

Statement by Senior Minister Lee Kuan Yew**Nassim Jade and Scotts 28**

1. I was recovering from my angioplasty and stent operation when this issue of my purchases of two properties from HPL arose. Because I was under several medications, I could not meet the press. So I issued press statements. This was not satisfactory; I wanted to get through to the people in person. This is my first opportunity to do so.

2. Let me state the circumstances I, or rather my wife, came to buy one unit each in Nassim Jade and Scotts 28, developed by Hotel Properties Limited (HPL). In April 1995, my brother Dr Lee Suan Yew rang up my wife. She was out and returned the call. His wife, Mrs Pamela Lee, took the call and told her about a very small development called Nassim Jade on a desirable site in Nassim Road. My wife had been wanting to buy a property for some time, and had been to see three bungalows that were on the market but did not like them. She decided to consider an apartment.

3. She visited HPL's office with Mrs Pamela Lee and chose a flat next to my brother's relying on her to have chosen a good aspect. Mr Thio Ghim Hock of HPL, in the presence of Mrs Pamela Lee, quoted her a lump sum price, saying it was a discounted price. My wife knew that discounts meant little because developers regularly give discounts on the listed price. Having acted as a lawyer for developers, she knew their practice was to quote a high listed price, and give discounts which they vary depending on the buyers and whether the market was rising or weakening. To have to lower the listed price because of poor sales would make the earlier buyers feel cheated. Therefore she focused on the actual price, not the discount. She agreed to it without bargaining, assuming that it was more or less what my brother paid for his adjacent flat. My wife was confident that Mrs Pamela Lee would have investigated condominium prices in that area and found it reasonable. She knew that the wife of Tan Kok Quan, another lawyer in Lee & Lee, had bought and was living in one of the flats in HPL's Four Seasons Park and she had heard good reports of its workmanship and finishes. This was confirmed by one other friend who also had bought a flat in Four Season's Park.

4. Pamela Lee had chosen a second level flat. My wife chose an adjoining flat on the same floor. She had in mind our possible future need for a flat after seeing what had happened to my father when he could no longer cope with the stairs and steps in my old style three level home in Oxley Road and had suffered fractures on his arms and wrists when he repeatedly fell. He had to move to my brother's (Dr Lee Suan Yew) home, where his bed room, toilet, and the dining and sitting rooms are on the same level.

5. Later she told me she had booked the flat in my name because I have never had a property in my name. This would enable us to make use of the estate duty exemption for properties. Lawyers and accountants regularly advise their clients on how to arrange their assets to benefit from the tax laws. The properties she had bought previously were mostly in her name and some in our joint names. I agreed. That was the first I knew of her buying Nassim Jade in my name.

6. Later HPL sent the option form addressed to me at 38 Oxley Road. My wife handed it to her lawyer, Miss Kwa Kim Li of Lee & Lee, to attend to. When the contract was signed, Lee & Lee lodged a caveat in the Registry of Titles with the purchase price and my

name as purchaser stated. My wife had no further personal dealings with HPL. All correspondence was between Lee & Lee and HPL's solicitors.

7. The purchase of Scotts 28 six months later had nothing to do with my brother Dr Lee Suan Yew. In October 1995 my wife learnt that Mrs Pamela Lee and Miss Kwa Kim Li had booked units in another HPL development called Scotts 28. She decided to book one unit through Kwa Kim Li as her lawyer, relying on the judgements of two shrewd buyers, Pamela Lee and Kwa Kim Li, that the price was reasonable and the finish would be of good quality. She was told a twentieth floor unit, above those booked by them, was available. Unlike Nassim Jade, where she had in mind the distant possibility of our living in it one day, Scotts 28 was bought simply for investment, to let out. So she agreed to buy a high level twentieth floor flat popular with foreigners. There was no mention of any discount. Indeed Miss Kwa Kim Li was not aware of any discount. She only learnt of the 5% discount in April this year, after DPM asked her to inquire from HPL.

8. My wife decided to buy this unit in our joint names, so the option and the agreement were in our two names. Lee & Lee lodged the usual caveat in the Land Registry.

9. At no stage did my wife or I think or feel we were doing anything irregular or improper. They were open and above board transactions. Caveats were openly lodged by our solicitors in our names in the Land Registry to give notice to everyone, unlike some buyers who have not lodged caveats and so their identities are not known. These caveats gave my name as purchaser of the Nassim Jade unit at the price of \$3,578,260 and our two names as purchasers of the Scotts 28 unit at the price of \$2,791,500. If my wife or I thought that there was anything improper in buying the properties because my brother was a non-executive director of HPL she would not have proceeded with the purchases. She expected all legal procedures and permissions to be obtained.

10. Until these two purchases in 1995, she had stopped buying properties for 14 years since 1982. She thought property prices were going too high and felt that there would be a strong correction coming, as had happened in the past, which she was familiar with through handling old title deeds. She only decided to buy this time

because when she asked me I gave her my opinion that prices would not go back to the level of the 80's because of the regional boom, with high growth rates not just in Singapore, but also in Malaysia, Indonesia, Thailand, Hong Kong, Taiwan and China.

11. In the course of the last 40 years she had bought other properties, several in her name, some in our joint names, and between 1969 and 1974 three in the names of our three children as gifts to help them set up their homes later. Some were bought at discounts from the listed price. I have absolute trust and confidence in her integrity and judgement. For more than forty years she has managed her law practice and her assets without causing me any embarrassment. Having acted for developers she knew that the successful ones are shrewd and hard headed. She did not buy because my brother was a director of the company. Every developer in Singapore would know who she was although she practised under her maiden name. They were likely to offer her the price they offered to their best customers whether she bought at a soft launch at any other time. So she did not bargain, for they would most likely oblige her. Her practice was either to take it at the price offered or not to buy. In these two cases she decided to buy relying

on the judgement of people she trusted, namely Pamela Lee and Kwa Kim Li.

12. I paid little attention to all this until April this year when the Prime Minister asked whether I had bought properties from HPL. Only then did I look into details of the matter.

13. So I was astonished that the propriety of her purchases ever came to be questioned. My wife has conducted her practice as a lawyer in Lee & Lee since 1955 before I became Prime Minister in 1959. She has never caused me or the government embarrassment by any improper application for any client, let alone by her own personal dealings. She has always been in charge of our joint assets and investments. I have complete confidence in her ability to manage and judge for herself.

14. I have made no secret and indeed have told this House on many an occasion these last 30 years that my wife was earning many times my salary. She has been one of Singapore's most experienced conveyancers and among the top earners in the legal profession for many years as is known to Inland Revenue. She has enough to help our children, including our two married sons, to own their own homes, and to buy other properties. Our children are also

joint shareholders of Kwa Geok Choo Pte Ltd, her own private holding company. The DPM could not have depended on his salary to buy these two condominiums.

15. It was a surprise to PAP Members when I told them last week that I do not look after the family finances. My wife has always managed them. When I told her that some PAP MPs found this surprising, she reminded me that I signed cheques so rarely that my bank must have been worried they might not recognise my signature because they asked me for a new specimen signature recently. I have too much on my desk to worry about how our joint incomes, mostly hers, are spent, or saved, or invested.

16. I do not keep track of the royalties, or the honoraria which I get paid and have given to charity, or the damages I have received from libel actions. I had to ask my PA to check and add up my honorariums. He asked Mr Seng Han Thong of SPH to add up the royalties due to me for the book of my collected speeches, the photographic biography, and the CD ROM. Most of the royalties have already been given away to charity, some remain with Zaobao awaiting further collections to be given to charity. I had to ask my lawyer Tan Kok Quan to list and add up the damages received and

given to charity. I make no apologies for concentrating on my job which is about Singapore and Singaporeans and their future.

17. I have been called many names, but no one has called me greedy for money. When I went into politics in 1954 with the formation of the PAP, I set out to achieve other things than to get rich. That also goes for my wife. My greatest pride is what Singapore now is and with a capable second generation group of leaders to carry it forward. My wife's greatest pride is not my fame or status but our three children, because they are honest, upright and honourable.

18. My children started life with stronger backing than either my wife or I enjoyed. That is the story of all immigrants especially Asian immigrants the world over. We work, we save, to give our children a better start in life. We continue to practise these traditional values.

19. My wife and I are too old and set in our ways to change our attitude to money and wealth. The discounts that HPL gave for the two properties amounted to \$416,261. I am entitled to retain them. But I did not seek them and will give them to charity.

20. Since 1959, as Prime Minister, I set out to establish high standards of integrity in elected and public officials. Under the Rules of Prudence we inherited from the British and updated from time to time, Ministers were always allowed to buy properties whether at soft or official launches, with or without discounts. They needed no permission from me, but they were not to use their ministerial influence to gain any special advantage. Many did buy landed properties to live in and to invest. They reported to me at the beginning of each term of office their change in assets including properties, shares, jewellery and other assets. Ministers, like senior civil servants, are put on their honour. If they break that code of honour, they face the penalties, a CPIB investigation and prosecution.

21. But in view of the present frenzy, almost panic, to buy condominiums, the PM has decided to change the rules and require clearance before purchase so that the transactions, including any known discounts, will be vetted by him. This will protect a minister from allegations of unfair or improper advantage, because the PM has taken upon himself the responsibility of vetting a deal before it is concluded.

22. The PAP has been able to maintain high standards for 37 years of continuous office. We have the basic legislation and institutions in place to maintain these high standards. Most important, before I stepped down as PM, I moved men of integrity and ability into key positions in Cabinet and in the public service, to manage and monitor the system. The openness of our system provides for checks and counter-checks, all the way up to the President.

23. The only person who could have been considered to be above the system was the Prime Minister himself because he was in charge of the CPIB. It was at my urging that there was an amendment to our Constitution giving the elected President powers of oversight, so the Prime Minister is not beyond scrutiny. If the Prime Minister checks or disallows an inquiry against himself or any Minister or any senior officer, the Director CPIB can appeal to the President for his authority to pursue the inquiry.

24. My most important contribution to Singapore has been the financial integrity and cleanliness which I have established in the government, in public life and in society. From the start in 1959, my colleagues and I were convinced that we had to establish integrity

and honesty as the pre-condition for success. We set out to make it a way of government in Singapore. It does not make sense at my age, after 31 years as Prime Minister and 6 years as Senior Minister, for my wife or for me to involve ourselves in questionable discounts in the purchase of property.

25. I take pride and satisfaction that the question of my two purchases and those of the Deputy Prime Minister, my son, has been subjected to, and not exempted from, scrutiny. SES had investigated some complaints against HPL. Later, MAS informed the Finance Minister and the Prime Minister of the purchases by me and the DPM. The Prime Minister made independent inquiries into this matter. He then questioned me and DPM on the circumstances of our purchases and the discounts. The Finance Minister, Dr Richard Hu, was present. The Deputy Managing Director of the MAS, Mr Koh Beng Seng, who was familiar with the details that SES had ascertained, was in attendance. The Prime Minister found we had done nothing improper. As a result the SES statement made no criticism of me or the DPM, but criticised HPL for being slow by four months in disclosing the discounts that were given to several persons.

26. Both I and DPM could have chosen to remain silent. But we decided to bring the matter into the open so that nothing would be left to rumours and speculation. The first SES statement had created the impression that HPL had delayed informing SES of my purchases. I asked my brother Dr Lee Suan Yew why there was any need for delay or secrecy. HPL came back with the facts in a letter from Shroeders acting as their agents. This showed there was no attempt at delay or concealment. I sent the letter to the Finance Minister. After checking on the facts SES came out with a second statement to clarify that they had no concerns over the purchases by me and DPM.

27. Meanwhile DPM and I had proposed to the Prime Minister that this matter be taken in Parliament. I had also offered to have a Commission of Inquiry investigate my purchases. It is most important that Singapore should remain a place where no one is above scrutiny, that any question of integrity of a minister, however senior, that he has gained benefits either through influence or corrupt practices, be investigated.

28. I have spent a lifetime fighting against the odds to build up confidence in Singapore, confidence of foreigners and of

Singaporeans. I will not do anything to undermine that confidence, confidence in the integrity of the government, in its system and in the men and women who are in charge of the system.