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ENTERPRISE DEVELOPMENT AND INTER-ETHNIC RELATIONS IN MALAYSIA
Affirmative Action, Generational Change, and Business Partnerships

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Affirmative Action and the NEP

Following the racial riots of 13 May 1969, the Malaysian government implemented an ambitious 20-year social engineering plan in 1971 to achieve national unity. This plan, the New Economic Policy (NEP), sought to attain national unity by eradicating poverty, irrespective of race, and restructuring society so as to achieve inter-ethnic economic parity between the predominantly Malay *Bumiputera* (or 'sons of the soil') and the predominantly Chinese non-Bumiputera. The government hoped to increase Bumiputera corporate equity ownership to 30 per cent and reduce the poverty level to 15 per cent by 1990. With the end of the NEP, the National Development Policy (NDP), building on the objectives of its predecessor, was implemented between 1991 and 2000.

The implementation of NEP entailed partial abandonment of the *laissez-faire* style of economic management. It favored greater state intervention, particularly for ethnic affirmative action, including an accelerated expansion of the Malay middle class, capital accumulation on behalf of the Malays, and the creation of Malay capitalists. The measures used to achieve these goals included requiring companies to restructure their corporate holdings to ensure at least 30 percent Bumiputera ownership and allotting publicly-listed shares at par value or only nominal premiums to Bumiputeras. The government would subsequently encourage inter-ethnic business partnerships, as a means to promote ethnic co-existence as well as help advance the involvement of Malays in business.

This chapter focuses on two key but related issues. First, it provides a brief theoretical discussion on the evolution of business partnerships. Second, through an analytical tracing of the historical evolution of interethnic business relations in Malaysia, it offers some insights about the evolving nature of these inter-ethnic business ties, brought about through the implementation of NEP and NDP, in enterprise development, the newly-emerged middle class, and 'generational change' in Malaysia.

The main arguments can be briefly summarized as the following. First, although partnerships are common during business start-ups, they are not sustainable in the long run. In view of this, the Malaysian government's policy of encouraging inter-ethnic business ties through business partnerships is not a proper mechanism to promote national unity. Second, changes in the nature of business relationships indicate that identity transformations have occurred in Malaysia with the rise of the middle class and as new generations of Malaysians emerge.

Development of Malaysian Enterprise

Malaysian corporate history is replete with cases of business partnerships (see, for example, Puthucheary 1960; Tan 1982; Sieh 1982; Hara 1993; Brown 1994; Searle 1999; and Gomez 1999). This history also indicates that the nature of business relationships is constantly evolving. When the Chinese first migrated to Malaya during the pre-colonial and colonial periods, intra-ethnic partnerships were common during the formation of businesses. Migrants saw common ethnicity as a tool they could exploit to help them cope with their new environment. Once acclimatized, however, they no longer had the same need (Benton and Gomez 2001).

Inevitably, when Independence was achieved in 1957, or even in 1970 when the NEP was introduced, no enterprises forged intra-ethnic partnerships among the leading publicly-listed firms in Malaysia. The most prominent quoted companies during the early 1970s were all controlled by families or individuals, including Kuala Lumpur-Kepong Bhd (Lee Loy Seng), Federal Flour Bhd (Robert Kuok), Tan Chong Motors Bhd (Tan family), Empat Nombor Ekor Bhd (Lim family), and Manilal & Sons Bhd (Patel family) (Lim 1981:141-60). This pattern has not changed much over time. In fact, a study of ownership patterns of the long-established firms or the top 20 companies (in terms of capitalization) quoted on the Kuala Lumpur Stock Exchange (KLSE) in 2000 indicated that none of them are based on partnerships (see Appendix 4.1 for details). This raises an interesting question: are partnerships sustainable in Malaysia?

Business Ownership Patterns

Studies of enterprise development in Malaysia indicate that when partnerships break up, these companies tend to come under the control of one individual or family. In some cases, partners even become competitors within the same sector (Benton and Gomez 2001). This transition in business ownership patterns, however, is nothing unusual and is consistent with the theoretical literature on enterprise development (see, for example, Chandler 1962, 1977; Penrose 1980). Briefly, the stages of enterprise evolution in this literature are as follows:

Stage 1: Partnerships

Stage 2: Single owner/Family business

Stage 3: Managerial Control

The transition period from Stage 1 to 2, that is from a partnership to a family-owned enterprise or single ownership, is quite fast, usually occurring within a number of years after the formation of a company. On the other hand, the transition from Stage 2 to 3, that is, from a family business to managerial control, would normally involve a generational change, sometimes two or more generations (Chandler 1962; 1977; Penrose 1980). In contemporary Malaysia, the change from a family business (Stage 2) to professional management (Stage 3) is not yet evident, primarily because most leading companies are still owned and controlled by either the founder or the second generation. In other words, they are still young firms.

Moreover, issues regarding succession and the division, dismantling, or even takeover of major firms continue to receive no or little academic and scholarly attention in the study of enterprise development in Malaysia (and Singapore). Yet, examples of the disintegration of family firms and family feuds among descendants of major entrepreneurs are legion. For instance, in Singapore, a number of major companies have been taken over because of differences among family members over ownership and management of these firms. Other cases that can be cited as evidence include the Malayan Credit, which was controlled by the Teo family, the Cycle & Carriage Group, controlled by the Chua family, the Yeo Hap Seng (YHS) Group, controlled by the Yeo family, and the Haw Par Group, controlled by Aw family.

The best examples of major family firms where disagreements or problems have occurred among the second generation are the Aw family's Haw Par Group and the Kwek family's Hong Leong Group. The rise of Aw Boon Hwa in the early 1920s was attributed to the popularity of his 'Tiger' brand of medicinal products, especially the 'Tiger Balm' ointment. By the 1950s, Aw had helped the establishment of the Chung Khiaw Bank in Singapore and emerged as a 'Press King,' running more than a dozen newspapers throughout East and Southeast Asia, including the Singapore-based *Sin Chew Jit Poh*. Soon after Aw's death in 1954, intense family feuding eventually contributed to a takeover of the Haw Par Group in the early 1970s (Gill 1985; Lee and Chow 1997:1-2).

The late Kwek Hong P'ng, who, with three of his brothers, founded the Hong Leong Group in Singapore in 1941, provides further clue to the problem of succession and generational change. The Hong Leong Group is now divided between the branches in Singapore and Malaysia, and there has been competition and differences between the Kwek cousins. When Kwek Hong P'ng was asked about the problems that had emerged among the second generation of Kweks, his response was quite instructive, "...it's not easy to pass down a Chinese-owned business from generation to generation.... The founders were fairer (in distributing benefits). The older generation was more straightforward, and the elders looked after the younger ones. But the new generation mostly looks out for themselves" (quoted in *Asiaweek*, 15 May 1992).

Only in a smaller number of cases that we observe some large firms have been subjected to management control. For instance, the large enterprises closely associated with Lee Kong Chian, including Lee Rubber Bhd and the Oversea-Chinese Banking Corporation (OCBC), are now professionally managed, though the ownership of these enterprises are still under his family. The situation is similar with the companies owned by the Malacca-based rubber magnate, Tan Cheng Lock, who was associated with the Pacific Bank Bhd and United Malacca Rubber Estates Bhd. Recent studies also indicate that when a new generation takes over an enterprise, the tendency is towards the professional management and inter-ethnic business ties (Gomez 1999; Yeung 2002). Among the companies cited as examples include publicly-listed YTL Corp Bhd and the Hong Leong Group.[1]

From Intra-Ethnic to Inter-Ethnic Business Relationships

Inter-Ethnic Business Ties during the NEP

During the colonial period, Malay involvement in the emerging capitalist economy was not encouraged by the British, who preferred that the Malays to remain in food production, primarily of fish and rice. When Malay peasants tried to venture into modern commercial sectors of the economy such as rubber production, the British blocked their efforts by imposing restrictive cultivation conditions on land. These early discriminatory policies in favor of British plantation interests severely limited the potential development of indigenous capital and shackled Malays to low income economic activities. Since the British had hindered the development of Malay capital during the colonial period, this reason has been used to justify and rationalize why the post-1969 policies should positively discriminate or benefit the Bumiputeras.

Another outcome of the 1969 riots was the formation of the *Barisan Nasional* (National Front), a multi-party coalition under the hegemony of the United Malays' National Organization (UMNO). The *Barisan Nasional* was comprised of the ethnically-based Malaysian Chinese Association (MCA) and Malaysian Indian Congress (MIC), as well as a number of other parties in the Sabah and Sarawak peninsula. UMNO secured hegemony over the Barisan Nasional when it managed to reduce the MCA's influence with the incorporation of opposition parties that had Chinese support in the new coalition. The hegemony of UMNO in the coalition allowed the party to argue successfully for the need for selective patronage in favor of all Bumiputeras, though this eventually led to the creation of an effective system of patronage that enabled influential politicians to channel state concessions in various forms to well-connected businessmen, most of whom were Malays.

Chinese capital, however, continued to grow during the NEP period, but there was an increasing need for them to come to accommodations with the state in order to continue to expand.[2] During the implementation of the NEP, inter-ethnic relationships were common in three different levels. First, among the largest enterprises, prominent Malays with a background in politics or the civil service were appointed as company directors, mainly to serve as avenues to secure access to the state or bypass bureaucratic red-tape in government. During the NEP and NDP decades, prominent Malays who held executive and non-executive posts in Chinese-controlled companies included former cabinet ministers Musa Hitam, Mohd Khir Johari, and Aishah Ghani. Musa, who also served as deputy prime minister from 1981 to 1986, was a director of Lion Land Bhd, while Khir was a director of Leisure Management Bhd, Malayan United Industries (MUI) Bhd, and Magnum Corporation Bhd, and Aishah was a director of Metrojaya Bhd and Ganz Technologies Bhd. Former Inspector General of Police Haniff Omar was a director of General Corporation Bhd, Genting Bhd, and Resorts World Bhd, while the former Lord President Hamid Omar was a director of Olympia Industries Bhd, Lien Hoe Corporation Bhd, and FACB Bhd (Gomez 1999:145-6). Most of these directors had equity ownership, but they were not actively involved in the management and development of these companies (Jesudason 1989).

Second, at the level of the small and medium-scale enterprises (SMEs), the 'Ali-Baba' relationships were established, but there was an unequal relationship between the partners involved. In such ties, the Malay (sleeping) partner would be responsible for securing a contract or licence from the government, while the Chinese partner would implement the project. A large proportion of the companies that can be characterized as Ali-Baba firms during the NEP decades were involved in the construction and property development sectors. In many cases, these companies eventually would come under the control of the Chinese (Chin 2001).

Third, among a few Malaysian elites, business partnerships were forged on a more equal basis. Among the most prominent partnerships established in the early 1980s include those between the well-connected lawyer, Ibrahim Mohamad, and Brian Chang in Promet Bhd, a construction, property development, and oil exploration firm. Unfortunately, the company disintegrated almost as rapidly as it emerged as a leading quoted enterprise because of a bitter dispute between the partners, which resulted in the expulsion of Ibrahim from Promet (Gill 1985; Yoshihara 1988). In another example, Eric Chia worked with ex-academic Mokhzani Abdul Rahim and former bureaucrat Shamsuddin Kadir in the United Motor Works Bhd (UMW), the holder of the Toyota franchise and a distributor of heavy equipment. Later, Shamsuddin moved on to develop Sapura Holdings Sdn Bhd, an enterprise that thrived in the telecommunications industry (Gomez and Jomo 1999:72-4; Yoshihara 1988:201-2; Searle 1999). Mokhzani secured a major interest in the publicly-listed Innovest Bhd, which once held the Kentucky Fried Chicken (KFC) franchise; he also served as director of Powertek Bhd, a power generation firm under the control of T. Ananda Krishnan. Another prominent company established through a partnership was the financial conglomerate, Rashid Hussain Bhd, established by Abdul Rashid Hussain and Chua Ma Yu. Overtime, Chua went on to develop his own business interests.

By 2000, none of the partnerships forged on an inter-ethnic level, either among elites or at the SME level, had emerged as major publicly-listed enterprises (see Appendix 4.1 for details). RHB Capital Bhd, although listed among the top 20 firms quoted on the KLSE in 2000, was by then under the sole control of Rashid Hussain. Rashid would subsequently lose control of his financial conglomerate to another company owned by family members of the chief minister of Sarawak in 2002. Other companies listed in this top 20 under private ownership were controlled either by the founder – Genting and Resorts World (Lim Goh Tong) and Public Bank Bhd (Teh Hong Piow) – or by a family – YTL Corp and YTL Power International Bhd (Yeoh family) and Kuala Lumpur Kepong (KLK) Bhd (the late Lee Loy Seng family) – or by a particular individual – Renong Bhd and its associate company, United Engineers Malaysia Bhd (UEM) (Halim Saad) and Berjaya Sports Toto Bhd (Vincent Tan Chee Yioun). Magnum Corp Bhd, though long under the control of the T.K. Lim and his family had fallen into the hands of businessmen linked to former finance minister, Daim Zainuddin.[3]

The Chinese

Since the early 1990s, most research on Chinese enterprise has focused on the supposed consolidation of companies owned by ethnic Chinese of the diaspora and of the form of their business networking (Redding 1990; Whitley 1992; Kao 1993; Kotkin 1993; East Asia Analytical Unit 1995; Weidenbaum and Hughes 1996; Hamilton 1996; Lever-Tracy, Ip and Tracy 1996; Yeung and Olds 2000). Many of them promote the Weberian view that the 'spirit' of Chinese enterprise is founded in their belief systems. Co-ethnic-based networks have reputedly emerged as an avenue for the Chinese to cooperate in business for mutual benefit. These networks are especially important for ethnic Chinese who are minorities in a country where the state has been hostile to the development of their economic interests. Chinese capital is conceptualized primarily as intra-ethnic networks, based on cooperation and trust, to help reduce transaction costs (see Fukuyama 1995 for a different perspective on this discussion).

The proposition that ethnic identity and culture inspires the creation of intra-ethnic business networks has, however, been challenged with the publication of detailed case studies of the development of Chinese-owned firms, concentrating on the context under which these enterprises operated (Gomez 1999; Gomez and Hsiao 2001; Chin 2001; Menkhoff and Gerke 2002; and Chan 2000). Intra-ethnic business cooperation has not been a factor in the development of Chinese capital in Malaysia, though this contention can be questioned because, in spite of the NEP, Chinese equity had doubled from 22.8 percent in 1969 to 45.5 percent in 1999 (see Table 4.1 below). During the NEP decades, a number of new Chinese capitalists had emerged, among them include Vincent Tan Chee Yioun, Khoo Kay Peng, William Cheng Heng Jem, Tong Kooi Ong, Teh Soon Seng, T.K. Lim, and Ting Pek Khiing. By the beginning of 2001, according to one study, of the twenty wealthiest business people in Malaysia, apart from one ethnic Indian, T. Ananda Krishnan, the remaining top 10 wealthiest corporate figures were all ethnic Chinese (*Malyasian Business,* 1 February 2001). No Malay could figure prominently among the richest, according to the total value of corporate assets that they owned. Of the twenty wealthiest businessmen in the country, only four were non-ethnic Chinese – Ananda, Abdul Rashid Hussain, Azman Hashim, and Shamsuddin Kadir.[4] In reality, the most common feature among Chinese enterprises during the NEP period was that of extensive and intensive competition for limited resources between them rather than intra-ethnic cooperation (Benton and Gomez 2001).[5] This lack of cooperation among Chinese business people was also obvious during the promotion of the 'corporatization movement.'

Table 1
Malaysia: Ownership of Share Capital (at par value) of Limited Companies, 1969-1999
(in percentages)

	1969	1970	1975	1980	1985	1990	1995	1999
Bumiputera Individuals & Trust Agencies	1.5	2.4	9.2	12.5	19.1	19.2	20.6	19.1
Chinese	22.8	27.2	n.a.	n.a.	33.4	45.5	40.9	37.9
Indians	0.9	1.1	n.a.	n.a.	1.2	1.0	1.5	1.5
Others	----	----	----	----	----	---	---	0.9
Nominee Companies	2.1	6.0	n.a.	n.a.	1.3	8.5	8.3	7.9
Locally-Controlled Firms	10.1	---	---	---	7.2	0.3	1.0	---
Foreigners	62.1	63.4	53.3	42.9	26.0	25.4	27.7	32.7

n.a.: Not available
Sources: *Seventh Malaysia Plan, 1996-2000*; *Eighth Malaysia Plan, 2001-2005*

From the early 1970s, in order to fulfill the NEP objectives, the government had increased public sector expenditure to fund trust agencies and the growing number of government-owned enterprises participating in business activities on behalf of the Bumiputeras. With increased government funding, public enterprises and trust agencies went on an acquisition binge. This acquisition drive was further aided by a 1975 government ruling that each public-listed company had to ensure that a minimum 30 per cent of its equity was allocated to Bumiputera agencies or individuals.[6] Apart from this, public enterprises incorporated wholly-owned firms to venture into most areas of business and established joint-ventures with Bumiputera, non-Bumiputera and foreign companies. Inevitably, affirmative action endeavors soon aroused non-Bumiputera dissatisfaction with the NEP. These fears were exacerbated when public enterprises began encroaching into economic sectors in which the Chinese had been prominent, particularly banking, property, construction, and manufacturing.[7]

As Chinese concern increased over the hegemony of UMNO and the implementation of NEP, the MCA promoted an alternative 'corporatization movement' to secure mass Chinese support to protect the community's economic interests. The movement was presented as an attempt to get Chinese firms to overlook narrow clan divisions and cooperate in business in the face of growing state capitalism. The movement also involved structural reforms to small-scale businesses and a modernization of their family-run management techniques. However, owners of large-scale Chinese firms became extremely wary of the corporatization movement, especially when the MCA incorporated a holding company called Multi-Purpose Holdings Bhd (MPHB) to pool Chinese resources ostensibly to venture into all key sectors of the economy. This project was quite successful initially. The MCA even managed to obtain, for the first time, the support of working class Chinese who were won over by the argument that the company was a means to develop Chinese economic interests (Gale 1985; Yeoh 1987; Gomez 1994:189-226). MPHB, however, led by MCA politicians, was soon mired in allegations of corruption and conflicts-of-interest, and burdened with huge debts from the massive acquisition binge, including of firms linked to the MCA president, Tan Koon Swan. In the event, Tan and other prominent party leaders were sentenced to jail on various charges of corruption, while MPHB was taken over by Kamunting Bhd, a relatively obscured but quoted construction firm owned by the Lim family who had close business ties with prominent UMNO leaders, specifically to the finance minister Daim. The manner of the demise of the corporatization movement put the Chinese off ethnically-backed institutions, especially if they had links with politicians.

Following the demise of the corporatization movement, Chinese capitalists in control of large firms did not try and coalesce their enterprises or cooperate in business ventures in spite of UMNO's growing hegemony which was used to rapidly promote Malay businessmen closely aligned with party leaders. In fact, because of UMNO's growing hegemony, leading Chinese capitalists stepped up efforts to establish links with the Malay political elite, thus undermining even further the MCA's influence among these businessmen.

After the severe mid-1980s recession, the importance of Chinese – and foreign – capital to further promote industrialization and sustain economic growth in Malaysia became evident to the government in the 1990s. Prime Minister Mahathir Mohamad's desire to industrialize Malaysia and his recognition of the potential Chinese contribution to these goals led to economic liberalization and the inclusion of Chinese capital into his development aspirations, albeit they had to be defined on his own terms. Moreover, the prime minister saw the opening up of China's economy as offering potentially lucrative business ventures for Malaysian capital. These factors appear to have encouraged Mahathir's call for greater business cooperation between Chinese and Malays. At the 1996 Second Fujianese World Chinese Entrepreneurs Convention held in Malaysia in 1996, Mahathir said, "Malaysian Fujianese's close connections with their fellow-provincials in different corners of the world will help promote the business and investment opportunities in Malaysia" (quoted in Liu 1998). These factors have influenced the nature of inter-ethnic business cooperation, suggesting a more level playing field between the two communities, even though this may not necessarily be the case in reality.

The shareholding pattern among Chinese-owned firms in 2000 indicates that they tend to function rather independently of one another. In fact, an in-depth study of the largest Chinese-owned firms in Malaysia revealed that these enterprises have not attempted to cooperate in business, either domestically or abroad, in spite of the state's failure to support their interests (Gomez 1999). Chinese SMEs have similarly shown scant inclination to cooperate with other ethnic Chinese (Chin 2001). The owners of a number of the largest quoted Chinese enterprises, including Lim Goh Tong's Genting Group, Vincent Tan's Berjaya Group, Franics Yeoh's YTL Corp Group, and even Quek Leng Chan's Hong Leong, long reputed to be independent of political ties, have attempted to establish inter-ethnic ties, especially with politically-influential Bumiputeras, to help them protect and expand their interests (Gomez 1999). While most studies tend to attribute the dynamism of Chinese enterprises to intra-ethnic business cooperation (Redding 1990; East Asian Analytical Unit 1995), the Malaysian case indicates that in spite of polices that discriminate against them, there has been little collaboration among business people of this community. In most cases, an independent entrepreneurial zeal appears to have contributed to significant competition, forcing the Chinese to be more innovative to stay ahead. This also explains why Chinese firms have continued to thrive during the NEP and NDP decades (Gomez 1999; Benton and Gomez 2001).

The Bumiputeras

From the outset of his premiership, Mahathir voiced his intention to create an ensemble of dynamic, entrepreneurial Malay capitalists. Mahathir's reasoning for the need to hasten the development of Malay capital was that, in 1981, ten years after the implementation of the NEP, although the government had managed to increase the amount of corporate holdings held in the name of Bumiputeras from 2.4 percent in 1970 to 12.5 percent in 1980 (see Table 4.1 above), little progress had been made in developing Malay businessmen in the control of large corporations. In fact, among the top 100 Malaysian corporations during the mid-1970s, not one single firm was then owned by either the Malaysian government or Bumiputera individuals (Lim 1981). It was precisely this situation that Mahathir sought to rectify.

By the mid-1990s, a number of huge publicly-listed conglomerates, controlled primarily by well-connected Malays, had emerged in the corporate sector. Given the high degree of autonomy that the office of the prime minister enjoyed from other arms of the Malaysian government, Mahathir was able to distribute government-created economic concessions to a highly selective group of businessmen to help them swiftly develop their corporate interests.[8] Mahathir justified this form of patronage, via policies such as the NEP – and since the mid-1980s, privatization[9] – by arguing that the best way to create Malay capitalists was to distribute concessions to those most capable of generating wealth.

The government's attempt to cultivate Malay industrialists led to the rapid rise of a number of well-connected businessmen, including Halim Saad, Tajudin Ramli, Wan Azmi Wan Hamzah, Samsudin Abu Hassan, Rashid Hussain, Hassan Abas, Ahmad Sebi Abu Bakar, Ishak Ismail, Mohamad Sarit Yusoh, Kamaruddin Jaafar, Kamaruddin Mohd Nor, Amin Shah Omar Shah, Mirzan and Mokhzani Mahathir, and the late Yahya Ahmad.[10] As in the case of Chinese capitalists, there was little or no cooperation among these well-connected Bumiputera businessmen. The absence of intra-ethnic business cooperation was most evident in the lack of interlocking stock ownership or inter-locking directorships among Malaysia's leading Malay capitalists (Gomez and Jomo 1999; Gomez 2002). The relationship between this new breed of Malay businessmen was characterized by competition.[11] In the telecommunications sector, for example, Halim's Timedotcom Bhd and Tajudin's Celcom Bhd were in keen competition with each other. During bank consolidation exercise proposed in 1998, Azman Hashim and Rashid Hussain made no attempt to merge their financial enterprises.[12]

These arguments indicate very little cooperation exists among Malaysia's businessmen – from both an intra-ethnic and inter-ethnic perspective. Despite various efforts made by the government during the NEP and NDP decades, the form of development of enterprises owned by the Malay and Chinese business elites reveals rather their desire to lead companies on their own.

Post-NEP/NDP: Partnerships and Inter-Ethnic Relations

While there is no evidence of sustained intra-ethnic or inter-ethnic business partnerships among Malaysia's largest enterprises, during the 1990s, among smaller firms, including those quoted on the KLSE, there was growing proof of new inter-ethnic business ties. A review of the 28 companies listed on the KLSE in 1998 (*Malaysian Business*, 1 March 1999) indicated that:

a) 8 (or 29 per cent) of them could be classified as Chinese-Bumiputera partnerships;
b) only 2 were intra-ethnic Chinese partnerships;
c) there was no evidence of Bumiputeras only in partnership;
d) only one was wholly Bumiputera-owned, the family firm Habib Corp;
e) 12 firms (or 43 per cent) were owned by Chinese families and individuals; and
f) the remaining firms were owned by government corporations.

The fact that nearly 30 per cent of the companies quoted on the local bourse in 1998 were owned by business people of different ethnic groups cooperating in a commercial venture suggests important changes are transpiring in the pattern of ownership and control of corporate enterprises. Moreover, in terms of intra-ethnic business linkages, only two firms were partnerships among members from the Chinese community, while none of them was owned by Bumiputeras working together in business. That there was little evidence of growing intra-ethnic business, specifically among the Bumiputeras, but also among the Chinese further alluded to conspicuous changes in inter-ethnic corporate ties. Partners in these business enterprises appeared to be equally competent, implying a decline in the 'Ali-Baba' alliances. Nearly 46 per cent of the firms listed on the KLSE in 1998 were family-owned corporations or under the control of an individual business person, though only one of these 13 firms was owned by a Bumiputera family. This large percentage of firms owned by individuals or families is a further indication that partners in an enterprise eventually prefer to go it alone once accustomed to running an enterprise. It is noteworthy that while there is still evidence of intra-ethnic business partnerships among the Chinese, there is no indication of similar relationships among the Bumiputeras. Since there was also only one family-owned Bumiputera enterprise in this list of firms quoted on the KLSE in 1998, the jewelers, Habib Corp, which had commenced operations during the colonial period, this offered a further manifestation of the government's failure to develop independent Malay capitalists despite sustained efforts through the NEP and NDP.

To determine if the features of the firms listed on the KLSE in 1998 were replicated among companies quoted on the local bourse, a study was undertaken of enterprises that could be classified as inter-ethnic partnerships. A review of ownership patterns of all 757 firms trading equity on the KLSE in the year 2000 revealed that only about 18 (or a mere 2.4 percent) were partnerships (see Appendix 4.II).[13] This rather low figure draws further attention to the issue of the sustainability of partnerships.

These 18 companies, however, share some interesting features. All of them were quoted on the stock exchange in the 1990s. Nearly half of them were incorporated or began operating as inter-ethnically-owned firms during the 1980s and 1990s. A substantial proportion (12 out 18 or 67 percent) are involved in manufacturing, indicating a productive economic dimension to their business activities and the possible emergence of a new breed of entrepreneurs of the Schumpeterian type (Schumpeter 1943).[14] Five (or 18 percent) of these companies are involved in the construction sector which suggests that some elements of an 'Ali-Baba' relationship may still prevail among these newly-listed enterprises.[15]

This growing evidence of inter-ethnic business ties indicates a transition in Malaysian society which suggests two things about the NEP and NDP. First, the implementation of these policies has led to the creation of an independent, dynamic Bumiputera middle class, an argument proffered in some important new studies (Rahman 2001). The emergence of the new Bumiputera middle class is also contributing to changes in social relations among Malaysians, specifically in improved inter-ethnic ties. Second, important changes are transpiring in the way businessmen develop their firms, probably due to the impact of generational change. Changes in business strategies, organizational structure, and management style within these firms suggest that new generations of ethnic Chinese and Malays, unlike their forbearers, appear more inclined to forge inter-ethnic business ties. These new developments also imply that among this new generation of Malaysians, there is a greater openness to inter-ethnic business cooperation for mutual benefit. These business ties also allude to the possibility that non-Bumiputeras born and bred in

Malaysia bear a strong national identity and are comfortable in inter-ethnic relationships. Among middle-class Bumiputeras, it reflected a feeling of confidence and ability to hold their own in business, given the skills they have acquired through state support under the NEP and NDP.

Wazir noted a similar trend of inter-ethnic business linkages among companies being quoted on the KLSE, attributing it to "significant structural shifts in partnerships or changes from traditional Chinese family-based organizations to Sino-Bumiputera alliances" (2002:260-1). Wazir goes on to add:

> There was a time when many of these alliances were linked to Ali Baba enterprises, or sleeping partnerships, but it appears that the combination of sociopolitical patronage, business acumen and access to finance capital is not necessarily dichotomized in terms of what "Malays are best at" or "what the Chinese can do better". A subtle combination of factors, like access to foreign capital, negotiation for contracts or tenders, knowledge on strategic personal contacts and smart partnerships transcend ethnicity. Malay entrepreneurs have proven their prowess at this game just as purely Chinese business acumen in family-based companies appear limiting in the wake of global competitiveness (Wazir 2002:260-1).

These new developments in the corporate sector bring into question hitherto rather essentialized understandings of the pattern of development of enterprises owned by ethnic communities in Malaysia. Essentialism has been defined by Howard Winant as "a belief in unchanging human characteristics, impervious to social and historical contexts" (quoted in Wong 1999:5). As noted above, essentializing arguments about Chinese capital exaggerate the importance of culture in enterprise development and the extent of ethnic cohesiveness and collective action among members of this community both within separate nations and across the diaspora.[16] Similarly, among Bumiputeras, in spite of considerable state support to promote Malay capital, and even though leading corporate figures from this community shared a common political patron, there was no evidence of any of them cooperating in business.

The growing number of firms that were owned on an inter-ethnic basis by the end of the 1990s is a positive development. From the 1970s until the late 1980s, such cooperative inter-ethnic relationships, where company ownership was on a rather equal basis, were seen to prevail primarily among an elite group. This new development, an outcome of NEP implementation appears, however, to be primarily a middle-class and urban phenomenon.

Ethnic Co-existence and Government-Forged Partnerships

There are two points here that need further elaboration:

a) Are these partnerships sustainable?

History suggests that most of these new partnerships forged in the 1990s will probably not be sustained in the long run. As the studies by Chandler (1962; 1977) and Penrose (1980) have indicated, partnerships are seldom sustainable, though this has not impaired enterprise development. When partners spilt, new enterprises are formed, precipitating more competition, which in the long run creates a more dynamic environment, and helping to promote innovation and productivity. What is important in the context of Malaysia is that although inter-ethnic business relationships may not be sustainable, it is *not* a reflection of unstable ethnic relations.

b) Should the government help forge inter-ethnic business partnerships, especially since there is evidence that they are probably not sustainable?

The government has tried to help forge business partnerships in the past, primarily as a means to encourage entrepreneurship and the growth of dynamic domestic enterprises and partly to promote national unity. While these goals are undoubtedly noble, business partnerships cannot be state-driven. At best, joint-ventures should only be promoted for a particular project. Instead, the focus should be on creating institutions and providing incentives that help promote entrepreneurship and the implementation of potentially viable business ideas. However, as the experience of NEP and NDP implementation has unequivocally indicated, this type of support should be provided on a one-off or short–term basis, or else it may create a dependency syndrome.

Furthermore, businesses should be allowed to fail, for genuine entrepreneurship thrives on the element of risk and the ability to adapt. Another important lesson from the implementation of the NEP and NDP is that businesses that have managed to develop productively should not be spoiled with too much support for it will only curtail but not cultivate competitiveness. Voluminous empirical and theoretical research has indicated that the companies that have managed to survive and grow are those that are most exposed to competition (Williamson 1975; Chandler 1977; Scott 1997).

The pattern of evolution of companies in Malaysia since the early 1970s indicates that during policy planning, there should be no mixing of goals. For example, the attempts to develop domestic enterprise and inter-ethnic corporate ties in order to achieve economic development and as a means to unify the nation simultaneously is doomed to fail. This has been a problem with some government policies, evident during the NEP period when public enterprises were established to pursue economic and social goals (Bowie 1991). Businessmen know who best to work with to develop an enterprise. Decision-making in business is based primarily on how to maximize profits or develop companies of value. When making business decisions, the idea of supporting 'national interest' goals of fostering inter-ethnic ties to promote nation building hardly figures; nor should the government expect this of businessmen.

Conclusion

This study of patterns of formation and development of Malaysian firms provides much evidence that business partnerships are not sustainable. The pattern of growth of large-sized firms suggests that these companies have evolved in a manner akin to similarly sized enterprises in the developed economies of the West, as recorded by Chandler (1962, 1977), Penrose (1980), and Williamson (1975). The fact that partnerships are not sustainable brings into question the government's endeavors to use such mechanisms to promote national unity and more equitable distribution of corporate equity among ethic communities. Moreover, inter-ethnic ties that had been forged in the 1970s were hardly one that reflected an equal relationship between the partners, except possibly in the case of linkages forged between prominent business and political elites.

Inter-ethnic business ties that emerged during the 1980s and 1990s, as UMNO's hegemony over the state increased appreciably, were primarily between Chinese businessmen and well-connected Bumiputeras or influential Malay politicians. The extent to which these ties will remain intact depends primarily on whether the political patrons of these well-connected businessmen continue to stay in a position of influence indefinitely. This is a highly unlikely scenario. In fact, when Daim resigned from office, his allies in business lost control of major business assets. Similarly, when Deputy Prime Minister Anwar Ibrahim was forced out of UMNO and government in 1998, businessmen linked to him lost control of their assets as well. Even prominent Chinese businessmen, like T.K. Lim of the Multi-Purpose Holdings Group, who was closely aligned with the former deputy prime minister lost control of his main quoted assets following Anwar's dismissal.[17]

Since the pattern of evolution of large-sized firms in Malaysia is similar to the form of enterprise evolution among companies in industrialized countries, this brings into question the use of terms like 'ethnic entrepreneurs' and 'ethnic enterprise,' concepts that have remained popular in much of the literature on companies owned by ethnic minorities (for example, Light 1972; Light and Bonacich 1988; Light and Bhachu 1993; Light and Gold 2000; Waldinger *et al*. 1990; Waldinger 1996). These concepts have also influenced how some academics and journalists view pattern of enterprise development by ethnic Chinese in Malaysia (for example, Seagrave 1995; East Asian Analytical Unit 1995; and Backman 1999). The present study of enterprise development in Malaysia counters essentializing arguments about 'ethnic enterprise' or the form of development of ethnically-owned enterprises, specifically Chinese firms. Moreover, most enterprises forge business ties that are mutually beneficial to the parties involved.

To substantiate these points, this chapter has provided some evidence of changing trends in inter-ethnic ownership ties that have emerged during the 1990s among smaller sized firms. Contrary to expectation, these business ties are not cultivated on the basis of common ethnic and cultural identity, as was the case during the colonial period among ethnic Chinese migrants. During the NEP and NDP decades, inter-ethnic business ties were nurtured primarily to secure access to state resources as a result of the government's long-running promotion of affirmative action. However, in the present period, the pattern of business formation among more recently incorporated companies suggests that business ties are becoming increasingly inter-ethnic, established on the basis of equal competency among the partners, with both contributing to the productive development of the firm. The ownership of firms by members of different ethnic communities, in a relationship where both partners appear to have equal influence and competency, suggests that important identity transformations have emerged mainly because the class divide between Bumiputeras and non-Bumiputeras has narrowed recently.

The growing evidence of inter-ethnic business ties among KLSE firms, without state intervention, raises important questions about identity transformation, among Bumiputeras as well as non-Bumiputeras. These inter-ethnic investment patterns suggest that among ethnic minorities, the notion of national identity is important, reinforcing the point about their sense of belonging or loyalty to the nation. The attempt by the state to promote inter-ethnic business ties may, however, inadvertently reinforce the idea of ethnic difference among Malaysians, thus undermining the government's policies to create a more unified nation.

Notes

1. For a historical case study of YTL Corp, see Gomez (1999: 163-70). See Yeung (2002: 200-2) for a discussion on the Hong Leong group.
2. See Gomez (1999: Chap. 3) for a historical examination of enterprise development by ethnic Chinese during the NEP decades.
3. In mid-2001, following a feud between Daim and the prime minister, Mahathir Mohamad, leading to the former's resignation as finance minister, Halim Saad would lose control of Renong and UEM. For a detailed discussion on the dispute between Mahathir and Daim that led to ownership changes in firms controlled by Daim's protégé, Halim Saad, see the work of Gomez (2001).
4. The other 16 businessmen listed as among the wealthiest in the country were Robert Kuok, Lim Goh Tong, Quek Leng Chan, Yeoh Tiong Lay, Tiong Hiew King, Teh Hong Piow, Loh Cheng, Yean, Lee Oi Hian, Lee Shin Cheng, Tan Kim Hor, Khoo Kay Peng, Low Yow Chuan, Yaw Teck Seng, Lau Hui Kang, Tan Chin Nam, and Tan Teong Hean (*Malaysian Business* 1 February 2001).
5. In his study of the largest Chinese firms in Malaysia, their growth contextualized within the economic development of the country, Gomez (1999) revealed that their owners had adopted heterogeneous business styles when developing their enterprises. The rise of these firms were due to a variety of factors, including the resources available to these businessmen, the entrepreneurial endowment of individual businessmen, and their access to state patronage through links with influential politicians. Other factors included a productive use of experience gained in an industry before venturing into business, entrepreneurial deployment of resources generated from an initial investment in a company, and a rather focused approach to one trade rather than diversifying into any area of business that appeared potentially profitable. In some cases, entrepreneurial traits, such as the ability to correctly predict market trends and take risks by investing in a potentially lucrative opportunity, have proved crucial.
6. In many cases, however, public enterprises merely acquired between 20 to 50 per cent of equity in companies for investment purposes.
7. In the construction and property development sectors, for example, the government's Urban Development Authority (UDA), established in 1971, rapidly secured a prominent presence. In the banking sector, by 1976, two Chinese-controlled banks, Malayan Banking Bhd and the United Malayan Banking Corporation Bhd (UMBC), had fallen under state control following runs on the banks. Subsequently, other Chinese-owned banks like the D&C Bank Bhd, Kwong Yik Bank Bhd, and Bank of Commerce Bhd, as

well as the Indian-controlled United Asian Bank Bhd (UAB), would fall under state or Bumiputera control. See Gomez and Jomo (1999: 60-6).

8. Apart from Mahathir's desire to rapidly modernise the Malaysian economy, his tenure has also been characterised by growing authoritarianism, involving significant concentration of power in the executive arm of government (see Khoo 1992; Crouch 1996; Munro-Kuo 1996; Hilley 2001). This concentration of power has protected the prime minister from being accountable for the pattern of patronage that he has practised, involving the award of numerous concessions, usually in a non-transparent manner, to select businessmen. For an in-depth study of this political business nexus during the Mahathir era, see Gomez (1994, 2002).

9. For a comprehensive discussion on the implementation of privatisation by the Mahathir government, see Jomo (1995).

10. The companies owned by a number of these well-connected businessmen were badly affected by the 1997 currency crisis. In some cases, they received either a government bailout or takeover by another state-owned enterprise. In other cases, since many of them were closely associated with leading UMNO figures, internal disputes among powerful politicians led some lost control of their enterprises. Contrary to the original intention of government policy, this nexus of politics and business based on patronage and political loyalty has undermined the development of Bumiputera entrepreneurship. See Gomez (2002) for an in-depth discussion of the rapid collapse of many corporate groups controlled by these well-connected Malay businessmen.

11. Sloane's (1999) study of smaller sized Malay-owned firms also indicates that well-connected business people from this community work independently of each other. These business people usually compete with each other to secure as many concessions as possible form the government, a trait that is common among Malay owners of large-scale enterprises as well.

12. There was, similarly, no attempt by Chinese bankers to voluntarily merge their financial enterprises during this consolidation exercise.

13. This figure includes enterprises quoted on the KLSE in 1998.

14. Schumpeter (1943). This is not to negate the point that Schumpeter noted as well that entrepreneurs have also secured economic concessions from the state. Among the directors of firms listed in Appendix II include Wan Azmi Wan Hamzah, Josephine Premla Sivaretnam, and Mohamad Razali Mohd Rahim who are closely associated with former Finance Minister Daim, Raja Seri Eleena Azlan Shah, a member of the Perak royal house, and former cabinet member Tengku Ahmad Rithauddeen, also once an UMNO vice president.

15. See (Chin 2001) for an in-depth discussion on Ali-Baba-type firms.

16. See Gomez and Benton (2003) for an in-depth critique of essentializing arguments in the literature on Chinese enterprise.

17. For an in-depth review of how business people linked to key politicians have lost control of their corporate assets following the fall of their patrons from positions of power, see Gomez (2003).

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Appendix 4.I
Ownership of Top 20 KLSE Firms

	Company	Activity	Main Shareholder
1.	Telekom	Telecommunications	Government
2.	Malayan Banking	Finance	Government
3.	Tenaga Nasional	Power Producer & Distributor	Government
4.	Petronas Gas	Gas production	Government
5.	Resorts World	Gaming	Lim Goh Tong
6.	Malaysia Int. Shipping Corp (MISC)	Shipping	Government
7.	Sime Darby	Plantations/Diversified	Government
8.	Commerce Asset-Holding	Finance	Government
9.	Genting	Gaming	Lim Goh Tong
10.	YTL Corp	Construction	Yeoh Tiong Lay
11.	Public Bank	Finance	Teh Hong Piow
12.	Rothmans of Pall Mall	Cigarette Manufacturer	Foreign
13.	YTL Power International	Power Production	Yeoh Tiong Lay
14.	RHB Capital	Finance	Rashid Hussain
15.	United Engineers (UEM)	Construction/Diversified	Halim Saad
16.	Renong	Construction/Diversified	Halim Saad
17.	Berjaya Sports Toto	Gaming	Vincent Tan
18.	Magnum Corporation	Gaming	(Unclear)
19.	Perusahaan Otomobil Nasional (Proton)	Car Manufacturer	Government
20.	Kuala Lumpur Kepong ((KLK)	Plantations	Lee Loy Seng family

Appendix 4.II
Inter-Ethnic Partnerships Among KLSE Firms

1.

Company Name: Lingkaran Trans Kota Holdings Bhd	
Activities: investment holding and provision of management services, primarily engaged in the operation of a roll highway which has yet to commence operation	
Date of incorporation: 9.3.1995	Date of listing: 19.12.1996
Issued Capital: RM300,000,000	
Shareholdings: Bumiputera 42.93 Other Malaysians 47.21 Foreigners 9.86	
Main shareholders: Irama Duta Sdn Bhd Gamuda Bhd Malaysia Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board Cartaban Nominees (Asing) Sdn Bhd	
Directors: Wan Abdul Rahman bin Wan Yaacob Yusoff bin Daud Lin Yun Ling Nasruddin bin Bahari Chew Swee Hock Ng Kee Leen Saw Wah Theng	

2.

Company Name: Kilang Papan Seribu Daya Bhd	
Activities: integrated timber activities consisting of the manufacturing and marketing of timber and timber related products	
Date of incorporation: 19.8.1988	Date of listing: 17.11.1994
Issued Capital: RM19,999,000	
Shareholdings: Bumiputera 38.08 Other Malaysians 56.02 Foreigners 5.90	
Main shareholders: Hwong You Chuang Abdullah bin Sepien Hwong You Soon SMB Nominees (Tempatan) Sdn Bhd Syarikat Nominee Bumiputra (Tempatan) Sdn Bhd	
Directors: Abdullah bin Sepien Hwong You Chuang Henry Chin Poy Wu Hwong You Soon Tokuo Wasa	

3.

Company Name: Grand Hoover Bhd	
Activities: investment and property holding, construction, manufacturing, trading and distribution of building materials, investment and property holding and provision of management consultancy services	
Date of incorporation: 12.3.1071	Date of listing: 22.8.1997
Issued Capital: RM30,000,000	
Shareholdings: Bumiputera 50.35 Other Malaysians 48.98 Foreigners 0.68	
Main shareholders: Hoover Corporation Sdn Bhd Hajjah Rus bte Hj Kachar Arab-Malaysian Nominees (Tempatan) Sdn Bhd Mayban Nominees (Tempatan) Sdn Bhd Yu Kuan Chon	
Directors: Hajjah Rus bte Hj Kachar Hew Kon Ngow Tan Ah Heng Tai Ah Kew @ Tai Kim Yok Thean Lan Chan @ Then Swee Chen Basar bin Juraimi IR Hj Md Mazlan bin Hj Md Ismail Merican Tang Yau @ Tang Lin Yau Ng Leong Piew	

4.

Company Name: Mercury Industries Bhd	
Activities: investment holding; property investment and development, manufacture and sale of under seal and lacquer and paints for automotive and housing industry	
Date of incorporation: 20.8.1983	Date of listing: 20.6.1991
Issued Capital: RM36,182,000	
Shareholdings: Bumiputera 44.36 Other Malaysians 44.01 Foreigners 11.63	
Main shareholders: BBMB Securities Nominees (Tempatan) Sdn Bhd Universal Trustee (Malaysia) Bhd UOLC Nominees (Tempatan) Sdn Bhd Multi-Purpose Bank Nominees (Asing) Sdn Bhd Malaysia Nominees (Tempatan) Sdn Bhd	
Directors: Peh Teck Quee Syed Ibrahim bin Syed Mohamed Ismail bin Yusof Vijay Kumar Natarajan Liow Sze Yin	

5.

Company Name: Perfect Food Industries Bhd	
Activities: investment holding, manufacture and marketing of biscuits	
Date of incorporation: 2.8.1978	Date of listing: 15.9.1993
Issued Capital: RM19,900,000	
Share holdings: Bumiputera 52.87 Other Malaysians 44.94 Foreigners 2.19	
Main shareholders: Perfect Pleasure Sdn Bhd Mayban Finance Bhd Seagroatt & Campbell Nominees (Tempatan) Sdn Bhd – substantial shareholders Rothputra Nominee (Tempatan) Sdn Bhd	
Directors: Sai Ah Sai Sai Chin Hock Abdul Ajib bin Ahmad Abdul Rahman bin Saad Augustine Ang Mui Kwong Su Lee Soon Nee Yeo Yap Koon Roy	

6.

Company Name: Gamuda Bhd	
Activities: investment holding; civil engineering construction	
Date of incorporation: 6.10.1976	Date of listing: 10.8.1992
Issued Capital: RM289,696,409	
Shareholdings: Bumiputera 32.94 Other Malaysians 32.82 Foreigners 34.24	
Main shareholders: Citicorp Nominees (Asing) Sdn Bhd Lin Yun Ling Generasi Setia (M) Sdn Bhd EB Nominees (Tempatan) Sdn Bhd Cartaban Nominees (Asing) Sdn Bhd	
Directors: Talha bin Mohd Hashim Lin Yun Ling Raja Seri Eleena Azlan Shah Chan Kuan Nam @ Chan Yong Foo Heng Teng Kuang Kamarul Zaman bin Mohd Ali Goon Heng Wah Ng Kee Leen Ha Tiing Tai Wong Chin Yen Saw Wah Theng	

7.

Company Name: TAP Resources Bhd	
Activities: investment holding; infrastructure earthworks; structural and architectural works; manufacturing of non-baked bricks and construction materials	
Date of incorporation: 1.11.1994	Date of listing: 12.12.1997
Issued Capital: RM39,999,999	
Shareholdings: Bumiputera 32.886 Other Malaysians 66.827 Foreigners 0.287	
Main shareholders: Poh Ah Bah Cho See Yoo Rameli bin Musa Arab-Malaysian Nominees (Tempatan) Sdn Bhd Merchant Nominees (Tempatan) Sdn Bhd	
Directors: Rameli bin Musa Poh Ah Bah Cho See Too Ungku Farid bin Ungku Abd Rahman Zulhkiple A Baker Goh Ban Lee Helinna Hanum Dadameah	

8.

Company Name: Road Builder (M) Holdings Bhd	
Activities: investment holding; building and civil construction; property development; quarry operations; manufacturing of concrete products	
Date of incorporation: 27.3.1992	Date of listing: 18.2.1993
Issued Capital: RM129,980,207	
Share holdings: Bumiputera 43.331 Other Malaysians 24.935 Foreigners 31.734	
Main shareholders: Chua Hock Chin Chase Malaysia Nominees (Asing) Sdn Bhd Tengku Uzir bin Tengku Ubaidillah Citicorp Nominees (Asing) Sdn Bhd Tengku Ahmad Rithauddeen bin Tengku Ismail	
Directors: Tengku Ahmad Rithauddeen bin Tengku Ismail Chua Hock Chin Ong Lee Veng @ Ong Chuan Heng Tengku Uzir bin Tenku Ubaidillah Nasruddin bin Bahari Shamsudin bin Md Dubi Abd Gani bin Yusof Huang Chew Siong Lee Teck Yuen Mohamed bin Yusoh @ Mohamed bin Yusof Raja Mufik Affandi bin Raja Khalid Low Keng Kok	

9.

Company Name: BTM Resources Bhd	
Activities: investment holding; logging, sawmilling and trading of sawn timber and logs	
Date of incorporation: 10.6.1994	Date of listing: 27.3.1996
Issued Capital: RM19,999,000	
Share holdings: Bumiputera 31.29 Other Malaysians 65.47 Foreigners 3.24	
Main shareholders: Yong Tu Sang Yusof bin Biji Sura @ Mohamad Permodalan Nasional Bhd (PNB) BBMB Trustee Bhd Mayban Securities Nominees (Tempatan) Sdn Bhd	
Directors: Yusof bin Biji Sura @ Mohamad Yong Tu Sang Mohd Zamry bin Yusof Anpalagan Ramiah Lau Chen Nai Tik bin Mustaffa Yong Yoke Cheng Yong Emmy	

10.

Company Name: MESB Bhd	
Activities: investment holding; supply of engineering equipment, spare parts, and tools	
Date of incorporation: 28.3.1995	Date of listing: 8.5.1996
Issued Capital: RM19,999,000	
Share holdings: Bumiputera 50.89 Other Malaysians 44.90 Foreigners 4.21	
Main shareholders: Thuraya bte Kassim DB (Malaysia) Nominee (Asing) Sdn Bhd (DBSPN for Wan Hussien bin Wan Hamsah) Khoo Loon See Chea Kok Jiunn @ Sieh Kok Jiun Sieh Kok Swee	
Directors: Abdul Halim bin Ismail Sieh Kok Swee Wan Hussien bin Wan Hamzah Mohamed Nordin bin Sabran Sivasubramaniam Sivayogarajasingam	

11.

Company Name: Nationwide Express Courier Services Bhd	
Activities: provides express courier services	
Date of incorporation: 9.1.1985	Date of listing: 25.5.1995
Issued Capital: RM19,082,000	
Shareholdings: Bumiputera 49.36 Other Malaysians 48.69 Foreigners 1.95	
Main shareholders: Utas Sdn Bhd Scotia Nominees (Tempatan) Sdn Bhd Eddy Chieng Ing Huong Malaysia Nopminees (Tempatan) Sdn Bhd Malaysia Nominees (Tempatan) Sdn Bhd	
Directors: Hj Mohd Noor bin Ismail Arshad bin Ayub Ahmad Riza bin Basir Eddy Chieng Ing Huong Bazlan bin Osman Abdullah Sanusi bin Ahmad Mohd Hassan bin Mohd Hashim	

12.

Company Name: Rohas-Euco Industries Bhd	
Activities: manufacture of pressed steel sectional water tank panels; design and fabrication of steel structures for high tension transmission towers	
Date of incorporation: 13.3.1961	Date of listing: 16.3.1995
Issued Capital: RM17,000,000	
Share holdings: Bumiputera 49.47 Other Malaysians 47.47 Foreigners 3.06	
Main shareholders: UB Nominees (Tempatan) Sdn Bhd – for Wan Azmi Wan Hamzah Chan Liew Hoon BHLB Nominees (Tempatan) Sdn Bhd – for Wan Azmi Wan Hamzah Euco International Sdn Bhd OUB Nominees (Tempatan) Sdn Bhd – for Wan Azmi Wan Hamzah	
Directors: Wan Azmi Wan Hamzah George Sia Bun Chun Laurence Yee Lye Eu Chan Hua Eng Mustafa bin Mohamed Najimudin W Mohamed @ Nik Azam bin Wan Hamzah Peter Sia Tengku Yunus Kamaruddin Marizan Nor bin Basirun	

13.

Company Name: SP Setia Bhd	
Activities: building contractors and investment holding	
Date of incorporation: 8.8.1974	Date of listing: 2nd board on 12.4.1993; transferred to main board on 4.6.1996
Issued Capital: RM140,728,715	
Shareholdings: Bumiputera 44.42 Other Malaysians 42.84 Foreigners 12.74	
Main shareholders: Abdul Rashid bin Abdul Manaff Multi-Purpose Bank Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board Kestral Securities Nominees (Asing) Sdn Bhd Perconic Resources Sdn Bhd	
Directors: Abdul Rashid bin Abdul Manaff Liew Kee Sin Voon Tin Yow Zaki bin Tun Azmi Mohamad Razali bin Mohd Rahim Hari Narayanan a/l Govindasamy George Anthony Dass David Mohd Radzi bin Sheikh Ahmad Razali bin Ibrahim	

14.

Company Name: Kuala Lumpur City Corporation Bhd	
Activities: investment holding; manufacture, assembly, supply and installation of automotive air-conditioning systems, components and related products	
Date of incorporation: 10.1.1985	Date of listing: 2nd board on 21.8.1998; transferred to main board on 18.8.1999
Issued Capital: RM84,321,057	
Shareholdings: Bumiputera 52.16 Other Malaysians 43.31 Foreigners 4.53	
Main shareholders: Kuala Lumpur City Nominees (Tempatan) Sdn Bhd – Kemudi Ria Sdn Bhd Kuala Lumpur City Nominees (Tempatan) Sdn Bhd – Khadijah Abdul Khalid Lutfiah binti Ismail Mohd Nasir bin Ali Public Nominees (Tempatan) Sdn Bhd – Waterfront Capital Markets Sdn Bhd	
Directors: Hj Anuar bin Hj Zainal Abidin Lutfiah binti Ismail Josephine Premla Sivaretnam Mohd Nasir bin Ali Loh Yeow Boo @ Lok Bah Bah	

15.

Company Name: Rumpun Hijau Capital Bhd	
Activities: investment holding; manufacturer and dealer of footwear products	
Date of incorporation: 21.8.1978	Date of listing: 10.4.1992
Issued Capital: RM62,389,334	
Shareholdings: Bumiputera 49.89 Other Malaysians 46.71 Foreigners 3.40	
Main shareholders: Rumpun Hijau Corporation Sdn Bhd Ng Tiong Seng Corporation Sdn Bhd Zalaras Sdn Bhd Panduan Kemas Sdn Bhd Southern Nominees (Tempatan) Sdn Bhd – pledged securities a/c for Tandaraya Sdn Bhd	
Directors: Mohd Nadzmi bin Mohd Salleh Arshad bin Ayub Hj Ahmad bin Saad Hj Mohamad bin Jaafar Hj Mohd Noor bin Hassan Yahaya bin Yaacob Abdul Rashid bin Mohd Yusoff Ng Tiong Seng Ng Chin Heng Azmin bin Arshad	

16.

Company Name: Syarikat Binaan Budi Sawmill Bhd	
Activities: trading, manufacture and sale moulded and sawn timber and other wood-based products	
Date of incorporation: 6.6.1978	Date of listing: 7.7.1997
Issued Capital: RM30,000,000	
Shareholdings: Bumiputera 49.41 Other Malaysians 49.46 Foreigners 1.13	
Main shareholders: Malaysian Trustee Bhd – Qualifier: Ceduna Enterprise Sdn Bhd Amble Impact Sdn Bhd Malaysian Trustee Bhd- Qualifier: Sinarplus Sdn Bhd Malaysian Trustee Bhd- Qualifier: Kain Ann @ Chua Kien Lam Jade Castle Sdn Bhd	
Directors: Abdul Rashid bin Abdul Manaff Kain Ann @ Chua Kien Lam Chua Mui Hoon Zaid @ Rasmi bin Ishak Jamal Mohamed bin Hj AM Sickander Loo Sin Soo Tengku Anisah binti Tengku Abdul Hamid	

17.

Company Name: United Chemical Industries Bhd	
Activities: manufacture and sale of polypropylene and polyethylene woven bags and its ailed products	
Date of incorporation: 31.5.1965	Date of listing: 20.12.1990
Issued Capital: RM18,500,000	
Shareholdings: Bumiputera 44.71 Other Malaysians 49.29 Foreigners 6.00	
Main shareholders: Merchant Nominees (Tempatan) Sdn Bhd - pledged securities a/c for Trafalgar Links (M) Sdn Bhd Arab-Malaysian Nominees (Tempatan) Sdn Bhd - Arab-Malaysian Finance Bhd for MBF Leasing Sdn Bhd Tan Ching Ching Chan Wan Moi Ke-Zan Nominees (Tempatan) Sdn Bhd – Eng Poh Hong @ Wong Choon Ming	
Directors: Abg Ahmad Urai bin Abg Hj Mohideen Abdul Aziz bin Abdul Rahman Ismail @ Mustapha bin Ibrahim Wong Lee Peng Wong Eng Thiam Wong Set Moi	

18.

Company Name: Rumpun Hijau Capital Bhd	
Activities: investment holding; manufacturer and dealer of footwear products	
Date of incorporation: 21.8.1978	Date of listing: 10.4.1992
Issued Capital: RM62,389,334	
Shareholdings: Bumiputera 49.89 Other Malaysians 46.71 Foreigners 3.40	
Main shareholders: Rumpun Hijau Corporation Sdn Bhd Ng Tiong Seng Corporation Sdn Bhd Zalaras Sdn Bhd Panduan Kemas Sdn Bhd Southern Nominees (Tempatan) Sdn Bhd – pledged securities a/c for Tandaraya Sdn Bhd	
Directors: Mohd Nadzmi bin Mohd Salleh Arshad bin Ayub Ahmad bin Saad Mohamad bin Jaafar Mohd Noor bin Hassan Yahaya bin Yaacob Abdul Rashid bin Mohd Yusoff Ng Tiong Seng Ng Chin Heng Azmin bin Arshad	