look for jobs, as they cannot find work on the farms.”

HOW TO DO BUSINESS IN CHINA

There are **THREE MAIN THINGS** to remember if you want to do business in China, says Wearnes Precision’s **IVAN YEO**, who spent more than a decade doing just that in Shenyang.

. 1 .

UNDERSTAND THE CULTURE

You cannot use the Singapore model and implement it there. The nature of business may be the same, but you must understand the culture before you go in. Before German and Japanese companies send someone overseas, they ensure that the person learns about the country’s culture and language. This is why the Germans have been more successful in China than the Americans, who like to drive their own culture abroad.

There is no way you can manage the business the same way you do at home in a different country. One example is gifts –

seen as bribes in Singapore – but for the Chinese, a practice. You can’t stop it, but that doesn’t mean you must follow it.

Employees must be trained to work their way around bribes. You can’t change the culture. You have to manage around it. A rule is that staff cannot be taken to dinner or entertained by suppliers. However, if a supplier was particularly good during the year, the staff can take him to dinner to thank him. And your door must also be open to many suppliers, not just one.

. 2 .

DON’T TAKE SHORTCUTS

It is important to follow the government’s rules, regulation and procedures. A lot of people are misled into thinking that in China, everything is possible. They can escape this and that, do this and that. You may be able to take advantage of things for only a short period of time. It is not true that the government does not know. It casts its net very wide, waiting for the harvest.

. 3 .

WORK WITHIN YOUR MEANS

Do not be greedy or expand for the sake of expansion. Rather, expand and then consolidate. You might not understand the business from the start. Take small steps and have a clear understanding before venturing further. The attraction of expanding in China is great, as opportunity is everywhere but you must live within your means. For example, to expand may mean buying a lot of equipment and that may result in over-borrowing. Spending within your means is the best policy.



· STORY 98 ·

CHINESE CONNECTION I

Over the years, Wearnes has built up a Chinese Connection. Staff who were originally from China but who have made their home in Singapore and now form an invaluable bridge between the two countries.

One such person is Dr Hong Decheng. Originally from Kunming, Dr Hong now calls Singapore his home. He studied engineering at the prestigious Tsinghua University, worked in Kunming and met his wife there. They were married in 1995, just before he left to do his PhD in Civil Engineering at the National University of Singapore (“NUS”). She joined him half a year later to do her Masters in Architecture also at NUS.

Hong says he came to Singapore because it was not far from China and yet had Western influence. He did not want to live in a society which was distant from Chinese culture or did not have an understanding of Chinese culture.

He worked for a couple of local construction firms after completing his PhD on a scholarship with NUS. But in 2003, he decided to join Atkins, a British firm, as a consultant and was posted to Shenzhen. After 15 months, he joined Wearnes.

At the time he joined, Wearnes was looking for a key manager with a background in China who understood Singapore’s way of doing things.

Hong took on the challenge. He says Shenyang was a “hotspot”.

He says there was an initial culture shock where he had to get used to the different mindset of working in China, where “cashback” or under-the-table dealing was a common practice in the property development industry. “There is a big gap in corporate governance between the Singapore mindset and the local Chinese mindset, we had to learn how to make clear that as a Singapore company, we could not accept such practices.”

Hong says this is a common problem for all property developers in China. “In China, the rules and regulations with regard to property are not so clear (with regard to land titles, deeds and contracts) and local practice guided the way things were managed. But today, in areas like Shanghai and Beijing, these legal and governance issues are much more transparent.”

In Shenyang, he had to handle what he calls “historical” issues and clients who were not used to international practices relating to contracts and the proper channels of seeking compensation. For instance, just before he joined the company, his predecessor, the General Manager of the China property development arm, had been held hostage for a night by irate property owners who demanded compensation because they had not yet received the title deeds to their properties. Fortunately, the issue was amicably settled.

Hong similarly found himself the target of irate customers after he took on the job. There were threats to his personal safety. A couple, who wanted to claim a huge sum for defects in their property, stormed into his office one day, kicked down the door and threw his computer onto the floor. The man ended up with a broken leg and Hong’s staff had to call for an ambulance to attend to him! The police were also informed and turned up before the ambulance arrived. The customer was eventually jailed.

He and his team have learnt to deal with these incidents.

He believes that as Chinese society progresses and there is more respect for law and contracts, both developers and buyers will be better protected.

He estimates that over the last 15 years, Wearnes has altogether developed over one million square metres of property and still has a substantial land bank to develop. As more Chinese demand better quality housing and developments, he is confident that Wearnes can continue to meet their needs, just as the Chinese consumer learns more about their rights within the boundaries of the law.



STORY 99

CHINESE CONNECTION II

Allan Chen studied Finance and Economics at Tianjin University, came to Singapore in 1994 as an audit trainee and while working, qualified for his ACCA and also did a part-time MBA at NUS. He later joined a multinational company and became a Singapore citizen. In 2002, he decided to take the plunge and join Wearnes as it was looking to supplement the management team in China.

He recounts: “I knew that Wearnes had gone to China very early on and had plans to expand. China was a strategic location for Wearnes and I thought that my background, having worked in Singapore most of my working life and being originally from China, would be an advantage.”

He first found himself posted to Shenyang in Northeast China, well known for its bitterly cold winters and biting winds. But it was not just the cold he had to contend with.

What was more of a shock, he says, was the work attitude, culture and mindset of the Chinese. It did not help that his wife of six years, whom he met in university, was then working in Singapore as an auditor.

As part of the team that was tasked to iron out issues in Wearnes’ China property developments, such as difficult joint venture partners and complaints from unruly property owners, he knew the job was never going to be easy. But he was quite unprepared for the lack of respect for the law and for settling disputes through proper channels.

He has witnessed angry customers coming to protest at the office, lying down on the floor and refusing to move until they are forcibly evicted by security guards. He says it is a reflection of the environment that these people would come and demand unreasonable amounts of compensation for defects, despite the company offering to rectify them.

He is pleased however, to be part of the team to have settled many of these issues. “The team is supportive and with the backing from headquarters, we know we have the power to deal with such problems.”

One difficulty which he found hard to get used to though, was the loneliness in Shenyang in the initial years when he returned to China. While his apartment was just a five minute walk from the office, he preferred to spend his time in the office as it was less lonely. He was eventually posted to Shanghai and his wife left Singapore to join him in 2004. They had their first child in Shanghai.

For now, his base is in Shanghai, but he believes he will eventually return to Singapore to live and work.



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STORY 100

The Buck Stops

Since taking over the helm of Wearnes in December 2004, Group CEO Tan Choon Seng has focused on streamlining Wearnes' many disparate businesses. He sees himself as the "cleaner upper" of the oasis.

"Former Chairman Tang was the man who found the oasis in the desert. All credit goes to him for building up this wonderful portfolio. My task is to clean it up and make it attractive to people."

He has identified the fruit trees, the two big ones being M-Flex and MFS, which together, rank as the world's second largest maker of FPCs. "We are now positioning ourselves as this."

The weeds have been pulled. "But we're not going to just slash and burn. Some can be sold. And there are many unpolished gems, which we will polish and sell off. We need to ensure that all these efforts turn into value for the shareholders."

His first year was themed "Continuity and Change". When he came on board, Tan, 54, says the company was ready for change. "The Board was ready. They were waiting for me to implement it. Chairman wanted change. He felt it was time for a younger man to take over." So he is glad that Mr Tang was in the next office. "He was close enough for me to consult, but not close enough to breathe down my neck," he jokes.

But it was still a tough decision to leave his post as Managing Director of Hewlett Packard ("HP") Southeast Asia and Vice President of its Customer Solutions Group, where he was successful and well rewarded. But Wearnes intrigued him. Before making up his mind, he spent six months studying the company. "The more I discovered, the more intrigued I was. I knew it was a complex company, but I didn't know just how complex."

He took the job. "There was an inner stirring," he says and Wearnes offered him a chance "to try my hand at something where I have more influence." He only brought over his secretary from HP, but others, who worked with him previously, asked to join on their own accord later on. He also strengthened the management team by bringing in other professionals, not from HP.

His first 240 days on the job were spent studying and visiting Wearnes' far flung factories, warehouses, storerooms and offices, where he inspected operations and spoke to managers and staff on the ground. "There's nothing like going

there yourself. You'll be surprised how much you can learn."

He identified three core businesses – automobile distribution, technology manufacturing and the budding technology solutions division. The rest are considered investments, which can either grow into core businesses later or be developed and sold off. He thinks Wearnes can afford no more than four core businesses.

He is now into a second round of studying and evaluating, but with a much deeper perspective and knowledge of the businesses. "Now, I can put a name to a place. I can tell you, for example, what a nursery, in the US or China, looks like."

His second year on the job was themed "Growing Momentum" because he says the pace will quicken. "The speed of execution has quickened and will continue to quicken. In the technology arena, where the bulk of our revenue and profits come from, product life cycles are short. So, if you're slow, you'll be left behind."

He notes that it is important to keep track and adapt quickly to the curves in technology – the "inflection points" where a technology changes or evolves. "If you move away from the curve, you become irrelevant. If you can't jump to the next curve, the next change, then you shouldn't be in the technology business."

He points out that adaptability is key, as nobody can entirely predict what is ahead. "It's a very dynamic game and when you start playing it, you don't know where the end is. You have to adapt as you move along. You can't entirely know the landscape ahead of you."

But it is not just a case of jumping on the bandwagon. "We must pick and choose. You can't do everything. We must capitalise on our traditional strengths as a manufacturer and our extensive network in China."

Tan sees Wearnes now as a technology company, very different from what it was 100 years ago. And 100 years hence, he expects it to evolve into a much more successful and probably different company.

"As I won't be around then, I look at progress now in five year blocks." So, in the next five years he would like to see a set of happy shareholders, a set of happy customers and a set of happy employees. "These are simple words, but it means a lot to be able to deliver to them all. If we can achieve this, it would be great."

Here



Acknowledgements

Special thanks to the Board of Directors
for their unfailing support

Wong Nang Jang, Chairman
Tan Choon Seng, Group CEO
Dr Cham Tao Soon
Fong Kwok Jen
Y.A. BHG. Jen (B) Tun Ibrahim bin Ismail
Lai Teck Poh
Ng Ser Miang
Soh Yew Hock
Michael Wong Pakshong

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