

CHAPTER FOUR

OWNERSHIP PATTERNS AND POLITICAL LINKAGE

4.1 INTRODUCTION

This chapter examines the ownership patterns of timber companies in Sarawak as well as the interests they serve. It identifies the link between timber companies and politicians. There are seven major timber companies, each with concession areas totalling more than 100,000 hectares. All of these companies hold logging rights over areas exceeding at least four of the twenty-eight government administrative districts of Sarawak, namely Bau, Samarahan, Daro and Matu (Table 4.1), and 49 of the 133 administrative districts in Malaysia (Appendix 4.1). Some of the interests of these companies have spread to other timber producing countries. Most of these companies have also diversified into non-timber activities.

The average authorised share capital of local companies on register at the end of 1996 was RM0.9 million for Sarawak (*Yearbook of Statistics, Sarawak, 1999*, Table 11.8) and RM2.73 million for Malaysia (*Yearbook of Statistics, Malaysia, 1997*, Table 12.26). The average income of all companies in Malaysia assessed by the Inland Revenue Board was RM0.12 million in 1996 (*Yearbook of Statistics, Malaysia, 1997*, Table 12.9). All the seven major timber companies to be described in the following section have capital exceeding the state and national average, as well as incomes exceeding the average for Malaysian companies.

The Industrial Coordination Act (1975), which provides for the co-ordination and orderly development of manufacturing activities in Malaysia, requires the licensing of manufacturing activities with shareholder funds of RM2.5 million and above, or 75 or more full-time paid workers. It can be inferred that the government deemed

Table 4.1: Sarawak - Area by Division and District

Division/District	Area (sq. km)	Percentage Distribution
Kuching Division.		
<i>Kuching</i>	4,559.5	3.7
<i>Lundu</i>	1,862.8	1.5
<i>Bau</i>	1,812.3	1.5
	884.4	0.7
Samarahan Division.		
<i>Samarahan</i>	4,967.4	4.0
<i>Asajaya</i>	407.1	0.3
<i>Serian</i>	302.8	0.3
<i>Simunjan</i>	2,039.9	1.6
	2,217.6	1.8
Sri Aman Division		
<i>Sri Aman</i>	9,647.0	7.7
<i>Saratok</i>	2,908.6	2.3
<i>Betong</i>	1,686.9	1.4
<i>Lubok Antu</i>	1,909.0	1.5
	3,142.5	2.5
Sarikei Division		
<i>Sarikei</i>	9,968.6	5.6
<i>Maradong</i>	1,715.5	1.4
<i>Daro</i>	1,083.8	0.9
<i>Matu</i>	860.0	0.7
<i>Julau</i>	680.0	0.5
	2,628.4	2.1
Sibu Division		
<i>Sibu</i>	12,639.7	10.1
<i>Dalat</i>	7,220.4	2.5
<i>Mukah</i>	4,945.4	1.8
<i>Kanowit</i>	5,018.9	4.0
	2,253.6	1.8
Bintulu Division		
<i>Bintulu</i>	12,166.2	9.8
<i>Tatau</i>	7,220.4	5.8
	4,945.8	4.0
Miri Division		
<i>Miri</i>	26,777.1	21.5
<i>Marudi</i>	4,707.1	3.8
	22,070.0	17.1

(continued)

Table 4.1: Sarawak - Area by Division and District (continuation)

Division/District	Area (sq. km)	Percentage Distribution
Kapit Division	38,934.0	31.3
<i>Kapit</i>	15,595.6	12.5
<i>Belaga</i>	19,403.2	15.6
<i>Song</i>	3,935.2	3.2
Limbang Division.	7,790.0	6.3
<i>Limbang</i>	3,978.1	3.2
<i>Lawas</i>	3,811.9	3.1
Total	124,449.5	100.0

Source: Department of Land and Survey, Sarawak

shareholder funds of RM2.5 million to be large enough to need regulation. The seven timber companies have shareholder funds exceeding this amount, although most of them were not licensed because they were not manufacturers. In 1997, there were twenty-four licensed manufacturers in Sarawak with shareholder fund exceeding RM10 million, of which two (Samling Plywood (Miri) Sendirian Berhad and Bright Wood Sendirian Berhad) were owned by the timber companies to be described in the next section (Table 4.2). It is noteworthy that foreign equity dominates these licensed manufacturing activities except for those in petroleum activities, United Engineers (M) Berhad, KIG Ceramic Industrial Sendirian Berhad and wood-based companies. Local equity dominates in five of these wood-based companies, of which two belong to timber companies described in the next section. In 1995, Sarawak received the most number of applications and with the highest proposed capital investments in wood-based manufacturing (Table 4.3).

Table 4.2: Licensed Manufacturers in Sarawak, 1997

Name of Company	Paid-up Capital (RM million)
Toko Electronic (Sarawak) Sendirian Berhad	76 (foreign)
Taiyo Yuden (Sarawak) Sendirian Berhad	60 (foreign)
Komag USA (Malaysia) Sendirian Berhad	44.884713 (foreign)
Fraser & Neave (M) Sendirian Berhad	176.4m (foreign)
Sarawak Shell Berhad	39.9996 (foreign) 200 (Bumiputra) 200 (Non-Bumiputra)
Malaysian LNG Sendiran Berhad	180 (foreign) 420 (Petronas & Sarawak Government)
Asean Bintulu Fertilizer Sendirian Berhad	109.5 (foreign) 190.5 (Petronas)
Shell Timur Sendirian Berhad	126 (foreign) 54 (Bumiputra)
United Engineers (M) Berhad, Miri	164.826349 (foreign) 93.321394 (Bumiputra) 128.818826 (Non-Bumiputra)
Sarawak Clinkers Sendirian Berhad, Penrisson Lama	11 (foreign)

Table 4.2: Licensed Manufacturers in Sarawak, 1997 (continuation)

KIG Ceramic Industrial Sendirian Berhad, Samarahan	14.2 (foreign) 25.8 (Non-Bumiputra)
Borneo Enamel Industrial Sendirian Berhad	17.955 (foreign) 0.45 (Non-Bumiputra)
Cold Storage (M) Sendirian Berhad	41.217768 (foreign) 22.43445 (Bumiputra) 2.216514 (Non-Bumiputra)
Nam Hua Sawmill Sendirian Berhad, Baram*	10.513791 (foreign) 14.036209 (Non-Bumiputra)
Subur Tiasa Plywood Sendirian Berhad, Sibu*	39.6 (foreign) 37.719 (Bumiputra) 48.4 (Non-Bumiputra)
Rindaya Wood Processing Sendiran Berhad, Sibu	21 (foreign) 5.5 (Non-Bumiputra)
Linshanhao Plywood (Sarawak) Sendirian Berhad, Bako*	13 (foreign) 37 (Non-Bumiputra)
Manuply Wood Industries (S) Sendirian Berhad, Bintulu	55 (foreign)
Chua Seah Joo Plywood Industry (Sarawak) Sendirian Berhad, Tanjung Manis	21.001 (foreign)
Samling Plywood (Miri) Sendirian Berhad (company under study)*	12 (foreign) 18 (Non-Bumiputra)

(continued)

Table 4.2: Licensed Manufacturers in Sarawak, 1997 (continuation)

Brightwood Sendirian Berhad, Bintulu (company under study)*	17.5 (foreign) 32.5 (Non-Bumiputra)
Rajang Plywood Sawmill Sendirian Berhad, Sibu	57 (foreign) 9 (Bumiputra)
Winsar Plywood Sendirian Berhad	20 (foreign)
Dalken Sarawak Sendirian Berhad, Kuching	42 (foreign) 9 (Bumiputra) 9 (Non-Bumiputra)

* Wood-based company with majority local share

Source: Ministry of International Trade and Industries, Sarawak, *Laporan Kemajuan Syarikat Sehingga 31.12.1997*

Many of the individuals involved in the timber companies in the next section have titles such as "Datuk", "Tan Sri", "Tun" and "Datuk Patinggi". The government ostensibly confers these titles for outstanding contributions to society. Many of the individuals with such titles are politically connected. It is apparent that their control of the timber business may be perceived as "economic contributions", although this results in inequitable wealth distribution.

Table 4.3: Applications for Manufacturing Licences, 1995

	Number of Applications	Proposed Capital (RM million)
Federal Territory of Kuala Lumpur	1	3.2
Federal Territory of Labuan	-	-
Selangor	10	113.7
Pulau Pinang	-	-
Perak	1	45.2
Johor	4	13.3
Negri Sembilan	5	353.6
Melaka	-	-
Kedah	1	37
Perlis	-	-
Pahang	1	6.5
Kelantan	2	22

(continued)

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Table 4.4 Samling Concession Areas

Name of Companies	Licence No.	Area	Division	Size (ha)
Adong Sdn Bhd	T/3115	Taman P.F.	Kapit	n.a.
Dayalaba Sdn Bhd	T/0298	Sg. Brayong S/L	Limbang	16,496
KTN Timor Sdn Bhd	T/0280	Ulu Trusan-Long Semado	Limbang	71,657
Majulaba Sdn Bhd	T/0299	Sg Pasia S/L	Limbang	18,084
Ravenscourt Sdn Bhd	T/2094	Tutuh-Kelalan	Limbang	136,659
Samling Plywood (Baramas) Sdn Bhd	T/0411	Pelutan S/L	Miri	55,912
Samling Plywood (Baramas) Sdn Bhd	T/0412	Selaan-Linau S/L	Miri	93,416
Samling Plywood (Bintulu) Sdn Bhd	T/3283	n.a.	n.a.	n.a.

(continued)

Table 4.4 Samling Concession Areas (continuation)

Samling Plywood (Lawas) Sdn Bhd	T/0404	Tinjar-Paong M/P (FAG unit 8)	Miri	100,665
Samling Plywood (Lawas) Sdn Bhd	T/0405	Melana-Apoh S/L	Miri	147,658
Samling Plywood (Miri) Sdn Bhd	T/0413	Sg. Julian-Sg Tabakan S/L	Miri	160,954
Seriku Sdn Bhd ~	T/3174	Jaluan Area W/P	n.a.	85,559
Paong Timber Sdn Bhd	n.a.	n.a.	Miri	61,892
Brightwood Sdn Bhd	n.a.	n.a.	Miri	71,657
Pelutan Sdn Bhd	T/0291	Pelutan S/L	Miri	55,912
Wan Abdul Rahman Sdn Bhd	T/0220	Telang Usan	Miri	28,407
Baram Sawmill Sdn Bhd	T/0040	Naray S/L	Miri	46,134

(continued)

Table 4.4 Samling Concession Areas (continuation)

Limbang Trading (Bintulu) Sdn Bhd	T/0283	Buan FR(part) & Segan Valley	Bintulu	73,337
Syt Samling Timber Sdn Bhd (contra)	T/3181	Belaga-Penyuan M/P	Kapit	92,228
Syt Samling Timber Sdn Bhd (contra)	T/0321	Malang-Apok S/L	Miri	147,658
Total				1,464,285

Source: Registrar of Companies, Kuching

pioneer status under the federal Promotion of Investment Act, 1986 (see Appendix 4.1). Samling Plywood (Miri) Sendirian Berhad was formerly known as Bedian Timber Sendirian Berhad. On 27 November 1992, the name was changed to the present one.

- Baram Sawmill Sendirian Berhad (100 per cent share)
- Paong Timber Sendirian Berhad (100 per cent share)
- Syarikat Samling Sendirian Berhad (100 per cent)

(2) Via a second company as follows: -

(a) Samling holds 40.93 per cent share of Lingui Development Sendirian Berhad, which owns: -

- Samling Plywood (Bintulu) Sendirian Berhad (100 per cent share), which is a timber licensee
- Limbang Trading (Bintulu) Sendirian Berhad, a timber licensee in which Samling also owns 20 per cent share: Limbang Trading (Bintulu) Sendirian Berhad has a nominal share capital of RM7.65 million (Annual Returns of the company to the Registrar of Companies, Kuching, 30 July 1994).
- Glenealy Plantation (Malaya) Berhad (36.81 per cent), which Samling also controls directly through its share ownership of 15.53 per cent. Glenealy Plantation (Malaya) Sendirian Berhad has a controlling interest in the timber licensees, Samling Plywood (Baram) Sendirian Berhad (100 per cent share) and Samling Plywood (Lawas) Sendirian Berhad (99 per cent share): Samling Plywood (Lawas) Sendirian Berhad has a share capital of RM50¹ million (Annual Returns of the company to the Registrar of Companies, Kuching, 17 December 1998)

(b) Samling is the sole owner of Rimba Utama, which owns 100 per cent of the timber licensee, KTN Timor Sendirian Berhad.

(3) Via a subsidiary such as Plieran Sendirian Berhad, which has interests in the timber licensee, Seriku Sendirian Berhad

(4) Via subsidiaries such as the timber licensee, Dayalaba Sendirian Berhad (40 per cent) and Wasawood Sendirian Berhad, which holds 100 per cent of the timber licensee, Adong Sendirian Berhad.

Besides controlling timber licensees through the Corporation, Yaw Teck Seng and Yaw Chee Ming together controlled the timber licensee, Ravenscourt Sendirian Berhad (1.99 per cent and 54 per cent respectively). In fact, Ravenscourt Sendirian Berhad is the company other than Glenealy Plantation (Malaya) Sendirian Berhad, by which the father and son are linked to Perkapalan Damai Timur. Perkapalan Damai Timur owns 19.8 per cent of Ravenscourt Sendirian Berhad and 9.27 per cent of Glenealy Plantations (Malaya) Sendirian Berhad. Yaw Chee Ming also holds 30 per cent of timber licensee, Majulaba Sendirian Berhad.

What are the stakes involved? In 1994, the turnover (invoiced sale of plywood and timber logs) of Samling Plywood (Miri) Sendirian Berhad amounted to RM123.5 million, which was more than double that for the previous year. Glenealy Plantations (Malaya) Sendirian Berhad reported a pre-tax operating profit of RM42.9 million for June-December 1994 and RM31.5 million for June-December 1995. These were 26.7 per cent of the turnover of RM160.9 million and 31.1 per cent of the turnover of RM101 million respectively. Lingui Development Berhad chalked up a pre-tax profit of RM67.3 million and RM62.5 million, representing 32.7 per cent of the turnover of RM205.6 million and 34.2 per cent of the turnover of RM182.6 million respectively

(*The Star*, 1 March 1996). Even though pre-tax profits fell during the period of review, the profit to turnover ratio was higher.

In 1991 and 1992, total invoiced sales of logs for Adong Sendirian Berhad were about RM35 million. For the period 1990-94, the annual turnover (logs and other timber products) exceeded RM17 million. Tamex Sendirian Berhad, in which Samling has a 70 per cent share, had a turnover of RM149.3 million, with an unappropriated profit earned forward amounting to RM33.3 million in 1994.

Samling is linked to three political parties and one Sabahan politician. The three political parties are the peninsula-based United Malays National Organisation (UMNO) and two Sarawak-based parties, the Sarawak National Party (SNAP) and Parti Bumiputra Bersatu (PBB). Mirzan Mahathir, an UMNO member as well as son of UMNO president and Malaysian ex-Prime Minister, Dr. Mahathir Mohamad, holds directorships in Wan Abdul Rahman Timber Sendirian Berhad and Tamex Sendirian Berhad (Annual Returns of the Company, Registrar of Companies, 30 July 1994). As stated earlier, Wan Abdul Rahman Timber Sendirian Berhad is a timber licensee in which Samling has a controlling 70 per cent share. Both Yaw Teck Seng and Yaw Chee Ming sit in its Board of Directors. Tamex Sendirian Berhad is a logging contractor in which the Corporation also holds 70 per cent share. Siong Mei Kong, a director of Syarikat Samling Sendirian Berhad (solely owned by the Corporation) with Yaw Teck Seng and Yaw Chee Ming, also sits in the Board of Directors of Tamex Sendirian Berhad.

SNAP president and state Minister of Environment and Local Government for the period, 1987-2000, Datuk James Wong, is a director as well as a shareholder of the timber licensee, Limbang Trading (Bintulu) Sendirian Berhad (Annual Returns of the company, Registrar of Company, 10 August 1993). Sabah politician Henry Chin Poy-Wu holds directorships in timber licensee companies, Samling Plywood (Baramas)

Sendirian Berhad and Samling Plywood (Lawas) Sendirian Berhad (Annual Returns of the respective companies, Registrar of Companies, Kuching, 17 December 1998).

PBB members with interests in timber concessions linked to Samling are: -

- PBB committee member Ahmad Hamed B. Sepawi, who has a 24.2 per cent share in Ravenscourt Sendirian Berhad
- State Assemblyman Mutang Tagal, a director of Maligan Sendirian Berhad, which holds 30 per cent of Majulaba Sendirian Berhad (Annual Returns of the company, Registrar of Companies, Kuching, 3 July 1995) and 40 per cent of Dayalaba Sendirian Berhad (Annual Returns of the company, Registrar of Companies, Kuching, 14 February 1998)
- State Assemblyman for Matu-Daro and State Minister for Infrastructure Development and Communications, Wahab Bin Hj. Dollah, who holds 60 per cent of Wasawood Sendirian Berhad and, therefore, Adong Sendirian Berhad
- Member Adli @ Ali Mat Bin Dollah was a director of Adong Sendirian Berhad for the period, 1990-94 (Annual Returns of Adong Sendirian Berhad, Registrar of Companies, Kuching, 22 January 1999)
- Member Datuk Abang Abdul Karim, holds 0.05 per cent share of Seriku Sendirian Berhad. Datuk Abang Abdul Karim is the brother of state assemblyman, Abang Johari, who is the Minister of Tourism. Datuk Abang Abdul Karim is also a director of Seriku Sendirian Berhad (Annual Returns of the company, Registrar of Companies, Kuching, 25 July 1991).
- Member Abang Hj. Mohd Bin Abang Shakeri is a director of Seriku Sendirian Berhad.

The Corporation is connected to Japanese interests through Samling Plywood (Miri) Sendirian Berhad, in which Nissho Iwai Corporation owns a 25 per cent share and Nisshini Ringyo Company Limited owns a 15 per cent share.

4.2.2 RIMBUNAN HIJAU SENDIRIAN BERHAD

The Tiong family owns Rimbunan Hijau Sendirian Berhad and associated companies. The family consisted of Tiong Toh Siong, his late wife, Wong Hoon Siew, and their children, Tiong Hiew King, Tiong Kui King, the late Tiong Yung Kung, Tiong Thai King, Tiong Kiong King and Dr Tiong Ik King (*Borneo Post*, 25 November 1993). Tiong Hiew King, who is one of Asia's largest timber tycoons, heads the group (*The Edge*, 12 September 1994). *Forbes Magazine* estimated the Tiong family to be worth US\$2.5 billion (Greenpeace, May 1997, *Logging the Planet*, p. 16).

Tiong Hiew King was born in Sibu on 18 March 1926. His parents were from the Mingqing District of Fujian Province of China. Educated at the Catholic High School in Sibu and proficient in both Chinese and English, Tiong Hiew King studied, by correspondence course, at Xiamen (Amoy) University (Fong, 1996: 463). He worked with his maternal uncle, Wong Tuong Kwong, before setting up Rimbunan Hijau. In 1977, he has a shareholder of 11.5 per cent of WTK & Co Ltd. (Table 4.5).

Tiong Toh Siong Holdings Sendirian Berhad is the parent company, which serves the family interest (Table 4.5). The group has access to 721,454 hectares of forest in Sarawak. This represents 5.8 per cent of the area of the state, or more than all but five of the administrative districts in Sarawak (Table 4.1) and more than three of the nine administrative divisions, namely the Kuching Division, Samarahan Division or the Sarikei Division. Of these, 357,400 hectares (49.5 per cent) are virgin areas (*Borneo Post*, 15 March 1996). They have twelve timber licence areas, which are located in the Kapit Division and are accessible through the Rejang River tributaries and logging roads (Table 4.6). Rimbunan Hijau Sendirian Berhad also has overseas timber concessions – an estimated two million hectares in Papua New Guinea, 140,850 hectares in Cameroon, 53,997 hectares in Brazil and 305,000 hectares in the Russian Far East. It also operates in New Zealand, Equatorial Guinea, Gabon and Vanuatu.

Table 4.5: WTK Co & Ltd - Shareholders as at 1977

No.	Shareholders	Shares	Percentage
1.	Datuk Wong Tuong Kwang	3,510	8.0
2.	James P. Hwang	5,000	11.5
3.	Loh Ing Hien	5,000	11.5
4.	Tiong Hiew King	5,000	11.5
5.	Wong Kie Yik	5,000	11.5
6.	Wong Soo Khing	5,000	11.5
7.	Wong Tuong Haw	5,000	11.5
8.	Wong Kie Nai	5,000	11.5
9.	Wong Kie Chie	5,000	11.5
	Total	43,500	100

Source: Registrar of Companies, Kuching

Table 4.6: Concession Areas, Rimbulan Hijau

No	Timber Companies	Licence No.	Areas	Division	Size (ha)
1	Curiah Sdn Bhd	T/3113	Btg Baleh/Sg. Putai	Kapit	65,487
2	Garu Sdn Bhd	T/0354	Mujong-Merirai (Area2)	Kapit	44,847
3	Hak Jaya Sdn Bhd	T/3194	Bahau PF & SL	Kapit	39,806
4	Jaras Sdn Bhd	T/3044	Btg Rajang-Sg Menuan-Sg. Pelagus	Kapit	35,358
5	Mantan Sdn Bhd	T/3138	Btg Balui-Sg Aput & Balleh PF	Kapit	75,538
6	Stonepark Sdn Bhd	T/3160	Balui Protected Forest W/P (Part)	Kapit	35,358
7	Syt Fonlin Timber Sdn Bhd	T/0284	n.a.	n.a.	n.a.

(continued)

Table 4.6: Concession Areas, Rimbunan Hijau (continuation)

8	Bornion Timber	T/3195	Plieran-Luar S/L	Kapit	78,898
9	Dahasil Sdn Bhd	T/3212	Balui Protected Forest (Part)	Kapit	9,314
10	Maxiwealth Sdn Bhd	T/3139	Btg Balui-Sg Jalangai S/L & Balleh PF	Kapit	96,685
11	Tijok-Nakan Sdn Bhd	n.a.	n.a.	n.a.	14,699
12	Sg Truse Logging Sdn Bhd	n.a.	n.a.	n.a.	84,450
13	Guanaco Sdn Bhd	T/3144	Sg Gaat S/L & Balleh	Kapit	53,169
14	Serichahaya Sdn Bhd	T/3114	Binatang Forest Reserve	Sarikei	n.a.

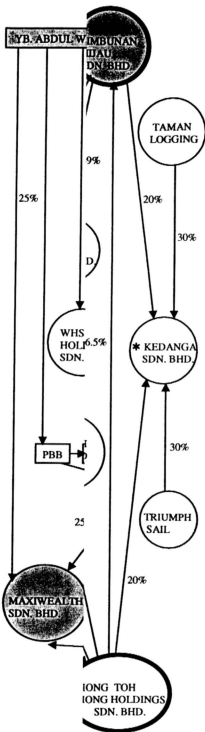
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Table 4.6: Concession Areas, Rimbunan Hijau (continuation)

15	Maujaya Sdn Bhd	T/3143	Balleh P.F. & Proper Balleh P.F.	Kapit	75,538
16	Larissa Sdn Bhd	n.a.	Balui Protected Forest	Kapit	19,662
Total					728,809

n.a. – Not available

Sources: Registrar of Companies, Kuching



- (b) Pinggir Megah Sendirian Berhad, which holds 17 per cent share in Jaya Tiasa Holdings Berhad (see section after (d) below)
- (c) Tiong Toh Siong and Son, which, together with Rimbunan Hijau Sendirian Berhad (directly and through Subur Abadi), controls the timber company, Triplex Sendirian Berhad (see (a) above)
- (d) Lukutan Enterprise Sendirian Berhad (45 per cent), which holds share in Dahasil Sendirian Berhad (20 per cent); the Tiong family, which owns Tiong Toh Siong Holdings, has a majority share of Lukutan Enterprise Sendirian Berhad via direct shareholdings by Tiong Kiong King and Tiong Thai King (10 per cent each).

Jaya Tiasa Holdings Berhad has a paid-up capital of RM255 million, with 52 shareholders (Registrar of Companies, Kuching), of which 36 are corporations and 16 are individuals. Of the 16 individuals, 14 are members of the Tiong family. The Tiong family's interests in Jaya Tiasa Holdings Sendirian Berhad consist of 30.9 per cent share, held through Pinggir Megah Sendirian Berhad and Rimbunan Hijau Sendirian Berhad (refer (1), (2) (a) and (b) above) as well as individual shares of 1.25 per cent. Under Jaya Tiasa Holdings Berhad, there are nine timber licensee companies, that is: -

- (1) Companies owned wholly, in which Jaya Tiasa Holdings Berhad, such as Majujaya Sendirian Berhad, Curiah Sendirian Berhad (which owns four timber licences as per Annual Returns of the company, Registrar of Companies, Kuching, 31, November 1991), Hak Jaya Sendirian Berhad, Guanaco Sendirian Berhad, Jaras Sendirian Berhad and Mantan Sendirian Berhad (Annual Returns of the company, Registrar of Companies, Kuching, 29 October 1998)

- (2) Companies in which Jaya Tiasa Holdings Berhad hold a majority share, e.g. Skyline Trading Sendirian Berhad (70 per cent share)
- (3) Companies in which Jaya Tiasa Holdings Berhad has a minority share, e.g. Sericahaya Sendirian Berhad (in which Tiong Thai King of the Tiong family holds a 70 per cent share) (Annual Returns of the company, Registrar of Companies, Kuching, 8 December 1998)

The Tiong family and their timber business interests are linked to two political parties, Sarawak United People's Party (SUPP) and PBB. Tiong Hiew King is a member of the SUPP Central Committee, while his younger brother, Tiong Thai King, is the SUPP Member of Parliament for Lanang Constituency. Linkages with PBB have been established through: -

- (1) YB Abdul Wahab Dollah (see information on him in Section 4.2.1), who owns Jaya Tiasa Holdings Berhad (1 per cent direct share and 11.1 per cent indirect share through WHS Holdings Sendirian Berhad, in which he holds a 50 per cent share) and Maxiwealth Sendirian Berhad (25 per cent share). YB Abdul Wahab Dollah holds directorships in Jaya Tiasa Holdings Berhad, Majujaya Sendirian Berhad (Annual Returns of the company, Registrar of Companies, Kuching, 28 October 1998), Guanaco Sendirian Berhad (Annual Returns of the company, Registrar of Companies, Kuching, 10 October 1998) and Mantan Sendirian Berhad (appointed on 1 December 1995)
- (2) Abdul Hamid Sepawi, an appointed member of PBB, who owns Jaya Tiasa Holdings Berhad (11.1 per cent indirect share through WHS Holdings Sendirian Berhad, in which he holds a 50 per cent share) and Maxiwealth Sendirian Berhad (25 per cent share). Abdul Hamid Sepawi holds a directorship in

Guanaco Sendirian Berhad, Mantan Sendirian Berhad and Kedanga Sendirian Berhad (appointed on 1 December 1995).

- (3) Datuk Kenneth Kayan, one of the seven PBB vice presidents, who has interest in Jaya Tiasa Holdings Berhad (1.29 per cent share through Kinta Hijau Sendirian Berhad, in which he holds a 50 per cent share), Stone Park Sendirian Berhad (30 per cent through Persada Berjaya Sendirian Berhad, in which he holds a 50 per cent share) (Annual Returns of Persada Berjaya Sendirian Berhad, Registrar of Companies, Kuching, 12 October 1998) and Garu Sendirian Berhad (Kenneth Kayan holds 42 per cent share in Garu Sendirian Berhad, while Tiong Ik King of the Tiong family holds a 39 per cent share)
- (4) Mohammad Arip Bin Mahmud, the younger brother of the State Chief Minister, Taib Mahmud, holds a directorship in Jaya Tiasa Holdings Berhad (appointed on 13 September 1995; as per the returns of the company to the Registrar of Companies, Kuching for 1998, he sits in the same board of directors as Datuk Tiong Hiew King, Tiong Thai King, Dr. Tiong Ik King and Tiong Chiong Hoo), WHS Holdings Sendirian Berhad (26 June 1993), Hak Jaya Sendirian Berhad (Annual Returns of the company, Registrar of Companies, Kuching, 30 September 1994) and Guanaco Sendirian Berhad (26 June 1984 to 18 January 1985). His wife, Azerina Mohd Arip @ Gertie Chong Soke Hoon, controls a 30 per cent share in Skyline Trading Sendirian Berhad. Azerina Mohd Arip @ Gertie Chong Soke Hoon is the daughter of the late Chong Khoon Chin @ Teo Ah Lek, who owned Skyline Trading Sendirian Berhad (Annual Returns of the company, Registrar of Companies, 20 June 1998).
- (5) Mohamad Asfia Awang Nassar, a PBB State Assemblyman of Serdeng Constituency, deputy speaker of the Sarawak State Assembly for 1995-2000 and speaker from 15 November 2000, is a director of Kedanga Sendirian Berhad

(Annual Returns of Kedanga, Registrar of Companies, Kuching, 31 December 1994).

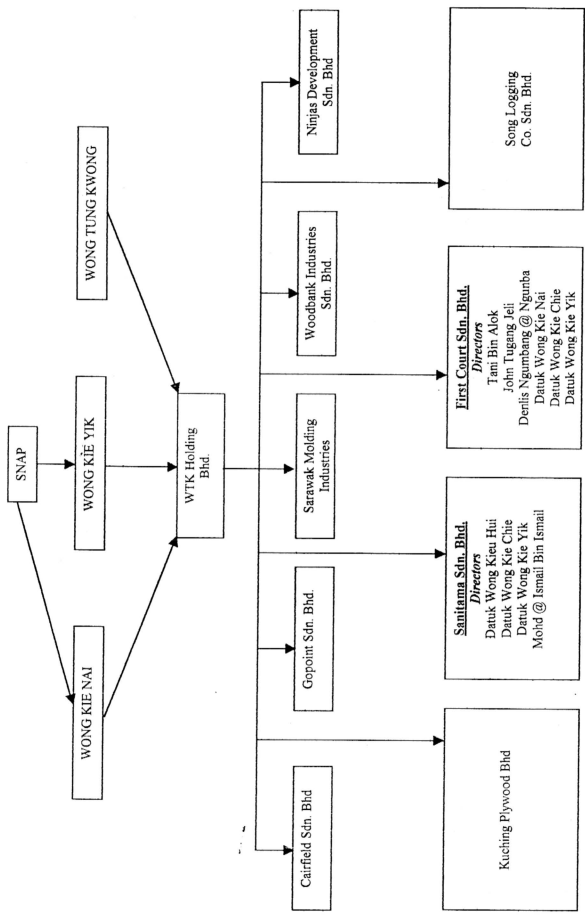


Table 4.7: The Wong Family of WTK Holdings Sendirian Berhad
- Timber Concessions Obtained in the 1960s

	Timber Company	Area (ha)
1	Lee Hua Sawmill Sdn Bhd	31,408
2	Lundu Sawmill Sdn Bhd	7,928
3	Lundu Sawmill Sdn Bhd	1,857
4	Sabal Sawmill	27,615
5	Sut Sawmill	58,680
	Total	127,488

Source: Registrar of Companies, Kuching

4.2.3 WTK HOLDINGS SENDIRIAN BERHAD

Datuk Wong Tuong Kwong², who was initially a logging contractor, founded WTK Holdings Sendirian Berhad (Figure 4.3). In 1962, Wong Tuong Kwong and the late Law Pang Hiew formed a \$2 company called WTK & Co. Wong Tuong Kwong is a second generation Chinese whose father, the late Huang Shutang, left Mingqing district of Fujian Province in China in 1902. Wong Tuong Kwong was born in 1919 and is reputedly a farsighted entrepreneur (Fong, 1996:468-469). Wong Tuong Kwong is a member of SUPP and contested under the party banner for the Igan state constituency (S29) in the 1970 Sarawak Election but lost to Ling Beng Siong by 769 votes (Leigh,

1974:209). Throughout the sixties, the family obtained five timber licences with the total concessions of 127,488 hectares (Table 4.7).

Wong Tuong Kwong is the maternal uncle and 'logging tutor' of Datuk Tiong Hiew King of the Rimbunan Hijau Sendirian Berhad (see Section 4.2.2) (*The Edge*, 12 September 1994). His sons, Wong Kie Yik and Wong Kie Nai, lead the organisation. WTK Holdings Sendirian Berhad now encompasses more than fifty companies engaged in a series of diversified activities. It controls thirty-five subsidiaries involved in plywood manufacturing and sawmilling industries, with a total forest concession area of approximately 800,000 hectares spread over the state of Sarawak. It employs around 4,000 workers (*Guide to Timber Trade, Sarawak, 1996/97*).

In 1996, the WTK Holding Berhad was listed on the main board of the Kuala Lumpur Stock Exchange through a reverse take-over of Samanda Holdings Berhad. Samanda Holdings paid RM837 million in cash and shares for eleven companies owned by WTK Holdings Berhad. These companies were Cairfield Sendirian Berhad, Gopoint Sendirian Berhad, Sarawak Moulding Industries, Woodbank Industries Sendirian Berhad, Ninjas Development Sendirian Berhad, Kuching Plywood Sendirian Berhad, Sanitamas Sendirian Berhad, First Count Sendirian Berhad and Song Logging Company Sendirian Berhad. The deal gave WTK Holdings Berhad a controlling 28.59 per cent stake in Samanda Holdings Berhad. After the transactions, Kosas Bahagia Sendirian Berhad's 31.11 per cent stake was reduced to 16.34 per cent, making WTK Holding Berhad the largest single shareholder (*Borneo Post*, 18 October 1996). WTK Holdings Sendirian Berhad also has a 300,000-hectare timber concession in Brazil and a 287,000-hectare timber concession in Papua New Guinea.

The group of companies' operating profits skyrocketed by 1,625 per cent to RM144.123 million in the year ended 31 December 1997, from RM8.353 million for

the previous year. Pre-tax profits rose to RM137.764 million from RM65.842 million previously, against an increased group turnover of RM699.985 million in 1997 compared to RM203.757 million in 1996.

The brothers, Wong Kie Nai and Wong Kie Yik are members of the Sarawak National Party (SNAP). They are important financiers of the political party and were former senators in the Malaysian Parliament.

4.2.4 KTS HOLDINGS SENDIRIAN BERHAD

The Lau family started their logging activities in the sixties with a total forest concession of 80,249 hectares (Table 4.8).

Table 4.8: Lau Family of KTS Holdings Sendirian Berhad
- Timber Concessions Acquired in the 1960s

	Timber company	Area (ha)
1	Hua Seng Sawmill	25,427
2	Hua Lim Sawmill	5,585
3	K.T.S. Sawmill Co	11,330
4	Hua Lim Sawmill	13,484
5	Hua Seng Sawmill Co Ltd	24,423
	Total	80,249

Source: Registrar of Companies, Kuching

The Lau family - consisting of Lau Hui Kang, Henry Lau Lee Kong, Lau Swee Guong @ Lau Sui Guang and Law Hieng Ing @ Lau Hieng Ing - controls four companies, namely Kuching Lumber Holding Berhad, Hock Tong Hin Sawmill, Hua Lim Holding Berhad and Hua Seng Holding Sendirian Berhad. The Lau family completely controls KTS Holdings Sendirian Berhad through these four companies, each of which hold a 25 per cent share of the former. KTS Holdings Sendirian Berhad has interests in nine timber-related companies (Figure 4.4). They are: -

- (1) Companies in which it holds a controlling interest such as Teleng Timber Sendirian Berhad (81 per cent share), Hua Aik Sawmill Sendirian Berhad (81 per cent share), Syarikat Payang Sendirian Berhad (100 per cent share), Na'ah Trading, GT Plywood Industries (71 per cent share) and Polymore Timber Sendirian Berhad (51 per cent share through GT Plywood Industries). Established on 12 August 1992, Polymore Timber Sendirian Berhad has a nominal share capital of RM100, 000 (Annual Returns of the company, Registrar of Companies, Kuching, 30 June 1994).
- (2) Companies with equal shares as other shareholders such as: -
 - (a) Juta Intelek - 50 per cent share through Na'ah Holding
 - (b) Bintulu Lumber Development - 25 per cent share with Kinmaster Sendirian Berhad, Bahagia Entrepise Berhad and Hamimas Entrepise Sendirian Berhad through Syarikat Payang Sendirian Berhad.
- (3) Brightwood Sendirian Berhad, in which it is the sole local owner holding 31 percent share. The foreign owners are Marubeni Corporation (36 per cent), Dairen Corporation (19 per cent) and Marubeni Hong Kong (15 per cent). Brightwood Sendirian Berhad has a share capital of RM50 million (Table 4.2). It began operations in July 1992. It exports 20 per cent of its output and enjoys pioneer status (Ministry of International Trade and Industries, Sarawak).

Hua Lim Holding Berhad owns Hua Lim Sawmill. Hua Seng Holding Sendirian Berhad controls the timber licensee, Hua Seng Sawmill, which has a controlling interest in Kestrel Sendirian Berhad. Hua Seng Holding Sendirian Berhad also has a controlling interest in timber licensee, Malkita Sendirian Berhad.

KTS Holdings Sendirian Berhad and owner Lau family's political linkage is with SUPP and PBB. The Lau brothers are members of SUPP. One of the family members, Lau Hui Chiew, is a SUPP Member of Parliament for Sibu Constituency. The Lau family is close to their cousin, Lau Hieng Ing. Lau Hieng Ing's brother, Lau Hieng Ding, is vice president of SUPP and is the federal Minister of Science, Technology and the Environment. Lau Hieng Ing has also worked closely with the late YB Ting Ing Meng and Temenggong Tai Sing Chi of SUPP. The late YB Ting Ing Meng was a director of Malkita Sendirian Berhad, while Temenggong Tai Sing Chi is a director of Polymore Timber Sendirian Berhad.

In addition to the link with SUPP, the ownership and directorship of both Malkita Sendirian Berhad and Polymore Timber Berhad provide the link between KTS Holdings Sendirian Berhad and the Lau family on the one hand and PBB on the other. PBB State Assemblyman for Balingian Constituency, Abdul Ajis Majeed, holds a 30 per cent share in Malkita Sendirian Berhad. He is also a director of the company. PBB member Mohd Ghazali Kipli owns 25 per cent share of Malkita Sendirian Berhad and is a director of the company too (Annual Returns of the company, Registrar of Companies, Kuching, 12 June 1998). YB Julaihi Narawi of PBB, a state assemblyman of Sebuyau Constituency, was a former director of Polymore Timber Sendirian Berhad. Senator Hj. Wan Hamid Edrucé Bin Tuanku Hj. Mohammad of PBB was a director of Polymore Timber Sendirian Berhad until his resignation on 30 July 1993. After him, came PBB member and ex-Head of State, Tun Datuk Patinggi Abang Hj. Mohammad

Salahuddin (30 July 1993 to 24 January 1994) and PBB member, Abang Helmi Bin Tan Sri Ikwan (24 January to 30 June 1994). PBB member and former State Secretary, Hamid Bugo, was a director of Polymore Timber Sendirian Berhad until his resignation on 30 June 1994. Members of the Lau family, Lau Swee Nguong, Datuk Lau Hui Kang and Henry Lau Lee Kong sit on the board of directors with these PBB members (Annual Returns of the company, Registrar of Companies, Kuching, 30 June 1994).

KTS Holdings Sendirian Berhad and the Lau family's other links with PBB are:-

- (1) Present State Secretary, and the State Chief Minister's brother-in-law, Datuk Haji Abdul Aziz Bin Husain, is a director of Juta Intelek (Annual Returns of the company, Registrar of Companies, 29 July 1998), in which KTS Holding Sendiran Berhad holds a 50 per cent share
- (2) PBB member and former State Secretary, Hamid Bugo is a also director of Juta Intelek
- (3) PBB member and former State Secretary, Bujang Bin Mohammed Bujang Mohamed Nor is a director of Bintulu Lumber Development (Annual Returns of the company, Registrar of Companies, Kuching, 10 May 1993)
- (4) PBB member, Ahmad Ronny Assin, is also a director of Kestrel Sendirian Berhad.

4.2.5 SHIN YANG SENDIRIAN BERHAD

Shin Yang Sendirian Berhad is the youngest of the "big five", which includes Samling Strategic Corporation, Rimbunan Hijau Sendirian Berhad, WTK Holdings Sendirian Berhad and KTS Holdings Sendirian Berhad. It largely came into prominence in the eighties. Established on 24 February 1983, it commenced operation on 1 March 1983. The shareholders are the Ling brothers, namely Ling Chiong Ho (7 per cent), Ling Chiong Pin (7 per cent), Ling Chiong Siong (7 per cent), Ling Chiong Seng (7 per cent)

and Glenn Stuart Bennett (72 per cent), who holds a British passport. Ling Chiong Ho, Ling Chiong Pin, Ling Chiong Siong and Ling Chiong Seng are directors of the company (Annual Returns of the company, Registrar of Companies, Kuching, 30 August 1995).

Initially a shipping and investment business, the group ventured into logging operations with Rimbulan Hijau Sendirian Berhad. Shin Yang Sendirian Berhad has a timber concession in Sarawak, totalling 400,000 hectares (*The Sarawak Timber Industry, Sarawak Security Brief*). This represents 3.2 per cent of the land area of Sarawak and is larger than nineteen out of the twenty-eight administrative districts in Sarawak (Table 4.1). At 45 cubic metres of logs per hectare, this will give 18 million cubic metres of logs. Using the average export price of RM327.68 per cubic metre for 1996, the logs would be valued at RM5.9 billion. Shin Yang Sendirian Berhad is also a logging contractor in ten other concession areas (*The Sarawak Timber Industry, Sarawak Security Brief*).

Shin Yang Sendirian Berhad has a paid-up capital of one million ringgit. The company, which has fixed assets of RM97.8 million, posted a pre-tax profit of RM16.249 million in 1993, on the back of a turnover of RM209.9 million.

4.2.6 PAN-PACIFIC ASIA BERHAD

Pan-Pacific Asia Berhad is owned by the family of Ling Beng Siong, one of the pioneers of the timber industry in Sarawak. Tan Sri Datuk Amar Ling Beng Siew was born in Sibu, one of the sons of Lin Zimin, who originated from the Gutien district of Fujian Province of China. He received his early education in Sibu and he managed the business of Lin Gongtai (Ming¹ Ji) sawmill after his father's death in 1959. In 1963, Gongtai Sawmill was re-organised and renamed Gongtai Or Kong Thai (1963) Company Limited (Fong, 1996: 454-455). Ling Beng Siew was appointed a member of

the Sibü Rural District Council in 1959 and a Sarawak Legislative Council member in 1963. Three years later he was appointed Minister of Youth and Culture in the state cabinet headed by Penghulu Tawi Sli. He stood in the 1970 and 1974 state general elections. In 1978, SUPP faced a split and Ling Beng Siong left the party and retired from politics to concentrate on his business.

In 1966, Ling Beng Siong obtained his timber concession with an area of 24,460 hectares through Kong Thai (Forest Department, 1967), and later, another 35,653 hectares in Miri Division. In 1967, through Mukah Sawmill (1962) Ltd, which is jointly owned by Ling Beng Siong and brothers Ling Beng Siew and Ling Beng Sung, obtained total forest concessions of 96,160 hectares in three areas in Sibü Division. (Table 4.9).

The family-owned companies were listed on the main board of the Kuala Lumpur Stock Exchange in 1995 through a reverse take-over of Pan-Pacific Asia Berhad. The take-over, involving the injections of five timber related companies belonging to the Ling family, resulted in them owning 53.5 per cent of the company (*The Star*, 1 July 1995). The companies are Caritimas Sendirian Berhad, Kawood Sendirian Berhad, Leaderade Sendirian Berhad, Wansuria Sendirian Berhad and Propagate Sendirian Berhad. Through the five companies, Pan-Pacific Asia Berhad owns two timber concessions and an extraction right to a third of a combined area of 121,200 hectares (*The Star*, 1 July 1995). The concessions comprise permanent forests in the Kapit and Baram Divisions in Sarawak.

Table 4.9: Mukah Sawmill (1962) Limited - Timber Concessions obtained in the 1960s

	Timber Company	Area (ha)
1	Kong Thai	24,460
2	Kong Thai Sawmill	35,653
3	Mukah Sawmill (1962) Ltd	9,454
4	Mukah Sawmill (1962) Ltd	11,538
5	Mukah Sawmill (1962) Ltd	15,055
	Total	96,160

Source: Registrar of Companies, Kuching

Political linkages have been with SUPP and PBB. The late Ong Kee Hui, a SUPP leader, served on the board of directors of Caritimas Sendirian Berhad until 3 October 1998. Among the PBB members are:-

- (1) Mohd Ali bin Mahmud, brother of the State Chief Minister, who was a director of Caritimas Sendirian Berhad for 3 October 1998
- (2) Haji Sepawi Ariffin, PBB executive secretary, who is a director of Leaderade Sendirian Berhad (Annual Returns of Leaderade, Registrar of Companies, Kuching, 10 December 1993)
- (3) Leonard Linggi Jugah, secretary-general of PBB, who is a director of Leaderade Sendirian Berhad (Annual Returns of Leaderade, Registrar of Companies, Kuching, 10 December 1993)

4.2.7 LIMBANG TRADING COMPANY

Limbang Trading Company is owned by the family of Datuk James Wong Kim Min. James Wong owns 90.85 per cent, while his wife, Valerie Bong Kui Inn, owns the remaining 9.2 per cent (Registrar of Companies, Kuching). Their sons, Richard Wong Shoon Fook and Bernard Wong Shoon Tet, are directors of Limbang Trading Company (Annual Returns of the company, Registrar of Companies, Kuching, 7 September 1998). The company was established on 31 May 1963, with an authorised capital of 10 million shares at RM1 each, totalling RM10 million. The issued shares as at 7 September 1998 were RM3,250 (Registrar of Companies, Kuching). Limbang Trading Company has a controlling 55 per cent share in Limbang Trading (Limbang) Sendirian Berhad, in which Rimbunan Hijau Sendirian Berhad owns a 40 per cent stake. With a concession area of 104,382 hectares, Limbang Trading (Limbang) Sendirian Berhad is larger than all of Limbang Division's concession combined (*The Edge*, 12 September 1994). James Wong's concession lasted from 1949 to 1966, at which point it was extended to 1976, and then, by another year to 1977. In 1977, it was renewed for a 25-year period to 2002, and subsequently extended for seven years to 2009.

James Wong is the president and major financier of the Sarawak National Party. During his darkest day in politics, when he was detained in 1974 under Malaysia's Internal Security Act, he managed to get his concession renewed for one year to 1977. Besides the original concession, James Wong managed to secure two others – one by Limbang Trading (Baram) Sendirian Berhad for 85,000 hectares and another by Limbang Trading (Bintulu) Sendirian Berhad for 180,000 hectares. Both concessions were later sold. In 1995, Limbang Trading (Limbang) Sendirian Berhad was listed in the Kuala Lumpur Stock Exchange through a reverse take-over of PanGlobal Equities Berhad (*New Straits Times*, 11 February 1995). Through the take-over, PanGlobal Equities Berhad acquired ten pieces of land in Johor Baru, worth RM4.2 million, and a

coal mining company, Global Minerals, worth RM79 million. Global Minerals has a mining interest in Nanga Merit in Kapit Division, Sarawak. On 30 December 1995, Pan Global Equities Berhad changed its name to Pan Global Berhad to better reflect the company's diversified range of activities (*New Straits Times*, 30 December 1995).

4.3 CONTROL AND POLITICAL LINKAGES

It can be seen that individuals, families and allies control timber licences through subsidiaries and associated companies as well as through interlocking directorships. The linkages between the seven companies described in Section 4.2 include: -

(1) The Hiew family, which solely owns Samling Strategic Corporation through Yaw Holdings, also owns 20 per cent of Limbang Trading (Bintulu) Sendirian Berhad, whose shareholders include Datuk James Wong, who jointly owns Limbang Trading Company (90.8 per cent) with his wife (9.2 per cent). As stated earlier, Datuk James Wong is the president and major financier of the Sarawak National Party.

(2) The Tiong family, which holds the major share of Rimbunan Hijau Sendirian Berhad (56.5 per cent) through Tiong Toh Siong Holdings, is linked to: -

(a) The Wong family of WTK Holdings Sendirian Berhad, whose founder, Wong Tuong Kwong is the maternal uncle and logging tutor of Tiong Hiew King

(b) the Ling brothers of Shin Yang Sendirian Berhad, whose involvement in timber has been related to Rimbunan Hijau Sendirian Berhad.

The Tiong family members are members of the Sarawak United Peoples' Party.

Linkages of the families and timber companies with other political parties in the ruling coalition, the Barisan Nasional, at both state and federal levels span most

companies. The dominant party within the state ruling coalition, PBB, of which the state Chief Minister is a member, is involved as follows:-

- (1) PBB members hold shares and directorships in various subsidiaries and associated companies of Yaw Holdings and Samling Strategic Corporation, which are solely owned by the Hiew family through Yaw Holdings.
- (2) PBB members directly and indirectly hold shares in companies (through other companies) owned by Rimbunan Hijau Sendirian Berhad, controlled by the Tiong family
- (3) PBB members directly and indirectly hold shares in companies (through other companies) owned by Hua Seng Holdings Berhad and KTS Holdings Sendirian Berhad, both of which are controlled by the Lau family.
- (4) SUPP members hold directorships in companies under Pan-Pacific Asia Berhad, owned by the Ling family.

The ex-Prime Minister's son, Mirzan Mahathir, holds directorships in companies owned by the Samling Strategic Corporation, solely controlled by the Hiew family.

The Lau family is related to prominent politicians within SUPP, whose members also hold directorships in companies which the Lau family controls through Hua Seng Holdings Berhad and KTS Holdings Sendirian Berhad. SUPP members also hold directorships in companies under Pan-Pacific Asia Berhad, owned by the Ling family.

Table 4.10 shows the political links to timber companies in 1980. Besides the link of Baltim Sendirian Berhad to shareholder, Mohd Yahya Lampong of United Sabah National Organisation (USNO), there are numerous links to members and state assemblymen in PBB.

In the run-up to the 1987 snap election called by state Chief Minister Taib Mahmud in response to an attempt by a dissident group to topple him, the Chief

Minister froze 25 timber concession of 1.2 million hectares worth RM22.5 billion. The reason for the freeze was to prevent "the wealth of the state from being concentrated in the hands of a few individuals" (*New Straits Times*, 12 April 1987). These individuals were believed to be relatives and associates of Taib's predecessor, his uncle, Tun Abdul Ya'akub. They included his immediate family members and PBB loyalists. Rahman Ya'akub's immediate family members were his five daughters from his first marriage, that is, Norlia Abdul Rahman, Aishah Abdul Rahman, Zaiton Abdul Rahman, Norah Abdul Rahman and Khatijah Abdul Rahman, as well as his son-in-law, Mohd Kamal Hussain. The PBB loyalists were Hj. Wan Habib Syed Mahmud, Wan Madzihi, Datuk Hj. Salleh Jafaruddin, Dr. Wan Ali Tuanku Mahdi, Datuk Daniel Tajem and Datuk Amar Abg Yusuf Puteh and the wife of Datuk Tajang Laing, Debong Anyi.

Rahman Ya'akub's group retaliated by publishing in a local newspaper, a list of shareholders in companies holding timber concession totalling 1.69 million hectares. These shareholders were purportedly supporters of Taib Mahmud such as Datuk Abang Hj. Abu Baker, Kenneth Kayan Ak Temenggong Koh, Datuk Leonard Linggi Ak Jugah, Wahab Dollah, Ahmad Hamed Sepawi, Abdul Ajis Majeed, Abu Bakar Suut, Ahmad Bin Suut, and Taib's sister, Zainab Mahmud (Tables 4.11 and 4.12).

4.4 CONTROL OF THE TIMBER TRADE THROUGH SHIPPING

Japanese Control of Shipping in Southeast Asia

Japan is the largest buyer of Sarawak timber. Transport of logs between Southeast Asia and Japan is dominated by 39 shipping companies involved in the Nanyosai Freight Agreement (NFA), which is registered with the Japanese government. Among the major shopping lines are Mitsui O.S.K. Lines Limited, Nippon Yusen K.K., and Showa Line Limited (Pura, 1989). Mitsui O.S.K. Lines Limited is a group fleet of 226 vessels. It was founded in 1942 and is an amalgamation of Mitsui Senpaku and Osaka Shosen

Kaishe in 1964. Nippon Yusen (NYK Line) has a group of fleet of 250 vessels. It was formed by the amalgamation of Mitsubishi Kaiun K.K. and Nippon Yusen Kasihe (NYK line).

Table 4.10: List of Taib's Supporters Issued with Timber Licences by Rahman Ya'akub's Group

Taib's Supporters	Companies	Date of Issue	Licence No.	Area of Concession (Hectares)
YB Datuk Abg Hj Abu Bakar	Timplex (Sarawak) Sdn. Bhd			
YM Tunku Datin Maziah				
Datuk Amar James Wong	Sarawak Trading Co. Sdn Bhd		T/ 0129	13,850
Zainab Mahmud	Sarawak Plywood (M) Sdn Bhd		T/ 0191	64,416
Kenneth Kanyan Ak Temenggong Koh	a) Garu Sdn Bhd	1.12.77	T/ 0354	66,000
	b) Balleh Sawmill Co. Sdn Bhd	1.06.67	T/ 378	25,068
	c) Keresa Timber Corp. Sdn Bhd	26.07.76	T/ 0537	49,996
	d) Raplex Sdn Bhd	2.02.77	T/ 560	72,251

(continued)

Table 4.10: List of Taib's Supporters Issued with Timber Licences by Rahman Ya'akub's Group (continuation)

Taib's Supporters	Companies	Date of Issue	Licence No.	Area of Concession (Hectares)
Datuk Leonard Linggi ak Jugah	a) Keresa Timber Corp Sdn Bhd	26.07.76	T/ 0537	49,996
	b) Raplex Sdn Bhd	2.02.77	T/ 560	72,251
	c) Rajang Wood Sdn Bhd	15.08.79	T/ 3024	309,575
Hj Rakawi Nur	Sejoru Sdn Bhd		T/ 3140	31,000
Hj Annuar Razak	First Sdn Bhd		T/ 3148	46,000
Lio Ger Goh (from Peninsular Malaysia) & Liew Lee Chuan	Mariwan Sdn Bhd	1.08.86	T/ 3167	32,062

(continued)

Table 4.10: List of Taib's Supporters Issued with Timber Licences by Rahman Ya'akub's Group (continuation)

Taib's Supporters	Companies	Date of Issue	Licence No.	Area of Concession (Hectares)
Datuk Ting Ming Hoi	Malkita Sdn Bhd	1.08.86	T/ 3166	31,500
	Timplex (S) Sdn Bhd			
Ding Family	Gayason Sdn Bhd	1.08.86	T/ 3165	25,006
Wahab Dollah	Maujaya Sdn Bhd	14.01.85	T/ 3144	53,100
	Gaunaco Sdn Bhd		T/ 3143	53,100
	Rinki Sdn Bhd		T/ 3141	33,300
	Maxiwealth Sdn Bhd		T/ 3199	96,600
	Pasin Sdn Bhd		T/ 3135	104,250
	Mantan Sdn Bhd		T/ 3138	75,500

(continued)

Table 4.10: List of Taib's Supporters Issued with Timber Licences by Rahman Ya'akub's Group (continuation)

Taib's Supporters	Companies	Date of Issue	Licence No.	Area of Concession (Hectares)
Sharkawi Bohari	Maujaya Sdn Bhd		T/ 3144	53,100
	Maxiwealth Sdn Bhd		T/ 3139	96,600
Abdul Hamed Sepawi	Rinki Sdn Bhd		T/ 3141	33,300
	Mantan Sdn Bhd		T/ 3138	75,500
Hj Khalid Abdullah & Family	Malalands Co. Sdn Bhd		T/ 3149	26,600
Mohd Onn Ariffin	Gayason Sdn Bhd	1.08.86	T/ 3165	25,006
Abdul Ajis Majeed	Mal Kita Sdn Bhd	1.08.86	T/ 3166	31,500
Dr Abg Yusuf Abg Hj Abdul Razak	Timplex (S) Sdn Bhd			

(continued)

Table 4.10: List of Taib's Supporters Issued with Timber Licences by Rahman Ya'akub's Group (continuation)

Taib's Supporters	Companies	Date of Issue	Licence No.	Area of Concession (Hectares)
Abu Bakar bin Suut	Kedasa Sdn Bhd		T/ 3127	25,006
Ahmad bin Suut	Pelutan Sdn Bhd		T/ 0291	31,500
Total				1,687,427

Source: *Utusan Sarawak* (Ritchie 1988: 84-85)

Table 4.11: List of Rahman Ya'kub's Supporters Issued with Timber Licences by Taib's Group

Companies	Directors/ Shareholders	Licence No.	Date of Issue	Area of Concession (Hectares)
Baltim Timber Sdn Bhd	a) Hj Wan Habib Syed Mahmud	T/3070	26/5/81	39,229
	b) Wan Madzihi Mahzar	T/3070		
	c) Sharifah Rahanah Tuanku Taha			
Syarikat Delapan Sdn Bhd	a) Datin Debong Anyi	T/3071	26/5/81	42,255
	b) Sarasin Sdn Bhd Norlia Rahman Lucy Lao Puong Siong	T/3071		67,476
	c) Christa Holdings Hj Zainuddin Satem Mohd Kamal Hussain			

(continued)

Table 4.11: List of Rahman Ya'kub's Supporters Issued with Timber Licences by Taib's Group (continuation)

Companies	Directors/ Shareholders	Licence No.	Date of Issue	Area of Concession (Hectares)
Lembahan_Mewah Sdn Bhd	a) Norlia Abd Rahman	T/3069	26/5/81	92,228
	b) Datin Debong Anyi	T/3069		94,126
	c) Khadijah Abd Rahman			
	d) Sateras Holdings Sdn Bhd Aishah Abd Rahman Zaiton Abd Rahman Norah Abd Rahman			
Kehutanan Sentiasa Sdn Bhd	a) Haji Deli Abd Rahman	T/3007		30,070
	b) Datuk Hj Salleh Jafaruddin	T/4152		30,829
	c) Dr Wan Ali Tuanku Mahdi	T/3007		30,829
	d) Datuk Daniel Tajem			

(continued)

Table 4.11: List of Rahman Ya'kub's Supporters Issued with Timber Licences by Taib's Group (continuation)

Companies	Directors/ Shareholders	Licence No.	Date of Issue	Area of Concession (Hectares)
Barbet Sdn Bhd	a) Hj Mohksen Ibrahim	T/0281	/12/83	68,471
	b) Hj Zainuddin Satem	T/0281		35,554
	c) Norlia Abd Rahman			
Maguari Sdn Bhd	a) Kamal Hussein	T/0261	16/11/81	33,440
	b) Hj Mohd Deli Abd Rahman	T/0261		33,554
	c) Sarasin Sdn Bhd			
Keruntum Sdn Bhd	a) Hj Mohd Deli Abd Rahman	T/0279		198,926
	b) Hj Mohd Louis Ali			

(continued)

Table 4.11: List of Rahman Ya'kub's Supporters Issued with Timber Licences by Taib's Group (continuation)

Companies	Directors/ Shareholders	Licence No.	Date of Issue	Area of Concession (Hectares)
Shobra Sdn. Bhd	a) Datuk Amar Abg Yusuf Puteh b) Datin Amar Rogayah	T/0282		1,163
Mosko Lumber Sdn Bhd	a) Gavial Sdn Bhd Mohd Kamal Hussain Norlia Abd Rahman	T/3068	8/5/81	69,786
Sarawtab Sdn Bhd	a) Hj Mohd Deli Abd Rahman b) Datuk Hj Salleh Jafaruddin c) Tabau Enterprise Norlia Abd Rahman Mohd Kamal Hussain Mohd Louis Ali Khatijah Abd Rahman	T/0137	5/12/83	104,842

(continued)

Table 4.11: List of Rahman Ya'kub's Supporters Issued with Timber Licences by Taib's Group (continuation)

Companies	Directors/ Shareholders	Licence No.	Date of Issue	Area of Concession (Hectares)
Kabala Sdn Bhd	a) Norlia Abd Rahman b) Junaidah Zen c) Lucy Lao Puong Siong	T/6057		1,425
Sebiyau Logging Sdn Bhd	a) Ali Sheikh Salim b) Hj Fathi Salim c) Hj Omar Sheikh Salim	T/3075	1/4/82	17,549
Total				1,040,515

Local Shipping Services

Local shipping agents include Archipelego Shipping Sendirian Berhad, Sebor (Sarawak) Trading Sendirian Berhad, Harper Wira Sendirian Berhad, Harrison and Crossfield (Sarawak) Sendirian Berhad, Bormill Line Sendirian Berhad, Boustead Shipping Agencies Sendirian Berhad and Pansar Services (1981) Sendirian Berhad.

Archipelego Sendirian Berhad is a major agent. It represents all local and foreign log carriers which transport logs from Sarawak to Japan, that 56 shipping lines under NYA, 27 shipping lines under the Log Carrier Group of Taiwan, 28 shipping lines under the Korea Log Carrier Committee and 9 shipping lines under Hong Kong Timber Carriers Association. In 1995, Cement Manufacturers Sarawak Berhad acquired the entire paid-up capital of Archipelego Shipping Berhad. Six vendors, that is, Achi Corp Sendirian Berhad, Serira Sendirian Berhad, Mohd Arip Mahmud, Datuk Mohd Tufail Mahmud, Grand Shrine Trading Limited and Masba Holdings Sendirian Berhad, handled the acquisition. Mohd Arip Mahmud and Datuk Tufail Mahmud are brothers of the Chief Minister. They are also associated with the timber company, the Sanyan group. It would appear his family ties have not been important in Sarawak timber companies per se, but also for timber shipping from Sarawak.

4.5 CONCLUSION

The main beneficiary of these arrangements seems to be the state minister holding the Forestry portfolio. The holder often dispenses licences to personal, family, party and political advantage. The Ming Court episode showed timber licensees were issued to family members of Rahman Ya'akub, Taib Mahmud and to party loyalists. The episode reflected conflicts between uncle and nephew over the distribution of timber licences. The outcome of the open 'conflict' was the consolidation of Taib's position within PBB. Because of their party linkages, Muslim Melanau elites closely associated with the

Chief Minister benefited by becoming directors as well as shareholders of the major timber companies. The most prominent ones include Datuk Wahab B Dolah and Ahmad Hamed B. Sepawi. Family members of the Chief Minister also benefited from the monopoly of log shipping via Archipelego Sdn Bhd, which later became a subsidiary of Cahaya Mata Sarawak, his family flagship.

Benefits have also been extended to component parties of Sarawak's Barisan Nasional government. These timber merchants and political leaders are in positions of influence of their respective political parties. With the timber wealth acquired, they became important financiers for their own parties and their candidates. They are also called to assist in financing of Barisan Nasional candidates. The timber business has also benefited leading government administrators, including the state secretary, ex-state secretaries and the current head of state, who have become shareholders or directors of the timber companies.

¹ Samling Strategic Corporation has timber concessions in Guyana (1.69 million hectares) and Cambodia (approximately 800,000 hectares). Concession areas in Brazil (993,694 hectares) have been proposed. The group also has timber interests in New Zealand.

² Wong Tuong Kwang was awarded the Panglima Negara Bintang Sarawak (PNBS) which carries the title 'Datuk' in 7 July 1981 by the then Governor Abdul Rahman Ya'akub, Taib Mahmud predecessor.