

SPEECH

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WELCOME SPEECH BY MS TAN SIEW MENG HEAD OF COMMERCIAL BANKING FOR HSBC AT THE CERTIFICATION CEREMONY FOR SME GROWTH EXCELLENCE RECOGNITION

MAY 18, 2010

Ladies and Gentlemen,

It is a pleasure to welcome you to the fourth certification ceremony for the SME Growth Excellence Recognition.

As we look back over the last 12 months at the impact the global financial crisis had on our nation and its SMEs, I believe there is one clear lesson we can all learn.

That the true test of a company is not how it performs when the going is good. It is only under the intense pressure of a crisis that the true strength of a business can be found.

Like all times of great change and upheaval, the global financial crisis resulted in winners and losers. Some companies sadly buckled under the pressure of falling prices, declining sales and the general slowdown in economic activity.

But for others, there were opportunities to be found. A few companies found a way to grow during the downturn – despite the difficulties presented by the state of the world economy.

And today – the people who provided the leadership to this select group of companies are to be honored for their efforts.

So with the SME Growth Excellence Recognition award, we look back at the achievements of many fine SMEs which have prevailed. Each of the companies represented here today thoroughly deserves this honour.

By becoming an SME Growth Excellence Award winning company, you and your company are an important symbol for other entrepreneurs looking to get their companies back on track.

Looking forward to this challenge is HSBC, which is proud to have worked with many of Singapore's best small and medium enterprises throughout the crisis.

My team and I were constantly impressed by the way our customers kept coming up with bold new ideas in response to each challenge that they faced.

We see our role as supporting and enabling the ambition of our SME customers – using our local knowledge and global resources in a way that compliments and strengthens each business we work with.

At a time when global trade volumes were low and the risk of not being paid for your goods and services was very real, we helped our customers negotiate the complex world of international trade, ensuring their interests were protected.

For other companies the opportunity came in the form of a chance to acquire another company at an attractive price. A company seeking to expand needs resources, which is where HSBC has a role to play.

Because we understand the ambitions of our customers we work effectively with them to unlock the value of their balance sheet to obtain financing, or by more traditional methods such as loans and overdrafts.

And as the economy continues to strengthen, more SMEs will find the confidence to expand their international presence or to tackle a new market.

A distinct characteristic of the Singapore business scene is the large number of SMEs that generate money in markets outside of Singapore.

Approximately 7 in 10 SMEs do business abroad, and these companies are well placed to benefit from the current pickup in international trade.

While the number of SMEs has remained virtually unchanged, the amount of overseas revenue they generated this year increased by 54 percent to a collective total of S\$703 million.

And if you look at the countries where the top 10 Internationalising SMEs are doing business, you will see that it spreads from Africa to North Asia.

It is clear that Singapore SMEs have no fear when it comes to expanding into new markets. China continues to be the market that fuels the rapid growth of our SMEs – particularly for the manufacturing firms.

However, The Middle East is also a driver of growth, with the top 10 internationalising SMEs deriving more growth from this market than from neighbouring countries in South East Asia.

As an international Bank, our unrivalled network across the world has helped many SMEs on the pathway to global success.

There is so much potential to be found and unlocked in the world, and this is where HSBC comes in. With our unrivalled international network and globally linked-up services, we can be your leverage to build your international business.

We can take an SME to just about any country in the world they wish to operate in. So rather than relying on third hand advice, SMEs can hear from one of HSBC's team members on the ground about what the real business conditions and opportunities are in a particular market.

So the next few years will no doubt provide better conditions for SMEs on the Growth path to achieve their potential. But first, we must acknowledge the companies that have already shown us how it can be done.

On behalf of HSBC, I extend my congratulations to each of the SME Growth Excellence companies here today. Your dedication and talent has helped you achieve excellence in the most formidable of circumstances.

Each company receiving the Recognition has achieved something extraordinary and thoroughly deserves this honour.

Thank you