

ROBERT KUOK: TAIPAN INCORPORATED

Irene Sia

The closing decade of the 20th century promises investment opportunities with the opening up of the China market. However, the unresolved struggle between China and Hong Kong over the latter's status after 1997 holds a special focus in global politics. Towering above all these issues is commodities trader and property tycoon, Robert Kouk, who created a family empire in Asia unrivalled in its complexity and geographical spread. He is poised to tap the vast potential of the China that is in the offing. His family history is intertwined with that of the economies of China and the adjacent lands. The Kuok family epitomises the Overseas Chinese who succeeded after leaving their impoverished natal land, building businesses in their new homeland, making their economic mark and now in the last decade of the century returning to their original homeland with undreamt of economic strength.

ROBERT KUOK - THE MAN

Robert Kuok Hock Nien was the second son of Kuok Keng Kang and Madam Tang. He was born in Johor Baru on 6th October 1923. His older brother Philip Kuok Hock Khee was briefly in the family company but left to join the Malaysian diplomatic service. His youngest brother William died at an early age in 1952. Robert and Philip received the best possible education at the Johor Baru English College. He left there in 1939 and joined the prestigious Raffles College in Singapore. This proved to be one of the most strategic moves as the friendships he made were of great economic help in the building of his empire in later years.

The founder family company, Tong Seng & Co., was established as a provision shop in Johor Baru and it traded in rice, sugar and flour before the Second World War. On its liquidation, Kuok Brothers Sdn. Bhd. was incorporated in Kuala Lumpur in 1949. Their centre of operation remained in Johor Baru. From trading in rice, sugar and flour, they moved ten years later into sugar production and refinery at a time when the Malaysian local sugar consumption was increasing. At the same time they moved rapidly into the international mainstream of sugar commodity trading. Today the company's commercial and commodity interests spans the globe. His family owned companies make up the core of the group and these are held by numerous private and shelf companies worldwide.

Robert Kuok is a very private person and all those who know him respects his privacy. However, it was his dynamism which steered Kuok Brothers into an international conglomerate of companies and as such it is impossible to separate the man from the companies. His ability to view business on a global level and to take advantage of the changing political and economic situations in Malaysia and indeed

internationally has provided him with the springboard to launch into the international commodities and commercial markets. This vision of a global empire and personal linkages to the most influential politicians and bankers were the basis for the foundation of his empire.

THE BUSINESS EMPIRE AND ITS MENTORS

The beginnings of the vast empire built by Robert Kuok can be traced back to Johor Baru and China. The independence of Malaya in 1957, the formation of Malaysia in 1963 and subsequent policies of the Malaysian government through the First and Second Malaysia Plans had an immediate impact on the course taken by Kuok Brothers Sdn. Bhd. The plans included incentives to attract private investors and to promote economic development in Malaysia which were fully utilised by the Kuok Brothers. An understanding of this feature is important in explaining Robert Kuok's success.

Considerable interest has been shown in the relationship between the Kuok Brothers and prominent members of the Malaysian government both at the State and Federal Levels. This can be traced to friends and neighbours in Johor Baru and his peers in school and college. An analysis of his early companies incorporated in Malaysia and now amalgamated into the Perlis Plantation Berhad in 1987, indicates the style of expansion taken by Robert Kuok. Ironically Robert was not very successful in the plywood and veneer businesses proposed by the late Tun Abdul Razak, Prime Minister of Malaysia. He overcame this and concentrated on all opportunities freely granted by the government in the post-independence period.

The *Fortune* magazine September 7, 1992 lists Robert Kuok as one of the world's billionaires with a fortune estimates at US\$ 1.8 billion. His counterpart in Indonesia, Liem Sioe Liong is listed as having US\$ 2.8 billion.

The Beginnings - Tong Seng & Co.

Tong Seng & Co., the family company was started before the Second World War in Johor Baru by four Kuok brothers from China. They were Kuok Keng Kang, the father of Robert and Keng Kang's three brothers. Kuok Keng Kang, was the sixth son. He seemed to have been the initiator and paramount force behind Tong Seng & Co. He was assisted by his three brothers who subsequently returned to China, although they retained shares in Tong Seng & Co. Not much is known of the brothers except that they died at an early age.

Keng Kang was the pivot of Tong Seng & Co. He sent for his nephew Kuok Hock Chin from China and educated him in English. Under the leadership of Keng Kang that of his nephew Hock Chin, Tong Seng & Co. began to expand its activities from being a provision shop, into construction work. Armed with a license from Sultan Ibrahim (1895-1959) of Johor to trade in rice, sugar and flour, Tong Seng & Co.'s provision shop grew from just meeting the needs of the local population to one supplying statewide these basic commodities.

Tong Seng & Co. was not content to merely trade in provisions. They built on the relationship with Sultan Ibrahim and helped in the construction of roads which were mainly used by bullock carts. The coming of motor vehicles, opened the

possibility of building new roads. There were not many motor vehicles in Johor Baru before the war. Tong Seng & Co.'s standing as a prominent provision shop can be emphasised by the fact that it owned a motor vehicle, the Armstrong Siddeley. The company also supplied provisions to the British army. Although the Second World War interrupted the commercial activities of Tong Seng & Co., such had been their reputation for reliability that they were able to pick up the pieces and begin trading again with the British after the war and continued their old businesses.

Even at this early stage, it is clear that family unity was a major factor in the genesis of the Kouk empire. The first generation Kuok was consistently represented by Keng Kang, with his nephews at hand to assist him. Some of his nephews were sent to Singapore to be educated in English, all with the view to expand the business.

The *modus operandi* of Overseas Chinese was practised by the Kuok family. Their initial capital in the form of finance and loyal manpower to start a business were obtained from China. The head of the business positioned family members in strategic business branches. Like his father, Robert has put third generation nephews in position of trust, though not necessarily all in the frontline of their vast empire.

At the time Tong Seng & Co. met the basic needs selling rice, sugar, flour and commodities to the local population. The shop was ideally situated in the market place and had a license to sell blocks of ice and beef. They operated a butcher stall at the market place. The cows were purchased from Java and reared on a little farm near the market and slaughter area. One of Tong Seng's competitors was the Cold Storage Co., the epitome of the colonial era.

Tong Seng & Co. was voluntarily wound up after the death of Keng Kang in 1948. As it turned out, a prudent move due to the complications arising from a Chinese business, operating in an English colony, without the benefit of legal advice that is easily available today. When Tong Seng & Co. was wound up, the butcher stall and ice stall were given to old employees to run. But for the Kuok Brothers it marked the end of an era and the beginning of empire building on a more global scale.

Kuok Brothers Sdn. Bhd.

Kuok Brothers Sdn. Bhd. was formed on 1st April 1949 with the help of an Australian Chartered Accountant Harry Took. The new company took over all the captive business of Tong Seng & Co. They obtained government rice distributorships and agencies. They obtained rice from Thailand through an old Johorean friend who had established business ties in Bangkok. To meet the expanding distribution network, Kuok Brothers purchased twenty seven Dodge lorries from the British administration after the war.

On the original board of directors of the company were Philip, Robert, Hock Chin and Hock Seng. Philip, the eldest son of Keng Kang was the first chairman and managing director of the newly formed Kuok Brothers. However, he left the management of the company in 1966 when he embarked on a diplomatic career, serving as Malaysia's Ambassador to the Netherlands, West Germany and France.

Hock Chin was a cousin who was sent to Singapore to be educated in English. He was actively involved in the setting up and the nurturing of the newly formed Kuok Brothers. Hock Seng was the son of one of the original founder members of

Tong Seng & Co. Robert was the First Secretary and Director of Kuok Brothers. When Kuok Brothers was formed, Robert still in his early twenties, was already deeply immersed in business and seemed destined to don the mantle of the family business.

During the war years, Robert worked in the rice department of Mitsubishi Shoji Kaisha in Singapore. Skills and contacts honed at Mitsubishi helped Robert to organise his family business along more professional lines. Working in a Japanese company had given Robert his first business contacts in Japan at a time when the 'Look East Policy' did not exist. This association was extended when he set up Malayan Sugar Manufacturing in 1959 with two prominent Japanese companies.¹

Immediately after the war attempts were made to forge contacts with some of these Agency Houses² which during the pre-war years monopolised trade in this region especially with regards to the commodity which later would label Robert as the sugar king. A local company at that time would have found it extremely difficult to penetrate the arena of the European Agency Houses.

In an early demonstration of Robert's forward and lateral thinking, in 1955, he made a shrewd move by purchasing a trading company. Its owner was willing to sell it below book value in order to retire from Southeast Asia. The negotiation and purchase of Rickwood and Company³ of Singapore in one stroke enabled Kuok to have a trading company in Singapore with connections not only in Japan but also England. Rickwood & Company held several agencies including rights to sell abalone and monosodium glutamate from Japan, cosmetics, printing materials including ink and stationery. It also handled packaging but more important than these agencies was its connection with petroleum companies.

Rickwood & Co. handled the shipping of machinery from Singapore into Port Dickson for companies like ESSO. This provided the first pronged attack of Kuok into international trading activities. Staff from Kuok Brothers were seconded to run Rickwood & Company. The name of the company was changed into Kuok Brothers Singapore in the 1960s.

With the independence of Malaya in 1957, Kuok realised that politically and economically, the field was open to any enterprising local company to penetrate and effectively capture markets previously dominated by British trading houses. With the acquisition of Rickwood and Company, Kuok Brothers had gained a trading foothold, without relinquishing the family core business in sugar and flour. These commodities were given pioneer status by the Malaysian government. It was in line with the new Malaysian Government policies to encourage local investors and entrepreneurs to be actively involved in the industrialisation of the country.

KUOK AND THE MALAYSIAN INVESTMENT AND INDUSTRIAL POLICIES

An understanding of the Malaysian investment and industrial policies is necessary to appreciate how Kuok got his headstart in empire building. In brief, Kuok's family business grew in proportion to Malaysia's GNP.

The investment policies of the newly independent Malaysian Government encouraged greater diversification of industries in order to create employment. Several enactments were passed to encourage local and foreign investors to this end.

By this time Kuok Brothers was poised to utilise all the opportunities freely offered by the government in the 1960s.

The first formal plan for a Malaysian Industrial Policy came from a report of the *International Bank for Reconstruction and Development* in 1957 which suggested that the government should create a favourable investment climate for private investors both local and foreign.⁴ Towards this end, public spending was directed at developing the infrastructure of the country including communications, supply of water and electricity, amenities which would provide a sound foundation to an industrialisation programme.

This was reaffirmed with the enactment of the Pioneer Industries Ordinance 1958. This was a policy deliberately encouraged by the Government to give incentives to foreign and local investment. 'Pioneer Status' was awarded to approved manufacturing firms. They would receive income tax relief for pioneer industries including tax allowances for capital investment. This would be spread over a period of time up to five years and could be reviewed for a further five years. This incentive was to compensate for the country's then infant industrial base. Kuok was brilliant in his use of Pioneer Status to promote his commodities based businesses. For example, Kuok was quick off the mark with two basic commodities of sugar and flour, by commencing operations of Malayan Sugar Manufacturing (MSM) at Prai in the North.

During the Second Malayan Plan, 1961-65, about 110 firms were granted the pioneer industry certificates for the manufacture of chemicals, food and beverage and metal products.⁵ A total of 98 pioneer firms employing 10,730 workers were in production in September 1965.⁶ It was noted by some businessmen that it was quite fashionable to apply for the pioneer certificate. However, few were as fast off their feet as Kuok in setting up their plants. As would become apparent in all of Kuok's dealings, he used his network of political connections to obtain not only favourable terms but land and facilities.

In 1963 the Malaysian Tariff Advisory Board was established to protect newly formed industries against unfair competition from more developed countries. Some 214 items were on its tariff list at that time. In the First Malaysian Plan 1966-70 the Government acknowledged that diversification was necessary to reduce dependence on rubber and tin. The Government's development programme was to increase productivity, to encourage import-substitution industries and create employment. It was during the 1960s that the Industrial Relations Act of 1967, the Investment Incentives Act of 1968 and Free Trade Zones were introduced.

The manufacturing sector was given additional incentives from the Investment Incentives Act. An approved company manufacturing products not manufactured locally can apply for 'exemption from company tax, relief from payroll tax, investment tax credit, accelerated depreciation allowances'.⁷ These new companies were able to apply for tariff protection and exemption from import duties. This generated a lot of foreign interest in the manufacturing sector. Such incentives gave Kuok's Perlis Plantation Berhad a favourable headstart.

The First Malaysia Plan specifically mentions the government's encouragement of the sugar and flour industries when it states, 'With the establishment of petroleum the refineries, breweries, flour and sugar mills....the industrialization of Malaysia is already off to a good start'. Kuok Brothers were right in the policy with their

Malayan Sugar Manufacturing Berhad and Federal Flour Mills Berhad. A number of Free Trade Zones were set up in the country one of them in Prai. Foreign or local firms which were manufacturing for export in the Free Trade Zones could import machinery and new materials free of duty and export their products.

The Licensed Manufacturing Warehouse programme was similar to the Free Trade Zone programme but authorised to manufacture for exports under customs bond in areas not suitable to locate Free Trade Zones. In this manner the government hoped to change the industrial policy from an import substitution to an export substitution.

COMPANIES STARTED BY KUOK BROTHERS AFTER THE WAR

Malayan Sugar Manufacturing Co. Ltd.

The Malayan Sugar Manufacturing Company Limited (MSM) was formed on the 9th October 1959 with two Japanese partners, Nissin Sugar Manufacturing Company Limited of Japan and Mitsui Bussan Kaisha Limited commonly known as Mitsui and Company of Japan. The three major signatories were Kuok Hock Khee, Tameyoshi Morinaga who was referred to as the President, and an officer, Tetsuzo Maeda of Mitsui and Company.⁸

A key objective of the company was to refine, mill, produce, distribute and export sugar, molasses and sugar products. Additionally they were to import raw sugar for the purpose of milling and refining of sugar for export.⁹ The capital of the company was six million dollars divided into 60,000 ordinary shares of RM100 each. Nissin Sugar and Mitsui and Company supplied the technical knowledge, plant and machinery for this venture.

The First Malaysia Plan states that 'Some of the major projects that will come to fruition during 1966-70 include sugar refineries, textile mills, motor vehicle assembly plants, flour mills, --- a jute mill and a pulp and paper plant'.¹⁰ With such encouragement from the Government, it was not surprising that MSM was able to utilise all the government incentives when establishing the plant.

The Malaysian Government was extremely helpful towards pioneering industries in the 1960s as can be seen in their approval of the site of the factory. The General Manager of the Malayan Railways on behalf of the Federal Lands Commissioner of the Government of Malaysia on 26th March 1965, agreed to lease a piece of land in the district of Province Wellesley at the river mouth to MSM for a period of thirty years commencing 1st. December 1964. Not only did the Government provide the land, but what is even more interesting is that options to renew the lease for two further consecutive terms of thirty years each were also granted.¹¹

One of the senior government officers of Malayan Railway at that time was Datuk Ahmad Perang from Johor.¹² The significance of Datuk Ahmad Perang is that he was one of many civil servants who helped Kuok on his way up.

Ships and chartered vessels from Penang were allowed to sail right up the river mouth to a private jetty to load and unload goods which were then taken to the government bonded warehouse. Thus MSM bought raw sugar and kept it in the bonded warehouse where duty need not be paid.¹³ MSM was one of the first sugar refineries in the country.

MSM brought about a tremendous change to the way of life in Province Wellesley. Prior to that it was an agricultural region producing rice and coconut. The contribution of MSM was the direct employment of about 500 workers and indirectly through transport or port facilities to another 300 people. MSM was one of the largest consumers of fuel at that time and attracted the interest of such companies as ESSO and Shell.

MSM was approached by a foreign company to set up a plant to manufacture jute bags for packing the sugar. However, the Indo-Pakistan War cautioned MSM and they decided to use kraft bags instead. In doing so, they contributed to the local industry and bought woven hessian bags by ICI.

In the 1950s, any sugar transaction had to be undertaken through the Agency Houses. Two key ones were Guthrie, and Harrison and Crosfield. The sugar market was controlled in England by the giants of the sugar industry, mainly Tate and Lyle, E.D. & F. Man, C. Czanarkow,¹⁴ and M. Golodetz, companies which were then located in Mincing Lane, London. A direct approach to these commodity traders was not entertained. Therefore if Tate and Lyle had extra sugar, they would automatically sell it to an established Agency House and not consider quoting to a local company. This monopoly of the Agency Houses was broken after independence.

Again Robert showed his astuteness and entrepreneurial flair when he visited London in 1960 to familiarise himself with the international sugar market. He bought a seat on the London Sugar Terminal. From that vantage point, Robert built himself a sugar empire with all his international syndicated deals. He became known as Southeast Asia's 'Sugar King'.

Government favours to this first company incorporated by Kuok Brothers after independence included its location close to the river mouth and railway track. The Malaysian Advisory Board established in 1963 was also sympathetic to the needs of the company. Government's trust in this family was not betrayed - for at a time when the Government wished to increase food production and encourage industries - Kuok successfully operated his factories, creating jobs directly and indirectly.

Federal Flour Mills Bhd.

When MSM was in production, Kuok Brothers toyed with the idea of a flour mill as by tradition sugar and flour production are linked together. Federal Flour Mills Bhd was incorporated on 3rd February 1962 at a time when the Government was actively encouraging local industries to alleviate the necessity to import consumer goods.

The company was able to obtain tax relief and sited their operations in a custom bonded area in Port Klang. At present there are three flour mills in Port Klang, Selangor and two in Pasir Gudang, Johore. LUTH (Lembaga Urusan Tabung Haji) is one of the major shareholders. Total production capacity is 200,000 tonnes per annum and commands 40% of the domestic market for flour and 20% of the domestic market for animal feed.¹⁵

Federal Flour Mills Bhd is the largest flour miller in the country. The presence of the Kuok family is felt with the appointment of Kuok Khoon Hong as the present General Manager. The company was taken over by Perlis Plantation Bhd. in 1988.

Perlis Plantation Bhd.

With the commencement of sugar refining by MSM in 1964, it was logical for Kuok Brothers to move upstream into cane planting. Again it was a move in line with the government policy as confirmed in the First and Second Malaysian Plans which aimed at stimulating domestic food production like sugar, flour and rice. The Plan states that 'Significant progress was made towards the establishment of a sugar cane industry'.¹⁶ Kuok Brothers had commenced cane plantation and started a second mill in joint venture with the government.

The Colonial Sugar Refinery of Queensland¹⁷ which supplied raw sugar to Kuok Brothers, sent experts to assist in the survey for a suitable locality for the planting of sugar cane.¹⁸ The Perlis State Government, in partnership with Kuok Brothers, alienated 11,000 acres of jungle land in Chuping, Perlis for the cultivation of sugar cane. Perlis Plantation Bhd (PPB) was incorporated on 1st November 1968 and commenced production in 1973. A second sugar refinery was set up next to the sugar cane plantation in joint venture with The Federal Land Development Authority (FELDA).¹⁹ The Kilang Gula Felda Perlis Sdn Bhd which was 50% owned by PPB. In 1976 Perlis Plantation Bhd acquired MSM and all principal aspects of sugar industry including growing, milling, refining and distribution were under the control of one company.²⁰

Fortunes are made in times of war and upheaval. The 1960s and 1970s were ideal for commodity traders and speculators in the feverish international markets. The Cuban crisis of 1961 gave Kuok his first foray into the international arena and a fortune was amassed when Kuok bought all the sugar he could get from India to overcome this crisis.

Kuok's business acumen was enhanced by the man's integrity and loyalty. This quality was demonstrated clearly when Kuok 're-paid' India for this 'sugar coup' by donating wheat to India during a famine.

During the crisis resulting from Egypt crossing over the Suez into Israel in October 1973, there was panic buying by the housewives. Kuok's entrepreneurial skills and experience on the London Sugar Board enabled him to take maximum advantage of the erratic sugar prices.

Malaysian International Shipping Corporation (MISC)

The absence of a national shipping line and the dependence of the country's two major exports on shipping was of concern to the government. The Far Eastern Freight Conference²¹ had almost total control of all the shipping lines in this region and that to a certain extent controlled the prices of the two commodities of rubber and tin.

In the 1960s Kuok Brothers was requested to make a feasibility study of a national shipping line. The idea had the full support of the late Prime Minister Tunku Abdul Rahman and the Finance Minister, Tun Tan Siew Sin. Kuok Brothers was an ideal choice on two grounds. They were in the business of chartering vessels to transport bulky raw sugar and their past track record had proved their ability in carrying out their commitments. At the same time, the question of the 'blood debt' by Japan and monetary compensation was discussed.²² However, as reparation the

Prime Minister was advised to negotiate terms to obtain from Japan two ships to be fitted according to the specifications and requirements of the Government in place of monetary considerations which were advocated by other members of the Government. Two ships were subsequently sent to Malaysia, the Bunga Raya, built in 1970, 18,901 tonnes and the Bunga Melor built 1971, 18,992 tonnes.

Malaysian International Shipping Corporation (MISC) was incorporated on the 6th November 1968 as a joint venture between the Government of Malaysia and a group of entrepreneurs to make Malaysia a maritime nation. The objective to establish a national shipping line was aimed at making MISC an international presence, with shipping routes all over the world. The major shareholders at the incorporation of the company was the Lembaga Urusan dan Tabung Haji (LUTH), and two private companies, Frank Tsao & Co. Ltd. (Liberia) and Kuok Brothers Sdn. Bhd. Robert Kuok was the first Chairman of the company. There seems to be a continuity as the present Deputy Chairman is Y.B. Tan Sri Frank Wen-King Tsao and on the Board as a Director is Kuok Khoon Ean. The majority shareholders of MISC were the original shareholders but the company is now publically listed with Kuok Brothers holding 6.2% and Frank Tsao and Co. Ltd. 5.8% of the shares.

Shangri-La Hotels and the Tourism Industry

Kuok Brothers involvement in the tourism industry began in the 1960s. The tourism industry was being actively promoted by the government as a source of foreign exchange. Air travel at that time was not held at ransom by spiralling oil prices. Robert Kuok was the chairman of Malayan Singapore Airlines in 1968 before its split in 1972 into the present two international carriers, Malaysian Airlines System and Singapore International Airlines. This link with the tourism and travel industries was continued when he became the chairman of the Tourist Development Corporation Malaysia.

The shortage of hotels in Singapore was an acute problem. The growth of the tourism and airline industries in this region was an added inducement to venture into the hotel industry. The political situation in Singapore was uncertain when it broke away from Malaysia in 1963 causing the property prices to plummet.

Ang Toon Chew, an old colleague from Johor, had purchased a parcel of land, twelve and a half acres in the prime area of Singapore from one of the British Trading Houses. It was offered to Robert at a very low cost in 1967. Again Robert's early reading of opportunities in the tourist arrival rate coupled with availability of prime property at attractive prices, made him decide to build a five-star hotel. He focused his attention on the needs of this hotel and it now stands proudly as one of the best hotels in Singapore. The success of Shangri La in Singapore was duplicated in Penang. The Rasa Sayang Beach Hotel Bhd. was incorporated in June 1971 and it now controls the Golden Sands Hotel and Palm Beach Hotel. Located at Batu Feringgi, these hotels were the pioneers of five-star hotels in Penang. In the 1970s, UBN Holdings, jointly owned by Kuok Brothers and Peremba, the investment arm of the Urban Development Authority, built the Shangri La complex in Kuala Lumpur. An exercise was carried out in 1991 when both these companies were merged.

Today with 2,000 rooms, it is Asia's challenge to the major international hotel chains. He has not been content to locate his hotels in the key tourist centres in Penang, Singapore, Hong Kong, Thailand and Fiji but have dynamically moved into China and new economic opportunities.

MALAYSIAN TAIWAN

In the forty years it took Kuok Brothers to grow from a family run company into an international conglomerate, the common denominator is Robert Kuok's power house of friends in high places not only in politics but business and banking. Other factors like a sound monetary management and key personnel who have remained with the company for decades have greatly contributed to the growth.

Among the Chinese community he is looked upon as the man who rescued Multipurpose Holdings Sdn.Bhd., an investment arm of the Malaysian Chinese Association. At that time the company was facing economic difficulties. He became the chairman for two years in 1986 and 1987 and placed his trusted lieutenant Oh Bak Kim as the managing director and Tan Sri Geh Ik Cheong as a director on the board. Once the company was set on course he retired from the board.

The schoolboy network was effective in helping Kuok achieve his business objectives. He also kept up royal connections established from the Tong Seng & Co. days, but did not forget to cultivate civil servants who later would fill top Government positions.

While at school both Philip and Robert studied with the cream of Johore society. Among them were Datuk Haji Sujak bin Rahiman who later served in the Tariff Advisory Committee, and Tan Sri Taib Andak, at one time Chairman of FELDA and Malayan Banking. Taib was Tun Hussein Onn's cousin and he later became director of Federal Flour Mills.

School and college days also gave Robert some of the most envious ties, for studying at the same institution were future leaders such as two Prime Ministers of Malaysia, and Lee Kuan Yew of Singapore and Eddie Barker.

The two Prime Ministers of Malaysia, Tun Abdul Razak and Tun Hussein Onn were married to daughters of Tan Sri Datuk Haji Mohd. Noah who lived on the same street as Kuok Hock Chin in Jalan Tulang Laut, Johor Baru. This relationship was nurtured as neighbours turned prime ministers set the pace for the nation's development, just as Kuok spearheaded many of the early businesses.

Tun Dr Ismail, the second Deputy Prime Minister of Malaysia, was also a Johorean who attended the same school. His father had a dispensary called Tawakal on Jalan Trus in Johore Baru near to where Kuok Brothers had their office. Thus from this elite group, the first contacts with the Government was established.

The first connection with the Johor Royal family through Tong Seng & Co. have not been severed as today Y.T.M. Tengku Suleiman ibni Tengku Abu Bakar is the General Manager and Director of Perlis Plantation Bhd. and Y.A.M. Tunku Osman Ahmad is the Chairman of Pelangi Berhad.

Kuok Brothers is one of the earliest Chinese companies to understand Government need to provide equal opportunities to Bumiputras. It was the ability of Kuok to work with Government institutions and Government policies that allowed his company to grow by leaps and bounds.

Tan Sri Geh Ik Cheong, one of Kuok's right hand men, recently said in the *Malaysian Business* 'Robert Kuok was one of the first people to bring in the Malay shareholders long, long before there was a New Economic Policy'.²³

This can be observed from the list of directors and shareholders of MSM dated 1964 obtained from the Registrar of Companies in Kuala Lumpur. Apart from companies which owned substantial shares in MSM, all other shareholders were Bumiputras working or resident in Johore. Prominent among the shareholders was Tun Hussein Onn, listed as a solicitor of Skrine & Co., Kuala Lumpur and who owned 200 shares in 1964. Other shareholders included merchants, civil servants and housewives. Toh Puan Norashikin binti Dato' M. Seth the wife of the late Tun Dr. Ismail was a shareholder. The shareholdings of MSM were unique because all individual shareholders were Bumiputras and it was only in 1970 that Tan Sri Geh Ik Cheong, the only non bumiputra shareholder, was included. At a time when there was no quota required by the government, Kuok already had Bumiputra shareholders, the majority of whom were merchants, civil servants and housewives holding very small lots.

As Kuok's business base expanded north into Province Wellesley and Perlis shareholders of reknown included Tuanku Syed Putra Jamalullail, Raja of Perlis, and Syed Nahar Shahabuddin, nephew of Malaysia's first Prime Minister. At the same time, government institutions also featured on the share register. In 1964 the Perbadanan Wang Simpanan Bakal-Bakal Haji (Malayan Muslim Pilgrims Savings Corporation) owned 470 shares and Syarikat Permodalan Kebangsaan Limited owned 1,000 shares which was increased to 600,000 in 1975. The Perbadanan Wang Simpanan Bakal-Bakal Haji merged with the Pejabat Urusan Haji Penang (Pilgrims Office in Penang) in 1969 to form the Lembaga Urusan dan Tabung Haji (LUTH). LUTH subsequently increased its shareholdings to 4,710,000 shares in 1975. Government participation increased when the universities of Malaya, Kebangsaan and Sains took positions of 300,000 shares each. The Tuanku Abdul Rahman Foundation Fund had 120,000 and Institute Technology Mara had 60,000 shares.

A glance at the directors of MSM in 1971 lists Robert as the chairman, Japanese directors representing Japanese investment in the company, Ang Toon Chew who represented Nai Seng Limited and three other Chinese directors connected with the Kuok group namely Kuok Hock Chin and Geh Ik Cheong. Again the remaining directors were Bumiputras. Kuok Brothers had established his base amongst the civil servants of Johor by inviting them to be shareholders. In this manner forged his strong linkages.

The Kuok story of Malaysia revolves around one man who had the vision to anticipate the needs of the country and the policies to be formed by the government. The same foresight has propelled Robert Kuok through his numerous companies in Hong Kong to move into the China market. Through tourism and hotels, Robert Kuok has established himself at the forefront of the newly emerging China market. He has been called the international corporate citizen who generously rewards loyalty and friendship. He is a Taipan without equal.

NOTES:

1. Like many Japanese conglomerates, Robert has been able to keep his group of loyal cadre, some of whom have worked for him for more than 30 years.
2. British trading firms soon developed into Agency Houses which not only dealt in trading but in the establishment of plantations and in giving assistance to European investors in this region. The larger Agency Houses which were in operation were Edward Boustead & Co., Guthrie, Harrison and Crosfield and Shaw, Sime Darby & Co.
3. It owned a valuable residential property at Caldecott Hill in Singapore.
4. *Report on The Economic of Malaya* (Baltimore, John Hopkins Press, 1957) p. 417, Quoted from *An Evaluation of Export Processing Zones in Selected Asian Countries*. ESCAP/UNCYC, Publication Series B, No.8, p.144.
5. *First Malaysian Plan*, p.125.
6. *Ibid.* p.125.
7. *Second Malaysian Plan*, p.149.
8. On 6th May 1965, a resolution was passed to charge all the Companies buildings, plant and machinery, and lease of the land at Prai to the Bangkok Bank Ltd which would then guarantee the balance of the company's debt to Mitsui & Co., Ltd totalling 1,051,105,000 yen - *Resolution*. Registrar of Companies.
9. *Memorandum of Association Malayan Sugar Manufacturing Company Limited*, p.1.
10. *First Malaysia Plan*, p.13.
11. Debenture dated 25.10.65. ROC.
12. Other officers who assisted were B.T.L. Sanderson and N.S. Kandiah.
13. The early shipments of raw sugar came from Mauritius and Fiji.
14. The Australian Colonial Sugar Refining Corporation had only one agent in England and it was C. Czanarkow.
15. *Star* August 7, 1991 'FFM - a seasoned flour maker of 25 years'.
16. *Second Malaysia Plan*, p.14.
17. In pre-independence days, Colonial Sugar Refinery sold their sugar through C. Czanarkow of London and not to any colonies. The status of Kuok in the international sugar arena cannot be denied even at this early stage.
18. *Malaysian Business*, February 16-28, 1993.
19. Tan Sri Taib bin Haji Andak was the chairman of FELDA and Malayan Banking Bhd and a director of Federal Flour Mills. He was from Johor.

20. Annual Report PPB. 1988.

21. The Far Eastern Freight Conference was formed in 1879. It had several sub conferences and the Asia Westbound Rate Agreement covered all of Southeast Asia.

22. At the 1st Reparation San Francisco Conference 1951 the British Government did sign peace treaty and gave up claims.

23. *Malaysian Business*, February 16-28, 1993, p.12.