

# DEVELOPMENT OF GLOBAL TIMBER TYCOONS IN SARAWAK, EAST MALAYSIA

## HISTORY AND COMPANY PROFILES



Rimbunan Hijau

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## ABBREVIATIONS

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CM	Chief Minister of Sarawak
EIA	Environmental Impact Assessment
FAO	United Nations Food and Agriculture Organization
FFB	Fresh Fruit Bunch (Oil Palm Fruits)
FMP	Forest Management Plan
FMU	Forest Management Units (MTCS)
FSC	Forest Stewardship Council
ha	hectares
HKSE	Hong Kong Stock Exchange
ITTO	International Tropical Timber Organization
KLSE	Kuala Lumpur Stock Exchange
LCDA	Land Custody and Development Authority (Sarawak)
LPF	License for Reforestation (issued by MPRM)
MDCL	Minimum Diameter Cutting Limits
MITI	Ministry of International Trade and Industry (Malaysia)
MPRM	Ministry of Planning and Resource Management (Sarawak)
MTC	Malaysian Timber Council
MTCC	Malaysian Timber Certification Council
MTCS	Malaysian Timber Certification Scheme
MTIB	Malaysian Timber Industry Board
NCR	Native Customary Right
PELITA	another name for LCDA
PFE	Permanent Forest Estate
PUSAKA	another name for STIDC
RM	Malaysian Ringgit <sup>1</sup> 1RM = 0.327 US\$;      1US\$ = 3.06 RM
RQ	Reservation Quota for logs (local processing)
RWE	Round Wood Equivalent
SFC	Sarawak Forestry Corporation
SLDB	Sarawak Land Development Board
SPWP	Secondary Processed Wood Products
STA	Sarawak Timber Association
STIDC	Sarawak Timber Industry Development Corporation
T-Concession	Concession for log extraction (issued by MPRM)
VPA	Voluntary Partnership Agreement (with the European Union)

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<sup>1</sup> values for Monday, January 17, 2011, [www.x-rates.com](http://www.x-rates.com)

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# 1. INTRODUCTION

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Over the past 30 years, the controversial development of the timber industry in Sarawak has heavily influenced this Malaysian state on the island of Borneo. Many decades of rainforest destruction have not only impacted on the livelihood of indigenous groups and the natural environment in Sarawak, but have also, more than anything else, shaped the economic landscape of the state. Today, the economy of Sarawak is controlled by a handful of businesspeople and politicians who all have something in common – their wealth and power are rooted in the timber business; and their influence on the local economy and politics has grown in parallel with the vanishing of the rainforest of Sarawak.

Sarawak and its timber industry became a key focus of environmental and human rights groups in the 1980s and 1990s, attracting attention from international civil society, politicians and researchers. It was the time of unprecedented logging, when the Malaysian state of Sarawak experienced one of the most rapid log clearances in the whole of the Southeast Asian region.<sup>2</sup> These times are well documented in research reports, campaigns and other sources.<sup>3</sup> In the intervening years, international critics and media attention have moved to other parts of the world. Nevertheless, as is demonstrated further on in this report, a number of the major players who are engaged in forest extraction on a global scale have their roots in Sarawak.

Meanwhile, the timber industry in Sarawak has become mature, fully integrated and is processing more than 60 percent of the harvested logs locally. Logging companies which started business 30 years ago have, in just a short time, become huge business conglomerates, after investing their logging profits in related industries and other business sectors. In addition, thanks to the capital they have accumulated from forest extraction in Sarawak, many of these timber groups have expanded their business operations all over the globe and are now operating from Russia to Australia, and from Brazil to Gabon, on all six continents. Their track records of diversification and internationalization, however, go hand in hand with the violation of human rights, political patronage and the destruction of the environment in their home country and many other parts of the world.

The timber tycoons of Sarawak endeavor to maintain a low profile, and it is difficult to obtain information about their business activities and complex group structures. Nevertheless, in recent years, a number of major timber tycoons have listed parts of their conglomerates on the Malaysian Stock Exchange in Kuala Lumpur (KLSE) and Hong Kong (HKSE) to finance part of their “going global” and diversification strategies with public funds. The regulations for companies listed on the stock exchange and also shareholder interests are forcing these groups to reveal part of their obscure business relations and operations.

Direct involvement in politics, i.e. the close relationship between Sarawak’s timber tycoons and local political elites, has a long history and raises the question of political patronage, corruption and bribery. In parallel, the Sarawak state government, which is dependent on the forestry sector, has been accused of rent-

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<sup>2</sup> Leigh, M. (1998): Logging in Sarawak. In: The Politics of Environment in Southeast Asia.

<sup>3</sup> For instance: INSAN (1989): [Logging against the Natives of Sarawak](#); United States Congress Report (1989): The Tropical Timber Industry in Sarawak, Malaysia; Colchester (1993): [Pirates, squatters and poachers: The political ecology of dispossession of the native peoples of Sarawak](#); King (1993): [Politik pembangunan: The political economy of rainforest exploitation and development in Sarawak, East Malaysia](#); Brookfield / Byron (1990): Deforestation and timber extraction in Borneo and the Malay Peninsula; Kauer (1998): [A history of forestry in Sarawak](#).

seeking behavior by generating income from the duties and taxes levied on the timber sector as well as of rewarding political allies' and their own family members with timber concessions and licenses.<sup>4</sup> Over the past few years, government officials have launched another round of allocating rights to the major timber tycoons and have granted reforestation licenses for 2.4 - 2.6 million hectares of fast-growing trees and palm oil plantations.<sup>5</sup> At the same time, a few final logging concessions have been renewed for a handful of companies. The palm oil industry in Sarawak, in particular, would seem to be the next industry set to consolidate the current political and economic structure in the State; this is expanding over logged areas at a very rapid pace. When it comes to land allocation, land tenure and native customary rights, the state of Sarawak still lacks a great deal of transparency and legitimacy.<sup>6</sup>

- **Organization**

After a general overview of the global tropical timber industry and its recent developments (*Chapter 2*), the timber industry, policy and institutions in Malaysia and Sarawak are set out and summarized in *Chapters 3 and 4*. This section provides background information on key actors who are critical to the development of the timber industry in Sarawak and on the subsequent rise of the timber tycoons (*Chapter 5*). This main chapter contains company profiles of the six largest timber groups in Sarawak - Samling, Rimbunan Hijau, WTK, Ta Ann, KTS and the Shin Yang group of companies – and some smaller groups like Limbang Trading Limbang, Ekran, Lee Ling, Interhill, Sanyan and Woodman. The last part (*Chapter 6*) concludes with a summary and analysis.

- **Sources and Approach**

The sources used are the annual reports of listed companies and stock market announcements, as well as newspaper articles and official statistics, and these are underlined with scientific publications and reports from international organizations and NGOs. The related party transactions in the annual reports of stock exchange listed companies are of particular interest, since these indicate that most listed companies are only a small part of huge family-based, globally operating business conglomerates. All the findings and results are presented in a compact form for easy reference and comparison.

- **Aims of the Report**

The aims of this report are threefold: (1) to bring greater transparency into the obscure and inscrutable timber industry of Sarawak – as one of the most important yet also highly controversial sources of economic development in the state – and to provide an overview and profile of the most important players; (2) to understand the dynamics and influence of the timber sector on the economy of Sarawak by focusing on links among companies, local political elites and institutions; (3) to discuss the data and results by bringing in corporate social responsibility issues, including the development of local communities, indigenous rights and protection of the natural environment.

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<sup>4</sup> Brown (2001): [Why governments fail to capture economic rent: the unofficial appropriation of rain forest rent by rulers in insular Southeast Asia between 1970 and 1999](#); Ross (2001): Timber Booms and Institutional breakdown in Southeast Asia; Forests Monitor (1999): [High Stakes: The need to control transnational logging companies: a Malaysian case study](#).

<sup>5</sup> SAM/ FOE (2008): [Malaysian Palm Oil: green gold or green wash?](#) Sahabat Alam Malaysia.

<sup>6</sup> For instance: FERN (2006): [Forest governance in Malaysia, recommendations for a VPA](#); Yong (2010): [Logging in Sarawak and the Rights of Indigenous Communities](#).

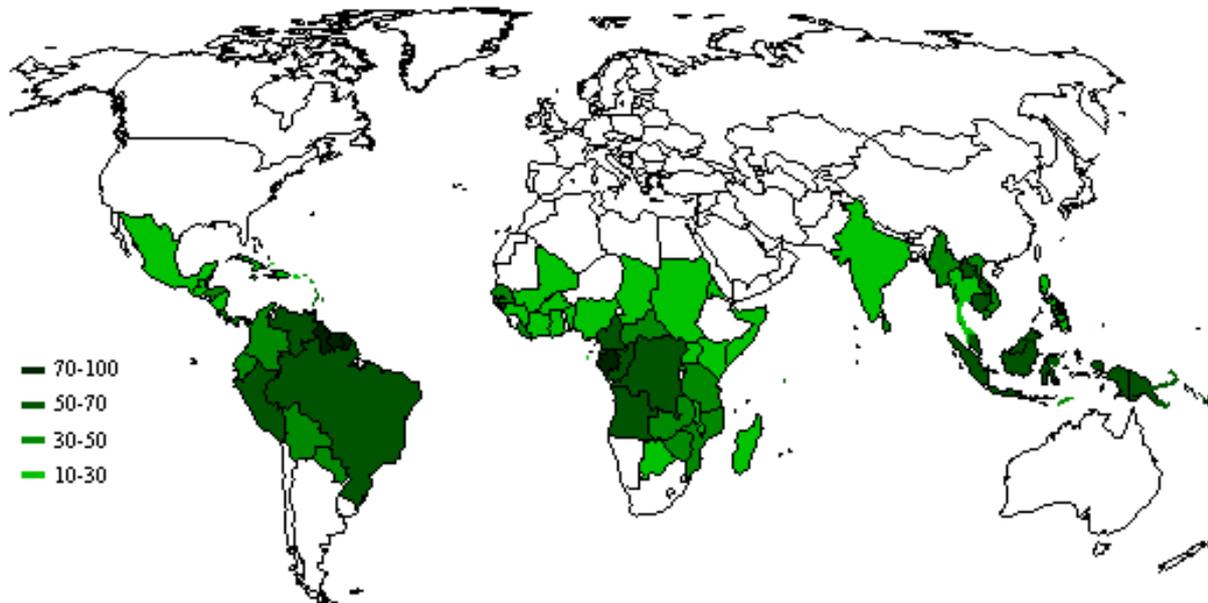
## 2. TROPICAL TIMBER INDUSTRY

Much of the Earth's land surface is covered by forests. Forests perform a range of critical environmental and climatic functions and are home to the majority of the world's plant and animal species. For humans, forests have historical, religious, philosophical and aesthetic significance, as well as providing valuable resources and living space. As a consequence, the loss or degradation of forest has a wide range of detrimental effects.<sup>7</sup>

### 2.1. GLOBAL TROPICAL FOREST RESOURCES

The world's tropical forests accounted for 46 percent or 1787 million hectares of the total forest area in 2000. Tropical forests are found in the intertropical convergence zone, such as in the Amazon basin of South America, the Congo basin of Central Africa and in Southeast Asia (*Figure 1*).<sup>8</sup>

**Figure 1: Tropical forest area as a percentage of country area, 2000**



Source: UNCTAD (2010): [www.unctad.org/infocomm/anglais/timbertrop/images/Density.gif](http://www.unctad.org/infocomm/anglais/timbertrop/images/Density.gif); accessed 27.11.2010.

The steady decline of tropical forests is illustrated in *Table 1*. From 1980-1990 and 1990-2000, the total annual net change in tropical forest area is estimated at -12.8 million ha and -11.5 million ha respectively. Over these 20 years, the total tropical forest area has decreased by 12 percent. The largest loss has occurred in Africa and South America, but the most rapid decrease has taken place in Central America and Asia.

**Table 1: Annual tropical forest change by region, 1980-2000<sup>9</sup>**

	Annual Change Rate			
	1980-1990		1990-2000	
	1000 ha/year	%	1000 ha/year	%
Africa	-3969	-0.55	-5234	-0.77
Asia	-2261	-0.72	-2102	-0.71
Oceania	-23	-0.04	-150	-0.29
Central America	-972	-1.23	-769	-1.11
South America	-5550	-0.64	-3200	-0.4

<sup>7</sup> Dudley, N. et al. (1995): Bad harvest? – The timber trade and the degradation of the world's tropical forests.

<sup>8</sup> UNCTAD (2010): Tropical Timber, [www.unctad.org/infocomm/anglais/timbertrop/crop.htm#tropfor](http://www.unctad.org/infocomm/anglais/timbertrop/crop.htm#tropfor), accessed: 27.11.2010.

<sup>9</sup> UNCTAD (2010): Tropical Timber, [www.unctad.org/infocomm/anglais/timbertrop/crop.htm](http://www.unctad.org/infocomm/anglais/timbertrop/crop.htm); accessed 27.11.2010.

The forest loss of selected countries with tropical timber is listed in *Table 2* on the basis of the latest statistics from the FAO. The FAO has identified the main drivers as the expansion of capital-intensive agriculture such as cattle ranching and, more recently, the planting of cash crops.<sup>10</sup>

**Table 2: Annual forest change by major countries, 1990-2010 (FAO 2010)**

	Annual Change Rate					
	1990-2000		2000-2005		2005-2010	
	1000 ha/year	%	1000 ha/year	%	1000 ha/year	%
Malaysia	-79	-0.36	-140	-0.66	-87	-0.42
Indonesia	-1914	-1.75	-310	-0.31	-685	-0.71
Myanmar	-435	-1.17	-309	-0.90	-310	-0.95
Brazil	-2890	-0.51	-3090	-0.57	-2194	-0.42
DR Congo	-311	-0.20	-311	-0.20	-311	-0.20
Nigeria	-410	-2.68	-410	-3.33	-410	-4.00
World	-8323	-0.20	-4841	-0.12	-5581	-0.14

In nearly all tropical countries, timber comes from natural or planted production forest designated for extractive activities.

*Table 3* below indicates the natural tropical forest and plantation estate that has been allocated to production by member countries of the International Tropical Timber Organization (ITTO). Twenty-nine percent of the total area of tropical closed forest (estimated by the

Food and Agriculture Organization of the United Nations (FAO) to be 1.2 billion hectares in 2001) is designated for production in ITTO producer member countries. Planted production forest still plays a minor role, with a share of 11% worldwide.<sup>11</sup>

**Table 3: Total Forest Area and Permanent Forest Estate (PFE) in 2005**

Area/ Country	Total closed natural forest in 1000 ha (FAO 2001)	Permanent Forest Estate (PFE) in 1000 ha				
		Production			Protection	Total
		Natural	Planted	Total		
Africa	208,581	70,461	825	71,286	39,271	110,557
Asia & the Pacific	204,484	97,377	38,349	135,726	70,979	206,705
Latin America & Caribbean	788,008	184,727	5,604	190,331	351,249	541,581

Source: ITTO (2006): *Status of Tropical Forest Management 2005*

The ITTO defines permanent forest estates (PFE) as:

*“Certain categories of land, whether public or private, that are to be kept under permanent forest cover to secure their optimal contribution to national development. Included in the PFE are three categories of forest: protection forests on fragile lands, forests set aside for plant and animal and ecosystem conservation, and production forests. The first two are grouped together as protection PFE. The production PFE includes both natural forest and planted forest but excludes trees outside forests. (...) PFE are **mostly for forests with greater than 30% canopy cover** (i.e. closed forest). In general, then, production PFE comprises those closed tropical forests and planted forests for industrial timber production deemed to be accorded **‘permanent’ status either by law or practice.**”<sup>12</sup>*

- **Forest Tenure and Ownership**

The complicated systems of land tenure in different countries and regions often lead to ownership disputes and overlapping rights. Many countries are characterized by a mix of the following ownership types: state ownership, acknowledgement of indigenous rights over forest use, customary community ownership, and privately and company owned forest. UNCTAD estimates that the proportion of privately owned planted forest will increase in the future.<sup>13</sup>

<sup>10</sup> FAO (2010): [Global Forest Resources Assessment 2010](#)

<sup>11</sup> UNCTAD (2010): Tropical Timber, [www.unctad.org/infocomm/anglais/timbertrop/crop.htm](http://www.unctad.org/infocomm/anglais/timbertrop/crop.htm); accessed 27.11.2010

<sup>12</sup> ITTO (2006): [Status of Tropical Forest Management 2005](#), page 5. Critical and vague words highlighted by the author

<sup>13</sup> UNCTAD (2010): Tropical Timber, [www.unctad.org/infocomm/anglais/timbertrop/crop.htm](http://www.unctad.org/infocomm/anglais/timbertrop/crop.htm); accessed 27.11.2010

## 2.2. TROPICAL TIMBER VALUE CHAIN

The timber industry consists of a chain of successive manufacturing activities, each absorbing some of its added value. *Figure 2* provides an overview of the raw material and wood product flows in the forest processing industry. Primary processing includes the transformation of logs into primary timber products, such as sawnwood, veneer and plywood. Further (secondary) processing refers to the manufacture of higher value added products, such as joinery and furniture.

The most common channels in the international plywood trade are:

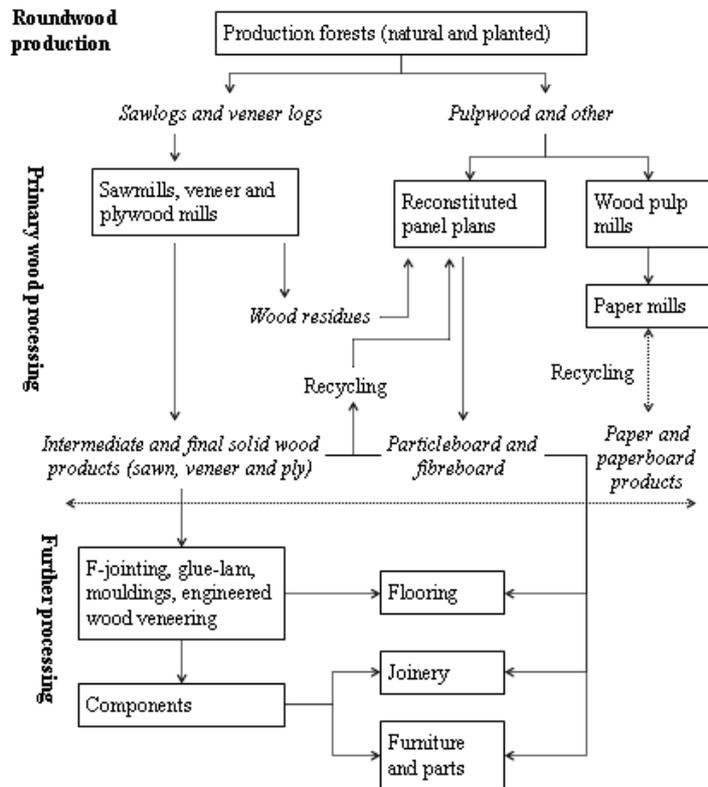
- Direct contract sales to overseas customers, often through sales offices or agents;
- Sales to traders, predominantly based in Singapore and Hong Kong, and also China; and
- Sales to representatives of overseas companies who purchase directly at origin.

One important development within the timber industry is the shortening of the supply chain. Some end-users, such as large construction firms and big furniture manufacturers in Japan and Europe, are making an effort to bypass the traditional importing firms.<sup>14</sup> Additionally, the internet is becoming a key medium in the worldwide timber trade.<sup>15</sup>

- **Harvesting**

Most tropical countries impose regulations on logging activities, and timber harvesting is only permitted in areas of forests especially designated for production. Current logging practices in the tropics involve the setting of a minimum diameter cutting limit (MDCL), annual allowable cuts (AAC) and cutting cycles (i.e. the interval between successive harvests in any particular area. For tropical forests, cutting cycles are typically in the range of 20 to 40 years.<sup>16</sup>

*Figure 2: The wood processing industry*



UNCTAD (2010): [www.unctad.org/infocomm/anglais/timbertrop/crop.htm](http://www.unctad.org/infocomm/anglais/timbertrop/crop.htm); accessed 27.11.2010

<sup>14</sup> UNCTAD (2010): Tropical Timber, [www.unctad.org/infocomm/anglais/timbertrop/chain.htm](http://www.unctad.org/infocomm/anglais/timbertrop/chain.htm); accessed 27.11.2010

<sup>15</sup> E-commerce initiatives relevant to the tropical timber industry include: [www.timberweb.com](http://www.timberweb.com); [www.timberhunt.com](http://www.timberhunt.com); [www.sticktrade.com](http://www.sticktrade.com); [www.asiawoodweb.com](http://www.asiawoodweb.com); [www.ihb.de](http://www.ihb.de).

<sup>16</sup> UNCTAD (2010): Tropical Timber, [www.unctad.org/infocomm/anglais/timbertrop/chain.htm](http://www.unctad.org/infocomm/anglais/timbertrop/chain.htm); accessed 27.11.2010

- **Primary Wood Processing**

In general, the timber manufacturing process today is the same as a hundred years ago, apart from differences in the technology used to convert the raw material into a finished product. Primary wood products are sawnwood, veneer and plywood.

**Sawnwood** is defined as wood that has been produced from roundwood (logs) either by sawing lengthways or by a profile-chipping process (exceeds 6 mm in thickness).

**Figure 3: Veneer**



**Veneer sheets** (Figure 3) are thin sheets of wood of uniform thickness (usually not exceeding 6 mm) that are rotary cut (peeled), sliced or sawn for use in plywood, furniture, etc. Normally, a distinction is made between *plywood veneers* and *decorative veneers*. Plywood veneers, used for plywood production, are generally produced by a peeling process from the more common species of wood. Decorative veneers - used mainly in the furniture and wood-paneling industries - are produced by slicing or sometimes by sawing finer, highly grained woods.

**Figure 4: Plywood**



**Plywood** (Figure 4) is produced from three or more thinner sheets of veneer which are joined by an adhesive, with the wood grain of each layer running at right angles to the adjacent one. A distinction is made between lumber core *plywood* or *blockboard* (with a core of solid wood or veneers), *cellular board* (a core with a cellular structure) and *composite plywood* (with the core or certain layers made of a material other than solid wood or veneers).<sup>17</sup>

- **Secondary Wood Processing**

Sawnwood: Furniture, flooring, windows and doors (both external and internal), staircases and other items of joinery, garden furniture and decking, marine and sea applications and transport.

Veneer: As overlays to panels that, in turn, are used widely in joinery and furniture manufacture.

Plywood: Shop fittings, kitchens, furniture, building and transport.<sup>18</sup>

Definitions of individual forest products and product aggregates are provided in the Joint Forest Sector Questionnaire defined *inter alia* by the ECE, FAO, EUROSTAT and ITTO.<sup>19</sup>

## 2.3. TROPICAL TIMBER MARKET

The data and analysis in this chapter has been obtained from the International Tropical Timber Organization (ITTO), which categorizes its 59 members into 33 producer countries (tropical) and 26 consumer countries

<sup>17</sup> UNCTAD (2010): Tropical Timber, [www.unctad.org/infocomm/anglais/timbertrop/chain.htm](http://www.unctad.org/infocomm/anglais/timbertrop/chain.htm); accessed 27.11.2010

<sup>18</sup> UNCTAD (2010): Tropical Timber, [www.unctad.org/infocomm/anglais/timbertrop/chain.htm](http://www.unctad.org/infocomm/anglais/timbertrop/chain.htm); accessed 27.11.2010

<sup>19</sup> FAO (2010): [www.fao.org/forestry/media/7800/1/0/](http://www.fao.org/forestry/media/7800/1/0/); accessed 27.11.2010

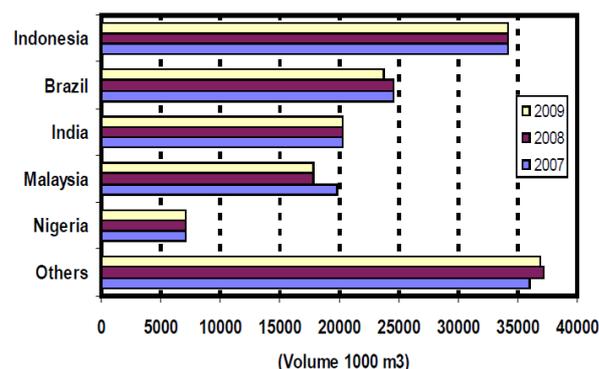
(non-tropical). Together they account for approximately 80 percent of the world's tropical forests and 90 percent of the global tropical timber trade.<sup>20</sup>

### 2.3.1. PRODUCTION

- **Industrial Roundwood**

Production of tropical industrial roundwood (logs) in ITTO producer countries totaled in excess of 143.7 million m<sup>3</sup> in 2008. The top four tropical log-producing countries (*Figure 5*) together accounted for almost three-quarters of the total production of all ITTO producers.<sup>21</sup>

**Figure 5: Major Tropical Log Producers**

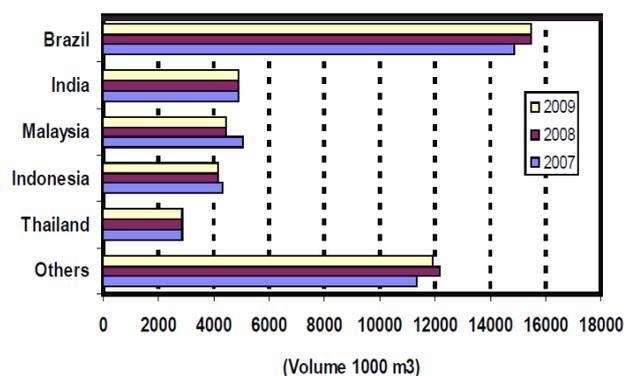


The proportion of log production utilized domestically (i.e. log production minus log exports) averaged about 90 percent in Asia in 2007. African producers consumed an average of 80 percent of their total log production domestically in that same year (up from 42 percent in 1995). In Latin America, logs processed domestically accounted for virtually all the production during the reference period.<sup>22</sup>

- **Sawnwood**

Major tropical log producers still figure prominently in tropical sawnwood production (*Figure 6*). The production of tropical sawnwood in ITTO producing countries was estimated at 42.4 million m<sup>3</sup> in 2008. Africa, which accounts for only 11 percent of ITTO production, still suffers from weak infrastructure and environmentally demanding export markets that constrain major investments in wood processing.<sup>23</sup>

**Figure 6: Major Tropical Sawnwood Producers**



- **Veneer and Plywood**

There has been a significant reshuffle among veneer and plywood producers since the mid-1990s. In 2003, China became ITTO's largest tropical veneer producer. Its production is estimated at 750,000 m<sup>3</sup> in 2008 (more than double the 2001 levels). Japan's tropical veneer production has fallen by two thirds since 2001, and Malaysian production has decreased by more than half since the mid-1990s.<sup>24</sup>

Tropical veneer production in ITTO member countries is estimated at 2.5 million m<sup>3</sup> in 2008. The top five tropical veneer producing countries accounted for nearly two-thirds of ITTO veneer production in 2007 (*Figure 7*). Major realignments have also occurred in the plywood industry. China has experienced a remarkable expansion in its tropical plywood production in order to keep pace with the demand in its

<sup>20</sup> ITTO (2010): [www.itto.int/en/about\\_itto/](http://www.itto.int/en/about_itto/), accessed 27.11.2010

<sup>21</sup> ITTO (2010): [Annual Review and assessment of the world timber situation 2009](#).

<sup>22</sup> ITTO (2010): [Annual Review and assessment of the world timber situation 2009](#).

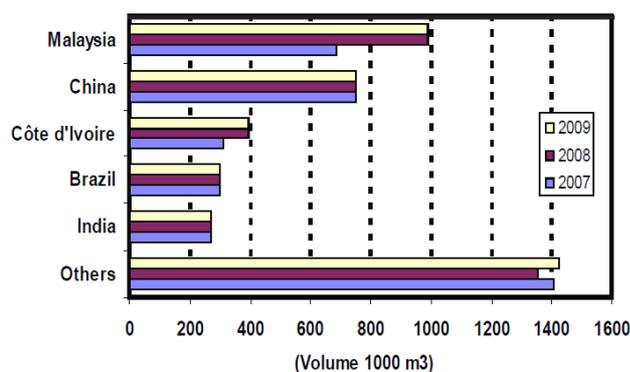
<sup>23</sup> ITTO (2010): [Annual Review and assessment of the world timber situation 2009](#).

<sup>24</sup> UNCTAD (2010): Tropical Timber, [www.unctad.org/infocomm/anglais/timbertrop/market.htm](http://www.unctad.org/infocomm/anglais/timbertrop/market.htm); accessed 27.11.2010

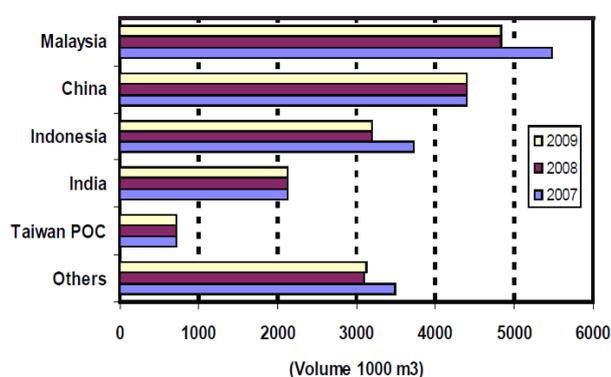
ITTO (2010): [Annual Review and assessment of the world timber situation 2009](#).

growing construction sector and to feed a growing export sector. Production of tropical plywood in ITTO producing countries totaled 13.5 million m<sup>3</sup> in 2007 – at the same level as in 2006 (*Figure 8*).

**Figure 7: Major Tropical Veneer Producers**



**Figure 8: Major Tropical Plywood Producers**



### 2.3.2. TRADE IN TROPICAL TIMBER PRODUCTS (LOGS, SAWNWOOD, PLYWOOD, VENEER)

The ITTO acknowledges that trade data is reported poorly by many countries and is therefore not adequate. Discrepancies are caused by carelessness or the inadequate training of reporting officials and correspondents, dissimilar definitions, scaling and measurement systems, and also as a result of timber theft as well as smuggling and transfer pricing aimed at avoiding tariffs, quotas and/or taxes.<sup>25</sup>

The percentage of total primary timber exports of ITTO producers accounted for by logs has fallen dramatically, from over 60 percent in the 1980s to 24 percent in 2008. Only Africa continues to export a significant volume of tropical logs by comparison to processed primary products, with log exports making up 20 percent of Africa’s log production and 46 percent of Africa’s total export volume in 2008. In the Asia Pacific region, log exports have been replaced to a significant extent by the export of secondary processed primary products.<sup>26</sup>

The Asia-Pacific region is by far the largest trader of tropical timber: more than 70 percent of all internationally traded tropical wood products (logs, sawnwood, plywood and veneer) originated within this region between 2001 and 2007. Malaysia is still the number one exporter of all tropical timber products in the world. One special feature is the rapidly growing importance of China as a trader of tropical timber products. China's tropical log imports soared more than eight-fold between 1996 and 2003, with Indonesia, Gabon, Malaysia, Myanmar and Papua New Guinea being the main sources. China's import of non-tropical logs has expanded even more rapidly, with Russia providing the bulk of this. China's growing economy, a continuing ban on domestic harvesting and a zero tariff on log imports have been the main driving factors behind the country’s growing imports. China's increasing imports have more than offset steady declines in Japan, traditionally a major player in the tropical timber market.<sup>27</sup> Maps showing the major trade flows of tropical industrial roundwood, sawnwood and plywood in 2008 are included in *Appendix A*.

<sup>25</sup> ITTO (2010): [Annual Review and assessment of the world timber situation 2009](#).

<sup>26</sup> ITTO (2010): [Annual Review and assessment of the world timber situation 2009](#).

<sup>27</sup> UNCTAD (2010): Tropical Timber, [www.unctad.org/infocomm/anglais/timbertrop/market.htm](http://www.unctad.org/infocomm/anglais/timbertrop/market.htm); accessed 27.11.2010

### 2.3.3. TRADE IN SECONDARY PROCESSED WOOD PRODUCTS

Many traditional exporters of primary timber products in Southeast Asia have been switching to the export of secondary processed wood products (SPWP) in line with the development of the processing industries and resource constraints. SPWP include high-value products such as joinery and furniture. These products provide higher revenues to producers and are less prone to cyclic swings in prices. Japan, the United States and a number of EU countries have remained the largest markets for SPWP from ITTO producers. The top five ITTO producer country exporters of SPWP in 2004 (Indonesia, Malaysia, Brazil, Thailand and Mexico) accounted for 88 percent of the total ITTO producers' SPWP exports (or 14 percent of the world's exports of these products in 2004).<sup>28</sup>

With SPWP exports of \$9.5 billion in 2004, China was the world's largest exporter of SPWP, after overtaking Italy in 2003. China's rapid expansion has been due largely to its booming exports of wooden furniture to the United States and Japan. This growth is expected to continue as many companies from the United States and also traditional Asian producers continue to establish SPWP joint ventures in southern China on account of the low costs and the policies encouraging downstream timber processing. Like its plywood exports, most of China's SPWP exports are based on imported logs, both tropical and temperate.<sup>29</sup>

Major importers of secondary processed wood products are listed in *Table 4*. As *Table 5* shows, the differentiation into ITTO consumer and producer countries does not make sense anymore, as many third countries like China, Italy or Poland process the wood and are not required to label the raw wood material with its origin and type. It is thus impossible to figure out the import and export share of tropical wood inputs for secondary processed tropical wood products.

**Table 4: Major Importers of Secondary Processed Wood Products (2008)**

	Total	Share	ITTO Producer	Share	ITTO Consumer	Share
European Union	38,801,115	41.9%	3,403,890	30.5%	27,246,567	40.2%
USA	21,079,634	22.8%	3,819,642	34.2%	14,970,829	22.1%
Japan	4,092,602	4.4%	1,114,588	10.0%	2,616,701	3.9%
Canada	3,678,392	4.0%	359,775	3.2%	3,049,388	4.5%
Switzerland	2,810,277	3.0%	40,666	0.4%	2,614,300	3.9%
Mexico	606,810	0.7%	74,001	0.7%	471,655	0.7%
Singapore	465,031	0.5%	232,608	2.1%	216,211	0.3%
Malaysia	373,619	0.4%	342,272	3.1%	9,272	0.0%
World	362,278	0.4%	64,593	0.6%	231,723	0.3%

*ITTO (2010)*

<sup>28</sup> ITTO (2010): [Annual Review and assessment of the world timber situation 2009](#).

UNCTAD (2010): Tropical Timber, [www.unctad.org/infocomm/anglais/timbertrop/market.htm](http://www.unctad.org/infocomm/anglais/timbertrop/market.htm); accessed 27.11.2010

<sup>29</sup> ITTO (2010): [Annual Review and assessment of the world timber situation 2009](#).

UNCTAD (2010): Tropical Timber, [www.unctad.org/infocomm/anglais/timbertrop/market.htm](http://www.unctad.org/infocomm/anglais/timbertrop/market.htm); accessed 27.11.2010

**Table 5: Major Exporters of Secondary Processed Wood Products (2008)**

	Total	Share	ITTO Producer	Share	ITTO Consumer	Share
European Union	34,136,780	37.9%	354,677	17.8%	26,870,904	38.3%
China	16,421,118	18.2%	512,146	25.7%	13,868,358	19.8%
Poland	6,549,571	7.3%	4,774	0.2%	5,360,287	7.6%
Canada	3,585,815	4.0%	18,440	0.9%	3,517,382	5.0%
USA	3,234,804	3.6%	363,986	18.3%	2,429,537	3.5%
Indonesia	2,738,008	3.0%	62,483	3.1%	2,409,732	3.4%
Malaysia	2,662,640	3.0%	142,972	7.2%	1,915,686	2.7%
World	90,177,730	100%	1,989,713	100%	70,082,924	100%

*ITTO (2010)*

#### **2.3.4. PRICES OF WOOD PRODUCTS**

The sharp economic downturn in Asia in mid-1997 resulted in a strong pressure on prices for most timber products. Prices of Asian logs and sawnwood declined for most major species during 1998. African log and sawnwood prices remained stable or declined only slightly, being supported by steady demand in Europe. Any decline was largely as a consequence of lower demand in Japan and Southeast Asia, coupled with increased competition from low-cost Asian logs. Crackdowns and tighter control of illegal logging, restrictions on log exports and reduced logging quotas for certain countries additionally influenced the price of logs and primary timber products.<sup>30</sup>

Prices for most primary tropical timber products and species kept on rising steadily through the mid-2000s, as the supply of raw materials tightened, global economies improved and consumer confidence and demand strengthened in most markets. In 2008, the global economic crisis took hold in major tropical wood product markets.

<sup>30</sup> UNCTAD (2010): Tropical Timber, [www.unctad.org/infocomm/anglais/timbertrop/market.htm](http://www.unctad.org/infocomm/anglais/timbertrop/market.htm); accessed 27.11.2010

### 3. TIMBER INDUSTRY, POLICY AND INSTITUTIONS IN MALAYSIA AND SARAWAK

Malaysia plays a major role as a producer and supplier in the international wood markets (*Chapter 2*). With a land area of 32.9 million hectares and a population of some 28 million people, the ITTO assessment in 2005 puts the country's Permanent Forest Estate (PFE) at 11.383 million hectares of natural production forest, 183,000 hectares of plantations and 3.21 million hectares of protection forest.<sup>31</sup> In the most recent statistics from the KPPK for 2009, the state of Sarawak accounts for the highest share, with a contribution of 6 million hectares<sup>32</sup> (*Table 6*) – a figure that is, surprisingly, one million hectares lower than in earlier years<sup>33</sup>.

**Table 6: Management of the Production Permanent Forest Estate in Malaysia 2005 (ITTO) and according to KPPK in 2009**

	Production ('000 ha)						Total PFE	Protection	Total
	Natural			Planted					
	Allocated to Concessions	With management plans	Total	With management plans	Total	Total			
Malaysia ( <i>ITTO 2005</i> )	6,790	11,200	11,200	183	183	11,383	3,210	14,593	
Malaysia ( <i>KPPK 2009</i> )						12,570	3,610	14,410	
Peninsular Malaysia						2,810	2,000	4,810	
Sabah						2,990	610	3,600	
Sarawak						5,000	1,000	6,000	

The official definition of a forest used in Malaysia differs from the Food and Agriculture Organization (FAO) definition, which excludes areas under agricultural crops (e.g. oil palm). In Malaysia, however, the areas under oil palm, rubber and tree crops are frequently regarded as “productive” forest. The question of the definition of forests is particularly significant in the Malaysian context where the Malaysian forests are rapidly disappearing and, conversely, “forest” plantation areas are expanding.<sup>34</sup>

Malaysia's major log customers are all in Asia, especially China, Taiwan, India and Japan. Under the recently launched Ninth Malaysia Plan (2006-2010), the Government of Malaysia expects log output to decline to 19.6 million cubic meters by 2010, as more logs are processed into value-added timber products such as lumber, plywood, moldings and furniture.<sup>35</sup>

Over the past few decades, the Malaysian timber industry, which was traditionally dominated by the primary processing sector producing sawn timber, plywood and veneer, has expanded into the manufacture of high value-added products, including moldings, joinery and furniture. The forest-based industries in Malaysia have been one of the major contributors to the development of the national economy for a protracted period of time. The state of Sarawak, by contrast, became the main tropical raw log supplier in the Southeast Asian region in the late 1980s, replacing Indonesia, this being due, in particular, to the fact that Indonesia had banned log exports at that time. Only after the introduction of export quotas in 1992, did Sarawak also take

<sup>31</sup> ITTO (2006): [Status of Tropical Forest Management 2005](#)

<sup>32</sup> KPPK (2010): [Statistics on Commodities 2009 – Forestry and Timber](#)

<sup>33</sup> KPPK (2008): [Statistics on Commodities 2007 – Forestry and Timber](#)

<sup>34</sup> FERN (2006): [Forest governance in Malaysia, recommendations for a VPA](#)

<sup>35</sup> ITTO (2008): [Annual review and assessment of the world timber situation - 2007](#)

measures to promote the development of primary wood processing industries, and especially the plywood industry.<sup>36</sup>

The difference in the structure of the timber industry between the state of Sarawak and the rest of Malaysia is set out in *Table 7*.

**Table 7: Figures for the Timber Industry in Malaysia 2009<sup>37</sup>**

	Peninsular Malaysia	Sabah	Sarawak	Total
Production of logs (1,000 cubic meters)	3,798	3,908	10,100	17,806
Sawmills (quantity)	670	172	173	1,015
Plywood/veneer mills (quantity)	53	62	61	176
Private employment in logging (persons)	6,000	13,000	36,450	55,450
Private employment in timber processing (persons)	32,089	38,396	43,605	114,090
Export of logs (1,000 cubic meters)	37	672	3,659	4,368
Export of sawn timber (1,000 cubic meters)	984	484	1,010	2,478
Export of plywood (1,000 cubic meters)	305	1,042	3,277	4,624
Export of veneer (1,000 cubic meters)	5	95	312	412

Malaysia and the EU were expected to sign a Voluntary Partnership Agreement (VPA) within the first three to four months of 2009 which, once successfully concluded, will certify that all timber from Malaysia has been legally harvested and will allow Malaysia to export their timber resources to all EU member countries. Negotiations are currently blocked, however, due to the many controversies prevailing, such as those stated by FERN<sup>38</sup> and another recent scandal which implicated a Malaysian state agency in illegal imports of Indonesian logs.<sup>39</sup> A recent ITTO report (2008) also claims that much of the harvest from natural forests is still exported as plywood, sawnwood and logs and that managing the relations between indigenous communities and concession companies calls for further attention<sup>40</sup>.

### 3.1. MALAYSIA

Malaysia was formed in 1963 and – following the independence of Singapore in 1965 – consists of three regions: Peninsular Malaysia (composed of 11 Federal Malay States which achieved independence from the British government in 1957) and Sarawak and Sabah on the island of Borneo. Since then, three separate bodies have determined Malaysia’s forest policy: the Peninsular Malaysia Forestry Department in Kuala Lumpur, the Forestry Department Sabah and the Forestry Department Sarawak (including its related institutions presented in *Chapter 3.2*). Under the Malaysian Constitution, forestry is a state matter, and as such, the thirteen state governments have sovereign power over their forest resources. Each state is empowered to enact laws on forestry and to formulate forestry policy independently. The federal government only provides technical advice and assistance on forest management, training, the conduct of research, and the maintenance of experimental and demonstration stations. Nonetheless, there is an institutional framework which integrates the states and the federal government and influences the forestry policy at state level to a certain degree.<sup>41</sup> These various institutions related to the timber industry claim to be ‘autonomous’, yet many

<sup>36</sup> FAO (2002): [Sustainable Development of the Forest-Based Industries in Malaysia: Lessons to Be Learned](#)

<sup>37</sup> KPPK (2010): [Statistics on Commodities 2009 – Forestry and Timber](#)

<sup>38</sup> FERN (2006): [Forest governance in Malaysia, recommendations for a VPA](#)

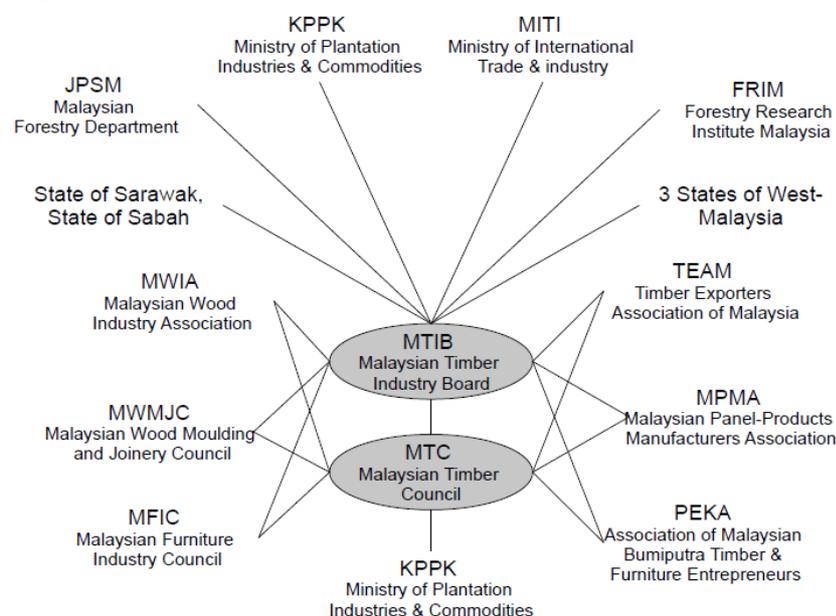
<sup>39</sup> ITTO (2009): [Annual Review and assessment of the world timber situation 2008](#)

<sup>40</sup> ITTO (2008): [Annual review and assessment of the world timber situation - 2007](#)

<sup>41</sup> Woon, W.C./ Norini, H. (2002): [Trends in Malaysian Forest Policy](#). Policy Trend Report 2002: 12-28.

of their practices and services are integrated into or collaborate with the government. *Figure 9* shows the links between board members of the different organizations and the two most important institutions: the Malaysian Timber Industry Board (MTIB) and the Malaysian Timber Council (MTC) (see *Chapter 3.1.1. and 3.1.2.*).

**Figure 9: Forestry Institutions Malaysia<sup>42</sup>**



Source: Based on board member links in the respective institutions (websites)

The government of Malaysia has placed emphasis on the expansion of the manufacturing sector. The earliest methods used for industrial expansion include the aggressive export (AE) strategy, and the free zones (FZs) strategy. The AE strategy, which was introduced under the Investment Incentives Act of 1968, provides investors with export allowances and investment tax credits. The FZ strategy was introduced in 1971.

To further encourage the development of manufacturing industry in Malaysia, the Industrial Master Plan 1 (IMP1) and Industrial Master Plan 2 (IMP2) were introduced, which covered the years between 1986 and 1995, and 1996 and 2005, respectively.<sup>43</sup>

The wood-based sector has been one of the best performers since the first IMP was launched. Today, the Malaysian timber industry is a major source of foreign exchange earnings and continues to contribute significantly to the nation's economy. In 2008, the timber industry provided employment opportunities to 337,700 people. In 1995, the industry was the highest export earner in the commodity sector with RM 13.5 billion, surpassing petroleum and palm oil. In 2000, the timber products sector contributed RM 17.7 billion in export earnings, making it second only to the electrical and electronic sectors. However, there was a slight decline in exports in 2001 due to the global recession, but these rebounded in 2002, registering RM 15.3 billion. In 2004, the export of timber and timber products totaled RM 19.8 billion, while, in 2007, the export of timber and timber products reached RM 22.76 billion.<sup>44</sup>

### 3.1.1. Malaysian Timber Industry Board (MTIB)

The Malaysian Timber Industry Board (MTIB) is a statutory body, accredited to the Ministry of Plantation Industries and Commodities (KPPK), which was established in 1973 by an Act of Parliament. Their main objective is to promote and coordinate the overall development of the timber industry. MTIB Board

<sup>42</sup> Illustration based on board memberships in respective institutions. Websites accessed 22.01.2009

<sup>43</sup> Norini, H./ Midmore, P. (2003): [Sustainable Development of the Forest-based Industries in Malaysia: Lessons to be learned.](#)

<sup>44</sup> MTIB (2008): News; [www.mtib.gov.my/index.php?option=com\\_content&view=article&id=71](http://www.mtib.gov.my/index.php?option=com_content&view=article&id=71). accessed 22.01.2009

members including the Chairman are appointed by the Minister of Plantation Industries and Commodities for a two-year term.<sup>45</sup> The MTIB is the relevant authority for the registration of log and processed timber exporters in West Malaysia and Sabah; in the state of Sarawak it is the Sarawak Timber Industry Development Corporation (STIDC) (see *Chapter 3.2.3.*).

### **3.1.2. Malaysian Timber Council (MTC)**

The Malaysian Timber Council (MTC) was established in January 1992 to promote the development and growth of the Malaysian timber industry. The MTC was formed on the initiative of the timber industry. The Council is governed by a Board of Trustees, whose members are appointed by the Minister of Plantation Industries & Commodities. By comparison to MTIB, the statutory corporate MTC consists mainly of entrepreneur associations from West Malaysia and is the campaigning council for Malaysian Timber (e.g. VPA negotiations with the EU). The MTC has regional offices in London, Dubai and Shanghai<sup>46</sup>. Sarawak's timber players, despite their importance in the timber industry in Malaysia, are not adequately represented in the council.

### **3.1.3. Malaysian Timber Certification Council (MTCC)**

The Malaysian Timber Certification Council (MTCC) is an independent organization established to develop and operate the Malaysian Timber Certification Scheme (MTCS) in order to provide independent assessments of forest management practices in Malaysia as well as to meet the demand for certified timber products. The Board of Trustees, comprising the Chairman and eight other members, is the governing body which decides on the overall policy and direction for carrying out the MTCC's activities. In addition to the Chairman, the members comprise two representatives each from academic and research institutions, the timber industry, non-governmental organizations (NGOs) and government agencies.<sup>47</sup>

The Malaysian Timber Certification Scheme (MTCS) began operation in 2001 using a phased approach on account of the greater challenges encountered in managing the complex tropical forests. The standard initially used for assessing Forest Management Units (FMUs) for certification was the Malaysian Criteria, Indicators, Activities and Standards of Performance for Forest Management Certification [*MC&I(2001)*]<sup>48</sup> which is based on the ITTO Criteria and Indicators for Sustainable Management of Natural Tropical Forests (1998). For the second phase of the implementation of the MTCS as of late 2005, MTCC has used the Malaysian Criteria and Indicators for Forest Management Certification [*MC&I(2002)*]<sup>49</sup> which contain nine principles, 47 criteria and six indicators based on the Forest Stewardship Council (FSC) scheme. In 2010, the MTCC certified seven FMUs comprising 3.97 million hectares. The last FMU plantation in Sarawak

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<sup>45</sup> MTIB (2010): [www.mtib.gov.my](http://www.mtib.gov.my); accessed 27.11.2010

<sup>46</sup> MTC (2010): [www.mtc.com.my](http://www.mtc.com.my); accessed 27.11.2010

<sup>47</sup> MTCC (2010): [www.mtcc.com.my](http://www.mtcc.com.my); accessed 27.11.2010

<sup>48</sup> MTCC (2001): [Malaysian Criteria and Indicators for Forest Management Certification \[MC&I\(2001\)\]](#)

<sup>49</sup> MTCC (2005): [Malaysian Criteria and Indicators for Forest Management Certification \[MC&I\(2002\)\]](#)

licensed by the MTCC (Anap Muput FMU) was suspended in May 2010<sup>50</sup>. The other FMU, Sela'an-Linau, expired in 2009 and has not been renewed since.

Public summaries of FMUs may be accessed under [www.mtcc.com.my/public\\_summaries.asp](http://www.mtcc.com.my/public_summaries.asp).

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<sup>50</sup> MTCC (2010): MTCC News – Issue 3, 2010. <http://www.mtcc.com.my/documents.asp#news>; accessed 27.11.2010

### 3.2. SARAWAK

Sarawak has experienced one of the most rapid log clearances in the whole Southeast Asian region. In the late 1970s, some 76 percent of Sarawak was under forest cover, and 90 percent of it was under logging concessions. It is estimated that, between 1963 and 1986, over 30 percent of the total forest area was logged. In 1993 more than 17 million cubic meters of sawlogs were exported from this Malaysian state alone.<sup>51</sup> Since then, timber extraction has continued at a high rate, and only a few patches of primary forests remain today.

In 1989/1990, Sarawak was urged to invite the Tropical Timber Organization (ITTO) to evaluate Sarawak's timber practices.<sup>52</sup> Some of the propositions of the ITTO mission have now finally been implemented, after a long delay. The annual log production of 11,890,244 cubic meters in 2007 is close to the ITTO recommendation of nine million cubic meters on account of a decreasing log supply overall. However, the sparse remaining loggable forest is being keenly fought over by a few large-scale timber conglomerates, the land rights of indigenous groups are usually still being denied, and the problems of illegal timber logging and smuggling remain to this day. By comparison to West Malaysia, certification schemes like the Forest Stewardship Council (FSC) or the Malaysian Timber Certification Scheme (MTCS) seem to have more problems in certifying producers in Sarawak.

The specific politico-economic situation in Sarawak which constitutes the main driver for deforestation – namely the close link between political elites and the timber industry – has been widely acknowledged by various authors<sup>53</sup>. Political patronage is widespread and difficult to control in the state due to the lack of appropriate check and balance mechanisms. In Sarawak, Abdul Taib Mahmud, Chief Minister for almost thirty years (from 1981 up to the present) is also Minister of Planning & Resource Management and in command of the development and maintenance of the natural resources of the state. Before becoming Chief Minister, he was Minister for Development and Forestry in Malaysia from 1966 to 1967 and Natural Resources Minister of Malaysia from 1972 to 1974 under his uncle, former Chief Minister Abdul Rahman Ya'kub (1970-1981)<sup>54</sup>. It is claimed that he has absolute control over the allocation of timber licenses and logging concessions and has used his power to distribute timber concessions to himself, his allies, friends and family<sup>55</sup>. As a result, it is not surprising that the land claims of local indigenous groups have been systematically neglected.<sup>56</sup>

In Sarawak, all the forest areas belong to the State Government, and the licensing and regulatory functions come under the Sarawak Forest Department (e.g. the issue of timber licenses and reforestation licenses), the operational functions come under the Sarawak Forestry Corporation. This chapter covers the most important timber institutions in Sarawak and the links between them. The key laws, regulations and politicians mentioned in this chapter are listed in *Appendices F and H*. The major private logging companies and their

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<sup>51</sup> Leigh, M. (1998): Logging in Sarawak. In: The Politics of Environment in Southeast Asia.

<sup>52</sup> ITTO (1990): [The Promotion of Sustainable Forest Management: A Case Study in Sarawak, Malaysia](#).

<sup>53</sup> For instance: Yacoob, M.R./ Wong, L. (2007): Stakeholders' Activisms: Indigenous Peoples' of Sarawak Resistance against the State Government and Corporations; INSAN (1989): Logging Against the Natives of Sarawak; Brown, W.D. (2001): Why Governments Fail to Capture Economic Rent: The Unofficial Appropriation of Rain Forest Rent by Rulers In Insular Southeast Asia Between 1970 and 1999; Ross (2001): Timber Booms and Institutional Breakdown in Southeast Asia

<sup>54</sup> Chief Minister Website: [http://www.cm.sarawak.gov.my/cm/cmweb.nsf/xprobi/\\$first](http://www.cm.sarawak.gov.my/cm/cmweb.nsf/xprobi/$first) ; accessed 27.11.2010

<sup>55</sup> Brown, W.D. (2001): Why Governments Fail to Capture Economic Rent: The Unofficial Appropriation of Rain Forest Rent by Rulers In Insular Southeast Asia Between 1970 and 1999)

<sup>56</sup> See, for instance, the website archive of Bruno Manser Fonds (BMF), [www.bmf.ch](http://www.bmf.ch)

close links to state leaders and institutions are set out in *Chapter 5*.

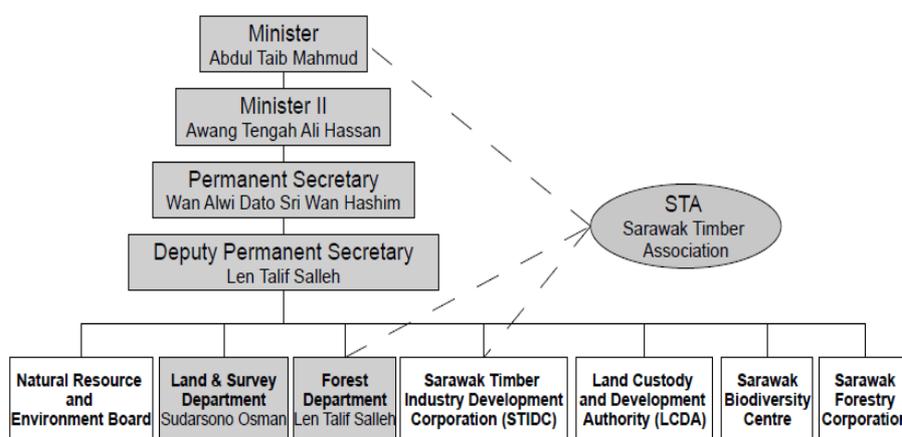
### 3.2.1. MINISTRY OF PLANNING & RESOURCE MANAGEMENT (MPRM)

The Ministry of Planning and Resource Management was formed after the Ministry of Forestry merged with the Ministry of Land and Mineral Resources. This resulted in the new ministry having not only a wider scope of activities and responsibilities but also greater roles to play.

Some of the main functions performed by the MPRM are:

- The formulation of policies on forestry, land development, mining and town planning.
- Acting as the Secretariat to the following committees: State Planning Authority, Forestry Enforcement Committee, Plantation Land Committee, State Mineral Resources Committee

**Figure 10: Organization of the Ministry of Planning and Resource Management (MPRM) and Forestry Institutions in Sarawak<sup>57</sup>**



The head of the Ministry of Planning and Resource Management is Chief Minister Taib Mahmud. Awang Tengah Ali Hassan and Len Talif Salleh assist the Chief Minister in controlling the various institutional sub-bodies in the ministry (*Figure 10*).

The formulation of policies on forestry, land development, mining and town planning in Sarawak is excessively concentrated at the highest level of authority, which then controls among other things: the gazetting of production and conservation forests; land classification matters; the acquisition of any land for a variety of purposes, including for public purposes and social and economic development; the issue of timber licenses (so called T-licenses) and reforestation licenses (LPF-licenses), with the sole power to revoke them outside the court process; and the EIA process which, under Sarawak law, still does not require public participation unless the project proponent desires so.<sup>58</sup>

### 3.2.2. FOREST DEPARTMENT

The Forest Department was established in 1919 as an agency to deal with all matters relating to forestry. Today, the main objectives are to manage and conserve the forest resources in Sarawak. The statutory functions of this department are:

- To constitute areas of forest as Forest Reserves, Protected Forests, Communal Forests, National Parks, Nature Reserves and Wildlife Sanctuaries;
- To impose and collect royalties, premiums, fees and other payments for the Government;
- To issue licenses and permits under the Forests Ordinance (1958), the National Parks and Nature Reserve Ordinance (1998) and the Wild Life Protection Ordinance (1998).

<sup>57</sup> Own illustration as included in a PowerPoint presentation - Forest Department Sarawak (2008)

<sup>58</sup> FERN (2006): [Forest governance in Malaysia, recommendations for a VPA](#)

The duties, functions and responsibilities of the Forest Department are guided by various ordinances (*Appendix H*). The director of the Sarawak Forest Department is Haji Len Talif Salleh who, at the same time, is also Deputy Permanent Secretary in the MPRM, General Manager of the Sarawak Timber Industry Development Corporation (STIDC) and General Manager and Managing Director of the Sarawak Forestry Corporation (SFC).<sup>59</sup>

### 3.2.3. SARAWAK TIMBER INDUSTRY DEVELOPMENT CORPORATION (STIDC)

Sarawak Timber Industry Development Corporation (STIDC) or PUSAKA was established as an official body in June 1973 under the Perbadanan Perusahaan Kemajuan Kayu Sarawak Ordinance 1973. It was incorporated at the recommendation of the United Nations' Food and Agriculture Organization (FAO), following the FAO's comprehensive forest inventory in the State from 1968 to 1972. Its function was to stimulate the planned expansion of wood-based industries throughout Sarawak at a rate consistent with the overall interest of the economy, the availability of capital and the technical expertise and effective management of the forest resource. By its own definition, STIDC plays a role in the planning, coordination and development of the timber industries in Sarawak, aimed at ensuring optimum and efficient utilization of timber resources, by encouraging downstream processing and product diversification. In line with these objectives and the national Vision 2020, STIDC is responsible for the development of disciplined, skilled and capable human resources.<sup>60</sup> The latest annual report (2008) shows profits before tax of RM 34 million.<sup>61</sup>

#### • Board Members and Management (2008)<sup>62</sup>

<i>Name</i>	<i>Function</i>	<i>Other</i>
Pehin Sri Haji Abdul Taib Bin Mahmud	Chairman 2007	Chief Minister, Minister of the MPRM
Datuk Amar Haji Awang Tengah Ali Hasan	Chairman 2008	Minister of Planning and Resource Management II and Minister of Public Utilities
Dato Sri Ahmad Tarmizi bin Haji Sulaiman	Board Member	Financial State Secretary
Abdul Aziz Bin Dato' Haji Husain	Board Member	Group Managing Director, Sarawak Energy Bhd (Brother-in-law of Taib)
Datuk Wan Alwi bin Dato' Sri Wan Hashim	Board Member	Permanent Secretary at the MPRM
Tuan Haji Julaihi Bin Narawi	Board Member	CEO Lingkar Jaya Sdn Bhd
Datuk Cheong Ek Choon	Board Member	Director Sarawak Forest Dep., Sarawak Forestry Corporation Sdn Bhd
Professor Datuk Dr. Yusuf Hadi	Board Member	Lecturer, Faculty of Science and Resource Technology, UNIMAS
Tuan Haji Len Talif Salleh	GM	Forest Department, SFC, MPRM

#### • Subsidiaries (2008)<sup>63</sup>

Established as a state agency, STIDC operates with the following private limited companies (Sdn Bhd) according to the latest annual report (2008):

<i>Subsidiary</i>	<i>Principal activities</i>	<i>Concession</i>	<i>Share</i>
Harwood Timber Sdn Bhd*	Sale of logs, production & sale of sawn timber & acting as the sole inspecting agent for the state of Sarawak to ensure that a specified percentage of logs extracted in the state is reserved for local processing		100%
Bigwood Sdn Bhd (Harwood)	Extraction and sale of timber logs	<b>T/3278</b>	100%

<sup>59</sup> Forestry Department Sarawak (2008): [www.forestry.sarawak.gov.my/forweb/orgpro/biodata.htm](http://www.forestry.sarawak.gov.my/forweb/orgpro/biodata.htm); accessed 27.11.2010

<sup>60</sup> STA (2010): [STA Member Directory](#), accessed 27.11.2010

<sup>61</sup> STIDC (2010): [Annual Report 2008](#).

<sup>62</sup> STIDC (2010): [STIDC Corporate Profile 2008](#)

<sup>63</sup> STIDC (2008): [Corporate Profile](#) and [www.pusaka.org.my](http://www.pusaka.org.my), accessed 27.11.2010

Giovanni Wood Industries Sdn Bhd (Harwood)	Assembling, importing & sale of furniture, provision of re-upholstery services		66%
Harwood Timber Products Sdn Bhd (Harwood)	Production and sale of sawn timber and molding products		100%
STIDC Belian Holdings Sdn Bhd*	Trading in timber log		100%
Hillog Sdn Bhd*	Provision of woodworking & related timber processing services	T/0293 (expired)	100%
Tanjung Manis Shipping Sdn Bhd	Provision of transportation and wharfing services, trading in construction materials & construction works, renting of speedboat & log ponds		100%
Tanjung Manis Sawmill Sdn Bhd*	Letting of sawmill factory, plant & machinery & provision of management services		100%
Tanjung Manis Development Sdn Bhd	Provision of general repair, maintenance & supervision works		100%
Tanjung Manis Resources Sdn Bhd	Manufacture of woodchips		60%
Tanjung Manis Furniture Sdn Bhd	Manufacture & sales of furniture & supply of hardware materials		100%
Elmhurst Sdn Bhd	Landscaping and reforestation		75%
Teratim Sdn Bhd	Timber logging		100%
Saratim Insurance Agency Services	Insurance agency		100%
Amra Timbers Sdn Bhd	Timber logging concession	<b>T/0003</b>	100%
Balamra Sdn Bhd	Timber logging concession	<b>T/????</b>	100%
Budi Kiara Sdn Bhd	Dormant		100%
Hornbill Skyways Sdn Bhd	Provision of aviation services ( <a href="http://www.hornbillskyways.com">www.hornbillskyways.com</a> )		65%
Kestrel Sdn Bhd	Timber logging concession	<b>T/0302</b>	100%
Tinamou Sdn Bhd	Timber logging concession	<b>T/8013</b>	100%
Tanjung Manis Realty Sdn Bhd	Planning, operating and marketing of real-estate projects		100%

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

#### • Associate Companies<sup>64</sup>

STIDC owns a certain stake in the following private companies (with less than 50% ownership):

<i>Associate Companies</i>	<i>Principal activities</i>	<i>Concession</i>	<i>Share</i>
Selah Timber Sdn Bhd	Timber logging concession	<b>T/????</b>	30%
Houting Sdn Bhd	Timber logging concession	<b>T/0163</b>	30%
Bintulu Adhesives & Chemical Sdn Bhd	Manufacture of adhesives & chemicals		30%
Shin Yang Industries (Bintulu) Sdn Bhd	Extraction and marketing of timbers		30%
Tanjong Manis Molding Industries Sdn Bhd	Manufacture of wood plastic composite product		30%
Shin Yang Plywood (Bintulu) Sdn Bhd*	Decorative plywood & other wood product manufacture		21%
PUSAKA KTS Forests Plantation Sdn Bhd	Oil palm plantation & reforestation	<b>LPF 011, LPF 012, LPF 013</b>	30%
KTS Timber Processing Sdn Bhd*	Processing and sale of sawn timber		30%
Polima Compressed Wood Bintulu Sdn Bhd*	Production of compression molded pallet blocks & core plugs utilizing wood waste	(formerly known as Tanjong Manis Corporation Sdn Bhd)	30%
Daiken (Sarawak) Sdn Bhd*	Production of medium density fiberboard	<b>LPF 003</b>	15%
Kuching Hotels Sdn Bhd	Hotel industries	Together with Sarawak Economic Development Corporation (SEDC) 88.7% Kuching Holiday Inn Sarawak Plaza Shopping	11%
GOS Management Holding Sdn Bhd	Engaged in the business of investment holding		10%
Kion Ling Timber-Based Industries*	Timber processing and trading		??%
Keresa Timber Corporations Sdn Bhd	Logging	<b>T/0537</b>	5%
Sarawak Pulp Industries Sdn Bhd	Extraction and marketing of timber	LPF 015	5%

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

<sup>64</sup> STIDC Corporate Profile 2008 and [www.pusaka.org.my](http://www.pusaka.org.my), accessed 27.11.2010

- **Bankers**

Malayan Banking Berhad, CIMB Bank Berhad, RHB Bank Berhad

- **Role of Harwood Timber Sdn Bhd**

As a wholly owned subsidiary of STIDC, Harwood Timber was originally appointed by the State Government in 1994 as the sole agency for the distribution, purchase and sale of all reservation-quota (RQ) logs for local processing. This was subsequently changed to log endorsement in 1995, following a request by the timber industry to permit the free trading of logs among log producers and the log processors. The present endorsement system involves the inspection of logs by Harwood Timber officers at the suppliers' log pond as well as the processor's mills. In addition, the sale and purchase contract have to be endorsed by Harwood Timber.<sup>65</sup>

- **Timber Licenses**

Apart from the six timber licenses mentioned, which STIDC holds through its subsidiaries (T/0003, T/0302, T/8013, T/3278 plus two other unknown numbers) and associate companies (T/0163, T/0237), the STIDC directly owned the following timber licenses in 1996: T/3145, T/3004, T/0518, T/0276, T/4171, T/0134, T/3180, T/3190, T/4176 and T/0318<sup>66</sup>. It is not clear if these licenses are still active, have already expired, have changed ownership or have nothing left to log. For instance, the six licenses T/3187, T/3189, T/3193, T/3186, T/4172, T/0320 were originally held by STIDC before they were awarded, under two new licenses, to Subur Tiasa (Rimbunan Hijau Group) in 2000<sup>67</sup>. T/3401 is held by STIDC, but the logging operations are carried out by Piramid Intan Sdn Bhd, a subsidiary of the WTK group of companies. All the licenses referred to are listed in *Appendix E*, which contains *Map 3* and a list of licenses.

### **3.2.4. SARAWAK FORESTRY CORPORATION (SFC)**

Sarawak Forestry Corporation is a privately-owned company established by the Sarawak State Government in 2003 for purposes of sustainable forest management and conservation. It is governed by four major ordinances: the Sarawak Forestry Corporation Ordinance, the Forests Ordinance, the National Parks and Nature Reserves Ordinance, and the Wild Life Protection Ordinance<sup>68</sup> (*Appendix I*).

### **3.2.5. LAND CUSTODY AND DEVELOPMENT AUTHORITY (PELITA)**

Lembaga Pembangunan dan Lindungan Tanah (PELITA), or the Land Custody and Development Authority, was founded (by Taib Mahmud who has headed it since then) in June 1981 as a state-owned statutory body with the objective of being the catalyst for land development in Sarawak. PELITA's core business activities include Urban and Property Development, Plantation Development and the Rural Growth Center. PELITA has subsidiaries and associate companies with group assets worth over RM790 million.<sup>69</sup>

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<sup>65</sup> STA (2008): [STA Member Directory](#), accessed 27.11.2010

<sup>66</sup> Forestsmonitor (1996)

<sup>67</sup> KLSE (2008): [Announcement Subur Tiasa Holdings 2000](#)

<sup>68</sup> <http://www.sarawakforestry.com>; accessed 27.11.2010

<sup>69</sup> PELITA (2010): Plantation Development, [www.pelita.gov.my/plantation\\_development.html](http://www.pelita.gov.my/plantation_development.html); accessed 27.11.2010

- **Involvement of PELITA in Plantation Development**

PELITA first got involved in plantation development in 1986 with the development of state land. In 2008, the total gross area of state land under development was 218,270 hectares. Subsequently, in 1996, PELITA was instructed by the State Government to develop Native Customary Rights (NCR) land with its first project in Kanowit. By 2008, the total gross area of NCR land had increased to 193,294 hectares. Out of the total of 411,564 hectares of NCR and state lands, PELITA together with its Joint Venture (JV) Partners have planted 135,774 hectares of land with oil palm. To complement the plantations, PELITA and its JV Partners have seven palm oil mills with a total processing capacity of over 2 million tones of Fresh Fruit Bunches (FFB) per annum. In addition to the oil palm project, another gross area of 2880 hectares of land has been assigned to food production projects, and 13,946 hectares of peat land in Mukah is being progressively developed for commercial sago plantation.<sup>70</sup>

- **Other Activities and Subsidiaries of PELITA**

Besides plantation development, PELITA, with its many subsidiaries, is involved in property management (PELITA Holdings Sdn Bhd, PELITA Facilities Management Sdn Bhd), tourism ([Borneo Highlands Resort](#)), salvage logging, sago development and sand management (Magna Focus Sdn Bhd).

### 3.2.6. ROYAL CUSTOMS DEPARTMENT AND PORT AUTHORITIES

- **Customs**

All sawn timber exported from Sarawak must be graded in accordance with the Malaysian Timber Grading Rules (1984, renewed in 2008). Under this regulation, STIDC, as the Grading Authority, is vested with the power to check grade at least 10 percent of the exported volume. Under the Malaysian Customs Act (1967), STIDC is given the power to issue export and import permits for timber products by the Malaysian Royal Customs Department. An electronic permit-issuing system, known as Sistem Maklumat Kastam (e-permit system), has been developed and has been in use since 2006. All exporters are required to register to obtain their e-permit number as users of the e-permit system.<sup>71</sup>

- **Ports**

Ports in Malaysia are established as either Federal or State Ports under the jurisdiction of the respective governments. Sarawak has one [Federal Port Authority in Bintulu](#) which is managed and operated by [Bintulu Port Sdn Bhd](#) and three state ports under State Statutory Bodies: Miri, Rajang, and Kuching. Ports in Sarawak are operated by the respective port authorities: [Kuching Port Authority](#), [Rajang Port Authority](#) and [Miri Port Authority](#).<sup>72</sup>

In an effort to control the illegal entry of timber, Sarawak has designated five entry points for timber from Indonesia. These entry points are Sematan, Biawak, Tebedu, Batu Lintang and Lubok Antu (*Appendix E, Map 3*) and are operated under the ambit of STIDC, with the assistance of Harwood Timber. The purpose is to control and monitor the import of timber from Indonesia to ensure that only timber from legal sources is allowed in (i.e. no logs, no sawn timber).

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<sup>70</sup> PELITA (2010): Plantation Development, [www.pelita.gov.my/plantation\\_development.html](http://www.pelita.gov.my/plantation_development.html); accessed 27.11.2010

<sup>71</sup> STIDC (2008): [Chain of custody for Sarawak – timber tracking procedures](#)

<sup>72</sup> [www.mima.gov.my/mima/htmls/depts/port-profile/index.htm](http://www.mima.gov.my/mima/htmls/depts/port-profile/index.htm); accessed 27.10.2009

### 3.2.7. SARAWAK TIMBER ASSOCIATION (STA)

Sarawak Timber Association (STA) was formed as a non-governmental organization 1971 in Sibuan. In 2008, STA had approximately 550 members who are involved in the timber industry. The member companies cover all functions in the timber value chain, from logging to the processing of timber products. Collectively, STA members employ around 80,000 workers in Sarawak.<sup>73</sup>

For the period 2008/2009 the STA posts were held by the following persons:<sup>74</sup>

Chairman	Datuk Wong Kie Yik	WTK Group
Vice Chairman	Tan Sri Datuk Tiong Hiew King	Rimbunan Hijau Group
	Datuk Ling Chiong Ho	Shin Yang Group
Honorary Secretary	Dato Henry Lau Lee Kong	KTS Group
Honorary Treasurer	Mr. Philip Choo Kwong Hui	

Members elect Council Members every two years in nine different categories and are often represented by eminent business people who are connected to the main timber conglomerates.

### 3.3. CONCLUSION

Not only the industrial structure, but also the institutional arrangement of the timber industry in Sarawak differs from that in other parts of Malaysia. One characteristic of the timber industry in Sarawak is also the fact that it cannot meet the requirements for FMUs certified by the Malaysian Timber Certification Council (MTCC). STIDC, with its mix of developing, controlling, managing and promoting functions is directly involved in the timber business and became one of the major logging and manufacturing companies in Sarawak, with its parallel production and logging subsidiaries and huge range of timber concessions. The direct involvement of various subsidiaries of the MPRM in the timber business and related industries is not very different from the timber tycoons' conglomerates (see *Chapter 5*) – the reforestation area of 245,000 hectares and the various timber licenses mentioned in this chapter, for instance, mean they can readily compete with the six major timber conglomerates. **STIDC, as the most important control arm of the MPRM, can therefore be counted as the seventh major timber group in Sarawak and is headed by the top-political elites of Sarawak.** The independent controlling functions of STIDC (e.g. illegal logging, import and export duties) can be very much questioned on account of its conflicting business interests (timber concessions, logging and manufacturing activities).

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<sup>73</sup> STA Directory (2010): [www.jacksonteo.com/demo/sta/htm/sta.asp](http://www.jacksonteo.com/demo/sta/htm/sta.asp); accessed 27.11.2010

<sup>74</sup> [www.sta.org.my](http://www.sta.org.my); accessed 27.11.2010

## 4. TIMBER INDUSTRY DEVELOPMENT IN SARAWAK

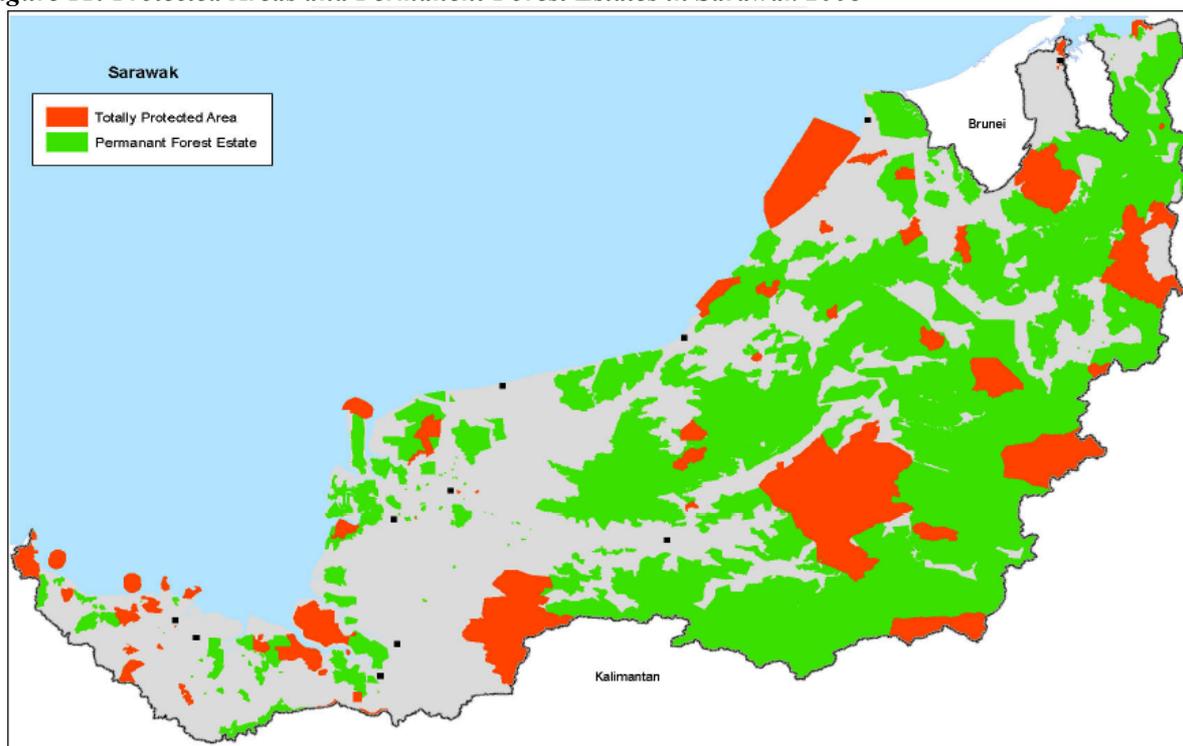
Sarawak's land area is 12.33 million hectares and, according to the Forestry Department, 9.2 million hectares (or 75 percent) of this is covered by forests. The forest area is generally categorized as either Permanent Forest Estate (PFE) or Protected Forest, which comes under the jurisdiction of the Forestry Department, and Stateland Forest which is essentially uncontrolled and available for a number of different uses (*Table 8*).

Logging occurs in both PFE and the Stateland Forest. **Table 8: Forest Classification in Sarawak**<sup>75</sup>

The Stateland Forests, however, have never had a limit on the permissible yields of timber, and there is probably not much timber left. It is also not included in the ITTO figure, which gives a total of 6 million hectares. A subcategory of the PFE is Communal Forest, which was originally designated for the indigenous population. A report 20 years ago claims that this accounted for far less than 1 percent of the PFE area<sup>76</sup>. There are no figures available for Communal Forests from the Forest Department for 2008. An official map of the PFE and protected areas from the Forest Department for 2008 is shown in *Figure 11*. Despite its protected status, most of the protected area has been licensed for logging.

	<i>Hectares in millions</i>	<i>Share</i>
Permanent Forest Estate	6.0	65.0%
Total Protected Areas	1.0	10.8%
Stateland Forest	2.2	24.2%

**Figure 11: Protected Areas and Permanent Forest Estates in Sarawak 2008**<sup>77</sup>



The timber industry makes a key contribution to the government's revenues. Although Sarawak's main exports are liquefied natural gas and crude petroleum (accounting for almost 50 percent of exports), Sarawak only receives five percent of the royalties from petroleum income (the rest goes into the federal

<sup>75</sup> Forest Department Sarawak (2008): [www.statistics.gov.my/apcas/images/stories/files/apcas/papers/Forestry\\_In\\_Sarawak.pdf](http://www.statistics.gov.my/apcas/images/stories/files/apcas/papers/Forestry_In_Sarawak.pdf).

<sup>76</sup> United States Congress Report (1989): The Tropical Timber Industry in Sarawak

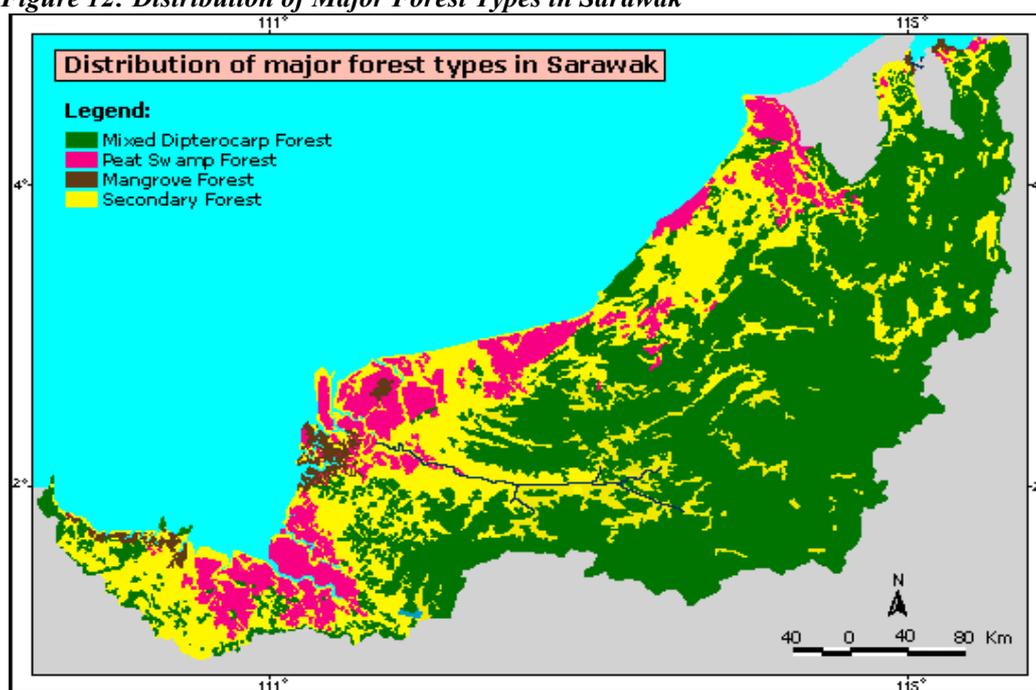
<sup>77</sup> [www.statistics.gov.my/apcas/images/stories/files/apcas/papers/Forestry\\_In\\_Sarawak.pdf](http://www.statistics.gov.my/apcas/images/stories/files/apcas/papers/Forestry_In_Sarawak.pdf); accessed: 22.1.2009

government's coffers).<sup>78</sup> The situation is different for timber revenues: the royalties from logging are the single largest source of revenue for the state, making up at least 20 to 30 percent of total annual exports. A number of authors cited in Yaacob (2007) even put this figure at around 50 percent.<sup>79</sup>

Sarawak has used the timber resources as the main facilitator for its economic development. In 1990, when the International Tropical Timber Organization Mission visited Sarawak and warned that the state's forest would be gone within the next decade, the politicians ignored the recommendation to stabilize log production at a lower level. In 2001, the Chief Minister Taib Mahmud himself pointed out that 90 percent of the State's timber trees had been felled.<sup>80</sup>

The dipterocarp-dominated forest of Sarawak ranks floristically among the richest of all the world's forests and can be found in Borneo, Sumatra, West Malaysia and the western parts of Java. *Figure 12* showing the distribution of major forest types in Sarawak has been provided by the Forest Department of Sarawak. Not only is the date of this map unknown – the very large area of primary forest (secondary forest marked separately) is also misleading and does not even correspond approximately to reality. The Bruno Manser Fund NGO estimates that only 5 percent of primary forest has been left intact in Sarawak.

**Figure 12: Distribution of Major Forest Types in Sarawak<sup>81</sup>**



The Sarawak government claims that Sarawak still has 7.31 million hectares, or 59 percent of its land area under forest cover – with hill mixed dipterocarp and peat swamp accounting for 1.25 million hectares, or 10 percent, and mangrove and nipah swamp covering 168,000 hectares or 1.3 percent. In practice, however, the official statistics conceal the fact that 8.8 million hectares of forest (practically the whole forest area of Sarawak) had been licensed for logging by 1990. The same statistics show that the average area logged per

<sup>78</sup> Yaacob/ Wong (2007): Stakeholder's Activisms

<sup>79</sup> Yaacob/ Wong (2007): Stakeholder's Activisms

<sup>80</sup> Sarawak Tribune, 3th April 2001: Continued timber supply vital for industry: Taib

<sup>81</sup> Forest Department Sarawak (2008). [www.forestry.sarawak.gov.my](http://www.forestry.sarawak.gov.my); accessed: 22.1.2009

year between 1983 and 1990 was about 220,000 hectares<sup>82</sup>. Jomo (2004), for instance, has noted that by 1999 only 2.26 million hectares of the licensed areas remained, and this only takes into account the absolute area logged, without considering any practices on the ground that result in major forest destruction and degradation.<sup>83</sup> Forest resources have become clearly scarcer over the past decade. Sarawak therefore introduced a new “growth” strategy and is adopting monocultural plantation (especially oil palm) and, to some extent, fast-growing timber trees by issuing so called “reforestation” (LPP) licenses (*Chapter 4.3.*).

#### 4.1. UPSTREAM TIMBER INDUSTRY

- **Timber Harvesting**

In Sarawak, all forest land is held by the state; therefore the licenses are not ownership rights, but rights of usage for a certain period of time. Concessions range in size from a few thousand to several hundred thousand acres. Politicians in Sarawak typically received shares in license-holding firms, or in timber processing firms, rather than licenses themselves; many have paid only nominal sums – as little as one Malaysian ringgit – to receive these shares. In the 1990s, the chief minister’s typical ‘gift’ to a member of the state assembly was worth 5 to 10 million ringgit (2 to 4 million US dollars). In addition to members of the assembly, former and present Chief Ministers Rahman Ya’akub and Taib gave concession shares to other important state and local officials, to Sarawak’s representatives in the federal parliament, and to members of their own families.<sup>84</sup>

A map with concessions and a list with the concession holders based on 1996 are included in *Appendix C and Map 1*, a map with current existing concessions in *Appendix Map 3*.

The ITTO visited Sarawak in 1990 to assess its forestry sustainability yield, and during the visit, the delegation recommended an annual production target of 9.2 million m<sup>3</sup>. Since then, the state has produced a much higher volume and, at its peak, a total of 19.5 million m<sup>3</sup> was produced, precisely doubling the recommended critical yield (*Figure 13*). Today, Sarawak still produces almost 12 million m<sup>3</sup>, and the figure is likely to be significantly higher due to illegal logging activities and weak legislative and regulative enforcement.<sup>85</sup> At the beginning of the 1990s, most locally harvested logs were exported directly; since then, the share processed locally has continuously increased to around 60 percent.

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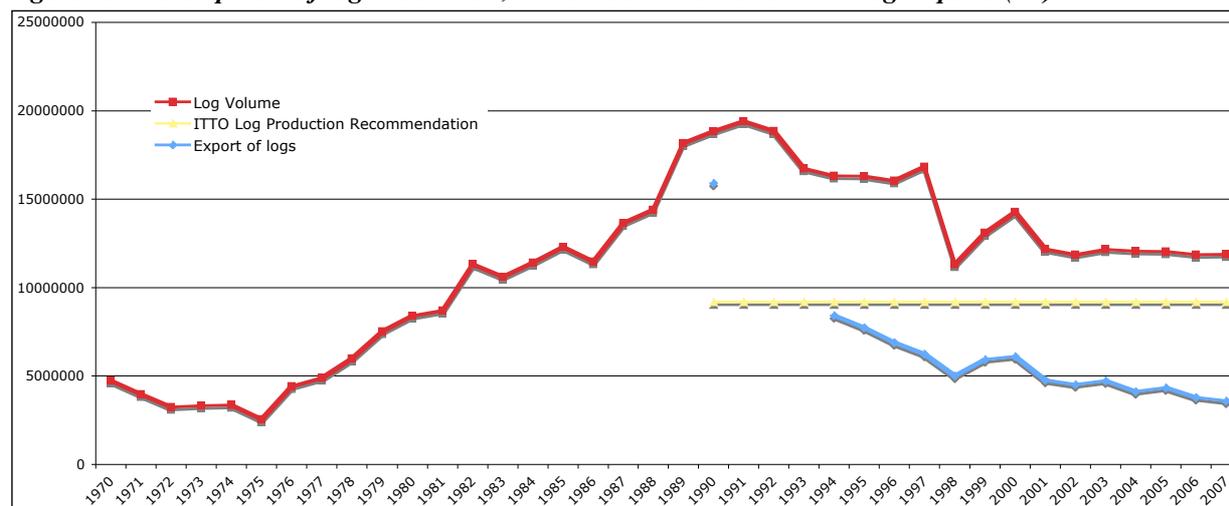
<sup>82</sup> FERN (2006): [Forest governance in Malaysia, recommendations for a VPA](#)

<sup>83</sup> Jomo et al. (2004): *Deforesting Malaysia*; Page 176

<sup>84</sup> FERN (2006): [Forest governance in Malaysia, recommendations for a VPA](#)

<sup>85</sup> Yaacob/ Wong (2007): *Stakeholder’s Activisms*

**Figure 13: Development of log Production, ITTO Recommendation and Log Exports (m<sup>3</sup>) 1970 - 2007<sup>86</sup>**



Sarawak has around 100-150 logging companies. However, as *Chapter 5* demonstrates, logging activities and timber processing are concentrated and controlled by just a few major timber groups and their subsidiaries. The remaining licenses are controlled by them.

- **Log exports**

After the state set a target of processing 60 percent of logs locally, log exports underwent a steady decline. The major log buyer of the 1980s and 1990s, Japan, has recently been replaced by India. The four major importers of India, China, Taiwan and Japan together account for 90 percent of all log exports from the state (*Table 9*).

**Table 9: Export of Logs Sarawak 1995, 2000, 2006, 2007<sup>87</sup>**

Destination	1995		2000		2006		2007	
	Volume (M3)		Volume (M3)		Volume (M3)		Volume (M3)	
China	539,510	7.0%	1,244,402	20.4%	636,644	16.8%	577,256	16.0%
Hong Kong	374,178	4.8%	533,752	8.7%	40,780	1.1%	24,450	0.7%
India	320,486	4.1%	867,794	14.2%	1,378,482	36.3%	1,550,824	43.1%
Japan	4,060,234	52.4%	2,051,126	33.6%	820,734	21.6%	539,659	15.0%
Korea			250,411	4.1%	72,110	1.9%	56,357	1.6%
Taiwan	1,232,685	15.9%	890,947	14.6%	595,072	15.7%	574,606	16.0%
Thailand	304,195	3.9%	92,646	1.5%	23,272	0.6%	33,318	0.9%
Vietnam			114,626	1.9%	212,010	5.6%	241,316	6.7%
Pakistan	18,053	0.2%	21,934	0.4%	6,593	0.2%	3,238	0.1%
<b>Total</b>	<b>7,744,930</b>		<b>6,105,793</b>		<b>3,792,303</b>		<b>3,601,024</b>	

## 4.2. DOWNSTREAM TIMBER INDUSTRY

- **Timber Processing**

An establishment engaged in manufacturing of any type, including the processing of timber, is required to obtain a manufacturing license from the Ministry of International Trade and Industry (MITI) and, since 2007,

<sup>86</sup> own illustration with data from Brookfield/ Byron (1990), Harvard Business School (1991), STIDC (2008)

<sup>87</sup> MTC (2008): Export Statistics, no newer statistics available for Sarawak.

from STIDC.<sup>88</sup> Table 10 shows the manufacturing capabilities in Sarawak which are still not as developed in the upstream industries as in West Malaysia.

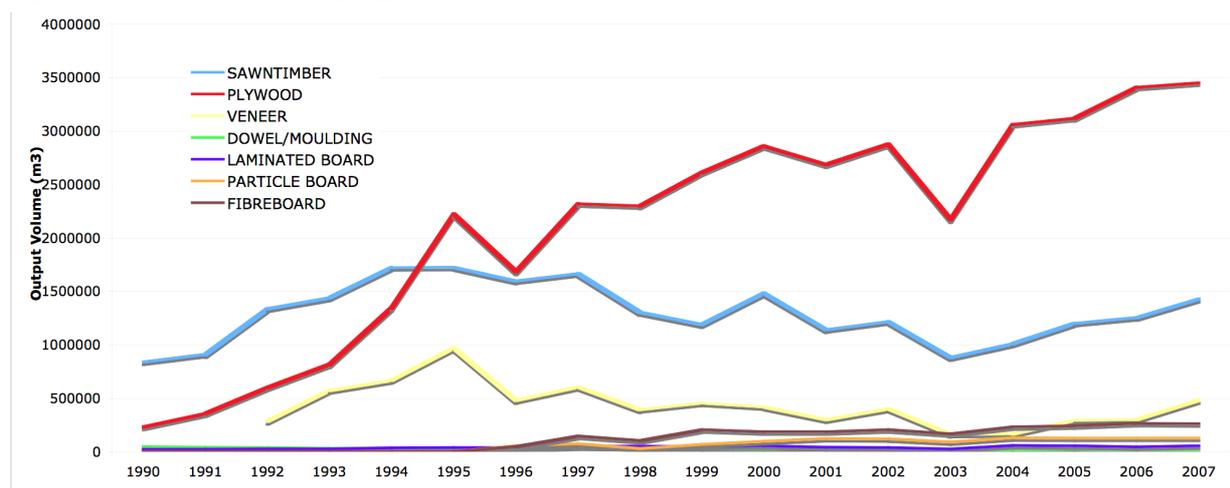
**Table 10: Development of Timber Processing Facilities 1990-2007<sup>89</sup>**

	1990	2000	2006	2007	
Sawn timber	147	245	193	180	The set-up regulation specifying that 60 percent must be processed locally is also reflected in Table 10 which shows the development of timber processing facilities in
Plywood/Veneer Mills	10	54	48	49	
Dowel/ Molding	15	21	27		
Laminated Board	4	7	12		
Woodchip	1	4	5		
Particle Board	0	1	1		
Fiberboard	0	3	3		
Charcoal Briquette	NA	3	7		
Kiln Drying Plant	NA	47			
Furniture	NA	335	397		

Sarawak. However, due to lower harvesting volumes, the number of sawmills has decreased in recent years and is expected to continue to do so in the future.

The locally processed logs are converted mainly to plywood and, to a lesser degree, to sawn timber (Figure 14). All other primary wood products are only of minor importance in the timber manufacturing sector.

**Figure 14: Output Volume of different Timber Products in Sarawak 1990 - 2007<sup>90</sup>**



\* Data missing for 3 months in 2003

The main importing countries for the two major primary products from Sarawak – plywood and sawn timber – are listed in Appendix A. Around ten percent of plywood exports go to the European and US markets, and more than 50 percent to Japan.

### 4.3. REFORESTATION PROGRAM AND PLANTED FORESTS

In 1997, the State Government introduced the Forests (Planted Forests) Rules to regulate the development of Planted Forests in Sarawak with two programs: The first is the reforestation project that is supervised by the

<sup>88</sup> STIDC (2008): [Chain of custody for Sarawak – timber tracking procedures](#)

<sup>89</sup> KPPK (2008); STIDC (2007), newer statistics not available for Sarawak.

<sup>90</sup> collected data from KPPK (2008): Statistics on Commodities 2007; STIDC (2008): Timber Statistics

Sarawak Forest Department. The second project is the establishment of planted forests, with licensees from the private sector being permitted to establish forest plantations.<sup>91</sup>

- **Reforestation Program**

The Forest Department is responsible for the Reforestation Program that is being implemented in areas affected by shifting cultivation, particularly within the Permanent Forest Estate. The project involves the participation of local people who are interested in planting trees on their own land. At the end of 2000, the total area established was 23,096 hectares<sup>92</sup>, which is less than the area of an average timber license in Sarawak.

- **Planted Forests**

The development of Planted Forests is regulated by licenses granted by the Director of Forests with the approval of the Minister of Planning and Resource Management, Chief Minister Taib Mahmud. The targeted plantation area for 2020 is one million hectares which is to be developed within the 40 issued licenses (LPF) covering 2.4 million hectares.<sup>93</sup> In 2001, the state even set a target of 25 million cubic meters' production by 2015<sup>94</sup>, this figure was then revised to five million cubic meters in 2009<sup>95</sup>.

According to the latest research by Friends of the Earth Malaysia (SAM) in 2008, from 1999 to 2008, the Natural Resources and Environment Board (NREB) received various Environmental Impact Assessment (EIA) reports about plantation projects in Sarawak, most of which have been approved. These approved reports form the basis for the published map showing the LPF licenses in *Appendix Map 2*.

The total land bank for reforestation is 2.4 million hectares, 1.5 million hectares of which can be planted with fast-growing trees and oil palms.

#### 4.4. LEGALITY

For the Government in Sarawak, illegal timber is timber which: *"(...) is harvested, transported, bought or sold in violation of national laws. Such practices include harvesting without [a] proper approved concession permit, harvesting in violation of permit conditions, failing to pay [the] royalty and non-compliance to trading rules"*.<sup>96</sup>

There have been recurrent scandals involving illegal timber smuggling from Indonesia to Sarawak and the illegal export of logs and other timber products<sup>97</sup>. As already mentioned in the last chapter, the relevant authority for imports and exports is STIDC, which itself is heavily involved in the timber business. Furthermore, most shipping companies are closely linked with the timber industry or with top politicians. The family of Chief Minister Taib Mahmud, for instance, is involved in the shipping business with Achi Jaya Transportation Sdn Bhd, which has a monopoly on exporting logs to Japan<sup>98</sup> and was caught up in a scandal

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<sup>91</sup> ITTO (2006): [Status of Tropical Forest Management 2005](#)

<sup>92</sup> [www.forestry.sarawak.gov.my/forweb/sfm/sfm\\_refor.htm](http://www.forestry.sarawak.gov.my/forweb/sfm/sfm_refor.htm); accessed 17.01.2011

<sup>93</sup> [www.forestry.sarawak.gov.my/forweb/sfm/sfm\\_pltf.htm](http://www.forestry.sarawak.gov.my/forweb/sfm/sfm_pltf.htm); accessed 17.01.2011

<sup>94</sup> Sarawak Tribune, 14<sup>th</sup> March 2001

<sup>95</sup> Presspiegel BMF Februar

<sup>96</sup> ITTO (2006): [Status of Tropical Forest Management 2005](#)

<sup>97</sup> Obidzinsky et al (2007): [Cross-border timber trade in Indonesia: critical or overstated problem?](#)

<sup>98</sup> <http://www.scribd.com/doc/34389422/Taib%E2%80%99s-Shipping-Monopoly>; accessed 17.01.2011

when timber was smuggled to Japan in 2007<sup>99</sup>. Other major timber groups all have links with the shipping industry (*Chapter 5*). Another important point in the legality discussion is the issue of overlapping laws (see for instance Yong 2010<sup>100</sup>). If legality is understood as the quality or state of being in accordance with (national) law<sup>101</sup>, then the legality of timber harvested in certain regions where indigenous people are claiming their land rights in court cases calls for further attention. FERN (2008) summarizes three levels of problems: first, that there are clear inadequacies in the land and forest-related legislation in the different states which allow logging and plantation licenses to be established on indigenous communities' customary land without their free, prior and informed consent; secondly, the inability of the laws to establish mechanisms for resolving conflicts between the industry and indigenous communities; and lastly, the lack of transparency and openness in the issue of such licenses.<sup>102</sup>

#### 4.5. STATUS AND MAP OF FORESTRY INDUSTRY AND LICENSES 2008

*Appendix Map 1* contains timber concessions dating back to 1996 and is based on the Forestsmonitor (1996) research and publication. The timber licenses held at that time by the main timber groups are marked separately on the map. Almost half the licenses issued in 1996 belonged directly to state agencies and other public institutions like STIDC, Sarawak Economic Development Corporation (SEDC) with its subsidiary Sara Resorts<sup>103</sup>, Sarawak Land Development Board (SLDB), Sarawak Foundation, Sarawak Higher Education Foundation, Sarawak Mosque Welfare Trust Foundation and probably also BTSF (abbreviation unknown). Some of these institutions are not involved in the timber business itself, and these licenses function as assets which can be accessed by selling the timber resource on the concession land to logging operators. Timber contractors and logging companies – often the main timber tycoons of Sarawak – were able to benefit greatly from those concession owners whose main interests were to monetarize the timber resources as fast as possible.

The research conducted for the present report (*Chapter 5*) shows clearly that many licenses from 1996 are still active and some of them have, in the meantime, been renewed on either a monthly basis or for a different period of time. As a result, many of the current T-licenses and their boundaries tally with the earlier publication of Forestsmonitor. Over the past few years, many of the major timber groups and their subsidiaries have acquired additional new licenses by buying concession rights or incorporating concession holders into their conglomerates or listed timber subsidiaries. In some cases, the Minister for Planning and Resource Management (Chief Minister Taib Mahmud) has issued new licenses. *Appendix Map 3* and the list in *Appendix D* show the status of licenses in 2008. This map has not yet been completed and needs further investigation, because concession holders and boundaries are not officially available in most cases and are highly intransparent. It is therefore a difficult task to maintain an up-to-date map of concessions which are often based on semi-official maps like court cases in which indigenous groups are claiming their land rights or Environmental Impact Assessments (EIAs). *Appendix Map 3* also contains all the STIDC Import

<sup>99</sup> [www.asiasentinel.com/index.php?option=com\\_content&task=view&id=871&Itemid=31](http://www.asiasentinel.com/index.php?option=com_content&task=view&id=871&Itemid=31); accessed 17.01.2011

<sup>100</sup> Yong, Carole (2010): [Logging in Sarawak and the rights of Sarawak's indigenous communities](#).

<sup>101</sup> Oxford University Press (2005): The New Oxford Dictionary

<sup>102</sup> FERN (2006): [Forest governance in Malaysia, recommendations for a VPA](#)

<sup>103</sup> [www.sedc.com.my](http://www.sedc.com.my), accessed 17.01.2011

Checkpoints (Sematan, Biawak, Batu Lintang, Lubok Antu and Tebed), Export Points (ports in Kuching, Sibuan, Sarikei, Tanjung Manis, Mukah, Bintulu, Miri and Limbang) and the LPF licenses introduced in *Appendix Map 2*. LPF licenses can cover the same area as (expired or still active) T licenses or group several T licenses together.

## 5. TIMBER TYCOONS IN SARAWAK

The primary sources for these company profiles are annual reports, announcements and Initial Public Offering (IPO) prospectuses from the Stock Exchange in Kuala Lumpur (KLSE). The fact that the KLSE stipulates that companies must state any related party transactions with companies in which they have substantial shareholder interests and family connections makes for a clearer picture of the obscure group structure of timber tycoons in Sarawak. The STIDC Timber Directory 2006/2007 with licensed timber manufacturers and exporters was additionally a helpful resource for the research. All the information regarding reforestation licenses (LPF) is from a report published in autumn 2008 by Sahabat Alam Malaysia (SAM). The timber concessions mentioned in this section are listed and shown in the *Appendix Map 3*.

The timber tycoons are the heads of a small number of business groups in Sarawak whose roots date back to the beginning of the second timber boom in Sarawak in the 1960s and 1970s. They started with logging operations and continuously expanded their activities along the timber value chain (export sales, trading, shipping, and timber manufacturing). Later they diversified further and invested their logging profits in related and other industries like construction, natural resources extraction, oil palm, property development, media, tourism and others. Beside the state agency STIDC (*Chapter 3.2.3.*), there are six privately owned groups which dominate the timber sector in Sarawak. *Table 11* contains an overview of these groups with their basic data, sorted by size and influence.

**Table 11: Overview of Timber Tycoons and their business interests in other industries (only in Sarawak)**

<i>Group</i>	<i>Timber Concessions (ha)</i>	<i>Reforestation Licenses (ha)</i>	<i>Palm Oil Land bank (ha)</i>	<i>Int. Timber Activities</i>	<i>Shipping</i>	<i>Trading</i>	<i>Construction</i>	<i>Natural Resources</i>	<i>Property Development</i>	<i>Media</i>	<i>Finance</i>	<i>Tourism</i>
<b>Samling Group</b>	<b>&gt;1,300,000</b>	<b>&gt;530,910 (20%)</b>	<b>&gt;101,966</b>	X	X	X	X	X	X			X
Samling Global*	---	---	---									
Lingui (Sarawak)*	1,300,000	530,910	---									
Glenealy*	---	---	65,600									
<i>Woodman Group</i>	<i>Unknown</i>	<i>51,750 (1%)</i>	<i>50,904</i>									
<b>Rimbunan Hijau</b>	<b>&gt;1,000,000</b>	<b>555,073 (20%)</b>	<b>130,000</b>	X	X	X	X	X	X	X	X	X
Jaya Tiasa*	713,211	71,797	83,480									
Subur Tiasa*	224,045	---	5,000									
Rimbunan Sawit*	---	---	20,574									
<b>WTK Group</b>	<b>850,000</b>	<b>144,472 (5%)</b>	<b>120,000</b>	X	X	X	X					X
WTK Holdings*	320,000	131,157	57,000									
<b>Ta Ann Group</b>	<b>&gt;557,000</b>	<b>307,834 (11%)</b>	<b>105,810</b>	X					X			
Ta Ann Holdings*	557,000	307,834	54,649									
<b>KTS Group</b>	<b>Unknown</b>	<b>278,761 (10%)</b>	<b>152,148</b>	X	X	X	X	X	X	X		X
BLD Plantation*	---	---	53,030									
<b>Shin Yang Group</b>	<b>Unknown</b>	<b>272,918 (10%)</b>	<b>100,000</b>		X	X	X	X	X	X		X
Sarawak Oil Palms*	---	---	74,223									

\* Publicly listed companies

Source: KLSE (2008) Annual Reports, IPOs and Stock Market Announcements

The six main timber groups together hold at least 4.5 million or so hectares of timber concessions in Sarawak and control 90 percent of the area for which reforestation licenses were issued up until 2006. At around 700,000 hectares, their land bank for possible oil palm plantations (LPF licenses) is even higher than the area of 664,612 hectares planted with oil palms in 2007. The six groups are also among 41 active forest plantation license-holders in Sarawak.<sup>104</sup>

As most of their operations are registered as private limited companies, with ultimate control resting with key families, they are able to operate in relative secrecy, away from public scrutiny. Another common feature is their close relationship with key politicians in the state. The biggest Malaysian companies operating overseas are mostly the ones that have gained notoriety amongst the natives of Sarawak for destroying their forests, crops, polluting the rivers and ignoring indigenous (land) rights.

In addition to these six major groups plus the state agency STIDC (*Chapter 3.2.3.*), there are other important players in the timber industry of Sarawak. Nevertheless, they are generally less dominant, less integrated (upstream and downstream industries) and less diversified than their bigger counterparts. These smaller companies are often headed by prominent businesspeople or politicians and their profiles are even less well-known (*Chapter 5.7.*).

At least four timber tycoons rank among the top thirty richest Malaysians for 2007/2008. Tiong Hiew King of Rimbunan Hijau, and Yaw Teck Seng and Yaw Chee Ming of Samling Group – these three tycoons from the two largest logging companies in Malaysia rank tenth (1.2 billion US dollars) and 13<sup>th</sup> (480 million US dollars). Rank 39<sup>th</sup>, at 120 million US dollars, is occupied by Ta Ann's Chairman Abdul Hamed Sepawi, the first cousin of Sarawak's Chief Minister and also a substantial shareholder in Samling Global.<sup>105</sup> It is also not difficult to imagine that the Chief Minister of Sarawak has extensively capitalized on his political power. Alongside family members and cronies as substantial shareholders and members of the board for several companies listed on the Malaysia Stock Exchange, the logging concessions controlled by Sarawak Chief Minister Taib Mahmud were estimated to be worth about RM 10 billion<sup>106</sup> - the equivalent of 2.8 billion US dollars.

Some of the Sarawak-based logging companies became multinationals, plundering the global forests. According to the World Rainforest Movement (WRM) & the Forestsmonitor report 1996<sup>107</sup>, between 1990 and 1997, Malaysian logging operations were to be found in Africa (Gabon, Cameroon, Democratic Republic of Congo, Malawi, Zimbabwe, Madagascar, Liberia, Equatorial Guinea), Central and South America (Belize, Brazil, Guyana, Suriname), Asia (Cambodia, Myanmar, Indonesia, Laos), the Pacific (Papua New Guinea, Solomon Islands, New Zealand, Vanuatu) and Russia. Today these same timber tycoons are still active in many of these regions and have even spread further over the globe.

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<sup>104</sup> [http://www.globalwood.org/market/timber\\_prices\\_2009/aaw20101001.htm](http://www.globalwood.org/market/timber_prices_2009/aaw20101001.htm); accessed 17.01.2011

<sup>105</sup> Forbes (2010): [http://www.forbes.com/lists/2010/84/malaysia-rich-10\\_Malaysias-Richest\\_Rank.html](http://www.forbes.com/lists/2010/84/malaysia-rich-10_Malaysias-Richest_Rank.html)

<sup>106</sup> Jomo et al. (2004): Deforesting Malaysia: The Political Economy and Social Ecology of Agriculture Expansion and Commercial Logging; Page 211

<sup>107</sup> Forestsmonitor (1999): [High Stakes: The need to control transnational logging companies: a Malaysian case study.](#)

## 5.1. SAMLING GROUP



**Origin:** Miri, Sarawak    **Establishment:** 1963    [www.samling.com.my](http://www.samling.com.my)

**Yaw Teck Seng, Yaw Chee Ming (son),** Lau Cho Kun (father-in-law and head of Hap Seng Group of Companies in Sabah), Yaw Chee Chik (son), Yaw Chee Siew (son), Hiew Chung Chin (brother)

**International Activities:** Sarawak, Sabah, Guyana, Hong Kong, P.R.China, Japan, Australia, New Zealand, USA, Brazil, Papua New Guinea, Cambodia, Solomon Islands, Liberia, South Africa

The Samling Group, headed by the tycoon Yaw Teck Seng and his son Yaw Chee Ming is, along with Rimbunan Hijau, the biggest timber player in Sarawak. In 2007, the Samling group listed a considerable part of their various timber industry operations (i.e. Lingui Developments Bhd, Glenealy Plantations (Malaya) Bhd, Barama Company Ltd and various other subsidiaries) on the Stock Exchange in Hong Kong (HKSE). This controversial Initial Public Offering (IPO) of Samling Global attracted media attention and public criticism of various stakeholders worldwide.

Datuk Yaw Teck Seng, the founder of the Group, started his logging business in Sarawak with Syarikat Samling Timber Sdn Bhd in 1963 and gradually expanded the forest concession areas it was awarded by the Sarawak state government. Soon he began to invest in other businesses, such as sawmilling, quarrying, property investment and development. In 1990, Samling Strategic Corporation Sdn Bhd became a controlling shareholder of Lingui Developments Berhad, and, one year later, the Group expanded into Guyana (1.6 million hectares' concession), South America, and established Barama Company Limited (BCL). Lingui acquired a substantial stake in Glenealy Plantations (Malaya) Berhad, a listed company on the Malaysian Stock Exchange in 1994. In 1990 and 1994 Samling set up four plywood mills in order to focus on downstream processing (in line with the state government's target). These mills began as joint ventures with the Japanese and Korean firms.<sup>108</sup>

Samling Group has a long track record of illegal logging and severe environmental damage as is documented by various old and new reports<sup>109</sup>. In summer 2010, the Norwegian Government Pension Fund divested its shareholding in Samling after concluding that Samling had committed "serious transgressions" in logging outside of concession areas and destroying protected rainforests.<sup>110</sup> Furthermore, the last and only MTCC certified FMU plantation in Sarawak (Anap Muput FMU, see *Chapter 3.1.3.*) was suspended in 2010.

When, in 2007, Samling incorporated almost all their assets in the listed company Samling Global Ltd, which is also the major shareholder of the two listed subsidiaries Lingui Developments and Glenealy Plantations, the group seemed to be transparent, disclosing all its business interests. However, Samling Group still has subsidiaries controlled by the Yaw family's investment holdings, which are not part of Samling Global Ltd. The Woodman Group (*Chapter 5.7.5.*), for instance, is closely linked to Samling through Samling Strategic Corporation Sdn Bhd, which has a 50 percent shareholding in Woodman Holdings Sdn Bhd (Director Yaw Chee Ming).<sup>111</sup>

<sup>108</sup> [www.samling.com/eng/aboutus/milestones.htm](http://www.samling.com/eng/aboutus/milestones.htm); accessed 18.2.2009

<sup>109</sup> Sarawak ([Bruno Manser Fund](#), [SUHAKAM](#)); Papua New Guinea ([Greenpeace](#)), Cambodia ([Global Witness](#)), Guyana ([Bulkan/Palmer](#)); Liberia ([Global Witness](#)) [Solomon Islands](#)

<sup>110</sup> [http://news.mongabay.com/2010/0824-samling\\_norway.html](http://news.mongabay.com/2010/0824-samling_norway.html); accessed 18.2.2009

<sup>111</sup> [KLSE Announcement 2005](#)

The following companies not listed on the Stock Exchange belong to Samling Group:<sup>112</sup>

<i>Company</i>	<i>Principal Activity/ Related Party Transaction</i>	<i>Info</i>	<i>Share</i>
Samling Malaysia Inc	Investment holding	Lingui	100%
Samling Strategic Corporation	Investment holding	Lingui, Glenealy	100%
Yaw Holding	Investment holding	Lingui, Glenealy	100%
Plieran Sdn Bhd	Investment holding	Lingui	100%
Grand Perfect Sdn Bhd	Contractor for reforestation projects	<b>LPF 001</b>	35%
Baram Sawmill Co Sdn Bhd*	Export of logs	STIDC Directory	???
Shin Fung (Malaysia) Sdn Bhd	Logging	STIDC Directory	???
Qianshan Hualin Woodworking Corp.	Manufacture and sale of fingerjoint timber	P.R. China	
Premier Woodworking (Anqing) Corporation	Manufacture and sale of flooring, treadmill panel and flush doors	P.R. China	
Anhui Hualin Woodbased Panel Co Ltd	Manufacture and sale of medium density fiberboard	P.R. China	
Daiken Tree Plantation	Plantation (30% joint venture Daiken Sarawak (Japan))	<b>LPF 003</b> 5'503 ha	30%
Sarawak Land (Kemena Park) Sdn Bhd	Property development: Bintulu ParkCity development		
Perdana ParkCity Sdn Bhd	Property development: Desa ParkCity development		
Eastwood Valley	Property development: Eastwood Valley golf resort		
Pantai Bayu Indah Sdn Bhd	Property development: Marina Park Miri	JV (70:30) with LCDA & Samling Strategic Corp.	70%
<b>Woodman Holdings Sdn Bhd</b>	<b>Timber Group</b>		<b>50%</b>
Hormat Saga Sdn Bhd	Timber license holder to extract & sell timber		
Adat Mayang Sdn Bhd	Trading of timber logs		
Interwil Holdings (Proprietary) Ltd	Trading of timber products in South Africa	South Africa	

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

## SAMLING GLOBAL LIMITED<sup>113</sup>



	2005	2006	2007	2008	2009	2010
Turnover million RM	409.1	388.7	561.2	545.3	479.0	598.2
Profit bef. tax million RM	44.6	0	147.4	27.5	-38.4	29.1
Total assets million RM	959,393	894,936	1,316,965	1,353.8	1,244,036	1,279,139
Principal Bankers	AmBank Bhd, ANZ Investment Bank, Bank Muamalat Malaysia Bhd, CIMB Bank Bhd, Malayan Banking Bhd, OCBC Bank (Malaysia) Bhd, RHB Bank Bhd, HSBC Ltd, United Overseas Bank (Malaysia) Bhd					
<a href="http://www.samling.com">www.samling.com</a>	HKSE Stock Code: 3938					

### • Board of Directors 2010

<i>Name</i>	<i>Function</i>	<i>Other</i>
Chan Hua Eng	Non-Executive Director	Lafarge Malayan Cement Berhad, Pacific & Orient Berhad, Glenealy Plantations (Malaya) Berhad
Fung Ka Pun	Independent Non-Executive Director	HK Businessman
Yaw Chee Ming*	CEO	Head of Samling Group
David William Oskin	Independent Non-Executive Director	NZ Australian Businessman
Cheam Dow Toon†	CFO	(Accountant)
Tan Li Pin, Richard	Independent Non-Executive Director	Chinese Businessman

\* Family member of Yaw Teck Seng

### • Subsidiaries, Principal Activities, Description and Ownership 2010

<i>Subsidiary</i>	<i>Principal Activity</i>	<i>Info</i>	<i>Share</i>
Kayuneka Sdn Bhd*	Agent for sale of logs		100%
Tamex Timber Sdn Bhd	Contractor for timber extraction		67%
Syarikat Samling Timber Sdn Bhd*	Contractor for timber extraction, tree plantation & investment holding		100%
Samling-PDT Resources Sdn Bhd	Dormant		49%
Samling Manufacturing Plantation Sdn Bhd*	Dormant		60%
Bukit Pareh Quarry Sdn Bhd	Dormant		67%

<sup>112</sup> IPO Samling Global 2007, Annual Reports Samling Global, Lingui and Glenealy 2005-2010

<sup>113</sup> HKSE: Samling Global Limited Annual Reports 2007-2010

East Coast Forests Limited	Dormant	New Zealand	67%
Tasman Forestry (Gisborne) Limited	Dormant	New Zealand	67%
Barama Housing Inc	Dormant	Guyana	100%
Samling Tongling Co, Ltd	Dormant	Hong Kong	100%
Samling Foothill Co, Ltd	Dormant	Hong Kong	100%
Samling Baroque Holding (Hong Kong) Limited	Dormant	Hong Kong	100%
Samling Baroque Trading (Hong Kong) Limited	Dormant	Hong Kong	100%
Samling Elegant Living Holding (Hong Kong) Ltd	Dormant	Hong Kong	100%
KTN Timor Sdn Bhd*	Extraction and sale of logs	<b>T/0280</b>	100%
Ravencourt Sdn Bhd*	Extraction and sale of logs	<b>T/0294</b>	100%
Samling Wood Industries Sdn Bhd*	Extraction and sale of logs	<b>T/3284</b>	100%
Syarikat Reloh Sdn Bhd*	Extraction and sale of logs	<b>T/3112</b>	100%
Majulaba Sdn Bhd	Extraction and sale of logs	<b>T/9115</b>	70%
Sertama Sdn Bhd*	Extraction and sale of logs	<b>T/3173</b>	100%
Samling Plywood (Lawas) Sdn Bhd*	Extraction and sale of logs	<b>T/0405, T/0404</b>	67%
Dayalaba Sdn Bhd	Extraction and sale of logs	ex T/0298	70%
Merawa Sdn Bhd*	Extraction and sale of logs	<b>T/9082</b>	100%
SIF Management Sdn Bhd*	Extraction & sale of logs & manufacture of veneer		100%
Hikurangi Forest Farms Limited	Forest plantation	New Zealand	67%
Lingui Developments Berhad	Investment holding	Glenealy	67%
TreeOne (Malaysia) Sdn Bhd	Investment holding		67%
Alpenview Sdn Bhd	Investment holding	Glenealy	67%
Hock Lee Plantations Sdn Bhd	Investment holding		67%
Grand Paragon Sdn Bhd	Investment holding		67%
TreeOne (NZ) Limited	Investment holding	New Zealand	67%
Samling Malaysia Inc	Investment holding		100%
Caribbean Esskay Limited	Investment holding	B.V.Islands	100%
Samling China Inc	Investment holding	B.V.Islands	100%
Samling Elegant Living, Inc	Investment holding	B.V.Islands	100%
Samling Labuan Limited	Investment holding		100%
Samling DorFoHom Sdn Bhd*	Investment holding and wood residual trading		86%
Glenealy Plantations (Malaya) Bhd	Investment holding, operation of oil palm plantations, oil mills and forest plantations		36%
Ainokitchen (Malaysia) Sdn Bhd	Kitchen retail, tendering of kitchen products in housing development projects		67%
Samling Flooring Products Sdn Bhd*	Manufacture & sale of flooring products, veneer & plywood		100%
Foremost Crest Sdn Bhd	Manufacture and sale of doors		50%
Magna-Foremost Sdn Bhd*	Manufacture and sale of fiberboard door facings		50%
Eastland Debarking Limited	Log debarking services	New Zealand	50%
Sepangar Chemical Industry Sdn Bhd	Manufacture and sale of formalin and various formaldehyde adhesive resins		47.50%
Daiken Miri Sdn Bhd	Manufacture and sale of fiberboard		30%
Samling Housing Products Sdn Bhd*	Manufacture and sale of housing products		54%
Foothill LVL & Plywood (Cangshan) Co, Ltd	Manufacture and sale of laminated veneer lumber	P.R.China	100%
Samling Chipboard Sdn Bhd	Manufacture and sale of particle board		54%
Riverside Plywood Corporation	Manufacture and sale of plywood and veneer	P.R.China	100%
Samling Plywood (Bintulu) Sdn Bhd*	Manufacture and sale of plywood and veneer, extraction and sale of timber logs	<b>T/3283</b> <b>T/3282</b>	67%
Samling Plywood (Miri) Sdn Bhd*	Manufacture and sale of plywood, extraction and sale of timber logs	<b>T/0413</b>	67%
Samling Plywood (Baramas) Sdn Bhd*	Manufacture and sale of plywood, veneer and extraction and sale of timber logs, <b>MTCC holder</b>	<b>T/0411</b> <b>T/0412</b>	67%
Hock Lee Rubber Products Sdn Bhd	Manufacture and sale of rubber retread compounds		67%
Rimalco Sdn Bhd	Manufacture and sale of sawn timber		40%
Barama Buckhall Inc	Manufacture and sale of sawn timber	Guyana	100%
Barama Company Limited	Manufacture of plywood and sawn timber, extraction and sale of timber	Guyana	100%
Samling Japan Corporation	Market research	Japan	100%
Samling Power Sdn Bhd	Operation of power generating facilities		67%
Samling Trademark Inc	Ownership of trademark	B.V.Islands	100%
Hock Lee Enterprises (M) Sdn Bhd	Property investment		67%
TreeOne Logistic Services Sdn Bhd	Provision of logistic services		65%
Sorvino Holdings Sdn Bhd	Provision of machinery repairs & other services		100%
Lingui Corporation Sdn Bhd	Provision of management services		67%
Ang Cheng Ho Quarry Sdn Bhd	Quarry licensee and operator		67%

Stigang Resources Sdn Bhd	Quarry licensee and operator		67%
Samling Resources Sdn Bhd	Equipment rental		100%
Tinjar Transport Sdn Bhd	Riverine transportation services		67%
Brewster Pty Ltd	Sale and distribution of building materials	Australia	100%
Samling Riverside Co, Ltd	Sale of plywood and flooring products	Hong Kong	100%
Samling Global USA, Inc	Sale of veneer and plywood	USA	100%
Bedianeka Sdn Bhd*	Sales agent		100%
Miri Parts Trading Sdn Bhd	Spare parts, petrol, oil and lubricant traders, insurance agents and provision of repair services		67%
SGL Trading Inc	Trading	B.V.Islands	100%
Samling Reforestation (Bintulu) Sdn Bhd*	Tree plantation		100%
Aino Tech Middle East FZCO	Dormant	U.A.E.	40%
Anhui Tongling Anlin Wood Plantation Co Ltd	Forest plantation	P.R.C.	100%
Baroque Timber (Zhongshan) Co Ltd	Manufacture and sale of flooring products	P.R.C.	70%
Baroque Timber Industry (Tianjin) Co Ltd	Manufacture and sale of flooring products	P.R.C.	70%
Shanghai Elegant Living Timber Products Co Ltd	Sale of flooring products	P.R.C.	70%
Samling Credits (Labuan) Limited	Dormant	Malaysia	100%
Samling NZ Inc.	Dormant	B.V.Islands	100%
Xylos Arteriors India Private Limited	Manufacture and sale of wood products	India	100%
Riverside Flooring Corporation	Manufacture and sale of flooring products	P.R.C.	100%
Ambang Setia Labuan Limited	Trading		100%
Samling Elegant Living Trading (Labuan) Limited	Trading of flooring products		70%
SGL Resources Holding Limited	Dormant	U.A.E.	100%
SGL Plantations Holding Limited	Dormant	U.A.E.	100%
Suzhou Times Flooring Co Ltd	Manufacture and sale of flooring products	P.R.C.	100%
Baroque Timber Industry (Sichuan) Co Ltd	Manufacture and sale of flooring products	P.R.C.	70%

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

#### • Substantial Shareholders 2010

Yaw Teck Seng	60.26 %
Tapah Plantation Sdn Bhd (Ahmad Bin Su'ut*)	5.24 %
Perkapalan Damai Timur Sdn Bhd (60% Datuk Abdul Hamed bin Sepawi**, 40% Wan Morshidi bin Tuanku Abdul Rahman)	5%

\*Ahmad Bin Su'ut Chief Minister Taib Mahmud's *bomoh* (traditional healer and spiritual medium)  
\*\* Ta Ann, first cousin to the Chief Minister, and an important business figure in the CM's family

#### LINGUI DEVELOPMENTS BERHAD<sup>114</sup>



	2004	2005	2006	2007	2008	2009	2010
Turnover million RM	1,162	1,309	1,237	1,629.6	1,489.4	1,292.8	1,442.0
Profit bef. tax mill. RM	45.4	82.0	-15.3	298.5	53.4	-75.7	15.1
Total assets mill. RM	2,600	2,799	2,804	3,156	3,180	2,862	2,675
Principal Bankers	Malayan Banking Berhad, RHB Bank Berhad, HSBC Bank Malaysia Berhad, CIMB Bank Berhad, AmFinance Berhad, AmBank Berhad, OCBC Bank (Malaysia) Berhad, ANZ Investment Bank, Affin Bank Berhad						
	<a href="http://www.lingui.com.my">www.lingui.com.my</a>						KLSE Stock Code: LGDS

#### • Board of Directors (2010)

Name	Function	Other
Chan Hua Eng	Chairman, Independent Non-Executive Director	Director Samling Global, Lafarge Malayan Cement Berhad, Pacific & Orient Bhd, Glenealy Bhd
Dato' Seri Datuk Dr. Haji Jalaluddin bin Abdul Rahim	Deputy Chairman, Independent Non-Executive Director	Various positions with the Malaysian Government
Yaw Chee Ming*	Managing Director Non-Independent Executive Director	CEO Samling Strategic, Director Glenealy

<sup>114</sup> KLSE: Lingui Developments Berhad Annual Reports 2000-2010

Geh Cheng Hooi	Independent Non-Executive Director	Star Publications (Malaysia) Bhd, Paramount Corp Bhd, The Bank of Nova Scotia Bhd, NCB Holdings Bhd, PLUS Expressway Bhd, UTAR Education Found., Malayan Flour Mills Bhd, Huaren Education Foundation, Wawasan TKH Holding Bhd
Cheam Dow Toon†	Finance Director Non-Independent Executive Director	(Accountant)
Datuk Fong Joo Chung	Director	1992-2007 State Attorney-General, Sarawak. Board: Encorp Berhad, Sarawak Energy Berhad (formerly known as Sarawak Enterprise Corporation Berhad), Bintulu Port Holdings Berhad, Syarikat SESCo Berhad, and Sarawak Cables Berhad.
Ho Yam Kuan	Director	

\* Family member of Yaw Teck Seng

• **Assets and Production Figures (2010)**

	Forest Concessions (Sarawak)		Oil Palm Plantation (Sarawak)			Reforestation (Sarawak)		
	Gross Area (ha)	Log Prod. (m3)	Total Land Area (ha)	Planted Area (ha)	Crude Palm Oil (tonnes)	Total Land Area (ha)	Plantable Area (ha)	Planted Area (ha)
2010	NA	*105,1146	---	---	---	NA	NA	NA
2009	1,300,000	816,764	---	---	---	NA	NA	NA
2008	1,300,000	983,240	---	---	---	530,910	264,938	???
2007	NA	1,049,030	---	---	---	NA	NA	NA
2006	NA	890,653	---	---	---	NA	NA	NA

\*without December 2010

• **Substantial Shareholders (2010)**

Yaw Teck Seng 68.11 %

GLENEALY PLANTATIONS (MALAYA) BERHAD<sup>115</sup>



	2004	2005	2006	2007	2008	2009	2010
Turnover million RM	106.3	112.6	107.9	141.1	247.4	175.8	189.5
Profit bef. tax million RM	40.1	33.2	25.9	52.9	144.7	47.1	51.0
Total assets million RM	389	404	413	445	536	551	578
Principal Bankers	Malayan Banking Berhad, RHB Bank Berhad						
<a href="http://www.glenealy.com.my">www.glenealy.com.my</a>	KLSE Stock Code: GLEN						

• **Board of Directors (2010)**

Name	Function	Other
Chan Hua Eng	Chairman, Ind. Non-Ex. Director	Director Samling Global, Lafarge Malayan Cement Berhad, Pacific & Orient Bhd, Lingui Bhd
Yaw Chee Ming*	Man. Director, Non-Ind. Exe. Director	CEO Samling Strategic, Director Lingui
Henry Chin Poy-Wu	Independent Non-Executive Director	Royal Malaysian Police
Thong Yaw Hong	Independent Non-Executive Director	Secretary General of Ministry of Finance Malaysia
Yusof Bin Hussin	Independent Non-Executive Director	Board Malayan Banking, TH Plantations Berhad
Cheam Dow Toon†	Finance Director	(Accountant)

\* Family member of Yaw Teck Seng

• **Subsidiaries, Principal Activities, Description and Ownership(2010)**

Subsidiary	Principal Activity	Info	Share
Puncak Selasih Sdn Bhd	Investment holding and road construction	Malaysia	100%
Amalania Koko Berhad	Oil palm plantation	Malaysia	68.5%

<sup>115</sup> KLSE: Glenealy Plantations (Malaya) Berhad Annual Reports 2000-2010

Timor Enterprises Sdn Bhd	Investment holding, operation of oil palm plantation & oil mill and quarry operations.	Malaysia	100%
PT. Tunas Borneo Plantations	Oil palm plantation and oil mill, & quarry operations	Indonesia	95%
PT. Abdi Borneo Plantations	Oil palm plantation and oil mill, & quarry operations	Indonesia	95%
Titleland Development Sdn Bhd	Oil palm plantation	Malaysia	100%
Shariko (M) Sdn Bhd	Oil palm plantation	Malaysia	100%
Samling Plantation Sdn Bhd	Operation of oil palm plantation and oil mill, forest plantation, & quarry licensee	Malaysia	70%

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

- **Substantial Shareholders (2010)**

Yaw Teck Seng	51.77 %
Perkapalan Damai Timur Sdn Bhd	11.39 %
60% Datuk Abdul Hamed bin Sepawi*, 40% Wan Morshidi bin Tuanku Abdul Rahman	
* Ta Ann, first cousin to the Chief Minister, and an important business figure in the CM's family	
Arif Hemat Sdn Bhd (Wan Morshidi bin Tuanku Abdul Rahman)	2.33%

## WOODMAN GROUP

The Woodman Group is based in Miri and is involved in timber extraction (Woodman Sdn Bhd), shipping (Woodman Shipping Sdn Bhd), oil palm (Woodman Kuala Baram Estate Sdn Bhd, Woodman Plantation Sdn Bhd), coal mining (Contractor for Global Minerals (Sarawak) Sdn Bhd/Pan Global), a golf course ([Eastwood Valley](#)), heavy equipment (fleets of purpose-built vehicles and heavy equipment), training and development (Riam Institute of Technology).

Law Kiu Kiong (Managing Director) and Lau Tang Chin Hang (General Manager) have both been involved in the timber business for over 30 years. Woodman has not only been the main timber contractor for the Samling Group since the inception of Woodman Sdn Bhd in 1982 (six logging camps in Baram region and one in Bintulu)<sup>116</sup>, Woodman Holdings Sdn Bhd also belongs to 50 percent to **Samling** Strategic Corporation Sdn Bhd, and Yaw Chee Ming (CEO Samling) is a director of Woodman<sup>117</sup>.

Company	Principal Activity	Info	Share
Woodman Holdings Sdn Bhd	Holding	Samling 50%	
Woodman Sdn Bhd	Timber extraction		
Woodman Shipping Sdn Bhd	Shipping		
Woodman Kuala Baram Estate Sdn Bhd	Reforestation, oil palm plantation	<b>LPF 004</b> (40,900 ha)	
Woodman Plantation Sdn Bhd	Reforestation, oil palm plantation	<b>LPF 009</b> (10,850 ha)	
Tamar Plantation Sdn Bhd	Oil palm plantation (5,000 ha), Sg. Serupai in Balingian (Mukah)		
Usaha Sepadan Sdn Bhd	Oil palm plantation (5,000 ha), Similajau National Park (Bintulu)		
Riam Institute of Technology	Training and development		

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

- **Assets and Production Figures 2008<sup>118</sup>**

	Forest Concessions		Oil Palm Plantation				Reforestation		
	Gross Area (ha)	Log Prod. (m3)	Total Land Area (ha)	Plantable Area (ha)	Planted Area (ha)	Crude Palm Oil (tonnes)	Total Land Area (ha)	Plantable Area (ha)	Planted Area (ha)
2008	unknown	unknown	50,904		20,000		51,760	32,830	

<sup>116</sup> [www.woodman.com.my/timber\\_ext.html](http://www.woodman.com.my/timber_ext.html); accessed 18.2.2009

<sup>117</sup> [announcements.bursamalaysia.com/\\_482568AD00295D07.nsf/0/482568AD00295D074825700C00339741?Open](http://announcements.bursamalaysia.com/_482568AD00295D07.nsf/0/482568AD00295D074825700C00339741?Open)

<sup>118</sup> [www.woodman.com.my/oil\\_palm\\_cul.html](http://www.woodman.com.my/oil_palm_cul.html); accessed 18.2.2009

## 5.2. RIMBUNAN HIJAU GROUP



**Origin:** Sibul, Sarawak    **Group established:** 1975    [www.rhg.com.my](http://www.rhg.com.my)

**Tycoon: Tan Sri Datuk Tiong Hiew King and his family members:**

Tiong Kiong King (brother), Tiong Thai King (brother – SUPP member of parliament), Tiong Ik King (brother), Tiong Kiu King (brother), Tiong Ai Ling (sister), Tiong Chiong Hoo (son), Tiong Chiong Ong (son), Tiong Ing (daughter), Tiong Choon (daughter), Tiong Ching (daughter), Tiong Chiew (daughter), Tiong Chiong Hee (nephew), Tiong Chiong Ie (nephew), Tiong Jin Choo (nephew), Tiong Chiong Siong (nephew), Puan Sri Datin Ngu Yii Chuo (wife), Law Cheng King (brother-in-law), Leong Soon May (daughter-in-law), James Lau Sze Yuan (son-in-law), Ko Yeu Ying (son-in-law), James Tai Cheong (son-in-law), Bernadette Wong Ngi Suok (sister-in-law), Chan Chiing Hwa (daughter-in-law), Wong Mee Sing (sister-in-law)

**International Activities:**

Sarawak, Malaysia, Australia, British Guyana, Cambodia, Canada, P.R.China, Equatorial Guinea, Gabon, Hong Kong, Indonesia, Korea, Myanmar, New Zealand, Papua New Guinea, Russia, Singapore, USA, Brazil

Rimbunan Hijau (RH) Group, which means "forever green" in Malay, is one of Malaysia's largest multi-industry companies and is headed and owned by Ting Hiew King and his family. Tiong Hiew King is probably the richest Sarawakian,<sup>119</sup> with a controlling interest in as many as six publicly listed companies in Malaysia and Hong Kong: Jaya Tiasa (timber, palm oil), Subur Tiasa (timber), Rimbunan Sawit (palm oil), Media Chinese International Limited (media, Malaysia and HK) and EON Capital (finance). Today, RH not only has its domestic businesses in Sarawak and Malaysia (timber, sawmill, manufacture of plywood, particleboard & veneer, oil palm plantation & processing, media, hospitality, information communication technology, tiger prawn, reforestation, property development, tours & travel, biotech, banking, insurance services, tire retreading, glue manufacturing, trading, human capital development, and education), but also operations in Australia (cattle and property investment), British Guyana (timber and sawmill), Cambodia (media), China (plywood manufacturing, property development, toll road collection, mining and oil), Equatorial Guinea (timber), Gabon (timber, sawmill and manufacturer of veneer), Hong Kong (media and tours & travel), Indonesia (timber), Korea (biotech), Myanmar (oil and gas), New Zealand (timber & reforestation, salmon fishery and plastic products manufacturing), Papua New Guinea (timber, sawmill, manufacture of veneer, media, information technology, hypermarket, property development, shipping and securities), Russia (timber, sawmill and medium-density fiberboard (MDF)), Singapore (information communication technology and shipping) and USA (media).<sup>120</sup> The RH Group is also involved in shipping companies, including Golden Shipping Limited, a subsidiary of Rimbunan Hijau (PNG).

Tiong was born in Sibul, Sarawak, in 1935 and, according to *The Star* newspaper, spent a large part of his teenage years tapping rubber. In 1950, he started working for his uncle, who ran a timber company (Wong Tuong Kwong, now the WTK Group, page 46). A few years later, in 1975, he started his flagship company the Rimbunan Hijau Group and secured a contract to log timber in the Baram Region of Sarawak. Tiong continuously expanded his timber business and got access to extensive timber concessions in Sarawak in the years that followed. With the reverse take-over of Berjaya Textile Bhd in 1994 – renaming the company Jaya Tiasa Holdings Bhd – RH gained access to the Kuala Lumpur Stock Exchange and the new timber

<sup>119</sup> Net worth according to Forbes 1 billion US dollars in 2009, Forbes: Malaysias Richest, [www.forbes.com/lists/2009/84/malaysia-09\\_Tiong-Hiew-King\\_CTPL.html](http://www.forbes.com/lists/2009/84/malaysia-09_Tiong-Hiew-King_CTPL.html), accessed: 17.01.2011.

<sup>120</sup> [www.rhg.com.my](http://www.rhg.com.my), accessed: 17.01.2011.

concessions that Berjaya had accumulated in several countries beforehand. Today, RH has a portfolio of at least one million hectares of timber concessions in Sarawak<sup>121</sup>, with its various international subsidiaries (e.g. [Rimbunan Hijau \(PNG\) Group](#), [Mafrica Corporation Sdn Bhd](#)), and large concessions in Papua New Guinea, Africa (Gabon, Equatorial Guinea) and Russia among others. Palm oil plantations which, in Sarawak, are closely related to reforestation licenses, have become another main focus of the RH Group with its subsidiaries Rimbunan Sawit, Jaya Tiasa and Golden Star Ace. Apart from timber, Tiong is also a media mogul, with Sin Chew Media Corp Bhd, Nanyang Press Holdings Bhd and Ming Pao Enterprise Corp Ltd. In April 2008, these three newspaper groups merged to form [Media Chinese International Limited](#). This became Malaysia's first primary dual listing on the Malaysian and Hong Kong Stock Exchanges. Tiong controls four Chinese newspapers in Malaysia, which have a combined circulation of approximately 2.6 million. Tiong additionally has a Chinese newspaper in Phnom Penh, Cambodia, an English daily, [The National](#), in Papua New Guinea, and interests in several magazines and newspapers in Hong Kong, Toronto, Vancouver and New York through Ming Pao. Apart from his media and timber businesses, Tiong holds 17 percent of the equity in EON Capital. It was recently reported that EON Capital, which wholly owns EON Bank, had made a proposal to acquire Rashid Hussain Bhd (RHB) and RHB Capital Bhd. Utama Banking Group. The latter owns a 31 percent interest in RHB and was a unit of Cahaya Mata Sarawak Bhd, a vehicle of the Sarawak Chief Minister Tan Sri Taib Mahmud who is a close associate of Tiong's.<sup>122</sup>

In Malaysia, the Tiongs have been highly astute in forming strategic alliances with the Malay political elite and are personally involved in the SUPP – the main Chinese Party in Sarawak. Tiong Hiew King has himself been a State Senator and, since 1995, his younger brother, Tiong Thai King, has been a Member of Parliament. The Tiong family companies have a long history of sharing control of their subsidiaries with Provincial Ministers and party officials.<sup>123</sup>

Rimbunan Hijau has been heavily criticized by environmental and humanitarian organizations for human rights abuses, ignoring the indigenous people's human rights, perpetrating political corruption and neglecting the environment. The bad track record of RH - not only in Sarawak but also in Papua New Guinea, Russia and other countries - is both long and well-documented.<sup>124</sup>

The structure of the RH Group is complex and obscure. Various family-owned holding companies, such as Twintop Sdn Bhd, Tiong Toh Siong Enterprises Sdn Bhd, Tiong Toh Siong Holdings Sdn Bhd, Tiong Toh Siong & Sons Sdn Bhd and Teck Sing Lik Enterprise Sdn Bhd, control the group's various subsidiaries on the stock market and other privately-owned companies. The table below sets out companies which are owned by Tiong's family members but are not all listed on the stock exchange. All the data has been extracted from the KLSE annual reports 2005-2010 of Jaya Tiasa (JT), Subur Tiasa (ST) and Rimbunan Sawit (RS):<sup>125</sup>

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<sup>121</sup> Annual Reports KLSE 2008: Jaya Tiasa 713,211 hectares, Subur Tiasa 224,045 ha. It is not possible to say if there are some other RH controlled concessions which are not incorporated in these two KLSE listed companies.

<sup>122</sup> The Star, 02.10.2007, [www.sibu.gov.my/?ruid=&wpid=22&sid=131](http://www.sibu.gov.my/?ruid=&wpid=22&sid=131); accessed: 17.01.2011.

<sup>123</sup> [www.greenpeace.org/raw/content/usa/press-center/reports4/the-untouchables-rimbunan-hij.pdf](http://www.greenpeace.org/raw/content/usa/press-center/reports4/the-untouchables-rimbunan-hij.pdf)

<sup>124</sup> Greenpeace 2006: [Rimbunan Hijau Group: Thirty Years of Forest Plunder](#); Russian Forest Bulletin 1998: [Should one look a gift horse in the mouth?](#); Greenpeace 2004: [Rimbunan Hijau's world of forest crime & political patronage](#); Greenpeace and Forests Monitor 1997: [An Overview of Asian Companies, in Particular Malaysian Companies](#); [www.masalai-i-tokaut.com/](http://www.masalai-i-tokaut.com/); BMF

<sup>125</sup> Collected from IPO Rimbunan Sawit 2006, recurrent #related party transactions 2008, 2008 (Jaya Tiasa, Subur Tiasa, Rimbunan Sawit)

<i>Company</i>	<i>Principal Activity/ Related Party Transaction</i>	<i>Info</i>	<i>Share</i>
Fatherland Sdn Bhd	Investment holding	RS	
Tiong Toh Siong Holdings Sdn Bhd	Investment holding	JT, ST, RS	
Teck Sing Lik Enterprise Sdn Bhd	Investment holding	JT, ST, RS	
Tiong Toh Siong Enterprises Sdn Bhd	Investment holding	JT, ST, RS	
Pertumbuhan Abadi Asia Sdn Bhd	Investment holding	JT, RS	
Rimbunan Hijau Southeast Asia Sdn Bhd	Investment holding	RS	
Rimbunan Hijau (Sarawak) Sdn Bhd	Investment holding	RS	
Kuntum Enterprises Sdn Bhd	Investment holding	JT	
Twintop Sdn Bhd	Investment holding	ST	
Tiong Toh Siong & Sons Sdn Bhd	Investment holding, logging contractor and sale of timber	JT, ST	
ETI Blessed Holdings Sdn Bhd	Investment holding	ST	
Pemandangan Jauh Plantation Sdn Bhd	Investment holding and oil palm plantation	RS	
Darul Hijau Sdn Bhd	Investment holding and plantation contract work	RS	
Marabong Lumber Sdn Bhd	Investment holding and timber contractor	JT	
Priharta Development Sdn Bhd	Investment holding	RS	
Gunong Mulu Lumber Development Sdn Bhd	Logging contract fee	RS, ST	
Millennium Midland Sdn Bhd	Logging contract fee	ST	
Ocean Shores Development Sdn Bhd	Logging contract fee	ST	
Pertumbuhan Kekal Sdn Bhd	Logging contract fee	ST	
Saforin Sdn Bhd	Logging contract fee	RS, ST	
Supreme Timber Products Sdn Bhd	Logging contract fee, sale of logs	ST	
Sovereign Hill Sdn Bhd	Logging contract work and rental equipment	ST	
Baram Lumber Development Sdn Bhd	Logging contract work and trading of timber logs	ST	
Taman Logging Sdn Bhd	Logging contractor and sale of timber	ST, JT	
Hose Mountains Logging Sdn Bhd	Logging contractor and sale of timber	ST, JT	
Rimbunan Hijau Sdn Bhd	Logging contractor and sale of timber	ST, JT	
Meli-Mujong Logging Sdn Bhd	Logging contractor and sale of timber, rental of heavy equipment and transportation	JT	
PJP Pelita Biawak Plantation Sdn Bhd	Oil palm plantation	RS	
Jayamax Plantation Sdn Bhd	Oil palm plantation	RS	
Lubuk Tiara Sdn Bhd	Oil palm plantation	RS	
Pelita-Splendid Plantation Sdn Bhd	Oil palm plantation	RS	
Kendaie Oil Palm Plantation Sdn Bhd	Oil palm plantation <sup>126</sup>	RS	
Tumbuh Tiasa Enterprises Sdn Bhd	dormant (Rimbunan Sawit 2009)	RS	
Ladang Hijau (Sarawak) Sdn Bhd	Plantation	RS	
Sri Idaria Plantation Sdn Bhd	Plantation contract work	RS	
Cahaya Ladang Sdn Bhd	Plantation contract work	RS	
RH Lundu Palm Oil Mill Sdn Bhd	Processing of palm oil	JT	
RH Selangau Palm Oil Mill Sdn Bhd	Processing of palm oil	RS, JT	
Binamewah Sdn Bhd*	Purchase of logs	JT, ST	
Moverstar (M) Sdn Bhd	Sale of timber products	JT	
Hubwood Sdn Bhd	Sale of timber products	JT	
Perpuluhan Jaya Sdn Bhd*	Purchase of logs	JT, ST	
Lukutan Enterprises Sdn Bhd	Purchase of logs	JT, ST	
Sarica Enterprise Sdn Bhd	Purchase of logs	ST	
Bornion Timber (Sarawak) Sdn Bhd*	Purchase of logs	ST	
Twinfield Sdn Bhd*	Purchase of logs	ST	
R.H. Forest Corporation Sdn Bhd	Reforestation License <b>LPF 029, LPF 030, LPF 034</b>	ST, JT	
Rejang Height Sdn Bhd	Reforestation License <b>LPF 025, LPF 026, LPF 031, LPF 035, LPF 036, LPF 037</b>	ST, JT	
Unique Wood Sdn Bhd*	Sale of logs	ST	
RH Development (S) Sdn Bhd	Helicopter chartering	JT	
Kuraya Enterprise Sdn Bhd	Helicopter chartering	JT	
Tropical Vision Sdn Bhd	Helicopter chartering	JT	
Rimbunan Petrogas Ltd.	Helicopter chartering	JT	
Palmgroup Holdings Sdn Bhd	Helicopter chartering	JT	
Rimbunan Hijau (PNG) group of companies	Helicopter chartering	JT	
Saraju Holding Sdn Bhd	Purchase of timber products	JT	
Petanak Enterprises Sdn Bhd	Purchase of raw materials	JT	
Tapak Megah Sdn Bhd	Contract fee for log harvesting	JT	
Kejuruteraan Utama Sentiasa Sdn Bhd	Purchase of spare parts, fuel & lubricants	JT	

<sup>126</sup> KLSE Company Announcement June 2009:

[announcements.bursamalaysia.com/EDMS/Annweb.nsf/all/482568AD00295D0748257604003AF466/\\$File/RSB%20-%20Main%20Announcement.pdf](http://announcements.bursamalaysia.com/EDMS/Annweb.nsf/all/482568AD00295D0748257604003AF466/$File/RSB%20-%20Main%20Announcement.pdf)

Rejang Green Agriculture Supplies Sdn Bhd	Purchase of spare parts, fuel & lubricants (Jaya Tiasa 2009)	JT
Gunung Mulu Lumber Development Sdn Bhd	Purchase of spare parts, fuel & lubricants (Jaya Tiasa 09)	JT
Surplus Resources Sdn Bhd	Purchase of spare parts, fuel & lubricants (Jaya Tiasa 09)	JT
R.H. Tours and Travel Agency Sdn Bhd	Purchase of air tickets (Jaya Tiasa 2009)	JT
Evershine Agency Sdn Bhd	Insurance charges (Jaya Tiasa 2009)	JT
Lajong Lumber Company Sdn Bhd	Freight and handling charges paid/payable	ST
Oriental Evermore Sdn Bhd	Towage and freight charges (Jaya Tiasa 2009)	JT
Trans-Allied Sdn Bhd	Towage and freight charges (Jaya Tiasa 2009)	JT
Syarikat Perkapalan C.H. Ling Sdn Bhd	Towage and freight charges (Jaya Tiasa 2009)	JT
Transport Resources Sdn Bhd	Towage and freight charges (Jaya Tiasa 2009)	JT
Raya Abadi Sdn Bhd	Logpond/office rental (Jaya Tiasa 2009)	JT
Regalia Ritz Enterprise Sdn Bhd	Hotel accommodation (Jaya Tiasa 2009)	JT
Comserv (Sarawak) Sdn Bhd	Computer hardware (Jaya Tiasa 2009)	JT
Borneo Tunas Sdn Bhd	Logging contract fee income (Subur Tiasa 2008)	ST
All-Round Tyres Sdn Bhd	Purchase of tires (Rimbunan Sawit 2008)	RS
Caiyuan Corporate Sdn Bhd	Rental of motor vehicles (Rimbunan Sawit 2008)	RS
Rejang Logging Co. Sdn Bhd	Timber merchant	ST, JT
Lieen Groups Sdn Bhd	Timber operation	ST
Haling Gaya Sdn Bhd	Trading of timber logs	RS
Deruan Sinar Sdn Bhd	Workshop management (Rimbunan Sawit 2008)	RS
Global Learning Network Sdn Bhd	Staff training (Rimbunan Sawit 2008)	RS
Inter- Link Transport Sdn Bhd	Transportation charges (Rimbunan Sawit 2008)	RS
Rimbunan Hijau Academy Sdn Bhd	Staff training expenses (Rimbunan Sawit 2008)	RS
Rh Biotech Sdn Bhd	Fertilizer testing charges (Rimbunan Sawit 2008)	RS
Sin Hong Guan Co. Sdn Bhd	Purchase of spare parts (Rimbunan Sawit 2008)	RS
Rimbunan Hijau General Trading Sdn Bhd	Trading (Jaya Tiasa 2009)	JT
Rejang Healthcare Corporation Sdn Bhd	Investment holding? (Rimbunan Sawit 2008)	RS

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

## JAYA TIASA HOLDINGS BERHAD<sup>127</sup>



	2004	2005	2006	2007	2008	2009	2010
Turnover million RM	488.8	664.9	686.9	855.0	793.7	756.5	746.0
Profit bef. tax mill. RM	47.6	69.3	64.5	161.6	63.3	22.8	40.0
Total assets million RM	1,107	1,227	1,378	1,631	1,866	2,108	2,157
Principal Bankers	AmBank Berhad, DBS Bank Ltd, RHB Bank Berhad, CIMB Bank Berhad, OCBC Bank (Malaysia) Berhad						

[www.jayatiasa.net](http://www.jayatiasa.net)

KLSE Stock Code: JTIA

### • Board of directors 2010

Name	Function	Other
Tan Sri Abdul Rahman Bin Abdul Hamid	Ind. Non-Executive Chairman	1992-1994 Chief of the Malaysian Army & Defense Force, Lembaga Tabung Angkatan Tentera
Mr John Leong Chung Loong	Ind. Non-Executive Director	
Dr Tiong Ik King*	Non-Ind. Non-Ex. Director	Board EON Capital Bhd, Media Chinese Int. Ltd.
Datuk Talib Bin Haji Jamal	Ind. Non-Executive Director	2004-2007 Commissioner of Police, Sarawak
Ms Wong Lee Yun	Ind. Non-Executive Director	2004-2008 Director Sin Chew Media Corp Bhd
Dato' Sri Tiong Chiong Hoo*	Group Managing Director	
Mdm Tiong Choon*	Non-Ind. Non-Ex. Director	(Accountant)
Mr Tiong Chiong Hee*	Non-Ind. Non-Ex. Director	Mafrica Corporation Sdn Bhd

\* Family members of Tiong Hiew King

### • Subsidiaries, Principal Activities, Description and Ownership 2010

Subsidiary	Principal Activity	Info	Share
Jaya Tiasa Forest Plantation	Development and maintenance of planted forests and forest plantation contractor	LPF 023, LPF 024, LPF 028	100%
Hariyama Sdn Bhd	Development of oil palm plantations		100%
Simalau Plantation	Development of oil palm plantations and related activities (oil palm plantation)	Oil Palm 15'600 ha (LPF 035)	100%

<sup>127</sup> KLSE: Jaya Tiasa Annual Reports 2000-2010

Guanaco Sdn Bhd	Dormant		100%
Maujaya Sdn Bhd	Dormant	Ex T/3143	100%
Mantan Sdn Bhd	Dormant	Ex T/3138	100%
Maxiwealth Holdings Sdn Bhd	Dormant		100%
Jaya Tiasa Aquaculture Sdn Bhd	Dormant		100%
Multi Greenview Sdn Bhd	Dormant		100%
JT Oil Palm Development Sdn Bhd	Dormant		100%
Curiah Sdn Bhd	Extraction and sale of logs	<b>T/3113</b>	89%
Sericahaya Sdn Bhd	Extraction and sale of logs	<b>T/3114</b>	89%
Jaras Sdn Bhd	Extraction, purchase and sale of Logs	<b>T/3044</b>	100%
Mafrica Trading Sdn Bhd	General trading and heli logging services		40%
Jaya Tiasa Plywood Sdn Bhd*	Manufacture and sale of sawn timber, veneer, blockboard and plywood		100%
Rimbunan Hijau Plywood Sdn Bhd*	Manufacture and sale of sawn timber, blockboard and plywood		100%
Jaya Tiasa Timber Products Sdn Bhd*	Manufacture and sale of sawn timber, plywood & veneer		100%
Hak Jaya Sdn Bhd*	Marketing of timber logs	<b>T/3134</b>	100%
Kunari Timber Sdn Bhd*	Marketing of timber logs		100%
Jaya Tiasa Aviation Sdn Bhd	Provision of air transportation services		100%
Jaya Tiasa R&D Sdn Bhd	Research and development and sale of seeds		100%
Eastern Eden Sdn Bhd	Timber operations, development of oil palm plantations	oil palm 10,000 ha	100%
Poh Zhen Sdn Bhd	Timber operations, development of oil palm plantations	oil palm 5,000 ha	100%
Erajaya Synergy Sdn Bhd	Timber operations, development of oil palm plantations		100%
Eastern Timber Ltd.	Dormant	<b>Malaysia</b>	100%
Eastern Green Company Inc.	Dormant	<b>USA</b>	100%
Atlantic Evergreen Holdings	Investment holding	<b>Cayman Islands</b>	100%
Atlantic Timber Holdings Ltd	Investment holding	<b>Cayman Islands</b>	100%
Pacific Timber Holdings Ltd	Investment holding	<b>Cayman Islands</b>	100%
Western Timber Resources Ltd	Investment holding	<b>Cayman Islands</b>	100%
Selvaplac Verde Ltda. (i)	Investment holding	<b>Brazil</b>	66%

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

#### • Assets and Production Figures 2005-2010

	Forest Concessions		Oil Palm Plantation			Reforestation			
	Gross Area (ha)	Log Prod. (m3)	Total Land Area (ha)	Plantable Area (ha)	Planted Area (ha)	Crude Palm Oil (tonnes)	Total Land Area (ha)	Plantable Area (ha)	Planted Area (ha)
2010	713,211	*846,920	83,480	69,055	52,877	*252,811	235,859	141,307	30,063
2009	713,211	1,026,438	83,480	69,055	45,571	155,767	235,859	141,307	26,323
2008	713,211	1,224,124	83,480	69,055	36,404	92,226	71,797	41,684	8,256
2007	713,211	1,129,062	83,480	69,055	24,525	50,098	71,797	41,684	5,245
2006	713,211	1,007,735	83,480	69,055	12,000	19,997	71,797	NA	NA
2005	713,211	1,001,331	83,480	69,055	5,400	---	NA	NA	NA

\*2010 without December

#### • Substantial Shareholders (2010)

Tiong Hiew King with various investment holdings in Rimbunan Hijau Group	27.34 %
Genine Chain Limited, Asanas Sdn Bhd (Ho Cheung Choi, Chang Meng)	22.88 %
Double Universal Limited (Ho Sau Ling (Ella); Tomoyuki Tatsuno)	16.42 %

## SUBUR TIASA HOLDINGS BERHAD<sup>128</sup>

	2004	2005	2006	2007	2008	2009	2010
Turnover million RM	692.0	532.5	508.4	550.9	604.0	598.4	679.9
Profit bef. tax mill. RM	88.7	109.6	93.1	88.6	30.0	25.3	46.3
Total assets million RM	NA	473	491	788	845	881	893
Principal Bankers	United Overseas Bank (Malaysia) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, RHB Bank Berhad						
<a href="http://www.suburtiasa.com.my">www.suburtiasa.com.my</a>						KLSE Stock Code: STHB	

### • Board of Directors 2010

Name	Function	Others
Tan Sri Dr. Wong Soon Kai	Chairman, Independent Director	Several state ministerial positions, 1994 - 1996 Deputy Chief Minister of Sarawak, SUPP
Mr. Tiong Kiong King*	Vice Chairman	Board Rimbanan Sawit
YBhg. Dato' Tiong Ing*	Managing Director	
Datuk William Lau Kung Hui	Independent Director	Board Ekran Berhad 1967-1970 Political Secretary Chief Minister Sarawak, 1970-1974 Member of Council Negeri Sarawak, 1974-1981 Political Secretary to Deputy Prime Minister & YAB Prime Minister of Malaysia, 1981-1987 Senator
Datuk Kenneth Kanyan Anak Temenggong Koh	Independent Director	
Madam Ngu Ying Ping	Independent Director	(Accountant)

\* Family members of Tiong Hiew King

### • Subsidiaries, Principal Activities, Description and Ownership 2010

Subsidiary	Principal Activity	Info	Share
Subur Tiasa Plywood Sdn Bhd*	Manufacture and sale of plywood and veneer		100%
Subur Tiasa Particleboard Sdn Bhd*	Manufacture and sale of particleboard		100%
R H Timber Processing Industries Sdn Bhd*	Manufacture and sale of sawn timber		100%
Trimogreen Sdn Bhd*	Manufacture and sale of sawn timber and finger joint moldings		100%
Subur Tiasa Forestry Sdn Bhd*	Forest plantation contractor		100%
Sarawak Plywood (M) Sdn Bhd*	Logging, sawmilling and marketing of logs and sawn timber	T/0133 T/0190 T/0191	100%
Homet Raya Sdn Bhd	Supply of electricity		100%
Palmlyn Sdn Bhd	Cultivation of oil palm		100%
T. Q. Oriental Sdn Bhd	Operation of a grocery store		100%
Supreme Standard Development Sdn Bhd	Property holding and development		100%
Allied Asiatic Sdn Bhd	Towage and transportation services		100%
Joyful Realty Sdn Bhd	Property holding and development		100%
Diamond Plywood Sdn Bhd	Dormant		100%
AA Plywood Sdn Bhd	Dormant		100%
Excele Timber Sdn Bhd	Dormant		100%
Victory Round Sdn Bhd	Dormant		100%
Infrapalm Sdn Bhd *	Dormant		100%
JPH Enterprise Sdn Bhd	Dormant		100%
Blessings Realty Sdn Bhd	Dormant		100%
Semarak Veneer & Plywood Sdn Bhd *	Dormant		100%
Borneo Lumber Industries Sdn Bhd*	Manufacture and sale of sawn timber		100%
Blessings Palm Sdn Bhd *	Cultivation of oil palm		100%
JPH Logging Sdn Bhd *	Logging contractor		100%
Grace Million Sdn Bhd	Dormant		100%
Joyful Shipping Sdn Bhd	Dormant		100%
Saraju Holding Sdn Bhd	Extraction and sale of logs	T/????	100%

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

<sup>128</sup> KLSE: Subur Tiasa Annual Reports 1999-2010

- **Assets and Production Figures 2005 - 2010**

	Forest Concessions		Oil Palm Plantation			Reforestation			
	Gross Area (ha)	Log Prod. (m3)	Total Land Area (ha)	Plantable Area (ha)	Planted Area (ha)	Crude Palm Oil (tonnes)	Total Land Area (ha)	Plantable Area (ha)	Planted Area (ha)
2010	NA	*500,423	NA	NA	NA	*25,041	NA	NA	35,377
2009	NA	629,673	NA	NA	NA	6,216	NA	NA	NA
2008	224,045	574,581	5,000	5,000	5,000	---	NA	NA	9,450
2007	NA	538,658	5,000	---	---	---	NA	NA	5,900
2006	NA	614,309	5,000	---	---	---	NA	NA	NA

\*without December 2010

- **Substantial Shareholders 2010**

Tiong Hiew King	49.05 %
Kinta Hijau Sdn Bhd (Datuk Kenneth Kanyan Anak Temenggong Koh – Iban Leader)	9.00 %
Raya Abadi Sdn Bhd (Abul Kassim bin Maharam, Nedri bin Napi)	8.86 %

## RIMBUNAN SAWIT BERHAD<sup>129</sup>

	2006	2007	2008	2009	2010
Turnover million RM	59.3	153.9	212.0	TBA	TBA
Profit bef. tax mill. RM	11.6	26.9	54.1	TBA	TBA
Total assets million RM	250	221	135	TBA	TBA
Principal Bankers	RHB Bank, Malayan Banking, OCBC Bank (Malaysia), Hong Leong Bank				
<a href="http://www.rsb.com.my">www.rsb.com.my</a>	KLSE Stock Code: RIMB				

- **Board of Directors 2009**

Name	Function	Other
Tiong Hiew King*	Executive Chairman	Head RH Group
Tiong Kiong King*	Non-Ind. Non-Ex. Vice Chairman	Board Subur Tiasa
Tiong Chiong Ong*	Managing Director	Director EON Bank Bhd
Tiong Chiong Ie*	Non-Ind. Non-Executive Director	Director Technodex Bhd, Hornbilland Bhd
Bong Wei Leong	Independent Director	(Accountant)
Tiong Ing Ming	Independent Director	

\* Family members of Tiong Hiew King

- **Subsidiaries, Principal Activities, Description and Ownership 2009**

Subsidiary	Principal Activity	Info	Share
Timrest Sdn Bhd	Cultivation of oil palm		100%
Baram Trading Sdn Bhd	Cultivation of oil palm		85%
Nescaya Palma Sdn Bhd	Cultivation of oil palm		85%
R.H. Plantation Sdn Bhd	Cultivation of oil palm and processing of palm oil		100%
Lumiera Enterprise Sdn Bhd	Cultivation of oil palm (acquired in 2009)	2009	100%
Woodijaya Sdn Bhd	Cultivation of oil palm (acquired in 2009)	2009	85%
Rimbunan Sawit Holdings Berhad	Investment holding		100%
Midas Plantation Sdn Bhd	Plantation		100%

- **Assets and Production Figures 2009**

	Oil Palm Plantation (Sarawak)			
	Total Land Area (ha)	Plantable Area (ha)	Planted Area (ha)	Crude Palm Oil (tonnes)
2009	31,627	NA	NA	NA
2008	20,574	NA	13,663	59,459
2007	13,663	NA	13,663	64,341
2006	13,663	NA	13,663	68,711

- **Substantial Shareholders**

Tiong Hiew King	53.31 %
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<sup>129</sup> KLSE: Rimbunan Sawit Annual Reports 2006-2009

### 5.3. WTK GROUP



**Origin:** Sibul, Sarawak    **Group established:** 1940s    [www.wtk.com.my](http://www.wtk.com.my)

**3 brothers of Wong Tuong Kwuong† (father), Tiong Lang Ting (mother)**

Wong Hong Huong (sister), Wong Chuo Kee (sister), Wong Ngo Huong (sister),

**Wong Kie Nai**, Ma Wai Fong (spouse), Wong Hou Lianq (son), Mimi Wong Hou Wai (daughter), Patrick Wong Haw Yeong (nephew)

**Wong Kie Chie**, Lim Ann Pin (spouse),

**Wong Kie Yik**, Patrick Wong Haw Yeong (son), Annie Wong Haw Bing (daughter), Audrey Wong Haw Ing (son)

**International Activities:** Sarawak, Japan, Taiwan, South Korea, P.R. China, India, Thailand, Pakistan, USA, Indonesia, Papua New Guinea, Australia, Brazil

The WTK Group's role in the forest industry dates back to the 1940s when it was the pioneer swamp-logging contractor in Sarawak. Since then, the group has grown to be one of the leading players, holding and managing millions of hectares of timber concession around the world. The Group is also well diversified in land development (WTK Realty Sdn Bhd, WTK Realty Builder Sdn Bhd, WTK & Co Sdn Bhd), trading (Syarikat Kalulong Sdn Bhd, WTK Trading Sdn Bhd, WTK Enterprises Sdn Bhd), manufacturing (General Aluminium Works (M) Sdn Bhd, Loytape Industries Sdn Bhd), plantation, oil milling, hotel industry (Harbour View Hotel), travel service (WTK Travel Service Sdn Bhd) and food (Sing Chew Coldstorage Sdn Bhd). The WTK Group is headed by the three sons of Wong Tuong Kwuong (WTK): Wong Kie Nai, Wong Kie Chie and Wong Kie Yik. WTK is also the pioneer in the heli-harvesting of timber in Malaysia, operates three plywood and veneer mills in Sarawak and has its own shipping department (fleet of 40 units of different types of inland and marine vessels). The group has become a key player in the palm oil industry with a land bank of 120,000 hectares for oil palms (including WTK Holdings Berhad).<sup>130</sup>

WTK is involved in forestry operations in Papua New Guinea (PNG) with a concession of 400,000 hectares, in Indonesia, and was also formerly in the Republic of Central Africa and in Brazil. In Brazil, WTK was accused of illegally logging indigenous people's land in the Amazon.<sup>131</sup>

Only a part of WTK is listed on the KLSE through WTK Holdings Berhad, for instance:<sup>132</sup>

<i>Company</i>	<i>Principal Activity</i>	<i>Info</i>	<i>Share</i>
Harbour-View Realty Sdn Bhd	Purchase of logs		
Elite Honour Sdn Bhd	Logging operation		
W T K Trading Sdn Bhd	Sawn timber sales		
Golden Cash Harvest Sdn Bhd	Logging operation		
Tekun Enterprise Sdn Bhd	Logging operation		
Jati Bahagia Sdn Bhd*	Logging operation, purchase of logs	Logging operator for Usama Ind.	
Protection Gloves Sdn Bhd*	Purchase of logs		
Hung Ling Sawmill Sdn Bhd*	Purchase of logs		
Faedah Mulia Sdn Bhd*	Purchase of logs		
Sabal Sawmill Sdn Bhd	Purchase of logs	<b>T/6046</b>	
Lundu Sawmill Sdn Bhd*	Purchase of logs	<b>T/0023</b>	
Harvard Rank Sdn Bhd*	Purchase of logs		
Trumac Industries Sdn Bhd*	Purchase of logs		
Oxford Empire Sdn Bhd*	Purchase of logs		
Harvard League Sdn Bhd	Purchase of logs		
Ocarina Development Sdn Bhd*	Investment holding, logging operations		
Kosa Bahagia Sdn Bhd	Investment holding		

<sup>130</sup> [www.wtk.com.my](http://www.wtk.com.my); accessed: 17.01.2011.

<sup>131</sup> [www.greenpeace.org/raw/content/international/press/reports/deni-demarcation-wtk-and-the.pdf](http://www.greenpeace.org/raw/content/international/press/reports/deni-demarcation-wtk-and-the.pdf)

<sup>132</sup> [announcements.bursamalaysia.com/EDMS/subweb.nsf/0/69aa1b7e88e0edbc48256bc900325eac/\\$FILE/WTK-Circular.pdf](http://announcements.bursamalaysia.com/EDMS/subweb.nsf/0/69aa1b7e88e0edbc48256bc900325eac/$FILE/WTK-Circular.pdf); KLSE (2008): Annual Reports WTK Holdings Berhad 2009, Homepage WTK ([www.wtk.com.my](http://www.wtk.com.my)) accessed: 17.01.2011.

Common Elite Venture Sdn Bhd	Purchase of logs	
Sunrise Megaway Sdn Bhd	Purchase of logs	
WTK Reforestation Sdn Bhd	Purchase of logs	<b>LPF 033</b>
WTK Enterprises Sdn Bhd	Trading, purchase of spare parts	
WTK Realty Sdn Bhd*	Investment holding, logging operation	
Beststart (M) Sdn Bhd*	Logging operation, contract fee paid	
Systematic Logging Sdn Bhd*	Logging operation, contract fee paid	
United Agencies Sdn Bhd	Logging operation, contract fee paid	
Caiman Ventures Sdn Bhd	Logging operation, contract fee paid	
Ann Yun Logistics Sdn Bhd	Logging operation, contract fee paid	
WTK Timber Exporter Sdn Bhd	Export of logs	
Victrovest Sdn Bhd*	Export of logs	
Triumpac Sdn Bhd*	Export of logs	
Syarikat Miri Sawmill Sdn Bhd*	Export of logs	
Simbol Strategik Sdn Bhd	Export of logs	
KN Wong (M) Sdn Bhd	Export of logs	
Harbour View Realty Sdn Bhd	Export of logs	
Exultant Enterprise Sdn Bhd	Export of logs	
TAB Timber (Sarawak) Sdn Bhd	Manufacture and sale of sawn timber	
BHB Sdn Bhd	Oil palm plantation	
Durafarm Sdn Bhd	Oil palm plantation	
Medan Mestika Sdn Bhd	Oil palm plantation	
Suajaya Mahir Crop Sdn Bhd	Oil palm plantation	
Harvard Master Sdn Bhd	Oil palm plantation	
WTK Oil Mill Sdn Bhd	Oil palm mill	
Utahol Sdn Bhd	Oil palm plantation	
Oxford Glory Sdn Bhd	Oil palm plantation	
Southwind Plantation Sdn Bhd	Oil palm plantation	
Tajang Laing Holdings Sdn Bhd	Oil palm plantation	
Imbok Enterprise Sdn Bhd	Oil palm plantation	

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

• **Assets and Production Figures (including WTK Holdings Bhd)<sup>133</sup>**

	Forest Concessions		Oil Palm Plantation			Reforestation			
	Gross Area (ha)	Log Prod. (m3)	Total Land Area (ha)	Plantable Area (ha)	Planted Area (ha)	Crude Palm Oil (tonnes)	Total Land Area (ha)	Plantable Area (ha)	Planted Area (ha)
2010	850,000	???	83,000		40,000	625,000	144,472	89,656	

**WTK HOLDINGS BERHAD<sup>134</sup>**

	2004	2005	2006	2007	2008	2009	2010
Turnover million RM	557.9	605.2	614.1	704.1	686.3	812.2	554.6
Profit bef. tax million RM	53.3	98.7	70.8	156.0	70.3	60.3	-3.6
Total assets million RM	936	1,058	1,086	1,166	1,426	1,530	1,538
Principal Bankers	HSBC Bank Malaysia Bhd, RHB Bank Bhd, Citibank Bhd, OCBC Bank (Malaysia) Bhd						
<a href="http://www.wtkholdings.com">www.wtkholdings.com</a>	KLSE Stock Code: WTKH						

• **Board of Directors (2009)**

Name	Function	Other
Datuk Wong Kie Yik*	Non-Ind. Non-Ex. Director/ Chairman	STA Chairman, Senator Malaysia 86 - 92
Datuk Seri Abdul Manap bin Ibrahim	Ind. Non-Executive Director / Deputy Chairman	Deputy Chief of Malaysia Army Malaysian Armed Forces
Datuk Wong Kie Nai*	Executive Director / CEO	Senator of Malaysia 1977 - 1983
Mr Wong Kie Chie*	Non-Ind. Non-Executive Director	
Ms Tham Sau Kien	Independent Non-Executive Director	
Mr Patrick Wong Haw Yeong*	Non-Ind. Non-Executive Director	

\* Family members

<sup>133</sup> www.wtk.com.my, accessed: 17.01.2011.

<sup>134</sup> WTK Annual Report 2005-2009

## Subsidiaries (2009)

<i>Subsidiary</i>	<i>Principal activities</i>	<i>Info</i>	<i>Share</i>
GAW Marketing Sdn Bhd	Ceased operations		87.2%
General Gomma (M) Sdn Bhd	Ceased operations		69.6%
QPA Sdn Bhd	Ceased operations		55.6%
General Aluminium Works (M) Sdn Bhd	Conversion of aluminium foils, packaging, & others		87.2%
Samanda Equities Sdn Bhd	Dormant		100%
Samanda Marketing Corporation Sdn Bhd	Dormant		100%
Flexitronics Packaging Corporation Bhd	Dormant		100%
Biofield Plantations Sdn Bhd	Dormant		100%
Splendid Trend Sdn Bhd	Dormant		100%
WTK-YINK Heli Harvesting Sdn Bhd	Dormant		100%
Biogreen Success Sdn Bhd	Dormant		100%
Towering Yield Sdn Bhd	Dormant		100%
Biofresh Produce Sdn Bhd	Dormant		100%
Biogrow City Sdn Bhd	Dormant		100%
Bioworld Synergies Sdn Bhd	Dormant		100%
First Count Sdn Bhd*	Extraction and sale of timber logs	<b>T/3148</b>	100%
Limpah Mewah Sdn Bhd*	Extraction and sale of timber logs	<b>T/3001</b>	100%
Ninjas Development Sdn Bhd*	Extraction and sale of timber logs	<b>T/3080</b>	100%
Sanitama Sdn Bhd*	Extraction and sale of timber logs	<b>T/3132</b>	100%
Sut Sawmill (3064) Sdn Bhd*	Extraction and sale of timber logs	<b>T/3064</b>	100%
Zapstat Sdn Bhd	General and commission agent		61%
Winning Plantation Sdn Bhd	Investment holding		100%
Central Mercantile Corp. (M) Sdn Bhd	Investment holding		100%
W T K Heli-Logging Sdn Bhd	Logging contractor and operation of a barge		100%
Piramid Intan Sdn Bhd*	Logging operator, purchase & sale of timber logs	For STIDC: T/3401	100%
Loytape Industries Sdn Bhd	Manufacture & sale of adhesive and gummed tapes & investment holding		100%
Linshanhao Plywood (Sarawak) Sdn Bhd*	Manufacture and sale of plywood		100%
Kuching Plywood Bhd*	Manufacture & sale of plywood & sawn timber		100%
Gopoint Sdn Bhd*	Manufacture and sale of sawn timber		100%
Woodbanks Industries (M) Sdn Bhd*	Manufacture and sale of sawn timber		100%
Cairnfield Sdn Bhd*	Manufacture & sale of veneer, plywood, sawnt.&logs		100%
Sarawak Moulding Industries Bhd*	Manufacture, purchase & sale of sawn timber		100%
Dusun Nyiur Sdn Bhd	Property investment and car park operation		100%
Immense Fleet Sdn Bhd	Reforestation and the planting and management of an oil palm plantation	<b>LPF 022, LPF 032</b>	100%
Samanda Marketing & Sales Sdn Bhd	Renting of property, plant and equipment and trading of adhesive tapes		99.6%
Song Logging Company Sdn Bhd*	Sawmilling, extraction & sale of logs / sawn timber	<b>T/3081</b>	100%
Central Mercantile Corp. (S) Ltd (Singap.)	Trading in tapes, foil and papers	Singapore	100%
Samanda Trading Sdn Bhd	Trading of adhesive and gummed tapes and packaging related products		100%
Biogrow City Plantations Sdn Bhd (Limbang Plantations Sdn Bhd)	Planting and management of oil palm plantation		85%
Biofresh Produce Plantations Sdn Bhd (Eastbourne Properties Sdn Bhd)	Planting and management of oil palm plantation		80%
Positive Deal Sdn Bhd	Planting & management of oil palm plantations		65%
Interglobal Empire Sdn Bhd	Extraction and sale of logs		100%

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

### • Assets and Production Figures (2008)

	Forest Concessions			Oil Palm Plantation			Reforestation		
	Gross Area (ha)	Log Prod. (m3)	Total Land Area (ha)	Plantable Area (ha)	Planted Area (ha)	Crude Palm Oil (tonnes)	Total Land Area (ha)	Plantable Area (ha)	Planted Area (ha)
2008	320,000	594,268	57,000		5,000		131,157	76,995	11,000

### • Substantial Shareholders (2009)

Wong Kie Family

32.25%

## 5.4. TA ANN GROUP



**Ta Ann**

**Origin:** Sibul, Sarawak

**Group established:** 1980s

**no homepage**

**Wong Kuo Hea**, Tiong Sie Hee (spouse), Wong Kuok Kai (brother), Wong Siik Ong (Onn) (son), Wong Kuok Kiong (brother), Wong Ai Hua (sister), Lau Hie Ping (brother-in-law), Wong Ka Hiap (nephew)

**Datuk Abdul Hamed Bin Haji Sepawi**, Kuintan Bte Mohamed Sepawi (sister)

**Sa'id Bin Haji Dolah**, Ali Mat Bin Haji Dolah (brother), Datuk Wahab Bin Haji Dolah (brother – member of parliament)

**Pui Chin Jang @ Pui Chin Yam**

Ting Lina @ Ding Lina, Ting Jack Ming @ Ding Jack Ming

**International Activities:** Sarawak, Australia, Japan, P.R. China

In the mid-1980s, a group of businesspeople and politicians led by Datuk Wahab Bin Haji Dolah, Datuk Abdul Hamed Bin Haji Sepawi (first cousin of CM Taib) and Dato Wong Kuo Hea, formed a small trading company and started timber extraction from a timber concession located in the Kapit district that was awarded to Pasin Sdn Bhd (T/3135) in 1985. Hariwood was established in 1987 to extract timber from the concession. In response to the Sarawak Government's initiative to develop the timber downstream industry, Lik Shen Sawmill was established in 1991 to carry out sawmilling operations. The Ta Ann Group then ventured further downstream with the establishment of Ta Ann Plywood in 1993 and Lik Shen Sawmill. Later, Ta Ann Group secured another timber concession through Woodley<sup>135</sup>. In 2010, the listed company Ta Ann Holdings held six timber concessions for a total of 440,389 ha. The company acquired further timber rights, expanding into timber harvesting and shipping operations, and subsequently diversifying into downstream wood-based industries and reforestation. Ta Ann Holdings Berhad was incorporated in February 1997 as a holding company and listed on the KLSE 1999.<sup>136</sup>

The following companies are linked to the principal shareholder Datuk Abdul Hamed Bin Haji Sepawi (with a major interest in other KLSE listed companies, such as Sarawak Plantations Bhd 30.36%, Naim Holdings Bhd 11.8% and Sarawak Energy Bhd), Wong Kuo Hea, Datuk Wahab Bin Haji Dolah and Pui Chin Jang @ Pui Chin Yam<sup>137</sup>, who are at the same time prominent political representatives and are closely linked to the Chief Minister of Sarawak:

<i>Company</i>	<i>Principal Activity/ Related Party Transaction</i>	<i>Info</i>	<i>Share</i>
Mountex Sdn Bhd	Investment holding		
Woodhead Sdn Bhd*	Investment holding, trading of logs		
Upaya Rajang Sdn Bhd	Investment holding		
WHS Holdings Sdn Bhd	Investment holding		
Butrasemari Sdn Bhd	Investment holding		
Perkapalan Pelayaran Sdn Bhd	Investment holding		
UBIS Pty Ltd	Investment holding		
Goldmakers Sdn Bhd	Investment holding		
Butrasemari Sdn Bhd	Investment holding		
Kian Kuo Enterprise Sdn Bhd	Investment holding		
Perkapalan Pelayaran Sdn Bhd	Investment holding		
Queenwest Corporation Pty Ltd	Investment holding		
Timbaru Sdn Bhd	Investment holding		
Isumart Sdn Bhd	Investment holding		

<sup>135</sup> Ta Ann IPO Bursa Malaysia 1999

<sup>136</sup> <http://www.taann.com.my/bs-timber.html>; accessed: 17.01.2011.

<sup>137</sup> [announcements.bursamalaysia.com/EDMS/subweb.nsf/0/4bb0f124642ee0b0482574390019b48a/\\$FILE/TAANN-Circular.pdf](http://announcements.bursamalaysia.com/EDMS/subweb.nsf/0/4bb0f124642ee0b0482574390019b48a/$FILE/TAANN-Circular.pdf)

Village Resort Sdn Bhd	Investment holding		
Syarikat Sempurna Sdn Bhd	Investment holding		
Electimber Sdn Bhd	Timber contractor		
Ironwall Sdn Bhd	Timber contractor		
Kintameru Sdn Bhd	Timber contractor		
All Key Enterprise Sdn Bhd	Timber contractor		
Grand Perfect Sdn Bhd	Contractor for reforestation projects	<b>LPF 001</b>	35%
Ribu Hijau Sdn Bhd	Transportation of timber related products		
Riveron Shipping Sdn Bhd	Transportation of timber related products		
Yimanda Corporation Sdn Bhd	Transportation of timber related products		
Genting Bahagia Sdn Bhd	Timber trading		
Kemena Forest Development Sdn Bhd	Timber trading		
Mitsumoku Sdn Bhd*	Timber trading		
Queenwest Timber Supplies Pty Ltd	Timber trading (Australia)		
South East International Ltd	Timber trading (Japan)		
Timber Dimension Sdn Bhd*	Timber trading and sawmilling		
Lik Shen Enterprise Sdn Bhd*	Timber trading		
<b>Enderlin Sdn Bhd</b>	Timber merchant		
<b>Wasawood Sdn Bhd*</b>	Timber marketing		
<b>Sumilinsa Sdn Bhd</b>	<b>Sales of timber logs and sawn timber</b>		
<b>Growin Sdn Bhd</b>	<b>Trading of timber logs and sawn timber</b>		
Perkapalan Pelayaran Sdn Bhd	Timber trading, contractor and transportation		
Panglo Timbers Sdn Bhd*	Timber extraction and trading		
Sin Lee Sawmill Sdn Bhd*	Timber concession licensee, sawmill and trading of logs	<b>T/0001</b>	
WHK Enterprise Sdn Bhd	Timber trading and investment in corporate securities		
Ladang Selezu Sdn Bhd	Oil palm plantation		
Palmhead Sdn Bhd	Oil palm plantation		
Sebubu Sdn Bhd	Oil palm plantation		
Wangsa Global Sdn Bhd	Transportation of oil palm related products		
Treasure Hill Sdn Bhd			

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

## TA ANN HOLDINGS BERHAD<sup>138</sup>

	2004	2005	2006	2007	2008	2009	
Turnover million RM					672	740	
Profit bef. tax million RM					120	48	
Total assets million RM					1,117	1,310	
Principal Bankers	HSBC Bank (Malaysia) Berhad, Malayan Banking Berhad, OCBC Bank (Malaysia) Berhad, RHB Bank Berhad, AmBank (M) Berhad, EON Bank Berhad						
<a href="http://www.taann.com.my">www.taann.com.my</a>						KLSE Stock Code	TAANN

### • Board of Directors (2009)

Name	Function	Other
Abdul Hamed Bin Hajji Sepawi*	Executive Chairman	Chairman Naim Holdings Bhd and Sarawak Energy Bhd, Director of Sarawak Plantation Bhd
Wong Kuo Hea*	Group Managing Director /CEO	
Sa'id Bin Haji Dolah*	Executive Director	
Pui Chin Jang @ Pui Chin Yam*	Non-Ind. Non-Ex. Director	former Chairman of the Sarawak Timber Association
Datuk Abang Haji Abdul Karim Bin Tun Abang Haji Openg	Senior Independent Non-Executive Director	
Awang Bemeë Bin Awang Ali Basah	Ind. Non-Executive Director	
Chia Chu Fatt	Ind. Non-Executive Director	

\* Substantial Shareholders

<sup>138</sup> Ta Ann Annual Report 2007-2009

- **Subsidiaries and Associates (2009)**

<i>Subsidiary</i>	<i>Principal activities</i>	<i>Info</i>	<i>Share</i>
Multi Maximum Sdn Bhd	Cultivation of oil palms		85%
Ta Ann Pelita Silas Plantation Sdn Bhd	Cultivation of oil palms		60%
Ta Ann Pelita Igan Plantation Sdn Bhd	Cultivation of oil palms		60%
Mega Bumimas Sdn Bhd	Cultivation of oil palms		100%
Borneo Tree Seeds & Seedlings Supplies Sdn Bhd	Development of tree plantation, production and commercial supplies of seeds and seedlings		61%
Menyan Plantation Sdn Bhd	Dormant		100%
Easan Plantation Sdn Bhd	Dormant		100%
Aldehyde Chemicals Sdn Bhd	Dormant		100%
Tabes Sdn Bhd	Dormant		100%
Zumida (Padi) Sdn Bhd	Dormant		100%
Zumida Sdn Bhd	Extraction & sale of logs, investment holding & development of planted forest	<b>LPF 002</b> (6'570 ha)	100%
Tanjong Manis Holdings Sdn Bhd	Extraction and sale of timber logs	<b>T/3491</b>	100%
Ta Ann Plantation Sdn Bhd	Investment holding and provision of management services		100%
Hariwood Sdn Bhd	Logging and plantation contractor		100%
Ta Ann Plywood Sdn Bhd*	Manufacture and sale of plywood, trading of timber logs, tree planting and oil palms	<b>LPF 010</b> (102'881 ha) <b>LPF 040</b> (197'250 ha)	100%
Lik Shen Sawmill Sdn Bhd*	Manufacture and sale of sawn timber and other timber products		100%
Ta Ann Tasmania Pty Ltd	Manufacture and sale of wood veneer	Australia	84%
M.J. Wood Co. Ltd.	Marketing of timber products	Japan	45%
Tatatze Sdn Bhd	Oil palm plantation contractor		40%
Manis Oil Sdn Bhd	Operation of palm oil mill		100%
Ta Ann Eco-Timber Industries (YZ) Pty Ltd	Plywood mill in Yang Zhou (25.4.2008)	P.R.China	
Tanahead Sdn Bhd	Property development and property investment		100%
Woodley Sdn Bhd*	Timber concession licensee and trading of logs	<b>T/3346</b>	100%
Pasin Sdn Bhd	Timber concession licensee and trading of logs	<b>T/3135</b>	100%
Raplex Sdn Bhd*	Timber concession licensee and trading of logs	<b>T/0560</b>	100%
Borlin Sdn Bhd	Timber concession licensee and trading of logs	<b>T/0342</b>	100%
Ta Ann Pelita Durin Plantation Sdn. Bhd	dormant.		50%
Ta Ann Eco-Timber Industries	Manufacture and trading of veneer		100%
Sejahtera Ultima	Timber concession licensee and trading of logs	<b>T/3430</b>	
Questate Sdn Bhd*	Trading of logs		100%
Europalm Sdn Bhd	Cultivation of oil palms		100%
Igan Oil Mill Sdn Bhd	Operation of palm oil mill		67%
Daro Oil Mill Sdn Bhd	Operation of palm oil mill		100%

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

- **Assets and Production Figures 2008**

	Forest Concessions		Oil Palm Plantation			Reforestation			
	Gross Area (ha)	Log Prod. (m3)	Total Land Area (ha)	Plantable Area (ha)	Planted Area (ha)	Crude Palm Oil (tonnes)	Total Land Area (ha)	Plantable Area (ha)	Planted Area (ha)
2008	557,000	509,130	54,649		18,211	169,389	306,701	155,987	6,000

- **Substantial Shareholders (2009)**

Datuk Wahab Bin Haji Dolah	25.90 %
Wahab Dolah, Assistant Minister for Infrastructure Development	
Datuk Abdul Hamed Bin Haji Sepawi	25.90 %
Abdul Hamid bin Sepawi first cousin to the Chief Minister, and an important business figure in the Chief Minister's family (Naim Cendera)	
Dato Wong Kuo Hea	27.54 %

## 5.5. KTS GROUP



**Origin:** Sibul, Sarawak

**Group established:** 1965

No official website

**Dato Sri Lau Hui Kang**†, Lau Lee Kong (son), Lau Lee Ming (son), Lau Lee Kiong (son), Robert Lau Hoi Chew† (brother – SUPP Member of Parliament, Deputy Minister of Transport)

**Lau Swee Nguong @ Lau Sui Guang**, Robert Lau Hui Yew (son)

**Haji Wan Mohd. Shebli bin Wan Hamid**, Tuan Haji Wan Abdillah bin Wan Hamid (brother)

**International Activities:** Sarawak, Sabah, West Malaysia, Indonesia, P.R. China, Brazil, Australia

The KTS Group is a diversified conglomerate with business interests in logging, timber processing, tree plantation, food processing (Unistate Seafood (Sabah) Sdn Bhd), insurance, feed mill operations, aquaculture, shipbuilding, property development (Crown Tower, Crown Square, the Central Park Commercial Centre), information technology, tourism, silica sand mining ([Syarikat Sebangun](#)), trading of heavy equipment and education. In addition to this, KTS has invested in media in Sarawak and Sabah ([The Borneo Post](#), The Sunday Post, Utusan Borneo, and the Chinese daily, Oriental Daily News, See Hua Daily).<sup>139</sup> Presently, Hui Kang's three sons manage and run the group's domestic and global businesses and Henry Lau is managing director of the KTS Group of Companies.

The enterprise started with a small hill-logging operation in 1965 and, today, is one of the big names in logging operations working in forest concessions throughout Sarawak. It is also engaged in heli-logging, and the group has gone global with investments in timber projects in the Yunnan and Sichuan provinces in China as well as the Amazon Basin in Brazil. In 1999, the group had six sawmills with eight production lines, seven kiln drying plants, four molding, laminating and finger-jointing plants and three plywood and veneer mills in Sarawak alone. The statement made by Lau Hui Kang in one of the few sources available on the group is typical of one of the most intransparent groups: "We are not listed. We use largely our own capital to do business and do not resort to a high-level of borrowings. We do not invest in publicly-quoted shares".<sup>140</sup>

KTS was the first timber group in Sarawak to venture into oil palm in its own logged-over areas with a plantation that was started in 1987 under an associate company, Bintulu Lumber Development in Niah. This company was listed on the KLSE in 2003 under BLD Plantation. In addition to its plantation partnership with STIDC, KTS Plantation has entered into an agreement with the Sabah Government to manage a forest concession of 57,247 ha at Segaliud Lokan Forest Reserve in the Sandakan area.<sup>141</sup>

KTS group is a complex conglomerate with only BLD Plantation (palm oil) publicly listed on the KLSE. The following subsidiaries and investment holdings belong to or are linked to the KTS Group<sup>142</sup>:

<i>Company</i>	<i>Principal Activity/ Related Party Transaction</i>	<i>Info</i>	<i>Share</i>
K.T.S. Holdings Sdn Bhd	Investment holding		
BLD Holding Sdn Bhd	Investment holding		
Izin Indah Sdn Bhd	Investment holding		
C.A Trading Sdn Bhd	Investment holding		
Faircom Enterprises Sdn Bhd	Investment holding		
Commercial Agencies Sdn Bhd	Investment holding		

<sup>139</sup> [findarticles.com/p/articles/mi\\_qn6207/is\\_19990701/ai\\_n24902597](http://findarticles.com/p/articles/mi_qn6207/is_19990701/ai_n24902597); accessed: 17.01.2011.

<sup>140</sup> [findarticles.com/p/articles/mi\\_qn6207/is\\_19990701/ai\\_n24902597](http://findarticles.com/p/articles/mi_qn6207/is_19990701/ai_n24902597); accessed: 17.01.2011.

<sup>141</sup> [www.fao.org/docrep/007/ae535e/ae535e08.htm](http://www.fao.org/docrep/007/ae535e/ae535e08.htm); accessed: 17.01.2011.

<sup>142</sup> KLSE: IPO BLD Plantation 2003, Annual Reports BLD Plantation 2008, and various announcements

Vasty Development Sdn Bhd	Investment holding		
Glass Sand Co Bhd	Investment holding		
Hua Lim Holdings Bhd	Investment holding		
Tanah Himpun Bhd	Investment holding		
Katas Holdings Bhd	Investment holding & provision of management services		
Summer Pacific Sdn Bhd	Agricultural project, JV with Chinese firm		
Grand Perfect Sdn Bhd	Contractor for reforestation projects	<b>LPF 001</b>	35%
Katas Credit Leasing Bhd	Credit financing		
Selamat Timber Co Bhd	Dormant		
KTS Trading Sdn Bhd*	Export of logs		
KTS Lumber Sdn Bhd	Export of logs		
KTS Logs Marketing Sdn Bhd*	Export of logs		
Bright Wood Trading Sdn Bhd*	Export of logs		
GT Plywood Sdn Bhd*	Export of logs		
Hock Ling Sawmill Co Sdn Bhd*	Export of logs		
KTS Sdn Bhd*	Export of logs		
KTS Timbers Sdn Bhd*	Export of logs		
Adat Budi Sdn Bhd*	Export of logs		
See Hua Realty Bhd	Investment in real estate		
Hock Tong Hin Sawmill Co Bhd	Investment in shares		
Bellwood Sdn Bhd	Logging operation		
Choicewood Sdn Bhd	Logging operation		
Gabung Trading Sdn Bhd	Logging operation		
Kastima Lumber Sdn Bhd	Logging operation		
Recent Timber Sdn Bhd*	Logging operation		
Hua Seng Sawmill Co Bhd*	Logging, sawmilling and shipping		
Hwa Sen Holdings Bhd	Management and investment holding		
GT Plywood Industries Sdn Bhd*	Manufacture and sale of plywood and veneer		
Bright Wood Sdn Bhd*	Manufacture and sale of plywood and veneer		
Baya Veneer & Plywood Ind. Sdn Bhd*	Manufacture and sale of plywood and veneer		
Hwa Sen Veneer & Plywood Ind. Sdn Bhd*	Manufacture and sale of plywood and veneer		
Kai Ming Press Sdn Bhd	Media		
See Hua Daily News Bhd	Media		
Cahaya Sukma Sdn Bhd	Media: Oriental Daily		
Rimba Istimewa Sdn Bhd	Oil palm		
Gayanis Sdn Bhd	Oil palm plantation (12,212 ha) Sawai, Suai (Miri)		
Wawasan Sedar Sdn Bhd	Oil palm plantation (17,009 ha), Rasan, Lavang & Takis		
KTS PUSAKA	Oil palm plantation (55,752 ha), Kakus, (Belaga)		
PUSAKA KTS Forests Plantation Sdn Bhd	Oil palm plantation (55,752 ha) & reforestation	JV 30% STIDC <b>LPF 011, LPF 012, LPF 013</b>	30%
KTS Agriculture	Oil palm plantation (6,245 ha), Kabang Land Dist. (Sibu)		
KTS Pelita (Simunjan) Sdn Bhd	Oil palm plantation (7,900 ha), Simunjan (Sri Aman)	Ex. Sabal Kruin	
KTS Timber Industries Bhd*	Plywood product manufacture	35% Grand Perf	
L C N Wood Industries Sdn Bhd*	Processing and sale of sawn timber		
KTS Timber Processing Sdn Bhd*	Processing and sale of sawn timber	JV 30% STIDC	70%
Baya Lumber Sdn Bhd*	Processing and sale of sawn timber		
Tampang Enterprise Sdn Bhd	Property		
Hua Lim Sawmill Bhd	Sawmill and logging operation		
Kuching Lumber Holdings Bhd	Sawmilling & logging operation, investment holding		
Kuching Timber Store Sawmills Bhd*	Sawmilling and logging operation		
Perkayuan Sukma Sdn Bhd	Timber concession licensee	<b>T/3290</b>	
Hamiko Rimba Sdn Bhd	Timber concession licensee	<b>T/0235</b>	
Timberplus Sdn Bhd	Timber concession licensee	<b>T/0341</b>	
Jelita Timber Sdn Bhd	Timber concession licensee	<b>T/0285</b>	
<i>unknown</i>	Timber concession licensee	<b>T/4155</b>	
Juta Intelek Sdn Bhd*	Timber concession licensee and logging operation	<b>T/0429</b>	
Hua Aik Sawmill Co Bhd*	Timber concession licensee, sawmilling & logging	<b>T/0094</b>	
Shin Hua Sawmill Co Bhd*	Timber concession licensee, sawmilling & logging opera.	<b>T/0106</b>	
DKR Tractors & Equipment Sdn Bhd			
Rela Aman Sdn Bhd			
KTS Insurance Agencies Sdn Bhd			
Ultra Building Maintenance Sdn Bhd			
Kaduna Cleaning Services Sdn Bhd			
KTS Igan Bridge Sdn Bhd			
Kunciraya Sdn Bhd			
Sunny Crops Sdn Bhd			
KTS Forest Management Sdn Bhd			

Noble Corporation Sdn Bhd

Talent Active Sdn Bhd

Chia Bee Enterprise Sdn Bhd

Sarawak Construction (1963) Sdn Bhd

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

• **Assets and Production Figures 2008**

	Forest Concessions (Sarawak)		Oil Palm Plantation (Sarawak)			Reforestation (Sarawak)		
	Gross Area (ha)	Log Prod. (m3)	Total Land Area (ha)	Planted Area (ha)	Crude Palm Oil (tonnes)	Total Land Area (ha)	Plantable Area (ha)	Planted Area (ha)
2008	unknown	unknown	98,885	19,064	NA	278,762	244,485	NA

**BLD PLANTATION BERHAD<sup>143</sup>**

	2004	2005	2006	2007	2008	2009	2010
Turnover million RM	87.0	144.2	128.0	134.2	152.0	518.2	823.1
Profit bef. tax mill. RM	18.5	34.8	24.7	25.7	47.1	57.0	39.6
Total assets mill. RM	363	388	473	536	621	880	964
Principal Bankers	AmInvestment Bank Bhd, HSBC Bank Malaysia Bhd, Malayan Banking Bhd, RHB Bank						
<a href="http://www.bld.com.my">www.bld.com.my</a>							KLSE Stock Code: BLDPLNT

• **Board of Directors (2009)**

Name	Function	Other
Dato Henry Lau Lee Kong*	Executive Chairman	Managing Director KTS Group of Companies
Haji Wan Abdillah bin Wan Hamid*	Executive Director	Government Officer for 19 years
Chong Chon Chee	Ind. Non-Executive Director	(Accountant)
YB Haji Hamden bin Haji Ahmad	Ind. Non-Executive Director	Board Naim Cendera Holdings and Sarawak Plantations, Assistant Minister Sarawak Cabinet
Robert Lau Hui Yew*	Non-Executive Director	KTS Group

• **Subsidiaries (2009)**

Subsidiary	Principal activities	Info	Share
Bintulu Lumber Development Sdn Bhd*	Oil palm plantation (33,414 ha), palm oil milling and sales of related products	Ex T/0127	100%
Kirana Palm Oil Refinery Sdn Bhd	Intended for palm oil refinery		100%
Grand Mutual Sdn Bhd	Oil palm plantation (4,856 ha)		100%
Niamas Istimewa Sdn Bhd	Oil palm plantation (2,700 ha)		70%
BLD Resources Sdn Bhd	Oil palm plantation (1,803 ha)	Land acquired in 2005	70%
Rela Aman Sdn Bhd	Letting of property		80%

• **Assets and Production Figures (2009)**

	Oil Palm Plantation (Sarawak)		
	Total Land Area (ha)	Planted Area (ha)	Crude Palm Oil (tonnes)
2009	NA	NA	17.56
2008	53,030	26,030	NA

▪ **Substantial Shareholders (2009)**

Dato Henry Lau Lee Kong	42.27%
Lau Swee Nguong @ Lau Sui Guang	40.13%
Haji Wan Abdillah bin Wan Hamid	20.38 %
A former General Manager of Sarawak Timber Industrial Development Corporation (STIDC)	

<sup>143</sup> KLSE: BLD Plantation Berhad Annual Reports 2003-2009

## 5.6. SHIN YANG GROUP



**Origin:** Miri, Sarawak    **Group established:** 1983 [www.shinyang.com.my](http://www.shinyang.com.my)

**Ling Chiong Ho**, Ling Chiong Sing (brother), Ling Chiong Pin (brother), Ling Chiong Sieng (brother), Ling Lu Kang (son)

**International Activities:** Sarawak, unknown

Shin Yang Sdn Bhd was incorporated in 1983 and has many subsidiaries. The group is engaged in logging and timber processing, pulp and oil palm plantations, shipping and shipbuilding, quarrying, asphalt and building materials, public transport, barrage, real estate, property development and general trading.<sup>144</sup>

Chiong Ho and his brothers grew up in the (Chinese-dominated) village of Fuzhou in Sibuluan. In the late 1960s they left their farm-based home to work in the construction industry as laborers in Miri. After they had saved enough money to buy a few wooden tugs and steel hull barges in the early 1980s for transporting timber products, including logs, from Baram, they started their timber extraction business. Since then, they have continuously expanded their business both upstream and downstream in the timber sector.<sup>145</sup>

During the 1980s Shin Yang entered the domestic shipping business with Shin Yang Shipping Sdn Bhd and, in 1994, the group entered the international shipping business (Shinline Sdn Bhd and Thailine Sdn Bhd). It has a current fleet of 11 ocean liners in all, transporting cargo, including machinery, timber and steel products, to Southeast Asia, Japan, South Korea, China, Hong Kong, Taiwan, India, Papua New Guinea and, recently, to the Arabic Emirates. With its Piasau Shipways Sdn Bhd and Shin Yang Shipyard Sdn Bhd, the group also builds cargo vessels, oil and chemical tankers, tugboats and barges for the domestic and international market. In 2010, Shinyang listed its shipping operations on the KLSE under Shin Yang Shipping Corporation Bhd. Shin Yang Trading Sdn Bhd is in the business of wholesale and distribution networks for products used in logging, timber processing, shipbuilding, shipping, construction, civil engineering and quarrying. In recent years, Shin Yang has invested its profits in other segments including public transport (Miri City Bus Sdn Bhd, Miri Belait Transport Sdn Bhd), bunkering and petrol stations (Shin Yang Services Sdn Bhd), the media (United Daily News, Miri Daily), real estate, and property development. Two big-scale development projects are currently underway: the Boulevard Shopping Mall in Kuching (opening 2010) and the Imperial Apartment Hotel in Miri.<sup>146</sup>

In 2009, Shin Yang was investigated by the Human Rights Commission of Malaysia (SUHAKAM).

Shin Yang is also aggressively venturing into oil palm and became a substantial shareholder (30%) in Sarawak Oil Palms (SOP) listed on the Malaysian stock exchange. In 2000, Shin Yang tried to incorporate most of the group's subsidiaries (timber, shipping and quarrying) into Sarawak Oil Palms but merger was not approved by the SOP shareholders. In 2005, SOP entered into a joint venture agreement with Shin Yang Holding Sdn Bhd to develop an area of 10,387 ha oil plantations through Danum Jaya Sdn Bhd<sup>147</sup>.

The following companies are related to the Shin Yang Group:<sup>148</sup>

<sup>144</sup> [www.shinyang.com.my](http://www.shinyang.com.my); accessed: 17.01.2011

<sup>145</sup> [http://findarticles.com/p/articles/mi\\_qn6207/is\\_20070301/ai\\_n24910784/](http://findarticles.com/p/articles/mi_qn6207/is_20070301/ai_n24910784/); 17.01.2011

<sup>146</sup> [www.shinyang.com.my](http://www.shinyang.com.my); accessed: 17.01.2011

<sup>147</sup> KLSE: Annual Reports and Company Announcements Sarawak Oil Palms Berhad

<sup>148</sup> [announcements.bursamalaysia.com/EDMS/subweb.nsf/ac90728b32e6190f482574390033f001/3561cfbcc84d6d0a4825745f00352dc3/\\$FILE/SOP-Circular.pdf](http://announcements.bursamalaysia.com/EDMS/subweb.nsf/ac90728b32e6190f482574390033f001/3561cfbcc84d6d0a4825745f00352dc3/$FILE/SOP-Circular.pdf)

<i>Company</i>	<i>Principal Activity/Related Party Transaction</i>	<i>Info</i>	<i>Share</i>
Danum Trading Sdn Bhd*	Export of logs		
Linau Jaya Sdn Bhd*	Export of logs		
Piasau Trading Sdn Bhd*	Export of logs		
Rimex Trading Sdn Bhd*	Export of logs	Zedtee	
Shin Yang Trading Sdn Bhd*	Export of logs, purchase of lubricant, spare parts and tires for tractors and machinery		
Rimex Sdn Bhd*	Export of sawn timber	Zedtee	
Shin Yang Industries (Bintulu) Sdn Bhd	Extraction and marketing of timbers	30% STIDC	
Shin Yang Holding Sdn Bhd	Investment holding		
Shin Yang Plantation Sdn Bhd	Investment holding (SOP)		
Melinau Transport Sdn Bhd	Land transportation services		
Shin Yang Laminated Board Sdn Bhd*	Manufacture and trading of wood products		
Shin Yang Plywood (Bintulu) Sdn Bhd*	Manufacture of decorative plywood & other wood products	21% STIDC	
Shin Yang Plywood Sdn Bhd*	Manufacture of plywood and veneer		
Shin Yang Wood Systems Sdn Bhd*	Manufacture of plywood and veneer		
Forescom Plywood Bhd*	Manufacture of plywood and veneer		
Shin Yang Sawmill Sdn Bhd*	Manufacture of sawn timber		
Zedtee Plywood Sdn Bhd*	Manufacture of sawn timber, plywood and veneer		
Linau Mewah Sdn Bhd	Oil palm mill?		
Green Wood Estate Sdn Bhd	Oil palm plantation	386 ha	
Jati Vista Sdn Bhd	Oil palm plantation	4,047 ha	
Primaluck (M) Sdn Bhd	Oil palm plantation	4,582 ha	
Shin Yang Oil Palm Sdn Bhd	Oil palm plantation	13,888 ha	
Dai Lieng Machinery Sdn Bhd	Purchase of spare parts (SOP 2008)		
Dai Lieng Trading Sdn Bhd	Purchase of spare parts (SOP 2008)		
Shin Yang Services Sdn Bhd	Purchase of diesel and petrol		
Hollystone Quarry Sdn Bhd	Purchase of spare parts		
Shin Yang Forestry Sdn Bhd*	Reforestation	<b>LPF 017</b> (65,178 ha) <b>LPF 018</b> (155,930 ha) <b>LPF 019</b> (36,840 ha)	
Zedtee Sdn Bhd	Reforestation, logging contractor	<b>LPF 039</b> (14,970 ha)	
Kedasa Sdn Bhd	Timber concession licensee	<b>T/3127</b>	
Ostasia Sdn Bhd	Timber concession licensee	<b>T/0363</b>	
Mazama Sdn Bhd	Timber concession licensee	<b>T/0305</b>	
Boulevard Hypermarket & Departmental Store Sdn Bhd	Purchase of spare parts		
Kian Hang Hardware Sdn. Bhd	Purchase of spare parts		
Kian Hang Plastic Sdn. Bhd	Purchase of spare parts		
Menawan Wood Sdn Bhd	Purchase of spare parts		
Piasau Gas Sdn Bhd	Purchase of spare parts		
Piasau Industries Sdn Bhd	Purchase of spare parts		
Piasau Hydraulic Hose Sdn Bhd	Purchase of spare parts		
Shin Yang Sdn Bhd			
Scott and English Trading (Sarawak) Sdn Bhd	Purchase of spare parts		
Bay Villa Sdn Bhd	Property, plant and equipment		
Boulevard Jaya Sdn Bhd	Property, plant and equipment		
Miri Belait Transport Company Sdn Bhd	Transportation charges		
Pekerjaan Piasau Konkerit Sdn Bhd	Purchase of spare parts		

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

- Assets and Production Figures 2008 (including SOP Berhad)

	<b>Forest Concessions</b>			<b>Oil Palm Plantation</b>			<b>Reforestation</b>		
	Gross Area (ha)	Log Prod. (m3)	Total Land Area (ha)	Plantable Area (ha)	Planted Area (ha)	Crude Palm Oil (tonnes)	Total Land Area (ha)	Plantable Area (ha)	Planted Area (ha)
2008	unknown	unknown	97,126		unknown	unknown	272,918	157,745	unknown

## SARAWAK OIL PALMS BERHAD<sup>149</sup>

	2004	2005	2006	2007	2008	2009	
Turnover million RM					439.5	683.5	
Profit bef. tax million RM					151.4	208.6	
Total assets million RM					902	1'264	
Principal Bankers	HSBC Bank Malaysia Bhd, AmInvestment Bank Bhd, CIMB Bank Bhd, Malayan Banking Bhd, OCBC Bank (Malaysia) Bhd						
<a href="http://www.sop.com.my">www.sop.com.my</a>						KLSE Stock Code	SOP

### • Board of Directors

Name	Function	Other
Datuk Ling Chiong Ho*	Group Executive Chairman	Shin Yang Group of Companies, Deputy Chairman STA
Ling Chiong Sing*	Non-Executive Director	Shin Yang Group
Tang Tiong Ing*	Non-Executive Director	(Accountant)
Hasbi Bin Suhaili	Non-Executive Director	Pelita Holdings Sdn Bhd
Gerald Rentap Jabu	Non-Executive Director	Executive Director of Utahol Management Sdn Bhd
Fong Tshu Kwong	Ind. & Non-Ex. Director	Board Kim Hin Industry Bhd
Dominic Lai Yew Hock	Ind. & Non-Ex. Director	Non-Board Technodex Bhd
Ling Lu Kang*	Ind. & Non-Ex. Director	
Wong Ngie Yong	Ind. & Non-Ex. Director	

\* Family members (Shin Yang)

### • Subsidiaries and Associates

Subsidiary	Principal activities	Info	Share
SOP Karabungan Sdn Bhd	Cultivation of oil palms		70%
SOP Plantation (Balingian) Sdn Bhd	Cultivation of oil palms		80%
SOP Plantations (Niah) Sdn Bhd	Cultivation of oil palms		80%
SOP Plantations (Kemena) Sdn Bhd	Cultivation of oil palms	Formerly known as Danum Jaya Sdn Bhd	65%
SOP Plantations (Suai) Sdn Bhd	Cultivation of oil palms		85%
SOP Plantations (Borneo) Sdn Bhd	Cultivation of oil palms		85%
SOP Plantations (Beluru) Sdn Bhd	Cultivation of oil palms		60%
SOP Pelita Bekenu & Niah Plantation Sdn Bhd	Cultivation of oil palms		50%
Ebal Plantation Sdn Bhd	Inactive		100%
SOP Plantations (Sarawak) Sdn Bhd	Investment holding		100%
SOP System Sdn Bhd	Rendering of IT services		100%
SOP Resources Sdn Bhd	Supplies of goods	Formerly known as SOP Pelita Kedayan-Kelulut Plantation Sdn Bhd	100%

### • Assets and Production Figures 2008

	Oil Palm Plantation			
	Total Land Area (ha)	Plantable Area (ha)	Planted Area (ha)	Crude Palm Oil (tonnes)
2008	74,223	NA	37,477	161,991
2009	74,223	NA	44,500	226,919

### • Substantial Shareholders

Shin Yang Plantation Sdn Bhd	29.86 %
Pelita Holdings Sdn Bhd	26.04 %

<sup>149</sup> KLSE: Annual Reports and Company Announcements Sarawak Oil Palms Berhad

## 5.7. OTHER TIMBER COMPANIES

This chapter contains information about other key timber players in Sarawak.

### 5.7.1. EKCRAN BERHAD

**Ting Pek Khiing** is a prominent business figure in Sarawak and is involved in the logging and timber business. In addition to being Chairman of Ekran Berhad in Malaysia, the largest property and land developer in Malaysia, he is also Chairman of Pacific Chemicals Berhad, Wembley Industries Holdings Berhad, Granite Industries Berhad, PWE Industries Berhad, and Bakun Hydro-Electric Corporation Berhad.

The family of Ting Pek Khiing, with his sons, Ting Sie Chuong, Datuk Ting Sie Ping and Ting Sie Huong and his wife, Wong Sui Chuo, has substantial interests in the following companies:<sup>150</sup>

<i>Company</i>	<i>Principal Activity</i>	<i>Info</i>	<i>Share</i>
Wadasbina Sdn Bhd (Woodhouse Sdn Bhd)	Property development, timber extraction & trading	Ting Pek Khiing	
Ekran Project Management Sdn Bhd	Project construction works & properties	Ekran	100%
Ekran Logging Sdn Bhd*	Project construction works & sale of timber	Ekran	100%
Ekran Timber & Sawmill Sdn Bhd*	Timber logging and sawmilling	Ekran	100%
Ekran Plantations Sdn Bhd	Oil palm plantation (11,575 ha)	Ekran	100%
Langkasuka Marina Development Sdn Bhd	Property development	Ekran	60%
Bakun Management Sdn Bhd	Management of the construction of Bakun Hydro-Electric Dam - ceased operations	Ekran	100%
Saeaga Airlines Sdn Bhd	Provision of air transportation and related activities - ceased operations	Ekran	100%
Langkawi Airport Hotel Sdn Bhd	Hotel business	Ekran	99.9%
Ekran Holdings (Philippines) Inc	Investment holding (Philippines)	Ekran	100%
Ekran Services Inc	Resort business and casino operation - ceased operations (Philippines)	Ekran	100%
Sarawak Pulp Industries Sdn Bhd	Extraction and marketing of timber	Ting Pek Khiing <b>LPF 015</b>	
Equatorial Timber Marketing Sdn		Ting Pek Khiing	
Mashyur Mutiara Sdn Bhd		Ting Pek Khiing	
Bakun Resorts Sdn Bhd		Ting Pek Khiing	
Germila Sdn Bhd		Ting Pek Khiing	
Sastep Sdn Bhd	Timber trading but ceased operation	PWE	100%
PWE Logging Sdn Bhd	Dormant	PWE	100%

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

### 5.7.2. LIMBANG TRADING LIMBANG (LTL)<sup>151</sup>

Limbang Trading (Limbang) Sdn Bhd was incorporated in 1967 and headed and wholly owned by General Manager James Wong who was former deputy chief minister of Sarawak and minister for tourism, housing, environment, public health and local government until 2001.<sup>152</sup>

The subsidiary was incorporated in PanGlobal Bhd up until 2009. Three sons of **James Wong** were Directors of PanGlobal: Richard Wong Shoon Fook (Executive Chairman), Bernard Wong Shoon Tet (Group Chief Executive Officer) and Alexander Wong Shoon Choy (Executive Vice-Chairman). James Wong owned 21.69 % of all Pan Global shares until 8 July 2009, when PanGlobal was removed from the Official List of Bursa Securities.

<sup>150</sup> KLSE: Ekran Berhad Annual Report 1999-2008

<sup>151</sup> KLSE: PanGlobal Berhad Annual Report 1999-2008

<sup>152</sup> [www.nst.com.my/Current\\_News/NST/Sunday/CatchingUpWith/20070916082406/Article/index\\_html](http://www.nst.com.my/Current_News/NST/Sunday/CatchingUpWith/20070916082406/Article/index_html)

It was at this same time that the timber concession T/0129 (situated in the Limbang Valley of 124,000 ha) expired. The Wong family still owns Limbang Aquaculture Industries Sdn Bhd and Limbang Plantation Sdn Bhd. Both companies are in oil palm plantation and have a land bank of 5,323 hectares<sup>153</sup>.

### 5.7.3. LEE LING GROUP (partly incorporated in Quality Concrete)

The headquarters of Lee Ling Group is in Kuching. The group consists of an investment holding (Lee Ling Holdings Sdn Bhd) and is active in the timber business, shipping (Lee Ling Shipping Sdn Bhd), property development (Lee Ling Construction & Development) and property investment (BMK Development Sdn Bhd). The owners of the group are **Tiang Ming Sing** (Vincent) and his family: Ha Ai Ing (wife), Tiang Ching Kok (son), Tiang Chiin Yew (son), Tiang Chiin Ling (son) and Ting Siew Hiong (mother).

In 2001, part of Lee Ling Group was incorporated in Quality Concrete (a company close to the Chief Ministers' family – Raziah Mahmud) at the Stock Exchange. Lee Ling Timber Products Sdn Bhd is involved in sawmilling and the manufacture of other downstream timber products, such as parquet flooring, molding products, furniture parts, and finger jointed and lamination products. It sources logs from the concessions owned or operated by the various timber-based companies within the Lee Ling Group of companies and other Sarawak suppliers. Sawn timber and timber products are sold locally and overseas. The main overseas markets include the Philippines, Singapore, Taiwan, Japan and the United States of America. Limba Jaya Timber Sdn Bhd has been granted a reforestation license of 123,206 hectares. Lee Ling Group has an international record for illegal logging in Guyana (1997<sup>154</sup>) and the Solomon Islands (1994<sup>155</sup>, 1997<sup>156</sup>), which led to court mitigation.

<i>Company</i>	<i>Principal Activity</i>	<i>Info</i>	<i>Share</i>
Lee Ling Holdings Sdn Bhd	Investment holding	QQ	100%
Lee Ling Shipping Sdn Bhd	Shipping		
Lee Ling Construction & Development	Property development	QQ	100%
BMK Development Sdn Bhd	Property investment	QQ	100%
Lee Ling Timber Sdn Bhd*	Timber logging and manufacture of timber products	QQ	100%
Limba Jaya Timber Sdn Bhd	Establishment and maintenance of planted forest	QQ <b>LPF 038</b>	70%
Lee Ling Timber Products*	Manufacture of sawn timber, export of logs, sawn timber, plywood, veneer		
Wang Hsen Sdn Bhd*	Manufacture of sawn timber, export of logs		
Lee Ling Enterprise Sdn Bhd*	Timber trading (export of logs)		
San Thye Trading Sdn Bhd*	Timber trading (export of logs)		
Tenaga Cempaka Sdn Bhd*	Timber trading (export of logs)		

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

<sup>153</sup> Rengah [www.rengah.c2o.org/assets/pdf/de0077a.pdf](http://www.rengah.c2o.org/assets/pdf/de0077a.pdf)

<sup>154</sup> [archive.greenpeace.org/comms/97/forest/asian\\_companies\\_guyana.html](http://archive.greenpeace.org/comms/97/forest/asian_companies_guyana.html)

<sup>155</sup> [forests.org/archived\\_site/archive/spacific/sollelin.htm](http://forests.org/archived_site/archive/spacific/sollelin.htm); Borneo Post 21.2.1994 [forests.org/archive/spacific/1995logs.htm](http://forests.org/archive/spacific/1995logs.htm)

<sup>156</sup> Dauvergne, P. (1997): Corporate Power in the Forests of the Solomon Islands, [www3.paclii.org/sb/cases/SBHC/1993/1993\\_SBHC\\_22.rtf](http://www3.paclii.org/sb/cases/SBHC/1993/1993_SBHC_22.rtf)

#### 5.7.4. USAMA INDUSTRIES (incorporated in Wijaya Baru)

Wijaya Baru Global Berhad (WBGB) is an investment holding company, formerly known as Pacific Chemical Berhad, and was initially incorporated.<sup>157</sup> The main shareholder of Wijaya Baru is **Tiong King Sing**, a businessman with over 20 years' experience in the property development, construction and timber industries. He is presently a Member of Parliament of Malaysia and the Treasurer General of Sarawak Progressive Democratic Party. He also holds substantial shareholdings in public listed companies in Malaysia: NV Multi Corporation Berhad, Cepatawawasan Group Berhad, Timberwell Berhad and Ralco Corporation Berhad<sup>158</sup>.

At the present time, with its core business of timber concession in Kapit, Sarawak, soon coming to an end, the management has decided to diversify its business activities into construction (Wijaya Baru Sdn Bhd), infrastructure developments (Wijaya Baru Construction Sdn Bhd), drainage construction, reclamation, property development (Wijaya Baru Development Sdn Bhd), turnkey contracting (Kuala Dimensi Sdn Bhd) and financing project developments, with healthcare (Wijaya International Medical Centre Sdn Bhd), financial services (Progressive Gain Sdn Bhd) and food manufacturing (Chongqing Liangshan Wijaya Food Limited) being its latest additions. In realizing its vision to become a global company, WBGB has spread its business activities overseas and, by way of a first step, has invested in the food industry in China.

Usama industries Sdn Bhd, a wholly-owned subsidiary of WBGB, was incorporated in 1978 to engage in the extraction and sale of timber logs with the acquisition of three timber concessions of 50,000 hectares (T/3216, T/3217, T/3218). One of the licenses is valid up until 2010, while the other two expired in 2005. The contractor for the licenses is Jati Bahagia (WTK Group)<sup>159</sup>; Usama Industries itself is probably not involved in the downstream or upstream timber business.

#### 5.7.5. INTERHILL GROUP

The Interhill Group was established in 1978 and is dominated by its two major shareholders, Ms. **Lau Ngok Yung** and **Hu Chang Pee**. The company has worked as a contractor for Sanyan group<sup>160</sup> and currently extracts timber from Damai Cave Resort. Interhill is also active in the shipping business (Interhill Shipping Sdn Bhd), property development (Permata Kenyalang, Pullmann Interhill in Kuching). Interhill is additionally a logging contractor on T/0339.

<i>Company</i>	<i>Principal Activity</i>	<i>Info</i>	<i>Share</i>
Interhill Shipping Sdn Bhd	Shipping		
Interhill Enterprise Sdn Bhd*	Investment holding, export of logs		
Interhill Logging Sdn Bhd	Extraction and trading of logs	Contractor T/0339	
Enka Trading Sdn Bhd*	Export of logs	<b>T/0371</b>	
Rowaida Sdn Bhd*	Export of logs		
Permata Kenyalang Sdn Bhd	Property development	Novotel Interhill	

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

<sup>157</sup> [www.wijayabaru.com.my/pdf/Company\\_Profile.pdf](http://www.wijayabaru.com.my/pdf/Company_Profile.pdf)

<sup>158</sup> Wijaya Baru Annual Report 2008

<sup>159</sup> [announcements.bursamalaysia.com/\\_482568AD00295D07.nsf/0/482568AD00295D0748256D5E003B96CA?Open&Highlight=2,T%2F3216,T%2F3217,T%2F3218](http://announcements.bursamalaysia.com/_482568AD00295D07.nsf/0/482568AD00295D0748256D5E003B96CA?Open&Highlight=2,T%2F3216,T%2F3217,T%2F3218)

<sup>160</sup> [www.rengah.c2o.org/assets/pdf/de0126a.pdf](http://www.rengah.c2o.org/assets/pdf/de0126a.pdf)

### 5.7.6. SANYAN GROUP

The major shareholder and directors of Sanyan Holdings Sdn Bhd are Mohd Tufail **Mahmud** (Chairman), Ting Check Sii (Managing Director) and Ibrahim Bin **Mahmud** (Director).<sup>161</sup> The whole Sanyan Group is closely linked to the Chief Minister of Sarawak, Taib Mahmud, with his two brothers, Ibrahim and Mohd Tufail. These same two brothers are also major shareholders and directors, together with Onn bin Mahmud, of a large number of shipping companies, including Achi Jaya, Mahligai Shipping Sdn Bhd, Alpha Bahagia Sdn Bhd, Bormill Line Sdn Bhd (Alpha Murni Sdn Bhd), Lanco Shipping Sdn Bhd (Alpha Murni Sdn Bhd). Achi Jaya Plantations owns 12,000 hectares of oil palm plantations. The plantation probably comes under LPF 016, given that Goodmatch is associated with the Sanyan Group.<sup>162</sup>

<i>Company</i>	<i>Principal Activity</i>	<i>Info</i>	<i>Share</i>
Sanyan Holding Sdn Bhd	Investment holding		
Sanyan Development Sdn Bhd			
Sanyan Lumber Sdn Bhd	Timber license holder	<b>T/0089</b>	
Sanyan Sdn Bhd			
Sanyan Sawmill Sdn Bhd*	Manufacture of sawn timber, export of logs		
Sanyan Wood Industries Sdn Bhd*	Manufacture of plywood and veneer		
Goodmatch Sdn Bhd	Reforestation, palm oil plantation	<b>LPF 016</b> (12'565 ha)	

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

### 5.7.7. OTHER PLAYERS

#### Senling (Sarawak) Enterprises Sdn Bhd<sup>163</sup>

Seng Ling Sawmill Company was incorporated in the 1940s. In 1957, it was re-registered as a private limited company and hence its name was changed to Seng Ling Sawmill Co Sdn Bhd. Senling (Sarawak) Enterprises Sdn Bhd was established in the year 1974. Its subsidiaries are:

<i>Company</i>	<i>Principal Activity</i>	<i>Info</i>	<i>Share</i>
Seng Ling Development Sdn Bhd			
Seng Ling Sawmill Co Sdn Bhd*			
Seng Ling Oil Palm Sdn Bhd			
Seng Ling Industries Sdn Bhd			
Senling Credit and Mortgage Sdn Bhd			
Sibu Steel (S) Sdn Bhd			
Megasatria Sdn Bhd			
Tiger Prawn Development Sdn Bhd			
Aspartner Sdn Bhd			

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

#### Delta Berhad Sdn Bhd<sup>164</sup>

Delta Berhad is primarily engaged in timber extraction, sawmilling, property development, leasing and oil palm plantations and has the following directors and shareholders: Datuk Hii Yii Chiong, Dato Sri Ding Jack

<sup>161</sup> [www.ik4u.org/sponsors/sanyan.php](http://www.ik4u.org/sponsors/sanyan.php)  
[announcements.bursamalaysia.com/EDMS/subweb.nsf/0/2349818a3c0c382348256bae00484198/\\$FILE/CMSB-Circular.pdf](http://announcements.bursamalaysia.com/EDMS/subweb.nsf/0/2349818a3c0c382348256bae00484198/$FILE/CMSB-Circular.pdf)

<sup>162</sup> [ecmfts.highcourt.sarawak.gov.my/apps/highcourt/v3/modules/highcourt\\_cap/components/publishing/index\\_judgment\\_showfile.php?id=430](http://ecmfts.highcourt.sarawak.gov.my/apps/highcourt/v3/modules/highcourt_cap/components/publishing/index_judgment_showfile.php?id=430)

<sup>163</sup> [www.ik4u.org/sponsors/senling.php](http://www.ik4u.org/sponsors/senling.php)

<sup>164</sup> [www.ik4u.org/sponsors/delta.php](http://www.ik4u.org/sponsors/delta.php)

Sung, Datuk Hii Yii Peng, Hii Yu Ho (Managing Director), Dr. Hii Sui Cheng, Lau Kah Ding, James Yii Ching Cai, Ding Jack Hee, Hii Yik Nan, Hii King Chiong, Yek Siew Liong.

<i>Company</i>	<i>Principal Activity</i>	<i>Info</i>	<i>Share</i>
CTC Sdn Bhd*	Manufacture of sawn timber		
Delta Timber (1967) Sdn Bhd*	Manufacture of sawn timber		
C.T.C. Sdn Bhd	Timber concession holder	<b>T/0336</b>	
Sterlet Sdn Bhd	Timber concession holder	<b>T/0320</b>	

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

### **Solid Timber Sdn Bhd<sup>165</sup>**

The Director of Solid Timber Sdn Bhd is Dato' Ding Lian Cheon, and the company has the following subsidiaries:

<i>Company</i>	<i>Principal Activity</i>	<i>Info</i>	<i>Share</i>
Ajau Plantation Sdn Bhd*	Export of logs		
Solid Timber Sdn Bhd*	Export of logs		

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

### **Grand Atlantic Timber Sdn Bhd<sup>166</sup>**

Grand Atlantic Timber Sdn Bhd was incorporated in Malaysia 1965, and its principal activities are timber log marketing and logging operations:

<i>Company</i>	<i>Principal Activity</i>	<i>Info</i>	<i>Share</i>
Grand Atlantic Timber Sdn Bhd*	Export of logs		
Talent Alliance Sdn Bhd*	Export of logs		

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

### **Sin Lien Ho Holdings Bhd<sup>167</sup>**

Sin Lien Ho was incorporated in 1965, and its principal activities are investment holding, the letting of property and machinery, sawmilling, logging operations and property development. Vincent Goh Chung Siong is Executive Chairman and Mr Chua Chong Hui Deputy Chairman.

<i>Company</i>	<i>Principal Activity</i>	<i>Info</i>	<i>Share</i>
Sin Lien Ho Sawmill Sdn Bhd*	Timber concession holder, manufacture of sawn timber	<b>T/0113, T/0114</b>	

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

### **Lee Hua Holdings Bhd<sup>168</sup>**

Lee Hua Holdings was incorporated in 1976, and its principal activities are investment holding, timber trading and property development. Its subsidiary and associated companies are engaged in logging, sawmilling, hotel operations and property development. The chairman of the group is Ting Ing Hee, the deputy chairman Wong Kie Yik (WTK), the managing director Ting Ing Mieng (the former STA chairman) and the executive director Ting Yik Seng.

<i>Company</i>	<i>Principal Activity</i>	<i>Info</i>	<i>Share</i>
Lee Hua Sawmill Company Sdn Bhd*	Timber concession holder, manufacture of sawn timber	<b>T/3166</b>	
Carl Ronnow (M) Sdn Bhd*	Export of logs		

\* Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007

<sup>165</sup> [www.ik4u.org/sponsors/solidtimber.php](http://www.ik4u.org/sponsors/solidtimber.php)

<sup>166</sup> [www.ik4u.org/sponsors/gatlantic.php](http://www.ik4u.org/sponsors/gatlantic.php)

<sup>167</sup> [www.ik4u.org/sponsors/sinlienho.php](http://www.ik4u.org/sponsors/sinlienho.php)

<sup>168</sup> [www.ik4u.org/sponsors/leehua.php](http://www.ik4u.org/sponsors/leehua.php)

### Hock Lee Group of Companies

The Hock Lee Group began with the formation of the Hock Lee Sawmill Company in 1941. The principal activities of the group are logging, sawmilling and secondary processed wood products, and it has also diversified into real estate development, petrol station operation, property management and investment in commercial, residential and industrial properties, shipping, credit and mortgage, oil palm plantation and trading.

<i>Company</i>	<i>Principal Activity</i>	<i>Info</i>	<i>Share</i>
Hock Lee Holdings Sdn Bhd	Holding		
Hock Lee Sawmill Company Sdn Bhd*	Timber license holder, manufacturing and export	<b>T/0107, T/0108</b>	
Hock Lee Timber Industries Sdn Bhd*	Manufacturing and export		

\* *Manufacturing and Export License Holder as listed in the STIDC Directory 2006/2007*

### Double Dynasty Sdn Bhd

Double Dynasty Sdn Bhd was incorporated in Malaysia in 1997 and is principally engaged in timber extraction and timber trading. One of the biggest palm oil companies, IOI Corporation, entered into a purchase agreement with Double Dynasty to buy 44,350 ha of oil palm plantation land in 2008.<sup>169</sup>

<i>Company</i>	<i>Principal Activity</i>	<i>Info</i>	<i>Share</i>
Double Dynasty Sdn Bhd	Timber extraction and timber trading		100%
Pelita Sebungan Plantation Sdn Bhd	Oil palm plantation		60%
Cempaka Teratai Sdn Bhd	Investment holding		100%
Kee Wee Plantation Sdn Bhd	Investment holding		100%
DD Pelita Sadong Plantation Sdn Bhd	Oil palm plantation		65%
DD Pelita Gedong Plantation Sdn Bhd	Oil palm plantation		65%
Mutiara Hartabumi Sdn Bhd	Investment holding		100%
Mutiara Pelita Genaan Plantation Sdn Bhd	Oil palm plantation		60%
DD Plantations Sdn Bhd	Investment holding		100%
DD Palm Oil Mills Sdn Bhd	Palm oil mill		100%
Nirwana Muhibbah Sdn Bhd	Investment holding company also operating a timber logging concession		100%

<sup>169</sup> [announcements.bursamalaysia.com/EDMS/annweb.nsf/all/482568AD00295D074825740F00488440/\\$File/Sarawak%20Plantation%20Announcement%20\(18.3.2008\).doc](http://announcements.bursamalaysia.com/EDMS/annweb.nsf/all/482568AD00295D074825740F00488440/$File/Sarawak%20Plantation%20Announcement%20(18.3.2008).doc)

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## 6. CONCLUSION

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The discussion on the political economics of Sarawak's timber industry is not new and has been running for the past twenty years. Right up to the present, the system of political patronage and corruption is still fueling the destruction of the rainforest in Sarawak, and local indigenous groups like the Penan are still fighting for nothing more than their legitimate rights to their land. The outcome of these past decades of timber industry development is huge timber tycoons, who now not only dominate the timber industry in Malaysia, but also control many other important industries in Sarawak, including oil palm, construction, property development, shipping, trade, tourism and media. All the main timber groups - Rimbunan Hijau, Samling, KTS, WTK, Shin Yang and Ta Ann –have international operations and at least one vehicle of their huge conglomerates listed on the Stock Exchange in either Kuala Lumpur (KLSE) or Hong Kong (HKSE). The first wave of Initial Public Offerings (IPOs) for stock exchange listings started in the early 1990s when timber companies needed financial resources to invest in downstream timber processing (as requested by the government and included in the ITTO recommendations), to acquire new timber concessions and to expand abroad. The second wave came at around the turn of the millennium, when many companies needed capital to invest in the booming palm oil industry, which is much more capital intensive than the timber industry (long-term investments in plantations and processing facilities). Interestingly enough, the two groups of KTS and Shinyang only listed part of their oil palm division, without the timber business, on the KLSE but both of them have close links with the government agency STIDC (STIDC is a substantial shareholder in some of their subsidiaries). The question remains as to why all of these six major timber groups still have timber operations which are not listed on the stock exchange.

The state government itself has become a major timber player with its vehicle STIDC. Moreover, the head of the state, Chief Minister Taib, has absolute control over the allocation of timber licenses and logging concessions and has used his power to distribute timber concessions to himself, his political allies, his friends and his family. Sarawak is one of the resource-richest states in Malaysia and earns billions of US dollars a year from timber and timber products – plus the same amount again from crude oil, natural gas and, more recently, from palm oil. However, the government and the political elites have not only ignored the rights of local indigenous groups, they have also failed to distribute the timber wealth and revenues equally to the people of Sarawak. On the contrary, the rent-seeking government has even promoted timber extraction by allocating timber concessions to a small number of people who were interested in capitalizing their timber rights as fast as possible, which was what has made such rapid deforestation and the rapid rise of timber tycoons possible at all. Given that the forest resources have been diminishing over the past few decades, the government has recently started a new round of allocating palm oil and reforestation licenses, which means that it can to capitalize its power once again. And, this time too, it is the indigenous groups of Sarawak that are paying the highest price for this development.

Although Malaysia is still negotiating a bilateral agreement with the European Union on a Voluntary Partnership Agreement (VPA), timber politics in Sarawak remain the same as ever: a task solely for the head(s) of the state, ignoring the indigenous people and their rights and lacking a stable and transparent rule

of law (legality). All six major timber groups are involved in logging activities in areas where traditional settlements of indigenous communities exist and where their native customary rights (NCR) are being systematically neglected. Logging activities on this land not only have serious impacts on flora and fauna, soil erosion, siltation, air and water pollution, and flooding, the local communities also suffer from marginalization, hardship, depleting scarce resources and police brutality<sup>170</sup>.

The strategic alliance between timber tycoons and the political elite is evident. Timber families are often personally involved in politics, as in the case of Rimbunan Hijau, KTS and Ta Ann (all family members in the Parliament of Malaysia). In addition, government officials, political allies and family members of Chief Minister Taib are substantial shareholders and board members of listed timber companies. The role of STIDC as the seventh major timber group in Sarawak has been emphasized in this report. These close ties between political and economic players have resulted in a blurring of the distinction between government and logging interests and have led “to changes in legislation that favor corporate activities and which result in the disregard and repression of many actors within civil society.”<sup>171</sup>

Timber tycoons are highly dependent on the political elites for receiving and utilizing concessions, licenses and other public contracts, such as for roads, bridges, quarrying and dams. Not surprisingly, many timber tycoons have invested part of their money abroad (i.e. in Australia, the USA and, in particular, China) and on the stock market so as to deposit and secure part of their wealth. The major timber groups, which all used to keep a low-profile in the past, are being forced by their KLSE listing to reveal more of their group structure, subsidiaries, family relations and shareholder interests. In addition, listed companies are often pushed to commit to Corporate Social Responsibility (CSR). Listed timber companies have therefore dedicated sections of their annual reports to CSR, including for instance: “to be Malaysia’s leading producer of renewable and sustainable quality wood and palm oil based products” (Jaya Tiasa 2009); “creating value through sustainability” (Samling 2009); “to produce quality products that are eco-friendly so as to deliver exceptional value to our customers and stakeholders” (Ta Ann 2008); “to commit to adopt and implement sound forest management practices to ensure forestry [that is] economically, environmentally and socially sustainable” (WTK 2008).

No explanations are given, however, on how these CSR goals are to be achieved by means of concrete projects. Moreover, timber groups only list part of their conglomerates and systematically hide their reputational risk operations. During its IPO in 2007, Samling Global, for instance, never mentioned their connections to Woodman, in which they are substantial shareholders (50%), or their business operations in Cambodia. It is not possible to say whether Samling has broken stock market regulations but such behavior in no way supports transparency and confidence in the timber industry. To talk about CSR in the industry under such conditions is both cynical and deceptive.

Only transparent business operations can lead to sustainable and serious stakeholder processes for meeting the CSR goals. Furthermore, this requires an open and independent press and media (not all controlled by timber groups), the involvement of all the stakeholders (indigenous communities), tighter stock market

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<sup>170</sup> Documented for instance by the Bruno Manser Fund, [www.bmf.ch](http://www.bmf.ch)

<sup>171</sup> [www.forestsmonitor.org/en/reports/550066/550071](http://www.forestsmonitor.org/en/reports/550066/550071)

regulations and, most importantly, transparent and independent government organizations and state agencies. Only then can the stock market be regulative and reward good behavior.

The same applies for the international banks financing timber companies. Almost every bank has its codes for corporate social and environmental responsibility and more than a few are signatories of the UN Global Compact. HSBC even has a publicly available forestry policy and, as a major bank for the timber industry in Sarawak (Samling, KTS, WTK, Shin Yang, Ta Ann), HSBC needs to be urged to behave in accordance with its set standards.

In their work on the resistance of indigenous people to the state government and corporations, Yacoob/Wong (2007) summarize that “(...) *despite the rhetoric of corporate social responsibility (CSR) and stakeholderism, in Sarawak there is a clear failure of states and corporations to be pro-active and responsible. Marginalising and neglecting the inputs and claims of local communities, both the state and corporations have rendered a significant and legitimate stakeholder powerless, redundant and [have] inevitably compromised both the development and management process. Not surprisingly business decisions have met with resistance and failed.*”<sup>172</sup>

This report attempts to get a glimpse of the timber tycoons in Sarawak. Analyzing annual reports from the stock market is only the starting point when it comes to casting more light on the shady and misty business operations of timber groups and their links with the political elites. It would be interesting to see who else is behind all these subsidiaries of the timber groups listed in the Appendix. The complex political economy of Sarawak requires further critical analysis – especially the role of the stock market in the future development of the timber industry.

The structure, development and modernization of the economy in Sarawak, with its growing cities, shopping malls, hotels, resorts and other prestigious projects, cannot be understood without a knowledge of the history of timber development in the state. The dominant business groups in the new economic sectors are the same groups that are still exploiting the rainforest and the land of indigenous communities – in Sarawak and increasingly in many other parts of the world. If such companies ask the public or banks for financing for part of their operations, they should also heed the calls that the many less powerful and rich people in Sarawak urgently need to voice and take the lack of transparency, institutional control and rule of law of such business operations into consideration.

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<sup>172</sup> Yacoob, M.R./ Wong, L. (2007): Stakeholders' Activisms: Indigenous Peoples' of Sarawak Resistance against the State Government and Corporations, page 46

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## APPENDIX

### A. Export of Sawn Timber and Plywood from Sarawak 1995, 2000, 2006, 2007

**Table 12: Export of sawn timber Sarawak 1995, 2000, 2006, 2007\*\*\***

	1995		2000		2006		2007	
	Volume (M3)		Volume (M3)		Volume (M3)		Volume (M3)	
China	120,691	7.9%	94,531	8.3%	101,156	9.8%	95,645	9.3%
Hong Kong	40,260	2.6%	49,689	4.3%	5,009	0.5%	6,206	0.6%
Thailand	394,112	25.9%	200,411	17.5%	277,563	27.0%	290,385	28.4%
Japan	77,429	5.1%	36,964	3.2%	31,434	3.1%	34,214	3.3%
Korea	120,494	7.9%	61,844	5.4%	65,860	6.4%	69,118	6.8%
Taiwan	247,919	16.3%	177,469	15.5%	126,134	12.3%	124,895	12.2%
Singapore	138,219	9.1%	77,576	6.8%	71,473	7.0%	84,216	8.2%
Saudi Arabia	33,929	2.2%	33,955	3.0%	21,772	2.1%	23,043	2.3%
UAE	33,506	2.2%	29,178	2.6%	78,431	7.6%	77,868	7.6%
Yemen	13,318	0.9%	85,756	7.5%	80,646	7.9%	71,679	7.0%
Philippines	140,262	9.2%	208,189	18.2%	91,204	8.9%	62,578	6.1%
<b>Total</b>	<b>1,520,622</b>		<b>1,143,545</b>		<b>1,026,990</b>		<b>1,023,628</b>	

*Source: MTC (2008): Export Statistics*

\*\*\* No more statistical figures available since August 2008

**Table 13: Export of plywood Sarawak 1995, 2000, 2006, 2007\*\*\***

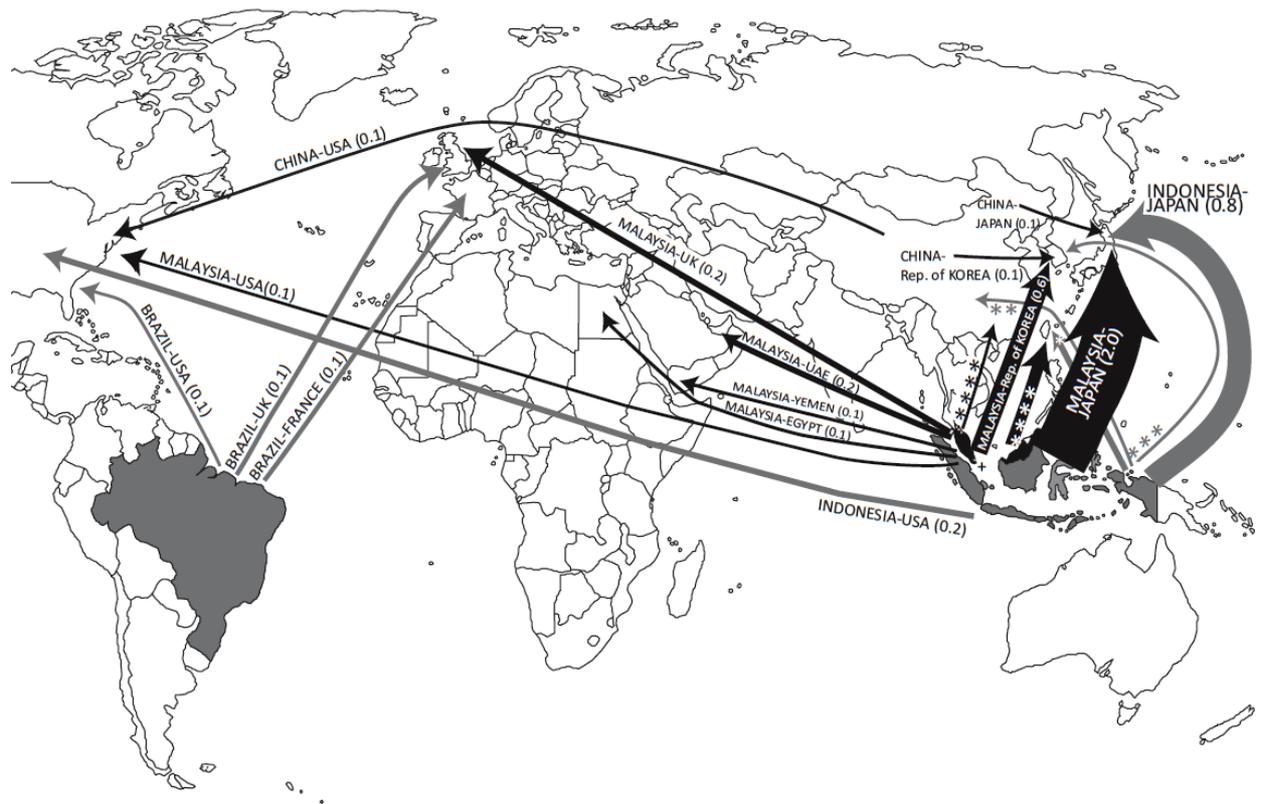
	1995		2000		2006		2007	
	Volume (M3)		Volume (M3)		Volume (M3)		Volume (M3)	
China	295,723	18.3%	125,673	5.9%	95,243	2.8%	53,637	1.9%
UK	16,685	1.0%	42,465	2.0%	68,215	2.0%	70,110	2.5%
US	117,019	7.3%	205,511	9.6%	205,465	6.0%	97,408	3.4%
Japan	591,665	36.7%	1,233,406	57.7%	2,097,236	61.2%	1,551,024	54.3%
Korea	192,745	11.9%	128,944	6.0%	245,310	7.2%	374,719	13.1%
Taiwan	33,622	2.1%	54,547	2.6%	240,180	7.0%	197,754	6.9%
Yemen	35,469	2.2%	39,460	1.8%	55,455	1.6%	60,70	0.2%
Singapore	93,776	5.8%	49,708	2.3%	31,245	0.9%	23,342	0.8%
Saudi Arabia	5,395	0.3%	6,937	0.3%	23,606	0.7%	44,193	1.5%
<b>Total</b>	<b>1,613,024</b>		<b>2,136,686</b>		<b>3,427,956</b>		<b>2,854,052</b>	

*Source: MTC (2008): Export Statistics*

\*\*\* No more statistical figures available since August 2008



**Figure 17: Major Trade Flows Tropical Plywood 2008 (million m3)**



Source: ITTO (2010)

### C. List of Reforestation Licenses (LPF) –List for Map 2: Reforestation Licenses (LPF) 2008

LPF	License Holder	Group	Total Area (ha)	Plantable Area (ha)	Oil Palm Area (ha)	Map
001	Grand Perfect Sdn Bhd (35% Samling Strategic Corporation, 35% KTS Timber Industries Sdn Bhd 30% Gasijaya Sdn Bhd)	Samling KTS Ta Ann	490,000	150,000		X
002	Zumida Sdn Bhd	Ta Ann	6,570	5,500		
003	Daiken (Sarawak) Sdn Bhd	STIDC (??%) Samling (30%)	5,503	5,000		X
004	Woodman Kuala Baram Estate Sdn Bhd	Woodman (50% Samling)	40,900	24,000		X
005	Samling Reforestation Bintulu Sdn Bhd	Samling	140,200	67,400		X
006	Syarikat Samling Timber Sdn Bhd	Samling	81,900	50,000	15,000	X
007	Samling Reforestation Bintulu Sdn Bhd	Samling	74,510	36,915		X
008	Samling Reforestation Bintulu Sdn Bhd	Samling	59,650	35,040		X
009	Woodman Plantation Sdn Bhd	Woodman (50% Samling)	10,850	8,830	8,830	X
010	Ta Ann Plywood Sdn Bhd	Ta Ann	102,881	75,000	15,000	X
011	PUSAKA KTS Forests Plantation Sdn Bhd	KTS / STIDC (30%)	90,427	70,000	22,000	X
012	PUSAKA KTS Forests Plantation Sdn Bhd	KTS / STIDC (30%)	89,346	88,244		X
013	PUSAKA KTS Forests Plantation Sdn Bhd	KTS / STIDC (30%)	98,988	86,241	24,220	X
014	Syarikat Samling Timber Sdn Bhd	Samling	10,800	8,000		X
015	Borneo Pulp and Paper Sdn Bhd	Asia Pulp and Paper STIDC (??%)	13,721	13,720		X
016	Goodmatch	Sanyan	12,565			X
017	Shin Yang Forestry Sdn Bhd	Shinyang	65,178	31,389		X
018	Shin Yang Forestry Sdn Bhd	Shinyang	155,930	92,806	30,436	X
019	Shin Yang Forestry Sdn Bhd	Shinyang	36,840	20,500		X
020	Samling Reforestation Bintulu Sdn Bhd	Samling	52,000	33,753		X
021	Samling Reforestation Bintulu Sdn Bhd	Samling	101,000	25,000		X
022	Immense Fleet Sdn Bhd	WTK	64,000	35,235		X
023	Jaya Tiasa Holdings Berhad	Rimbunan Hijau	55,860	34,271		X
024	Jaya Tiasa Holdings Berhad	Rimbunan Hijau	108,235	61,878		X
025	Rejang Height Sdn Bhd	Rimbunan Hijau	16,020	7,550		X
026	Rejang Height Sdn Bhd	Rimbunan Hijau	88,888	43,165		X
027	Billion Venture Sdn Bhd	???	32,584	22,263	6,329	X
028	Jaya Tiasa Holdings Berhad	Rimbunan Hijau	71,700	45,159		X
029	R.H. Forest Corporation Sdn Bhd	Rimbunan Hijau	30,050	21,200	21,200	X
030	R.H. Forest Corporation Sdn Bhd	Rimbunan Hijau	62,700	39,425		X
031	Rejang Height Sdn Bhd	Rimbunan Hijau	16,830	14,955		X
032	Immense Fleet Sdn Bhd	WTK	67,157	41,760	5,240	X
033	WTK Reforestation Sdn Bhd	WTK	13,315	12,661		X
034	R.H. Forest Corporation Sdn Bhd	Rimbunan Hijau	11,450	6,034	6,034	X
035	Rejang Height Sdn Bhd	Rimbunan Hijau	15,580	10,475	10,475	X
036	Rejang Height Sdn Bhd	Rimbunan Hijau	43,645	21,023		X
037	Rejang Height Sdn Bhd	Rimbunan Hijau	34,115	19,020	4,773	X
038	Limba Jaya Sdn Bhd	Lee Ling Timber	123,206	50,600	8,829	X
039	Zedtee Sdn Bhd	Shinyang	14,970	13,050		X
040	Ta Ann Plywood Sdn Bhd	Ta Ann	197,250	75,487		X
<i>Total</i>			<i>2,807,314</i>	<i>1,497,269</i>	<i>196,366</i>	

Source: SAM (2008): [Malaysian Palmoil – Green Gold or Green Wash?](#), additional information from KLSE (2008): [Annual Reports and recurrent party transactions with substantial shareholders](#)

### D. List of Forest Concessions (T-Licenses) – List for Map 1 and Map 3

License	Concession Holder	Group	Remarks	Area	Issue Date	Expiry Date	Map
T/0001	Sin Lee Sawmill Sdn Bhd*	Ta Ann					X
T/0003	Amra Timbers Sdn Bhd	STIDC					X
T/0023	Lundu Sawmill Sdn Bhd	WTK					X
T/0089	Sanyan Lumber Sdn Bhd	Sanyan				?	X
T/0094	Hua Aik Sawmill Co Bhd	KTS				?	X
T/0106	Shin Hua Sawmill Co Bhd	KTS				?	X
T/0107	Hock Lee Sawmill Company Sdn Bhd	Hock Lee				?	X
T/0108	Hock Lee Sawmill Company Sdn Bhd	Hock Lee				?	X
T/0113	Sin Lien Ho Sawmill Sdn Bhd	Sin Lien Ho				?	X
T/0114	Sin Lien Ho Sawmill Sdn Bhd	Sin Lien Ho				?	X
T/0129	Limbang Trading (Limbang) Sdn Bhd	Limbang Trading Limb. (Quality Concrete)		124,000		2009	X
T/0133	Sarawak Plywood (M) Sdn Bhd	Subur Tiasa				?	X
T/0134	STIDC	STIDC					X
T/0163	Houting Sdn Bhd	STIDC					X
T/0190	Sarawak Plywood (M) Sdn Bhd	Subur Tiasa				?	X
T/0191	Sarawak Plywood (M) Sdn Bhd	Subur Tiasa				2010	X
T/0276	STIDC	STIDC					X
T/0280	KTN Timor Sdn Bhd	Samling Global			1984	2009	X
T/0285	Jelita Timber Sdn Bhd	KTS				?	X
T/0294	Ravenscourt Sdn Bhd	Samling Global			1985	2015	X
T/0302	Kestrel Sdn Bhd	STIDC					X
T/0305	Mazama Sdn Bhd	Shin Yang				?	X
T/0318	STIDC	STIDC					X
T/0320	Sterlet Sdn Bhd	Delta Industries	Rimbunan Hijau Lease	22,822		?	X
T/0336	C.T.C. Sdn Bhd	Delta Industries				?	X
T/0341	Timberplus Sdn Bhd	KTS				?	X
T/0342	Borlin Sdn Bhd	Ta Ann Holdings		32,023	2007	2013	X
T/0344	Jaras Sdn Bhd	Jaya Tiasa (RH)				?	X
T/0363	Ostasia Sdn Bhd	Shin Yang				?	X
T/0371	Enka Trading Sdn Bhd	Interhill				?	X
T/0390	Merawa Sdn Bhd	Samling Global			1984	2009	X
T/0404	Samling Plywood (Lawas) Sdn Bhd	Samling Global			1995	2013	X
T/0405	Samling Plywood (Lawas) Sdn Bhd	Samling Global			1993	2013	X
T/0411	Samling Plywood (Baramas) Sdn Bhd	Samling Global			1993	2013	X
T/0412	Samling Plywood (Baramas) Sdn Bhd	Samling Global	MTCC holder		1993	2013	X
T/0413	Samling Plywood (Miri) Sdn Bhd	Samling Global			1993	2018	X
T/0429	Juta Intelek Sdn Bhd	KTS				?	X
T/0518	STIDC	STIDC					X
T/0537	Keresa Timber Corporations Sdn Bhd	STIDC					X
T/0560	Raplex Sdn Bhd	Ta Ann Holdings					X
T/3001	Limpah Mewah Sdn Bhd	WTK Holding				2020	X
T/3004	STIDC	STIDC					X
T/3064	Sut Sawmill (3064) Sdn Bhd	WTK Holding				2020	X
T/3080	Ninjas Development Sdn Bhd	WTK Holding				2020	X
T/3081	Song Logging Company	WTK Holding				2020	X

	Sdn Bhd						
T/3112	Syarikat Reloh Sdn Bhd	Samling Global		1984	2007		X
T/3113	Curiah Sdn Bhd	JayaTiasa (RH)			?		X
T/3114	Serichaya Sdn Bhd	Jaya Tiasa (RH)			?		X
<b>T/3127</b>	Kedasa Sdn Bhd	Shin Yang			?		X
T/3132	Sanitama Sdn Bhd	WTK Holding			2020		X
T/3134	Hak Jaya Sdn Bhd	Jaya Tiasa (RH)			?		X
T/3135	Pasin Sdn Bhd	Ta Ann Holdings		104,252	1985	2015	X
<b>T/3145</b>	STIDC	STIDC					X
T/3148	First Count Sdn Bhd	WTK Holding			2020		X
<b>T/3166</b>	Lee Hua Sawmill Company Sdn Bhd	Lee Hua Holdings			?		X
T/3173	Sertama Sdn Bhd	Samling Global		1987	2012		X
<b>T/3180</b>	STIDC	STIDC					X
T/3187	Subur Tiasa Holdings Sdn Bhd	Subur Tiasa (RH)	2001 from STIDC under new license	26,207		monthly	X
T/3189	Subur Tiasa Holdings Sdn Bhd	Subur Tiasa (RH)	2001 from STIDC under new license	43,171		monthly	X
<b>T/3190</b>	STIDC	STIDC					X
T/3193	Subur Tiasa Holdings Sdn Bhd	Subur Tiasa (RH)	2001 from STIDC under new license	90,794		monthly	X
T/3216	Usama Industries Sdn Bhd	Wijaya Baru	Contractor Jati Bahagia (WTK)		2010		X
T/3217	Usama Industries Sdn Bhd	Wijaya Baru	Contractor Jati Bahagia (WTK)		2010		X
T/3218	Usama Industries Sdn Bhd	Wijaya Baru	Contractor Jati Bahagia (WTK)		2010		X
<b>T/3278</b>	Bigwood Sdn Bhd (Harwood)	STIDC					X
T/3282	Samling Plywood (Bintulu) Sdn Bhd	Samling Global	Renewed	17,328	2001	2013	X
T/3283	Samling Plywood (Bintulu) Sdn Bhd	Samling Global	Renewed	61,656	1993	2023	X
T/3284	Samling Wood Industries Sdn Bhd	Samling Global			1992	2012	X
<b>T/3290</b>	Perkayuan Sukma Sdn Bhd	KTS			?		X
<b>T/3401</b>	STIDC	STIDC	Piramid Intan Contractor (WTK)	91,882		2021	X
T/3491	Tanjong Manis Holdings Sdn Bhd	Ta Ann Holdings		84,755	2007	2021	X
<b>T/4155</b>	???	KTS			?		X
<b>T/4171</b>	STIDC	STIDC					X
<b>T/4176</b>	STIDC	STIDC					X
T/4317	???	Ta Ann Holdings					
<b>T/6046</b>	Sabal Sawmill Sdn Bhd	WTK					X
T/9082	S.I.F. Management Sdn Bhd	Samling Global			1993	2013	X
T/9115	Majulaba Sdn Bhd	Samling Global			2005	2015	X
T/****	Kunari Timber Sdn Bhd	Jaya Tiasa (RH)			?		
<b>T/****</b>	Nirwana Muhibbah Sdn Bhd	Double Dynasty		?	?	?	?
<b>T/3346</b>	Woodley Sdn Bhd	Ta Ann		101,731	1997	2007	?
<b>T/????</b>	Selah Timber Sdn Bhd	STIDC					
<b>T/????</b>	Balamra Sdn Bhd	STIDC					
<b>T/****</b>	Jaya Tiasa Holdings Sdn Bhd	Jaya Tiasa (RH)	(191)			?	X
<b>T/****</b>	Jaya Tiasa Holdings Sdn Bhd	Jaya Tiasa (RH)	(192)			?	X
<b>T/****</b>	Jaya Tiasa Holdings Sdn Bhd	Jaya Tiasa (RH)	(193)			?	X
<b>T/3430</b>	Sejahtera Ultima	Ta Ann		5,134	?	?	?

**Italicized: timber concession holders as subsidiaries in listed companies**

## E. Index Timber Subsidiaries and Associate Companies

Company/ Subsidiary	Principal Activity	Info	Share	Timber Company	Timber Group
AA Plywood Sdn bhd	Dormant		100%	Subur Tiasa	Rimbunan Hijau
Adat Budi Sdn Bhd*	Export of logs	STIDC Directory		KTS related	KTS
Adat Mayang Sdn bhd	Trading of timber logs			Samling related	Samling
Ainokitchen (Malaysia) Sdn Bhd	Kitchen retail, tendering of kitchen products in housing development projects		60%	Samling Global	Samling
Ajau Plantation Sdn Bhd*	Export of logs			Solid	Solid
Aldehyde Chemicals Sdn Bhd	Dormant		100%	Ta Ann Holdings	Ta Ann
All Key Enterprise Sdn Bhd	Timber contractor			Ta Ann related	Ta Ann
Allied Asiatic Sdn bhd	Towage & transportation services		100%	Subur Tiasa	Rimbunan Hijau
Alpenview Sdn Bhd	Investment holding		60%	Samling Global	Samling
Amra Timbers Sdn Bhd	Timber logging concession	T/0003	100%	STIDC	STIDC
Ang Cheng Ho Quarry Sdn Bhd	Quarry licensee & operator		60%	Samling Global	Samling
Anhui Hualin Woodbased Panel Co Ltd.	Manufacture & sale of medium density fiberboard	P.R. China		Samling related	Samling
Ann Yun Logistics Sdn Bhd	Logging operation, contract fee paid			WTK related	WTK
Aspartner Sdn Bhd				Senling	Senling
Atlantic Evergreen Holdings	Investment holding	Cayman Islands	100%	Jaya Tiasa	Rimbunan Hijau
Atlantic Timber Holdings Ltd	Investment holding	Cayman Islands	100%	Jaya Tiasa	Rimbunan Hijau
Bakun Management Sdn Bhd	Management of construction of Bakun Hydro-Electric Dam - ceased operations	Ekran	100%	Ekran	Ting Pek Khiing
Bakun Resorts Sdn Bhd		Ting Pek Khiing		Ting Pek Khiing	Ting Pek Khiing
Balamra Sdn Bhd	Timber logging concession	T/????	100%	STIDC	STIDC
Baram Lumber Development Sdn Bhd	Logging contract work & trading of timber logs			RH related	Rimbunan Hijau
Baram Sawmill Co Sdn Bhd*	Export of logs		STIDC	Samling related	Samling
Baram Trading Sdn Bhd	Cultivation of oil palm		85%	Rimbunan Sawit	Rimbunan Hijau
Barama Buckhall Inc	Manufacture & sale of sawn timber	Guyana	100%	Samling Global	Samling
Barama Company Limited	Manufacture of plywood & sawn timber, extraction & sale of timber	Guyana	100%	Samling Global	Samling
Barama Housing Inc	Dormant	Guyana	100%	Samling Global	Samling
Baya Lumber Sdn Bhd*	Processing & sale of sawn timber	STIDC Directory		KTS related	KTS
Baya Veneer & Plywood Ind. Sdn Bhd*	Manufacture & sale of plywood & veneer	STIDC Directory		KTS related	KTS
Bedianeka Sdn Bhd*	Sales agent		100%	Samling Global	Samling
Bellwood Sdn Bhd	Logging operation			KTS related	KTS
Beststart (M) Sdn Bhd*	Logging operation, contract fee paid			WTK related	WTK
BHB Sdn Bhd	Oil palm plantation			WTK related	WTK
Bigwood Sdn Bhd (Harwood)	Extraction & sale of timber logs	T/3278	100%	STIDC	STIDC
Binamewah Sdn Bhd	Purchase of logs (Jaya Tiasa 2008)			RH related	Rimbunan Hijau
Bintulu Adhesives & Chemical Sdn Bhd	Manufacture of adhesives & chemicals		30%	STIDC Associate	STIDC
Bintulu Lumber Development Sdn Bhd*	Oil palm plantation (33,414 ha), palm oil milling & sales of related products	Ex T/0127	100%	BLD Plantation	KTS
Biofield Plantations Sdn Bhd	Dormant		100%	WTK Holdings	WTK
Biofresh Produce Sdn Bhd	Dormant		100%	WTK Holdings	WTK
Biogreen Success Sdn Bhd	Dormant		100%	WTK Holdings	WTK
Biogrow City Sdn Bhd	Dormant		100%	WTK Holdings	WTK
Bioworld Synergies Sdn Bhd	Dormant		100%	WTK Holdings	WTK
BLD Plantation Bhd	KLSE		43%	KTS	KTS
BLD Resources Sdn Bhd	Oil palm plantation (1,803 ha)	Land acquired in 2005	70%	BLD Plantation	KTS
Blessings Palm Sdn bhd *	Cultivation of oil palm		100%	Subur Tiasa	Rimbunan Hijau
Blessings Realty Sdn bhd	Dormant		100%	Subur Tiasa	Rimbunan Hijau
BMK Development Sdn Bhd	Property investment	QQ	100%	Quality Concrete	Lee Ling
Borlin Sdn Bhd	Timber concession licensee & trading of logs	T/0342	100%	Ta Ann Holdings	Ta Ann
Borneo Lumber Industries Sdn Bhd*	Manufacture & sale of sawn timber		100%	Subur Tiasa	Rimbunan Hijau
Borneo Tree Seeds & Seedlings Supplies Sdn Bhd	Development of tree plantation, production & commercial supplies of seeds & seedlings		61%	Ta Ann Holdings	Ta Ann
Brewster Pty Ltd	Sale & distribution of building materials	Australia	100%	Samling Global	Samling
Bright Wood Sdn Bhd*	Manufacture & sale of plywood & veneer	STIDC Directory		KTS related	KTS
Bright Wood Trading Sdn Bhd*	Export of logs	STIDC Directory		KTS related	KTS
Bukit Pareh Quarry Sdn Bhd	Dormant		60%	Samling Global	Samling
Butrasemari Sdn Bhd	Investment holding			Ta Ann related	Ta Ann

Butrasemari Sdn Bhd	Investment holding			Ta Ann related	Ta Ann
C.A Trading Sdn Bhd	Investment holding			KTS related	KTS
C.T.C. Sdn Bhd	Timber concession holder	<b>T/0336</b>		Delta	Delta
Cahaya Ladang Sdn Bhd	Plantation contract work			RH related	Rimbunan Hijau
Cahaya Sukma Sdn Bhd	Media: Oriental Daily			KTS related	KTS
Caiman Ventures Sdn Bhd	Logging operation, contract fee paid			WTK related	WTK
Cairfield Sdn Bhd*	Manufacture & sale of veneer, plywood, sawn timber & timber logs		100%	WTK Holdings	WTK
Caribbean Esskay Limited	Investment holding	B.V.Islands	100%	Samling Global	Samling
Carl Ronnow (M) Sdn Bhd*	Export of logs			Lee Hua Holdings	Lee Hua
Cempaka Teratai Sdn Bhd	Investment holding		100%	Double Dynasty	Double Dynasty
Central Mercantile Corporation (M) Sdn B.	Investment holding		100%	WTK Holdings	WTK
Central Mercantile Corporation (S) Ltd (Singapore)	Trading in tapes, foil & papers		100%	WTK Holdings	WTK
Chia Bee Enterprise Sdn Bhd				KTS related	KTS
Choicewood Sdn Bhd	Logging operation			KTS related	KTS
Commercial Agencies Sdn Bhd	Investment holding			KTS related	KTS
Common Elite Venture Sdn Bhd	Purchase of logs			WTK related	WTK
CTC Sdn Bhd*	Manufacture of sawn timber			Delta	Delta
Curiah Sdn bhd	Extraction & sale of logs	<b>T/3113</b>	70%	Jaya Tiasa	Rimbunan Hijau
Dai Lieng Machinery Sdn Bhd	Provision of heavy equipment, machinery & related spare parts			Shin Yang related	Shin Yang
Dai Lieng Trading Sdn Bhd	Provision of maintenance services & supply of lubricants, spare parts & tires for the tractors & machinery			Shin Yang related	Shin Yang
Daiken (Sarawak) Sdn Bhd*	Production of medium density fiberboard	<b>LPF 003</b>	??%	STIDC Associate	STIDC
Daiken Miri Sdn Bhd	Manufacture & sale of high & medium-density fiberboard		30%	Samling Global	Samling
Daiken Tree Plantation	Plantation (30% joint venture Daiken Sarawak (Japan))	LPF 003 5,503 ha	30%	Samling related	Samling
Danum Trading Sdn Bhd*	Export of logs			Shin Yang related	Shin Yang
Darul Hijau Sdn Bhd	Investment holding & plantation contract work			RH related	Rimbunan Hijau
Dayalaba Sdn Bhd	Extraction & sale of logs	ex T/0298	70%	Samling Global	Samling
DD Palm Oil Mills Sdn Bhd	Palm oil mill		100%	Double Dynasty	Double Dynasty
DD Pelita Gedong Plantation Sdn Bhd	Oil palm plantation		65%	Double Dynasty	Double Dynasty
DD Pelita Sadong Plantation Sdn Bhd	Oil palm plantation		65%	Double Dynasty	Double Dynasty
DD Plantations Sdn Bhd	Investment holding		100%	Double Dynasty	Double Dynasty
Delta Timber (1967) Sdn Bhd*	Manufacture of sawn timber			Delta	Delta
Diamond Plywood Sdn bhd	Dormant		100%	Subur Tiasa	Rimbunan Hijau
DKR Tractors & Equipment Sdn Bhd				KTS related	KTS
Double Dynasty Sdn Bhd	Timber extraction & timber trading		100%	Double Dynasty	Double Dynasty
Durafarm Sdn Bhd	Oil palm plantation			WTK related	WTK
Dusun Nyiur Sdn Bhd	Property investment & car park operation		100%	WTK Holdings	WTK
Dynamic Worldtrade Sdn Bhd*	Export of logs			Golden Hill Forest Group	Golden Hill
Easan Plantation Sdn Bhd	Dormant		100%	Ta Ann Holdings	Ta Ann
East Coast Forests Limited	Dormant	New Zealand	60%	Samling Global	Samling
Eastern Eden Sdn Bhd	Timber operations, development of oil palm plantations & related activities (oil palm plantation)	10000	100%	Jaya Tiasa	Rimbunan Hijau
Eastern Timber Ltd.	Dormant	Malaysia	100%	Jaya Tiasa	Rimbunan Hijau
Eastwood Valley	Property development: Eastwood Valley golf resort			Samling related	Samling
Ebal Plantation Sdn Bhd	Inactive		100%	SOP Berhad	Shin Yang
Ekran Holdings (Philippines) Inc	Investment holding (Philippines)	Ekran	100%	Ekran	Ting Pek Khiing
Ekran Logging Sdn Bhd*	Project construction works & sale of timber products	Ekran	100%	Ekran	Ting Pek Khiing
Ekran Plantations Sdn Bhd	Oil palm plantation (11,575 ha)	Ekran	100%	Ekran	Ting Pek Khiing
Ekran Project Management Sdn Bhd	Project construction works & letting of properties	Ekran	100%	Ekran	Ting Pek Khiing
Ekran Services Inc	Resort business & casino operation - ceased operations (Philippines)	Ekran	100%	Ekran	Ting Pek Khiing
Ekran Timber & Sawmill Sdn Bhd*	Timber logging & sawmilling	Ekran	100%	Ekran	Ting Pek Khiing
Electimber Sdn Bhd	Timber contractor			Ta Ann related	Ta Ann
Elite Honour Sdn Bhd	Logging operation			WTK related	WTK
Elmhurst Sdn Bhd	Landscaping & reforestation		75%	STIDC	STIDC
Enka Trading Sdn Bhd*	Export of logs	<b>T/0371</b>		Interhill	Interhill
Enrich Elite Sdn Bhd	Dormant		100%	WTK Holdings	WTK
Equatorial Timber Marketing Sdn		Ting Pek Khiing		Ting Pek Khiing	Ting Pek Khiing

Erajaya Synergy Sdn bhd	Timber operations, development of oil palm plantations & related activities		100%	Jaya Tiasa	Rimbunan Hijau
Exelle Timber Sdn bhd	Dormant		100%	Subur Tiasa	Rimbunan Hijau
Exultant Enterprise Sdn Bhd	Export of logs			WTK related	WTK
Faedah Mulia Sdn Bhd*	Purchase of logs, contract fees paid in relation to logging operations			WTK related	WTK
Faircom Enterprises Sdn Bhd	Investment holding			KTS related	KTS
Fatherland Sdn Bhd	Investment holding			RH related	Rimbunan Hijau
First Count Sdn Bhd*	Extraction & sale of timber logs	<b>T/3148</b>	100%	WTK Holdings	WTK
Flexitronics Packaging Corporation Bhd	Dormant		100%	WTK Holdings	WTK
Foothill LVL & Plywood (Cangshan) Co, Ltd	Manufacture & sale of laminated veneer lumber	P.R.China	100%	Samling Global	Samling
Foremost Crest Sdn Bhd	Manufacture & sale of doors		50%	Samling Global	Samling
Forescom Plywood Bhd*	Manufacture of plywood & veneer			Shin Yang related	Shin Yang
Gabung Trading Sdn Bhd	Logging operation			KTS related	KTS
GAW Marketing Sdn Bhd	Ceased operations		####	WTK Holdings	WTK
Gayanis Sdn Bhd	Oil palm plantation (12,212 ha) Sawai, Suai (Miri)			KTS related	KTS
General Aluminium Works (M) Sdn Bhd	Conversion of aluminium foils, flexible packaging, metalized & electrostatic discharge products		####	WTK Holdings	WTK
General Gomma (M) Sdn Bhd	Ceased operations		####	WTK Holdings	WTK
Genting Bahagia Sdn Bhd	Timber trading			Ta Ann related	Ta Ann
Germila Sdn Bhd		Ting Pek Khiing		Ting Pek Khiing	Ting Pek Khiing
Giovanni Wood Industries Sdn Bhd (Harwood)	Assembly, import & sale of furniture, & provision of reupholstery services		66%	STIDC	STIDC
Glass Sand Co Bhd	Investment holding			KTS related	KTS
Glenealy Plantations (Malaya) Bhd	Investment holding, operation of oil palm plantations, oil mills & forest plantations		36%	Samling Global	Samling
Golden Cash Harvest Sdn Bhd	Logging operation			WTK related	WTK
Golden Hill Forest Sdn Bhd*	Export of logs			Golden Hill Forest Group	Golden Hill
Goldmakers Sdn Bhd	Investment holding			Ta Ann related	Ta Ann
Goodmatch Sdn Bhd	Reforestation, palm oil plantation	<b>LPF 016 (12,565 ha)</b>		Sanyan	Sanyan
Gopoint Sdn Bhd*	Manufacture & sale of sawn timber		100%	WTK Holdings	WTK
Grace Million Sdn bhd	Dormant		100%	Subur Tiasa	Rimbunan Hijau
Grand Atlantic Timber Sdn Bhd*	Export of logs			Grand Atlantic	Grand Atlantic
Grand Mutual Sdn Bhd	Oil palm plantation (4,856 ha)		100%	BLD Plantation	KTS
Grand Paragon Sdn Bhd	Investment holding		48%	Samling Global	Samling
Grand Perfect Sdn Bhd	Contractor for reforestation projects	LPF 001	35%	Samling related	Samling
Grand Perfect Sdn Bhd	Contractor for reforestation projects	LPF 001	35%	KTS related	KTS
Green Wood Estate Sdn Bhd	Oil palm plantation	386 ha		Shin Yang related	Shin Yang
GT Plywood Industries Sdn Bhd*	Manufacture & sale of plywood & veneer	STIDC Directory		KTS related	KTS
GT Plywood Sdn Bhd*	Export of logs	STIDC Directory		KTS related	KTS
Guanaco Sdn. Bhd	Dormant	Ex. T/????	100%	Jaya Tiasa	Rimbunan Hijau
Gunong Mulu Lumber Development	Logging contract fee (Subur Tiasa 2008)			RH related	Rimbunan Hijau
Hak Jaya Sdn. Bhd*	Marketing of timber logs	Ex T/3134	100%	Jaya Tiasa	Rimbunan Hijau
Haling Gaya Sdn Bhd	Trading of timber logs			RH related	Rimbunan Hijau
Harbour View Realty Sdn Bhd	Export of logs			WTK related	WTK
Harbour-View Realty Sdn Bhd	Purchase of logs			WTK related	WTK
Hariwood Sdn Bhd	Logging & plantation contractor		100%	Ta Ann Holdings	Ta Ann
Hariyama Sdn Bhd	Development of oil palm plantations & related activities		100%	Jaya Tiasa	Rimbunan Hijau
Harvard League Sdn Bhd	Purchase of logs			WTK related	WTK
Harvard Master Sdn Bhd	Oil palm plantation			WTK related	WTK
Harvard Rank Sdn Bhd*	Purchase of logs			WTK related	WTK
Harwood Timber Products Sdn Bhd (Harwood)	Production & sale of sawn timber & molding products		100%	STIDC	STIDC
Harwood Timber Sdn Bhd*	Sale of logs, production & sale of sawn timber & acting as the sole inspecting agent for the state of Sarawak to ensure that a specified percentage of logs extracted in the state is reserved for local processing.		100%	STIDC	STIDC
Hazelland	Oil palm plantation (5,483 ha)	Land acquired in 2004	100%	BLD Plantation	KTS
Hikurangi Forest Farms Limited	Forest plantation	New Zealand	60%	Samling Global	Samling
Hillog Sdn Bhd*	Provision of woodworking & related timber processing services	Ex T/0293	100%	STIDC	STIDC

Hock Lee Enterprises (M) Sdn Bhd	Property investment & letting of industrial properties		60%	Samling Global	Samling
Hock Lee Plantations Sdn Bhd	Investment holding		60%	Samling Global	Samling
Hock Lee Rubber Products Sdn Bhd	Manufacture & sale of rubber retread compounds		60%	Samling Global	Samling
Hock Lee Sawmill Company Sdn Bhd*	Timber license holder, manufacturing & export	<b>T/0107 T/0108</b>		Hock Lee	Hock Lee
Hock Lee Timber Industries Sdn Bhd*	Manufacturing & export			Hock Lee	Hock Lee
Hock Ling Sawmill Co Sdn Bhd*	Export of logs	STIDC Directory		KTS related	KTS
Hock Tong Hin Sawmill Co Bhd	Investment in shares			KTS related	KTS
Hollystone Quarry Sdn Bhd	Purchase of gravel			Shin Yang related	Shin Yang
Homet Raya Sdn bhd	Supply of electricity		100%	Subur Tiasa	Rimbunan Hijau
Hormat Saga Sdn. Bhd	Timber license holder with rights to extract & sell timber			Samling related	Samling
Hornbill Skyways Sdn Bhd	<a href="http://www.hornbillskyways.com">Provision of Aviation Services (www.hornbillskyways.com)</a>		65%	STIDC	STIDC
Hose Mountains Logging Sdn Bhd	Logging contractor & sale of timber			RH related	Rimbunan Hijau
Houting Sdn Bhd	Timber logging concession	<b>T/0163</b>	30%	STIDC Associate	STIDC
Hua Aik Sawmill Co Bhd*	Timber concession licensee, sawmilling & logging	<b>T/0094</b>		KTS related	KTS
Hua Lim Holdings Bhd	Investment holding			KTS related	KTS
Hua Lim Sawmill Bhd	Sawmill and logging operation			KTS related	KTS
Hua Seng Sawmill Co Bhd*	Logging, sawmilling & shipping			KTS related	KTS
Hung Ling Sawmill Sdn Bhd*	Purchase of logs			WTK related	WTK
Hwa Sen Holdings Bhd	Management & investment holding			KTS related	KTS
Hwa Sen Veneer & Plywood Ind. Sdn Bhd*	Manufacture & sale of plywood & veneer	STIDC Directory		KTS related	KTS
Imbok Enterprise Sdn Bhd	Oil palm plantation			WTK related	WTK
Immense Fleet Sdn Bhd	Reforestation & the planting & management of an oil palm plantation	<b>LPF 022, LPF 032</b>	100%	WTK Holdings	WTK
Infrapalm Sdn bhd *	Dormant		100%	Subur Tiasa	Rimbunan Hijau
Interhill Enterprise Sdn Bhd*	Investment holding, export of logs			Interhill	Interhill
Interhill Logging Sdn Bhd	Extraction & trading of logs	Contractor on T/0339		Interhill	Interhill
Interhill Shipping Sdn Bhd	Shipping			Interhill	Interhill
Interwil Holdings (Proprietary) Limited	Trading of timber products in South Africa	South Africa		Samling related	Samling
Ironwall Sdn Bhd	Timber contractor			Ta Ann related	Ta Ann
Isumart Sdn Bhd	Investment holding			Ta Ann related	Ta Ann
Izin Indah Sdn Bhd	Investment Holding			KTS related	KTS
Jaras Sdn bhd	Extraction, purchase & sale of Logs	<b>T/3044</b>	100%	Jaya Tiasa	Rimbunan Hijau
Jati Bahagia Sdn Bhd*	Logging operation, purchase of logs	Logging operator for Usama Ind. T/3216, T/3217, T/3218		WTK related	WTK
Jati Vista Sdn Bhd	Oil palm plantation	4,047 ha		Shin Yang related	Shin Yang
Jaya Tiasa Aquaculture Sdn Bhd	Dormant		100%	Jaya Tiasa	Rimbunan Hijau
Jaya Tiasa Aviation Sdn. Bhd	Provision of air transportation services		100%	Jaya Tiasa	Rimbunan Hijau
Jaya Tiasa Forest Plantation	Development & maintenance of planted forests & forest plantation contractor		100%	Jaya Tiasa	Rimbunan Hijau
Jaya Tiasa Holdings Berhad*	KLSE		28%	Tiong Hiew King	Rimbunan Hijau
Jaya Tiasa Plywood Sdn. Bhd*	Manufacturing & sale of sawn timber, veneer, blockboard & plywood		100%	Jaya Tiasa	Rimbunan Hijau
Jaya Tiasa R&D Sdn. Bhd	Research & development & sale of seeds		100%	Jaya Tiasa	Rimbunan Hijau
Jaya Tiasa Timber Products Sdn Bhd*	Manufacturing & sale of sawn timber, plywood & veneer		100%	Jaya Tiasa	Rimbunan Hijau
Jayamax Plantation Sdn Bhd	Oil palm plantation (Rimbunan Sawit 2008)			RH related	Rimbunan Hijau
Jelita Timber Sdn Bhd	Timber concession licensee	<b>T/0285</b>		KTS related	KTS
Joyful Realty Sdn bhd	Property holding & development		100%	Subur Tiasa	Rimbunan Hijau
JPH Enterprise Sdn bhd	Dormant		100%	Subur Tiasa	Rimbunan Hijau
JPH Logging Sdn bhd *	Logging contractor		100%	Subur Tiasa	Rimbunan Hijau
JT Oil Palm Development Sdn Bhd	Dormant		100%	Jaya Tiasa	Rimbunan Hijau
Juta Intelek Sdn Bhd*	Timber concession licensee & logging operation	<b>T/0429</b>		KTS related	KTS
K.T.S. Holdings Sdn Bhd	Investment holding			KTS related	KTS
Kaduna Cleaning Services Sdn Bhd				KTS related	KTS
Kai Ming Press Sdn Bhd	Media			KTS related	KTS
Kastima Lumber Sdn Bhd	Logging operation			KTS related	KTS

Katas Credit Leasing Bhd	Credit financing			KTS related	KTS
Katas Holdings Bhd	Investment holding & provision of management services			KTS related	KTS
Kayuneka Sdn Bhd*	Agent for sale of logs		100%	Samling Global	Samling
Kedasa Sdn Bhd	Timber concession licensee	<b>T/3127</b>		Shin Yang related	Shin Yang
Kee Wee Plantation Sdn Bhd	Investment holding		100%	Double Dynasty	Double Dynasty
Kemena Forest Development Sdn Bhd	Timber trading			Ta Ann related	Ta Ann
Keresa Timber Corporations Sdn Bhd	Extraction & sale of timber	<b>T/0537</b>	??%	STIDC Associate	STIDC
Kestrel Sdn Bhd	Timber logging concession	<b>T/0302</b>	100%	STIDC	STIDC
Kian Kuo Enterprise Sdn Bhd	Investment holding			Ta Ann related	Ta Ann
Kintameru Sdn Bhd	Timber contractor			Ta Ann related	Ta Ann
Kion Ling Timber-Based Industries*	Timber processing & trading		??%	STIDC Associate	STIDC
Kirana Palm Oil Refinery Sdn Bhd	Intended for palm oil refinery		100%	BLD Plantation	KTS
KN Wong (M) Sdn Bhd	Export of logs			WTK related	WTK
Kosa Bahagia Sdn Bhd	Investment holding			WTK related	WTK
KTN Timor Sdn Bhd*	Extraction & sale of logs	<b>T/0280</b>	100%	Samling Global	Samling
KTS Agriculture	Oil palm plantation (6,245 ha), Kabang Land Dist. (Sibu)			KTS related	KTS
KTS Forest Management Sdn Bhd				KTS related	KTS
KTS Igan Bridge Sdn Bhd				KTS related	KTS
KTS Insurance Agencies Sdn Bhd				KTS related	KTS
KTS Logs Marketing Sdn Bhd*	Export of logs			KTS related	KTS
KTS Lumber Sdn Bhd	Export of logs			KTS related	KTS
KTS Pelita (Simunjan) Sdn Bhd	Oil palm plantation (7,900 ha), Simunjan (Sri Aman)	Ex. Sabal Kruin		KTS related	KTS
KTS PUSAKA	Oil palm plantation (55,752 ha), Kakus, (Belaga)			KTS related	KTS
KTS Sdn Bhd*	Export of logs	STIDC Directory		KTS related	KTS
KTS Timber Industries Bhd*	Plywood product manufacture	35% Grand Perf.		KTS related	KTS
KTS Timber Processing Sdn Bhd*	Processing & sale of sawn timber	JV 30% STIDC	70%	KTS related	KTS
KTS Timber Processing Sdn Bhd*	Processing & sale of sawn timber		30%	STIDC Associate	STIDC
KTS Timbers Sdn Bhd*	Export of logs	STIDC Directory		KTS related	KTS
KTS Trading Sdn Bhd*	Export of logs			KTS related	KTS
Kuching Hotels Sdn Bhd	Hotel industries	Together with SEDC 88.7% Kuching Holiday Inn Sarawak Plaza Shopping	11%	STIDC Associate	STIDC
Kuching Lumber Holdings Bhd	Sawmilling & logging operation, investment holding			KTS related	KTS
Kuching Plywood Bhd*	Manufacture & sale of plywood & sawn timber		100%	WTK Holdings	WTK
Kuching Timber Store Sawmills Bhd*	Sawmilling & logging operation			KTS related	KTS
Kunari Timber Sdn Bhd*	Marketing of timber logs		100%	Jaya Tiasa	Rimbunan Hijau
Kunciraya Sdn Bhd				KTS related	KTS
Kuntum Enterprises Sdn Bhd	Investment holding			RH related	Rimbunan Hijau
L C N Wood Industries Sdn Bhd*	Processing & sale of sawn timber	STIDC Directory		RH related	KTS
Ladang Hijau (Sarawak) Sdn Bhd	Plantation			RH related	Rimbunan Hijau
Ladang Selezu Sdn Bhd	Oil palm plantation			Ta Ann related	Ta Ann
Langkasuka Marina Development Sdn Bhd	Property development	Ekran	60%	Ekran	Ting Pek Khiing
Langkawi Airport Hotel Sdn Bhd	Hotel business	Ekran	####	Ekran	Ting Pek Khiing
Lee Hua Sawmill Company Sdn Bhd*	Timber concession holder, manufacture of sawn timber	<b>T/3166</b>		Lee Hua Holdings	Lee Hua
Lee Ling Construction & Development	Property development	QQ	100%	Quality Concrete	Lee Ling
Lee Ling Enterprise Sdn Bhd	Purchase of logs			WTK related	WTK
Lee Ling Enterprise Sdn Bhd*	Timber trading (export of logs)			Lee Ling related	Lee Ling
Lee Ling Shipping Sdn Bhd	Shipping			Lee Ling related	Lee Ling
Lee Ling Timber Products*	Manufacture of sawn timber, export of logs, sawn, plywood, veneer			Lee Ling related	Lee Ling
Lee Ling Timber Sdn Bhd*	Timber logging & manufacture of timber products	QQ	100%	Quality Concrete	Lee Ling
Lee Long Holdings Sdn Bhd	Investment holding	QQ	100%	Quality Concrete	Lee Ling
Lieen Groups Sdn Bhd	Timber operation			RH related	Rimbunan Hijau
Lik Shen Enterprise Sdn Bhd*	Timber trading			Ta Ann related	Ta Ann
Lik Shen Sawmill Sdn Bhd	Manufacture & sale of sawn timber & other timber products		100%	Ta Ann Holdings	Ta Ann
Limba Jaya Timber Sdn Bhd	Establishment & maintenance of planted forest	QQ <b>LPF 038</b>	70%	Quality Concrete	Lee Ling
Limbang Trading (Limbang) Sdn Bhd	Logging & marketing of timber	Panglobal		Panglobal	James Wong

Limpah Mewah Sdn Bhd*	Extraction & sale of timber logs	<b>T/3001</b>	100%	WTK Holdings	WTK
Linau Jaya Sdn Bhd*	Export of logs			Shin Yang related	Shin Yang
Linau Mewah Sdn Bhd	Oil palm mill?			Shin Yang related	Shin Yang
Lingui Corporation Sdn Bhd	Provision of management services		60%	Samling Global	Samling
Lingui Developments Berhad	Investment holding		60%	Samling Global	Samling
Linshanhao Plywood (Sarawak) Sdn Bhd*	Manufacture & sale of plywood		100%	WTK Holdings	WTK
Loytape Industries Sdn Bhd	Manufacture & sale of adhesive & gummed tapes & investment holding		100%	WTK Holdings	WTK
Lubuk Tiara Sdn Bhd	Oil palm plantation (Rimbunan Sawit 2008)			RH related	Rimbunan Hijau
Lukutan Enterprises Sdn Bhd	Purchase of logs (Subur Tiasa 2008)			RH related	Rimbunan Hijau
Lundu Sawmill Sdn Bhd*	Purchase of logs	<b>T/0023</b>		WTK related	WTK
M.J. Wood Co. Ltd. (Japan)	Marketing of timber products		45%	Ta Ann Holdings	Ta Ann
Mafrica Trading Sdn. Bhd	General trading & heli logging services		40%	Jaya Tiasa	Rimbunan Hijau
Magna-Foremost Sdn Bhd*	Manufacture & sale of fiberboard door facings		50%	Samling Global	Samling
Majulaba Sdn Bhd	Extraction & sale of logs	<b>T/9115</b>	70%	Samling Global	Samling
Manis Oil Sdn Bhd	Operation of palm oil mill		100%	Ta Ann Holdings	Ta Ann
Mantan Sdn bhd	Dormant	Ex T/3138	100%	Jaya Tiasa	Rimbunan Hijau
Marabong Lumber Sdn Bhd	Investment holding & timber contractor			RH related	Rimbunan Hijau
Mashyur Mutiara Sdn Bhd		Ting Pek Khiing		Ting Pek Khiing	Ting Pek Khiing
Maujaya Sdn. Bhd	Dormant	Ex T/3143	100%	Jaya Tiasa	Rimbunan Hijau
Maxiwealth Holdings Sdn Bhd	Dormant	Ex. T/???	100%	Jaya Tiasa	Rimbunan Hijau
Mazama Sdn Bhd	Timber concession licensee	<b>T/0305</b>		Shin Yang related	Shin Yang
Medan Mestika Sdn Bhd	Oil palm plantation			WTK related	WTK
Mega Bumimas Sdn Bhd	Cultivation of oil palms		100%	Ta Ann Holdings	Ta Ann
Megasatria Sdn Bhd				Senling	Senling
Meli-Mujong Logging Sdn Bhd	Logging contractor & sale of timber, rental of heavy equipment & transportation			RH related	Rimbunan Hijau
Melinau Transport Sdn Bhd	Land transportation services			Shin Yang related	Shin Yang
Menyan Plantation Sdn Bhd	Dormant		100%	Ta Ann Holdings	Ta Ann
Merak Murni	Oil palm plantation (4,730 ha)	Land acquired in 2004	100%	BLD Plantation	KTS
Merawa Sdn Bhd*	Extraction & sale of logs	<b>T/9082</b>	100%	Samling Global	Samling
Midas Plantation Sdn Bhd	Special purpose vehicle incorporated to facilitate the issue of the Islamic debt instruments pursuant to a sale & leaseback arrangement involving some of the assets of RHP & TR		100%	Rimbunan Sawit	Rimbunan Hijau
Millennium Midland Sdn Bhd	Logging contract fee (Subur Tiasa 2008)			RH related	Rimbunan Hijau
Miri Parts Trading Sdn Bhd	Spare parts, petrol, oil & lubricant traders, insurance agents & provision of repair services		60%	Samling Global	Samling
Mitsumoku Sdn Bhd*	Timber trading			Ta Ann related	Ta Ann
Mountex Sdn Bhd	Investment holding			Ta Ann related	Ta Ann
Multi Greenview Sdn bhd	Dormant		100%	Jaya Tiasa	Rimbunan Hijau
Multi Maximum Sdn Bhd	Cultivation of oil palms		85%	Ta Ann Holdings	Ta Ann
Mutiara Hartabumi Sdn Bhd	Investment holding		100%	Double Dynasty	Double Dynasty
Mutiara Pelita Genaan Plantation Sdn Bhd	Oil palm plantation		60%	Double Dynasty	Double Dynasty
Nescaya Palma Sdn Bhd	Cultivation of oil palm		85%	Rimbunan Sawit	Rimbunan Hijau
Niamas Istimewa Sdn Bhd	Oil palm plantation (2,700 ha)		60%	BLD Plantation	KTS
Ninjas Development Sdn Bhd*	Extraction & sale of timber logs	<b>T/3080</b>	100%	WTK Holdings	WTK
Nirwana Muhibbah Sdn Bhd	Investment holding company & operation of a timber logging concession	T/????	100%	Double Dynasty	Double Dynasty
Noble Corporation Sdn Bhd				KTS related	KTS
Ocarina Development Sdn Bhd*	Investment holding, contract fees paid in relation to logging operations			WTK related	WTK
Ocean Shores Development Sdn Bhd	Logging contract fee (Subur Tiasa 2008)			RH related	Rimbunan Hijau
Ostasia Sdn Bhd	Timber concession licensee	<b>T/0363</b>		Shin Yang related	Shin Yang
Oxford Empire Sdn Bhd*	Purchase of logs			WTK related	WTK
Oxford Glory Sdn Bhd	Oil palm plantation			WTK related	WTK
Pacific Timber Holdings Limited	Investment holding	Cayman Islands	100%	Jaya Tiasa	Rimbunan Hijau
Palmhead Sdn Bhd	Oil palm plantation			Ta Ann related	Ta Ann
Palmlyn Sdn. Bhd	Cultivation of oil palm		100%	Subur Tiasa	Rimbunan Hijau
Panglo Timbers Sdn Bhd*	Timber extraction & trading			Ta Ann related	Ta Ann
Pantai Bayu Indah Sdn Bhd	Property development: Marina Park Miri	JV (70:30) with LCDA & Samling	70%	Samling related	Samling

		Strategic Corporation)			
Pasin Sdn Bhd	Timber concession licensee & trading of logs	<b>T/3135</b>	100%	Ta Ann Holdings	Ta Ann
Pekerjaan Piasau Konkerit Sdn Bhd				Shin Yang related	Shin Yang
Pelita Sebungan Plantation Sdn Bhd	Oil palm plantation		60%	Double Dynasty	Double Dynasty
Pelita-Splendid Plantation Sdn Bhd	Oil palm plantation (Rimbunan Sawit 2008)			RH related	Rimbunan Hijau
Pemandangan Jauh Plantation Sdn Bhd	Investment holding & oil palm plantation			RH related	Rimbunan Hijau
Perdana ParkCity Sdn Bhd	Property development: Desa Parkcity Development			Samling related	Samling
Perkapalan Pelayaran Sdn Bhd	Investment holding			Ta Ann related	Ta Ann
Perkapalan Pelayaran Sdn Bhd	Investment holding			Ta Ann related	Ta Ann
Perkapalan Pelayaran Sdn Bhd	Timber trading, contractor & transportation			Ta Ann related	Ta Ann
Perkayuan Sukma Sdn Bhd	Timber concession licensee	<b>T/3290</b>		KTS related	KTS
Permata Kenyalang Sdn Bhd	Property development	Novotel Interhill		Interhill	Interhill
Perpuluhan Jaya Sdn Bhd	Purchase of logs (Jaya Tiasa 2008)			RH related	Rimbunan Hijau
Pertumbuhan Abadi Asia Sdn Bhd	Investment Holding			RH related	Rimbunan Hijau
Pertumbuhan Kekal Sdn Bhd	Logging contract fee (Subur Tiasa 2008)			RH related	Rimbunan Hijau
Piasau Hydraulic Hose Sdn Bhd				Shin Yang related	Shin Yang
Piasau Trading Sdn Bhd*	Export of logs			Shin Yang related	Shin Yang
Piramid Intan Sdn Bhd*	Logging operator, purchase & sale of timber logs	Logging contractor for T/3401 (STIDC)	100%	WTK Holdings	WTK
PJP Pelita Biawak Plantation Sdn Bhd	Oil palm plantation			RH related	Rimbunan Hijau
Plieran Sdn Bhd	Investment holding		100%	Samling related	Samling
Poh Zhen Sdn Bhd	Timber operations, development of oil palm plantations & related activities (Oil Palm Plantation)	5000	100%	Jaya Tiasa	Rimbunan Hijau
Polima Compressed Wood Bintulu Sdn Bhd*	Production of compression molded pallet blocks & core plugs utilizing wood waste	(formerly known as Tanjong Manis Corporation Sdn Bhd)	30%	STIDC Associate	STIDC
Premier Woodworking (Anqing) Corporation	Manufacture & sale of flooring, treadmill panel & flush doors	P.R. China		Samling related	Samling
Primaluck (M) Sdn Bhd	Oil palm plantation	4,582 ha		Shin Yang related	Shin Yang
Protection Gloves Sdn Bhd*	Purchase of logs			WTK related	WTK
PUSAKA KTS Forests Plantation Sdn Bhd	Oil palm plantation (55,752 ha) & reforestation	JV 30% STIDC <b>LPF 011, LPF 012, LPF 013</b>	30%	KTS related	KTS
PUSAKA KTS Forests Plantation Sdn Bhd	Oil palm plantation & reforestation	<b>LPF 011, LPF 012, LPF 013</b>	30%	STIDC Associate	STIDC
PWE Logging Sdn Bhd	Dormant	PWE	100%	PWE	Ting Pek Khiing
Qianshan Hualin Woodworking Corporation	Manufacture & sale of fingerjoint timber	P.R. China		Samling related	Samling
QPA Sdn Bhd	Ceased operations		####	WTK Holdings	WTK
Queenwest Corporation Pty Ltd	Investment holding			Ta Ann related	Ta Ann
Queenwest Timber Supplies Pty Ltd	Timber trading (Australia)			Ta Ann related	Ta Ann
Questate Sdn Bhd	Trading of logs		100%	Ta Ann Holdings	Ta Ann
R H Timber Processing Industries Sdn Bhd*	Manufacture & sale of sawn timber		100%	Subur Tiasa	Rimbunan Hijau
R.H. Forest Corporation Sdn Bhd	<b>Reforestation (Subur Tiasa 2008)</b>	<b>LPF 023, LPF 024, PF 028, LPF 029, LPF 030, LPF 034</b>		RH related	Rimbunan Hijau
R.H. Plantation Sdn Bhd	Cultivation of oil palm & processing of palm oil		100%	Rimbunan Sawit	Rimbunan Hijau
Raplex Sdn Bhd	Timber concession licensee & trading of logs	<b>T/0560</b>	100%	Ta Ann Holdings	Ta Ann
Ravencourt Sdn Bhd*	Extraction & sale of logs	<b>T/0294</b>	100%	Samling Global	Samling
Raya Intan Sdn Bhd*	Manufacture & export			Golden Hill Forest Group	Golden Hill
Recent Timber Sdn Bhd*	Logging operation			KTS related	KTS
Rejang Height Sdn Bhd	<b>Reforestation (Subur Tiasa 2008)</b>	<b>LPF 025, LPF 026, LPF031, LPF 035, LPF 036, LPF 037</b>		RH related	Rimbunan Hijau
Rejang Logging Co. Sdn Bhd	Timber merchant			RH related	Rimbunan Hijau
Rela Aman Sdn Bhd				KTS related	KTS
RH Lundu Palm Oil Mill Sdn Bhd	Processing of palm oil			RH related	Rimbunan Hijau
RH Selangau Palm Oil Mill Sdn Bhd	Processing of palm oil (Rimbunan Sawit 2008)			RH related	Rimbunan Hijau

Riam Institute of Technology	Training & development			Woodman	linked to Samling
Ribu Hijau Sdn Bhd	Transportation of timber related products			Ta Ann related	Ta Ann
Rimalco Sdn Bhd	Manufacture & sale of sawn timber		40%	Samling Global	Samling
Rimba Istimewa Sdn Bhd	Oil palm			KTS related	KTS
Rimbunan Hijau (Sarawak) Sdn Bhd	Investment holding			RH related	Rimbunan Hijau
Rimbunan Hijau General Trading Sdn Bhd				RH related	Rimbunan Hijau
Rimbunan Hijau Plywood Sdn Bhd*	Manufacture & sale of sawn timber, blockboard & plywood		100%	Jaya Tiasa	Rimbunan Hijau
Rimbunan Hijau Sdn Bhd	Logging contractor & sale of timber			RH related	Rimbunan Hijau
Rimbunan Hijau Southeast Asia Sdn Bhd	Investment holding			RH related	Rimbunan Hijau
Rimbunan Sawit Berhad	KLSE		53%	Tiong Hiew King	Rimbunan Hijau
Rimbunan Sawit Holdings Berhad	Investment holding		100%	Rimbunan Sawit	Rimbunan Hijau
Rimex Sdn Bhd*	Export of sawn timber	Zedtee		Shin Yang related	Shin Yang
Rimex Trading Sdn Bhd*	Export of logs	Zedtee		Shin Yang related	Shin Yang
Riveron Shipping Sdn Bhd	Transportation of timber related products			Ta Ann related	Ta Ann
Riverside Plywood Corporation	Manufacture & sale of plywood & veneer	P.R.China	100%	Samling Global	Samling
RJ Timur Sdn Bhd*	Manufacture of sawn timber			Golden Hill Forest Group	Golden Hill
Rowaida Sdn Bhd*	Export of logs			Interhill	Interhill
Sabal Sawmill Sdn Bhd	Purchase of logs	T/6046		WTK related	WTK
Saeaga Airlines Sdn Bhd	Provision of air transportation & related activities - ceased operations	Ekran	100%	Ekran	Ting Pek Khiing
Saforin Sdn Bhd	Logging contract fee (Subur Tiasa 2008)			RH related	Rimbunan Hijau
Samanda Equities Sdn Bhd	Dormant		100%	WTK Holdings	WTK
Samanda Marketing & Sales Sdn Bhd	Renting of property, plant & equipment & trading of adhesive tapes		####	WTK Holdings	WTK
Samanda Marketing Corporation Sdn Bhd	Dormant		100%	WTK Holdings	WTK
Samanda Trading Sdn Bhd	Trading of adhesive & gummed tapes & packaging related products		100%	WTK Holdings	WTK
Samling Baroque Holding (Hong Kong) Limited	Dormant	Hong Kong	100%	Samling Global	Samling
Samling Baroque Trading (Hong Kong) Limited	Dormant	Hong Kong	100%	Samling Global	Samling
Samling China Inc	Investment holding	B.V.Islands	100%	Samling Global	Samling
Samling Chipboard Sdn Bhd	Manufacture & sale of particle board		54%	Samling Global	Samling
Samling DorFoHom Sdn Bhd*	Investment holding & wood residual trading		86%	Samling Global	Samling
Samling Elegant Living Holding (Hong Kong) Limited	Dormant	Hong Kong	100%	Samling Global	Samling
Samling Elegant Living, Inc	Investment holding	B.V.Islands	100%	Samling Global	Samling
Samling Flooring Products Sdn Bhd*	Manufacture & sale of flooring products, veneer & plywood		100%	Samling Global	Samling
Samling Foothill Co, Ltd	Dormant	Hong Kong	100%	Samling Global	Samling
Samling Global USA, Inc	Sale of veneer & plywood	USA	100%	Samling Global	Samling
Samling Housing Products Sdn Bhd*	Manufacture & sale of housing products		54%	Samling Global	Samling
Samling Japan Corporation	Market research	Japan	100%	Samling Global	Samling
Samling Labuan Limited	Investment holding		100%	Samling Global	Samling
Samling Malaysia Inc	Investment Holding		100%	Samling related	Samling
Samling Malaysia Inc	Investment holding		100%	Samling Global	Samling
Samling Manufacturing Plantation Sdn Bhd*	Dormant		60%	Samling Global	Samling
Samling Plywood (Baramas) Sdn Bhd*	Manufacture & sale of plywood, veneer & extraction & sale of timber logs	T/0411 T/0412	60%	Samling Global	Samling
Samling Plywood (Bintulu) Sdn Bhd*	Manufacture & sale of plywood & veneer, extraction & sale of timber logs	T/3283 T/3282	60%	Samling Global	Samling
Samling Plywood (Lawas) Sdn Bhd*	Extraction & sale of logs	T/0405 T/0404	60%	Samling Global	Samling
Samling Plywood (Miri) Sdn Bhd*	Manufacture & sale of plywood, extraction & sale of timber logs	T/0413	60%	Samling Global	Samling
Samling Power Sdn Bhd	Operation of power generating facilities		60%	Samling Global	Samling
Samling Reforestation (Bintulu) Sdn Bhd*	Tree plantation		100%	Samling Global	Samling
Samling Resources Sdn Bhd	Equipment rental		100%	Samling Global	Samling

Samling Riverside Co, Ltd	Sale of plywood & flooring products	Hong Kong	100%	Samling Global	Samling
Samling Strategic Corporation	Investment holding		100%	Samling related	Samling
Samling Tongling Co, Ltd	Dormant	Hong Kong	100%	Samling Global	Samling
Samling Trademark Inc	Ownership of trademark	B.V.Islands	100%	Samling Global	Samling
Samling Wood Industries Sdn Bhd*	Extraction & sale of logs	<b>T/3284</b>	100%	Samling Global	Samling
Samling-PDT Resources Sdn Bhd	Dormant		49%	Samling Global	Samling
San Thye Trading Sdn Bhd*	Timber Trading (Export of Logs)			Lee Ling related	Lee Ling
Sanitama Sdn Bhd*	Extraction & sale of timber logs	<b>T/3132</b>	100%	WTK Holdings	WTK
Sanyan Development Sdn Bhd				Sanyan	Sanyan
Sanyan Holding Sdn Bhd	Investment holding			Sanyan	Sanyan
Sanyan Lumber Sdn Bhd	Timber license holder	<b>T/0089</b>		Sanyan	Sanyan
Sanyan Sawmill Sdn Bhd*	Manufacturing sawn timber, export of logs			Sanyan	Sanyan
Sanyan Sdn Bhd				Sanyan	Sanyan
Sanyan Wood Industries Sdn Bhd*	Manufacture of plywood & veneer			Sanyan	Sanyan
Saratim Insurance Agency Services	Insurance agency		100%	STIDC	STIDC
Sarawak Construction (1963) Sdn Bhd				KTS related	KTS
Sarawak Land (Kemena Park) Sdn Bhd	Property development: Bintulu Parkcity Development			Samling related	Samling
Sarawak Moulding Industries Bhd*	Manufacture, purchase & sale of sawn timber		100%	WTK Holdings	WTK
Sarawak Oil Palms Berhad	KLSE		30%	Shin Yang related	Shin Yang
Sarawak Plywood (M) Sdn bhd*	Logging, sawmilling & marketing of logs & sawn timber	<b>T/0133, T/0190, T/0191</b>	100%	Subur Tiasa	Rimbunan Hijau
Sarawak Pulp Industries Sdn Bhd	Extraction & marketing of timber	<b>LPF 015</b> Ting Pek Khiing		Ting Pek Khiing	Ting Pek Khiing
Sarawak Pulp Industries Sdn Bhd	Extraction & marketing of timber	LPF 015	??%	STIDC Associate	STIDC
Sarica Enterprise Sdn Bhd	Purchase of logs (Subur Tiasa 2008)			RH related	Rimbunan Hijau
Sastep Sdn Bhd	Timber trading but ceased operation in a prior year	PWE	100%	PWE	Ting Pek Khiing
Scott & English Trading (Sarawak) Sdn Bhd				Shin Yang related	Shin Yang
Sdn Bhd				RH related	Rimbunan Hijau
Sebubu Sdn Bhd	Oil palm plantation			Ta Ann related	Ta Ann
See Hua Daily News Bhd	Media			KTS related	KTS
See Hua Realty Bhd	Investment in real-estate			KTS related	KTS
Selah Timber Sdn Bhd	Timber logging concession	T/????	30%	STIDC Associate	STIDC
Selamat Timber Co Bhd	Dormant			KTS related	KTS
Select Door Industries Sdn Bhd*	Manufacturing & export			Golden Hill Forest Group	Golden Hill
Selvaplac Verde Ltda. (i)	Investment holding	Brazil	66%	Jaya Tiasa	Rimbunan Hijau
Semarak Veneer & Plywood Sdn bhd *	Dormant		100%	Subur Tiasa	Rimbunan Hijau
Seng Ling Development Sdn Bhd				Senling	Senling
Seng Ling Industries Sdn Bhd				Senling	Senling
Seng Ling Oil Palm Sdn Bhd				Senling	Senling
Seng Ling Sawmill Co Sdn Bhd				Senling	Senling
Senling Credit & Mortgage Sdn Bhd				Senling	Senling
Sepangar Chemical Industry Sdn Bhd	Manufacture & sale of formalin & various formaldehyde adhesive resins		####	Samling Global	Samling
Sericahaya Sdn bhd	Extraction & sale of logs	<b>T/3114</b>	70%	Jaya Tiasa	Rimbunan Hijau
Sertama Sdn Bhd*	Extraction & sale of logs	<b>T/3173</b>	100%	Samling Global	Samling
SGL Trading Inc	Trading	B.V.Islands	100%	Samling Global	Samling
Shin Fung (Malaysia) Sdn Bhd	Logging			STIDC	Samling related
Shin Hua Sawmill Co Bhd*	Timber concession licensee, sawmilling & logging opera.	<b>T/0106</b>		KTS related	KTS
Shin Yang Forestry Sdn Bhd*	Reforestation	<b>LPF 017</b> <b>LPF 018</b> <b>LPF 019</b>		Shin Yang related	Shin Yang
Shin Yang Holding Sdn Bhd	Investment holding			Shin Yang related	Shin Yang
Shin Yang Industries (Bintulu) Sdn Bhd	Extraction & marketing of timbers	30% STIDC		Shin Yang related	Shin Yang
Shin Yang Industries (Bintulu) Sdn Bhd	Extraction & marketing of timbers		30%	STIDC Associate	STIDC
Shin Yang Laminated Board Sdn Bhd*	Manufacturing & trading of wood products			Shin Yang related	Shin Yang
Shin Yang Oil Palm Sdn Bhd	Oil palm plantation	13,888 ha		Shin Yang related	Shin Yang
Shin Yang Plantation Sdn Bhd	Investment holding (SOP)			Shin Yang related	Shin Yang
Shin Yang Plywood (Bintulu) Sdn Bhd*	Decorative plywood & other wood products manufacturing		21%	STIDC Associate	STIDC
Shin Yang Plywood Sdn Bhd*	Manufacture of plywood & veneer			Shin Yang related	Shin Yang
Shin Yang Plywood (Bintulu) Sdn Bhd*	Manufacture of decorative plywood & other wood products	21% STIDC		Shin Yang related	Shin Yang

Shin Yang Sawmill Sdn Bhd*	Manufacture of sawn timber			Shin Yang related	Shin Yang
Shin Yang Sdn Bhd				Shin Yang related	Shin Yang
Shin Yang Services Sdn Bhd	Purchase of diesel & petrol			Shin Yang related	Shin Yang
Shin Yang Trading Sdn*	Export of logs, purchase of lubricant, spare parts & tires for the tractors & machinery			Shin Yang related	Shin Yang
Shin Yang Wood Systems Sdn Bhd*	Manufacture of plywood & veneer			Shin Yang related	Shin Yang
Sibu Steel (S) Sdn Bhd				Senling	Senling
SIF Management Sdn Bhd*	Extraction & sale of logs & manufacture & sale of veneer		100%	Samling Global	Samling
Simalau Plantation	Development of oil palm plantations & related activities (Oil Palm Plantation)	15600 (LPF 035)	100%	Jaya Tiasa	Rimbunan Hijau
Simbol Strategik Sdn Bhd	Export of logs			WTK related	WTK
Sin Lee Sawmill Sdn Bhd*	Timber concession licensee, sawmill & trading of logs	<b>T/0001</b>		Ta Ann related	Ta Ann
Sin Lien Ho Sawmill Sdn Bhd*	Timber concession holder, manufacture of sawn timber	<b>T/0113</b> <b>T/0114</b>		Sin Lien Ho Holdings	Sin Lien Ho
Solid Timber Sdn Bhd*	Export of logs			Solid	Solid
Song Logging Company Sdn Bhd*	Sawmilling, extraction & sale of timber logs & sawn timber	<b>T/3081</b>	100%	WTK Holdings	WTK
SOP Karabungan Sdn Bhd	Cultivation of oil palms		70%	SOP Berhad	Shin Yang
SOP Pelita Bekenu & Niah Plantation Sdn Bhd	Cultivation of oil palms		50%	SOP Berhad	Shin Yang
SOP Plantation (Balingian) Sdn Bhd	Cultivation of oil palms		80%	SOP Berhad	Shin Yang
SOP Plantations (Borneo) Sdn Bhd	Cultivation of oil palms		85%	SOP Berhad	Shin Yang
SOP Plantations (Kemenas) Sdn Bhd	Cultivation of oil palms	Formerly known as Danum Jaya Sdn Bhd	65%	SOP Berhad	Shin Yang
SOP Plantations (Niah) Sdn Bhd	Cultivation of oil palms		80%	SOP Berhad	Shin Yang
SOP Plantations (Sarawak) Sdn Bhd	Investment holding		100%	SOP Berhad	Shin Yang
SOP Plantations (Suai) Sdn Bhd	Cultivation of oil palms		85%	SOP Berhad	Shin Yang
SOP Resources Sdn Bhd	Supplies of goods	Formerly known as SOP Pelita Kedayan-Kelulut Plantation Sdn Bhd	100%	SOP Berhad	Shin Yang
SOP System Sdn Bhd	Rendering of IT services		100%	SOP Berhad	Shin Yang
Sorvino Holdings Sdn Bhd	Provision of machinery repairs & reconditioning services		100%	Samling Global	Samling
South East International Ltd	Timber trading (Japan)			Ta Ann related	Ta Ann
Southwind Plantation Sdn Bhd	Oil palm plantation			WTK related	WTK
Sovereign Hill Sdn Bhd	Logging contract work & rental equipment			RH related	Rimbunan Hijau
Splendid Trend Sdn Bhd	Dormant		100%	WTK Holdings	WTK
Sri Idaria Plantation Sdn Bhd	Plantation contract work			RH related	Rimbunan Hijau
Sterlet Sdn Bhd	Timber concession holder	<b>T/0320</b>		Delta	Delta
STIDC Belian Holdings Sdn Bhd*	Trading in timber log		100%	STIDC	STIDC
Stigang Resources Sdn Bhd	Quarry licensee & operator		60%	Samling Global	Samling
Suajaya Mahir Crop Sdn Bhd	Oil palm plantation			WTK related	WTK
Subur Tiasa Forestry Sdn bhd*	Forest plantation contractor		100%	Subur Tiasa	Rimbunan Hijau
Subur Tiasa Holdings Sdn Bhd*	KLSE		49%	Tiong Hiew King	Rimbunan Hijau
Subur Tiasa Particleboard Sdn bhd*	Manufacturing & sale of particleboard		100%	Subur Tiasa	Rimbunan Hijau
Subur Tiasa Plywood Sdn bhd*	Manufacture & sale of plywood & veneer		100%	Subur Tiasa	Rimbunan Hijau
Summer Pacific Sdn Bhd	Agricultural project, JV with Chinese firm			KTS related	KTS
Sunny Crops Sdn Bhd				KTS related	KTS
Sunrise Megaway Sdn Bhd	Purchase of logs			WTK related	WTK
Supreme Standard Development Sdn Bhd	Property holding & development		100%	Subur Tiasa	Rimbunan Hijau
Supreme Timber Products Sdn Bhd	Logging contract fee, sale of logs (Subur Tiasa 2008)			RH related	Rimbunan Hijau
Sut Sawmill (3064) Sdn Bhd*	Extraction & sale of timber logs	<b>T/3064</b>	100%	WTK Holdings	WTK
Syarikat Miri Sawmill Sdn Bhd*	Export of logs			WTK related	WTK
Syarikat Orosan Enterprise	IT?			KTS related	KTS
Syarikat Reloh Sdn Bhd*	Extraction & sale of logs	<b>T/3112</b>	100%	Samling Global	Samling
Syarikat Samling Timber Sdn Bhd*	Contractor for timber extraction, tree plantation & investment holding		100%	Samling Global	Samling
Syarikat Sempurna Sdn Bhd	Investment holding			Ta Ann related	Ta Ann
Systematic Logging Sdn Bhd*	Logging operation, contract fee paid			WTK related	WTK
T. Q. Oriental Sdn bhd	Operation of a grocery store		100%	Subur Tiasa	Rimbunan Hijau
Ta Ann Eco-Timber Industries (YZ) Pty Ltd (China)	Plywood mill in Yang Zhou (25.4.2008)			Ta Ann Holdings	Ta Ann

Ta Ann Holdings Berhad	KLSE		25%	Ta Ann related	Ta Ann
Ta Ann Pelita Igan Plantation Sdn Bhd	Cultivation of oil palms		60%	Ta Ann Holdings	Ta Ann
Ta Ann Pelita Silas Plantation Sdn Bhd	Cultivation of oil palms		60%	Ta Ann Holdings	Ta Ann
Ta Ann Plantation Sdn Bhd	Investment holding & provision of management services		100%	Ta Ann Holdings	Ta Ann
Ta Ann Plywood Sdn Bhd	Manufacture & sale of plywood, trading of timber logs, tree planting (reforestation) & cultivation of oil palms	LPF 010 (102'881 ha) LPF 040 (197'250 ha)	100%	Ta Ann Holdings	Ta Ann
Ta Ann Tasmania Pty Ltd (Australia)	Manufacture & sale of wood veneer		84%	Ta Ann Holdings	Ta Ann
TAB Timber (Sarawak) Sdn Bhd	Manufacture & sale of sawn timber			WTK related	WTK
Tabes Sdn Bhd	Dormant		100%	Ta Ann Holdings	Ta Ann
Tajang Laing Holdings Sdn Bhd	Oil palm plantation			WTK related	WTK
Talent Active Sdn Bhd				KTS related	KTS
Talent Alliance Sdn Bhd*	Export of logs			Grand Atlantic	Grand Atlantic
Taman Logging Sdn Bhd	Logging contractor & sale of timber			RH related	Rimbunan Hijau
Tamar Plantation Sdn Bhd	Oil palm plantation (5,000 ha), Sg. Serupai in Balingian (Mukah)			Woodman	linked to Samling
Tamex Timber Sdn Bhd	Contractor for timber extraction		60%	Samling Global	Samling
Tampang Enterprise Sdn Bhd	Property			KTS related	KTS
Tanah Himpun Bhd	Investment Holding			KTS related	KTS
Tanahead Sdn Bhd	Property development & property investment		100%	Ta Ann Holdings	Ta Ann
Tanjong Manis Holdings Sdn Bhd	Extraction & sale of timber logs	T/3491	100%	Ta Ann Holdings	Ta Ann
Tanjong Manis Molding Industries Sdn Bhd	Manufacture of wood plastic composite product		30%	STIDC Associate	STIDC
Tanjong Manis Realty Sdn Bhd	Planning, operating & marketing of real-estate projects		100%	STIDC	STIDC
Tanjung Manis Development Sdn Bhd	Provision of general repairs, maintenance & supervision works		100%	STIDC	STIDC
Tanjung Manis Furniture Sdn Bhd	Manufacture & sales of furniture & supply of hardware materials		100%	STIDC	STIDC
Tanjung Manis Resources Sdn Bhd	Manufacture of woodchips		60%	STIDC	STIDC
Tanjung Manis Sawmill Sdn Bhd*	Letting of sawmill factory, plant & machinery & provision of management services		100%	STIDC	STIDC
Tanjung Manis Shipping Sdn Bhd	Provision of transportation & wharfing services, trading construction materials & construction works, renting speedboats and log ponds		100%	STIDC	STIDC
Tasman Forestry (Gisborne) Limited	Dormant	New Zealand	60%	Samling Global	Samling
Tatatze Sdn Bhd	Oil palm plantation contractor		40%	Ta Ann Holdings	Ta Ann
Teck Hong Sawmill Sdn Bhd*	Manufacture of sawn timber			Golden Hill Forest Group	Golden Hill
Teck Sing Lik Enterprise	Investment holding			RH related	Rimbunan Hijau
Tekun Enterprise Sdn Bhd	Logging operation			WTK related	WTK
Tenaga Cempaka Sdn Bhd*	Timber Trading (Export of Logs)			Lee Ling related	Lee Ling
Teratim Sdn Bhd	Timber logging		100%	STIDC	STIDC
Tiger Prawn Development Sdn Bhd				Senling	Senling
Timbaru Sdn Bhd	Investment holding			Ta Ann related	Ta Ann
Timber Dimension Sdn Bhd*	Timber trading & sawmilling			Ta Ann related	Ta Ann
Timberplus Sdn Bhd	Timber concession licensee	T/3401		KTS related	KTS
Timrest Sdn Bhd	Cultivation of oil palm		100%	Rimbunan Sawit	Rimbunan Hijau
Tinamou Sdn Bhd	Timber logging concession	T/8013	100%	STIDC	STIDC
Tinjar Transport Sdn Bhd	Riverine transportation services		60%	Samling Global	Samling
Tiong Toh Siong & Sons Sdn Bhd	Investment holding, logging contractor & sale of timber			RH related	Rimbunan Hijau
Tiong Toh Siong Enterprises Sdn Bhd	Investment holding			RH related	Rimbunan Hijau
Tiong Toh Siong Holdings Sdn Bhd	Investment holding			RH related	Rimbunan Hijau
Towering Yield Sdn Bhd	Dormant		100%	WTK Holdings	WTK
TreeOne (Malaysia) Sdn Bhd	Investment holding		60%	Samling Global	Samling
TreeOne (NZ) Limited	Investment holding	New Zealand	60%	Samling Global	Samling
TreeOne Logistic Services Sdn Bhd	Provision of logistic Services		58%	Samling Global	Samling
Trimogreen Sdn bhd*	Manufacturing & sale of sawn timber & finger joint molding		100%	Subur Tiasa	Rimbunan Hijau
Triumpac Sdn Bhd*	Export of logs			WTK related	WTK
Trumac Industries Sdn Bhd*	Purchase of logs			WTK related	WTK
Twintop Sdn Bhd	Investment holding			RH related	Rimbunan Hijau
UBIS Pty Ltd	Investment holding			Ta Ann related	Ta Ann
Ultra Building Maintenance Sdn Bhd				KTS related	KTS
Unique Wood Sdn Bhd	Sale of logs (Subur Tiasa 2008)			RH related	Rimbunan Hijau
United Agencies Sdn Bhd	Logging operation, contract fee paid			WTK related	WTK

Upaya Rajang Sdn Bhd	Investment holding			Ta Ann related	Ta Ann
Usaha Sepadan Sdn Bhd	Oil palm plantation (5,000 ha), Similajau National Park (Bintulu)			Woodman	linked to Samling
Usama Industries Sdn Bhd	Timber license holder	<b>T/3216, T/3217 T/3218</b>	100%	Wijaya Baru	Usama Industries
Utahol Sdn Bhd	Oil palm plantation			WTK related	WTK
Vasty Development Sdn Bhd	Investment holding			KTS related	KTS
Victory Round Sdn bhd	Dormant		100%	Subur Tiasa	Rimbunan Hijau
Victrovest Sdn Bhd*	Export of logs			WTK related	WTK
Village Resort Sdn Bhd	Investment holding			Ta Ann related	Ta Ann
W T K Heli-Logging Sdn Bhd	Logging contractor & operation of barge		100%	WTK Holdings	WTK
W T K Trading Sdn Bhd	Sawn timber sales			WTK related	WTK
Wadasbina Sdn Bhd (Woodhouse Sdn Bhd)	Property development, timber extraction & trading	Ting Pek Khiing		Ting Pek Khiing	Ting Pek Khiing
Wang Hsen Sdn Bhd*	Manufacturing sawn timber, export of logs			Lee Ling related	Lee Ling
Wangsa Global Sdn Bhd	Transportation of oil palm related products			Ta Ann related	Ta Ann
Wawasan Sedar Sdn Bhd	Oil palm plantation (17,009 ha), Rasan, Lavang & Takis (Bintulu)			KTS related	KTS
Western Timber Resources Limited	Investment holding	Cayman Islands	100%	Jaya Tiasa	Rimbunan Hijau
WHK Enterprise Sdn Bhd	Timber trading & investment in corporate securities			Ta Ann related	Ta Ann
WHS Holdings Sdn Bhd	Investment holding			Ta Ann related	Ta Ann
Winning Plantation Sdn Bhd	Investment holding		100%	WTK Holdings	WTK
Woodbanks Industries (M) Sdn Bhd*	Manufacture & sale of sawn timber		100%	WTK Holdings	WTK
Woodhead Sdn Bhd*	Investment holding, trading of logs			Ta Ann related	Ta Ann
Woodley Sdn Bhd	Timber concession licensee & trading of logs	<b>T/????</b>	100%	Ta Ann Holdings	Ta Ann
Woodman Holdings Sdn Bhd	Timber Group		50%	Samling related	Samling
Woodman Kuala Baram Estate Sdn Bhd	Reforestation, oil palm plantation	<b>LPF 004</b> (40,900 ha)		Woodman	linked to Samling
Woodman Plantation Sdn Bhd	Reforestation, oil palm plantation	<b>LPF 009</b> (10,850 ha)		Woodman	linked to Samling
Woodman Sdn Bhd	Timber extraction			Woodman	linked to Samling
Woodman Shipping Sdn Bhd	Shipping			Woodman	linked to Samling
WTK Enterprises Sdn Bhd	Trading, purchase of spare parts			WTK related	WTK
WTK Holdings Bhd	KLSE		30%	WTK Holdings	WTK
WTK Oil Mill Sdn Bhd	Oil palm mill			WTK related	WTK
WTK Realty Sdn Bhd*	Investment holding, logging operation, contract fee paid			WTK related	WTK
WTK Reforestation Sdn Bhd	Purchase of logs	<b>LPF 033</b>		WTK related	WTK
WTK Timber Exporter Sdn Bhd	Export of logs			WTK related	WTK
WTK-YINK Heli Harvesting Sdn Bhd	Dormant		100%	WTK Holdings	WTK
Yaw Holding	Investment holding		100%	Samling related	Samling
Yimanda Corporation Sdn Bhd	Transportation of timber related products			Ta Ann related	Ta Ann
Zapstat Sdn Bhd	General & commission agent		61%	WTK Holdings	WTK
Zedtee Plywood Sdn Bhd*	Manufacture of sawn timber, plywood & veneer			Shin Yang related	Shin Yang
Zedtee Sdn Bhd	Reforestation, logging contractor	<b>LPF 039</b> (14'970 ha)		Shin Yang related	Shin Yang
Zumida (Padi) Sdn Bhd	Dormant		100%	Ta Ann Holdings	Ta Ann
Zumida Sdn Bhd	Extraction & sale of logs, investment holding & development of planted forest	<b>LPF 002</b> (6'570 ha)	100%	Ta Ann Holdings	Ta Ann
???	Timber concession licensee	<b>T/4155</b>		KTS related	KTS
???	Timber concession licensee & trading of logs	<b>T/4317</b>		Ta Ann Holdings	Ta Ann

## **F. List of Relevant Regulating Laws in the Timber Industry<sup>173</sup>**

1. [Forest Ordinance, 1954](#)
2. [Wildlife Protection Ordinance 1998](#)
3. [Natural Resources and Environment \(Amendment\) Ordinances 1997](#)
4. [Forests \(Planted Forests\) Rules 1997](#)
5. Sarawak Land Code
6. [Sarawak Timber Industry Development Corporation Ordinance, 1999](#)
7. [The Timber Industry \(Registration\) Regulations, 2008](#)
8. [The Timber Grading Regulations, 2008](#)
9. The Malaysian Grading Rules for Sawn Hardwood Timber, 1984
10. The Industrial Co-ordination Act 1975
11. Malaysian Custom Act, 1967
12. Occupational, Safety and Health Act 1994
13. Occupational Safety and Health (Control of Industrial Major Accident Hazards) Regulations 1996
14. Environment Quality Act 1974
15. Environment Quality (Clean Air) Regulations, 1978
16. [National Parks and Nature Reserves Ordinance, 1998](#)

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<sup>173</sup> [www.sarawaktimber.org.my/timber\\_issue/1205745182-CoC%20Conference%20Tokyo2007.pdf](http://www.sarawaktimber.org.my/timber_issue/1205745182-CoC%20Conference%20Tokyo2007.pdf)

## **G. Index of Persons mentioned in the Report**

Abdul Hamed Sepawi 30, 34, 36, 47, 48, 49  
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Yaw Teck Seng 30, 31, 32, 34, 35, 36

## H. Sarawak State Government Persons and Addresses

### Sarawak State Government

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[www.sarawak.gov.my](http://www.sarawak.gov.my)  
[www.cm.sarawak.gov.my](http://www.cm.sarawak.gov.my)  
[www.bumiputerasarawak.org.my/president/president\\_biodata.htm](http://www.bumiputerasarawak.org.my/president/president_biodata.htm)  
[www.sarawak.gov.my/webdirectory.php](http://www.sarawak.gov.my/webdirectory.php)  
[www.sarawak.gov.my/directory.php](http://www.sarawak.gov.my/directory.php)

## I. Addresses of Timber Companies of Sarawak

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P.O. Box 1599, 98008 Miri, Sarawak, Malaysia.  
Tel: +60-85-604599 Fax: +60-85-604555

**Sarawak Oil Palms Berhad**

No. 124-126, Jalan Bendahara,  
98000 Miri, Sarawak, Malaysia  
Tel : +60 (85) 436969 Fax : +60 (85) 432929

**Ta Ann Group**

6th Floor, Wisma Naim, 2 1/2 Mile, Jalan Rock  
93200 Kuching, Sarawak  
Tel: +60 (82) 237 533 Fax: +60 (82) 237 977

**Ta Ann Holdings Berhad (Corporate Headquarters)**

No. 6, Jalan Rawang, 96000 Sibul, Sarawak  
Tel: +60 (84) 320 200 Fax: +60 (84) 313 328  
[www.taann.com.my](http://www.taann.com.my) [tahb@taann.com.my](mailto:tahb@taann.com.my)

**Ekran Berhad**

Lot 5428-5429, Block 16, KCLD, Lorong Lapangan  
Terbang Baru 1, 93350 Kuching, Sarawak  
Tel : +60 (082) 450 908 Fax : +60 (082) 452 924

**Limbang Trading (Limbang) Sdn Bhd (LTL)**

Office: No 23, Main Bazaar  
98707 Limbang, Sarawak, Malaysia  
Tel (085) 211 122 Fax (085) 212 086  
[tancptl@time.net.my](mailto:tancptl@time.net.my)

**Lee Ling Holdings Sdn Bhd**

7<sup>th</sup> Floor, Wisma Bukit Mata Kuching, Jalan Tunku  
Abdul Rahman, 93100 Kuching, Sarawak

**Concrete Holdings Berhad**

Room 209, 2<sup>nd</sup> Floor, Wisma Bukit Mata Kuching,  
Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak  
Tel +6 (082) 206 600, Fax +6 (082) 206 607  
[www.qchb.com.my](http://www.qchb.com.my) [info@qchb.com.my](mailto:info@qchb.com.my)

**Wijaya Baru Global Berhad**

5<sup>th</sup> Floor, Wijaya International Medical Centre  
No. 1, Jalan 215, Section 51, Off Jalan Templer  
46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia  
Tel (03) 7781 3779 Fax (03) 7785 3119  
[www.wijayabaru.com.my](http://www.wijayabaru.com.my) [info@wijayabaru.org](mailto:info@wijayabaru.org)

**Woodman Group of Companies**

Lot 306, Jalan Krokop, P.O. Box 1437,  
98008 Miri, Sarawak, Malaysia  
Tel +60 (85) 419 321 Fax +60 (85) 435 470  
[www.woodman.com.my](http://www.woodman.com.my) [info@woodman.com.my](mailto:info@woodman.com.my)

**Interhill Enterprise Sdn Bhd**

Lot 1168, 5th Floor  
Wisma Interhill, Miri Waterfront  
P.O. Box 1200/1559, 98000 Miri  
Tel :6085-412318 Fax : 6085-437318  
[interhill@streamyx.com](mailto:interhill@streamyx.com)

**Sanyan Holdings Sdn Bhd**

Level 26-27 Wisma Sanyan, No.1, Jalan Sukan,  
P.O. Box 841, 96008 Sibul, Sarawak.  
Tel: +60 (84) 328 888 Fax: +60 (84) 334 809  
[abelwong@mylink.com.my](mailto:abelwong@mylink.com.my) [doris@mylink.com.my](mailto:doris@mylink.com.my)

**Senling (Sarawak) Enterprises Sdn Bhd**

Wisma Senling, No. 13, 5th Floor, Jalan Keranji,  
P. O. Box 58, 96007 Sibul, Sarawak.  
Tel: 084-333111 Fax: 084-348640  
[senling@tm.net.my](mailto:senling@tm.net.my)

**Delta Berhad**

91-93, Kampong Nyabor Road, P.O. Box 4, 96007  
Sibul, Sarawak,  
Tel: 084-335133 Fax: 084-318400  
[deltabhd@tm.net.my](mailto:deltabhd@tm.net.my)

**Solid Timber Sdn Bhd**

17 2nd & 3rd Floor Jalan Wong Nai Siong, 96000 Sibul  
Sarawak  
Tel: 084 - 335335

**Grand Atlantic Timber Sdn Bhd**

No.1, Lorong Kampung Datu 3, P.O. Box 526,  
96007 Sibul, Sarawak.  
Tel: 084-314545 Fax: 084-343568

**Sin Lien Ho Holdings Bhd**

2nd Floor, No. 3, Lorong 4, Jalan Tuanku  
Osman, 96000 Sibul, Sarawak, Malaysia  
Tel: 084-331631 Fax: 084-345116

**Golden Hill Forest Group**

Lot 435, Section 62, Lorong Ang Cheng Ho No.9,  
93100 Kuching, Sarawak  
Tel :6082-231575 Fax : 6082-231507  
[goldnhil@tm.net.my](mailto:goldnhil@tm.net.my)

**Lee Hua Holdings Bhd**

Registered Office: No. 32, 3rd Floor, Jalan Bako,  
96000 Sibul, Sarawak, Malaysia  
Tel: 084-332473 Fax: 084-339909

**Hock Lee Group**

City Point, Level 5 & 6, 98 Jalan Keppel, P. O. Box 1,  
97007 Bintulu, Sarawak, Malaysia  
Tel : 6086-311193 Fax : 6086-311196  
[www.HockLeeGroup.com.my](http://www.HockLeeGroup.com.my)



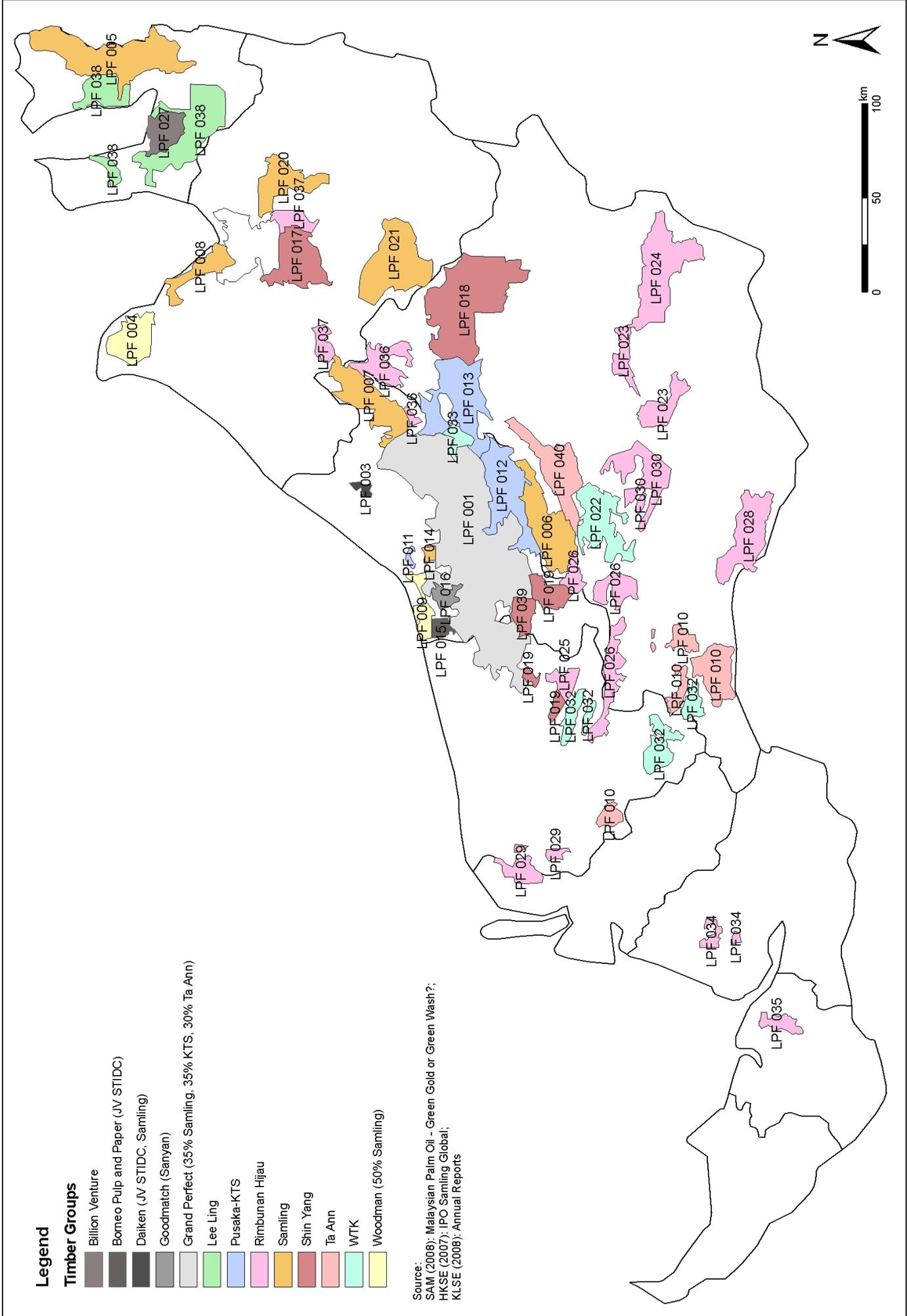
# Appendix Map 2: Reforestation Licences (LPF) 2008

## Legend

### Timber Groups

- Billion Venture
- Borneo Pulp and Paper (JV STIDC)
- Daiken (JV STIDC, Samling)
- Goodmatch (Sanyan)
- Grand Perfect (35% Samling, 35% KTS, 30% Ta Ann)
- Lee Ling
- Pusaka-KTS
- Rimbunan Hijau
- Samling
- Shin Yang
- Ta Ann
- WTK
- Woodman (50% Samling)

Source:  
 SAM (2008); Malaysian Palm Oil - Green Gold or Green Wash?;  
 HKSE (2007); IPO Samling Global;  
 KLSE (2008); Annual Reports



Appendix Map 3: Status of Timber Concessions and Reforestation Licences 2008

