

Government in Business: Diverse Forms of Intervention

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Preface and Acknowledgements

In August 2017, Minister of Finance Incorporated: Ownership and Control of Corporate Malaysia was published, our study that focused on seven major enterprises, what the government referred to as government-linked investment companies (GLICs). These seven GLICs owned a huge number of government-linked companies (GLCs) that were active participants in all sectors of the economy.

We then began work on three unexplored areas of research: GLCs owned by the cabinet ministries of the federal government; enterprises under the control of the 13 state governments in the Malaysian federation; and GLCs quoted on the domestic stock exchange, the Bursa Kuala Lumpur. This research was undertaken with three post-graduate students. There was an attempt to increase the number of researchers in this team, to include those with training in the disciplines of law and finance. The funding available to us was, however, inadequate to incorporate more students into this project.

Other problems emerged which hampered our research. Since the companies owned by the federal ministries and the state governments are predominantly unlisted enterprises, we found it extremely difficult to obtain information about these GLCs. This was because there was no desire by the federal government or any of the state governments to release data on the GLCs under their control. While we have managed to compile, review, albeit briefly, and publish this report on GLCs under the control of the federal and state governments, we are well aware that we have by no means documented here a full of list of these enterprises.

The original intent of this project, when we began researching GLCs in 2016, was to grapple with one fundamental question: to what extent should the government intervene in the economy. We knew then, to have a thoughtful debate about this topic, we needed first to determine how the GLCs had performed. An in-depth study was evidently required of the GLCs. However, we had then not realised the scale and scope of GLC involvement in the economy through the federal and 13 state governments.

In May 2018, an unexpected event transpired. The ruling Barisan Nasional government lost power. This was the first time, since Independence in 1957, that a regime change had occurred in Malaysia. Mahathir Mohamad returned to power as Prime Minister, leading a coalition, Pakatan Harapan, comprising parties that were to govern at the federal level for the first time. One core issue in the Pakatan Harapan's manifesto was that it would review the functioning of the GLCs. A related issue that has since transpired is a mounting debate in the country about dismantling the GLC system, including through privatization, a matter linked to the broader question we have been reviewing, about the extent of government intervention in the economy.

Since this debate is now transpiring and public policies will soon be promulgated by the new government, dealing also with the GLCs, we have decided to publish this report. This study presents only our preliminary review of the data we have uncovered from our research of GLCs. In this report, based on 2017 data about GLCs as well as politicians then in office linked to these enterprises, we have listed in a systematic manner the huge database we have gathered.

The Pakatan Harapan government is duty-bound to build on this study by instituting a comprehensive review of the GLCs, by a team comprising experts in the disciplines of finance, law, economics and public policy. We were surprised that the government had not initiated an independent assessment of these GLCs. Only after this in-depth research is completed can we hope to have an informed debate about the value of GLCs in the Malaysian economy. We also hope that this report will serve to compel the federal and 13 state governments to disclose data on the GLCs under their control.

We are indebted to a number of people who have helped us with this study. Our primary debt is to the Institute for Democracy and Economic Affairs (IDEAS). IDEAS obtained the funds to provide scholarships to two post-graduate students. When we ran out funds mid-way through the project, an anonymous donor provided us with sufficient money to help us complete this study. We are deeply indebted to these donors.

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While we are indebted to those mentioned here for their support, we, the authors, remain solely responsible for the contents of this report.

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Abbreviations

IMDB	I Malaysia Development Bhd
ANZ	Australia and New Zealand Banking Group Ltd
ATSB	Astronautic Technology (M) Sdn Bhd
BCIC	Bumiputera Commercial and Industrial Community
BHIC	Boustead Heavy Industries Corporation Bhd
BIMB	Bank Islam Malaysia Bhd
BSN	Bank Simpanan Nasional
CCM	Chemical Company of Malaysia
CMI	Chief Minister Incorporated
DFIs	Development Financial Institutions
E&O	Eastern & Oriental Bhd
ECER	East Coast Economic Region
Ekuiinas	Ekuiti Nasional Bhd
EPF	Employees Provident Fund
FELCRA	Felda Land Consolidation and Rehabilitation Authority
FELDA	Federal Land Development Authority
FGV	Felda Global Ventures Holdings Bhd
GLCs	Government-Linked Companies
GLICs	Government-Linked Investment Companies
GLCTP	Government-Linked Companies Transformation Programme
IRDA	Iskandar Regional Development Authority
ISIS	Institute of Strategic and International Studies
JCORP	Johor Corporation
KEDA	Lembaga Kemajuan Wilayah Kedah (Kedah Regional Development Authority)
KEJORA	Lembaga Kemajuan Johor Tenggara (Johor Tenggara Development Authority)
KESEDAR	Lembaga Kemajuan Kelantan Selatan (South Kelantan Development Authority)
KETENGAH	Lembaga Kemajuan Terengganu Tengah (Terengganu Tengah Development Authority)
KLK	Kuala Lumpur-Kepong Bhd
KPRJ	Kumpulan Prasarana Rakyat Johor Sdn Bhd
KTMB	Keretapi Tanah Melayu Bhd
KWAP	Kumpulan Wang Persaraan Diperbadankan (Retirement Fund Incorporated)
LADA	Lembaga Pembangunan Langkawi (Langkawi Development Authority)
LTAT	Lembaga Tabung Angkatan Tentera (Armed Forces Savings Fund)
LTH	Lembaga Tabung Haji (Pilgrims Savings Fund)
MAIWP	Majlis Agama Islam Wilayah Persekutuan
MARA	Majlis Amanah Rakyat
MAVCAP	Malaysia Venture Capital Management Bhd
MBI	Menteri Besar Incorporated
MBO	Management Buy-Out
MBSB	Malaysia Building Society Bhd
MCA	Malaysian Chinese Association
MDV	Malaysia Debt Ventures Bhd
MGRC	Malaysian Genomic Resources Centre Bhd
MIDF	Malaysian Industrial Development Finance Bhd

MIGHT	Malaysian Industry-Government Group for High Technology
MINDEF	Ministry of Defense
MITI	Ministry of International Trade and Industry
MOF	Ministry of Finance
MoF Inc	Minister of Finance Incorporated
MOHE	Ministry of Higher Education
MOSTI	Ministry of Science, Technology and Innovation
MPRC	Malaysia Petroleum Resources Corporation
MRCB	Malaysian Resources Corporation Bhd
MRRD	Ministry of Rural and Regional Development
MRSM	Maktab Rendah Sains MARA
MTDC	Malaysian Technology Development Corporation
NCER	Northern Corridor Economic Region
NEP	New Economic Policy
PDC	Penang Development Corporation
Petronas	Petroleum Nasional Bhd (National Petroleum Corporation)
PMD	Prime Minister's Department
PKENPs	Perbadanan Kemajuan Ekonomi Negeri Perlis
PKINK	Perbadanan Kemajuan Iktisad Negeri Kelantan
PKNK	Perbadanan Kemajuan Negeri Kedah
PKNM	Perbadanan Kemajuan Negeri Melaka
PKNNS	Perbadanan Kemajuan Negeri Negeri Sembilan
PKNP	Perbadanan Kemajuan Negeri Pahang
PKNPk	Perbadanan Kemajuan Negeri Perak
PKNS	Perbadanan Kemajuan Negeri Selangor
PMINT	Perbadanan Memajukan Iktisad Negeri Terengganu
PPAJ	Perbadanan Pengangkutan Awam Johor Sdn Bhd
PNB	Permodalan Nasional Bhd (National Equity Corporation)
PRIMA	Perbadanan PRIMA Malaysia
RIDA	Rural Industrial Development Authority
RISDA	Rubber Industry Smallholders Development Authority
SADC	State Agricultural Development Corporation
SEDC	State Economic Development Corporation
SEDCO	Sabah Economic Development Corporation
SCORE	Sarawak Corridor of Renewable Energy
SDC	Sabah Development Corridor
SMEs	Small- and Medium Scale Enterprises
SPAC	Special Purpose Acquisition Company
SPV	Special Purpose Vehicle
SSI	State Secretary Incorporated
TPM	Technology Park Malaysia
UDA	Urban Development Holdings
UiTM	MARA University of Technology
UMBC	United Malayan Banking Corporation
UMNO	United Malays National Organisation
UPKO	United Pasokmomogun Kadazandusun Murut Organisation
YEN	Yayasan Ekuiti Nasional

INTRODUCTION

Why This Study Matters

This report provides insights into diverse forms of intervention in the economy by the government of Malaysia through companies it owns. The government's primary intent when it began actively intervening in the economy in the 1970s was to simultaneously respond to two important issues: equitably redistribute wealth between ethnic groups and nurture entrepreneurial domestic enterprises that will drive industrialisation.

Statutory bodies and public enterprises were created to pursue these goals, though later government-linked companies (GLCs), with a commercial bent, were incorporated to aid the pursuit of these structural reforms. These GLCs, now principal businesses in the corporate sector and owned by the federal and 13 state governments, operate in all sectors of the economy. While GLCs have been drivers of economic change, the legitimacy of this mode of intervention to achieve the government's economic and social goals has been the subject of much criticism, though not due merely to the slew of corporate scandals associated with them. These criticisms have also been associated with a longstanding debate, globally, regarding the extent to which a government should intervene in the economy. In Malaysia, another factor shaped modes of GLC and private enterprise development: a communal perspective to policy implementation, in keeping with the government's longstanding affirmative action-based redistributive agenda involving wealth transfer to Bumiputeras.¹

This report offers an overview of diverse forms of intervention in the economy through GLCs. Three principal issues are reviewed here. First, this study evaluates how federal ministries, under the ambit of cabinet ministers, oversee holding companies, statutory bodies and foundations that control a vast number of quoted and unlisted GLCs that function in all economic sectors. Of the 25 ministries in the federal cabinet in 2017, the Prime Minister's Department (PMD), Ministry of Finance (MoF), Ministry of Rural and Regional Development (MRRD) and Ministry of Science, Technology and Information (MOSTI) can be classified as the 'Big Four', as these ministries have influence over an assortment of GLCs.

While other ministries employ GLCs with differing levels of corporate presence, the Big Four merit crucial attention as they have a direct interest in Malaysia's most prominent enterprises and intervene in the economy and in society adopting fundamentally different methods. These enterprises include socioeconomic-based statutory bodies such as the Federal Land Development Authority (FELDA), incorporated to redistribute land to the poor; Majlis Amanah Rakyat (MARA), introduced to groom Bumiputeras for entry into the economy, and the financially well-endowed national oil corporation, Petronas. Interestingly, these three major institutions, owners of a myriad of GLCs, are under the purview of the Prime Minister through the PMD. MoF controls important institutions such as Malaysia's sole sovereign wealth fund, Khazanah Nasional Bhd, and the exceptionally well-endowed savings-based Employees Provident Fund (EPF) and Permodalan Nasional Bhd (PNB) which have investments in a variety of enterprises in the economy.

¹ Bumiputera, or sons of the soil, is an epithet used to refer to the Malays, though it includes indigenous communities, including those in the Borneo states of Sabah and Sarawak.

The second segment of this report, a similarly pioneering study, reviews companies owned by the 13 state governments that are active in the economy. Each state owns a varying number of GLCs, controlled by different institutions, including the development-based State Economic Development Corporations (SEDCs), though in most cases investment arms have been created under the jurisdiction of the Chief Minister to hold these companies. Holding firms known as Chief Minister Incorporated (CMI) or Mentri Besar Incorporated (MBI) own GLCs once under the charge of bureaucrats, indicating a profound shift, with economic power transferred to ruling politicians. Interestingly too, the mode of intervention of these 13 state governments in their respective economies differs, whether through bureaucratic institutions or their MBIs. There was an obvious reason for this shift of economic power from bureaucratic institutions to MBIs. There is oversight of state-level bureaucratic institutions, such as the SEDCs, by federal institutions. Moreover, within states, there is an unclear hierarchy involving political, bureaucratic and religious elites, as well as royalty, a factor that shapes decision-making. The incorporation and employment of MBIs concentrated power in the office of the Chief Minister, giving him much autonomy over the distribution of state-generated licences, contracts and grants. Through MBIs, the Chief Minister had the freedom to create GLCs that could serve as tools of patronage, primarily through the appointment of directors to the boards of these companies. Inevitably, the level of cohesiveness among institutions within these states to generate a coordinated mode of development has been undermined.

The third segment of this report reviews the government's majority ownership of publicly-listed enterprises. GLCs constitute an estimated 42% of total market capitalisation of all publicly-listed firms (Gomez et al. 2018). 71 quoted firms have been classified here as GLCs. The government has a minority interest in another 148 quoted firms, primarily through its equity investment funds, though this topic will not be analysed here. Two other significant forms of government equity ownership of quoted firms have been uncovered in this study, classified here as 'substantial shareholdings' and 'joint ownership'. The government's equity shareholdings of publicly-listed firms through these two forms range from between 5% to 43%. However, in these forms of co-ownership, there is no evidence of co-management, nor do government representatives appear on the boards of directors of these enterprises.

Before reviewing these diverse forms of government ownership of businesses, this report grapples with one fundamental question: why have the federal and state governments intervened in the economy through GLCs? A brief history is first provided of Malaysia's political economy, up to early 2017, indicating how GLCs have come to secure a huge presence in the corporate sector. This Introduction then briefly discusses the three forms of government intervention in the economy through GLCs, reviewed in Parts 1 to 3 of this report. This Introduction argues that when the government has intervened in the economy through GLCs, its forms of intervention have not always been policy-driven, in the pursuit of its stated economic and social goals. This section ends by making the call for a declassification of data on all GLCs in the country, as well as an independent review of how these enterprises operate. This assessment of GLCs is crucial if Malaysians are to have an informed debate about the extent to which the government should intervene in the economy, including through GLCs.

Justifying Intervention: The Debate

A central trait of rapidly emerging East and Southeast Asian countries has been extensive government intervention in the economy as a strategy to attain a high level of industrialisation. Another facet of economies in Southeast Asia, specifically Malaysia, Singapore and Vietnam, is the active participation of government-owned enterprises,² or GLCs, in their rapid industrialisation. These GLCs have had to function as enterprises engaged in revenue-generating activities, while participating in development goals such as nurturing new sectors of the economy and fostering domestic firms. These objectives have been pursued by employing a vast array of institutions centred within government, as well as the distribution of a variety of publicly-generated concessions, or 'rents', to achieve these development objectives.

The debate whether the government should intervene to cultivate domestic firms to drive industrialisation is not unique to Southeast Asia. Similar debates transpired in industrialising East Asia which was, in turn, deeply influenced by debates in the West, a history that can be traced to Alexander Hamilton's disputes with Thomas Jefferson in the United States, after its Independence in 1776, about the government's role in nurturing and protecting infant industries so as to catch-up with other industrialising countries (Chang 2002).

In Germany, in the late nineteenth century, when the government similarly considered intervention to develop a vibrant industrial sector, the argument revolved around political economist Friedrich List's contention that systematic, but temporary, protection of infant industries was imperative to develop companies that can sustain industrialisation as the economy evolved. When Japan embarked on its industrialisation endeavour in the late nineteenth century, List's arguments were enlisted to justify the creation of a similar government-business compact. In the mid twentieth century, when economies in East Asia began developing at an unprecedented rate – the World Bank (1993) referred to their rapid expansion as a 'miracle' – similar government-business ties were constructed in priority sectors to advance industrialisation, cultivate domestic firms and institute structural change, including to reduce poverty. This mode of economic change was based on what was widely referred to as the 'developmental state' model (Johnson 1982).

The principal features of a developmental state included an autonomous government with a small but highly competent bureaucracy with a pilot agency to conceive and deliver policies; a coherently structured industrial development plan to encourage entrepreneurship to enhance market activities and foster technological growth; government-controlled financial institutions to foster industrial-financial links to drive industrialisation; and a well-functioning education system that groomed human capital well-equipped to work this economy. In developmental states, an effective bureaucracy planned the direction of the economy and created a close nexus between the financial and industrial sectors to encourage innovation leading to technological change. This government-guided industrial-financial business nexus jump-started development in East and Southeast Asian countries, contributing to their high-speed economic transformation.³

² In most countries where the government actively employs companies to pursue their economic goals, these firms are known as state-owned enterprises (SOEs). Malaysia and Singapore are probably the only two countries that employ the term GLCs. See Cuervo-Cazurra (2018)

³ For a historical review of the role East and Southeast Asian governments played, including through GLCs, to industrialise their economies, see Johnson (1982), Amsden (1989), Wade (1990), Whitley (1992) and Chang (2002).

Bureaucrats within the developmental state were to work with businesspeople to create new sectors where domestic firms would learn to innovate technologically and then thrive on their own. This government-business nexus to industrialise economies was well instituted from the early 1960s in South Korea (Amsden 1989). In Taiwan, the government was responsible for creating opportunities for small firms to undertake research and development (R&D), to aid their move up the technological ladder until they could compete, domestically as well as globally (Wade 1990).

Malaysia's rapid modernisation has been attributed to its adoption of an interventionist model, driven also by GLCs. However, countervailing pressures are also present, with the ubiquity of the GLCs in the economy now viewed as seriously undermining entrepreneurial development by crowding out domestic enterprises including those owned by Bumiputeras. Critics of GLCs contend that a bi-polar corporate system is now a characteristic feature of the economy, pitting these government enterprises against privately-owned largely non-Bumiputra, particularly Chinese, companies. Crucial questions have been raised: is this hybrid system of GLCs and private enterprises competing in the private sector a viable mechanism to create a dynamic market that drives technological development? What is the role of the government when it intervenes in the economy through GLCs? Should commercially-based GLCs be instructed to implement redistributive and other socially-oriented policies?

Debates surrounding these questions are compelling public policy thinkers, as well as government leaders, to reconsider how to institute a progressive form of government intervention, one that fosters equitable economic development. However, attempts to review development through government intervention have been undermined by another serious issue. Government intervention through GLCs has resulted in rent-seeking activities, leading also to grand-scale corruption, a principal reason why there is considerable discontent in society with these enterprises. To understand how Malaysia reached this point where a serious debate now prevails in society about the role of the government and GLCs in the economy, it is important to first trace, briefly, the development of these enterprises.

Malaysia's History of Intervention: Rise of GLCs

Statutory bodies and public enterprises have been a part of Malaysia's economic landscape since the 1950s. However, active government intervention in the economy commenced as one response to the riots that occurred in 1969. These riots were, in part, to protest inequities in wealth distribution and the form of development in post-colonial Malaysia as little structural change had occurred. The nature of government-business relations has since become acutely complex, as they are normally grounded on ethnically-constructed preferences, to conform with the affirmative action-centred New Economic Policy (NEP) that was introduced in 1970. The NEP was a progressive 20-year plan to eradicate poverty and redistribute wealth equitably between ethnic groups by creating a Bumiputera Commercial and Industrial Community (BCIC); Bumiputera corporate ownership then stood at a mere 1.5%.⁴

⁴ The government's primary goal under the NEP was that Bumiputeras should own 30% of corporate equity by 1990. However, by 1990, Bumiputeras ownership of corporate wealth had only increased to 19%, the government's basis for extending affirmative action indefinitely.

Government intervention entailed establishing public enterprises to act as trustees of the Bumiputeras, particularly the poor. Funds were channelled to these public enterprises to acquire businesses, primarily those that were foreign-owned. Public enterprises were also introduced at the federal and state levels to play a developmental role in the economy, by promoting rural and regional development to increase agricultural productivity. These federal- and state-level enterprises, now called GLCs, have, however, not evolved in a coherently linear direction; they incorporate hybrid features and are required to fulfil a variety of business and social duties, though there is much public expectation that they should register profits like other commercial enterprises. GLCs are owned by a variety of government institutions, including statutory bodies, foundations, or *yayasan*, government-linked investment companies (GLICs), special purpose vehicles (SPVs) and investment trust funds (see Table 1).⁵

Table 1: Types of government institutions ⁶

Institutions	Definition
Federal Institutions	
Government-Linked Companies (GLCs)	A company, listed or unlisted, in which one government institution is the largest shareholder.
Government-Linked Investment Companies (GLICs)	Seven entities are referred to as GLICs by the Treasury: Minister of Finance (Incorporated); Khazanah Nasional Bhd; Employees Provident Fund; Lembaga Tabung Haji; Armed Forces Fund Board (LTAT); Retirement Fund (Incorporated) (KWAP); Permodalan Nasional Bhd.
Statutory Bodies	Statutory bodies are institutions established by various laws at the federal and state level.
Foundations or <i>yayasan</i>	Foundations were established for the purpose of religious, educational, literary, scientific, charitable or social welfare activities under the Trustees (Incorporation) Act 1952 or Companies Act 1965.
Special Purpose Vehicles (SPVs)	Corporations formed to execute specific projects and functions, primarily to implement government policies.
Development Financial Institutions (DFIs)	Financial institutions with a specific mandate to develop key sectors considered strategic for the development of the economy.

⁵ While GLCs have a pervasive presence in the economy, Malaysia's corporate sector comprises other equally important companies, i.e. highly-diversified business groups and small- and medium-scale enterprises (SMEs). Large business groups, principally family-owned enterprises, have a huge presence in manufacturing, telecommunications, banking, construction & property development and a variety of services-based industries including those in education. SMEs are key players in the economy, comprising 98% of the 1.2 million registered companies.

⁶ For a list of the names of these institutions listed here, see Table 1 in the Appendix.

Institutions	Definition
State Institutions	
State Economic Development Corporations (SEDCs)	Public corporations created to promote commercial, industrial and socioeconomic development. They act as trust agencies for the development of Bumiputeras in commerce and industry.
State Agricultural Development Corporation (SADCs)	Public corporations responsible for developing agro-based industries while also nurturing entrepreneurs and encouraging investments and innovation.
State Education Foundation	Foundations that provide and improve access to education through scholarships, financial aid or by creating educational institutions
State Islamic Council	Councils that assist and advise the State Sultan in matters relating to Islamic religion and Malay custom
State Investment Arms	Institutions incorporated as legal entities to, among other things, invest in commercial enterprises
Land/Resources Development Corporation	Institutions responsible for developing and managing strategic land or resource-based industries

However, debilitating economic crises have profoundly shaped the way the government has dealt with the GLCs. In 1986, when the economy encountered a serious recession, the government began a process of liberalisation which entailed privatisation of its now substantial number of GLCs. But privatisation also served as a mechanism for then Prime Minister Mahathir Mohamad to pursue his long-harboured desire to create a breed of Bumiputera entrepreneurs who owned business groups of repute. GLCs could now be divested to Bumiputeras, as part of the BCIC agenda.

By 1997, Mahathir had achieved the BCIC's objective of creating Bumiputera corporate captains. These corporate captains included Tajudin Ramli, Halim Saad, Wan Azmi Wan Hamzah and Samsudin Abu Hassan. These men had ownership of huge business groups, created primarily through their access to privatised rents, acquired with loans from government-owned banks.⁷ However, in mid-1997, with the onset of the Asian financial crisis, these Bumiputera-owned business groups fell apart, as they were mired in debt built up as they acquired privatised GLCs. The government had to re-nationalise many of these privatised companies, creating again a public sector with ownership of many GLCs.

A plan was then initiated to reform these GLCs. Executives, primarily those with professional qualifications, from the private sector were incorporated to manage these GLCs while politicians were removed from their boards of directors. However, these reforms focused only on publicly-listed GLCs.⁸ These professional managers, most of whom had never served in government, received remunerations benchmarked against their counterparts in the private sector. These executives were, however, acquiescent to the dictates of the Prime Minister as these GLCs ultimately came under his control as he also served as the Minister of Finance.

⁷ See Gomez (2009) for a review of the rise and fall of these Bumiputera-owned business groups. For a critique of the BCIC, based on selective patronage that targeted well-connected Bumiputeras, see Gomez and Jomo (1999).

⁸ For a report on the reforms by the government, see Malaysia (Putrajaya Committee on GLC High Performance) (2015).

One outcome of this reform was that these GLCs emerged as leading enterprises. GLCs have been among at least seven of Malaysia's top ten quoted firms since the turn of the century. Table 2, which lists the top 50 quoted firms in 2017, indicates that GLCs constitute nearly half of these enterprises.

Table 2 reflects an important point: a number of these GLCs were once owned by the Chinese. Two of Malaysia's top three GLC banks, Malayan Banking and RHB Bank, were established by Chinese businessmen, while the origins of CIMB can be traced to a Sarawak-based enterprise, the Bian Chiang Bank (Gomez 1990). CIMB is also a product of a merger involving Bank Bumiputra, created by the government in 1965 to fund the development of Bumiputera-owned companies. Bank Bumiputra was subsequently enmeshed in a series of scandals, which culminated in a merger exercise that resulted in CIMB.⁹ Although privately-owned companies are willing to work with GLCs to secure access to government rents, they are aware that they can be privy to takeovers after creating these joint ownership ties. Such takeovers have occurred, most conspicuously, in the construction & property development sector. IJM, Gamuda, Sunrise and SP Setia, prominent quoted Chinese firms that have worked closely with GLCs, are now under government ownership.

Table 2: Top 50 publicly-listed companies in 2017

Rank	Company	Owner
1.	Malayan Banking	PNB
2.	Tenaga Nasional	Khazanah
3.	Public Bank	Teh Hong Piow
4.	Petronas Chemicals Group	Petronas
5.	Sime Darby	PNB
6.	IHH Healthcare	Khazanah
7.	Maxis	T. Ananda Krishnan
8.	Axiata Group	Khazanah
9.	Petronas Gas	Petronas
10.	CIMB Group Holdings	Khazanah
11.	Digi.Com	Foreign
12.	MISC	Petronas
13.	Genting	Lim Family
14.	Hong Leong Bank	Quek family
15.	IOI Corporation	Lee family
16.	Genting Malaysia	Lim Family
17.	Kuala Lumpur Kepong (KLK)	Lee Oi Hian & Lee Hau Hian
18.	Petronas Dagangan	Petronas
19.	Telekom Malaysia	Khazanah
20.	Hap Seng Consolidated	Lau Cho Kun

⁹ Another Chinese-owned bank, Southern Bank, was subsequently taken over and became a constituent part of CIMB.

Rank	Company	Owner
21	RHB Capital	EPF
22	PPB Group	Robert Kuok
23	Nestle (M)	Foreign
24	YTL Corporation	Yeoh family
25	Hong Leong Financial Group	Quek family
26	Westports Holdings	G. Gnanalingam & Ruben Gnanalingam
27	Astro Malaysia Holdings	T. Ananda Krishnan
28	AMMB Holdings	Azman Hashim
29	British American Tobacco	Foreign
30	YTL Power International	Yeoh family
31	Gamuda	PNB
32	IJM Corporation	PNB
33	Malaysia Airport Holdings	Khazanah
34	Sapura Energy Bhd (formerly known as SapuraKencana Petroleum)	Shahril and Shahrman Shamsuddin
35	IOI Properties Group	Lee family
36		PNB
37	SP Setia	Foreign
38	Fraser & Neave Holdings	Lim family
39	Genting Plantations	Ngau Boon Keat
40	Dialog Group	Lee Oi Hian & Lee Hau Hian
41	Hartalega Holdings	Kuan Kam Hon & Kuan Kam Peng
42	MMC Corporation	Syed Mokhtar Shah
43	Malakoff Corporation	Syed Mokhtar Shah
44	Top Glove Corporation	Lim Wee Chai
45	BIMB Holdings	LTH
46	AirAsia	Tony Fernandes & Kamarudin Meranun
47	Sunway	Cheah family
48	Lafarge (M)	Foreign
49	Press Metal	Koon Poh Ming & Koon Poh Keong
50	Alliance Financial Group	Foreign

Note: GLCs are in bold

Takeovers of this sort have raised concerns among business owners who have long complained of expropriation of their firms by the government, ostensibly as part of its affirmative action-based equity redistribution exercise. This fear of expropriation has undermined investor confidence and hampered R&D endeavours to cultivate enterprises with the ability to compete globally (Gomez 2013).

Numerous GLCs listed in Table 2 were originally under foreign ownership. This includes plantations giant Sime Darby, as well as health-based IHH Healthcare. Other GLCs were under Bumiputera control. RHB Bank was owned by Rashid Hussain who had created a major enterprise in the securities industry. Rashid lost control of RHB Bank following a fall-out with political elites, after the 1997 currency crisis. Control of this bank was passed on to relatives of Abdul Taib Mahmud, then the powerful Chief Minister of the state of Sarawak. In 2007, a majority stake in RHB Bank was taken up by the Employees Provident Fund (EPF), a government-controlled savings-based fund that had apparently not been keen to acquire this finance-based enterprise.¹⁰

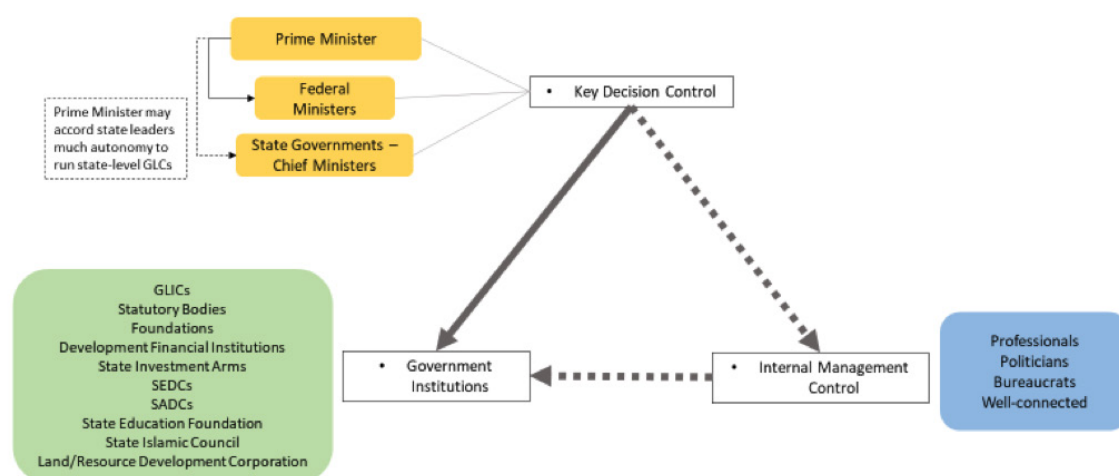
Numerous GLCs in Table 2 are partial privatisations, i.e. public institutions created by the government that were corporatised and then quoted on the domestic bourse. These GLCs include utility giants such as the energy-based Tenaga Nasional, the telecommunications-based Axiata Group and Telekom Malaysia, and Petronas Gas, Petronas Chemicals and Petronas Dagangan, oil & gas industry enterprises. Other GLCs created by the government in Table 2 include BIMB, which runs Bank Islam.

Before providing a review of these GLCs, the mode of analysis of these enterprises and the definitions of terms used in this report are outlined. This mode of analysis is employed to review how GLCs are managed by federal-level ministries as well as the state governments.

Deciphering GLC ownership patterns

Figure 1 provides the framework employed to decipher ownership methods of GLCs deployed by the government through its institutions. How key actors within government control these important institutions as well as their listed and unlisted GLCs are also outlined in Figure 1.

¹⁰ See Gomez et al. (2017) for an account of the history of RHB Bank.

Figure 1: Ownership & control framework of GLCs

Ultimate decision-making control of federal-level GLCs is with the Prime Minister; though in the case of institutions under the jurisdiction of cabinet ministries,¹¹ these ministers have some autonomy to direct the operations of these firms. At the state level, the Chief Ministers have immense decision-making powers.

Figure 1 outlines how key actors in government control GLCs through a vast array of institutions. The Chief Ministers of the 13 state governments have sufficient autonomy to determine how GLCs under their jurisdiction are managed and developed.¹² There are variations in the employment patterns of GLCs owned by these state governments. This is because Penang, Selangor, Kelantan and Sarawak are run by different parties, not the United Malays National Organisation (UMNO), historically the party in power at the federal level. Interestingly, UMNO-led state governments, like those in Johor and Perak, utilise GLCs differently,¹³ corroborating the point about the autonomy of political leaders at this level to determine how these enterprises function.

Another dimension of political oversight of these GLCs is through internal management control, an indirect mode of determining how these enterprises are used. Internal management control is primarily with two groups, the boards of directors and executives, or professional managers, appointed to lead these GLCs. These boards of directors comprise individuals of various backgrounds and include politicians, bureaucrats, ex-bureaucrats and well-connected individuals. However, in the management of GLCs, executives with specialised qualifications, classified here as 'professionals', are important (see Table 3).

¹¹ See Part 1 of this report for a review of companies owned by government ministries under the control of cabinet ministers.

¹² Part 2 of this report reviews how GLCs under the 13 state governments are managed, with evidence provided to substantiate this point.

¹³ Part 2 discusses at length the differences in the method of employment of GLCs in UMNO-led Johor and Perak.

Table 3: Definition of various types of actors

Key Actors	Definition
Professional	Managerial executives or academics, usually with corporate experience. Typically trained in law, accounting or finance.
Politicians	Elected politicians (Members of Parliament and State Assemblymen) and members of political parties.
Bureaucrats	Individuals currently working in government ministries, departments or agencies on a tenured basis and have had no experience working in the private sector. Ex-bureaucrats are individuals who no longer serve in the civil service.
Well-connected	Individuals or families reported to have business or family ties to politicians or other elites (such as royals or prominent ex-politicians).

The grey solid line indicates direct decision-making control by the Prime Minister, federal ministers and Chief Ministers through key institutions. The grey dotted lines indicate their indirect control, through internal management control. The institutions used by politicians to control GLCs depend on the sectors these companies function in.

Figure 1 suggests a unified set of institutions, well-coordinated by the federal and state governments to ensure that GLCs fulfil their economic and social goals. This is not the case as the findings in this report indicate that government-linked institutions that own GLCs are not in discussion with each other about their investment patterns.

How GLCs are managed is determined by two central issues: the sectors they are involved in and how politicians employ internal actors to dictate the way rents generated by these firms are employed in the economy and the political system. Through the boards of directors and chief executives, the government can shape decision-making within GLCs. The government also informs decision-making in these enterprises through a series of other mechanisms such as legislation, public policies and employment of the golden share. Through its substantial equity interests in commercial and development banks, the government can determine the pattern of growth of these GLCs, as well as privately-owned firms.

State of play and possible reforms

This report will disclose the unusually diverse methods adopted by the government to intervene in the economy and in society to attain its economic, social and political goals. This diversity in forms of intervention is evident in all three segments of this report. Within the cabinet, among just the Big Four ministries, how each of them intervenes in the economy and in society is vastly different. Within the PMD, the Prime Minister can directly intervene in issues such as equity redistribution (Equinas), rural development and poverty eradication (FELDA), religion (LTH) and resource control and development (Petronas). Within MoF, a huge ministry, institutions under the minister's control oversee savings funds and equity investment (PNB and EPF), sectoral development (Khazanah) and funding of SMEs (through the DFIs). MRRD, another large ministry, serves to eradicate poverty and develop rural industries through a variety of institutions and their vast base of GLCs. MOSTI uses GLCs to encourage technological development by SMEs.

These diverse interventionist forms are particularly obvious in this report's assessment of the state governments. All states use similar institutions, such as SEDCs and MBIs (or CMLs), but intervene in different ways and with fundamentally different outcomes. While it is patently clear that power is concentrated in the office of the Prime Minister at the federal level, this is not the case at the state level. In state governments, there are different power bases, i.e. the Chief Minister, bureaucrats, the royal house and religious institutions. Powerful groups co-exist and determine modes of intervention that serve their interests. Indeed, these groups operate separately, as well as with each other. The implications of this is that interventionist outcomes have been diverse. Progressive developmental outcomes have been registered, while extensive rent-seeking simultaneously occurs. Crucially too, how these groups and their institutions employ GLCs in the economy overlap. For example, the politically-controlled MBIs and bureaucratically-controlled statutory bodies pursue similar goals, suggesting little coordination between them. Indeed, the MBIs, a more recent institutional construct, are probably tools by politicians to control, without adequate accountability, GLCs that intervene in the economy. Inevitably, this has undermined how GLCs function, as understood in interventionist models, that is to drive industrialisation and nurture vibrant domestic enterprises.

As for publicly-listed GLCs, the government expects them to emerge as 'national champions' with a regional reputation in banking, plantations, utilities and health. Listed firms such as Malayan Banking, CIMB, Sime Darby and IHH have acquired much repute as key enterprises in Southeast Asia. When the government inducted professionals as part of the managerial force of GLCs, this was to get these enterprises to compete as profit-generating commercial firms in domestic and regional markets. However, one objective of government intervention, through GLCs, was to serve the pursuit of industrialisation, specifically sectors that require considerable capital investment and where private firms are unwilling to invest. The government was also to invest in R&D to drive technological upgrading. However, these practices are not evident among the GLCs that constitute a huge segment of Malaysia's top 20 companies. This is a serious indictment of Malaysia's form of intervention, a reason why interventionist policies have been the subject of much criticism.

A related concern, another reason for widespread dissatisfaction with government intervention and a critical factor that has hampered the rise of entrepreneurial firms is the manner of implementation of affirmative action-based policies. While it is important to nurture entrepreneurial Bumiputeras, to rectify the injustices of colonial rule, how this is to be done must be reviewed. This is imperative for two reasons: first, to inspire investor confidence and to reduce investment risks, such as expropriation, as a firm develops; second, an outcome of trying to simultaneously foster entrepreneurial firms and Bumiputera-owned companies has been the undermining of both objectives.¹⁴

The costs of government intervention in business have been huge because institutional constraints are weak and legal protections against expropriation by powerful politicians are ineffective, inhibiting entrepreneurship in the process.¹⁵ There is evidence of joint ownership of listed firms by government institutions and well-connected businesspeople or foreign firms.¹⁶

¹⁴ For a review of the government's simultaneous pursuit of the development of entrepreneurial SMEs and Bumiputera-owned firms, see Gomez (2013). With this 'mixing' of social and economic policies, few major Bumiputera-owned enterprises emerged, while potentially entrepreneurial companies were fearful of availing themselves to government incentives for fear of expropriation if they grew too big.

¹⁵ See Part 3 for evidence of corporate ownership ties involving well-connected businesspeople and GLCs. Parts 1 and 2, which deal with GLCs owned by federal ministries and state governments respectively, provide further evidence of rent-seeking and patronage that have undermined the quality of government intervention.

¹⁶ Part 3 of this report provides a critical assessment of such joint ownership patterns.

However, the purpose of corporate links created through these joint ownership ties is unclear. These different ownership patterns indicate diverse forms of intervention, some with significant government involvement while in other cases there is scant participation in the running of these firms.

The level of transparency of government intervention in the corporate sector through the GLCs must be enhanced. A key factor contributing to corrupt practices within GLCs is the appointment of politicians to their boards of directors. The members of these boards are public trustees, but do not act as such. One consequence of this practice, also a form of political patronage, is that it undermines public ownership of corporate enterprises and contributes to the idea that this form of government intervention is not viable or sustainable. This practice of appointing politicians to the boards of listed GLCs is more common among enterprises owned by the state governments, where the conduct of patronage is extensive.

What is required of GLCs is a set of well-defined long-term goals, in line with policy priorities, with regular checks on their progress. The reasons why GLCs get involved in corporate exercises must be publicly disclosed to constrain the self-serving behaviour of politicians. Disclosure is important as political leaders, through GLCs, have access to enormous funds and rents that can be deployed to garner electoral – even party – support. How GLCs are employed in the economy can also have a bearing on the implementation of ethnically-based affirmative action, as this policy can be deployed by politicians to garner support during electoral battles, particularly in Bumiputera-majority constituencies.

While the issues of transparency and adequate independent institutional oversight of GLCs can be addressed quickly, the fundamental concern of this report, i.e. the need to determine clearly the role of GLCs, is a matter that requires extensive debate, based also on an analysis of how these enterprises function in all sectors of the economy. For example, one body of thought is that those GLCs active in the corporate sector as publicly-listed enterprises should be encouraged to compete domestically and globally, more so since the government would have little interest in divesting companies in banking, plantations and utilities. This argument has been challenged, primarily by those who prefer market-driven forms of development, with firms under the control of managerial executives. One other argument is that, among unlisted GLCs, if their role is social in orientation, there is a need to re-name them, according to their function. If called GLCs, these companies would be expected to function like one and generate profits. Institutions that have a primarily social role should not be employed as GLCs.

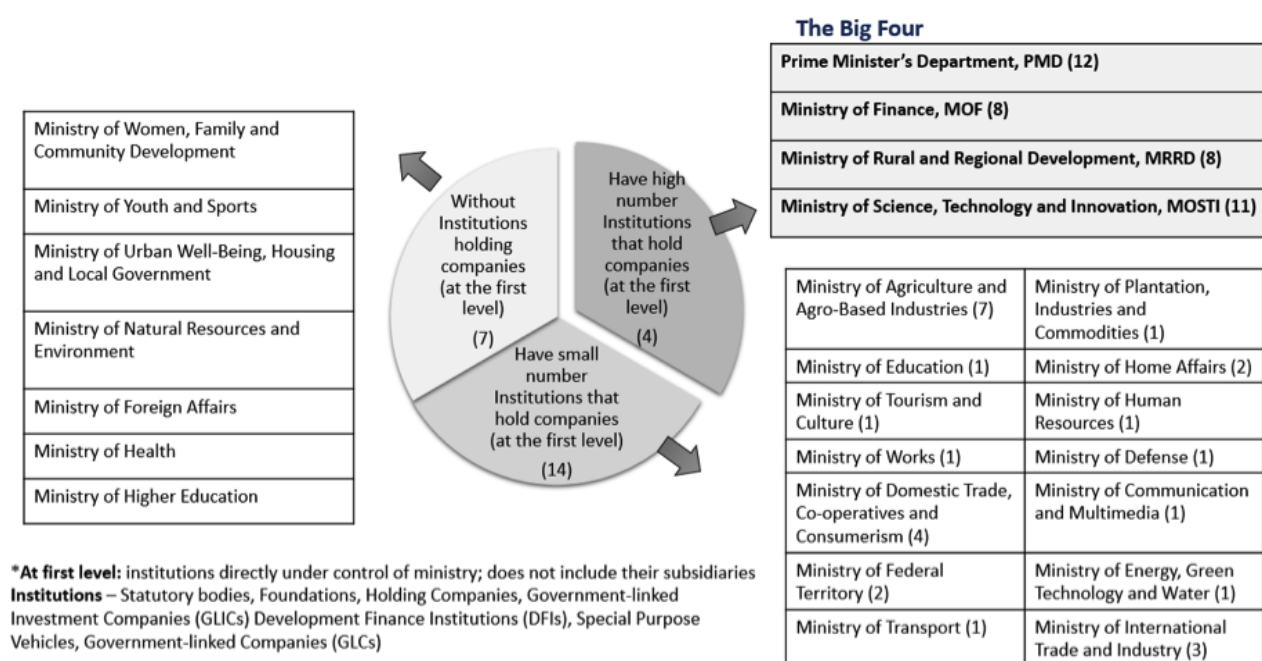
What is universally agreed is the need to rid the GLCs of political abuse. Institutional reforms, specifically those that serve as a check on the executive arm of government, at the federal and state levels, are imperative to eliminate political abuse leading to inefficient allocation of public resources through GLCs. In Norway, where government-owned firms are active in the corporate sector, open-government legislation was introduced to allow for public oversight of these companies (Kurlantzick 2016: 148). Such reforms are necessary because GLCs have a huge presence in the corporate sector, an economic influence that accords politicians an avenue to consolidate political power. Only independent institutional oversight of GLCs can ensure that they are employed for progressive policy endeavours, not as a mechanism for the consolidation of political and economic power.

PART I:

The Business of Cabinet Ministries

In 2017, there were 25 cabinet ministries (see Figure 1). These 25 ministries can be classified into three groups, based on the number of institutions under each ministry's direct control that hold GLCs.¹ The three groups are ministries without institutions controlling companies; ministries with a small² number of institutions overseeing companies; and ministries with a large number of institutions with companies under their jurisdiction. These institutions include statutory bodies, foundations, holding companies, GLICs, DFIs, SPVs and GLCs.

Figure 1: Classification of Ministries based on their employment of GLCs



Seven ministries had no institutions that manage GLCs. These ministries were the Ministry of Women, Family & Community Development, Ministry of Foreign Affairs, Ministry of Youth & Sports, Ministry of Urban Well-Being, Housing & Local Government, Ministry of Natural Resources & Environment, Ministry of Health and Ministry of Higher Education. 14 ministries had a small number of institutions that had companies under their portfolios, including the Ministry of International Trade & Industry (MITI) and Ministry of Defence (MINDEF) (see Figure 1). MITI has direct control of Malaysian Industrial Development Finance Bhd (MIDF),³

¹ Unless otherwise stated, this report reviews only GLCs controlled by the ministries at the first level. The subsidiaries and associate companies of these GLCs were not assessed due to limited resources and because it was difficult to secure information about these enterprises. The information provided here, therefore, is by no means a full representation of the companies owned by these ministries.

² A small number here means less than seven institutions that have an interest in companies.

³ MIDF provides financial services in business areas such as investment banking, development finance and asset management (MIDF Official Website: MIDF At a Glance, 2018).

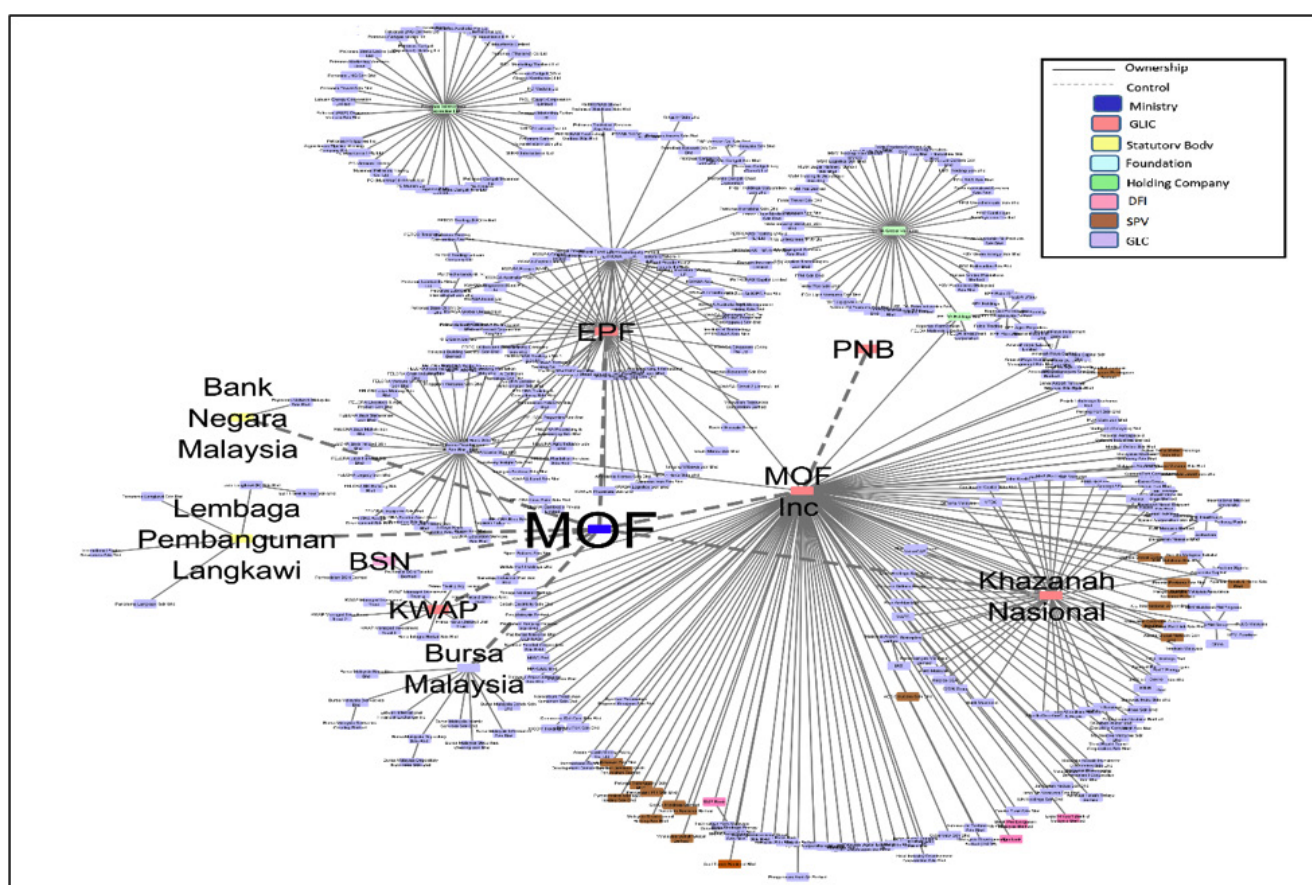
while MINDEF has oversight of Lembaga Tabung Angkatan Tentera (LTAT),⁴ one of Malaysia's seven GLICs. Despite the small number of institutions under these ministries, some have a huge corporate base, as in the case of LTAT.

The other four ministries oversee numerous institutions that have an equity interest in GLCs. These four important ministries are the Prime Minister's Department (PMD), Ministry of Finance (MoF), Ministry of Rural & Regional Development (MRRD) and Ministry of Science, Technology & Innovation (MOSTI). These ministries, classified here as the 'Big Four', merit attention because they control a voluminous number of GLCs with much influence in the economy.

The Big Four

Figure 2 provides a macro view of the employment of GLCs by the Big Four. Figure 2 further indicates that the Big Four utilize a variety of institutions to control GLCs. PMD and MoF employ GLCs and statutory bodies to control GLCs. MRRD is partial to using statutory bodies to control its GLCs. MOSTI has direct control of GLCs and actively uses them to implement its policy goals.

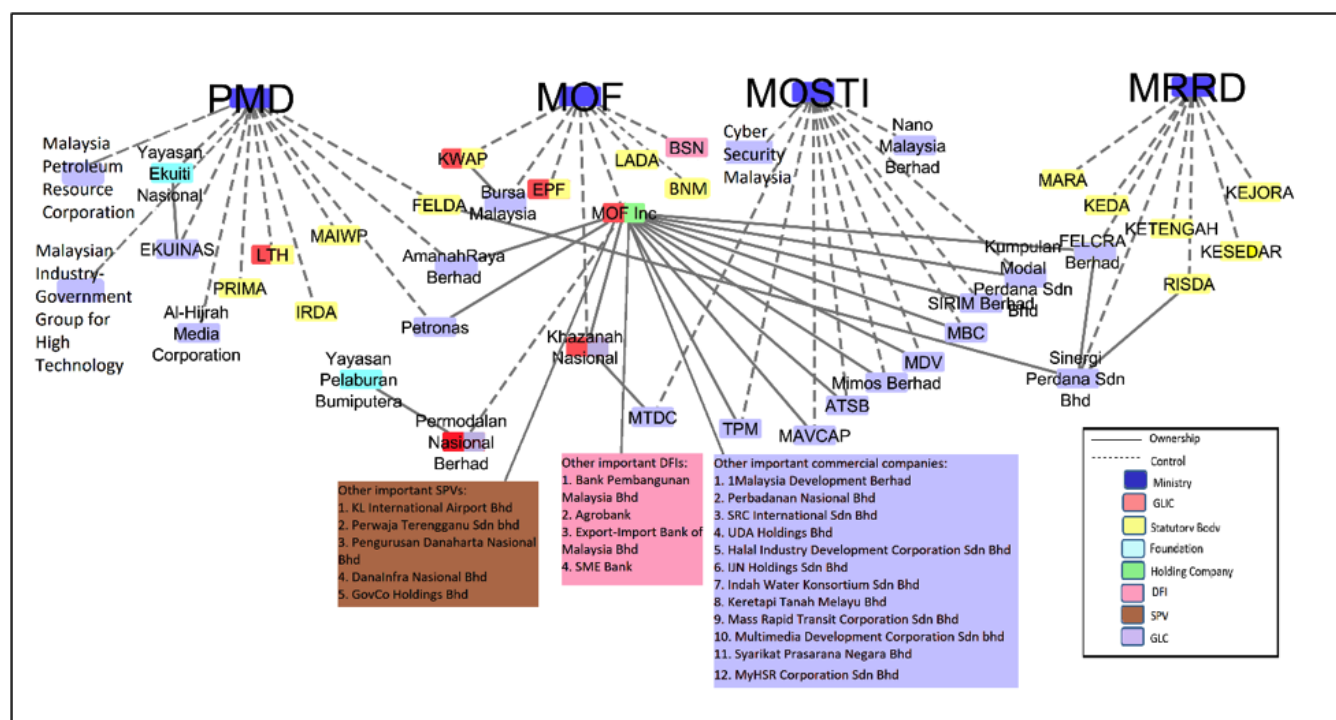
Figure 2: Overview of the Employment of GLCs by the Big Four



⁴ LTAT has majority control of two prominent publicly-listed GLCs, Boustead Holdings Bhd and Affin Holdings Bhd. LTAT also has a majority interest in a leading pharmaceuticals enterprise, Pharmaniaga Bhd, through Boustead Holdings.

To better understand the different control patterns employed by these four ministries, Figure 3 offers a view of institutions under their domain. These institutions are situated under the direct purview of each respective ministry.

Figure 3: Control Patterns of the Big Four



As Figure 3 indicates, these ministries intervene in different ways through these diverse range of institutions. PMD uses different institutions which serve different functions. For example, the Iskandar Regional Development Authority (IRDA) was created to encourage industrialisation in the state of Johor. FELDA is a major player in plantations, with a vast political base. Lembaga Tabung Haji (LTH) was established to help Muslims, the poor in particular, fulfil a religious obligation. Petronas is the key player in Malaysia's oil & gas sector. These institutions are statutory bodies, though LTH functions also as a GLIC.

MoF uses different institutions, though it is GLICs that this ministry most employs. There are five GLICs under MoF's domain, including MoF Inc, an investment arm that holds many key institutions such as SPVs, DFIs and a large number of commercial enterprises. Examples of SPVs are KL International Airport Bhd, Perwaja Terengganu Sdn Bhd and Pengurusan Danaharta Nasional Bhd. Important DFIs include Bank Pembangunan, Agrobank, Export-Import Bank and SME Bank. Prominent GLCs owned by MoF Inc are IMDB Bhd, Perbadanan Nasional Bhd, SRC International Sdn Bhd and UDA Holdings Bhd. Through MoF Inc, this ministry has enormous influence over the corporate sector.

MOSTI, interestingly, is the only ministry among the Big Four that does not use institutions to control GLCs, though most of them are owned by MoF Inc. Importantly too, these GLCs are highly invested in the technology sector. This ownership pattern further indicates industrial-financial links between these two ministries, involving also, in some cases, private firms.

MRRD is different from MOSTI because it actively employs statutory bodies that own a huge number of GLCs. Most of these statutory bodies were established in the 1960s to promote rural development. These statutory bodies incorporated GLCs to expedite the implementation of their goals, though the government also intended to transfer these enterprises to Bumiputeras as part of its agenda to ensure equitable equity distribution between ethnic groups.

An assessment of the key actors controlling the Big Four raises concerns over mode of governance. In late 2017, Najib Razak held dual positions, as Prime Minister and Finance Minister, giving him simultaneous control of two key ministries. Ismail Sabri Yaakob, the minister responsible for MRRD and a member of Najib's party, the United Malays National Organisation (UMNO), was the Member of Parliament (MP) for Bera in Pahang. Najib is also from the state of Pahang, suggesting a political clique with control over a huge range of GLCs, through ministries, that could serve as tools for the practice of patronage.⁵

Wilfred Madius Tangau, the Minister of MOSTI, was the acting president of the United Pasokmomogun Kadazandusun Murut Organisation (UPKO), a Sabah-based party under the ruling Barisan Nasional coalition. The appointment of a non-UMNO cabinet member as MOSTI's minister is particularly telling as it reflects the poor political clout this ministry has among party members, in particular, and rural Bumiputeras more generally.

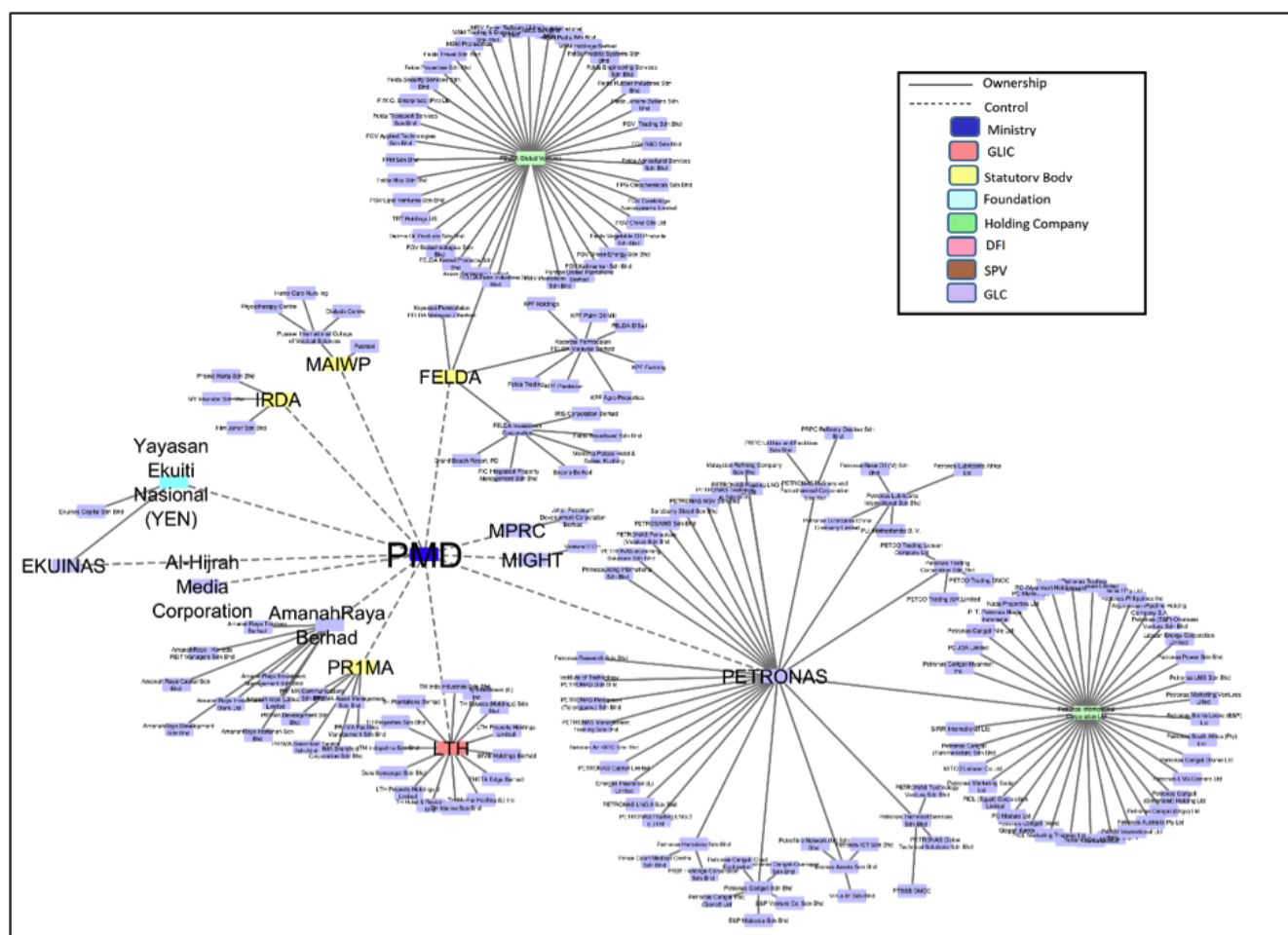
Prime Minister's Department (PMD)

Institutions under PMD have different goals (see Figure 4). The institutions established around the end of colonial rule, such as FELDA and LTH, still focus on their original social objectives. FELDA was established in 1956 to develop land for the cultivation of oil palm and rubber, which was to be channelled to the poor. LTH, whose roots can be traced to a fund created in 1962, and Malaysia's first Islamic financial institution, acts as a savings-based institution to help low-income people perform the hajj, a religious obligation.⁶ FELDA, LTH and other institutions under PMD subsequently established GLCs to pursue their social and economic goals. LTH, for example, invests the savings of its members in Islamic-based businesses. The returns from these ventures are used to subsidise the costs incurred by its members when they perform the hajj (Gomez et al. 2018: 32). Not all these business enterprises are profit driven, as they have social obligations too.

⁵ Ismail Sabri Yaakob was appointed as minister of MRRD in 2015, replacing Shafie Apdal who was sacked by Najib for questioning the Prime Minister over issues related to the IMDB controversy (The Straits Times 29 July 2015).

⁶ For a discussion about LTH's social and economic roles, see Gomez et al. (2018: 31-33).

Figure 4: Institutions under direct control of PMD



Source: Prime Minister's Department Annual Report 2016 (pages 13-14)⁷

The institutions under PMD focus on social, religious and economic matters (see Table 1).⁸ Institutions with a social agenda comprise FELDA, Ekuiti Nasional (Ekuinas) and AmanahRaya. Ekuinas, introduced by Najib when he took over as Prime Minister in 2009, is responsible for redistribution of corporate wealth to Bumiputeras. AmanahRaya is an asset management company which specialises in will, trust and estate services. Established as the Department of Public Trustee and Official Administrator in 1921, it was corporatised in 1995. It assists the public, especially the lower income group, manage their assets, charging them a nominal fee for doing so.

⁷ The subsidiaries listed here are based on the annual reports and official websites of these institutions and GLCs.

⁸ While there are numerous other statutory bodies in the PMD, those listed here are only institutions that own GLCs. Agencies such as the Majlis Profesor Negara (National Council of Professors), International Multilateral Partnership Against Cyberthreats and the Institute of Strategic & International Studies (ISIS), listed as companies by PMD, are not taken into account as they are not involved in business.

Table 1: Focus areas by Prime Minister's Department (PMD)

Social	Religion	Economic
- Felda Land Development Authority (FELDA) - Yayasan Ekuiti Nasional (YEN) - Ekuiti Nasional - AmanahRaya	- Majlis Agama Islam Wilayah Persekutuan (MAIWP) - Lembaga Tabung Haji (LTH) - Al-Hijrah Media Corporation	- Iskandar Regional Development Authority (IRDA) - Perbadanan PRIMA (PRIMA) - Petroleum Nasional (Petronas) - Malaysia Petroleum Resources Corporation (MPRC) - Malaysian Industry-Government Group for High Technology (MIGHT)

The Prime Minister has direct control over religious-based institutions such as Majlis Agama Islam Wilayah Persekutuan (MAIWP), LTH and Al-Hijrah Corporation. MAIWP provides advice on Islamic matters and socioeconomic issues involving Muslims in the Federal Territories. Al-Hijrah Media Corporation operates Malaysia's first Islamic television channel, TV Al-Hijrah, which collaborated with Telekom Malaysia to showcase programmes via the Hypp TV platform. This Islamic TV was launched to counter misrepresentations of Islam (New Straits Times 24 July 2014).⁹

The PMD has vast economic influence because the Prime Minister has under his control institutions such as Petronas, LTH, IRDA and Perbadanan PRIMA. IRDA was established as one of the Malaysian Economic Corridors; the others are the Northern Corridor Economic Region (NCER), East Coast Economic Region (ECER), Sabah Development Corridor (SDC) and Sarawak Corridor of Renewable Energy (SCORE).¹⁰ IRDA is the most industrialised of the five economic corridors. PRIMA was introduced to tackle the problem of unaffordable housing in urban areas. PRIMA provides housing at a subsidised rate, targeted at urban middle-income earners.

The government's control pattern of these institutions differ. FELDA, LTH, IRDA and MAIWP are statutory bodies controlled by the Prime Minister through legislation. Through statutory acts, the minister has the power to appoint the members of their boards of directors, approve their funds and supervise the management of their GLCs. AmanahRaya, though owned by MoF Inc, is under the purview of PMD.

Directorships are another form of control employed by the Prime Minister as he appoints the board members of these institutions.¹¹ Based on 2016 data, institutions under the PMD have numerous politicians as directors, sometimes even as the chairmen (see Table 1.1 in the Appendix). Isa Samad, once an UMNO vice president, was chairman of FELDA. Abdul Azeez Abdul Rahim, UMNO Member of Parliament for Baling, was chairman of LTH. Sabbaruddin Chik, who had served as Member of Parliament for Temerloh, was chairman of AmanahRaya.

⁹ For further justification by the government of this media-based GLC, see: <https://www.nst.com.my/news/2015/09/show-biz-islamic-programmes-demand>

¹⁰ These Malaysian Economic Corridors are under the purview of PMD. Unlike IRDA, they do not own companies.

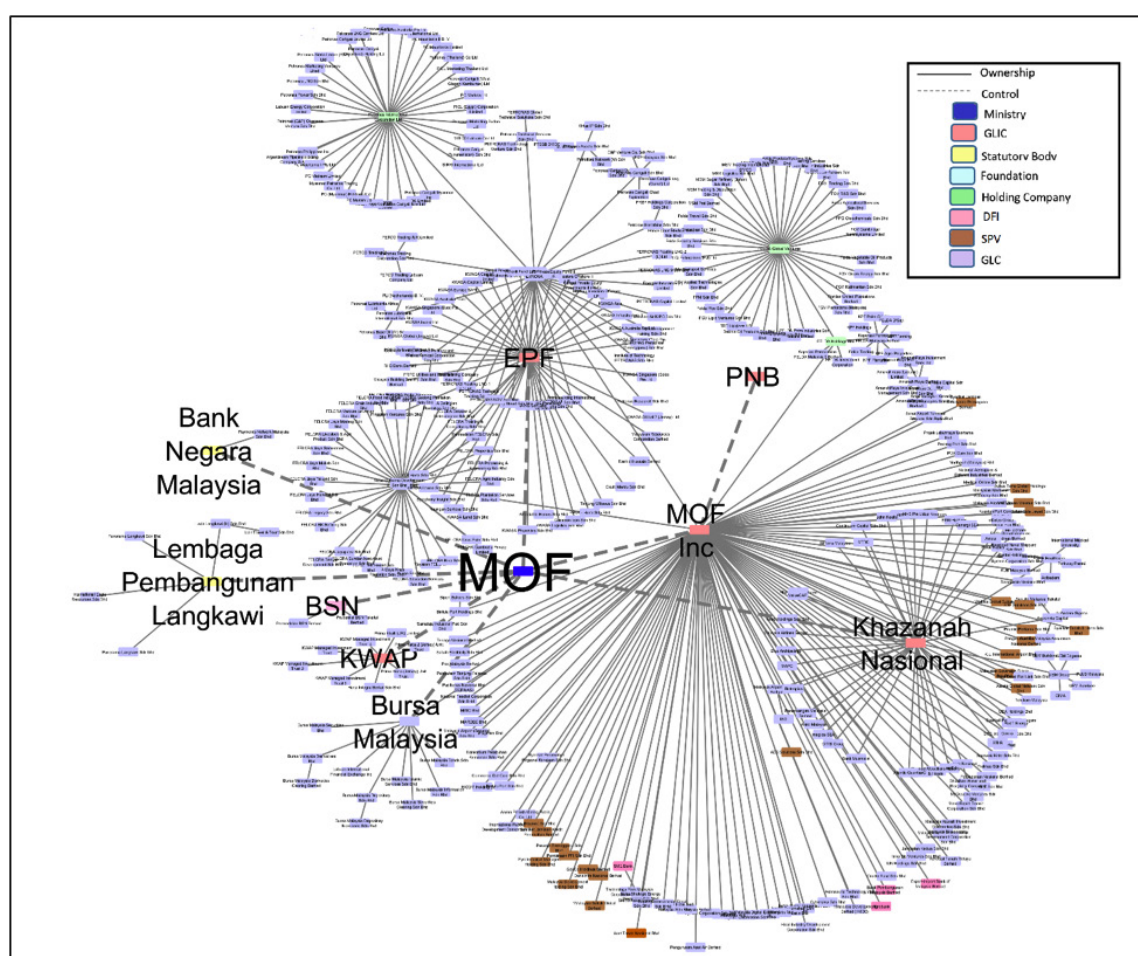
¹¹ The government needs the approval of the Yang di-Pertuan Agong when appointing the board members of MAIWP.

Najib's close ally, Alies Nor Abdul,¹² was appointed chairman of PRIMA, despite having bureaucrats as directors. There are no politicians on Petronas's board, but this GLC is controlled by the Prime Minister through a statutory act that confers on him enormous influence over this enterprise. This was evident when Omar Ong, also closely associated with Najib, was appointed to Petronas's board, in spite of protests from this GLC's management (The Malaysian Insight 28 May 2017).

Ministry of Finance (MoF)

MoF is a particularly powerful ministry because a majority of the GLICs are situated here (see Figure 5). These GLICs, through their stakes in various GLCs, control about 42% of the market capitalisation of the entire Bursa Malaysia (Gomez et al. 2018). MoF Inc, one GLIC under MoF, owns an extensive number of GLCs, but does not control them. This is because MoF Inc does not have any directors. Ultimate control of MoF Inc's companies is with the Minister of Finance. Apart from GLCs, enterprises owned by MoF Inc include important SPVs and DFIs (see Figure 5).

Figure 5: Institutions under direct control of MoF



Source: Ministry of Finance Malaysia Official Website

¹² Alies, also the Chairman of the UMNO-owned Putra World Trade Centre, is reputed to be Najib's party strategist. See: <https://themalaysianreserve.com/2017/04/03/in-a-surprise-move-prlma-appoints-alies-as-new-chairman/>.

The institutions under MoF are diverse, with different roles and objectives (see Table 2). How they are controlled is different too. For example, the Prime Minister has direct control over Khazanah Nasional by holding the position of chairman. For GLCs controlled through statutory acts, checks and balances prevail over the minister:

Companies under the control of GLICs have, however, been subjected to reforms. In 2005, Khazanah Nasional initiated a 10-year GLC Transformation Programme,¹³ an attempt to ensure that the GLCs functioned as highly competitive companies. The performance of the GLICs and their leading publicly-listed GLCs has since been commendable. For example, the value of Khazanah Nasional's interests in various listed firms, as at July 2017, was worth RM84 billion. Furthermore, in 2017, Khazanah Nasional received RM3.367 billion in dividends from its listed holdings (The Edge 16 July 2018).

Other important institutions under MoF Inc are the DFIs, financial agencies that assist emerging enterprises in the economy (see Table 2). For instance, Agrobank was established in 1969 to assist firms in the agriculture sector while SME Bank helps nurture small and medium-scale enterprises. Interestingly, the key actors in institutions under MoF are not politicians, except for one statutory body, the Langkawi Development Authority (LADA) (see Table 1.2 in the Appendix).

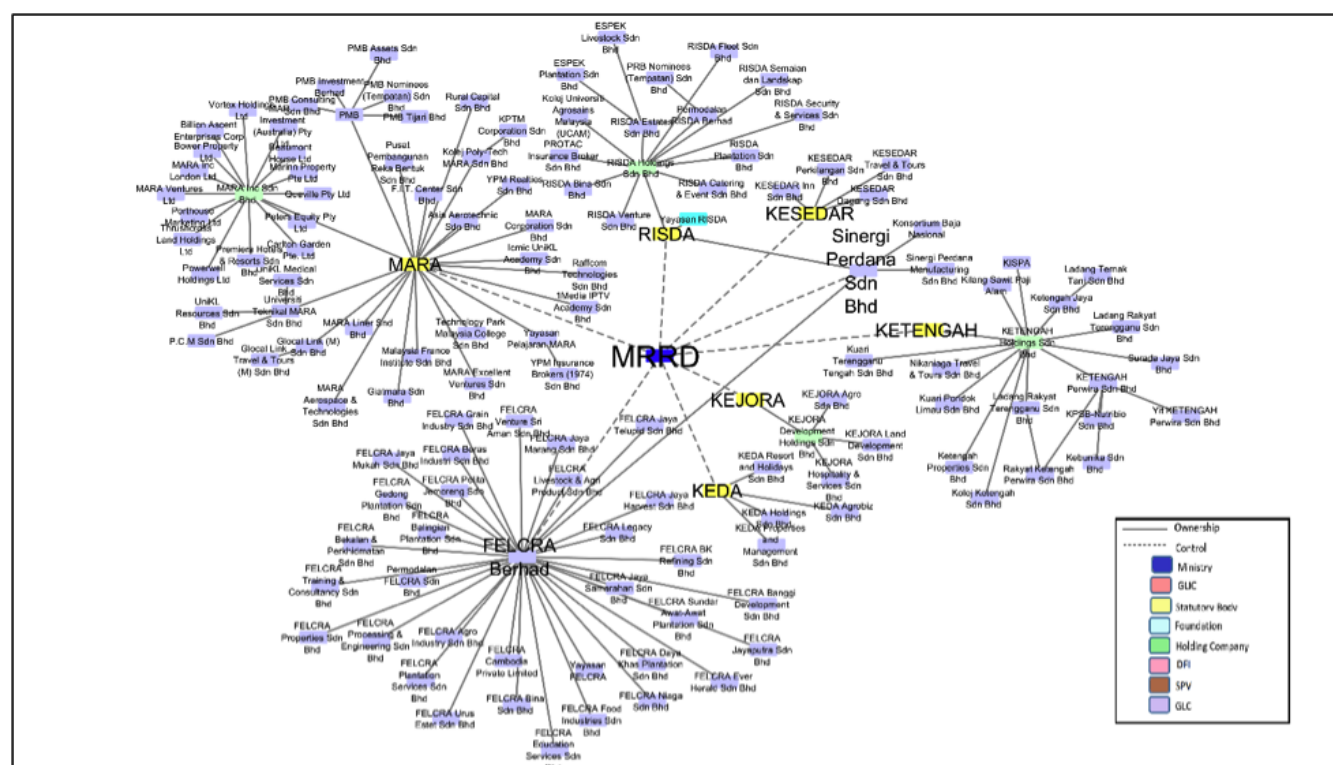
Table 2: Key institutions under MoF

Institution/ GLCs	Notes	Type of Control
Khazanah Nasional (1993)	Sovereign wealth fund	Directorship (Najib Razak, as Prime Minister, holds the position of Chairman)
Permodalan Nasional Bhd (PNB)	Unit trust management	Golden Share through MoF Inc
Minister of Finance Incorporated (MoF Inc) (1957)	Government investment holding company	Statutory Control
Employees Provident Fund, EPF (1991)	Retirement savings	
Retirement Fund Incorporated, KWAP (2007)		
Bank Simpanan Nasional (1974)	Provides range of specialised financial products and services	
Other DFIs (on the second level): 1. Bank Pembangunan Malaysia 2. Agrobank 3. Export-Import Bank of Malaysia 4. SME Bank		
Langkawi Development Authority, LADA (1990)	Regional development	
Bank Negara Malaysia, BNM (1959)	Promotes financial and monetary stability	
Bursa Malaysia	Exchange holding company	Directly under purview of MoF

Ministry of Rural and Regional Development

MRRD's key institutions are statutory bodies (see Figure 6). There are only two companies under the direct purview of MRRD: Felcra Bhd, a corporatised statutory body, and Sinergi Perdana Sdn Bhd, a consortium formed by Felcra, Risda and Felda (see Figure 3). This ministry is the most interventionist, in terms of targeting rural folk, giving the minister significant political influence.¹⁴

Figure 6: Institutions under direct control of MRRD



Source: Ministry of Rural and Regional Development Official Website (2017)¹⁵

Institutions under MRRD focus on rural development and land redistribution, as well as education and entrepreneurship (see Table 3). This sector has the highest potential of being abused, if it is not managed properly, as it involves land matters and a huge number of unlisted GLCs responsible for channelling funds and other rents to a large target group. These statutory bodies are controlled through legislation, while the other two companies are under the direct supervision of the minister.

¹⁴ Rural development has persistently been a politically contentious issue. In 1958, when the Minister of Agriculture and Deputy Prime Minister fought for control over rural development, this struggle led to the creation of the Ministry of Rural Development the following year. The Deputy Prime Minister took charge of this ministry (Ness, 1967).

¹⁵ The number of subsidiaries listed here is based on information obtained from the annual reports and official websites of these institutions and GLCs.

Table 3: Focus areas by Minister of Rural and Regional Development (MRRD)

Land Development	Regional Development	Land Redistribution	Education, entrepreneurship
- RISDA - Sinergi Perdana Sdn Bhd	- KEJORA - KEDA - KESEDAR - KETENGAH	FELCRA Bhd	MARA

MRRD's statutory bodies have focused on developing rural and under-developed regions. RISDA, established in 1973, and FELCRA, founded in 1966, were introduced to help rural folk raise their standard of living by participating in agricultural- and fishery-based enterprises. RISDA's main objective is for small-holder farmers to obtain an average household income of RM4000 per month by 2020 (New Straits Times 2 April 2018).¹⁶ FELCRA offers loans and guides rural residents in the development of idle land.

The regional development institutions, KEJORA, KEDA, KESEDAR and KETENGAH, were established to develop specific rural areas, with the assistance of the relevant state governments. Coordination between the federal and state governments was seen as imperative to develop these rural areas. The involvement of state governments was necessary as they knew better than the federal government what was required in these areas. These regional development institutions have played a key role in providing the targeted groups the necessary infrastructure to increase agricultural productivity. Other major contributions of these institutions are the townships they have created.¹⁷

MARA, one of Malaysia's oldest public institutions, has been deeply involved in rural development since its incorporation in 1966. Originally known as the Rural Industrial Development Authority (RIDA), it provides education and promotes entrepreneurship, with a focus on rural people, to get them out of poverty. MARA has produced graduates through the Maktab Rendah Sains Mara (MRSM), Universiti Teknologi MARA (UiTM) and other education institutions.

Interestingly, institutions and GLCs under MRRD have the most number of politicians (see Table 1.3 in the Appendix). All important institutions under MRRD have politicians as their chairmen. This ministry has also been mired in serious allegations of corruption,¹⁸ indicating that institutions under its control have served as tools for political patronage and a conduit for the transfer of funds and other rents to politicians.

¹⁶ RISDA's initiatives include aiding small-holders venture into fresh-water fish farming and short-term farming activities. See: <https://www.nst.com.my/news/nation/2018/04/352113/pm-bring-smiles-rubber-smallholders>.

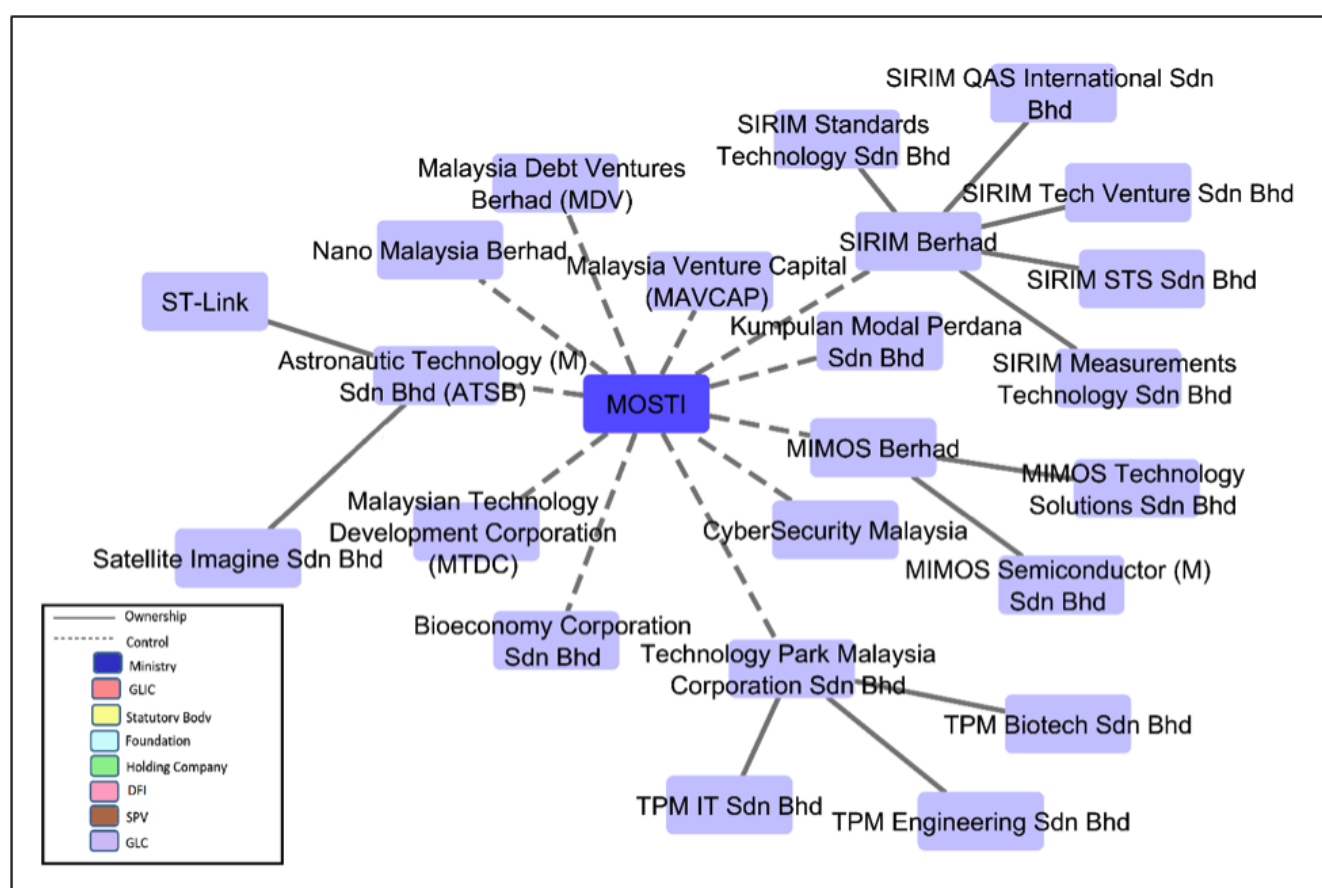
¹⁷ Through various development programmes, new townships were created, such as Bandar Baru Gua Musang by KESEDAR, Al-Muktafi Billah Shah by KETENGAH and Bandar Kulim by KEDA (Othman et al., 2010)

¹⁸ A prominent UMNO leader, Annuar Musa, when serving as MARA's Chairman, was allegedly involved in corruption and abuse of power linked to the sponsorship of Kelantan's football team (The Star Online 16 April 2017). Peter Anthony, the Vice President of Parti Warisan Sabah, was arrested and charged over a RM155 million Risda land deal (The Star Online 5 January 2018). Shafie Apdal, once an UMNO Vice President, was investigated for corruption involving projects in Sabah worth RM1.5 billion (Borneo Post Online 20 October 2017).

Ministry of Science, Technology and Innovation

MOSTI employs only companies to implement its policies (see Figure 7). These GLCs were established primarily to nurture domestic firms in technology-related industries.

Figure 7: Institutions under MOSTI



Source: Ministry of Science, Technology and Innovation's Official Website ¹⁹

Table 4 lists the focus areas of GLCs under the direct supervision of MOSTI. GLCs like MAVCAP, MTDC and MDV were established to provide financing to SMEs. For example, in 2017, MTDC provided financial assistance worth RM138 million to 60 companies (The Malaysian Reserve 13 February 2018). MTDC also worked with the Ministry of Higher Education, signing an MOU to create technopreneurs. This MOU, which included other government agencies such as MaGIC and Teraju, indicates financial-industrial-education links created by MOSTI (New Straits Times 17 November 2017). ²⁰

¹⁹ The list of subsidiaries in this figure was obtained based on the annual reports and official websites of these institutions and GLCs.

²⁰ See <https://www.nst.com.my/news/nation/2017/11/304427/mohe-mtdc-magic-and-teraju-sign-mou-groom-more-graduate-entrepreneurs>

Table 4: Focus areas by Ministry of Science, Technology and Innovation (MOSTI)

Financing Industries	Research and Development	Technology Development/ Innovation	Cyber Security/ Forensics
- MAVCAP - MDV - Kumpulan Modal Perdana Sdn Bhd - MTDC	- SIRIM Bhd - TPM - Bioeconomy Corporation - Nano Malaysia Bhd	- MIMOS Bhd - Astronautic Technology (M) Sdn Bhd	CyberSecurity Malaysia

SIRIM and Bioeconomy Corporation focus on R&D. SIRIM launched a business tool, Technology and Market Radar (TMR), to help SMEs in decision-making related to technology investments (OpenGov 27 October 2017).²¹ GLCs like MIMOS Bhd and Astronautic Technology (M) Sdn Bhd (ATSB) are involved in technology development and innovation. MIMOS focuses on the electrical and electronics (E&E) sector and its significant contributions include the introduction of the Joint Advance Research Integrated Networking (Jaring)²² in 1992 (MIMOS Official Website, 2018). ATSB developed space and satellite technology and launched two remote sensing satellites.²³ These GLCs were placed under MOSTI's supervision to implement science and technology policies.

MOSTI stands out because its GLCs are under the direct purview of the minister. However, these GLCs do not have politicians as directors, except for Technology Park Malaysia whose chairman is an UMNO politician, Ahmad Fauzi Zahari. The key actors responsible for institutions under MOSTI comprise bureaucrats and professionals, quite possibly because this is a knowledge-based sector dealing with science, technology and innovation where capital investments are high.

²¹ <https://www.opengovasia.com/articles/7611-sirim-berhad-launches-business-tool-to-support-smes-in-making-strategic-technology-investment-decisions>

²² Jaring was Malaysia's first internet initiative.

²³ The two remote sensing satellites are TiungSAT-1 (2000) and RazakSAT, the world's first remote sensing satellite (2009).

Reviewing the Big Four

The institutions under the Big Four were established for different purposes but for the same primary reason: to implement national policies. Table 5 summarises the key focus areas of the Big Four, indicating also diverse forms of government intervention through these ministries.

Table 5: Summary of the Big Four's key institutions and actors

Ministries	Key Areas	Type of Control	Key Actors	Controversial Issues
PMD	- Land development (FELDA) - Oil & gas (Petronas) - Industrialisation (IRDA)	- Statutory - Direct Purview of Minister	Large number of politicians in FELDA, LTH, AmanahRaya (see Table 1.1 in Appendix 1)	- FELDA: Isa Abdul Samad of UMNO²⁴ – Jalan Semarak land transfer worth RM200 million (Free Malaysia Today 21 December 2017)²⁵ - LTH: Abdul Azeez, MP Baling Kedah, UMNO²⁶ – purchased TRX land & bonds from IMDB (Gomez et al., 2018) - Petronas: Appointment of Omar Ong, Najib Razak's close ally²⁷
MoF	- Investment-holding (MoF Inc, IMDB & PNB) - Pension funds (EPF & KWAP) - Development financial institutions (BSN, SME Bank & Agrobank) - Sovereign wealth fund (Khazanah) - Special purpose vehicles (KL International Airport Bhd)	- Statutory - Direct Purview of Minister - Directorship	No politicians in GLICs, except for Prime Minister Najib as chairman of Khazanah Nasional (see Table 1.2 in Appendix 1)	- IMDB: subject of money-laundering investigations in at least six countries - EPF: Purchased IMDB bonds (Gomez et al., 2018) - PNB: controversially took over SP Setia; allegedly purchased IMDB bonds (Gomez et al., 2018) - KWAP: Purchased TRX land from IMDB; gave huge loans to IMDB's subsidiaries (Gomez et al., 2018)

²⁴ The chairman of FELDA from 2011 to January 2017.

²⁵ See <http://www.freemalaysiatoday.com/category/nation/2017/12/21/felda-may-lose-land-worth-rm200-million-at-jalan-semarak/>

²⁶ The chairman of LTH from 2013 to May 2018.

²⁷ See <https://www.themalaysianinsight.com/s/3866>

MRRD	- Regional Development (FELCRA Bhd, RISDA, KEJORA) - Education & Entrepreneurship (MARA)	- Statutory - Direct Purview of Minister	Almost all have politicians (see Table 1.3 in Appendix 1)	- MARA: Annuar Musa, MP of Kerteh, UMNO²⁸ – UniKL sponsorship issue & allegation of MARA Bhd's investment in Kelantan football team (New Straits Times 17 January 2017)²⁹ - RISDA: Peter Anthony (Parti Warisan Sabah Vice President), arrested over RM155 million Risda land deal (The Star Online 5 January 2018)³⁰ - Shafie Apdal, former Minister, remanded to investigate allegations involving RM1.5 billion worth of projects in Sabah (The Edge 19 October 2017)³¹
MOSTI	Nurturing SMEs, Start-Ups & Entrepreneurs: - Financial assistance (MAVCAP, MTDC) - R&D (SIRIM, MIMOS)	Direct Purview of Minister	Almost free from politicians	Former MIMOS' financial manager involved in soliciting & accepting a bribe (Borneo Post Online 23 November 2017)³²

²⁸ The chairman of MARA from August 2015 till August 2017.

²⁹ See: <https://www.nst.com.my/news/2017/01/204765/mara-affected-sponsorship-given-kelantan-fa-says-ismail-sabri>

³⁰ See: <https://www.thestar.com.my/news/nation/2018/01/05/peter-anthony-arrested-over-rm155mil-risda-land-deal/>

³¹ See: <http://www.theedgemarkets.com/article/exminister-shafie-apdal-summoned-macc-probe-embezzlement-sabah>

³² See: <http://www.theborneopost.com/2017/11/23/ex-financial-gm-gets-jail-fined-over-rm2-million-for-soliciting-bribe/>

Table 5 captures how the government intervenes in different forms, using a variety of institutions to implement a range economic and social programmes. The sectoral focus of these ministries varies. PMD focuses not only on economic and social issues, but also religion. The other ministries do not focus on religion. MoF is more complex; it is an enormous ministry, with its institutions involved in all sectors of the economy. MRRD and MOSTI focus on their relevant areas, i.e. the rural sector and science, technology and innovation respectively.

The role of MRRD in developing rural areas and industries, as well as government intervention through MOSTI's GLCs to foster R&D and technological innovation, merits review. Through these ministries, the government is intervening in areas where private firms are reluctant to invest in or are too risky for them to enter given the huge capital investments that are required.

The government has worked through GLCs to provide basic needs such as affordable housing (PRIMA) and to encourage regional development (KEJORA). The government helps the poor fulfil their religious obligation through LTH, while MARA provides them access to education as well as scholarships. MoF oversees pension funds (KWAP, LTAT and EPF), offers asset management (AmanahRaya) and has created an avenue for SMEs to obtain financial support (SME Bank). PNB and Ekuinas serve to redistribute corporate wealth more equitably.

Nevertheless, the need to create GLCs under statutory bodies can be questioned, seen in particular in PMD. Should MAIWP, a statutory body for religious purposes, own companies? Why is there a need to intervene in this sector by creating GLCs? GLCs have also emerged as tools that can be abused by politicians to serve vested interests and for the practice of patronage, a factor that has contributed to a spate of serious corruption allegations. When politicians hold directorships in these GLCs, they can undermine the development agenda of institutions, as seen in MRRD. These institutions can also be used to serve a political agenda, to muster electoral support.

PART 2:

State Governments, Intervention and GLCs

Brief History of Public Enterprises

The use of public enterprises in the Malaysian economy can be traced back to the colonial period.¹ The colonial government employed public enterprises as early as the nineteenth century to deal with public utilities, services – postal, telecommunications, electricity supply – and railway transportation. At the time of independence in 1957, there were 23 public enterprises (Ismail & Osman Rani, 1991).

From the mid-1960s, there was a rapid growth in the employment of public enterprises. Of the 82 public enterprises that had been created by 1974, 67 were established after 1965.² The growth of public enterprises accelerated after the government became more interventionist, with the formulation of the New Economic Policy (NEP) in 1970.³

Among the public enterprises that were established as the government became more interventionist were state-level corporations, namely, State Economic Development Corporations (SEDCs) and State Agricultural Development Corporations (SADCs) (see Table 1). The federal government had attempted with limited success to coordinate these state corporations. Prior to 1974, the federal government coordinated the SEDCs through the *Committee for the Coordination of State Economic Development Corporations*. This federal level committee did not include representatives from the states, a reason why it did not function well. It only supervised federal loans to the SEDCs, and did not coordinate them (Gale 1981: 180-3). In order to improve coordination, the federal government created the Ministry for the Coordination of Public Corporations in 1974 and strengthened the powers of the minister overseeing public corporation.⁴ The influence of the ministry, however, remained limited.

¹ A public enterprise is defined here as an autonomous or semi-autonomous body, corporation or company established, owned or controlled by the government, at the federal or state level, and engaged in economic or social activities (Raja Mohammed Affandi, 1981). See Table 2.1 in the Appendix for a list of state institutions.

² The First Bumiputera Economic Congress in 1965 demanded that the government play a more aggressive role in favour of the rural poor in general and the Bumiputeras in particular (Toh and Jomo, 1981).

³ This increasingly interventionist approach was seen as a 'manifestation of the failure of laissez-faire policies to bring about the desired social and economic transformation' (Gale, 1981).

⁴ For example, all projects carried out by public corporations under the control of the ministry required ministerial approval (Gale, 1981: 183).

Table 1: Year of incorporation of SEDCs

SEDC	Year of Incorporation
Selangor State Development Corporation (PKNS)	1964
Terengganu State Economic Development Corporation (PMINT)	1965
Pahang State Development Corporation (PKNP)	1965
Kedah State Development Corporation (PKNK)	1965
Kelantan State Economic Development Corporation (PKINK)	1966
Perak State Development Corporation (PKNPK)	1967
Johor Corporation (JCORP)*	1968
Negeri Sembilan State Development Corporation (PKNNS)	1969
Penang Development Corporation (PDC)	1971
Melaka State Development Corporation (PKNM)	1971
Sabah Economic Development Corporation (SEDCO)	1971
Sarawak State Economic Development Corporation (SEDC)	1972
Perlis State Economic Development Corporation (PKENPs)	1973

*Johor Corporation was formerly known as Johor State Economic Development Corporation (PKENJ)

Source: SEDC founding enactments

As an important organ of the government's social and economic restructuring initiative through the NEP, these state-level development corporations were tasked with assisting Bumiputeras to participate in commerce and industry, stimulate investments, eradicate poverty and enable the government to play a dominant role in economic decision-making. The impact of these SEDCs have been assessed. For example, the rapid transformation of Penang, from a failing port to an industrialisation hub in electrical & electronics was attributed to the Penang Development Corporation (PDC) (Rasiah 2001). Selangor State Development Corporation (SSDC, or PKNS) developed numerous affordable housing areas and new townships across the Klang Valley.⁵ Johor SEDC, which become Johor Corporation in 1995, evolved into a diversified business group, having nurtured and acquired many firms.⁶

Although most public enterprises were created in the form of statutory bodies, from the 1970s there was a shift towards greater employment of state-owned companies, which later came to be referred to as government-linked companies (GLCs). GLCs owned by the statutory bodies could be employed to undertake commercial projects in key industries, including through joint-ventures (Ismail & Osman-Rani 1991).

⁵ Selangor State Development Corporation Annual Reports.

⁶ Johor State Economic Development Corporation Annual Reports.

Moreover, these state-owned companies could later be transferred, completely or partially, to the Malays, part of the NEP endeavour to create a Bumiputera Commercial and Industrial Community (BCIC). By 1985, SEDCs and SADCs were reported to have an interest in 337 companies, including joint-ventures (Ismail & Osman-Rani, 1991).

Assortment of state-level institutions

At present, the state governments have ownership of companies through various statutory bodies, apart from the SEDCs and SADCs (see Table 2). These institutions can be broken down into four categories, i.e. those that function as investment enterprises, those responsible for economic development and those that have social and religious responsibilities.⁷ Each type of institution was founded to fulfil different objectives.

Table 2: Four types of state institutions

Economic Development	Investment Arm	Social	Religious
- State Economic Development Corporation - State Agricultural Development Corporation - State Land/Resource Development Corporation	- State Secretary Incorporated - Chief Minister Incorporated - State Financial Secretary	- State Education Foundation - State Social Development Foundation	- State Islamic Religious Council - State Islamic Foundation

SEDCs and SADCs belong to the economic development category which includes bodies that were established to venture into strategic sectors such as biotechnology and green technology. In states (Penang, Pahang, Sabah, Sarawak) where tourism contributes substantially to the economy, these governments created statutory bodies to develop a sustainable tourism sector. The East Malaysian states of Sabah and Sarawak have numerous statutory bodies in key sectors of their economy, i.e. primary resources (land, timber, rubber) and ports. These statutory bodies are major institutions that own GLCs at the state level.

The investment arms were created solely to function as holding companies. These investment arms do not have a specified objective, providing them freedom to be involved in any activity, through subsidiaries and associate companies, as desired by the state government. They are involved in a diverse range of businesses, as well as social activities. Selangor, for example, owns many socially-oriented companies through its investment arm, not through its SEDC as seen in most states. Through investment arms such as State Secretary Incorporated and Chief Minister Incorporated, the state employs GLCs as both social and commercial enterprises.

⁷ This report focuses only on key state-level institutions that significantly employ companies to implement their goals..

The social- and education-based institutions, mostly in the form of foundations, were created to safeguard and improve the well-being of special interest groups.⁸ Education foundations, for example, manage state-owned education institutions as well as offer scholarships. Other foundations in this category include those responsible for family development, preservation of heritage and welfare programmes. State education foundations own companies in order to manage state-run universities and colleges. There are rare occasions, such as in Johor, where the education foundation is heavily employed in business ventures, including through its numerous subsidiaries. Generally, however, these foundations do not own as many companies as the SEDCs, SADCs and state investment arms.

Religious institutions in each state were created to deal with Islamic affairs. The federal government has no involvement here as administration of Islamic – and Malay custom – affairs falls under the jurisdiction of state governments. The Monarch of the state is the highest authority in Islamic administration.⁹ This makes religious councils fundamentally different than the other statutory bodies controlled by the state government.¹⁰

The Shift: Greater Political Intervention

Employment of CMI

A major shift occurred in the form of state intervention in the 1980s. The bureaucratic form of intervention prevailed through statutory bodies such as the SEDC. However, a specific type of state investment arm, Chief Minister Incorporated (CMI) or Menteri Besar Incorporated (MBI), began to be employed in a more significant manner, suggesting the adoption of a more political form of intervention.

The greater employment of politically-controlled holding companies began in the 1980s, when Kedah's MBI was created in 1988. The states of Malacca, Negeri Sembilan, Selangor and Penang followed suit (see Table 3). Penang was the latest state to create a CMI, in 2009.¹¹ This shift placed greater economic power in the hands of state-level politicians. Through the CMI, the Chief Minister has greater freedom to dictate state policies that can be implemented by GLCs. Although the Chief Minister is normally the Chairman of the SEDC, the presence of many federal and state bureaucrats, as well as ministerial oversight, of this institution serves as a strong check on the Chief Minister. In CMIs, where there are only a few state bureaucrats and no ministerial oversight, power is highly consolidated under the Chief Minister.

⁸ State foundations can be founded as a statutory body through state legislation or as a company limited by guarantee via the Companies Act.

⁹ In states without a Sultan, the Yang di-Pertuan Agong acts as the head of Islamic religion.

¹⁰ For this reason, this study does not focus on religious councils.

¹¹ The creation of the CMI in Penang is interesting because its SSI was incorporated in 1988, during the early years of the shift. When proposing the creation of CMI Penang to the state assembly, Chief Minister Lim Guan Eng said that the purpose of this institution was to secure investments to develop the state's economy. See: <https://limguaneng.com/index.php/2009/04/27/teks-ucapan-mengenai-rang-undang-undang-ketua-menteri-pulau-pinang-pemerbadanan-2009/>

Table 3: Year of founding of CMI/MBIs and similar institutions

Investment Arm	Year of Enactment (Year of Amendment)
Chief Minister Sabah (Incorporated)	1949 (1998)
Menteri Besar Kelantan (Incorporated)	1950
Menteri Besar Terengganu (Incorporated)	1951
Menteri Besar Perlis (Incorporated)	1951 (1997)
Menteri Besar Perak (Incorporated)	1951 (2011)
State Secretary Johore (Incorporated)	1953 (1988)
Menteri Besar Kedah Darulaman (Incorporated)	1988
Chief Minister Malacca (Incorporated)	1993
Menteri Besar Negeri Sembilan (Incorporated)	1993
Menteri Besar Selangor (Incorporated)	1994
Chief Minister of Penang (Incorporated)	2009
State Secretary, Penang (Incorporated)	1988

Source: State enactments

Some CMIs, however, have existed at the state level as early as the 1950s (see Table 2). There is little information about their initial role, apart from their involvement in land related matters (Penang Land & Mines Director's Office).¹² In Penang, its CMI, according to Chief Minister Lim Guan Eng, was important as it enabled his government to engage in commercial land transactions as opposed to issuing temporary occupancy licenses (TOLs) or 99-year leases.¹³ This suggests that in some cases CMIs were not created to serve as a key institution to own GLCs. The abundance of companies owned by SEDCs since the 1970s supports this point.

However, a shift can be seen in the emergence of CMIs as key institutions, by acting as holding companies, most evident in Perak and Kelantan. The CMIs of these two states emerged as major holding companies during the 2000s. The Perak Chief Minister was aware that his employment of this holding company was contentious. He argued that his use of MBI Perak should not raise public suspicion as it had existed since 1951, even though it was dormant. For him, MBI Perak could serve as a tool to better coordinate state government activities as well as prevent abuses by third parties.¹⁴

¹² http://etanah.penang.gov.my/portal/page?_pageid=73,62301&_dad=portal&_schema=PORTAL

¹³ <https://www.themalaysianinsight.com/s/4058>

¹⁴ <http://www.sinarharian.com.my/edisi/johor/mb-inc-bukan-milik-menteri-besar-1.339321>

Johor and Sarawak do not have CMIs, but a similar shift occurred here. In these two states, the shift took the form of incorporation of new holding companies under various state institutions. For example, Johor State Secretary Incorporated (SSI), after the 1988 amendment to its enactment, incorporated a holding company called Kumpulan Prasarana Rakyat Johor (KPRJ) in 1995. Other state institutions also incorporated holding companies during this period.¹⁵ In Sarawak, state institutions such as Sarawak Timber Industry Development Corporation (STIDC) and Land Custody and Development Authority (LCDA) also created holding companies.

CMi Governance and Key Actors: The Implications

This shift, manifested by greater employment of CMIs and holding companies, carries significant implications in terms of governance and the role of key actors (see Table 4). SEDCs and other similar public enterprises were created through legislation with a specific governance structure. While the Chief Minister was appointed as the Chairman, senior bureaucrats from both the state and federal governments sat on the boards of directors. As mentioned, the federal government had the capacity to coordinate SEDC activities through a federal committee, or ministry. Moreover, the SEDCs' founding enactments contained provisions that granted oversight powers to the federal minister-in-charge, involving certain financial and investment matters.¹⁶

Table 4: Comparison of CMIs in Five States

	Selangor MBI	Penang CMI	Kelantan MBI	Perak MBI	Johor SSI*
Key Feature	Largest owner of GLCs	Forms partnership without ownership	Major holding company since mid-2000s	Created Amanjaya Group in 2012	Created KPRJ in 1995
Governance	Board of Directors led by the Chief Minister	Management Team (Bureaucrats)	Board of Directors led by the Chief Minister	Chief Minister as Chairman	State Bureaucracy
Comparison to SEDC	Larger than SEDC	SEDC larger	Similar with SEDC	SEDC larger	SEDC larger
Sectoral Involvement	Diverse	Diverse	Diverse	Diverse	Property Development (KPRJ)

*Johor State Secretary Incorporated is included as the shift resulted in the creation of KPRJ, not a CMI, in Johor

¹⁵ State institutions such as Yayasan Pelajaran Johor and Perbadanan Islam Johor incorporated new holding companies during the same period. Like in KPRJ, the Chief Minister is a director of all these holding companies.

¹⁶ See SEDC founding enactments for more details.

In the SEDCs, bureaucratic management was highly prevalent. The SEDC legislation empowered the board of directors to appoint a general manager to run the corporation. The impactful contribution of the SEDCs, due to competent bureaucratic management, has been noted (Mohd Ali, 1996). Notable bureaucrat managers, such as Chet Singh of Penang Development Corporation and Ali Hashim of Johor Corporation, were primarily responsible for transforming their state economies by promoting industrialisation or through enterprise development respectively.

In contrast to the SEDCs, the CMLs are totally controlled by the state government, without any interference by the federal government. According to the founding enactments of all CMLs, this company is a body corporate representing the office of the Chief Minister, whose signature is deemed sufficient as the lawful seal of the corporation. In other words, the Chief Minister has ultimate control over the CML. Through the CML, the Chief Minister has the power to enter into contracts and acquire properties, including shares of companies, for the state.¹⁷

Unlike the SEDCs, the CMLs are not required by legislation to form a board of directors. For this reason, the CML does not require federal government supervision, either through directorships or ministerial oversight. Yet, as of 2016, the CMLs of Selangor, Melaka and Kelantan have formed a board of directors which include the Chief Minister as Chairman, the State Secretary and State Financial Officer, and a CEO.¹⁸ The CMLs of Kedah and Perak have appointed CEOs, although it is unclear whether a board of directors is present or not. Penang CML has a management team, filled with bureaucrats, instead of a board of directors.

In states that did not create CMLs, the Chief Minister established control through directorships in major holding companies, instead of through institutions. These holding companies need to have a board of directors as they were established through the Companies Act. Thus, the Chief Minister can control these companies without using a CML. For example, Johor's Chief Minister is a director of KPRJ Sdn Bhd, a wholly-owned subsidiary of Johor State Secretary Incorporated. He is also a director of holding companies owned by other state institutions: Permodalan Darul Ta'zim Sdn Bhd, YPJ Holdings Sdn Bhd, PIJ Holdings Sdn Bhd and J-Biotech Holdings Sdn Bhd.

The employment of CMLs takes on different forms in different states (see Table 3). In Selangor, the CML has grown to be the largest institution, in terms of ownership of state-level GLCs. In Perak, the CML created the Amanjaya holding company, one that was to be involved in a diverse range of sectors. In Perak and the other states, the CML is smaller in scale, compared to the SEDC. In Penang, the CML does not own any companies except for Georgetown Conservation and Development Corporation Sdn Bhd.¹⁹ As noted, Johor did not create a CML. How has this shift manifested itself, given this diversity? The different ways that the shift occurred is traced through a review of five states, Selangor, Penang, Kelantan, Perak and Johor.²⁰

¹⁷ The Chief Minister may also appoint another party to act on his behalf to represent the CML. See CML enactments.

¹⁸ There is little or no information about the presence of a board of directors in the other CMLs.

¹⁹ Georgetown Conservation and Development Corporation is a joint venture between CML Penang, Aga Khan Trust for Culture and Think City Sdn Bhd.

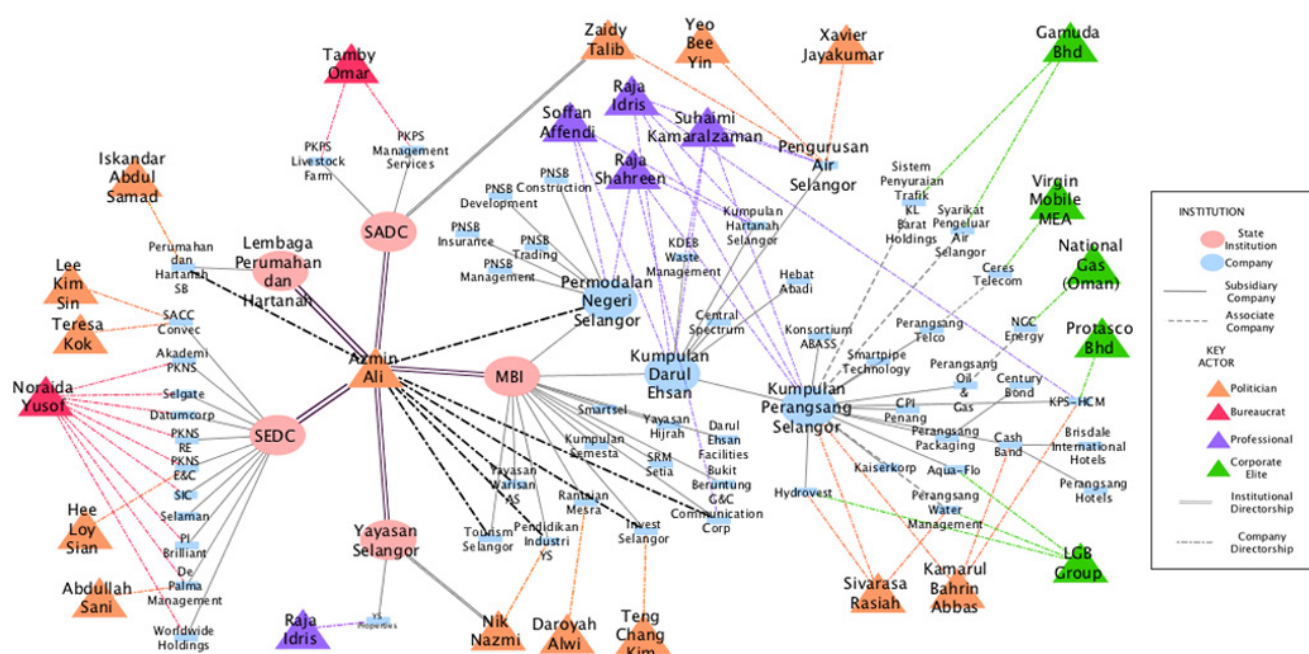
²⁰ Due to space constraints, only five states are discussed here. These five states were chosen as they exhibit well the diverse forms of political intervention through different CMLs. This diversity in mode of intervention is also because these states were controlled, in 2016, by different political parties from the Barisan Nasional and Pakatan Harapan coalitions.

Selangor

MBI as super-entity

Menteri Besar Selangor (Incorporated) was created in 1994 through the Menteri Besar (Incorporation) Enactment 1994, during Chief Minister Muhammad Taib's administration. In 2016, MBI Selangor became the largest institutional owner of GLCs (see Figure 1). Although created in 1994, MBI Selangor was not actively used as an institutional owner. It was only from 2008, under the administration of Khalid Ibrahim, after the Barisan Nasional lost control of the state, that the MBI was actively employed. During this period, many GLCs, including key companies such as Kumpulan Darul Ehsan Bhd (KDEB) and Permodalan Negeri Selangor Bhd (PNSB) were transferred to MBI Selangor.²¹

Figure 1: Ownership and Control of GLCs in Selangor



While the SEDC and SADC are focused on their respective sectoral issues, MBI Selangor is very diverse, not only in terms of business but social activities as well (see Table 5). MBI Selangor directly owns all the socially-oriented companies. Other strategic and business and industry-oriented companies are indirectly controlled, as they are placed under another key holding company, KDEB.²² For example, publicly-listed Kumpulan Perangsang Selangor Bhd (KPS) is owned by MBI Selangor through KDEB. KPS acts as a vehicle for various business ventures, including private-public partnerships, in diverse sectors.²³

²¹ Based on discussion with a Selangor government official.

²² KDEB earned almost RM1 billion in revenue in 2016.

²³ These sectors include telecommunications, oil & gas, property development, utility & infrastructure, manufacturing and trading.

Table 5: Comparison of key institutions in Selangor

Institution	Key Features	Actors
MBI	- Diverse social and business activities - Largest owner of GLCs - Key holding company is KDEB - Public-listed KPS	- Chief Minister has directorships in subsidiaries - Use of appointed professionals - Some political directorships
PKNS (SEDC)	Subsidiaries are involved in property-related sectors	- Primarily controlled by bureaucrats - Some political directorships
PKPS (SADC)	Owens companies in agriculture	Only bureaucrats appear in subsidiaries

MBI Selangor employs a high number of companies to implement state welfare policies. The high priority accorded to socially-oriented companies can be seen in MBI's direct ownership of them, as well as the directorship of the Chief Minister. These companies serve the community's interests while also promoting the Chief Minister's political profile, a reason for his directorship in them. Companies like Rantaian Mesra Sdn Bhd and Yayasan Anak Warisan Selangor manage social protection and welfare programmes such as Tabung Anak Warisan Selangor and Skim Mesra Usia Emas. GLCs are also employed by Selangor's MBI to manage strategic concerns such as water resource, waste management, media, education, as well as agencies to promote investment and tourism in the state.

Unlike the diverse range of companies owned by MBI, Selangor's SEDC and SADC remain highly focused on their objectives. The SEDC is only involved in property-related activities such as construction, real estate and hotel management through its subsidiary GLCs. The SADC owns only a few GLCs that focus on agriculture. SEDC and SADC also do not appear to conduct welfare programmes, as does MBI. The focus of the two bureaucratic institutions is on developing firms within their respective industries.

Control of the Chief Minister

Although the Chief Minister has automatic chairmanship over key institutions, he has greater control over the companies owned by MBI Selangor through directorships. He is a director of Kumpulan Darul Ehsan, Permodalan Negeri Selangor, Tourism Selangor, Invest Selangor, Communication Corporation, Pendidikan Industri YS and Yayasan Warisan Anak Selangor (see Table 6).

Table 6: List of Political Directorships in Selangor

Name	Profile	Institution/Company
Azmin Ali	Chief Minister	MBI Selangor PKNS (SSDC) PKPS (SADC) Yayasan Selangor Invest Selangor Bhd Tourism Selangor Bhd Kumpulan Darul Ehsan Bhd Permodalan Negeri Selangor Bhd Communication Corporation Sdn Bhd Pendidikan IndustriYS Sdn Bhd Yayasan Warisan Anak Selangor
Xavier Jayakumar	State Assemblyman	Pengurusan Air Selangor Sdn Bhd
Yeo Bee Yin	MP	Pengurusan Air Selangor Sdn Bhd
Sivarasa Rasiah	MP	Kumpulan Perangsang Selangor Bhd Perangsang Water Management Sdn Bhd Hydrovest Sdn Bhd
Kamarul Bahrin	MP	Kumpulan Perangsang Selangor Bhd KPS-HCM Sdn Bhd Cash Band (M) Bhd
Nik Nazmi	EXCO	Yayasan Selangor Pendidikan IndustriYS Sdn Bhd
Daroyah Alwi	EXCO	Rangkaian Mesra Sdn Bhd
Teng Chang Kim	EXCO	Invest Selangor Bhd
Iskandar Abdul Samad	EXCO	Perumahan dan Hartanah Selangor Sdn Bhd
Teresa Kok	MP	SACC Convec Sdn Bhd
Lee Kim Sin	Ex-State Assemblyman	SACC Convec Sdn Bhd
Hee Loy Sian	MP	PKNS Engineering & Construction Bhd
Abdullah Sani	MP	De Palma Management Services Sdn Bhd
Zaidy Talib	EXCO	PKPS (SADC) Pengurusan Air Selangor Sdn Bhd

Source: Company Annual Reports

The Chief Minister's direct control of these GLCs reflects the importance of these enterprises. Through Tourism Selangor and Invest Selangor, the Chief Minister plays an important role in bringing in productive domestic and foreign investments. Through the other companies, the Chief Minister can control the state media agency, education institutions and welfare schemes which may benefit him politically.

The Chief Minister works with appointed professionals, or managerial executives, to control the GLCs under MBI Selangor. Several professionals who have worked in the private sector, such as MBI CEO Raja Shahreen, Suhaimi Kamaralzaman and Raja Idris Kamaruddin, were employed to manage GLCs owned by MBI Selangor.²⁴

The situation is different in the SEDC and SADC where management of their GLCs remains in the hands of bureaucrats. Through MBI Selangor, professionals may be appointed, but through non-permanent contracts, unlike bureaucrats who have tenure. However, the remuneration of these professionals do not have to abide by the existing bureaucratic salary scheme. This makes these professionals totally accountable only to the Chief Minister.

Although control of the GLCs is concentrated under the Chief Minister, other politicians also feature as directors of some institutions and GLCs (see Table 5). For example, Nik Nazmi, the state cabinet member, or EXCO, for education, is a director of an institution, Yayasan Selangor, and a GLC involved in education, Pendidikan IndustriYS. However, many non-EXCO state assembly representatives and members of parliament from parties in the same coalition as Chief Minister Azmin were appointed as GLC directors. Some examples are Sivarasa Rasiah, Kamarul Bahrin Abbas, Yeo Bee Yin and Teresa Kok, suggesting some form of patronage through GLC directorships.²⁵ The Chief Minister, who is a director of all the key institutions, has the authority to make these directorial appointments.

Penang

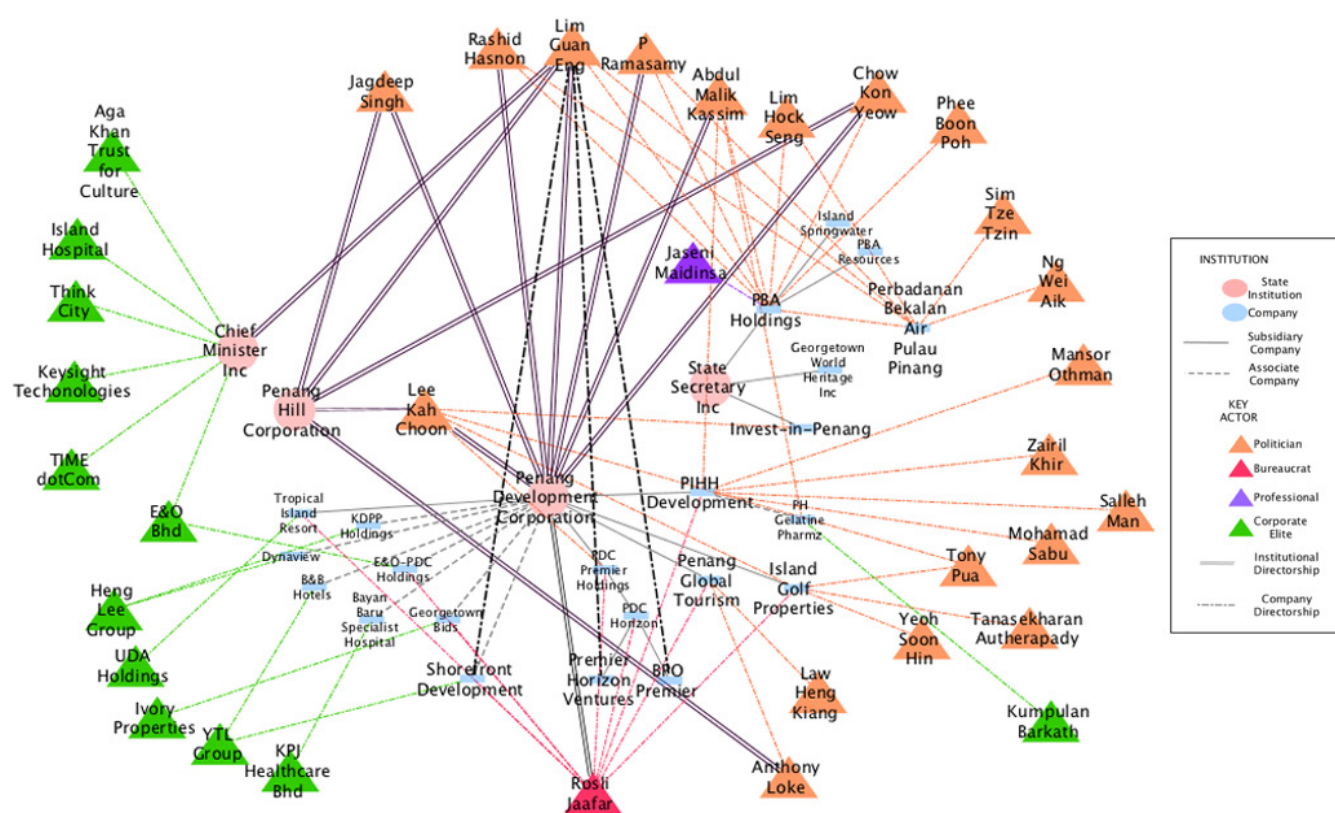
CMI without GLCs

The shift in Penang was more recent, with the creation of Chief Minister of Penang (Incorporated) in 2009 by the then newly-elected DAP state government under the helm of Chief Minister Lim Guan Eng. However, CMI Penang does not appear to employ companies to implement its policies. Apart from George Town Conservation and Development Corporation (GTCDC), there is no information regarding other companies owned by CMI. Ownership of GLCs is still primarily with Penang Development Corporation and, to a smaller scale, Penang's State Secretary Incorporated (SSI) (see Figure 2).

²⁴ Raja Shahreen was the former CEO of Oman Oil (India). Suhaimi Kamaralzaman was the CEO of Melewar Industrial Group. Raja Idris was former executive director of TDM Bhd and Managing Director of Nixdorf Computers Malaysia Sdn Bhd.

²⁵ A MBI Selangor official argued that these politicians were appointed as directors after their qualifications were taken into consideration.

Figure 2: Ownership and Control of GLCs in Penang



Instead of owning companies, CMI Penang forms partnerships with domestic and foreign firms in land development projects. It inked an agreement with a Penang-based property developer, Ivory Properties, to develop a 41.5ha piece of land in Bayan Mutiara.²⁶ One particular deal involving a piece of land in the city between CMI Penang and Island Hospital was criticized as being decided solely by the Chief Minister.²⁷ Another reported allegation by one opposition party in Penang was that CMI had sold about 16 pieces of land since 2008 to private developers.²⁸

Other than property development, CMI Penang works with domestic and foreign firms in social development projects. It has formed partnerships with E&O Bhd, Keysight Technologies Sdn Bhd and TIME dotCom Bhd to construct the Penang Digital Library.²⁹ Penang CMI has also reached an agreement with the Aga Khan Trust for Culture and Khazanah-subsiary Think City Sdn Bhd to preserve Georgetown's heritage. The agreement includes recommendations for land use, conservation and development, as well as traffic, infrastructure and institutional management.³⁰

²⁶ <http://www.theedgemarkets.com/article/ivory-properties-pay-rm766m-third-instalment-extension>

²⁷ <https://www.thestar.com.my/news/nation/2017/06/21/gerakan-show-cmi-minutes-on-peel-avenue-land-deal/>

²⁸ The private firms include Ideal Properties, Island Hospital, Aspen Group, KLIDC, Zenith, SRS, Temasek, PE Land, Paramount, PKT, Jabil and Westlite. See: <https://www.malaymail.com/s/1597179/gerakan-claims-penang-sold-2178ha-of-state-land-since-2008>

²⁹ <http://www.thesundaily.my/news/2018/06/26/penang-digital-library-be-expanded>

³⁰ <https://www.edgeprop.my/content/penang-signs-deal-aga-khan-trust-manage-and-develop-george-town>

The other key institutions, on the other hand, do employ GLCs to intervene in the economy. Penang Development Corporation (PDC), primarily responsible for promoting industrialisation in the state since the 1970s, owns most of the state-owned GLCs (see Table 7). It is involved in diverse sectors, including property development, tourism, hospitality, services and the halal industry. PDC has also formed ties with numerous private firms, namely YTL Group, E&O, Ivory Properties Group, Heng Lee Group and Kumpulan Barkath, as well as federal and state GLCs such as UDA Holdings and Johor state-owned KPJ Healthcare Bhd.

Table 7: Comparison of key institutions in Penang

Institution	Key Feature	Actors
CMI	- Forms partnerships with private firms - Does not own GLCs - Property development - Social Development	- Chief Minister and bureaucratic management team - No other politicians
PDC	- Owens many GLCs - Property development, tourism, hospitality, services, investment	- Chief Minister and EXCO members - Rosli Jaafar as key bureaucrat
SSI	- Owens few companies - Key subsidiary is public-listed PBA Holdings	Chief Minister and other politicians in PBA Holdings
Penang Hill Corporation	Does not own GLCs	Chief Minister and many politicians

The other key institution, State Secretary, Penang Incorporated (SSI), owns Invest-in-Penang, Georgetown World Heritage Inc and public-listed PBA Holdings. Perbadanan Bekalan Air Pulau Pinang (PBAPP), the state's water resource supplier, was corporatized in 1999. In 2002 PBA Holdings was listed, with PBAPP as its subsidiary.³¹

³¹ PBA Holdings official website

Numerous Political Directorships

Besides serving as the chairman of key state institutions, the Chief Minister also has directorships in GLCs (see Table 8). He is a director of five subsidiaries or associate companies of PDC and Penang SSI.³² His strongest form of control, however, lies in CMI where no other politician is involved. There is a management team of bureaucrats in CMI Penang.³³

Table 8: List of Political Directorships in Penang

Name	Profile	Institution/Company
Lim Guan Eng	Chief Minister	PDC Penang Hill Corporation Shorefront Development Sdn Bhd Penang Global Tourism Sdn Bhd PBA Holdings Bhd PBAPP Sdn Bhd
Rashid Hasnon	Deputy Chief Minister	PDC PBA Holdings Bhd PBAPP Sdn Bhd
P. Ramasamy	Deputy Chief Minister	PDC PBA Holdings Bhd PBAPP Sdn Bhd
Jagdeep Singh	EXCO	PDC Penang Hill Corporation
Abdul Malik	EXCO	PDC MAIPP Yayasan Islam Pulau Pinang PBA Holdings Bhd Penang Global Tourism Sdn Bhd PIHH Development Sdn Bhd

³² Lim Guan Eng is a director of Shorefront Development, BPO Premier, Premier Horizon, PBA Holdings and PBAPP.

³³ https://idirektori.penang.gov.my/papar_pegawai3.php?idj=1&bhg=213

Chow Kon Yeow	EXCO	PDC PBA Holdings Bhd
Lim Hock Seng	EXCO	PDC PBA Holdings Bhd
Phee Boon Poh	EXCO	PBA Holdings Bhd
Sim Tze Tzin	MP	PBAPP Sdn Bhd
Ng Wei Aik	MP	PBAPP Sdn Bhd
Mansor Othman	MP	Yayasan Islam Pulau Pinang PIHH Development Sdn Bhd
Zairil Khir	MP	PIHH Development Sdn Bhd
Salleh Man	State Assemblyman	MAIPP Yayasan Islam Pulau Pinang PIHH Development Sdn Bhd
Mohamad Sabu	Ex-MP	PIHH Development Sdn Bhd
Tony Pua	MP	Island Golf Properties Bhd
Anthony Loke	MP	Penang Hill Corporation Penang Global Tourism Sdn Bhd
Lee Kah Choon	Ex-Gerakan Leader	PDC Penang Hill Corporation PDC Premier Holdings Sdn Bhd Island Golf Properties Bhd
Yeoh Soon Hin	State Assemblyman	Island Golf Properties Bhd
Law Heng Kiang	EXCO	Penang Global Tourism Sdn Bhd
Tanasekharan Autherapady	State Assemblyman	Island Golf Properties Bhd

Source: Company Annual Reports

The Chief Minister as well as state EXCO members have high representation over state institutions and GLCs (see Table 7). They are highly represented on the boards of key institutions such as PDC and Penang Hill Corporation, and in GLCs owned by PDC and Penang SSI. Six EXCO members including the Chief Minister sit on the board of PDC. Former Gerakan leader Lee Kah Choon is also a director of PDC. These political leaders are also found to be directors of numerous GLCs.

The presence of politicians as GLC directors also includes state assembly representatives and members of parliament from parties in the Chief Minister's ruling state coalition. Some examples are Zairil Khir Johari, Sim Tze Tzin, Mansor Othman, Salleh Man and Mohamad Sabu. More intriguingly, they even include politicians representing constituencies outside Penang such as Tony Pua and Anthony Loke. Compared to Selangor, Penang has a far higher number of political directorships in its GLCs.

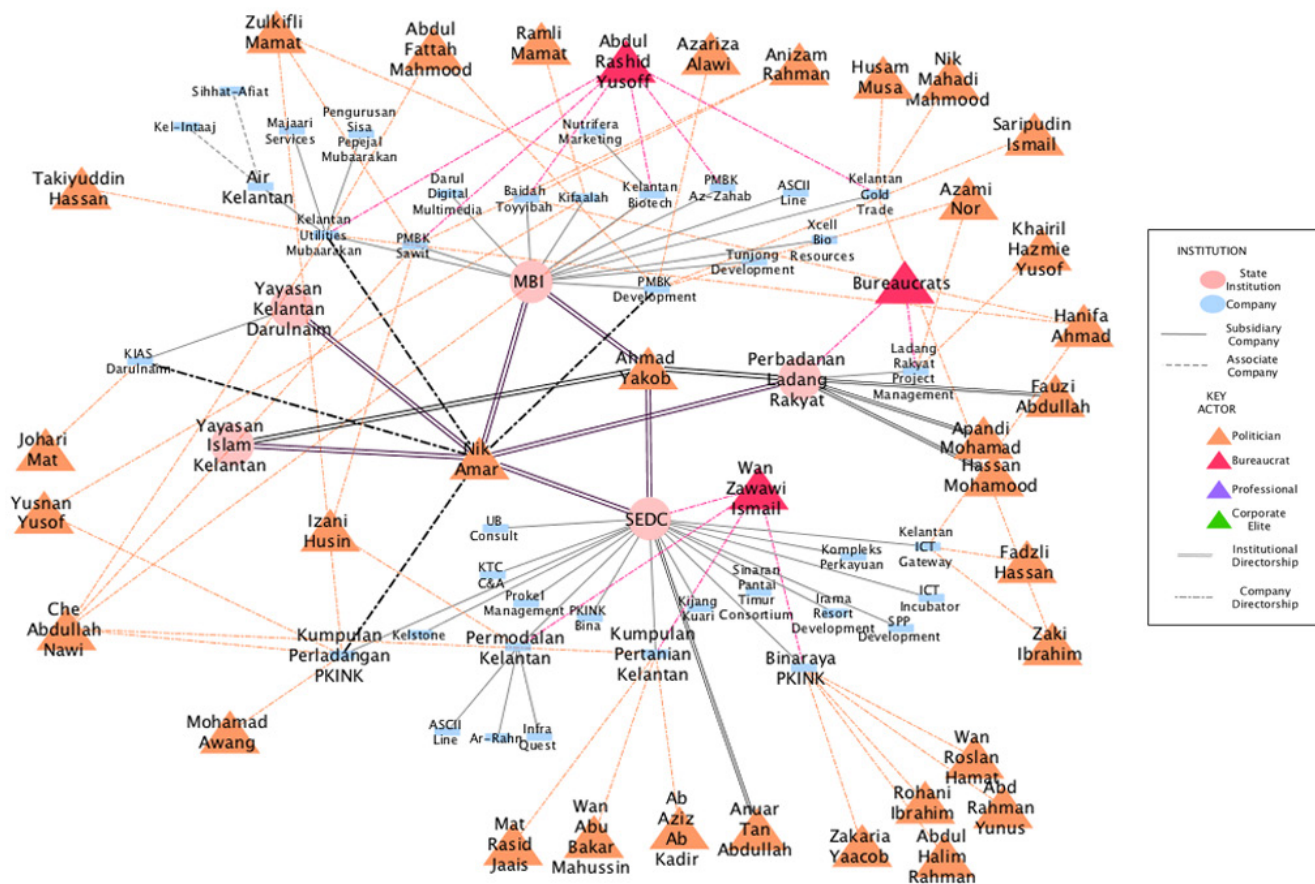
Kelantan

Mix of MBI and SEDC

Kelantan Menteri Besar Incorporated has existed since 1950. Yet, an overview of its subsidiaries indicates that most of them were incorporated recently, from the mid-2000s.³⁴ This suggests that Kelantan MBI only lately emerged as a key institution owning GLCs. Kelantan MBI acts as a holding company, owning many subsidiaries directly (see Figure 3).

³⁴ Only Air Kelantan Sdn Bhd, the water resource operator, seems to have been incorporated earlier, in 1994. Air Kelantan was placed as a subsidiary of Kelantan Utilities Mubaarakan, a holding company owned by Kelantan MBI.

Figure 3: Ownership and Control of GLCs in Kelantan



Kelantan MBI is very diverse in its activities. Apart from owning strategic companies in utilities (water), Kelantan MBI owns subsidiaries that are involved in various business activities, in plantations, property development, mining, etc. (see Table 9). Kelantan MBI also has shown some capacity in developing pioneer industries such as gold trade, takaful insurance, halal cosmetics and ICT. It has also conducted social projects such as affordable housing through PKMB Development.³⁵

³⁵ <http://www.pkink.gov.my/majlis-pelancaran-projek-rumah-mampu-milik-kelantan-rmmk-pasir-genda-tanah-merah-kelantan/>

Table 9: Comparison of key institutions in Kelantan

Institution	Key Feature	Actors
MBI	• Most subsidiaries formed since 2007 • Water, Mining, Plantation, Property Development, Halal cosmetics, Takaful insurance, Gold trade, ICT	• MBI CEO • Many PAS politicians • Deputy Chief Minister
PKINK (SEDC)	• Owns many companies • Diverse • Property development, plantations, hotels, resources, Islamic pawn broking and other services	• SEDC CEO • Many PAS politicians • Deputy Chief Minister
PPLRNK (Ladang Rakyat)	• Plantations sector • Subsidiaries formed in mid-2000 • Suffered high losses	• Many PAS politicians
Yayasan Kelantan Darulnaim	• Education	• Bureaucrats • Deputy Chief Minister

Kelantan SEDC, in contrast to Kelantan MBI, began functioning as a key institution earlier, having subsidiaries that were incorporated as early as the 1970s. Kelantan SEDC is similarly diverse (see Table 8). Its subsidiaries are involved in property development, logging, mining, plantations and agriculture. Kelantan SEDC has worked with Kelantan MBI to develop affordable housing.³⁶ There is not much difference between the SEDC and MBI in terms of sectoral diversity and key actors.

The other state institutions do not employ GLCs in a significant manner. Yayasan Kelantan Darulnaim, the state education foundation, owns a company that manages an education institution. Perbadanan Ladang Rakyat, similar to an SADC, owned five GLCs but four of them were reported to have ceased operations after it registered huge losses. The remaining company, Ladang Rakyat Project Management Sdn Bhd, manages a plantation in Paloh.³⁷ Yayasan Islam Kelantan, founded to develop sectors involving Muslims in Kelantan, does not appear to own any companies.

While Kelantan SEDC remains a key development agent, there seems to be an attempt, from the mid-2000s, to develop a new business group through MBI. As mentioned, GLCs were incorporated to allow the state to venture into new enterprises in different sectors such as halal products, technology and Islamic insurance. Husam Musa, the former PAS

³⁶ <https://www.bharian.com.my/node/195145>

³⁷ <https://malaysiadateline.com/anak-syarikat-rugi-besar-ladang-rakyat-jawab-husam/>

Kelantan leader, reportedly played a strategic role in enhancing the role of Kelantan MBI.³⁸

The growing employment of Kelantan MBI does not diminish the role of the SEDC, which still conducts business activities in sectors such as property development, plantations, agriculture, hotels and mining. It does suggest that Kelantan's Chief Minister is working to have greater control over the state's GLCs through the MBI, instead of the SEDC.

Extensive patronage

In Kelantan, the Chief Minister and Deputy Chief Minister sit as directors in the key state institutions (see Table 10). However, only the Deputy Chief Minister has directorships in companies owned by Kelantan MBI, Kelantan SEDC and Yayasan Kelantan Darulnaim. He is a director of Kumpulan Perladangan PKINK, PMBK Development, Majaari Services and KIAS Darulnaim. This suggests that there is strong control of GLCs under the Deputy Chief Minister, a highly unique situation as this is not seen in Selangor, Perak and Penang.

Table 10: Political Directorships in Kelantan

Name	Profile	Institution/Company
Ahmad Yakob	Chief Minister	MBI Kelantan PKINK (SEDC)
Nik Mohd Amar	Deputy Chief Minister	Yayasan Kelantan Darulnaim Yayasan Islam Kelantan MBI Kelantan PKINK (SEDC) PPLRNK* Kumpulan Perladangan PKINK Bhd PMBK Development Sdn Bhd Kelantan Utilities Mubaarakan Sdn Bhd KIAS Darulnaim Sdn Bhd
Zulkifli Mamat	State Assemblyman	MBI Kelantan PMBK Sawit Sdn Bhd Kelantan Biotech Corp Sdn Bhd Kumpulan Perladangan PKINK Bhd
Ramli Mamat	EXCO	Kifaalah Sdn Bhd
Yusnan Yusof	State Assemblyman	Kumpulan Perladangan PKINK Bhd Kifaalah Sdn Bhd
Husam Musa	Former PAS Vice-President	Kelantan Gold Trade Sdn Bhd
Nik Mahadi Mahmood	Kok Lanas DUN Coordinator	Kelantan Gold Trade Sdn Bhd
Anizam Rahman	EXCO	Baldah Toyiybah Sdn Bhd PMBK Sawit Sdn Bhd

*PPLRNK = Perbadanan Pembangunan Ladang Rakyat Negeri Kelantan

Source: Company Annual Reports

³⁸ Husam Musa was appointed chairman of Kelantan Gold Trade and PMBK Development in 2013. He was also credited for proposing the idea of a new highway, Lebuhraya Rakyat. See: <http://www.pmbk.gov.my/index.php/ms/hubungi-kami/direktori-pegawai-dan-kakitangan/direktori-unit-invest-kelantan?id=31:husam-dilantik-pengerusi-dua-glc-kelantan&catid=121:semasa-2013> ; http://www.utusan.com.my/utusan/Dalam_Negeri/20140129/dn_26/Lebuhraya-Rakyat-Husam-dipinggirkan

Che Abdullah Mat Nawawi	EXCO	PPLRNK MBI Kelantan PMBK Sawit Sdn Bhd Kelantan Utilities Mubaarakan Sdn Bhd Kelantan Biotech Corp Sdn Bhd Kumpulan Perladangan PKINK Bhd Kumpulan Pertanian Kelantan Bhd
Izani Husin	MP	Yayasan Kelantan Darulnaim PMBK Sawit Sdn Bhd Permodalan Kelantan Bhd
Azami Nor	State Assemblyman	PPLRNK Ladang Rakyat Project Management Sdn Bhd PMBK Development Sdn Bhd
Abdul Fattah Mahmood	EXCO	Yayasan Kelantan Darulnaim PMBK Development Sdn Bhd Kelantan Utilities Mubaarakan Sdn Bhd
Saripudin Ismail	Leader, PAS Pasir Puteh	PMBK Development Sdn Bhd
Azariza Alawi	Deputy Youth Leader, PAS	PMBK Development Sdn Bhd
Hanifa Ahmad	EXCO	PKINK (SEDC) PPLRNK Kelantan Utilities Mubaarakan Sdn Bhd Kelantan ICT Gateway Sdn Bhd Baldah Toyiyah Sdn Bhd
Takiyuddin Hassan	MP	Yayasan Kelantan Darulnaim
		Kelantan Utilities Mubaarakan Sdn Bhd
Zaki Ibrahim	State Assemblyman	Kelantan ICT Gateway Sdn Bhd Kelantan Gold Trade Sdn Bhd
Fadzli Hassan	EXCO	Yayasan Kelantan Darulnaim Yayasan Islam Kelantan Kelantan ICT Gateway Sdn Bhd
Anuar Tan Abdullah	EXCO	PKINK (SEDC)
Mohamad Awang	State Assemblyman	Kumpulan Perladangan PKINK Bhd
Abdul Aziz Kadir	Ex-MP	Kumpulan Pertanian Kelantan Bhd
Mat Rasid Mat Jaais	Kuala Belah Dun Coordinator	Kumpulan Pertanian Kelantan Bhd
Wan Abu Bakar Mahussin	Youth Leader, PAS Tanah Merah	Kumpulan Pertanian Kelantan Bhd
Zakaria Yaacob	Ex-State Assemblyman	Binaraya PKINK Sdn Bhd
Abdul Halim Rahman	Ex-MP	Binaraya PKINK Sdn Bhd
Abd Rahman Yunus	State Assemblyman	Binaraya PKINK Sdn Bhd
Rohani Ibrahim	State Assemblyman	Binaraya PKINK Sdn Bhd
Wan Roslan Wan Hamat	Political Secretary to Chief Minister	Binaraya PKINK Sdn Bhd
Fauzi Abdullah	State Assemblyman	PPLRNK
Hassan Mohamood	State Assemblyman	PPLRNK
Apandi Mohamad	Ex-MP	PPLRNK
Khairil Hazmie Yusof	Principle Private Secretary to Deputy Chief Minister	Ladang Rakyat Project Management Sdn Bhd
Johari Mat	Member, PAS Ulama Council	KIAS Darulnaim Sdn Bhd

There is an particularly high level of political presence in the boards of directors of GLCs, comprising state assemblymen, MPs, former politicians and local division leaders from the governing party, PAS (see Table 10). This suggests extensive patronage at work involving high-ranked politicians and local-level leaders.

Besides the politicians, key actors in both MBI and SEDC are the CEOs. Abdul Rashid Yusoff, the CEO, of MBI appears in many GLCs owned by this politically-controlled holding company. Wan Zawawi, the CEO of Kelantan SEDC, is the director of many GLCs owned by this bureaucratic institution.

Perak

Creation of Amanjaya

The shift towards greater control of GLCs under the Chief Minister also occurred in Perak. Unlike Selangor, the shift occurred much later. While Menteri Besar Perak Incorporated has existed since the 1950s, its emergence as an active institutional owner began in 2012, under the Zambry Kadir administration.³⁹ That year, MBI Perak incorporated a new holding company under the name Amanjaya Holdings & Ventures Sdn Bhd. Amanjaya Holdings, in turn, owns a group of companies in diverse sectors such as property development, energy, hospitality, resources and investment holdings (see Figure 4).

Ownership of GLCs is not concentrated under Perak MBI. Many GLCs are still owned by older institutions, namely the SEDC and SADC (see Figure 4 and Table 11). Two public-listed GLCs, Perak Corporation Bhd and Majuperak Holdings Bhd, are owned by the SEDC. Both companies are diverse in terms of their activities, but heavily focused on property development. These companies are larger in scale compared to the Amanjaya Group.

³⁹ The role of MBI Perak before this is unclear

Figure 4: Ownership and Control of GLCs in Perak

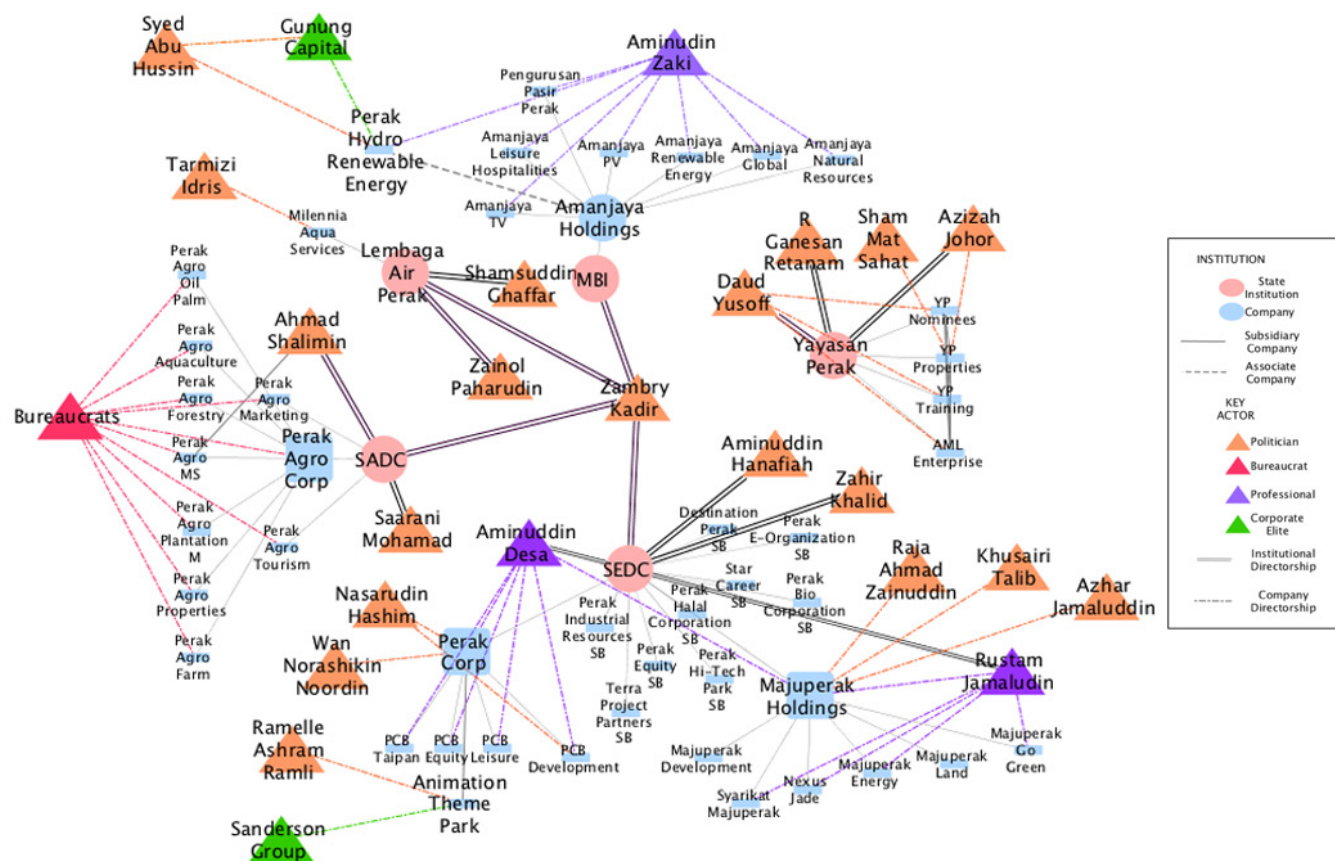


Table 11: Comparison of key institutions in Perak

Institution	Key Feature	Actors
MBI	• Diverse • Created Amanjaya in 2012	• Chief Minister • Amanjaya CEO
PKNPk (SEDC)	• Mostly property and infrastructure development • Two listed GLCs	• Professional managers and politicians • Many UMNO politicians
PPNP (SADC)	• Agriculture	• Bureaucrats
Yayasan Perak	• Education	• Bureaucrats • UMNO politicians
Lembaga Air Perak	• Water	• Mixed

Perak SADC, another bureaucratic institution, is highly focused in agriculture. Perak Agro Corporation, its holding company, has existed since 1979. All its subsidiaries are involved in agriculture-related sectors. Yayasan Perak, the state education foundation, owns several companies in training and educational programmes (see Table 11). However, there is little information regarding the role of these companies or whether they are still active.

SEDC and SADC appear to have always functioned as bureaucratic development agents of the Perak government. However, Chief Minister Zambry used the CMI in 2012 to create Amanjaya Group. The use of CMI granted the Chief Minister greater control over the business group as bureaucratic institutions are subject to federal government monitoring, even interference.

No Chief Minister Directorship

Unlike the Selangor Chief Minister, Zambry does not have direct control through directorships in any GLC. He has control through his chairmanship of various key institutions, except Yayasan Perak (see Table 12).⁴⁰ In Amanjaya Holdings, Zambry has control over the GLCs through appointed professionals, like in the case of Selangor's MBI. The CEO of Amanjaya Holdings, Aminuddin Zaki Hashim, is a key actor in all Amanjaya subsidiaries.⁴¹ The only other evidence of professional management is seen in Perak SEDC's listed subsidiaries. Aminuddin Desa, the CEO of Perak SEDC and former CEO of Etiqa Insurance & Takaful Bhd, is a key actor in Perak Corporation and its group of companies. Rustam Jamaludin, an experienced banker, is a key actor in Majuperak Holdings and its group of companies.

⁴⁰ The chairman of Yayasan Perak is Daud Yusoff, an UMNO state assemblyman.

⁴¹ Aminuddin Zaki Hashim was formerly the CEO of Institut Darul Ridzuan and is a Chartered Management Accountant by qualification.

Table 12: Political Directorships in Perak

Name	Profile	Institution/Company
Zambry Kadir	Chief Minister	PKNP (SEDC) PPNP (SADC) MBI Perak Lembaga Air Perak
Daud Yusoff	State Assemblyman	Yayasan Perak YP Nominees Holding Sdn Bhd YP Training Sdn Bhd AML Enterprise Sdn Bhd
Sham Mat Sahat	State Assemblyman	Yayasan Perak YP Properties Sdn Bhd
Shamsuddin Ghaffar	Chief, UMNO Ipoh Barat	Yayasan Perak Lembaga Air Perak
Tarmizi Idris	State Assemblyman	Lembaga Air Perak Millenia Aqua Services Sdn Bhd
Azizah Johor	Wanita Chief, UMNO Lumut	Yayasan Perak
R. Ganesan Retanam	Chairman, MIC Perak	Yayasan Perak
Aminuddin Hanafiah	State Assemblyman	PKNP (SEDC)
Mohammad Zahir Khalid	EXCO	PKNP (SEDC)
Saarani Mohamad	EXCO	PPNP (SADC)
Azizah Johor	Special Officer to MB Wanita Chief, UMNO Lumut	Yayasan Perak YP Training Sdn Bhd
Syed Abu Hussin	Chief, UMNO Bukit Gantang	Perak Hydro Renewable Energy Corporation Sdn Bhd*
Nasarudin Hashim	State Assemblyman	Perak Corporation Bhd PCB Development Sdn Bhd
Wan Norashikin Noordin	Ex-State Assemblyman	Perak Corporation Bhd PCB Taipan Sdn Bhd
Ramelle Ashram Ramli	Treasurer, UMNO Pasir Salak	Animation Theme Park Sdn Bhd
Raja Ahmad Zainuddin	Ex-MP	Majuperak Holdings Bhd
Khusairi Talib	State Assemblyman	Majuperak Holdings Bhd
Azhar Jamaluddin	State Assemblyman	Majuperak Holdings Bhd
Zainol Paharudin	EXCO	Lembaga Air Perak
Ahmad Shalimin Shafie	Chief, UMNO Taiping	PPNP (SADC) Perak Agro Management Services Sdn Bhd

*Perak Hydro is an associate company of MBI Perak

Source: Company Annual Reports

Political directorships in Perak's GLCs are restricted to UMNO assemblymen and division heads (see Table 12). Politicians or elected representatives from other parties have not been appointed as directors. This is different from Selangor and Penang, where directorships have been distributed among politicians from three different parties. In the two publicly-listed companies, Majuperak Holdings and Perak Corporation, a mix of bureaucrats and UMNO politicians appear as directors. The same can be said of GLCs owned by Perak SADC and Yayasan Perak. Only UMNO politicians appear as directors in all key institutions except Perak MBI. No politician appears in the subsidiaries of Amanjaya Group.

While professional management is evident in Perak MBI, through Amanjaya Holdings, as well as in Perak SEDC's listed subsidiary, Perak Corporation, there is evidence of patronage activities in both entities. For example, Amanjaya CEO Aminuddin Zaki Hashim is also a director of Perak Hydro Renewable Energy, which is 40% owned by Amanjaya Holdings. The majority shareholder is Gunung Capital which is ultimately owned by Syed Abu Hussin, the division chief of UMNO Bukit Gantang.⁴² Perak Hydro received a lucrative contract from the state government in 2016 to develop hydroelectric power plants in Perak.

Another business deal by Perak SEDC involving Animation Theme Park Sdn Bhd (ATP) merits attention. A joint venture between Perak Corporation and Australia-based Sanderson Group, ATP developed a theme park, Movie Animation Park Studios (MAPS) in Ipoh. One year after its opening in June 2017, MAPS declared losses amounting to RM474.4 million.⁴³

Johor

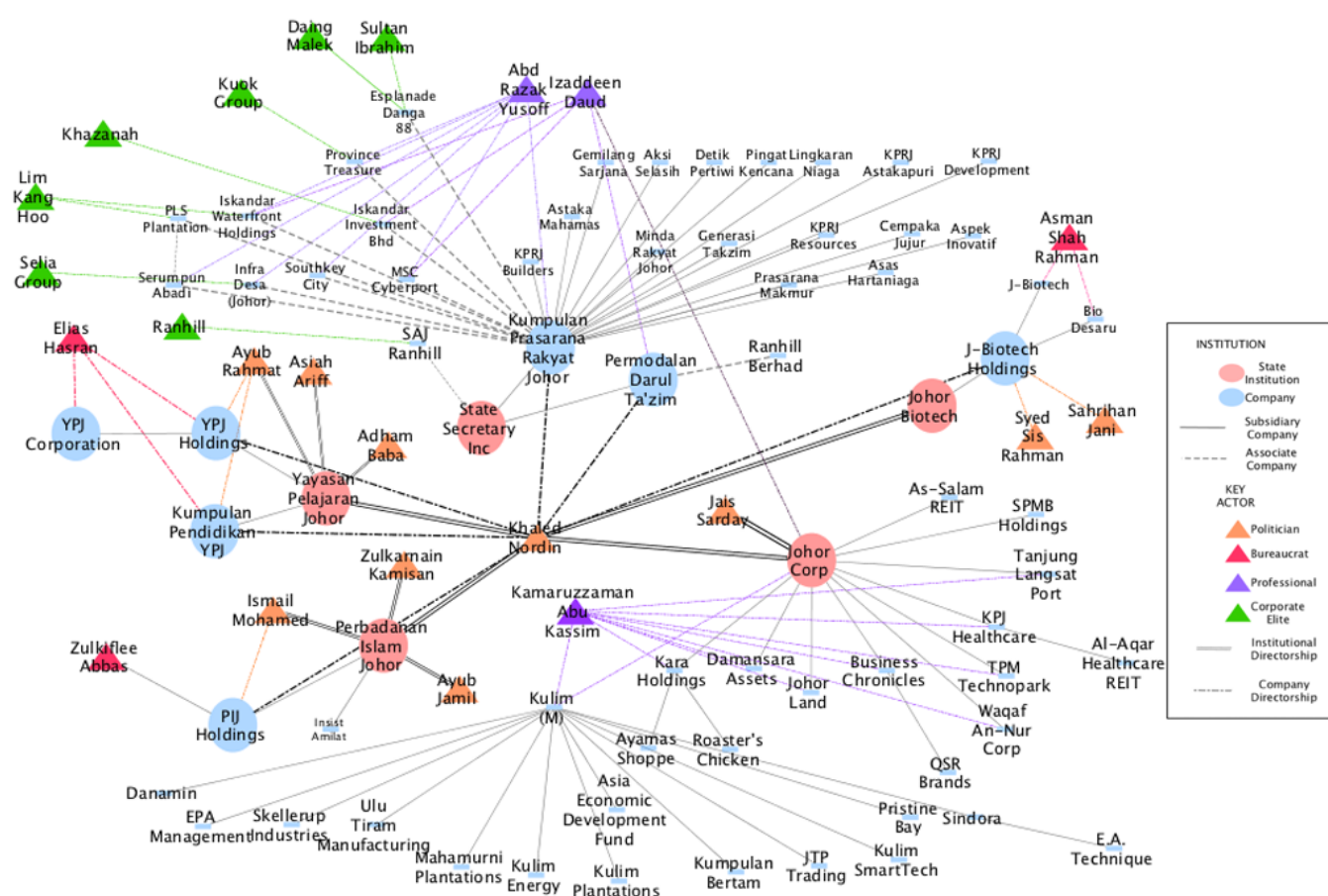
No creation of CMI

The shift in Johor is not manifested through the creation of a CMI. Instead, Johor created various holding companies which provides greater power to the Chief Minister. Johor also has many institutions that are highly involved in business activities (see Figure 5). Besides Johor Corporation and State Secretary Incorporated Johor, the other active institutions are Yayasan Pelajaran Johor, Perbadanan Islam Johor and Johor Biotech. All these institutions employ holding companies to venture into business, a process that began in the late 1980s.

⁴² Syed Abu Hussin was elected as the MP for Bukit Gantang in 2018. However, he left UMNO a few weeks later and is now an independent MP.

⁴³ In 2018, the newly-elected state government called for a forensic audit of the theme park. See: <http://www.thesundaily.my/news/2018/08/13/perak-govt-calls-forensic-audit-maps-theme-park>

Figure 5: Ownership and Control of GLCs in Johor



While these institutions were created with different objectives, their activities often overlap (see Table 13). All these institutions are involved in diverse sectors, except for J-Biotech which is highly focused on biotechnology development. JCORP has grown from an SEDC to become a diversified business group. It has numerous GLCs in sectors such as plantations, healthcare, property development, port & logistics and food & beverage. JCORP has listed up to eight companies. Today, the four listed units owned by JCORP are KPJ Healthcare Bhd, E.A. Technique Bhd, As-Salam REIT and Al-Aqar Healthcare REIT.

Yayasan Pelajaran Johor, the state education foundation, uses GLCs to manage the state's education institutions. However, it has also expanded into various types of investments through its holding company, YPJ Holdings Sdn Bhd. Perbadanan Islam Johor was created to develop segments of the state's economy with active participation of Muslims. It is also involved in many business activities through PIJ Holdings Sdn Bhd. Johor Biotech, founded to develop the state biotech sector, owns several subsidiary companies through J-Biotech Holdings Sdn Bhd.

Table 13: Comparison of key institutions

Institution	Key Feature	Actors
SSI	• Holding companies (ex: KPRJ) • Mostly property development	• Chief Minister • Appointed Professionals • Business elites (KPRJ)
JCORP	• Large institution • Many Public-listed subsidiaries • Diverse conglomerate	• Professional Bureaucrats • No politicians in GLCs
YPJ	• Education institution • Diverse business activities	• Chief Minister controls holding company • Bureaucrats
PIJ	• Develop economy of Muslim • Diverse business activities	• Chief Minister controls holding company
J-Biotech	• Develop biotech sector • Companies focused in biotech	• Chief Minister controls holding company

The most important holding company in the state is Kumpulan Prasarana Rakyat Johor (KPRJ), owned by Johor SSI. KPRJ is primarily involved in property development. KPRJ is an exceptionally interesting enterprise as it has links with various corporate elites and well-connected companies, such as Lim Kang Hoo, Kuok Group and Ranhill Bhd. Another holding company created by Johor SSI is Permodalan Darul Ta'zim Sdn Bhd, though it does not own as many GLCs as KPRJ.

Low Political Directorship

In other institutions, besides JCORP, the Chief Minister has indirect control through his chairmanship over the institution, as well as direct control through his directorship in their holding companies (see Table 14). For example, the Chief Minister is the chairman of Yayasan Pelajaran Johor, and is also the director of its holding company YPJ Holdings. This situation is the same in Perbadanan Islam Johor and J-Biotech.

Table 14: Political Directorships in Johor

Name	Profile	Institution/Company
Khaled Nordin	Chief Minister	KPRJ Sdn Bhd Permodalan Darul Ta'zim Sdn Bhd PPAJ Sdn Bhd JCORP Perbadanan Islam Johor PIJ Holdings Sdn Bhd Yayasan Pelajaran Johor YPJ Holdings Sdn Bhd Kumpulan Pendidikan YPJ Sdn Bhd J-Biotech J-Biotech Holdings Sdn Bhd
Jais Sarday	EXCO	JCORP KPRJ Sdn Bhd PPAJ Sdn Bhd
Zulkarnain Kamisan	EXCO	Perbadanan Islam Johor
Ayub Jamil	State Assemblyman	Perbadanan Islam Johor
Ismail Mohamed	EXCO	PIJ Holdings Sdn Bhd J-Biotech Permodalan Darul Ta'zim Sdn Bhd
Adham Baba	State Assemblyman	Yayasan Pelajaran Johor
Asiah Ariff	EXCO	Yayasan Pelajaran Johor
Ayub Rahmat	EXCO	Yayasan Pelajaran Johor J-Biotech J-Biotech Holdings Sdn Bhd YPJ Holdings Sdn Bhd Kumpulan Pendidikan YPJ Sdn Bhd
Syed Sis Rahman	State Assemblyman	J-Biotech Holdings Sdn Bhd
Sahrihan Jani	Youth Chief, UMNO Ledang	J-Biotech Holdings Sdn Bhd
Daing Malek Daing Rahaman	Chief, UMNO Kota Tinggi	Esplanade Danga 88 Sdn Bhd*

*Esplanade Danga 88 Sdn Bhd is an associate company of KPRJ.

Source: Company Annual Reports

The Chief Minister is not the chairman of Johor SSI, but he has direct control via directorships in its wholly-owned subsidiaries KPRJ and Permodalan Darul Ta'zim (PDT). Both these holding companies were founded in 1995. KPRJ's subsidiaries and associate companies have formed links with notable companies and corporate elites. They include Ranhill Bhd, Kuok Group, Selia Group, Lim Kang Hoo, Daing Malek Daing Rahaman and Sultan Ibrahim.⁴⁴ KPRJ is primarily involved in property development and construction.

As in MBI Selangor and MBI Perak, KPRJ has professional managers in its GLCs. The CEO of KPRJ, Abd Razak Yusoff, and one of its directors, Izaddeen Daud, are from the private sector. They appear as directors of many GLCs owned by KPRJ.⁴⁵

In JCORP, the management was nurtured internally, not imported from the private sector. The intrapreneurship concept, championed by this state-owned conglomerate, was created to explain how this enterprise created home-grown executives.⁴⁶ Its CEO in 2016, Kamaruzzaman Abu Kassim is a long-time employee of JCORP and serves as an example of this concept. The boards of directors of GLCs owned by JCORP consist of numerous intrapreneurs who rose through the ranks of this business group. In other words, JCORP is an example of a professionally-managed bureaucratic institution.

The volume of political directorships is low in Johor, especially in JCORP where only the Chief Minister and an EXCO member appear on the board of this GLC. These politicians do not have direct control via directorships over companies owned by JCORP. Even in other institutions, political directorships seem limited to only the holding companies. Moreover, the politicians present as directors are frequently the Chief Minister or EXCO members. Direct control of GLCs under these holding companies is with bureaucrats or professional managers. In general, Johor displays a very low level of political directorships, compared to the other states discussed here. Even the reach of the Chief Minister seems limited to only major holding companies. JCORP, which is the largest key institution, does not even feature any political directorship in its group of companies.

Reviewing the MBIs

The shift from a bureaucratic to a political form of intervention in these five states is evident (see Table 15). Far from being homogeneous, the form of government intervention, based on the mode of the shift, has been different in each state. The creation of MBIs in the states of Selangor and Penang clearly exhibits a rise in forms of intervention through this new institution. MBI Selangor grew to be the largest owner of GLCs with deep intervention in economic as well as social issues. CMI Penang has a different model, one that entails forming numerous public-private partnerships, instead of owning and controlling GLCs to implement projects. The MBIs of Perak and Kelantan emerged recently as holding companies and employ particularly different forms of intervention, with the former evidently more focused in terms of how it uses this holding company to achieve its economic and political goals.

⁴⁴ Lim Kang Hoo has business links with Sultan Ibrahim. See: <http://www.kinibiz.com/story/issues/90213/sultan-of-johor%E2%80%99s-rm4.5-billion-backlash.html>

⁴⁵ Abd Razak had years of experience in the construction and property development sectors. He worked in Trans Resources Corporation Bhd and Pelangi Bhd. Izaddeen Daud was the former CEO of ASM Investment Services.

⁴⁶ The former long-time CEO of JCORP, Mohd Ali Hashim, provides a detailed explanation of his concept of intrapreneurship in his book, *Membujur Lalu: Satu Pengalaman Orang Melayu Dalam Pengurusan*. By his account, JCORP has successfully trained numerous Bumiputeras for management and directorship positions in its subsidiaries.

Table 15: Summary of CMIs in the five states

	Selangor	Penang	Kelantan	Perak	Johor
CMI	MBI is diverse and the largest state institution Diverse business and welfare activities	CMI developed socially and economically productive projects through public-private partnerships	MBI emerged as a holding company in the mid-2000s Diverse business interests	MBI emerged as a holding company in 2012 Diverse business interests	No CMI KPRJ mainly in property development
SEDC/SADC	SEDC/SADC remain focused and under bureaucratic control	SEDC is diverse and owns many GLCs	SEDC is diverse and owns many companies	SEDC/SADC actively owns companies with a focus on key areas	Multiple state institutions in diverse range of business through holding companies JCORP is huge, diverse and professionally managed J-Biotech is focused
Key Actors	MB has many directorships in MBI subsidiaries Appointed professionals in MBI Moderate and balanced political directorships	EXCO has high presence in all institutions, except CMI Political directorships include non-Penang politicians	Deputy Chief Minister has many directorships in many GLCs Extremely high PAS political directorships	MB has control of MBI Appointed professionals in MBI High UMNO political directorships in other institutions besides MBI	Political elite presence limited to holding companies of bureaucratic institutions No political directorship in JCORP subsidiaries Prominent business elites linked to KPRJ Appointment of professionals in KPRJ
Outcomes	MBI as super entity	Concentration of power under CM	Great form of patronage in SEDC and MBI	Mix of policy-driven and rent-seeking activities	Very policy focused
	Concentration of power under MB Bureaucratic institutions remain focused	Mix of policy-driven and rent-seeking activities	Lack of coordination between the SEDC and MBI	Bureaucratic institutions remain focused	Only in KPRJ is there potential for rent-seeking activities

However, the need to use CMLs to own GLCs appears unnecessary. There are various bureaucratic institutions such as the SEDC that can play the role of owning companies for the state for development purposes. Moreover, the SEDCs were specifically created to develop the economy, especially in the industrial sector. One question that has emerged here is whether the employment of CMLs to own GLCs has created an overlap in interventionist functions, an issue reflecting poor coordination.

Other related core questions arise: what is the relevance of the SEDC if the CML is playing the role it was established to perform? In Selangor, for instance, the SEDC is relegated to performing mainly property development-related projects. MBI Selangor, on the other hand, is involved in a wide range of projects, from welfare services to investments in telecommunications and industrial projects. In theory, the SEDC should be utilized as a central coordinating agency that handles all development projects in the state, similar to the role that the Economic Planning Unit (EPU) plays in the federal government.

The issue of coordination is closely associated with the issue of quality of political leadership. Without strong and dynamic leadership, which can lead to poor coordination, this can result in inefficient forms of government intervention, as well as inter-institutional rivalry. The overlap of activities of the MBIs and SEDCs is not only a waste of public resources, but this also undermines the effectiveness of government intervention. For example, the high degree of overlapping activities between the Kelantan MBI and SEDC indicates a serious lack of vision on the part of the state leadership. Economic development in Kelantan has, interestingly enough, been disappointing. The exceptionally high number of political directorships in GLCs in Kelantan also suggests that the state leadership is not seriously concerned about nurturing entrepreneurial domestic enterprises. This situation strongly suggests that GLC directorships are seen as a source of political patronage for party members.

In Selangor, Perak and Penang, the overlap of economic activities and volume of political directorships are not as serious as in Kelantan. While there is some overlap between the MBIs and bureaucratic institutions in these states, there is also specialization of activities of the holding companies under the direct control of these Chief Ministers. MBI Selangor, for example, is involved in a wide range of activities that are not pursued by the SEDC. MBI Perak has attempted to venture into strategic sectors such as renewable energy. CML Penang has successfully formed partnerships to develop social projects such as a digital library and heritage preservation, as well as numerous property development projects.

However, the SEDCs can perform these activities. In fact, it can be said that they have greater capacity to do so as SEDCs are closely supported by the federal government, compared to the CMLs. One convincing example is JCORP. Founded as an SEDC, it has branched out into multiple sectors and maintains its role as the premier development agency of the state. Its corporate presence in plantations, healthcare and food industry is recognized nationally and internationally. JCORP has shown the capacity to grow and be involved in a wide range of activities, hence, negating the necessity to employ a CML.

In order to emulate the success of JCORP, competent management had to be incorporated. The intrapreneurship concept practiced by JCORP has created professional Bumiputera executives within its ranks. And, crucially too, there are no political directorships in JCORP's subsidiaries.

Political directorships appear only at the statutory level (JCORP), where the Chief Minister and one state EXCO member are present as members of the board of directors.⁴⁷ This finding suggests that competent management and leadership are key factors in determining productive government intervention. In the extreme opposite, as seen in Kelantan, the high degree of political directorship is correlated with the poor outcomes of government intervention.

While JCORP's success is measured through the performance of its group of companies, the necessity of employing GLCs needs to be raised. Must government institutions own companies to intervene in the economy? After all, government intervention was never supposed to involve the employment of companies in a huge way. The use of GLCs on a major scale began only after the affirmative action-based New Economic Policy (NEP) was introduced in 1970.⁴⁸ GLCs were also used to nurture Bumiputera entrepreneurs and managers under the BCIC policy, while statutory bodies began to use companies to directly intervene in the economy. Yet, after decades of implementation of affirmative action, there is little evidence that this policy has achieved its goal of creating a large base of entrepreneurial Bumiputera-owned enterprises. Furthermore, this policy encourages rent-seeking behaviour. Given these outcomes, government intervention through MBIs can be problematic as they serve as a tool for patronage. With sound leadership and management, statutory bodies can achieve productive outcomes, as exemplified by JCORP, even if they do not employ GLCs, as Penang's PDC has shown.

⁴⁷ See Table 2.2 in the Appendix for a list of state GLC directors.

⁴⁸ For a discussion on the impact of the NEP in the corporate sector, see the Introduction of this report. See also Gomez (2013).

PART 3:

Publicly-Listed Government-Linked Companies (GLCs)

By early 2017, of the 904 companies quoted on Malaysia's stock exchange, Bursa Kuala Lumpur, 71 can be classified as GLCs, that is enterprises where at least one government-linked institution is the largest equity shareholder.¹ Table 3.1 in the Appendix provides a detailed breakdown of these 71 quoted GLCs, their controlling shareholders and the sectors they are involved in. Of these 71 GLCs, 33 were among the top 100 firms; nine were in the 101-200 bracket; and nine in the 201-300 bracket. Only nine were below the 500 bracket. 73% of these 71 GLCs were highly capitalised and listed among the top 300 firms.

Figures 3.1 to 3.12 and Tables 3.2 to 3.13 in the Appendix provide the corporate holding figures of these listed GLCs with in-depth information of the sectors they are involved in, their forms of ownership by public institutions – both federal and state governments – as well as the key actors who manage these enterprises. As these figures and tables note, these quoted GLCs are involved in twelve sectors of the economy: banking, utilities, oil & gas, plantations, insurance, healthcare, construction & property development, trading & services, media, technology, consumer products and industrial products. Some sectors have, traditionally, been considered as strategic sectors for intervention, such as oil & gas, utilities and plantations. However, the reason for government intervention in other sectors such as construction & property development can be questioned. The government's wide interests in key sectors, specifically banking, plantations and construction & property development, borne out in Table 3.1, comprise the bourse's largest enterprises, i.e. Malayan Banking, Sime Darby and SP Setia respectively.

The number of foreign equity shareholders in these 71 GLCs is small, not unusual as there is poor interest in these enterprises by foreign portfolio investors. Indeed, there has been a persistent markdown in the share value of quoted GLCs by foreign investors. Among the top 10 GLCs, only in IHH Healthcare does one foreign firm, Mitsui of Japan, have an interest, an 18% stake. IHH Healthcare, a transnational enterprise with operations in numerous countries in Asia, had been created by Khazanah in 2010 to consolidate its interests in this sector in the region (Carney 2018: 1-3). It is only at number 62-ranked Affin Holdings, which owns Affin Bank, that a foreign enterprise again emerges as a major shareholder, Hong Kong's Bank of East Asia with a 24% interest. France's Technip has an 8.5% stake in 128th ranked Malaysia Marine & Heavy Engineering, a ship-building and engineering enterprise.

A core issue that does not emerge well in the database in Table 3.1 and Figures 3.1 to 3.12 is the ample use of pyramiding, an interlocking stock ownership pattern, linking key institutions and listed GLCs. Figures 3.13 and 3.14 outline the pyramiding systems employed by the government through foundations, GLICs and listed GLCs under their control. A high degree of pyramiding is evident in the case of Yayasan Pelaburan Bumputera which owns PNB, a GLIC which has a majority interest in a small number of firms. However, PNB's primary equity shareholdings are through the unit trust fund, ASNB, which has an interest in a huge number of enterprises.

¹ The focus of this section is solely on forms of intervention by the government in publicly-listed companies, based on the 2016 Annual Reports of listed firms. This study will not include an internal assessment of these listed firms, such as their financial performance.

In GLICs, statutory bodies and GLCs that function as business groups, more complex forms of pyramiding have been employed. This is most evident in LTAT, a GLIC that functions as a leading business group through its primary publicly-listed holding company, Boustead Holdings. This quoted firm, while a major enterprise in the plantations sector, has extensive interlocking stock ownership ties with companies in the group (see Figure 3.14). It is unclear why a GLC would see the need to employ extensive cross shareholdings as this is a practice primarily seen among family firms, used by them to shield their companies from hostile takeovers. GLCs are seldom, if ever, the subject of hostile takeovers as it is unlikely that a private business, including a foreign enterprise, would want to enter into a corporate battle with a strong state.

LTH, another GLIC that functions as a business group, with a number of listed GLCs under its control, does not employ LTAT's complex interlocking stock ownership mode, an indication of significant differences between GLICs in terms of how they control companies. An even less complex form of interlocked shareholding is seen in the national oil corporation, Petronas, which has a majority interest in five listed GLCs, while one of them, MISC Group, has a huge equity interest in publicly-listed Malaysia Marine & Heavy Engineering. On the other hand, two statutory bodies, MARA and FELDA, employ an indirect shareholding pattern where they control listed GLCs through private holding companies. One reason for this is that these holding companies play different roles in society as MARA is involved in a diverse range of activities.² Interestingly, Khazanah, Malaysia's only sovereign wealth fund, which has enormous interests in the corporate sector, does not employ a pyramiding mode or extensive interlocking stock ownership.

Other forms of intervention: substantial and joint

The government's ownership of publicly-listed equity is not limited to these 71 GLCs. The government has a minority interest in another 148 quoted firms, primarily through its equity funds, an ownership pattern employed merely as a dividend-earning exercise.³

However, an in-depth assessment of the shareholding patterns of listed firms reveals two additional forms of government intervention that have not been well-noted. These two additional categories of government equity holdings can be classified as 'substantial shareholdings' and 'joint ownership', extraordinary forms of intervention as they involve about 15% of all quoted firms. Table 1 provides a summary of the categories of shareholding patterns of quoted firms employed by the government.

² See Part I of this report for a review of MARA's activities.

³ Minority ownership by the government will not be discussed because the percentage of shareholdings is below the substantial value of 5 percent.

Table 1: Categories of government ownership of listed firms

357 PLCs			
Government majority ownership (GLCs)	Government substantial shareholdings	Joint ownership	Government minority shareholdings
One government institution is the largest shareholder	At least one government institution has substantial equity interest. Individually or collectively, the government institutions are not the largest shareholder	Multiple government institutions have substantial shareholdings. Individually, a government institution is not the largest shareholder. Collectively, the government institutions are the largest shareholder	At least one government institution owns less than 5 percent of a PLCs equity (individually or collectively)
71	127	11	148

Substantial shareholdings

The government has a substantial shareholding interest in a particularly large number of enterprises, 127 of them (see Table 3.14 in the Appendix). This form of shareholding is unique because, even though the government owns a substantial stake in these enterprises, control is with a private or foreign majority shareholder.

One example of a firm in which the government has a substantial shareholding is Amway Holdings. A foreign institution, GDA B.V., owns 51.7% of Amway Holdings' equity. The government has a total 36.9% stake through various institutions. PNB (via ASNB) has the highest equity interest, with a 21.5% stake (see Figure 1).

Similarly, in Air Asia, the government's total shareholding is 8.2%, held via two government institutions, EPF (5.1%) and PNB via ASNB (3.1%). However, the majority shareholders are private shareholders, Tony Fernandes and Kamarudin Meranun, with a 15.9% and 14.6% interest respectively (see Figure 2).

Figure 1: Ownership structure of Amway Holdings

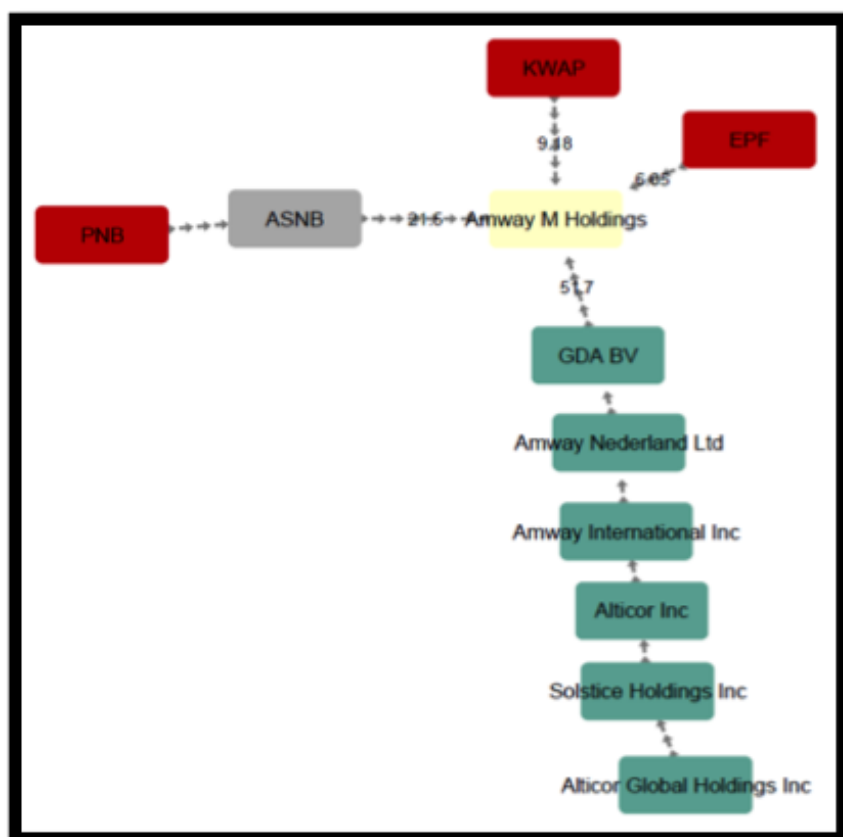
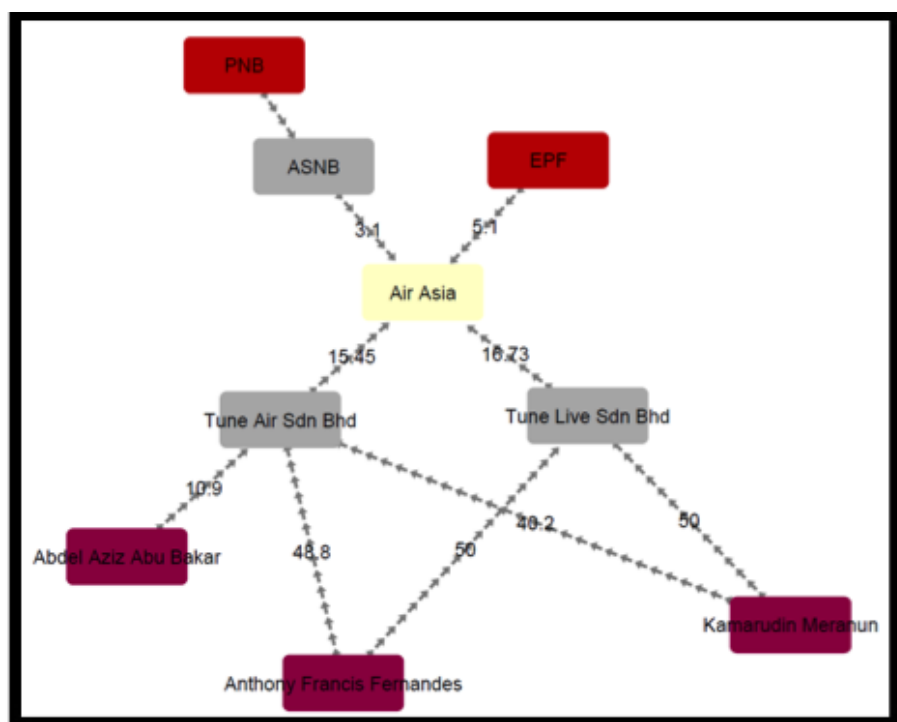


Figure 2: Ownership structure of Air Asia



It is unclear why the government has sought to acquire huge shareholdings in quoted firms with controlling ownership under private or foreign hands. Nor has the government deemed it necessary to explain, let alone draw attention to why it owns a substantial interest in companies it does not control. The government's huge shareholdings of private companies can lead to hostile takeovers. Business owners have long complained of expropriation of their firms by the government, ostensibly as part of its affirmative action-based equity redistribution exercise. This fear of expropriation has undermined investor confidence and hampered research and development (R&D) endeavours to cultivate enterprises with the ability to compete globally. What is clear is that this mix of private and public ownership of major firms has resulted in extremely complex corporate ownership ties.

Joint Ownership

Joint ownership is when several government institutions have an equity interest in a publicly-listed company, though none of them is the largest shareholder. However, collectively, these government institutions are the largest shareholders of the quoted enterprise. In such companies, ownership is shared between the government and domestic businesspeople or foreign institutions. In such shareholding patterns, though seen only in 11 firms, it is unclear who controls these listed enterprises. This ownership pattern is employed only by federal-level public institutions (see Table 3.15 in the Appendix).

An example of joint ownership is in WCT Holdings, where PNB, along with three other government-linked investment arms, owns 36.8% of its equity. PNB (via ASNB) has a 13.1% interest, while Dominion Nexus Sdn Bhd, under Desmond Lim Siew Choon, has 19.6% stake. (see Figure 3).

Similarly, in Dialog Group, the largest government shareholding is by EPF, with a 12.6% interest. Other substantial shareholders are Azam Utama Sdn Bhd and Wide Synergy Sdn Bhd, both controlled by Ngau Boon Keat, and they collectively hold a 16.8% equity interest. However, the government as a block – EPF with other public institutions – has a 27.9% stake in Dialog (see Figure 4).

Figure 3: Ownership structure of WCT Holdings

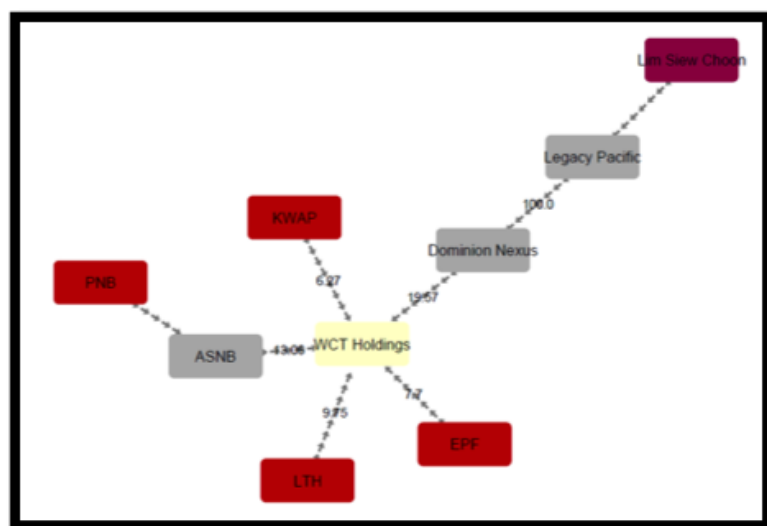


Figure 4: Ownership structure of Dialog Group



As in the case of substantial shareholdings, the government has not publicly discussed its corporate shareholdings of listed firms through the joint ownership method. One interesting feature about the companies in the joint ownership category is that a number of them are associated with well-connected businesspeople. Among the businesspeople in this list are Vincent Tan, Azman Hashim, Syed Mokhtar Albukhary and Shahril Shamsuddin. These men had been privy to government rents during the period when they were developing their respective business groups.⁴

The employment of the substantial shareholding and joint ownership methods to own corporate equity, with little public attention drawn to this point, is relevant as the government had embarked on a GLC Transformation Programme (GLCTP) between 2005 and 2015, an endeavour to review governance of quoted enterprises in which it had a substantial interest. It was an initiative to strengthen management and performance of quoted GLCs controlled by the GLICs while enhancing transparency and disclosure within these enterprises.⁵ One significant outcome of this reform programme was a massive reduction in the presence of politicians as members of the boards of directors of GLICs and listed GLCs. However, well-connected business figures, in leading enterprises in which public institutions had a huge interest, continued to be privy to government-generated rents.

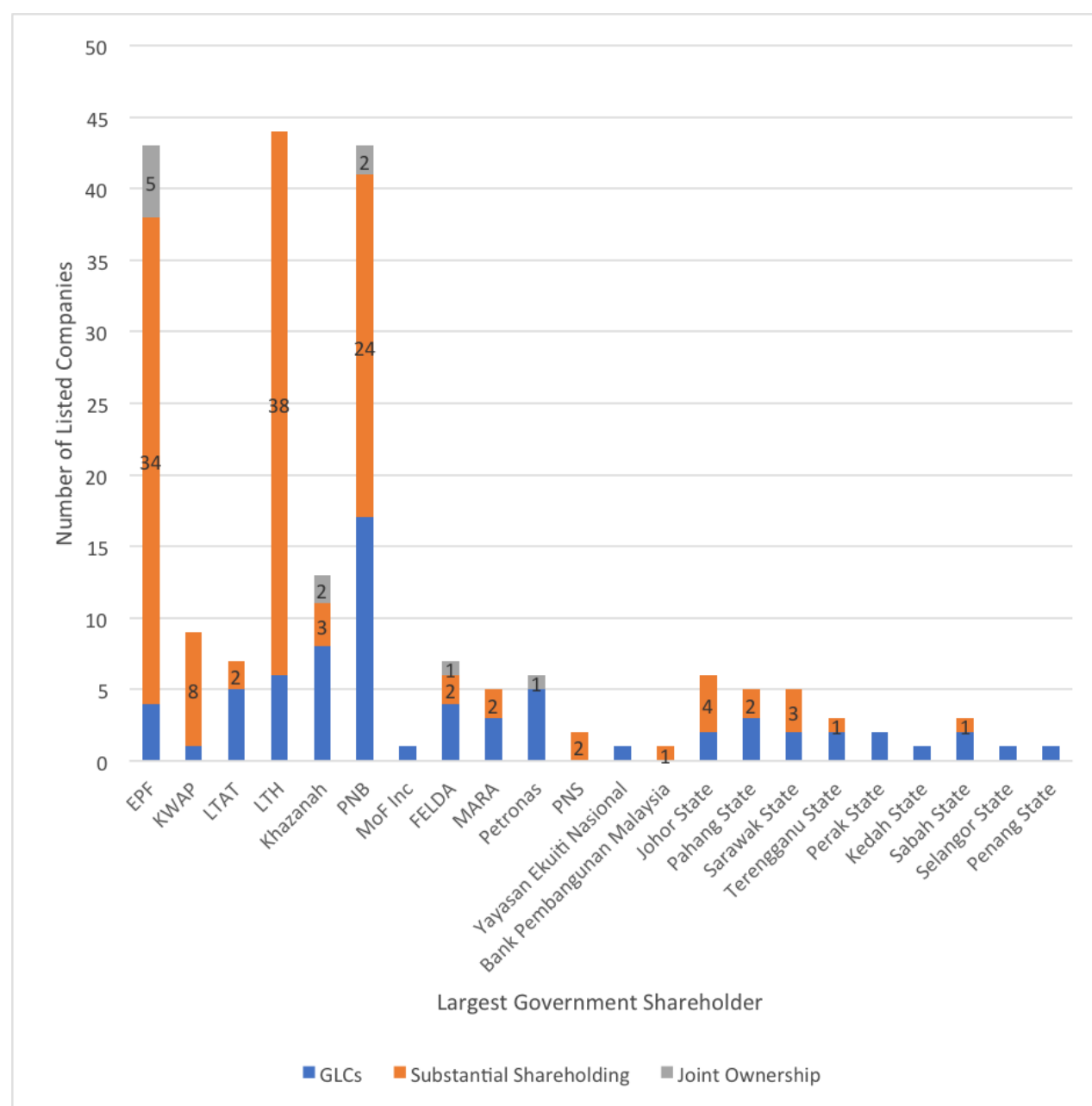
⁴ For details about the rents received from the government by these businessmen, see Gomez and Jomo (1999) and Gomez (1990, 2009 and 2011).

⁵ See Part I, Footnote 13, for a discussion about this 10-year GLC transformation programme.

Institutions & Listed Equity Ownership

Other important features should be noted about government intervention through equity ownership of quoted firms. A variety of institutions, apart from GLICs, have been employed by the government to own listed firms employing these three forms of intervention, i.e. GLICs, substantial shareholdings and joint ownership. 22 public institutions appear as the largest government shareholders of these listed firms. While some are GLICs, the others include state governments, statutory bodies and a Development Financial Institution (DFI) (see Chart 1 and Table 1 in the Appendix).

Chart 1: Breakdown of listed firms based on largest government shareholder: GLCs, substantial shareholdings and joint ownership



The 71 GLCs are primarily owned by Malaysia's five savings- and investment-based GLICs, the EPF,⁶ KWAP,⁷ LTH, LTAT, PNB,⁸ as well as its sovereign wealth fund, Khazanah Nasional,⁹ and the government's primary holding company, MoF Inc. These seven GLICs differ considerably in terms of size and objectives and are ultimately controlled by the Minister of Finance through complex pyramid-type organisational structures.¹⁰

Six GLICs, Khazanah, PNB, EPF, KWAP, LTH and LTAT, are primary owners of quoted companies. MoF Inc. has indirect control of a huge number of companies through its equity ownership of Khazanah, as well as its golden share in PNB, both GLICs with a substantial interest in the corporate sector.¹¹ EPF, KWAP, LTH and LTAT, all statutory bodies, come under the direct control of the Ministry of Finance, indicating extreme concentration of economic power in this minister's hands. Among other equity owners of these listed GLCs are federal-level statutory bodies, holding companies and foundations.

Statutory bodies such as Petronas and FELDA control a large number of GLCs, though a smaller volume than the GLICs. In firms classified as substantial shareholdings, the most prominent owners are also the GLICs, i.e. LTH, EPF, PNB and KWAP, all savings-based institutions, but not Khazanah. These non-controlling stakes in privately- and foreign- controlled firms by GLICs may well be merely a mechanism by these public investment arms to increase dividend earnings.

Petronas does not have substantial shareholdings in listed companies, apart from its ownership of oil & gas-related GLCs as well as joint ownership of one other firm in this sector. This indicates that Petronas intervenes with a sectoral focus. FELDA and MARA, on the other hand, control GLCs which are in diverse sectors, and they employ the substantial shareholding mechanism as well.

Institutions under the control of state governments, comprising investment holding companies, SEDCs and foundations, also function as equity owners of quoted firms, some with majority ownership of smaller enterprises, in terms of market capitalisation.¹² In the GLC and substantial shareholdings categories, state governments, in particular Sarawak, Johor and Pahang, have a large presence. These state-level GLCs have not emerged as companies which are of repute in their respective industries or in the economy. Interestingly, the state governments almost always share ownership with individuals who are well-connected, through the substantial shareholding pattern. In the joint ownership category, public institutions with the most shares in these 11 enterprises are EPF, PNB, Khazanah, FELDA and Petronas, all of which, interestingly enough, are under the control of the Prime Minister and Minister of Finance, raising further concerns about this form of government intervention (see Chart 1).

⁶ In 2017, EPF was managing RM704 billion in total savings of its 14.5 million people of whom 6.7 were active members (The Malaysian Reserve 25 April 2017).

⁷ KWAP is listed in early 2017 as the second largest pension fund with a fund size of RM124.7 billion in (Focus 10 December 2016).

⁸ PNB had assets totalling RM260 billion in 2017 (The Malaysian Reserve 21 March 2017).

⁹ In 2016, Khazanah had assets totalling RM150 billion (Focus 10 December 2016).

¹⁰ For an in-depth study of these GLICs, see Gomez et al. (2018).

¹¹ MoF Inc. is the majority owner of only one quoted enterprise.

¹² Publicly-listed firms under majority ownership of state-level governments are Terengganu-based TDM (ranked at 159) and Golden Pharos (786), Selangor's Kumpulan Perangsang (227), Sabah's Suria Capital (238) and Innoprise Plantations (245), Sarawak's Sarawak Plantation (249) and Bintulu Port Holdings (89), Penang's PBA Holdings (316), Kedah's Bina Darulaman (433), Perak's Perak Corporation (479) and Majuperak Holdings (677) Johor's E.A. Technique (85) and KPJ Healthcare (64), and Pahang's Far East Holdings (146), PASDEC Holdings (560) and Mentiga Corporation (785).

Actors

There are different key actors in the GLCs as well as companies in the substantial shareholding and joint ownership categories, i.e. managerial executives (or professionals), politicians and ex-politicians, bureaucrats and ex-bureaucrats and the well-connected (see Tables 3.16 and 3.17 in the Appendix). At the GLC level, managerial executives and ex-bureaucrats appear most frequently as key actors. The limited presence of politicians, as noted, is an outcome of the GLCTP reforms. However, politicians appear often as key actors in state-controlled GLCs and quoted firms under FELDA's control.

In the substantial shareholding category, the key actors in control of these enterprises are predominantly individual owners or families. These business figures include Public Bank's Teh Hong Piow and the Lee family's Kuala Lumpur-Kepong (KLK). Lee Oi Hian and Lee Hau Hian now control KLK. Ex-bureaucrats, another type of key actor, function as Chairmen in privately-controlled firms, such as Syed Ariff Fadzillah Syed Awalluddin in Ikhmas Jaya Group and Abdul Rahman Mamat in Hiap Teck Venture. The presence of ex-bureaucrats on the boards of directors of these firms are reputedly due to their ability to help bypass bureaucratic red tape in business dealings with the government (Gomez, 2004).

Private firms with government substantial shareholdings controlled by the well-connected are Mahmud Abu Bekir Taib's Sarawak Cable and Yu Chee Hoe's Hock Seng Lee.¹³ Mahmud Abu Bekir is the son of the former Chief Minister of Sarawak, Abdul Taib Mahmud, who reputedly has a substantial indirect stake in the corporate sector. In the joint ownership category, well-connected individuals figure prominently, including Azman Hashim of AMMB Holdings, Syed Mokhtar Albukhary of Malakoff and Gas Malaysia, Shahril Shamsudin and Mokhzani Mahathir of Sapura Kencana Petroleum, Desmond Lim of WCT Holdings, Vincent Tan of the Berjaya Group, and Lim Tiam Huat¹⁴ of BHS Industries.¹⁵

In the substantial shareholding and joint ownership categories, private owners may not always hold the post of Chairman or Managing Director. For example, Syed Mokhtar Albukhary does not figure as the key actor in three substantial shareholding firms he controls, i.e. MMC Corporation, Pos Malaysia and DRB Hicom, or in Malakoff and Gas Malaysia, two joint ownership firms in which he is a private shareholder.

¹³ Yu Chee Hoe, the majority shareholder of Hock Seng Lee, has benefited from land deals involving Taib Mahmud's family (see Cramb and McCarthy 2016).

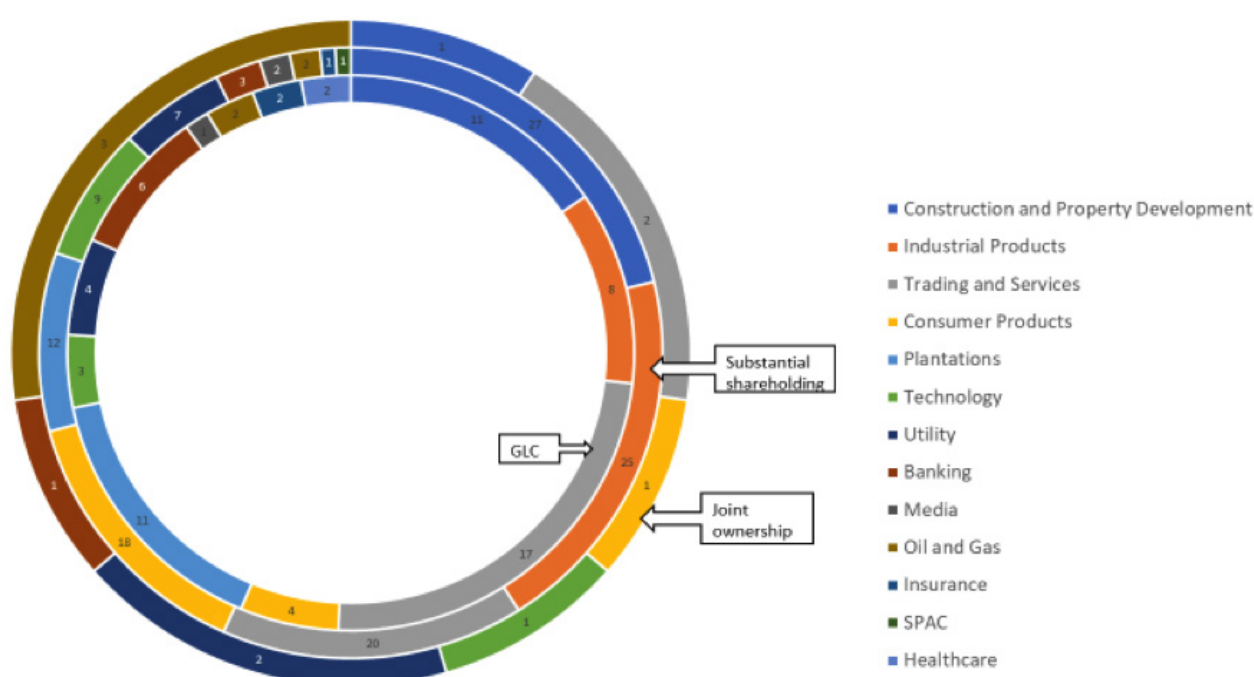
¹⁴ Lim Thiam Huat shares ownership of Paramount Billion with Nazifuddin Najib, the son of Prime Minister Najib. (The Star Online 16 November 2011)

¹⁵ See Table 3.17 in the Appendix for substantial shareholding and joint ownership firms with well-connected actors. Some of these business figures have since sold their interests in firms listed in the joint ownership category, specifically Vincent Tan and Mokhzani Mahathir.

Sectoral Breakdown¹⁶

A breakdown of government intervention through GLCs, substantial shareholdings and joint ownership in economic sectors is outlined in Chart 2. The inner-most circle provides the numerical breakdown of GLCs in these sectors; the middle circle lists the sectors in which companies under the substantial shareholding category function in; and in the outer-most circle are the sectors where the joint ownership companies are located.

Chart 2: Three forms of intervention in various sectors of the economy



Sectors which stand out as having extensive government intervention, through the three forms of intervention, are construction & property development and trading & services. Intervention in the technology and industrial products sectors is evidently limited, an outcome that suggests that the government did not intervene sufficiently in new sectors to drive industrialisation (Rasiah 2011).

¹⁶ The sectoral classification employed here is based on that of the Bursa. However, where it was felt necessary, companies have been reclassified. For example, Malayan Banking, CIMB, RHB Bank, BIMB, MBSB, Affin (from finance to banking), Tenaga Nasional, Axiata, Telekom, PBA Holdings (trading & services to utility), Sime Darby, Boustead Holdings (trading & services to plantations), IHH Healthcare, KPJ Healthcare (trading & services to healthcare), Petronas Gas, UMW Oil & Gas (trading & services to oil & gas), UMW Holdings (consumer products to industrial products), Bursa (finance to trading & services), Takaful, MNRB Holdings (finance to insurance), Lingkar Trans Kota Holdings (infrastructure project construction to construction & property development), Pharmaniaga (trading & services to consumer products), Media Prima (trading & services to media), MBM Resources (trading & services to industrial products), Mentiga Corporation (industrial products to plantations). Similar changes were made in the substantial shareholding and joint ownership categories.

In the banking, oil & gas, and media sectors, the government has extensive control through the use of holding companies and regulatory control. Intervention in the banking and oil & gas sectors are considered strategic. However, intervention in media is questionable, possibly to entrench the position of dominant politicians or political parties in government (Djankov et al. 2003)

As in Chart 2, a similar mode of concentric circles, for GLCs, substantial shareholdings and joint ownership, is employed to assess government intervention in six core economic sectors. The key actors in firms in these categories of ownership will also be assessed.¹⁷

Banking

The government's presence in this sector is phenomenal, employing all three forms of intervention. The federal government is the key player, through GLICs which have a major presence in the sector. There are six GLC banks, all controlled by the GLICs. Each GLIC has control of a banking institution, with the exception of KWAP.¹⁸ There is no presence of state governments in this sector (see Figure 5).

GLCs

While the DFIs are mandated to develop and promote key sectors,¹⁹ the GLC banks are supposed to function as commercial enterprises. The government has significant equity ownership of Malaysia's leading commercial-based financial institutions: Malayan Banking (ranked at number 1), CIMB (10), RHB Bank (21) and BIMB (45) which owns Bank Islam. The government also has an interest in Malaysian Building Society (MBSB) (58) and Affin Holdings (62) which owns Affin Bank. All these financial institutions are under the ultimate control of Ministry of Finance, while internal management is with executives or professionals with managerial expertise. Interestingly, no politician is listed among the members of the boards of directors of these banks (see Table 2).

Among these GLC banks, Malayan Banking and RHB Bank were once under Chinese ownership. RHB Bank, originally known as United Malayan Banking Corporation (UMBC), is also the outcome of a merger with two other Chinese-owned banks, Kwong Yik Bank and D&C Bank. These mergers were one reason why RHB Bank has emerged as Malaysia's third largest financial institution. Although this bank came under the control of Rashid Hussain, a prominent Bumiputera businessman, he was forced to sell interest in this financial institution to a company linked to Taib Mahmud, the Chief Minister of Sarawak. More recently, EPF took control of RHB Bank.

A component of CIMB was formerly Bank Bumiputra which was established in 1966 to nurture Bumiputera enterprises. Bank Bumiputra was subsequently mired in a series of scandals and it was merged with Bank of Commerce to become CIMB. In 2006, Southern Bank, a Chinese-owned enterprise, was also incorporated into CIMB following a hostile takeover. CIMB is controlled by Khazanah. Although CIMB functions as a commercial enterprise, since it was established to support the development of Bumiputera enterprises, it

¹⁷ The six core sectors which will be discussed are technology, industrial products, construction & property development, banking, plantations and oil & gas. These sectors have been selected to capture the diversity in terms of forms of intervention, institutions and actors that prevail in government intervention in listed firms.

¹⁸ EPF is the only GLIC which controls two banking institutions, RHB and MBSB.

¹⁹ http://www.bnm.gov.my/index.php?ch=fs&pg=fs_mfs_dfi&ac=162

may be expected by the government to continue to do so. Bank Islam would be expected to play a similar social role, with an emphasis on developing Muslim-based financial products.

In spite of these controversies involving ownership of the GLC banks, the form of governance of Malaysia's financial sector has been highly commended by international agencies, while the country's Islamic finance sector is one of global repute. And yet, this sector is one that has also been riddled with controversies, as well as allegations of rent-seeking and crony capitalism (Searle 1999). This interesting paradox is well seen in the history of government-owned RHB Bank, one riddled with controversies though subjected to regulatory oversight.²⁰

Substantial Shareholdings

The volume of investments by government-linked institutions in private banks is extensive. Government equity ownership of shares in Public Bank is 18.2%, in Hong Leong Bank it is 17.3% and, in the Alliance Financial Group it is 17.1%. EPF is the single largest government shareholder of bank-based equity, with a 12.8% interest in Public Bank, 13.3% stake in Hong Leong Bank and 16.3% in Alliance Financial Group. This suggests that the government can easily gain control of Malaysia's entire banking sector.

Public Bank and Hong Leong Bank are under private (Chinese) ownership. Public Bank remains under the control of its founder, Teh Hong Piow, while Hong Leong Bank is controlled by Quek Leng Chan and his family. Alliance Bank was reputed to have been controlled by former Finance Minister Daim Zainuddin, through an obscure holding company, Langkah Bahagia Sdn Bhd (The Star Online 12 April 2016). This company's equity in Alliance Bank was subsequently sold to Singapore's sovereign wealth fund, Temasek Holdings, which now has a majority interest in this bank (The Star Online 16 April 2016).

Joint Ownership

There is only one enterprise in this category, the well-connected AMMB Holdings' AmBank. This bank has long been associated with Azman Hashim, once an UMNO member. EPF and PNB are substantial shareholders with a 15.2% and 7.2% interest, respectively, in AMMB Holdings.

The merger of AmBank and RHB Bank was proposed, more so since EPF has a major interest in both these institutions. However, the move to merge these banks fell through (The Star Online 23 August 2017).

Azman Hashim has been reducing his equity interest in AMMB Holdings, along with this bank's other substantial shareholder, the Australian-based ANZ (The Edge Markets 4 January 2018). In the event Azman and ANZ liquidate their equity interests in this banking enterprise, AmBank will emerge as a GLC.

²⁰ For a history of the banking sector, including a review of controversies linked to RHB Bank, see Gomez and Jomo (1999).

Figure 5: Largest government shareholders in commercial banks

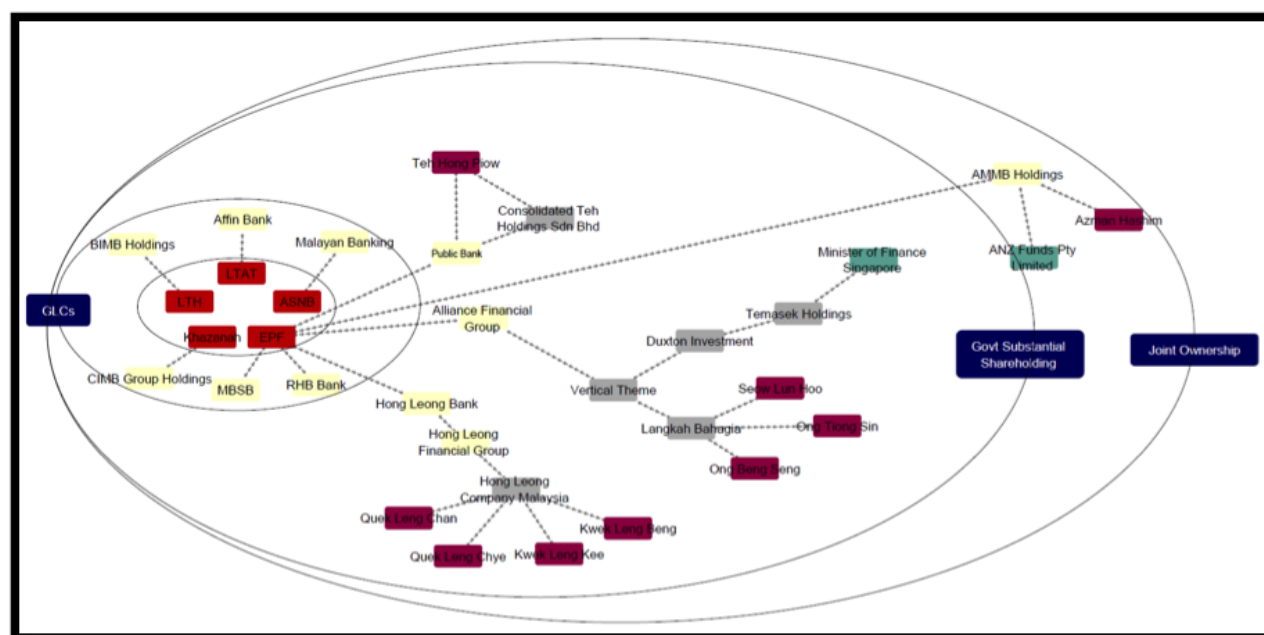


Table 2: Key actors in banking sector

Actors	GLCs		Substantial Shareholding		Joint Ownership		Total
	MD	Chairman	MD	Chairman	MD	Chairman	
Professionals	6	2	3	3 ¹	1	0	15
Politicians							0
Ex-bureaucrats	0	3	0	0	0	0	3
Well-connected	0	1	0	0	0	1	2

²¹ Quek Leng Chan, who is Chairman and shareholder of Hong Leong Bank, took over MUI Bank when Anwar Ibrahim was Finance Minister (in 1994) (The Star Online 1 October 2016).

Construction & Property Development

As in banking, in the construction & property development sector, the government has a similarly huge presence. The government uses all three forms of intervention in this sector (see Figure 6). One important difference here is that both the federal and state governments intervene actively in this sector.

GLCs

In this sector, the government has a significant direct equity interest through 11 GLCs. All GLCs owned by federal-level institutions were once under private ownership, raising the question why the government had seen it fit to acquire private firms in this sector. PNB, which holds equity in trust for Bumiputeras, has a major presence in the sector, through all three forms of intervention, i.e. GLCs, substantial shareholding and joint (see Figure 6).

The government's interests in this sector, one where there is no need for such intervention, is principally due to the issue of patronage, a pervasive practice within the then dominant UMNO, where the distribution of contracts served as a mechanism by party leaders to secure the support of grassroots members. This form of patronage was justified on the grounds that it was to fulfil Malaysia's ethnically-based affirmative action policy.

An important feature stands out in this highly controversial sector: a far larger number of institutional shareholders appear, compared to the banking sector. This includes GLICs, statutory bodies and subsidiaries of GLCs, indicating interlocking stockownership patterns, introduced to consolidate control over an enterprise. The primary ultimate decision-making actor in this sector is evidently the Prime Minister, while at the state level, the Chief Ministers of Pahang, Perak and Kedah appear prominently. As in banking, the internal management of GLCs controlled at the federal level comprises primarily with managerial executives, or professionals, with the exception of Encorp, under the FELDA group, an enterprise allegedly strongly abused by politicians.

Gamuda and Eastern & Oriental (E&O) were Chinese-owned before being taken over by the government. The former majority shareholders of these enterprises remain as directors, i.e. Lin Yun Ling in Gamuda and Terry Tham in E&O. Tham had business ties with Wan Azmi Wan Hamzah, a close associate of Daim Zainudin (Gomez et al. 2018).

Among GLCs controlled by state-level institutions, an important feature stands out: these companies, although listed, are smaller, in terms of market capitalisation, than federal-based GLCs. At the state level, these quoted GLCs are primarily concerned with developing new township in their respective states. No GLC in this sector, owned by state-level public institutions, has emerged as a major quoted enterprise.

Substantial Shareholdings

A number of important features stand out about companies in this category. First, almost all firms are family controlled, predominantly by the Chinese. These companies include reputable firms such as IOI Properties (controlled by Lee Shin Cheng and family), YTL Corporation (controlled by the Yeoh family) and Sunway (controlled by Jeffrey Cheah and family). These companies have developed well-known malls, residential estates and hotels. While their primary activities are in the construction & property development sector, they function as diversified business groups. For example, YTL Corporation, through its subsidiary YTL Power International, is an independent power producer. Sunway is involved in healthcare, through Sunway Medical Centre, and education, through Sunway University and Monash University. IOI's primary business interest is in the plantations sector.

Government investments in privately-controlled smaller companies include TRC Synergy and Melati Ehsan Holdings, controlled by Surfi Mohd Zin and Yap Suan Chee respectively, as well as firms that have large projects abroad such as Eversendai Corporation, controlled by Nathan Elumalay. Second, one GLIC, LTH has actively invested in companies in this sector. LTH has a construction & property development arm, TH Properties, and LTH's substantial shareholding companies are the most in this sector.

Third, well-connected actors prevail in this category, with those from the state of Johor standing out. The Johor state government has an interest in Iskandar Waterfront City, controlled by Lim Kang Hoo, and Damansara Realty, controlled by Daing A Malek. Daing is an UMNO division leader and closely associated with the Johor royal house, as is Lim Kang Hoo.

There are well-connected actors in three other firms in the substantial shareholding category, i.e. Hock Seng Lee, Naim Holdings and TSR Capital (see Table 3). Hasmi Hasnan is the largest shareholder and Managing Director of Naim Holdings. He is a business partner of Abdul Hamed Sepawi, a substantial shareholder and Chairman of Naim Holdings, who is closely associated with Taib Mahmud. Lim Kang Yew, the Deputy Executive Chairman of TSR Capital, is the brother of Lim Kang Hoo. Yu Chee Hoe of Hock Seng Lee has business links with Taib's family. All these firms are linked with elites based at the state level.

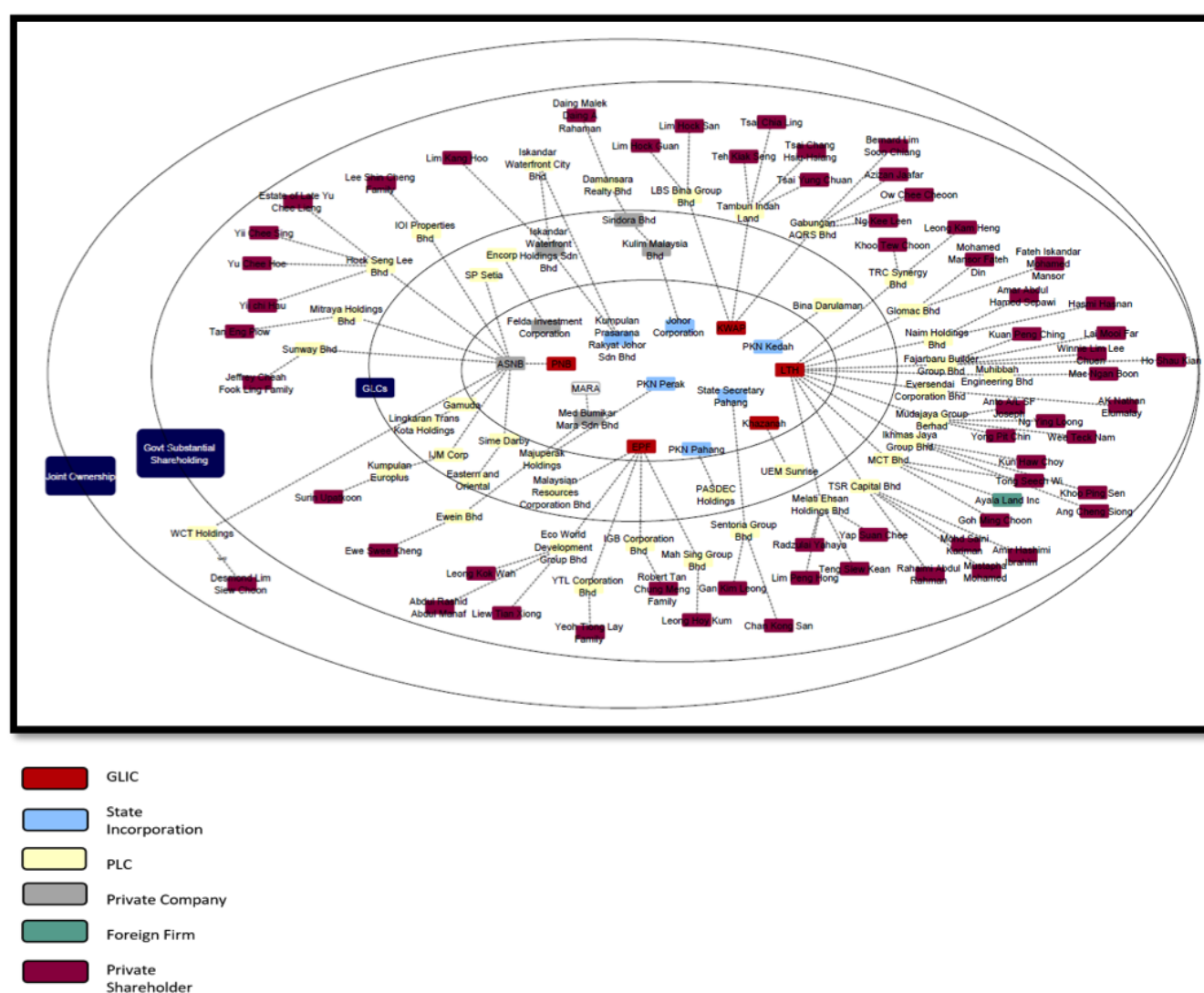
There are politicians in three firms: Glomac, Damansara Realty and Fajarbaru Builder. Glomac and Damansara Realty are controlled by UMNO members, i.e. Fateh Iskandar and Daing A. Malek respectively. Fajarbaru Builder is controlled by an MCA member, Kuan Peng Soon.

Joint Ownership

In this category, interestingly, only one company is listed, the well-connected WCT Holdings. The major shareholder of WCT Holdings is Desmond Lim, a businessman linked to Najib's family. Lim controls WCT Holdings and owns the Pavilion Residences Apartment in Bukit Bintang, in the heart of the city of Kuala Lumpur.²² WCT Holdings was involved in large construction projects such as the F1 Racing Circuit and shopping malls such as the Paradigm Mall in Selangor and Johor.

Collectively, government institutions have a 36.9% interest in WCT Holdings. PNB has a 13.1% stake, EPF has 7.7%, LTH has 9.8% and KWAP has 6.3%. The presence of leading savings-based GLICs as investors with a huge equity interest in a well-connected firm does suggest the propping up of this enterprise

Figure 6: Largest government shareholders in construction & property development companies



²² Units in this building are reportedly owned by Prime Minister Najib (The Sun Daily 13 May 2018)

Table 3: Key actors in construction & property development sector

<i>Actors</i>	<i>GLCs</i>		<i>Substantial Shareholding</i>		<i>Joint Ownership</i>		<i>Total</i>
	MD	Chairman	MD	Chairman	MD	Chairman	
<i>Professionals</i>	10	5	22	14	1	0	52
<i>Politicians</i>	1	2	1	2 (1 ex-politician) ¹	0	0	6
<i>Ex-Bureaucrats</i>	0	4	0	9	0	0	13
<i>Well-connected</i>	0	0	4	2 ²	0	1	7

²³ One additional politician here is Daing Malek (see Malaysiakini 18 July 2014).

²⁴ One additional well-connected individual here Lim Kang Hoo. See Table 3.17 in the Appendix for a profile of Lim.

Plantations

Government intervention in the plantations sector is through two forms, GLCs and substantial shareholding; no company appears in the joint ownership category (see Figure 7). In both these forms, the federal and state governments are present. This trend of federal and state presence through their investment arms is similar to the construction & property development sector, as both are land-based sectors. Unlike companies in banking, plantations-based firms such as Felda Global Ventures (FGV) have numerous politicians on their boards of directors. And, as in the construction & property development, a large number of well-connected businesspeople appear in the plantation sector (see Table 4).

GLCs

Sime Darby and Boustead were key players in the colonial and immediate post-colonial economy. These British-based companies emerged as GLCs following a takeover. In 1976, Pernas, an investment arm of the government, secured control of Sime Darby. Control of Sime Darby was subsequently transferred to PNB after it was incorporated in 1978. Later, in 1981, PNB gained control of Guthrie Corporation through what came to be termed as the 'dawn raid' (Shakila and White 2010). In 2007, following the merger of Guthrie Corp, Golden Hope and Sime Darby, this enlarged enterprise, called Sime Darby, emerged as the largest plantations firm in the world. Boustead was founded in 1828 by Edward Boustead in Singapore. In 1961, Boustead & Co. Ltd was listed on the local stock exchange and became Boustead Holdings Bhd in 1966. Boustead is now controlled by LTAT.²⁵ Sime Darby and Boustead have remained leading enterprises in this sector as well as on the domestic bourse.

One major GLC created and developed by the government is FGV, a product of FELDA. The development of FELDA, as a mechanism to redistribute wealth to landless poor and nurture a thriving plantations-based industry, has been acknowledged as a success story by major international institutions such as the World Bank (see World Bank 1992). However, in the recent past, FGV has been mired in scandals.

The quality of government intervention in this sector varies. While major firms taken over from foreigners have retained their presence in the sector, state-level GLCs do not have a major presence in the sector.

Among the key actors, managerial executives or professionals are the highest in number (see Table 4). Four politicians appear in Table 4. The presence of a politician as the Chairman of FGV is due to the deeply politicised nature of this GLC,²⁶ a factor contributing to its high level of corruption. The Chief Minister of Pahang is listed in one GLC, though he sits on its board of directors as this company is owned by this state government. Two other politicians, Wong See Wah and Abdul Ghani Othman, appear as Chairmen of IJM Plantations and Sime Darby respectively. Other well-connected actors who stand out are Lodin Wok Kamaruddin, the Managing Director of Boustead Holdings and Najib's close ally, and Abdul Hamed Sepawi, the Chairman of Sarawak Plantation, Taib's close associate. The presence of Hamed Sepawi in a Sarawak state GLC indicates the Taib's high level of control of companies in this state."

²⁵ See: <http://www.boustead.com.my/v2/history.html>

²⁶ Felda settlements are estimated to have 1.2 million voters in 54 parliamentary seats. These seats were considered as strongholds of the Barisan Nasional (The Star Online 12 May 2018). The Chairman of FGV, Isa Samad, is the member of parliament for Jempol, a constituency with a large number of FELDA voters (The Star Online 12 April 2018).

Substantial Shareholdings

The federal government has extensive investments in thriving family-owned firms, such as KLK, controlled by Lee Oi Hian and Lee Hau Hian, and IOI Corporation, controlled by Lee Shin Cheng. Both are firms developed by Chinese businessmen and control is retained by the founder or with family members.

However, the state governments of Sarawak, Johor and Pahang stand out with investments in well-connected firms, i.e. Rimbunan Sawit and Sarawak Oil Palms, which are controlled by Tiong Hiew King and Ling Chiong Ho respectively, businessmen linked to Taib, and Astral Asia and PLS Plantations, which are controlled by Lim Kang Hoo and his family. Lim is closely associated with the Johor royal house. The presence of well-connected actors at the state level can be associated with rent-seeking as this is a land-based sector and land matters are under the jurisdiction of state governments. This is most evident among firms linked to Taib, as they have been privy to timber concessions (Straumann, 2014).

One other well-connected firm stands out, Ta Ann, controlled by Hamed Sepawi. EPF has a substantial shareholding in Ta Ann, once again, raising questions about the role of savings-based GLICs in well-connected enterprises.

Figure 7: Largest government shareholders in plantations-based companies

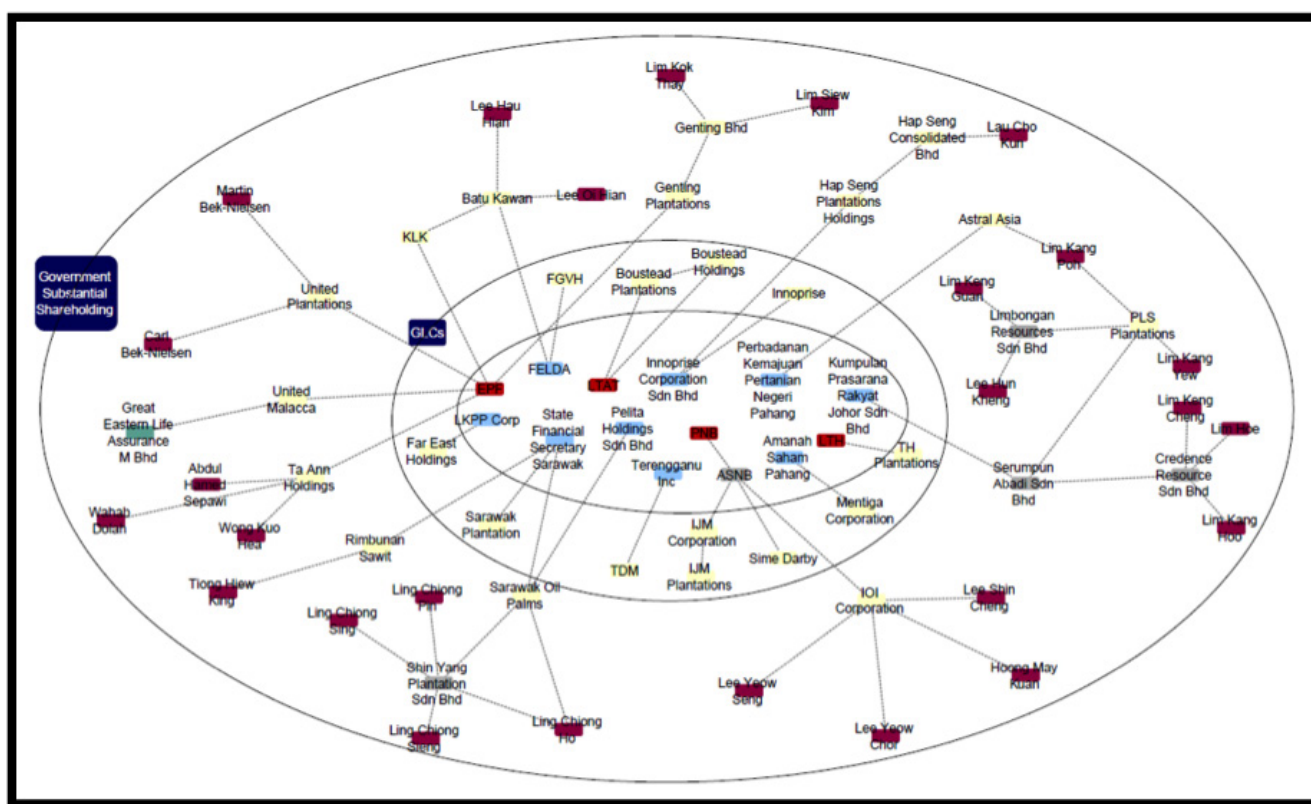


Table 4: Key actors in plantations sector

Actors	GLCs		Substantial Shareholding		Total
	MD	Chairman	MD	Chairman	
<i>Professionals</i>	8	1	10	5	24
<i>Politicians</i>	0	4	0	1 ex-politician	5
<i>Bureaucrats</i>	2 (1 ex-bureaucrat)	5 ex-bureaucrats	0	2 ex-bureaucrats	9
<i>Well-connected</i>	1	1	2	3	7

Oil & Gas

While government intervention in the oil & gas sector occurs in three forms (see Figure 8), the extensive use of joint ownership is noteworthy. Federalisation of the oil & gas sector is evident with no indication of state government intervention. The federal government's control of this sector is through a statutory body, Petronas, and the 1974 Petroleum Development Act, while the importance of oil & gas revenue to national income has been well recorded (see Collier, et al. 2011; Khalid, et al. 2012). Federalisation of oil & gas has been controversial, with state governments challenging the federal government's control of the sector while demanding a greater share of the revenue from this undersoil resource (Free Malaysia Today 8 February 2018).

One other important feature about this sector is that rent-seeking in this area is high (Khan and Jomo 2000). There have been allegations of selective rent distribution in this resource sector to well-connected actors identified in this study. These include Mokhzani Mahathir and Shahril and Shahrman Shamsuddin (sons of Shamsuddin Kadir, a businessman with links to Mahathir) who share ownership of Sapura Kencana, as well as Syed Mokhtar who is a substantial shareholder of Gas Malaysia.

GLCs

GLC presence is not huge in terms of number of enterprises, though not necessarily in terms of market capitalisation. There are only two GLCs in this sector and these firms are involved in upstream and downstream activities.²⁷ While Petronas Gas was incorporated and developed by Petronas, UMW Oil & Gas, was established by UMW Holdings in 2002 and was a core business in the group.²⁸ More recently, it was demerged from its holding company, UMW Holdings, and was reportedly loss-making (The Edge Markets 29 March 2018). PNB gained majority ownership of UMW in the mid-1980s from Eric Chia (Gomez, 2009).

As the oil & gas industry is a strategic sector, internal management of these GLCs are primarily with professionals and ex-bureaucrats; in fact, there are no politicians on the boards of these enterprises (see Table 5). However, key decision control is with the Prime Minister.

Substantial Shareholdings

There are interesting features about the firms in this category. Reach Energy, listed in 2013 as a special purpose acquisition company, is only the second independent oil & gas exploration and production firm listed on the Bursa.²⁹ Reach Energy's primary shareholder, Azmil Khalili, has business links with the well-connected Low Taek Jho, better known as Jho Low, who was deeply implicated in the 1MDB scandal (The Edge Markets 21 June 2018). Azmil Khalili also controls MTD ACPI Engineering, a publicly-listed project management and construction firm that was considered as a vehicle for the backdoor listing of Putrajaya Perdana, a company linked to Jho Low (The Edge Markets 24 October 2016).

Hengyuan Refining Company, formerly known Shell Refining Co, operates a refinery in Port Dickson, in the state of Negri Sembilan. In 2016, a majority stake in the company was sold by Shell Overseas Holding Ltd to China-controlled Malaysia Hengyuan International Ltd, an enterprise involved in the refining and manufacturing of petroleum-related products (The Star Online 31 January 2017; 6 February 2017).

²⁷ Downstream: Petronas Gas (gas processing and utilities and gas transmission and regassification). Upstream: UMW Oil & Gas (drilling and oilfield services), Reach Energy (oil and gas exploration and production), Hengyuan Refining (petroleum refining), Sapura Kencana (upstream services and solutions provider). Dialog Group has upstream, midstream and downstream business activities.

²⁸ See: <http://www.umw.com.my/index.php/homepages/oil-gas/about-oil-gas/>

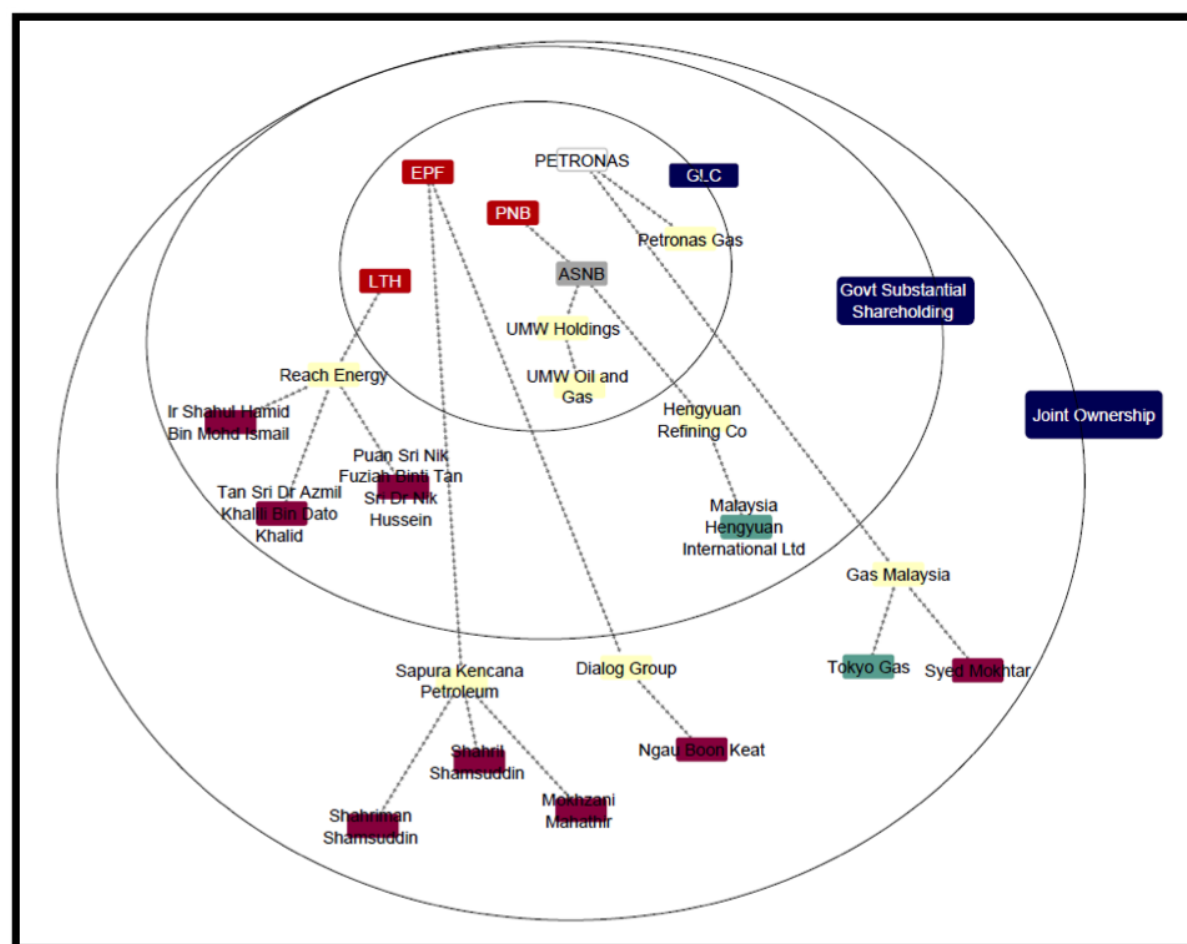
²⁹ See: <http://reachenergy.com.my/history.html>

Joint Ownership

This sector is also interesting due to the presence of three companies in this category, the highest among all sectors. EPF's investments in joint ownership companies in this sector is high, similar to the trend seen in the banking sector. Two of these joint ownership firms are associated with well-connected businesspeople. Syed Mokhtar Albukhary is a substantial shareholder of Gas Malaysia and Shahril Shamsuddin is a substantial shareholder in Sapura Kencana Petroleum.³⁰ Until recently, a substantial equity shareholder of Sapura Kencana Petroleum, now known as Sapura Energy, was Mokhzani Mahathir, the son of Mahathir Mohamad.

In Dialog Group, the Chairman, Ngau Boon Keat, has vast experience in this industry. He was the first Malaysian O&G engineer to join Petronas in 1975, hired by former Minister of Finance Tengku Razaleigh Hamzah who founded this company. Ngau left Petronas in 1980 (New Straits Times 23 November 2014). In 1984, he set up Saga Holdings with three partners, the enterprise that was subsequently renamed Dialog Group.

Figure 8: Largest government shareholders in listed oil & gas firms



³⁰ See Table 3.17 in the Appendix for a profile of these well-connected actors.

Table 5: Key actors in the oil & gas sector

Actors	GLCs		Substantial Shareholding		Joint Ownership		Total
	MD	Chairman	MD	Chairman	MD	Chairman	
<i>Professionals</i>	2	1	2	2	2	3	12
<i>Politicians</i>							0
<i>Ex-Bureaucrats</i>	0	1	0	0	0	0	1
<i>Well-connected</i>	0	0	0	0	1	0	1

Industrial Products

Intervention in the industrial products sector is extensive, though through only two forms, GLCs and substantial shareholding (see Figure 9). While both federal and state government institutions intervene, the latter's extent of intervention is negligible, with only one GLC, Golden Pharos, a low-ranking enterprise on the bourse (see Table 3.1 in the Appendix).

GLCs

The federal level GLCs, MBM Resources, Petronas Chemicals and UMW Holdings, play a crucial role in the economy. MBM Resources stands out given its interest in Malaysia's second car project, Perusahaan Otomobil Kedua Bhd, or Perodua, launched in 1993 to produce small-compact automobiles. Perodua had numerous shareholders when established such as the government-owned firms UMW and PNB Equity Resource Corporation, Japanese enterprises Daihatsu and Mitsui, and a publicly-listed company, MBM Resources. MBM Resources was the lead domestic firm in this new joint venture. Toyota of Japan owned a 51.1% stake in Daihatsu Japan and had an interest in UMW, giving the company a significant interest in the Perodua project (Malaysian Business 1 February 2001). Perodua, unlike the Proton car project, has emerged as a major enterprise with growing capacity to export its products abroad. Although GLCs and Japanese firms jointly owned a stake in the enterprise, the government hardly intervened in the running of the enterprise. While MBM Resources has much say in production, the Japanese have the final decision-making prerogative in key decisions, as the plant's operations are controlled by them.³¹ This project merits review as it draws attention to a collaboration between GLCs and private firms, both domestic and international, to create a thriving automobile enterprise. Presently, its leading shareholders include a leading statutory body, MARA, which has a majority stake in MBM Resources through Med-Bumikar Mara Sdn Bhd (The Star Online 14 April 2018).

Med-Bumikar has an interesting history. In 1962, Koon Yew Yin founded Malayan Engineering Development Sdn Bhd (MED) with Yap Lim Sen and Wong Leong Thean. MED was then involved in the sale of spare parts of motor vehicles to two government agencies, the Drainage and Irrigation Department and Mara Transport Department.

³¹ See Gomez (2011) for an in-depth discussion about the Perodua project.

Bumikar Sdn Bhd was incorporated in 1964 by Mahathir Mohamad, also to engage in the business of selling motor spare parts, bringing it into competition with MED. Subsequently, MED entered into a joint venture with Bumikar and Mara, leading to the creation of MBM.³²

On the other hand, issues of concern arise when reviewing the other GLCs in this sector. UMW and Chemical Company of Malaysia (CCM) were under private (Chinese) ownership. As mentioned, PNB took over UMW from Eric Chia in the mid-1980s, while CCM was under the control of Lim Say Chong, who gained control of the company through a management buy-out (MBO) (The Star Online 24 April 2006). Lim later sold his interests in CCM to PNB (The Star Online 2 July 2004). Scomi Engineering was under the control of Kamaluddin Abdullah, the son of former Prime Minister, Abdullah Ahmad Badawi, and Shah Hakim.³³ In 2012, IJM Corporation, a subsidiary of PNB, became a substantial shareholder of Scomi Engineering.

Among the key actors in these GLCs, professionals figure largely, while there are only two politicians and one well-connected actor, Lodin Wok Kamaruddin, who functions as a Chairman (see Table 6).³⁴ Lodin has been associated with Najib since the 1980s and served on the boards of LTAT, Boustead and IMDB (Gomez et al. 2018: 197-98). The politicians are Muhammad Pehimi Yusof, in Golden Pharos, and Normala Abdul Samad, in CCM. Muhammad Pehimi is the Secretary of Badan Perhubungan UMNO Negeri Terengganu and the state assemblyman for Jertih in Terengganu. Normala Abdul Samad succeeded Mohamed Khaled Nordin, who became Chief Minister of Johor, as member of parliament for Pasir Gudang.

Substantial Shareholdings

There is extensive involvement by the government in this sector, through substantial equity ownership of 25 companies. EPF and LTH have an interest in a large number of companies. EPF has an equity stake in enterprising firms such as Top Glove, controlled by Lim Wee Chai, Kossan Rubber, controlled by Lim Kuang Sia, and Hartalega, controlled by Kuan Kam Hon, all leading glove manufacturers, as well as in a well-connected firm, DRB-Hicom. LTH predominantly invests in Chinese family-owned companies. While this can be viewed as investments by these two savings-based GLICs in prominent enterprises, their substantial equity interests could lead to fears of takeovers. After all, LTH functions like conglomerate with a concerted attempt to create a brand name (Gomez et al. 2018).

Bumiputera-owned firms in the industrial products sector are well-connected. While this suggests that the government has attempted to drive Bumiputera entrepreneurship when industrialising the economy, this has not led to the emergence of enterprises owned by this ethnic group with a prominent presence in this sector. Companies with well-connected shareholders are Sarawak Cable, Cahya Mata Sarawak and DRB-Hicom. Sarawak state has equity interests in firms linked to Taib's family, Sarawak Cable and Cahya Mata Sarawak. Two prominent well-connected individuals, Syed Mokhtar and Mahmud Abu Bekir Taib, are not Chairmen of MD but are shareholders of DRB-Hicom and Cahya Mata Sarawak respectively.

³² For a full account of Mahathir's involvement in Med-Bumikar, recounted by Koon Yew Yin, see Malaysiakini 21 July 2016. See also: <https://www.malaysiakini.com/news/349279>.

³³ In 2000, Kamaluddin and Shah Hakim ventured into Scomi Group which, four years later, expanded its oil & gas business, acquiring Oiltools International Ltd. In 2007, its listed company, Bell & Order Bhd, later known as Scomi Engineering, bought Mtrans, a bus and monorail operator. In 2009, the US State Department imposed sanctions on Shah Hakim after he was accused of supporting Pakistani nuclear scientist Abdul Qadeer Khan. The sanctions were lifted in July 2011. See: <http://www.theedgemarkets.com/article/new-shareholders-surface-scomi-group>; <https://www.thestar.com.my/business/business-news/2010/08/07/scomi-group-from-survival-to-success/>; and <http://www.theedgemarkets.com/article/us-state-dept-lifts-sanctions-shah-hakim>

³⁴ Table 3.17 in the Appendix provides a profile of well-connected actors and politicians.

Companies with well-connected Chairmen are YLI Holdings and Kian Joo Can Factory. Syed Mohd Yusof Tun Syed Nasir is reportedly a business partner of the Sultan of Selangor, while Kian Joo Can Factory's Mah Siew Kwok is related to Gerakan president, Mah Siew Keong (see Table 3.17 in the Appendix).

Figure 9: Largest government shareholders in the industrial products sector

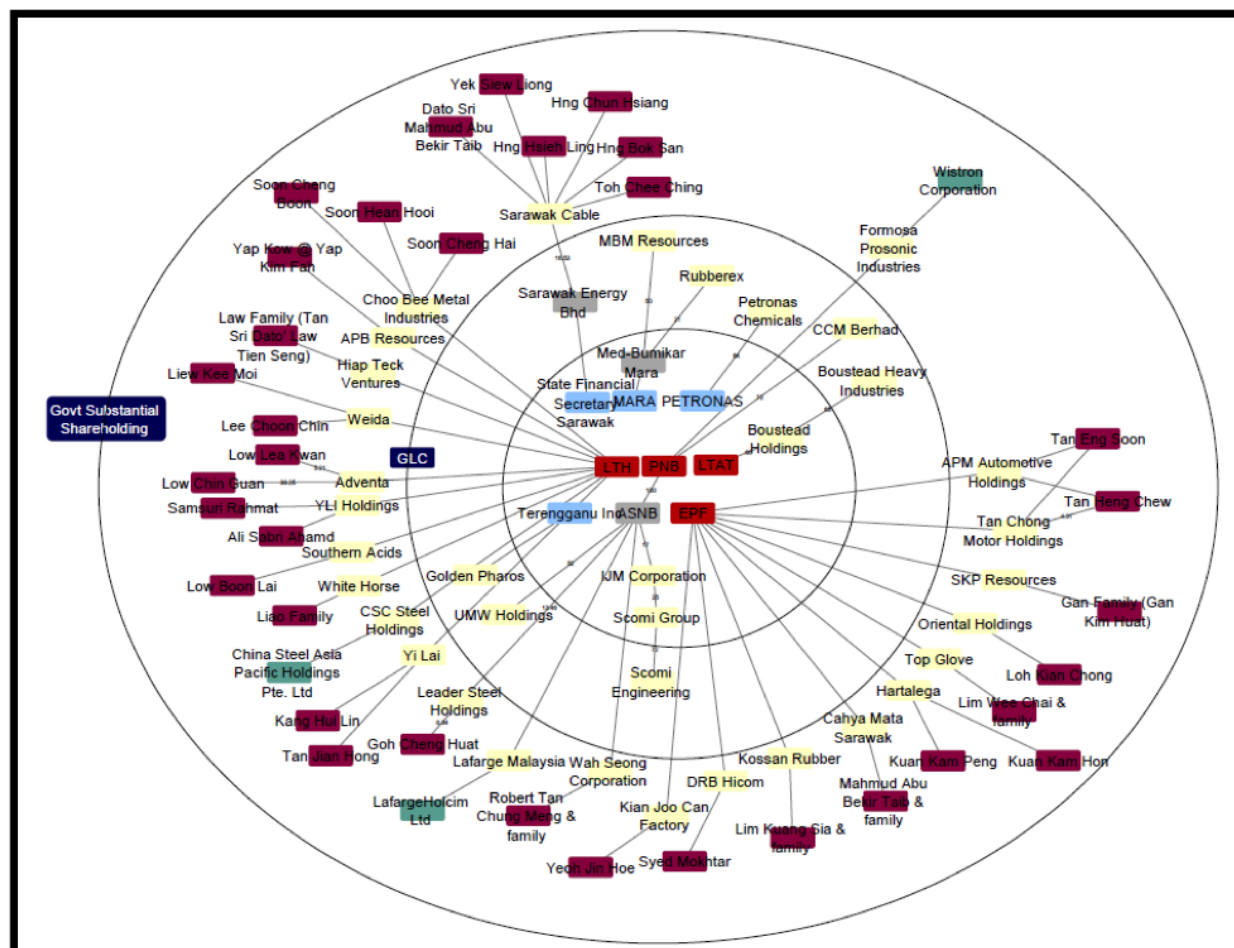


Table 6: Key actors in industrial products sector

<i>Actors</i>	<i>GLCs</i>		<i>Substantial Shareholding</i>		<i>Total</i>
	MD	Chairman	MD	Chairman	
<i>Professionals</i>	7	4	24	16	51
<i>Politicians</i>	0	2	0	0	2
<i>Ex-Bureaucrats</i>	1	1	1	4	7
<i>Well-connected</i>	0	1	0	3 ¹	4

Technology

The government uses all three forms of intervention in the technology sector (see Figure 10). In these forms, intervention is only by the federal government. Although there is a joint ownership company in the technology sector, this enterprise, Globetronics, appears to be an outlier and can be grouped under the substantial shareholdings category.

GLCs

One core issue that emerges in Figure 10 is that there is no state government presence in this sector. This issue raises important questions about the quality and purpose of intervention in the technology sector by state governments. These governments have not used GLCs to drive this sector even though intervention here is crucial as technological innovation and upgrading are key factors for industrial upgrading. Intervention by the Ministry of Science, Technology & Innovation (MOSTI), although extensive, as noted in Part I of this report, has not resulted in the development of companies which are key players in the economy.

However, the Bumiputera agenda, pursued by the government in the technology sector, has contributed to the emergence of one prominent firm, Mesiniaga. This is one of the few GLCs developed by the government. The government continues to share equity ownership, as well as control, with Bumiputera equity owners who have played a key role in developing this enterprise.³⁶

³⁵ Refer to table 3.17 in the Appendix 5 for a profile of these well-connected actors.

³⁶ See: <https://www.mesiniaga.com.my/about-us/history.aspx>

Substantial Shareholdings

There are no well-connected actors and politicians in companies in this category (see Table 7). The government appears to be intervening to drive Bumiputera entrepreneurship. Four substantial shareholding firms were selected for listing by a Bumiputera entrepreneurship development programme, Skim Jejak Jaya Bumiputera, run by two government agencies, Teraju and Ekuinas. These firms were Sedania Innovator, Prestariang, Cypark Resources and Malaysian Genomic Resources Centre (The Edge Markets 23 June 2015). The combined market capitalisation of firms in the Skim Jejak Jaya Bumiputera was RM5.5 billion in 2015, compared to 1.93 billion when first listed.

Through Malaysian Genomic Resources Centre (MGRC), the government attempted to develop a new subsector, biotechnology, through a partnership with a domestic enterprise. In this venture, Khazanah created a partnership with Robert Hercus and his family. Hercus had established Neuramatix Sdn Bhd, an enterprise focusing on the creation of intelligent applications and devices in various domains including bioinformatics, machine translation, robotic movement, robotic speech and semantic technology. Hercus had served as an academic at the Mara Institute of Technology.³⁷

The Managing Director of Prestariang, Abu Hasan Ismail, has a PhD in ICT. He is one of the founding members of Multimedia University. Prestariang works with a foreign firm to bring in French technology to assist in the implementation of the Malaysian government's immigration control system (The Star Online 5 December 2017). Sedania Innovator, controlled by Noor Azrin Mohd Noor, partnered with an energy service company to offer green technology solutions to major telcos in Malaysia (The Edge Markets 12 March 2018).

Joint Ownership

Globetronics in joint ownership, as noted, appears to be an outlier. MTDC, an enterprise under the control of Khazanah, which functions as a venture fund, is a shareholder. While the joint ownership mode of intervention is used by the government in many well-connected firms, this is not the case with Globetronics which can be regarded as a highly entrepreneurial firm.

Globetronics was established in 1991 by two former employees of the multinational enterprise, Intel. The founding members of Globetronics had between them 30 years of experience with Intel. When they established Globetronics, Intel offered them the opportunity to serve as one of its subcontractors. Since the owners of Globetronics had acquired the capacity to use and adapt technology by first being employed by a multinational firm, they have managed to nurture an enterprising firm in this sector.

³⁷ See: <http://www.mgrc.com.my/about-us/mission-and-vision/> and (The Star Online 14 May 2011)

Figure 10: Largest government shareholders in the technology sector

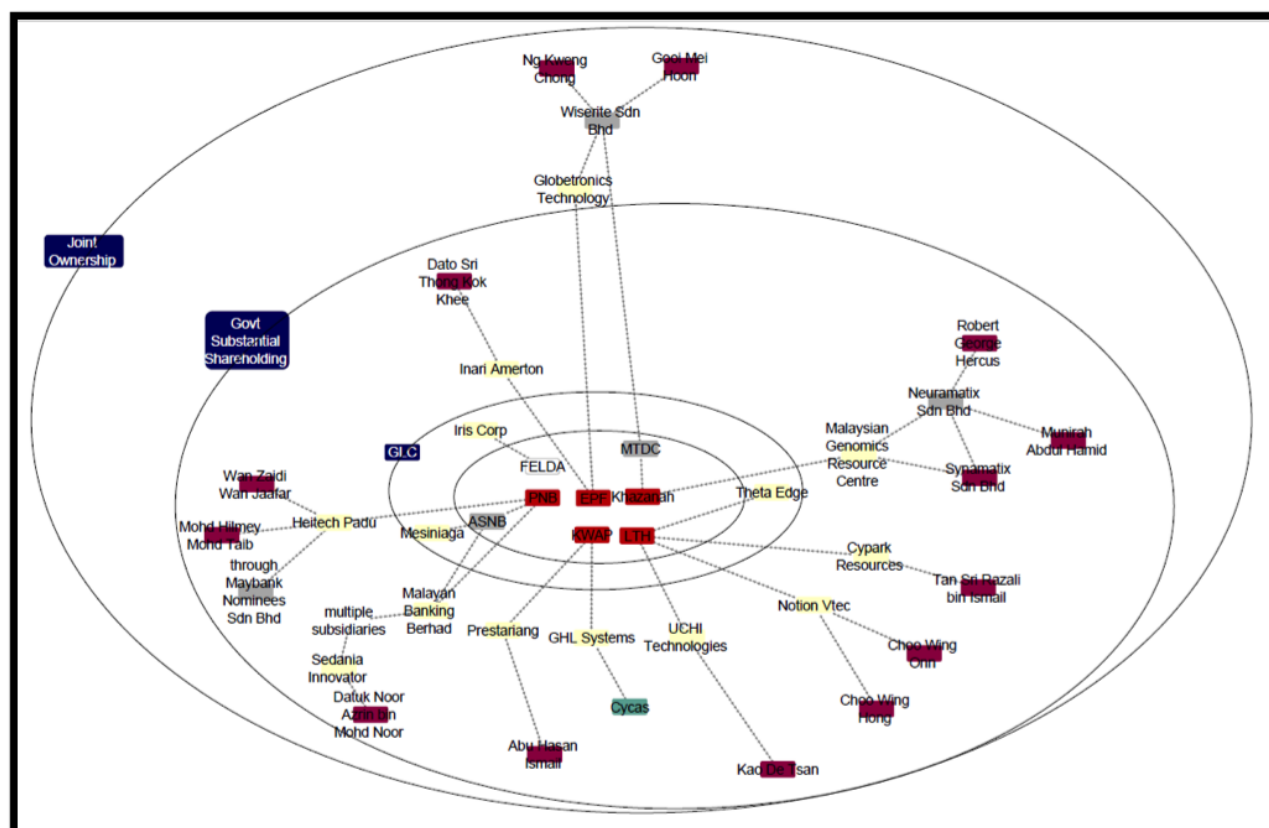


Table 7: Key actors in technology sector

Actors	GLCs		Substantial Shareholding		Joint Ownership		Total
	MD	Chairman	MD	Chairman	MD	Chairman	
Professionals	3	1	9	7	1	1	22
Politicians							0
Ex-Bureaucrats	0	2	0	2	0	0	4
Well-connected							0

Conclusion

In this assessment of different forms of government intervention through publicly-listed firms, the outcomes indicate an extraordinary mix of rent-seeking and progressive intervention to nurture key sectors. The noteworthy outcomes from government intervention since the 1950s include the contribution of FELDA, the attempt to build entrepreneurial firms such as Mesiniaga and the Perodua project.

Crucially too, this interventionist government, though exceptionally autonomous, with control of important commercial and development-based financial institutions, and its promotion of export-oriented industrialisation (EOI) to expose private firms to competition and to encourage R&D to ensure consistent technological upgrading, has not been able to nurture GLCs which drive industrialisation. The minimal presence of GLCs in the industrial products and technology sector reflects badly on the quality of government intervention. And, in spite of intervention in the form of substantial shareholdings and joint ownership, where government institutions have a major equity interest in privately-controlled quoted companies, as well as a coherently structured industrial development plan to foster, through selective patronage, entrepreneurial private firms, there is little evidence that such enterprises have emerged. Even though there is much possibility of avenues to create industrial-financial capital connexions to expedite industrialisation, this has not been effectively implemented.

Another disturbing trend in this assessment of intervention in publicly-listed firms is the government's takeover of privately-owned firms when there was no necessity to do so. The primary objective of an interventionist government is, after all, to nurture privately-owned domestic enterprises that contribute to economic development. The reasons for these takeovers were unclear, particularly those in the construction & property development sector, apart from some evidence that this may have been tied to the issue of the extensive practice of political patronage by UMNO. The distribution of construction-based rents to UMNO members as a method to consolidate support within the party, as well as among Bumiputeras, is a trend that has been well documented. Given the government's practice of taking over private firms, its intervention through substantial shareholdings and joint ownership is an issue of much concern, more so since there is little or no disclosure of this mode of public ownership. Through the methods of GLCs, substantial shareholdings and joint ownership, the government has a major equity interest in 209 companies, nearly a quarter of the firms listed on the Bursa KL.

Meanwhile, the government's ability to execute policies involving patronage favouring Bumiputeras, justified through affirmative action-based policies, such as the BCIC and the BEE, have been abused, undermining the rise of entrepreneurial firms while also contributing to rampant corruption, seen in the case of GLCs related to statutory bodies such as FELDA, MARA and LTH.

However, not all forms of rent distribution have been wasted, though political elites who control federal and state governments clearly have selectively distributed them, a trend noted in Parts 1 and 2 of this report. The rise of firms such as Mesiniaga and MBM Resources suggests that government intervention can contribute to productive industrial outcomes provided clear guidelines are followed.

Protecting property rights is crucial as the government has the capacity to take over privately-owned firms at will. Business owners have little control over their assets which can be appropriated through affirmative action. Moreover, affirmative action in business has contributed to the bypassing of entrepreneurial non-Bumiputera firms, suggesting that targeting has not helped develop a domestic industrial base, bringing into question the viability of policies based on race. Prime Minister Najib was well aware that racial preferences had to be discarded, but lacked the political will to do so. This policy has hampered investment in R&D, contributing to the stalling of entrepreneurial, technological and innovation capacity. To get Malaysia out of the middle income trap it is now in, the government must foster technological upgrading that can enhance productivity and promote enterprise development, also crucial to reduce the country's dependence on foreign companies to industrialise the economy.

Since the government intervenes actively in the economy, the public delivery system is in dire need of reform. Public planning documents³⁸ have acknowledged this need, if the government hopes to conceive and implement policies effectively. Reforms, however, have been limited to professionalising the management of GLCs.³⁹ While the heavily bloated public sector has to be downsized – it has about 1.6 million employees – this restructuring can deeply undermine political support.

³⁸See, for example, the Ninth Malaysia Plan and Government Transformation Programme (GTP).

³⁹This includes trade-based agencies like Malaysian Industrial Development Authority (MIDA), developmental-type institutions such as Malaysia Digital Economy Corporation (MDeC) and the Halal Development Corporation (HDC).

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Appendices

Appendix Introduction

Table 1: Types of Government Institutions

Types of Institutions	Name
Government-Linked Investment Companies (GLICs)	• Khazanah Nasional Bhd • Employees Provident Fund (EPF) • Kumpulan Wang Persaraan (Diperbadankan) (KWAP) • Lembaga Tabung Angkatan Tentera (LTAT) • Lembaga Tabung Haji (LTH) • Permodalan Nasional Bhd (PNB) • Minister of Finance Incorporated (MoF Inc)
Statutory Bodies	• Majlis Amanah Rakyat (MARA) • Lembaga Kemajuan Tanah Persekutuan (FELDA) • Petroliaam Nasional Bhd (Petronas) • Perbadanan PRIMA Malaysia (PRIMA) • Majlis Agama Islam Wilayah Persekutuan (MAIWP) • Iskandar Regional Development Authority (IRDA) • Bank Negara Malaysia (BNM) • Langkawi Development Authority (LADA) • Kedah Regional Development Authority (KEDA) • Terengganu Tengah Development Authority (KETENGAH) • South Kelantan Development Authority (KESEDAR) • Johor Tenggara Development Authority (KEJORA)
Foundations	• Yayasan Ekuiti Nasional • Yayasan Pelaburan Bumiputera
Development Financial Institutions (DFIs)	• Bank Simpanan Nasional • SME Bank • Export-Import (EXIM) Bank • Agro Bank • Bank Pembangunan
Special Purpose Vehicles (SPVs)	• KL International Airport Bhd • Perwaja Terengganu Sdn Bhd • Pengurusan Danaharta Nasional Bhd

Types of Institutions	Name
State Investment Arms	• State Financial Secretary Sarawak • State Secretary Incorporated Penang • Menteri Besar Incorporated Selangor • Kumpulan Prasarana Rakyat Johor Sdn Bhd (wholly-owned by Johor State Secretary Incorporated) • Amanjaya Holdings & Ventures Sdn Bhd (wholly-owned by Perak Menteri Besar Incorporated)
State Economic Development Corporations (SEDCs)	• Selangor State Development Corporation • Penang Development Corporation • Johor State Economic Development Corporation (Johor Corporation)
State Agricultural Development Corporations (SADCs)	• Perak State Agricultural Development Corporation • Selangor State Agricultural Development Corporation
State Education Foundations	• Yayasan Pelajaran Johor • Yayasan Perak • Yayasan Kelantan Darulnaim
State Islamic Council	• Majlis Agama Islam Selangor • Majlis Agama Islam Negeri Johor
Land/Resource Development Corporation	• Sarawak Land Custody and Development Authority • Sabah Rubber Industry Board • Penang Hill Corporation

Appendix Part I

Table I.1: Key Actors in Institutions under the Prime Minister's Department¹

Institutions / GLCs	Decision-Control Maker / Chairman	Other key players / Board of Directors
FELDA ²	Isa Samad (Former Vice President UMNO)	- Abu Bakar Haji Harun (ADUN Chini, UMNO) - Mohd Khusairi Abdul Talib (ADUN Slim Perak, UMNO) - Mohd Isa Abu Kasim (UMNO) - Noor Ehsanuddin Mohd Harun Narrashid (MP Kota Tinggi, UMNO) - Yusof Ismail (Former Deputy Secretary of Government Investment Company Division) - Rahamat Binti Yusoff (Director General of EPU, PMD) - Mohd Suhaili Said (UMNO⁴)
LTH ⁵	Abdul Azeez Abdul Rahim (MP Baling, Kedah)	- Badruddin Amiruldin (Deputy Chairman of UMNO Assembly⁶) - Mohamad Aziz (Deputy Permanent Chairman UMNO⁷) - Rosni Sohar (Selangor State Assembly Woman for Hulu Bernam and member of UMNO Supreme Council⁸) - Irwan Serigar Abdullah (Secretary General of Treasury, MoF) - Othman Mahmood (Senior Deputy Secretary General, PMD) - Shukry Mohd Salleh (Former Principal Private Secretary to PM) - Johan Abdullah (Group Managing Director & CEO of LTH) - Abdul Shukor Husin (Chairman of Fatwa Committee of National Council for Islamic Affairs Malaysia) - Mohamed Apandi Ali (Attorney General, Malaysia)

¹ Only includes the institutions with available data on their board of directors.² FELDA Laporan Tahunan 2016³ <http://www.freemalaysiatoday.com/category/bahasa/2017/02/10/pkr-desak-najib-tukar-ahli-lembaga-pengarah-tabung-haji-felda/>⁴ <http://www.freemalaysiatoday.com/category/bahasa/2017/02/10/pkr-desak-najib-tukar-ahli-lembaga-pengarah-tabung-haji-felda/>⁵ LTH Annual Report 2016⁶ <http://disclosure.bursamalaysia.com/FileAccess/viewHtml?e=16823>⁷ <http://www.malaysia-today.net/2015/05/12/wrong-for-tabung-haji-chairman-to-follow-najibs-advice-to-sell-land-says-ex-judge/>⁸ <http://pru.sinarharian.com.my/calon/1132/rosni-sohar>

Institutions / GLCs	Decision-Control Maker / Chairman	Other key players / Board of Directors
IRDA ⁹	Najib Razak (Prime Minister) Mohamed Khaled Nordin (Chief Minister Johor)	• Ali Hamsa (Secretary General Malaysia) • Irwan Serigar Abdullah (Secretary General of Treasury, MoF) • Rahamat Binti Yusoff (Director General of EPU, PMD) • Ismail Karim (Johor State Secretary) • Mohd Nasir Abd Salam (Johor State Finance Officer) • Salehuddin Hassan (General Director, Johor State EPU) • Nor Mohamed Yakcop (Deputy Chairman, Khazanah Nasional) • Liew Kee Sin (Chairman of Eco World Development Group) • Ismail Ibrahim (CEO/Secretary)
PRIMA ¹⁰	Alies Anor Abdul (Chairman of Putra World Trade Centre and Najib's top party strategist¹¹)	• Abdul Mutalib Alias (CEO of PRIMA, former special officer to Shaziman Abu Mansor, Works Minister) • Rahamat Bivi Yusoff (Director General of EPU, PMD) • Sharifah Zarah Syed Ahmad (Former Secretary General, Ministry of Communication) • Mohammed Shazalli Ramly (CEO of TM, previously CEO Celcom Axiata) • Tengku Zafrul Tengku Abdul Aziz (CEO, CIMB Group Holdings) • Kamalul Arifin Othman (CEO, Pelaburan Hartanah Bhd) • Sallehuddin Ishak (Director General of Federal Lands & Mines) • Ibrahim Md Yusof (Deputy Chairman of Perbadanan Wakaf Selangor, MAIS, Chairman of MAIS Zakat Sdn Bhd) • Mastura Mohd Yazid (MP Kuala Kangsar, UMNO) • Yusof Ismail (Secretary Strategic Investment Division, MoF) • Muhammad Ammir Haron (Director Research Division, PMD)

⁹ IRDA Annual Report 2016

¹⁰ PRIMA Annual Report 2016

¹¹ The Malaysian Reserve 3 April 2017

Institutions / GLCs	Decision-Control Maker / Chairman	Other key players / Board of Directors
EKUINAS ¹²	Raja Arshad Raja Uda (Chairman of Maxis, Director of Khazanah Nasional)	- Syed Yasif Arafat (CEO, EKUINAS) - Mohamed Jawhar Hassan (Non-Executive Chairman of NST Press, Independent Non-Executive Director of Media Prima, Board of Affin Bank) - Ali Abdul Kadir (Chairman, Jobstreet Corporation and Board Member of Labuan Financial Services Authority, Glomac and Citibank) - Mohamed Azman Yahya (Founder and Group Chief Executive of Symphony House, Board of Khazanah Nasional)
MAIWP ¹³	Jamil Khir Baharom	- Othman Mustapha (Director General, JAKIM) - Othman Mahmood (Deputy Right Secretary General, PMD) - Mohamed Apandi Ali (Attorney General, Malaysia) - Tajudin Md Isa¹⁵(Deputy Director Investigation, Commercial Criminal Investigation Department, PDRM) - Abdul Hamid Mohd Ali¹⁶(Deputy Head Police KL) - Zulkifli Mohamad al-Bakri (Mufti Wilayah Persekutuan) - Mhd Amin Nordin Abd. Aziz (KL Mayor) - Rozman Isli (MP Labuan, UMNO) - Ghazali Abdul Rahman (Advisor Syariah Law, Attorney General's Chambers of Malaysia) - Abd Aziz @ Aziz Che Jacob (Islamic Officer, Istana Negara) - Sudin Haron (CEO, Yayasan Wakaf Malaysia) - Zukri Samat (Managing Director, Bank Islam Malaysia)

¹² EKUINAS Official Website, <http://www.ekuinass.com.my/leadership/>

¹³ MAIWP Annual Report 2016

¹⁵ Until 31 July 2016 (MAIWP Annual Report 2016).

¹⁶ Appointed on 1 August 2016 (MAIWP Annual Report 2016).

Institutions / GLCs	Decision-Control Maker / Chairman	Other key players / Board of Directors
		• Wan Mohamad Abd Aziz (previously Director General of JAKIM) • Rizuan Abd Hamid (Head of Kepong, UMNO) • Wan Asiah Ahmad (ex-politician, Sabah, UMNO) • Jamela Mohd Syed (Accountant General's Department, Malaysia)
PETRONAS ¹⁷	Mohd Sidek Hassan (Former Chief Secretary to the government)	• Irwan Serigar Abdullah (Secretary General of Treasury, MoF) • Muhammad Ibrahim (Governor, Central Bank) • Zarinah Anwar (Director, PEMANDU and Chairman, Malaysia Debt Ventures Berhad) • Hassanell Haji Mohd Tahir (Permanent Secretary to MoF, Sabah) • Amar Mohamad Morshidi Abdul Ghani (Sarawak State Secretary) • Wan Zulkiflee Wan Ariffin (President and CEO of PETRONAS) • Amirsham Abdul Aziz (Chairman, Bursa Malaysia) • Mohd Omar Mustapha (Strategy Consultant, Ethos & Mckinsey) • Sharifah Sofianny Syed Hussain (Former Head of Institutional Equities, Maybank Investment Bhd)

¹⁷ (PETRONAS Annual Report 2016)

Table 1.2: Key Actors in Institutions under Ministry of Finance (MoF)

Institutions / GLCs	Decision-Control Maker / Chairman	Other key players / Board of Directors
Employees Provident Fund, EPF (1991) ¹⁸	Samsudin Osman (Former President of Putrajaya Corporation)	- Siti Zauyah Md Desa (Deputy Secretary General (Policy), MoF) - Mohamad Zabidi Zainal (General Director, Jabatan Perkhidmatan Awam) - Adenan Ab. Rahman (Secretary General, MOHR) - Abdul Halim Mansor (President, Malaysian Trade Union Congress) - Sukarti Wakiman (Sabah State Secretary) - Amar Mohamad Morshidi Abdul Ghani (Sarawak State Secretary) - Catharine Jikunan (Secretary, Malaysian Trade Union Congress, Sabah) - Hadiha Leen (Malaysian Trades Union Congress, Sarawak) - Abang Abdul Karim (Non-Executive Director of Ta Ann Holdings, Board of Amanah Saham Sarawak, Chairman of Brooke Dockyard and Engineering Works Corporation) - Shahril Risdza Ridzuan (Board of Media Prima, Malaysia Building Society, Pengurusan Danaharta Nasional and Malaysian Resources Corporation and CEO, KWSP) - Lim Wee Chai (President, Federation Malaysian Manufacturers (FMM)) - Azman Shah Haron (President, Malaysian Employers Federation) - Mohd Hasnol Ayub (President, Sabah Bumiputera Chamber of Commerce)
KWAP ¹⁹	Irwan Serigar Abdullah (Secretary General of Treasury, MoF)	- Siti Zauyah MD Desa (Deputy Secretart General (Policy), MoF) - Siti Zainab Omar (Head of Advisory Division, Attorney General's Chambers) - Adnan Zaylani (Assistant Governor of BNM) - Azmi Abdullah (Board of Bank Muamalat, Transnational Insurance Brokers, ECS Solution, UKM Holding Sdn Bhd)

¹⁸ Laporan Tahunan 2016 Lembaga Wang Kumpulan Simpanan Pekerja¹⁹ KWAP Annual Report 2016

Institutions / GLCs	Decision-Control Maker / Chairman	Other key players / Board of Directors
		• Muhammad Ibrahim (Bank Negara Governor) • Siow Kim Lun (Board of Citibank, UMW Holdings, Sunway Construction Group, Eita Resources, Hong Leong Assurance, Eco World International) • Gan Wee Beng (Board of PIDM, Advisor of CIMB Group, 2012-2015) • Wan Kamaruzaman Wan Ahmad (CEO, KWAP)
Khazanah Nasional Bhd ²⁰	Najib Razak (Prime Minister of Malaysia)	• Nor Mohamed Yakcop (Deputy Chairman, Khazanah Nasional) • Johari Abdul Ghani (Minister of Finance II) • Mohd Irwan Serigar Abdullah (Secretary General of Treasury, MoF) • Mohamed Azman Yahya (Founder and Group Chief Executive of Symphony House) • Raja Arshad Raja Tun Uda (Chairman of Maxis, Ekuinas and Yayasan Raja Muda Selangor) • Andrew Sheng Len Tao (Chief Adviser to China Banking Regulatory Commission) • Nazir Abdul Razak (Chairman of CIMB Group Holdings) • Mohammed Azlan Hashim (Chairman and Board member of several public listed companies and government-related organisations) • Azman Mokhtar (Managing Director, Khazanah Nasional)
LADA ²¹	Johari Abdul Gani (Minister of Finance II) Ahmad Bashah Md Hanipah (Chief Minister Kedah)	• Isa Hussain (Deputy Secretary General, Treasury (Investment)) • Khalid bin Ramli (CEO, LADA) • Nor Saidi Nanyan (ADUN Kedah, BN²²) • Noh Dahya (Director of Lands and Mines Department, Kedah)
MoF Inc	Najib Razak (Finance Minister)	• No board of directors

²⁰ Khazanah Nasional Annual Report 2016

²¹ LADA Annual Report 2016

²² <https://www.lada.gov.my/index.php/en/archived/itemlist/category/35-new-2016?style=red>

Table 1.3: Key Actors in Institutions under Ministry of Rural and Regional Development (MRRD)

Institutions / GLCs	Decision-Control Maker / Chairman	Other key players / Board of Directors
FELCRA Bhd ²³	Bung Moktar Haji Radin (UMNO MP for Kinabatangan)	- Abdul Manan Ismail (MP Paya Besar, Pahang, UMNO) - Ismail Kasim (MP Arau, Perlis, UMNO) - Baharum Haji Mohamed (Former MP for Sekijang, Johor) - Hasbi Habibollah (MP Limbang, Sarawak) - Mohd Isa Hussain (Deputy Under Secretary of Investment, MoF) - Borhan Dolah (Sabah State Secretary) - Zulkarnain Md Eusope (CEO, FELCRA)
MARA ²⁴	Annuar Musa (UMNO MP for Ketereh)	- Ibrahim Ahmad (Director General, MARA) - Mohd Arif Ab Rahman (Secretary General, MRRD) - Nik Azman Nik Abdul Majid (Deputy Director General (Dasar) EPU, PMD) - Siti Zauyah Md Desa (Deputy Secretary General (Policy), MoF) - Yusof Yacob (MP Sipitang, BN) - Johan Abd Aziz (UMNO Assemblyman, Semenyih) - Musa Sheikh Fadzir (UMNO Chief, Bukit Mertajam)
RISDA Holdings ²⁵	Zahidi Zainul Abidin (RISDA Chairman & UMNO MP for Padang Besar, Perlis)	- Azmi Che Husain (UMNO ADUN Bayu Kedah) - Sham Mat Sahat (UMNO ADUN Alor Pongsu, Perak) - Wan Mohamad Zuki (General Director, RISDA) - Mohamad Izat Hasan (Former General Director RISDA)
KETENGAH Holdings ²⁶	Din Adam (UMNO Chief Dungun Division ²⁷)	- Omar Ismail (KETENGAH, General Manager) - Tengku Ahmad Nadzri Tengku Musa (Deputy General Manager (Operation), KETENGAH) - Wan Nawawi Wan Ismail (Terengganu State Secretary)

²³ FELCRA Bhd Official Website, <https://www.felcra.com.my/en/official-portal-felcra-Bhd/lembagapengarah/>, 29 September 2017

²⁴ MARA Annual Report 2016

²⁵ RISDA Holdings Official Website, <http://risdaholdings.com.my/v3/lembaga-pengarah/>

²⁶ KETENGAH Official Website, <https://ketengahholding.com.my/info-korporat/ahli-lembaga-pengarah>

²⁷ <http://www.utusan.com.my/berita/politik/din-adam-masih-diberi-kepercayaan-1.700082>

Institutions / GLCs	Decision-Control Maker / Chairman	Other key players / Board of Directors
KEDA ²⁸	Ahmad Bashah Md Hanipah (UMNO Chief Minister Kedah)	- Abdullah Hasnan Kamaruddin (UMNO Chief Division Kuala Kedah, Kedah) - Mohamad Razali Ismail (EPU, PMD) - Azizan Mohd Sidin (MRRD) - Ab Rahman Mat (MoF) - Haji Bakar Din (Kedah State Secretary) - Md Zuki Siru (Land Office, Kedah) - Arifuddin Habib (General Manager of KEDA)
KESEDAR ³⁰	Abdul Aziz Derashid (UMNO ADUN Kuala Balah)	- Norzula Mat Diah (Deputy Chairman & UMNO ADUN Paloh) - Che Abdullah Mat Nawawi (PAS ADUN Wakaf Bharu, Kelantan) - Nazran Muhammad (Director Land and Mining, Kelantan) - Mohamad Saufi Haji Deraman (Board of FAMA) - Fazam Mat Lazim (General Manager of KESEDAR)
Sinergi Perdana Sdn Bhd ³¹	Ibrahim Muhamad (former Secretary General of MRRD)	- Noor Ezzuddin Ghazali Azmi (Secretary of Technical Division of MRRD) - Zulkarnain Md Eusope (CEO, FELCRA Bhd) - Khairil Anuar Aziz (Executive Director of MSM Malaysia Holdings Berhad)

²⁸ Laporan Tahunan KEDA 2016

²⁹ <https://www.bharian.com.my/node/234667>

³⁰ KESEDAR Official website, <http://www.kesedar.gov.my/lembaga-pengarah-kesedar>, 29 September 2017

³¹ Sinergi Perdana Website, <http://sinerigiperdana.com.my/about-us/board-of-directors/>, 29 September 2017

Appendix Part 2

Table 2.1: List of Select State Institutions and Their Year of Formation³²

State Institution	Years
Selangor	
Menteri Besar Selangor Incorporated (MBI)	1994
Selangor State Development Corporation (PKNS)	1964
Selangor Agricultural Development Corporation (PKPS)	1972
Selangor Housing and Land Board (LPHS)	2001
Penang	
Chief Minister of Penang Incorporated (CMI)	2009
Penang State Secretary Incorporated (SSI)	1988
Penang Development Corporation (PDC)	1969
Penang Hill Corporation (PHC)*	2009
Kelantan	
Kelantan Menteri Besar Incorporated (MBI)	1950
Kelantan State Economic Development Corporation (PKINK)	1966
Kelantan Darulnaim Foundation (YKD)	1981
Kelantan Islamic Foundation (YIK)*	1982
Ladang Rakyat Development Corporation (Ladang Rakyat)	2006
Perak	
Menteri Besar Perak Incorporated (MBI)	1951
Perak State Development Corporation (PKNPK)	1967
Perak State Agricultural Development Corporation (PPNPK)	1973
Perak Foundation (YP)	1979
Perak Water Board (LAP)	1988
Johor	
State Secretary Johor Incorporated (SSI)	1953
Johor Corporation (JCORP)	1968
Johor Islamic Corporation (PIJ)	1976
Johor Education Foundation (YPJ)	1982
Johor Biotechnology and Biodiversity Corporation (J-Biotech)	2006

* This institution does not own GLCs

Source: 2015 Auditor-General's Report and respective state institution enactment

³² State institutions included here are those that actively own GLCs and have been reviewed in the report. State Islamic Religious Councils are excluded although some of them do own companies.

Table 2.2: Directors of Some GLCs

Selangor	
Kumpulan Darul Ehsan Bhd	
Azmin Ali	Politician
Amin Ahya	Bureaucrat
Noordin Sulaiman	Bureaucrat
Raja Idris Kamarudin	Professional
Suhaimi Kamaralzaman	Professional
Raja Shahreen Othman	Professional
Soffan Affendi	Professional
Permodalan Negeri Selangor Bhd	
Azmin Ali	Politician
Noordin Sulaiman	Bureaucrat
Raja Shahreen Othman	Professional
Soffan Affendi	Professional
Ahmad Omar	Bureaucrat
Kumpulan Perangsang Selangor Bhd	
Raja Idris Kamarudin	Professional
Mustaffa Kamil Ayub	Professional
Suhaimi Kamaralzaman	Professional
Kamarul Baharin Abbas	Politician
Sivarasa Rasiah	Politician
Mohamed Ariffin Aton	Professional
Rosely @ Ross Din	Professional
Idris Tahir	Professional
Raja Shahreen Othman	Professional
Penang	
PBA Holdings Bhd	
Lim Guan Eng	Politician
Rashid Hasnon	Politician
P. Ramasamy Palanisamy	Politician
Farizan Darus	Bureaucrat
Sarul Bahiyah Abu	Bureaucrat
Abdul Malik Abul Kassim	Politician

Lim Hock Seng	Politician
Phee Boon Poh	Politician
Chow Kon Yeow	Politician
Agatha Foo Tet Sin	Professional
Kuvenaraju Pachappen	Professional
Nazir Ariff Mushir Ariff	Professional
Mary Geraldine Phipps	Professional
Brian Tan Guan Hooi	Professional
Jaseni Maidinsa	Professional
PIHH Development Sdn Bhd	
Syed Omar Syed Mohamad	Academic
Mansor Othman	Politician
Salleh Man	Politician
Abdul Malik Kassim	Politician
Mohamad Sabu	Politician
Rosli Jaafar	Bureaucrat
Zairil Khir Johari	Politician
Kelantan	
Permodalan Kelantan Berhad	
Izani Husin	Politician
Wan Zawawi Wan Ismail	Bureaucrat
Ahmad Marzuk Shaary	Politician
Zainuddin Awang Hamat	Politician
Mazli Zakuan Mohd Noor	Bureaucrat
Mohd Yassin Yusof	Politician
Aznam Mohamed	Professional
Wan Nadzree Jaafar	Professional
Md Hilmi Mohd Noor	Bureaucrat
Kumpulan Perlindungan PKINK Bhd	
Mohd Amar Abdullah	Politician
Wan Zawawi Wan Ismail	Bureaucrat
Che Abdullah Mat Nawi	Politician
Md Yusnan Yusof	Politician
Mohamad Awang	Politician
Zulkifli Mamat	Politician
Hassan Fikri Mohamad	Bureaucrat

Kumpulan Pertanian Kelantan Bhd

Abdul Aziz Kadir	Politician
Mat Rasid Mat Jaais	Politician
Karim @ Mohd Khairi Yusof	Bureaucrat
Che Abdullah Mat Naw	Politician
Wan Zawawi Wan Ismail	Bureaucrat
Nordin Mat Hassan	Bureaucrat
Suratan Kamarudin	Bureaucrat
Wan Abu Bakar Mahussin	Politician
Ab Aziz Yunus	Bureaucrat

Binaraya PKINK Sdn Bhd

Zakaria Yaacob	Politician
Nazran Muhammad	Bureaucrat
Wan Zawawi Wan Ismail	Bureaucrat
Abdul Halim Abdul Rahman	Politician
Abd Rahman Yunus	Politician
Asri Sulaiman	Bureaucrat
Rohani Ibrahim	Politician
Wan Roslan Wan Hamat	Politician
Hadzori Umar	Professional

Perak

Amanjaya Holdings & Ventures Sdn Bhd

Aminudin Zaki Hashim	Professional
Siti Kamesah Hashim	Professional

Perak Corporation Berhad

Nasarudin Hashim	Politician
Aminuddin Desa	Professional
Ab Rahman Mohammed	Professional
Abd Karim Tarmizi	Professional
Wan Hashimi Albakri	Professional
Wan Noorashikin Noordin	Politician
Vasan Sinnadurai	Professional

Perak Agro Corporation Sdn Bhd

Abd Ghani Ismail	Bureaucrat
Ahmad Rizal Rahman	Bureaucrat
Mastura Abu Hassan	Bureaucrat

Majuperak Holdings Berhad	
Megat Najmudin Khas	Professional
Mustapha Mohamed	Professional
Raja Ahmad Zainuddin	Ex-Politician
Mohd Khusairi Talib	Politician
Aminuddin Desa	Professional
Mohd Azmi Othman	Professional
Mohd Azhar Jamaluddin	Politician
Rustam Apandi Jamaludin*	Professional
Mahdi Morad*	Bureaucrat
Johor	
KPJ Healthcare Bhd	
Kamaruzzaman Abu Kassim	Professional
Amiruddin Abdul Satar	Professional
Aminudin Dawam	Professional
Siti Sadijah Sheikh Bakir	Professional
Zainah Mustafa	Professional
Zulkifli Ibrahim	Professional
Azzat Kamaludin	Professional
Yong Fook Ngian	Professional
Ahamad Mohamed	Professional
Kok Chin Leong	Professional
Azizi Omar	Professional
Kulim (M) Bhd	
Arshad Ayub	Ex-Bureaucrat
Radzuan Rahman	Professional
Haron Siraj	Ex-Bureaucrat
Siti Sadijah Sheikh Bakir	Professional
Ahamad Mohamed	Professional
Zulkifli Ibrahim	Professional
Abdul Rahman Sulaiman	Professional
Jamaludin Ali	Professional
Kamaruzzaman Abu Kassim	Professional
Leong Kok Keong	Professional

* Director appointed in 2017

Source: 2016 Company Annual Reports

Kumpulan Prasarana Rakyat Johor Sdn Bhd

Khaled Nordin	Politician
Jais Sarday	Politician
Azmi Rohani	Bureaucrat
Salehuddin Hassan	Bureaucrat
Izaddeen Daud	Professional
Marsan Kassim	Bureaucrat
Abd Razak Yusoff	Professional

PIJ Holdings Sdn Bhd

Khaled Nordin	Politician
Obet Tawil	Bureaucrat
Rozan Sa'at	Bureaucrat
A Rahim Nin	Bureaucrat
Ishak Sahari	Bureaucrat
Zulkiflee Abbas	Professional
Azmi Rohani	Bureaucrat
Ismail Mohamed	Politician

YPJ Holdings Sdn Bhd

Khaled Nordin	Politician
Elias Hasran	Bureaucrat
Ab Han Ramin	Bureaucrat
A Rahim Nin	Bureaucrat
Ishak Sahari	Bureaucrat
Salehuddin Hassan	Bureaucrat
Azmi Rohani	Bureaucrat
Ayub Rahmat	Politician

J-Biotech Holdings Sdn Bhd

Khaled Nordin	Politician
Syed Sis A Rahman	Politician
A Rahim Nin	Bureaucrat
Ishak Sahari	Bureaucrat
Asman Shah Abd Rahman	Bureaucrat
Azmi Rohani	Bureaucrat
Ayub Rahmat	Politician
Sahrihan Jani	Politician

Appendix Part 3

Table 3.1: Breakdown of shareholding in listed GLCs

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
1	Malayan Banking Bhd	69.83	69.83	PNB via ASNB (39.86) EPF (15.11) PNB (6.46) KWAP (4.94) FELDA (1.39) Valuecap Sdn Bhd (1.32) LTAT (0.43) Khazanah via Yayasan Hasanah (0.32)	NIL	Nil	NONE	Banking: Commercial banking, investment banking, Islamic banking, offshore banking, leasing and hire purchase, insurance, factoring, trustee services, asset management, stock broking, nominee services, venture capital and Internet banking
2	Tenaga Nasional Bhd	56.19	56.19	Khazanah (28.26) EPF (15.49) PNB via ASNB (9.46) KWAP (1.49) PNB (0.77) LTH (0.72)	NIL	Nil	NONE	Utility: Electricity utility
3	Petronas Chemicals Group	81.87	81.87	MoF Inc. via Petroliaam Nasional Bhd (64.35) EPF (9.95) PNB via ASNB (4.32) KWAP (3.06) PNB (0.19)	NIL	Nil	NONE	Industrial Product: Integrated chemicals producer

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
5	Sime Darby	72.65	72.65	PNB via ASNB (47.93) EPF (10.68) PNB (6.24) KWAP (3.63) LTH (2.60) FELDA (1.14) Khazanah via Yayasan Hasanah (0.43)	NIL	Nil	NONE	Plantation: Plantation, Industrial Equipment, Motors, Property and Logistics
6	IHH Healthcare Bhd	56.16	56.16	Khazanah via Pulau Memutik Ventures Sdn Bhd (41.12) EPF (10.14) PNB via ASNB (3.53) KWAP (1.00) PNB (0.37)	NIL	Nil	Mitsui & Co., Ltd (18.04)	Healthcare: Integrated healthcare service
8	Axiata Group Bhd	71.39	71.39	Khazanah (36.61) EPF (15.23) PNB via ASNB (11.94) KWAP (3.48) LTH (2.6) PNB (1.53)	NIL	Nil	NONE	Utility: Telecommunications groups

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
9	Petronas Gas Bhd	84.68	84.68	MoF Inc. via Petroliam Nasional Bhd (60.66) EPF (10.13) PNB via ASNB (7.87) KWAP (5.46) PNB (0.35) Pertubuhan Keselamatan Sosial (0.21)	NIL	Nil	NONE	Oil and gas: Leading gas infrastructure and utilities company with core businesses in Gas Processing and Utilities (GPU) and Gas Transmission and Regasification (GTR)
10	CIMB	56.94	56.94	Khazanah (29.34) EPF (13.38) PNB via ASNB (9.36) KWAP (4.55) LTAT (0.31)	NIL	Nil	NONE	Banking: Commercial banking
12	MISC	85.73	83.08	MoF Inc. via Petroliam Nasional Bhd (62.67) PNB via ASNB (8.44) EPF (6.32) FELDA (2.09) LTH (1.59) KWAP (1.40) PNB (0.35) MoF Inc. via Jaminan Pinjaman Kerajaan Persekutuan (0.22)	2.65	Penang Development Corporation (1.14) State Financial Secretary Sarawak (1.51)	NONE	Trading and services: Leading provider of international energy related maritime solutions and services

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
18	Petronas Dagangan	86.58	86.00	MoF Inc. via Petroliam Nasional Bhd (69.88) PNB via ASNB (10) EPF (3.84) KWAP (1.33) PNB (0.72) Pertubuhan Keselamatan Sosial (0.23)	0.58	Setiausaha Kerajaan Pulau Pinang (0.20) State Financial Secretary Sarawak (0.20) State Secretary Kedah (0.18)	NONE	Trading and services: Marketing arm of PETRONAS. (retailer and marketer of downstream oil and gas products)
19	Telekom	68.51	68.51	Khazanah (26.21) PNB via ASNB (20.50) EPF (16.00) KWAP (4.10) PNB (1.20) Pertubuhan Keselamatan Sosial (0.50)	NIL	Nil	NONE	Utility: Communication services and solutions in broadband, data and fixed-line.
21	RHB Bank Bhd	54.80	54.80	EPF (40.71) PNB via ASNB (9.41) KWAP (3.94) Khazanah via Yayasan Hasanah (0.52) PNB (0.22)	NIL	Nil	Ong Family through OSK Holdings (10.13)	Banking: Integrated financial service group
31	Gamuda Bhd	39.74	39.74	PNB via ASNB (13.29) EPF (11.73) KWAP (6.99) LTH (5.44) PNB (2.29)	NIL	Nil	NONE	Construction and property development: Engineering & construction, property development and infrastructure concessions

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
32	IJM Corporation Bhd	41.35	41.35	PNB via ASNB (17.34) EPF (13.4) LTH (5.22) KWAP (2.57) PNB (2.12) KHAZANAH via Yayasan Hasanah (0.70)	NIL	Nil	NONE	Construction and property development: Construction, property development, manufacturing and quarrying, infrastructure concessions and plantations
33	Malaysia Airports Holdings	64.14	63.78	Khazanah (36.71) PNB via ASNB (13.05) EPF (11.31) PNB (1.98) LTAT (0.73)	0.36	Setiausaha Kerajaan Pulau Pinang (0.36)	NONE	Trading and services: Operating and managing airports
36	SP Setia	74.58	74.58	PNB (27.98) PNB via ASNB (27.83) KWAP (10.31) EPF (5.62) LTH (2.84)	NIL	Nil	NONE	Construction and property development: Property development, construction & infrastructure, wood-based manufacturing & trading
45	BIMB	85.92	83.00	LTH (53.12) EPF (12.14) PNB (5.73) KWAP (5.46) PNB via ASNB (5.45) Valuecap Sdn Bhd (0.48) Majlis Amanah Rakyat (0.34) National Trust Fund (0.28)	2.92	Majlis Ugama Islam Sabah (1.19) Amin Baitulmal Johor (0.51) Majlis Ugama Islam dan Adat Resam Melayu Pahang (0.35) Majlis Agama Islam Negeri Pulau Pinang (0.34)	NONE	Banking: Islamic banking

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
						Majlis Agama Islam dan Adat Istiadat Melayu Kelantan (0.28) Majlis Agama Islam Selangor (0.25)		
51	Felda Global Ventures	62.59	52.32	FELDA (21.25) FELDA via Felda Asset Holdings Company Sdn Bhd (12.42) LTH (7.87) KWAP (7.23) PNB via ASNB (1.47) LTAT (0.98) EPF (0.71) Pertubuhan Keselamatan Sosial (0.39)	10.27	Kerajaan Negeri Pahang (5.00) Sawit Kinabalu Sdn Bhd (2.44) Chief Minister State of Sabah (1.81) Ekuiti Yakinjaya Sdn Bhd (0.57) Yayasan Islam Terengganu (0.45)	Koperasi Permodalan Felda Malaysia Bhd (5.5)	Plantation: Palm oil producer and oil palm plantation operator
56	Boustead Holdings	70.85	70.85	LTAT (60.03) KWAP (9.11) EPF (1.71)	NIL	Nil	NONE	Plantation: Six primary sectors of the Malaysian economy, namely plantation, property, pharmaceutical, heavy industries, trading & industrial, and finance & investment

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
57	UMW Holdings Bhd	76.51	76.51	PNB via ASNB (51.74) EPF (13.75) Yayasan Pelaburan Bumiputera via PNB (5.72) KWAP (5.05) LTAT(0.25)	NIL	Nil	NONE	Industrial Product: Automotive, equipment, manufacturing and engineering, and oil and gas industries
58	MBSB	68.50	68.50	EPF (65.28) PNB (1.49) Khazanah via Yayasan Hasanah (1.26) KWAP (0.47)	NIL	Nil	Tan Sri Dato' Chua Ma Yu (8.97)	Banking: Exempt Finance Company-un-derstate financing business in the absence of a banking license.
60	UEM Sunrise	69.69	69.69	Khazanah via UEM Group (66.06) LTH (6.77) EPF (1.82) KWAP (0.44)	NIL	Nil	NONE	Construction and Property Development: Leading property developers
61	Bursa Malaysia Bhd	37.28	36.80	KWAP (19.73) EPF (6.25) MOF Inc via CMDP (5.60) PNB via ASNB (4.25) Pertubuhan Keselamatan Sosial (0.97)	0.48	Saham Amanah Sabah (0.48)	NONE	Trading and services: Fully-integrated exchange

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
62	Affin Holdings Bhd	57.09	57.09	LTAT (35.42) LTAT via Boustead Holdings (12.44) EPF (6.72) KWPAP via Boustead Holdings (1.89) EPF via Boustead Holdings (0.35) Khazanah via Yayasan Hasanah (0.21) Pertubuhan Peladang Kebangsaan (0.06)	NIL	Nil	THE BANK OF EAST ASIA LIMITED Hong Kong (24.01)	Banking: Financial services conglomerates. The group's primary activities focus on the provision of commercial, islamic and investment banking services, money broking, fund management, underwriting of general and life insurance business
64	KPJ Healthcare	61.63	25.22	EPF (13.06) PNB via ASNB (6.79) LTH (3.31) KWAP (2.06)	36.41	Johor Corporation (29.15) Johor Corp via Waqaf An-Nur Corporation Bhd (7.26)	NONE	Healthcare: Provider of private healthcare services
74	MSM Malaysia Holdings Bhd	68.07	62.84	FELDA via FGV/FGVS (17.17) PNB via ASNB (13.66) MoF Inc. via AmanahRaya Trustees Bhd (7.49) EPF (6.01) LTH (4.98) LTH via FGVH and FGVS (4.01) KWAP via FGV/FGVS (3.69) Valuecap Sdn Bhd (1.73)	5.23	via FGVH/FGVS Kerajaan Negeri Pahang (2.55) Sawit Kinabalu Sdn Bhd (1.24) Chief Minister State of Sabah (0.92) Ekuiti Yakinjaya Sdn Bhd (0.29) Yayasan Islam Terengganu (0.23)	Koperasi Permodalan Felda Malaysia Bhd (15.25)	Consumer Product: Sugar producer

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
				KWAP (1.53) PNB via ASNB and FGV/ FGVS (0.75) Khazanah via Yayasan Hasanah (0.61) LTAT via FGV/ FGVS (0.50) EPF via FGV/ FGVS (0.36) Pertubuhan Kese- lamatan Sosial via FGV and FGVS (0.20) Bank Simpanan Nasional (0.15)				
77	TAKAFUL	63.8	61.61	LTH via BIMB (31.80) EPF (11.55) EPF via BIMB (7.20) PNB via BIMB (3.43) KWAP via BIMB (3.27) PNB via ASNB and BIMB (3.26) PNB via ASNB (0.31) University Sains Malaysia (0.30) Valuecap Sdn Bhd via BIMB (0.29) Majlis Aman- ah Rakyat via BIMB (0.20)	2.19	Amin Baitulmal Johor (0.24) Majlis Agama Islam dan Adat Melayu Perak Darul Ridzuan (0.19) Majlis Ugama Islam Sabah via BIMB (0.38) Majlis Ugama Islam Sabah via BIMB (0.34) Amin Baitulmal Johor via BIMB (0.31) Majlis Ugama Islam dan Adat Resam Melayu Pahang via BIMB (0.21)	NONE	Insurance: Islamic Insurance

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
						Majlis Agama Islam Negeri Pulau Pinang via BIMB (0.20) Agama Islam dan Adat Istiadat Melayu Kelantan via BIMB (0.17) Majlis Agama Islam Selangor via BIMB (0.15)		
85	Lingakran Transkota Holdings Bhd	43.46	43.46	PNB via ASNB (14.67) EPF (6.71) PNB via ASNB and Gamuda (5.84) EPF via Gamuda (5.15) KWAP (3.45) KWAP via Gamuda (3.07) LTH via Gamuda (2.39) PNB (1.17) PNB via Gamuda (1.01)	NIL	Nil	NONE	Construction and property development: Highway concessionaries
88	IJM Plantations	41.73	41.05	EPF (11.64) PNB via ASNB via IJM Corp (9.57) EPF via IJM Corp (7.40) KWAP (4.55) LTH via IJM Corp (2.88)	0.68	Lembaga Kemajuan Tanah Negeri Sabah (0.68)	NONE	Plantation: Upstream agribusiness company involved in oil palm plantations - cultivating of oil palm trees, processing fresh fruit bunches ("FFB") into crude palm oil ("CPO") and processing of

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
				PNB via ASNB (2.03) KWPAP via IJM Corp (1.42) PNB via IJM Corp (1.17) Khazanah via Yayasan Hasanah via IJM Corp (0.39)				palm kernel ("PK") into crude palm kernel oil and expellers
89	Bintulu Port Holdings Bhd	93.52	53.61	MoF Inc. via PetroliaM Nasional Bhd (28.52) KWPAP (9.14) PNB via ASNB (5.84) EPF (4.53) LTH (3.70) MoF Inc. via PetroliaM Nasional Bhd and MISC (1.45) PNB via ASNB and MISC (0.19) EPF via MISC (0.15) LTH via MISC (0.04) KWPAP via MISC (0.03) PNB via MISC (0.01) MoF Inc. via Jaminan Pinjaman Kerajaan Persekutuan and MISC (0.01)	39.91 SARAWAK	State Financial Secretary Sarawak (26.67) State FSS via Equisar Assets Sdn Bhd (13.04) Tabung Baitulmal Sarawak Majlis Islam Sarawak (0.13) State Financial Secretary Sarawak via MISC (0.04) Penang Development Corporation via MISC (0.03)	NONE	Trading and services: Port service provider

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
90	UEM Edgenta	75.61	75.61	Khazanah via UEM Group (69.14) LTH (4.57) EPF (1.25) KWAP (0.41) National Trust Fund (0.24)	NIL	Nil	NONE	Trading and services: Total Asset Solutions - offer the healthcare, infrastructure, real estate and water sectors a full suite of services throughout their asset life cycles
91	MRCB	50.56	50.56	EPF (33.91) LTH (8.21) Bank Rakyat (8.00) National Trust Fund (0.20) Khazanah via CIMB (0.12) EPF via CIMB (0.06) PNB via ASNB via CIMB (0.04) KWAP via CIMB (0.02)	NIL	Nil	Salim Fateh and wife Yasmin bt Mohd Ashraff through Gapurna (wholly owned by both of them) 16.96	Construction and property development: Commercial and residential developments
92	Boustead Plantations	62.10	61.96	LTAT via Boustead Holdings (34.47) LTAT (12.02) KWAP via Boustead Holdings (5.23) LTH (4.97) KWAP (3.03) EPF via Boustead Holdings (0.98) FELDA (0.55) EPF (0.36)	0.14	Lembaga Pemegang-Pemegang Amanah Yayasan Negeri Sembilan (0.14)	NONE	Plantation: Established upstream oil palm plantation

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
				Bank Kerjasama Rakyat M Bhd (0.19) LTAT via Yayasan Warisan Perajurit (0.16)				
107	UMW Oil And Gas	65.35	65.35	PNB via ASNB and UMW Holdings (28.83) PNB via ASNB (12.01) EPF via UMW Holdings (7.66) EPF (3.61) Yayasan Pelaburan Bumiputera via UMW Holdings (3.19) KWAP via UMW Holdings (2.81) LTH (2.77) KWAP (2.75) LTAT (0.85) PNB (0.59) Bank Kerjasama Rakyat M Bhd (0.14) LTAT via UMW Holdings (0.14)	NIL	Nil	NONE	Oil and gas: Participates in the robust upstream activities of the oil and gas industry through two main activities - drilling services and oilfield services

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
109	Eastern and Oriental Bhd	31.12	31.12	PNB via ASNB via SIME (10.65) LTH (6.17) EPF (5.67) EPF via Sime (2.37) PNB via SIME (1.39) Khazanah via CIMB Bank (1.28) KWAP via Sime (0.81) KWAP (0.66) EPF via CIMB (0.58) LTH via Sime (0.58) PNB via ASNB via CIMB (0.41) FELDA via Sime (0.25) KWAP via CIMB (0.2) Khazanah via Yayasan hasanah via Sime (0.1) LTAT via CIMB (0.01)	NIL	Nil	GOH Family indirect through GKG Investment Holdings Pte Ltd (7.89)	Construction and property development: Property development group

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
128	Malaysia Marine And Heavy Engineering	70.79	69.03	MoF Inc. via Petroliaam Na-sional Bhd via MISC (41.68) LTH (6.50) PNB via ASNB and MISC (5.62) EPF via MISC (4.20) LTAT (2.89) EPF (1.92) PNB via ASNB (1.82) FELDA via MISC (1.39) LTH via MISC (1.06) KWAP via MISC (0.93) Pertubuhan Keselamatan Sosial (0.57) PNB via MISC (0.23) MoF Inc. via Jaminan Pinjaman Kerajaan Persekutuan and MISC (0.15) Khazanah via CIMB (0.04) EPF via CIMB (0.02) KWAP via CIMB (0.01)	1.76	State Financial Secretary Sarawak via MISC (1.00) Penang Development Corporation via MISC (0.76)	Technip (8.50)	Trading and services: Heavy engineering and marine solutions provider

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
132	Pharmaniaga	57.05	57.05	LTAT via Boustead Holdings (33.82) LTAT (10.05) KWAP via Boustead Holdings (5.13) Valuecap Sdn Bhd (2.45) EPF (2.14) KWAP (1.77) EPF via Boustead Holdings (0.96) LTAT via Yayasan Warisan Perajurit (0.23) Pertubuhan Keselamatan Sosial (0.18) Khazanah via Yayasan Hasanah (0.16) LTH (0.16)	NIL	Nil	NONE	Consumer Product: Pharmaceutical company
138	Media Prima Bhd	38.91	38.91	EPF (13) MOF Inc via Amanah Raya Bhd and Gabungan Kesturi (11.09) PNB via ASNB (10.49) KWAP (2.65) Valuecap Sdn Bhd (1.68)	NIL	Nil	Altima Inc (7.96)	Media: Media holding company

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
146	Far East Holdings Bhd	31.64	NIL	NIL	31.64	Lembaga Kemajuan Perusahaan Pertanian Negeri Pahang (25.18) LKPP Corporation Sdn Bhd (5.96) Amanah Saham Pahang Bhd (0.50)	NONE	Plantation: Main activity is in the cultivation and production of oil palm
159	TDM Bhd	72.08	9.32	KWAP (9.11) EPF (0.21)	62.76	Terengganu Incorporated Sdn Bhd (61.15) Lembaga Tabung Amanah Warisan Negeri Terengganu (1.42) Kumpulan Pengurusan Kayu Kayan Terengganu Sdn Bhd (0.19)	NONE	Plantation: Oil palm plantation and healthcare sectors
166	TH Plantations Bhd	90.09	87.43	LTH (78.83) EPF (7.00) KWAP (1.15) FELDA (0.08) Bank Kerjasama Rakyat M Bhd (0.25) KAF Dana Adib (0.12)	2.66	Pertubuhan Peladang Negeri Terengganu (0.66) Majlis Ugama Islam Dan Adat Resam Melayu Pahang (0.44) Tabung Baitulmal Sarawak Majlis Islam Sarawak (0.29)	NONE	Plantation: Engaged in the business of oil palm and rubber plantations in Malaysia

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
						Majlis Agama Islam Negeri Sembilan (0.27) Amin Baitulmal Johor (0.27) Majlis Agama Islam Wilayah Persekutuan (0.27) Majlis Agama Islam Dan Adat Melayu Perak Darul Ridzuan (0.26) Majlis Agama Islam Melaka (0.14) Pertubuhan Peladang Kawasan Manir Belara (0.06)		
179	MBM Resources Bhd	69.00	69.00	Pelaburan Mara via Med-Bumikar Mara Sdn Bhd (49.50) EPF (14.88) PNB via ASNB (3.65) Bank Kerjasama Rakyat M Bhd (0.62) LTH (0.35)	NIL	Nil	NONE	Industrial product: Automotive group - distribution of international brand vehicles and automotive parts manufacturing

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
219	MNRB Holdings	61.19	61.19	PNB via ASNB (47.08) PNB (12.76) KWAP (1.07) Pertubuhan Keselamatan Sosial (0.28)	NIL	Nil	NONE	Insurance: Holding company - wholesale providers of reinsurance and retakaful as well as a takaful operator
227	Kumpulan Perangsang Selangor Bhd	69.19	4.79	LTH (4.79)	64.40	Kumpulan Darul Ehsan Bhd (57.88) Perbadanan Kemajuan Negeri Selangor (5.52) Tabung Warisan Negeri Selangor (1.00)	NONE	Trading and services: 6 core sectors; manufacturing, trading, licensing, infrastructure and utility, O&G, telecommunications
238	Suria Capital Holdings Bhd	61.15	10.41	LTH (9.30) KWAP (1.11)	50.74	Warisan Harta Sabah Sdn. Bhd (45.40) Yayasan Sabah (3.67) Chief Minister, State Of Sabah (1.67)	NONE	Trading and services: Port Operations; Logistics and Bunkering Services; Property, Seaport Passenger Gateway and Construction (port and port-related businesses)
242	CCM Duopharma Biotech Bhd	63.77	63.77	Yayasan Pelaburan Bumiputra through PNB through CCM (51.54) EPF (3.77) LTH through CCM (3.72) PNB via ASNB (3.26)	NIL	Nil	NONE	Consumer Product: Engaged in the development, manufacturing and marketing of generic drugs and branded pharmaceutical product

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
				KWAP (1.06) KAF Tactical Fund (0.10)				
245	Innoprise Plantations Bhd	81.62	3.14	EPF via TSH Resources (0.90) LTH via TSH Resources (0.80) KWAP via TSH Resources (0.70) PMB Shariah Aggressive Fund (0.61) KWAP (0.13)	50.22	Sabah State via Innoprise Corporation Sdn Bhd (50.22)	TAN Family (7.88)	Plantation: Cultivation of oil palm, processing of FFB to produce crude palm oil (CPO) and palm kernel (PK), and contract timber logging
249	Sarawak Plantation Bhd	44.68	6.95	LTH (6.72) KAF Dana Adib (0.23)	37.73	State Financial Secretary Sarawak (25.47) Yayasan Sarawak (4.15) Amanah Khairat Yayasan Budaya Melayu Sarawak (4.15) Dayak Cultural Foundation (1.90) Lembaga Amanah Kebajikan Masjid Negeri Sarawak (1.79) Tabung Baitulmal Sarawak Majlis Islam Sarawak (0.27)	Sepawi (23.4) Bolhair Reduan (5.48)	Plantation: Cultivation and processing of oil palm into crude palm oil and palm kernel. Other businesses include seed production, cattle integration, provision of laboratory and management services and property investment

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
261	Pelikan International	28.66	28.66	LTH (28.66)	NIL	Nil	Chia Chor Meng and Wife: (6.34) Poh Yang Hong Indirect (5.68) Loo Hooi Keat indirect (17.58)	Consumer product: Stationery supplies
283	Boustead Heavy Industries Corporation Bhd	61.85	61.85	LTAT via Boustead Holdings (39.02) LTAT (8.16) LTH (7.64) KWAP via Boustead Holdings (5.92) EPF via Boustead Holdings (1.11)	NIL	Nil	NONE	Industrial product: Shipbuilding/ fabrication/ship repair/defence related
297	Icon Offshore Bhd	71.88	71.88	Yayasan Ekuiti Nasional (53.00) LTH (8.43) LTAT (3.03) EPF (2.79) PNB via ASNB (2.43) KWAP (2.20)	NIL	Nil	NONE	Trading and services: Offshore support vessel (OSV) provider
306	Chemical Company of Malaysia Bhd	75.90	75.90	PNB (70.25) LTH (5.07) KWAP (0.43) KAF Dana ADIB (0.15)	NIL	Nil	NONE	Industrial product: Pharmaceuticals and healthcare products; Chemical products and applications; Polymer coatings and applications

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
316	PBA Holdings Bhd	65.00	NIL	Nil	65.00	State Secretary, Penang (55.00) Penang Development Corporation (10.00)	NONE	Utility: Water supply
320	Scomi Energy Services	11.39	11.39	LTH (4.63) PNB via ASNB via IJM Corp and Scomi Group (2.77) EPF via IJM Corp and Scomi Group (2.14) LTH via IJM Corp and Scomi Group (0.84) KWAP via via IJM Corp and Scomi Group(0.41) PNB via IJM Corp and Scomi Group (0.34) Pertubuhan Keselamatan Sosial via scomi group (0.15) Khazanah via Yayasan Hasanah via IJM Corp and Scomi Group(0.11)	NIL	Nil	NONE	Trading and services: Providing services to the oil and gas, and coal industries
348	E.A.Technique	53.79	3.19	KWAP (2.01) EPF (1.18)	50.60	Johor State via Sindora Bhd (50.6)	Abdul Hak Amin (22) Hamidah Omar (5)	Trading and services: Engineering, procurement, construction, installation and commissioning division contributed 64.4% of revenue

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
395	Iris Corporation Bhd	23.32	23.32	FELDA via Felda Investment Corporation Sdn Bhd (23.32)	NIL	Nil	Dato Lee Kwee Hiang INDIRECT through Versatile Paper Boxes Sdn Bhd (6.43) Datuk Tan Say Jim (6.45)	Technology: Core expertise in digital identity, business, farming and environmental solutions
410	Scomi Group Bhd	10.39	10.39	PNB via ASNB via IJM Corp (4.26) EPF via IJM Corp (3.30) LTH via IJM Corp (1.28) KWAP via IJM Corp (0.63) PNB via IJM Corp (0.52) Pertubuhan Keselamatan Sosial (0.23) Khazanah via Yayasan Hasanah via IJM Corp (0.17)	NIL	Nil	Datuk Kamaluddin Abdullah and Shah Hakim Zain through Kaspadu Sdn Bhd (9.05)	Trading and services: Service provider mainly in the oil & gas and transport solutions industries. Wide range of activities worldwide: 1) drilling & completion services 2) development & Production services 3) marine services 4) transport solutions
413	KUB Malaysia Bhd	49.17	47.96	MOF Inc (22.55) LTH via Gaya Edisi (15.73) EPF via Gaya Edisi (3.6) PNB via ASNB via Gaya Edisi (2.2) KWAP (1.86) PNB via Gaya Edisi (1.7)	1.21	Perbadanan Kemajuan Negeri Perak (0.36) Majlis Ugama Islam Sabah (0.35) Amin Baitulmal Johor (0.15) Majlis UIARM Pahang (0.10)	NONE	Trading and services: Investment holding company: Agro, Information & Communication Technology (ICT), Energy, Food, Property and Power Industries

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
				ValueCap via Gaya Edisi (0.14) MARA via Gaya Edisi (0.10) National Trust Fund via Gaya Edisi (0.08)		Majlis Agama Islam Negeri Pulau Pinang (0.1) Majlis AIAIM Kelantan (0.08) Majlis Agama Islam Selangor (0.07)		
433	Bina Darulaman Bhd	67.79	NIL	Nil	67.79	Perbadanan Kemajuan Negeri Kedah (67.28) Amanah Saham Kedah (0.51)	NONE	Construction and property development: Property and township development, construction, road building and maintenance, quarry, golf as well as tourism, leisure and hospitality
472	Rubberex Corporation M Bhd	21.10	21.10	Pelaburan Mara via Med-Bumikar Mara Sdn Bhd (21.10)	NIL	Nil	Poh Family Indirect through Aun Huat and Brothers SB (9.25)	Industrial product: Rubber gloves production
478	Encorp Bhd	71.00	70.82	FELDA via Felda Investment Corporation Sdn Bhd (70.82)	0.18	Amanah Saham Sarawak (0.18)	Azhar Mohd Awal indirect through Anjakan Masyhur SB (14.37)	Construction and property development: Core business in property development
479	Perak Corporation Bhd	59.38	6.12	PNB via Sime Darby Property Bhd (6.12)	53.26	Perbadanan Kemajuan Negeri Perak (52.90) Yayasan Istana Abdul Aziz (0.36)	NONE	Trading and services: Property development, ports & logistics as well as hospitality & tourism

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
501	TH Heavy Engineering Bhd	34.42	34.42	LTH (29.81) Pelaburan Mara (4.61)	NIL	Nil	NONE	Trading and services: Fabrication of offshore oil and gas facilities
560	PASDEC Holdings Bhd	52.22	NIL	Nil	52.22	Perbadanan Kemajuan Negeri Pahang (52.22)	NONE	Construction and property development: Property developer in Pahang.
677	Majuparak Holdings Bhd	57.22	2.10	Affin Bank Bhd (2.10)	51.22	Perbadanan Kemajuan Negeri Perak (55.12)	NONE	Construction and property development: Property development focusing on the housing sector and realty business
685	Mesiniaga	18.77	18.77	PNB via ASNB (18.77)	NIL	Nil	Fathil Sulaiman Ismail (10.59) Safiah Sulaiman Ismail (6.06)	Technology: Computer support and services
695	PDZ Holdings	23.29	23.29	Pelaburan Mara Bhd (23.29)	NIL	Nil	NONE	Trading and services: Providing shipping logistic solutions
720	Scomi Engineering Bhd	7.52	7.52	PNB via ASNB via IJM Corp and Scomi Group (3.08) EPF via IJM Corp and Scomi Group (2.38) LTH via IJM Corp and Scomi Group (0.93) KWAP via IJM Corp and Scomi Group (0.46) PNB via IJM Corp and Scomi Group (0.38)	NIL	Nil	NONE	Industrial product: Design and manufacturing capability, with a diverse range of products, providing solutions for the transportation industry in the Middle-East and Asia-Pacific markets. We provide a diverse range of solutions ranging from monorail systems, buses and special

Rank	Company	Total Government Shares	Total Federal Government Shares	Percentage of state government shares	Total State Government Shares	Percentage of state government shares	Foreign/ Private Substantial Shareholders	Sector/ Activity
				Pertubuhan Keselamatan Sosial (via Scomi Group) (0.17) Khazanah via Yayasan Hasanah via IJM Corp and Scomi Group (0.12)				purpose vehicles (i.e. Petrol tankers, refuse compactors, vacuum tankers etc.), which are continuously developed by our R&D project teams
785	Mentiga Corporation Bhd	74.16	NIL	Nil	74.16	Amanah Saham Pahang Bhd (73.91) Kumipa Balanced Fund (0.25)	NONE	Plantation: Investment holding, oil palm plantation, mining, timber extraction and trading in timber related products
786	Golden Pharos Bhd	72.72	NIL	Nil	72.72	Terengganu Inc SB (64.19) Lembaga Tabung Amanah Warisan Negeri Terengganu (8.53)	NONE	Industrial product: Produces timber doors namely solid doors, engineered doors, high end doors and related components of doors. Apart from that the Group also produces tempered safety glass, tempered sheet glass for glazed door production, sawn timber, plywood and garden furniture
806	Theta Edge Bhd	68.70	68.70	LTH (68.70)	NIL	Nil	NONE	Technology: IT Solutions company

Figure 3.1: Sectoral presence & internal management control in Banking

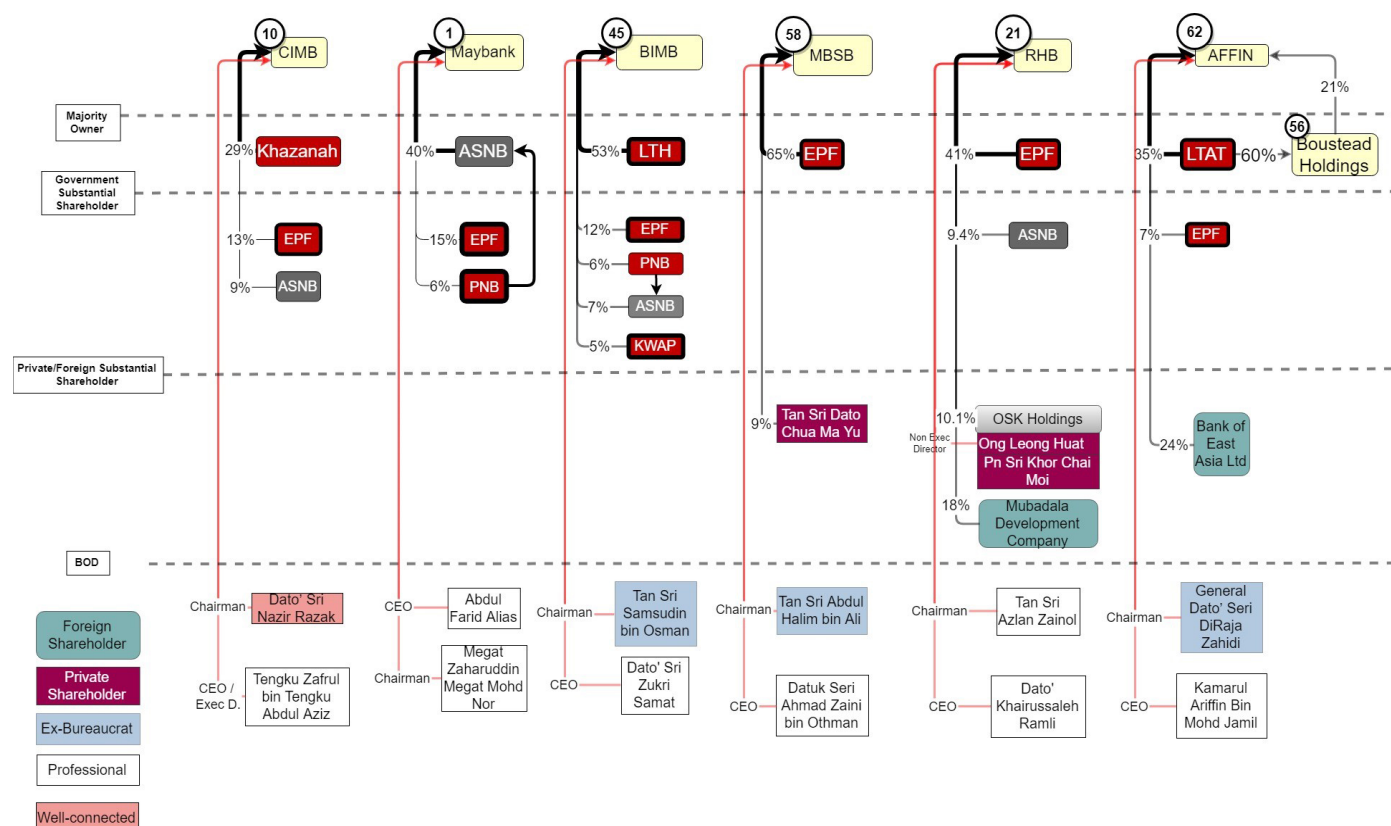


Table 3.2: Key Actors and Institutions in Banking

Level	Key Decision Control (Actors)	Internal Management Control of Key Ownership Institutions		Key Government Ownership Institution	Internal Management Control of GLCs / PLCs		GLCs
		MD	Chairman		MD	Chairman	
Federal	Prime Minister, Najib Razak	Abdul Rahman Ahmad (Professional)	Abdul Wahid Omar (Professional)	ASNB	Abdul Farid Alias (Professional)	Megat Zaha-ruddin Megat Mohd Nor (Professional)	Malayan Bankings
		Azman Mokhtar (Professional)	Najib Razak (Politician)	Khazanah	Tengku Zafrul Abdul Aziz (Professional)	Nazir Razak (Well-connected)	CIMB
		Shahril Ridza Ridzuan (Professional)	Samsudin Osman (Ex-bureaucrat)	EPF	Ahmad Zaini Othman (Professional)	Abdul Halim Ali (Ex-bureaucrat)	MBSB
			Khairussaleh Ramli (Professional)		Azlan Zainol (Professional)	RHB	
	Minister of Defence, Hishamuddin Hussein	Lodin Wok Kamaruddin (Well-connected)	Mohd Anwar Mohd Nor (Ex-bureaucrat)	LTAT	Kamarul Ariffin Mohd Jamil (Professional)	General Zahidi (Ex-bureaucrat)	Affin Holdings
	Minister in the Prime Minister's Department, Jamil Khir Baharom	Johan Abdullah (Professional)	Abdul Azeez Abdul Rahim (Politician)	LTH	Zukri Samat (Professional)	Samsudin Osman (Ex-bureaucrat)	BIMB Holdings

Figure 3.2: Sectoral presence & internal management control in Construction and Property Development

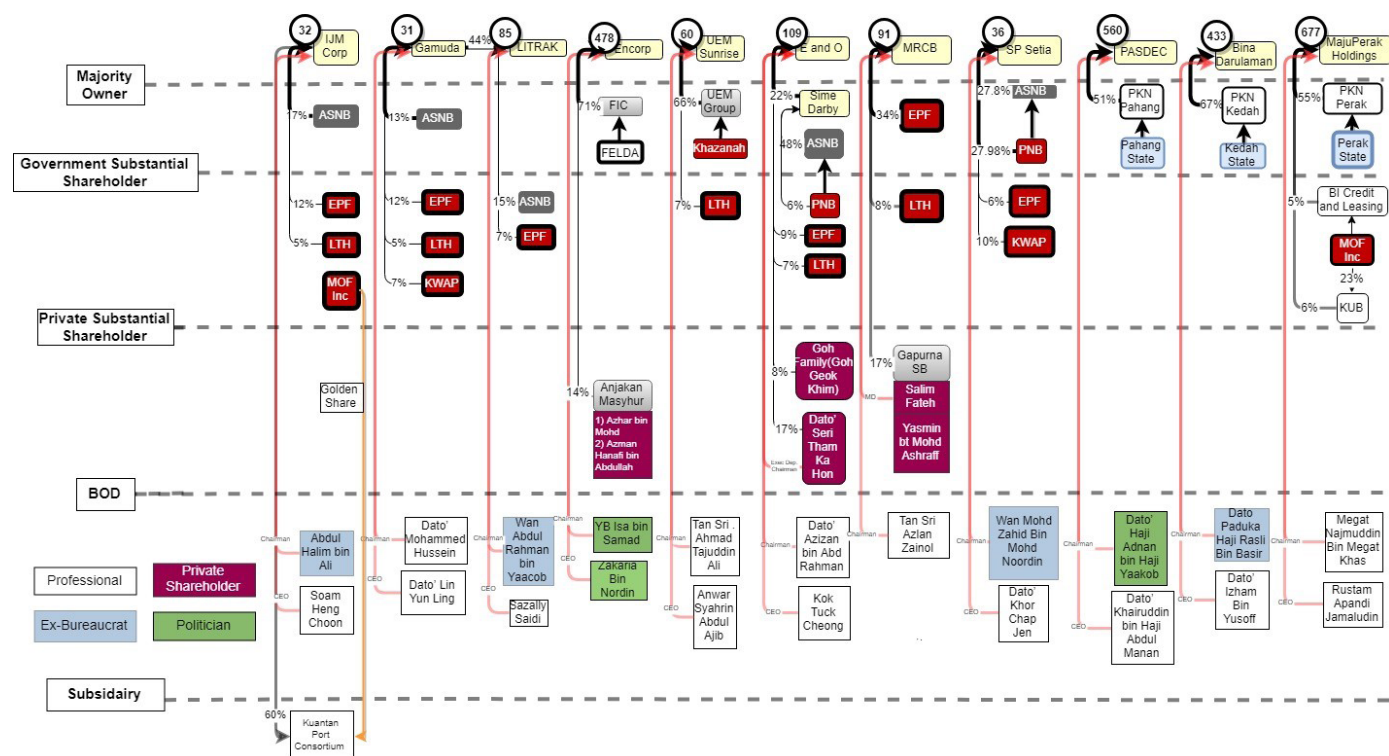


Table 3.3: Key Actors and Institutions in Construction & Property Development

Level	Key Decision Control (Actors)	Internal Management Control of Key Ownership Institutions		Key Government Ownership Institution	Internal Management Control of GLCs / PLCs		GLCs
		MD	Chairman		MD	Chairman	
Federal	Prime Minister, Najib Razak	Abdul Rahman Ahmad (Professional)	Abdul Wahid Omar (Professional)	ASNB	Soam Heng Choon (Professional)	Abdul Halim Ali (Ex-bureaucrat)	IJM Corporation
					Lin Yun Ling (Professional)	Mohammed Hussein (Professional)	Gamuda
		Mohd Bakke Salleh (Professional)	Abdul Ghani Othman (Politician)	Sime Darby	Kok Tuck Cheong (Professional)	Azizan Abd Rahman (Professional)	Eastern and Oriental
		Lin Yun Ling (Professional)	Mohammed Hussein (Professional)	Gamuda	Sazally Saidi (Professional)	Wan Abdul Rahman Yaacob (Ex-bureaucrat)	Lingkaran Trans Kota Holdings
		Abdul Rahman Ahmad (Professional)	Abdul Wahid Omar (Professional)	PNB	Khor Chap Jen (Professional)	Wan Mohd Zahid Mohd Noordin (Ex-bureaucrat)	SP Setia
			Syed Mohamed Syed Ibrahim (Professional)	FIC	Zakaria Nordin (Politician)	Isa Samad (Politician)	Encorp
		Azman Mokhtar (Professional)	Najib Razak (Politician)	Khazanah	Anwar Syahrin (Professional)	Ahmad Tajuddin Ali (Professional)	UEM Sunrise
		Shahril Ridza Ridzuan (Professional)	Samsudin Osman (E-bureaucrat)	EPF	Salim Fateh (Professional)	Azlan Zainol (Professional)	MRCB
State	Pahang Chief Minister, Adnan Yaakob	Abdul Rahim Mohd Ali	Haji Adnan Yaakob (Politician)	Perbadanan Kemajuan Negeri Pahang	Khairuddin Abdul Manan (Professional)	Adnan Yaakob (Politician)	Pasdec
	Kedah Chief Minister, Ahmad Bashah Hanipah	Abdul Rahman Abdullah	Ahmad Bashah Hanipah (Politician)	Perbadanan Kemajuan Negeri Kedah	Izham Yusoff (Professional)	Rasli Basir (Ex-bureaucrat)	Bina Darulaman
	Perak Chief Minister, Zambry Abdul Kadir	Aminuddin Desa (Professional)	Zambry Abdul Kadir (Politician)	Perbadanan Kemajuan Negeri Perak	Rustam Apandi Jamaludin (Professional)	Megat Najmuddin Megat Khas (Professional)	Majuperak Holdings

Figure 3.3: Sectoral presence & internal management control in Plantations

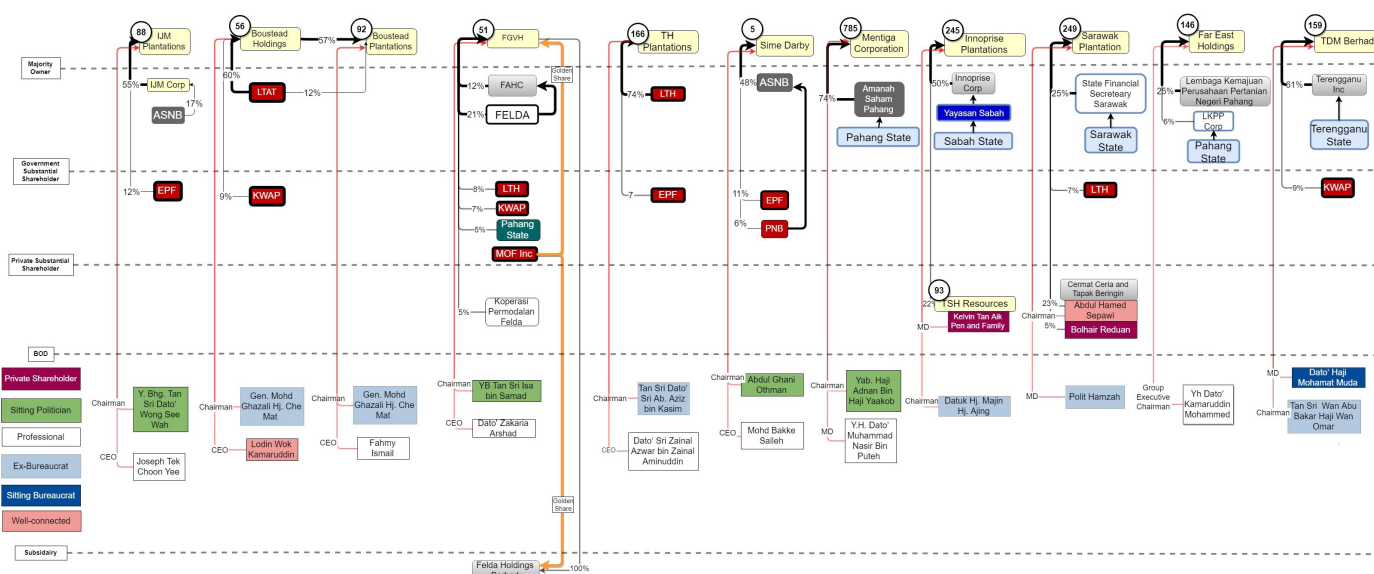


Table 3.4: Key Actors and Institutions in the Plantations Sector

Level	Key Decision Control (Actors)	Internal Management Control of Key Ownership Institutions		Key Government Ownership Institution	Internal Management Control of GLCs / PLCs		GLCs
		MD	Chairman		MD	Chairman	
Federal	Prime Minister, Najib Razak	Abdul Rahman Ahmad (Professional)	Abdul Wahid Omar (Professional)	ASNB	Mohd Bakke Salleh (Professional)	Abdul Ghani Othman (Politician)	Sime Darby
		Soam Heng Choon (Professional)	Abdul Halim Ali (Ex-bureaucrat)	IJM Corporation	Joseph Tek Choon Yee (Professional)	Wong See Wah (Politician)	IJM Plantations
			Isa Samad (Politician)	FELDA	Zakaria Arshad (Professional)	Isa Samad (Politician)	Felda Global Ventures Holdings
	Minister of Defence, Hishamuddin Hussein	Lodin Wok Kamaruddin (Well-connected)	Mohd Ghazali Che Mat (Ex-bureaucrat)	Boustead Holdings	Fahmy Ismail (Professional)	Mohd Ghazali Che Mat (Ex-bureaucrat)	Boustead Plantations
		Lodin Wok Kamaruddin (Well-connected)	Mohd Anwar Mohd Nor (Ex-bureaucrat)	LTAT	Lodin Wok Kamaruddin (Well-connected)	Mohd Ghazali Che Mat (Ex-bureaucrat)	Boustead Holdings
	Minister in the Prime Minister's Department, Jamil Khir Baharom	Johan Abdullah (Professional)	Abdul Azeez Abdul Rahim (Politician)	LTH	Zainal Anwar Zainal Aminuddin (Professional)	Ab Aziz Kasim (Ex-bureaucrat)	TH Plantations
State	Pahang Chief Minister, Adnan Yaakob	Mohd Nazari Yunus (Professional)	Adnan Yaakob (Politician)	Amanah Saham Pahang	Muhammad Nasir Puteh (Professional)	Adnan Yaakob (Politician)	Mentiga Corporation
	Sabah Chief Minister, Musa Aman	AmpongPuyon Anson Kunjan Sapari Manan Sam Mannan Rosmawati Lasuki		Innoprise Corporation Sdn Bhd	Kelvin Tan Aik Pen (Professional)	Majin Ajing (Ex-bureaucrat)	Innoprise
	Sarawak Chief Minister, Abdul Rahman Zohari Openg			State Financial Secretary Inc., Sarawak ³⁹	Polit Hamzah (Ex-bureaucrat)	Amar Abdul Hamed Sepawi (Well-connected)	Sarawak Plantation

Pahang Chief Minister; Adnan Yaakob		Adnan Yaakob (Politician)	Perbadanan Kema- juan Pertanian Negeri Pahang (LKPP)	Kamaruddin Mohammed (Professional)		Far East Holdings
Terengganu Chief Minister; Ahmad Razif Abd Rahman	Wan Zalian Wan Jusoh (Professional)	Ahmad Razif Abd Rahman (Politician)	Terengganu Inc	Mohamat Muda (Bureaucrat)	Wan Abu Bakar Wan Omar (Ex-bureaucrat)	TDM

Figure 3.4: Sectoral presence & internal management control in Trading and Services

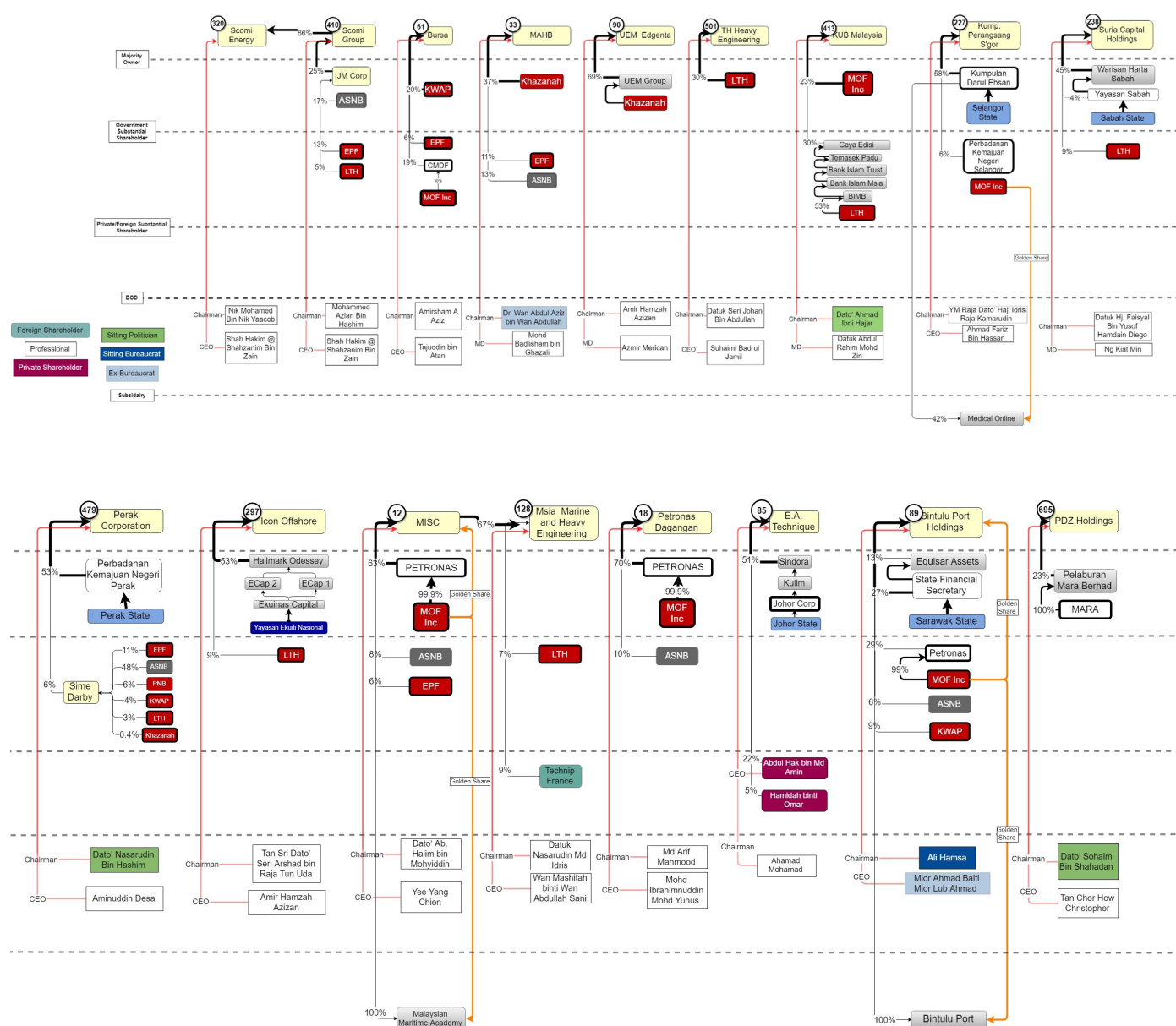


Table 3.5: Key Actors and Institutions in Trading and Services

Level	Key Decision Control (Actors)	Internal Management Control of Key Ownership Institutions		Key Government Ownership Institution	Internal Management Control of GLCs / PLCs		GLCs
		MD	Chairman		MD	Chairman	
Federal	Prime Minister, Najib Razak	Shah Hakim Zain (Professional)	Azlan Hashim (Professional)	Scomi Group	Shah Hakim Zain (Professional)	Nik Mohamed Yaacob (Professional)	Scomi Energy
		Soam Heng Choon (Professional)	Abdul Halim Ali (Ex-bureaucrat)	IJM Corporation	Shah Hakim Zain (Professional)	Azlan Hashim (Professional)	Scomi Group
		Azman Mokhtar (Professional)	Najib Razak (Politician)	Khazanah	Mohd Badlisham Ghazali (Professional)	Wan Abdul Aziz Wan Abdullah (Ex Bureaucrat)	Malaysia Airport Holdings
		Izzaddin Idris (Professional)	Noorazman Abd Aziz (Professional)	UEM Group	Azmir Merican (Professional)	Amir Hamzah (Professional)	UEM Edgenta
		Wan Kamaruzaman	Mohd. Irwan Serigar	KWAP	Tajuddin Atan (Professional)	Amirsham A. Aziz (Professional)	Bursa
		Wan Ahmad (Professional)	Abdullah (Bureaucrat)				
			Najib Razak (Politician)	MoF Inc	Abdul Rahim Mohd Zin (Professional)	Ahmad Ibni Hajar (Politician)	KUB Malaysia
		Wan Zulkiflee Wan Ariffin (Professional)	Mohd Sidek Hassan (Ex-Bureaucrat)	PETRONAS	Mohd Ibrahimuddin Mohd Yunus (Professional)	Md Arif Mahmood (Professional)	Petronas Dagangan
				PETRONAS	Yee Yang Chien (Professional)	Ab. Halim Mohyiddin (Professional)	MISC
		Yee Yang Chien (Professional)	Ab. Halim Mohyiddin (Professional)	MISC	Wan Mashitah Wan Abdullah Sani (Professional)	Nasarudin Md Idris (Professional)	Malaysia Marine and Heavy Engineering
		Syed Yasir Arafat Syed Abd Kadir		Hallmark Odyssey	Amir Hamzah Azizan (Professional)	Arshad Uda (Professional)	Icon Offshore

	Minister in the Prime Minister's Department, Jamil Khir Baharom	Johan Abdullah (Professional)	Abdul Azeez Abdul Rahim (Politician)	LTH	Suhaimi Badrul (Professional)	Johan Abdullah (Professional)	TH Heavy Engineering
	Minister of Rural and Regional Development, Ismail Sabri Yaakob	Ahmad Nazim Abd Rahman (Professional)	Annuar Musa (Politician)	Pelaburan Mara	Tan Chor How Christopher (Professional)	Sohaimi Shahadan (Politician)	PDZ Holdings
State	Selangor Chief Minister, Mohamed Azmin Ali	Raja Shahreen (Professional)	Mohamed Azmin Ali (Politician)	Kumpulan Darul Ehsan	Ahmad Fariz Hassan (Professional)	Raja Idris Raja Kamarudin (Professional)	Kumuplan Perangsang Selangor
	Sabah Chief Minister, Musa Aman	Mohamad Nor Tahir (Professional)	Ramlee Marahaban (Politician)	Warisan Harta Sabah	Ng Kiat Min (Professional)	Faisyal Yusof Hamdain (Professional)	Suria Capital Holdings
	Perak Chief Minister, Zambry Abdul Kadir	Aminuddin Desa (Professional)	Zambry Abdul Kadir (Politician)	Perbadanan Kemajuan Negeri Perak	Aminuddin Desa (Professional)	Nassarudin Hashim (Politician)	Perak Corporation
	Johor Chief Minister, Mohamed Khaled Nordin	Abdul Rahman Sulaiman Jamaludin Md Ali Kamaruzzaman Abu Kassim Leung KokKeong Rozaini Mohd Sani Arshad Ayub Radzuan Rahman Siti Sa'diah Bakir Ahamad Mohamad Zulkifli Ibrahim		Kulim M	Abdul Hak Md Amin (Professional)	Ahamad Mohamad (Professional)	E.A Technique
	Sarawak Chief Minister, Abdul Rahman Zohari Openg	Jumastapha Lamat Ahmad Tarmizi Sulaiman		Equisar Assets	Mior Ahmad Baiti Mior Lub Ahmad (Ex-Bureaucrat)	Ali Hamsa (Bureaucrat)	Bintulu Port Holdings

Figure 3.5: Sectoral presence & internal management control in Media

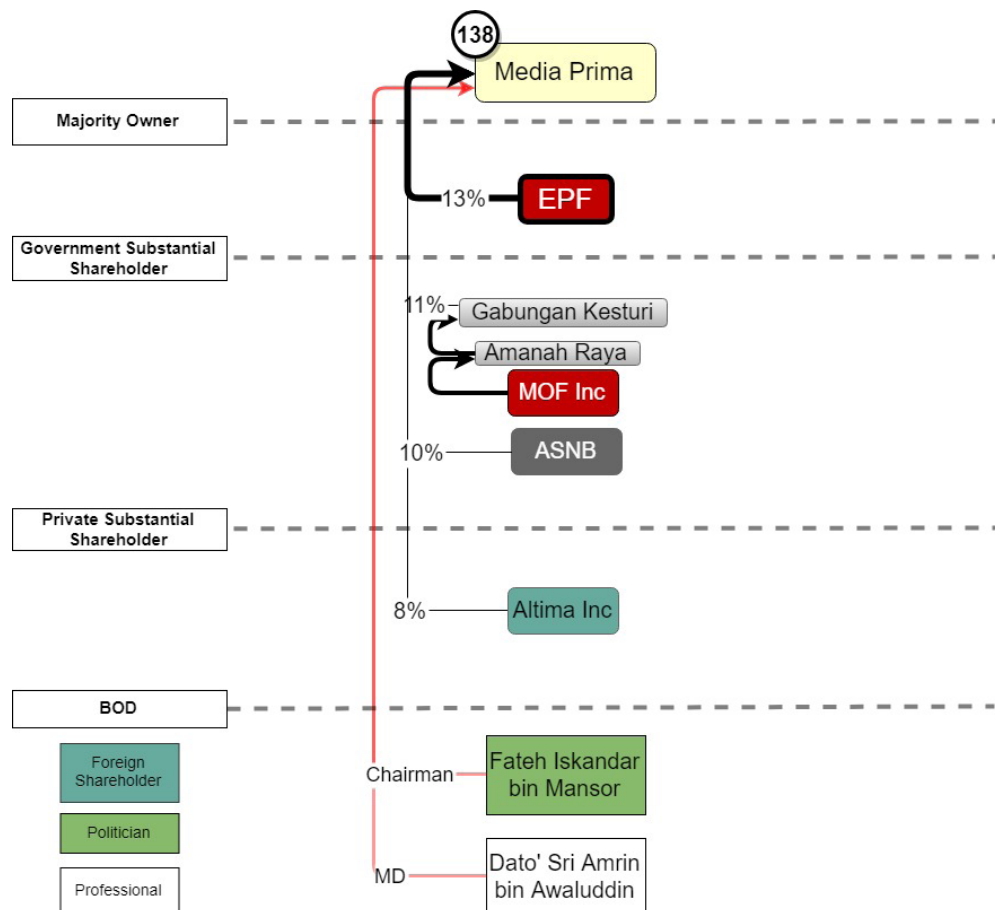


Table 3.6: Key Actors and Institutions in Media

Level	Key Decision Control (Actors)	Internal Management Control of Key Ownership Institutions		Key Government Ownership Institution	Internal Management Control of GLCs / PLCs		GLCs
		MD	Chairman		MD	Chairman	
Federal	Prime Minister; Najib Razak	Shahril Ridza Ridzuan (Professional)	Samsudin Osman (Ex-bureaucrat)	EPF	Amrin Awaluddin (Professional)	Fateh Iskandar Mohamed Mansor (Politician)	Media Prima

Figure 3.6: Sectoral presence & internal management control in Oil and Gas

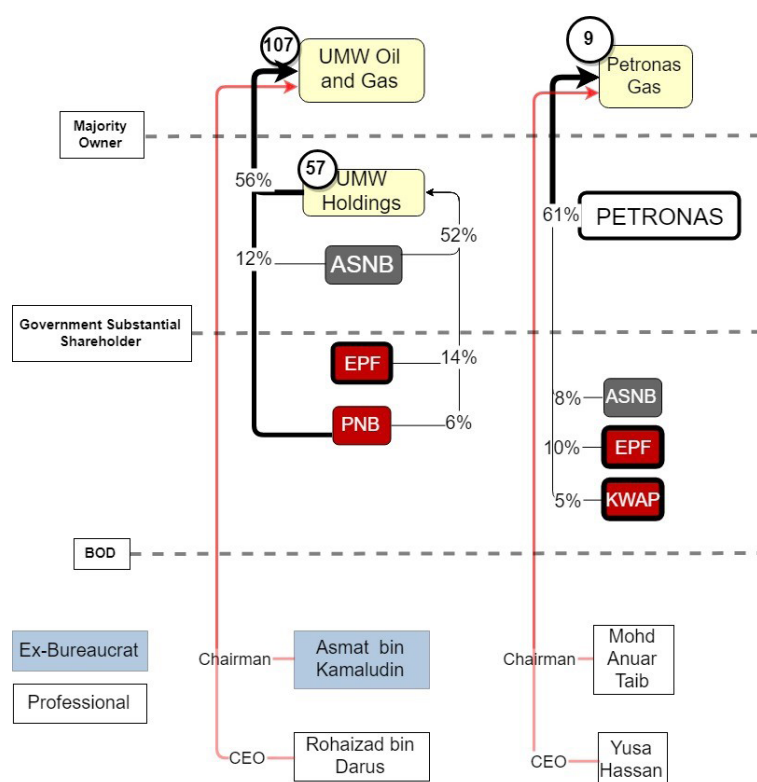


Table 3.7: Key Actors and Institutions in Oil & Gas

Level	Key Decision Control (Actors)	Internal Management Control of Key Ownership Institutions		Key Government Ownership Institution	Internal Management Control of GLCs / PLCs		GLCs
		MD	Chairman		MD	Chairman	
Federal	Prime Minister, Najib Razak	Abdul Rahman Ahmad (Professional)	Abdul Wahid Omar (Professional)	ASNB	Rohaizad Darus (Professional)	Asmat Kamaludin (Ex-bureaucrat)	UMW Oil and Gas
		Wan Zulkiflee Wan Ariffin (Professional)	Mohd Sidek Hassan (Ex-bureaucrat)	PETRONAS	Yusa Hassan (Professional)	Mohd Anuar Taib (Professional)	Petronas Gas

Figure 3.7: Sectoral presence & internal management control in Consumer Products

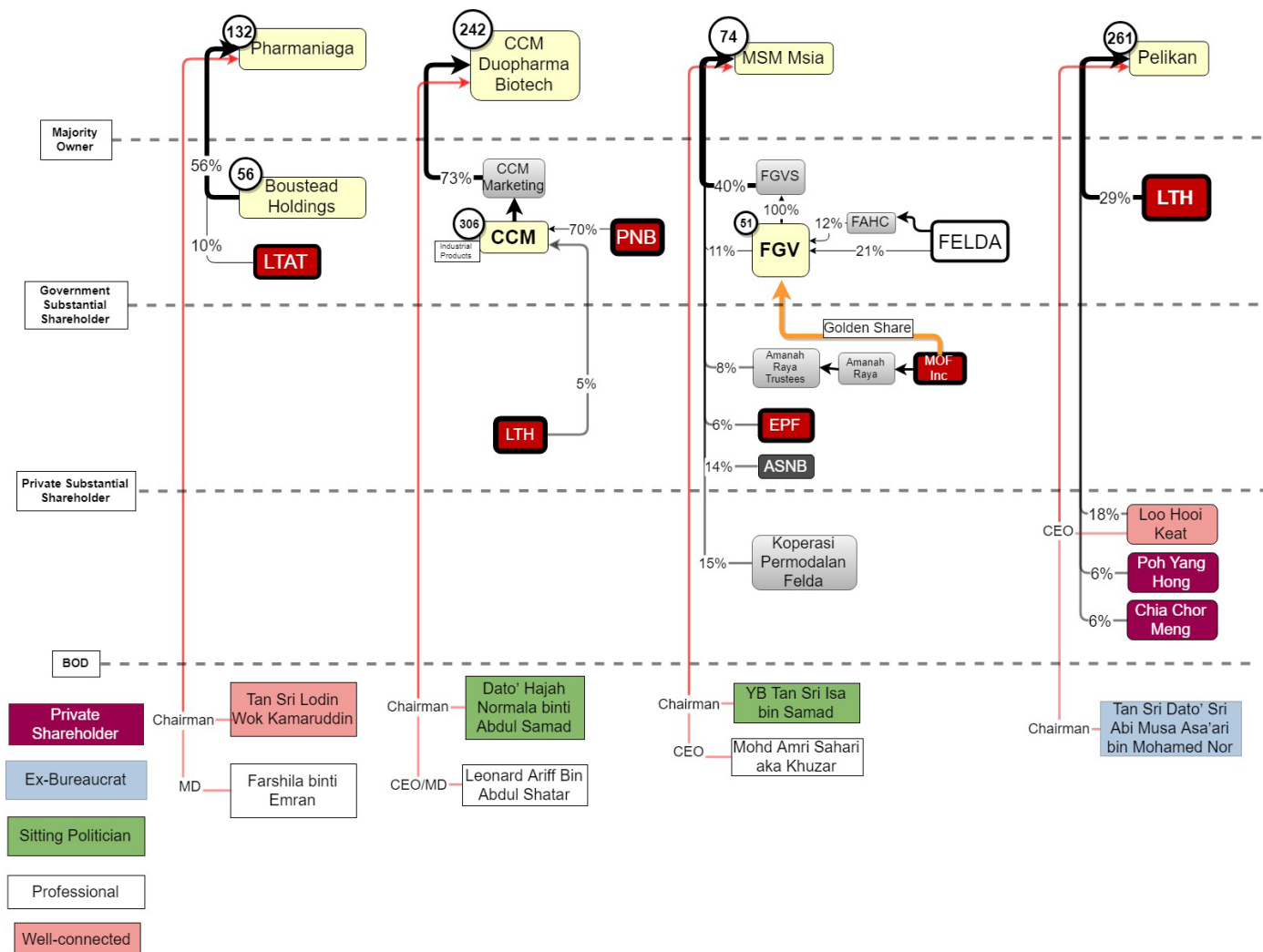


Table 3.8: Key Actors and Institutions in Consumer Products

Level	Key Decision Control (Actors)	Internal Management Control of Key Ownership Institutions		Key Government Ownership Institution	Internal Management Control of GLCs / PLCs		GLCs
		MD	Chairman		MD	Chairman	
Federal	Prime Minister; Najib Razak	Leonard Ariff (Professional)	Hajah Normala Abdul Samad (Politician)	Chemical Company of Malaysia	Leonard Ariff (Professional)	Hajah Normala Abdul Samad (Politician)	CCM Duopharma Biotech
		Azlin Alias Say Sin Chua Noor Ehsanuddin		Felda Global Ventures Sugar	Mohamad Amri Sahari (Professional)	Isa Samad (Politician)	MSM Malaysia
	Minister of Defence, Hishamuddin Hussein	Lodin Wok Kamaruddin (Well-connected)	Mohd Anwar Mohd Nor (Ex-bureaucrat)	LTAT	Farshila Emran (Professional)	Lodin Wok Kamaruddin (Well-connected)	Pharma-niaga
	Minister in the Prime Minister's Department, Jamil Khir Baharom	Johan Abdullah (Professional)	Abdul Azeez Abdul Rahim (Politician)	LTH	Loo Hooi Keat (Well-connected) ³³	Abi Musa Asa'ari Mohamed Nor (Ex-bureaucrat)	Pelikan International

³³ Loo Hooi Keat is a business partner of Mirzan Mahathir (The Star Online 14 May 2016)

Figure 3.8: Sectoral presence & internal management control in Industrial Products

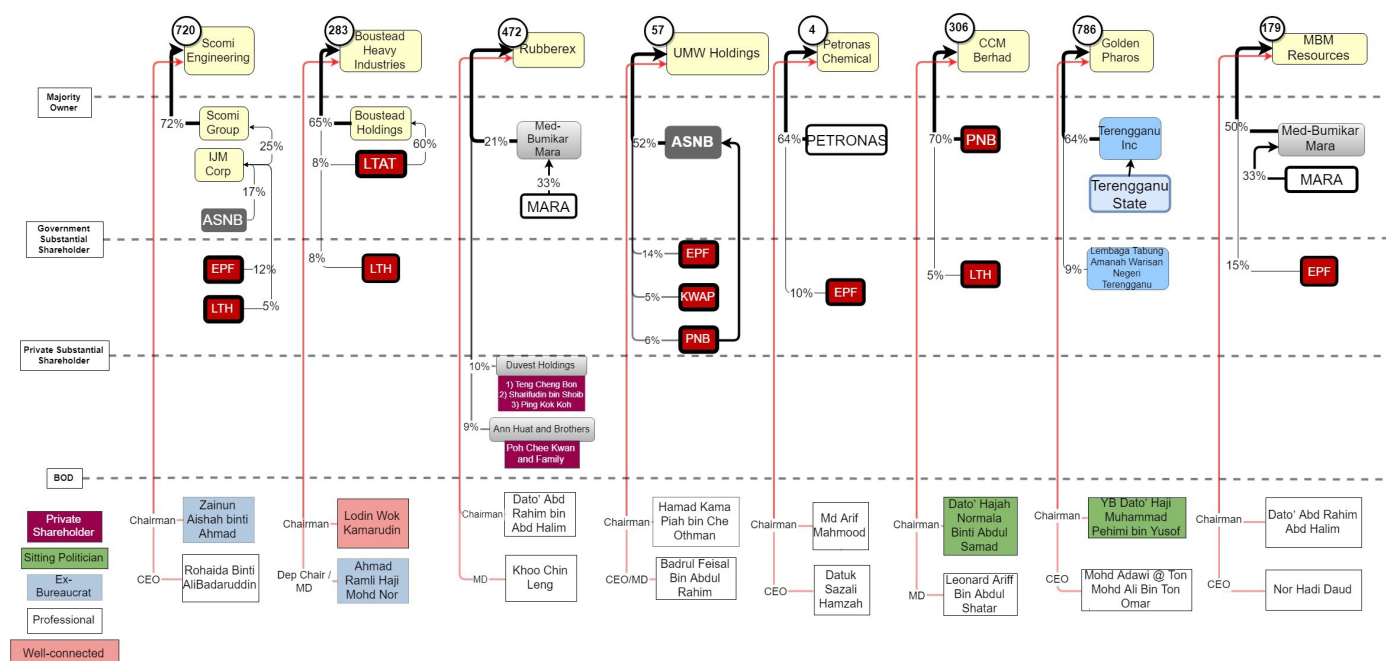


Table 3.9: Key Actors and Institutions in Industrial Products

Level	Key Decision Control (Actors)	Internal Management Control of Key Ownership Institutions		Key Government Ownership Institution	Internal Management Control of GLCs / PLCs		GLCs
		MD	Chairman		MD	Chairman	
Federal	Prime Minister, Najib Razak	Abdul Rahman Ahmad (Professional)	Abdul Wahid Omar (Professional)	ASNB	Badrul Feisal Abdul Rahim (Professional)	Hamad Kama Piah Che Othman (Professional)	UMW Holdings
				PNB	Leonard Ariff (Professional)	Hajah Normala Abdul Samad (Politician)	Chemical Company of Malaysia
		Shah Hakim Zain (Professional)	Azlan Hashim (Professional)	Scomi Group	Rohaida Ali Badruddin (Professional)	Zainun Aishah Ahmad (Ex-bureaucrat)	Scomi Engineering
		Wan Zulkiflee Wan Ariffin (Professional)	Mohd Sidek Hassan (Ex-bureaucrat)	PETRONAS	Sazali Hamzah (Professional)	Md Arif Mahmood (Professional)	Petronas Chemical
	Minister of Defence, Hishamuddin Hussein	Lodin Wok Kamaruddin (Well-connected)	Mohd Ghazali Che Mat (Ex-bureaucrat)	Boustead Holdings	Ahmad Ramli Mohd Nor (Ex-bureaucrat)	Lodin Wok Kamaruddin (Well-connected)	Boustead Heavy Industries Corporation
	Minister of Rural and Regional Development, Ismail Sabri Yaakob	Abd Rahim Abd Halim Ng Seng Kong Aqil AhamdAzizuddin Yap Siew Chin Junaisah Abdul Majid Muhamad ZakiJali LooiKok Loon Wong Wei Khin		Med-Bumikar MARA Sdn Bhd	Khoo Chin Leng (Professional)	Abd Rahim Abd Halim (Professional)	Rubberex
					Nor Hadi Daud (Professional)	Abd Rahim Abd Halim (Professional)	MBM Resources
State	Terengganu Chief Minister, Ahmad Razif Abd Rahman	Wan Zalizan Wan Jusoh (Professional)	Ahmad Razif Abd Rahman (Politician)	Terengganu Inc	Mohd Adawi Mohd Ali Ton Omar (Professional)	Muhammad Pehimi Yusof (Politician)	Golden Pharos

Figure 3.9: Sectoral presence & internal management control in Technology

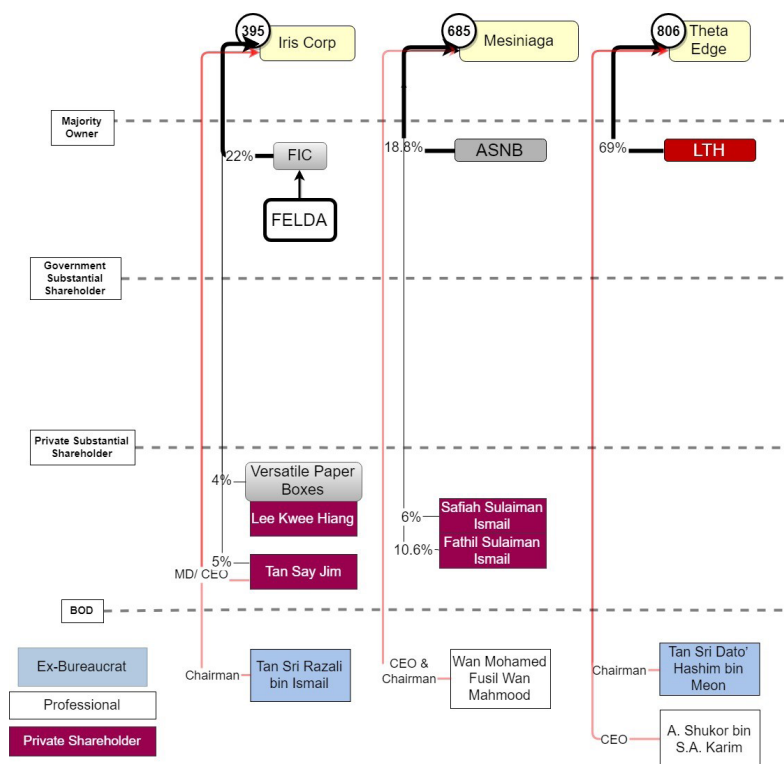


Table 3.10: Key Actors and Institutions in Technology

Level	Key Decision Control (Actors)	Internal Management Control of Key Ownership Institutions		Key Government Ownership Institution	Internal Management Control of GLCs / PLCs		GLCs
		MD	Chairman		MD	Chairman	
Federal	Prime Minister, Najib Razak		Syed Mohamed Syed Ibrahim (Professional)	FIC	Tan Say Jim (Professional)	Razali Ismail (Ex-bureaucrat)	Iris Corporation
		Abdul Rahman Ahmad (Professional)	Abdul Wahid Omar (Professional)	PNB	Wan Mohamed Fusil Wan Mahmood (Professional)		Mesiniaga
	Minister in the Prime Minister's Department, Jamil Khir Baharom	Johan Abdullah (Professional)	Abdul Azeez Abdul Rahim (Politician)	LTH	A. Shukor S.A. Karim (Professional)	Hashim Meon (Ex-bureaucrat)	Theta Edge

Figure 3.10: Sectoral presence & internal management control in Utilities

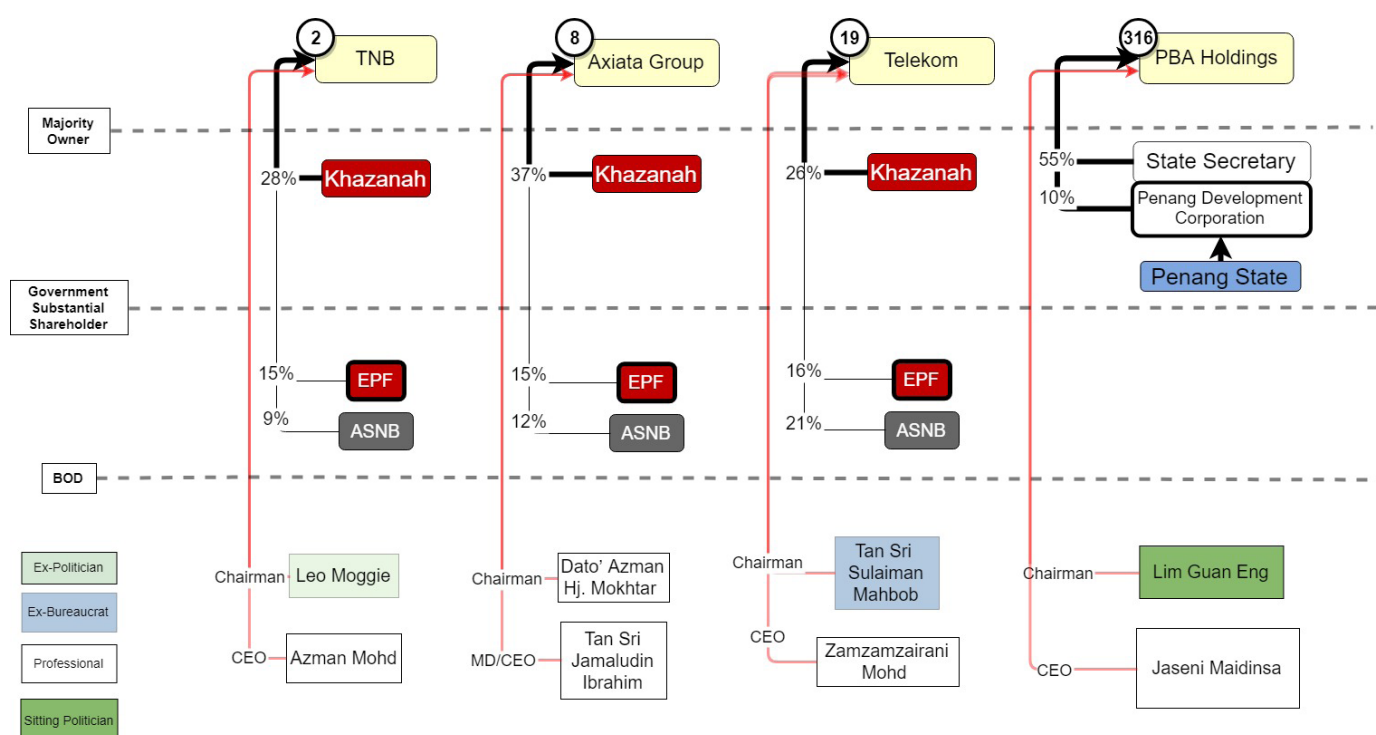


Table: 3.11 Key Actors and Institutions in Utilities

Level	Key Decision Control (Actors)	Internal Management Control of Key Ownership Institutions		Key Government Ownership Institution	Internal Management Control of GLCs / PLCs		GLCs
		MD	Chairman		MD	Chairman	
Federal	Prime Minister, Najib Razak	Azman Mokhtar (Professional)	Najib Razak (Politician)	Khazanah	Azman Mohd (Professional)	Leo Moggie (Ex-politician)	Tenaga Nasional
					Jamaludin Ibrahim (Professional)	Azman Mokhtar (Professional)	Axiata Group
					Zamzamzairani Mohd (Professional)	Sulaiman Mahbob (Ex-bureaucrat)	Telekom Malaysia
State	Chief Minister Penang, Lim Guan Eng			State Secretary Inc., Penang ⁴⁵	Jaseni Maidinsa (Professional)	Lim Guan Eng (Politician)	PBA Holdings

⁴⁵ State Secretary Inc., Penang does not have a board of directors.

Figure 3.1 I: Sectoral presence & internal management control in Healthcare

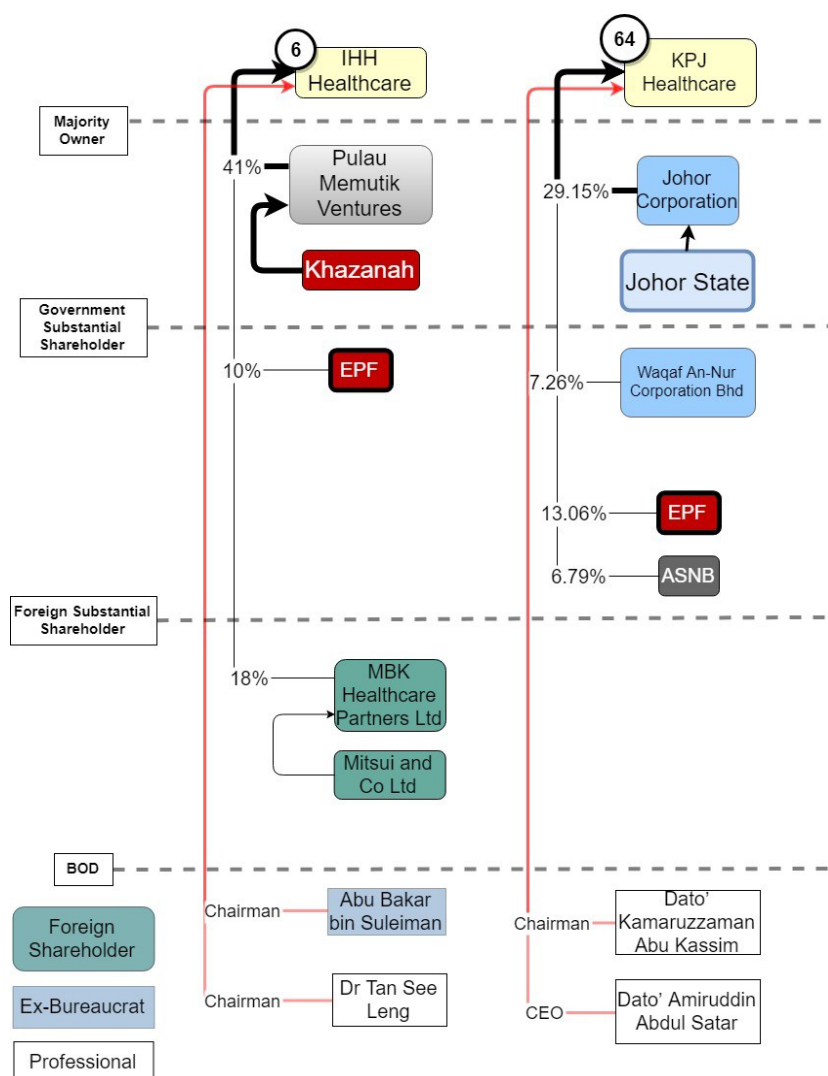


Table 3.12: Key Actors and Institutions in Healthcare

Level	Key Decision Control (Actors)	Internal Management Control of Key Ownership Institutions		Key Government Ownership Institution	Internal Management Control of GLCs / PLCs		GLCs
		MD	Chairman		MD	Chairman	
Federal	Prime Minister, Najib Razak	Azman Mokhtar (Professional)	Najib Razak (Politician)	Khazanah	Tan See Leng (Professional)	Abu Bakar Suleiman (Ex-bureaucrat)	IHH Healthcare
State	Johor Chief Minister, Khaled Nordin	Kamaruzzaman Abu Kassim (Professional)	Mohamed Khaled Nordin (Politician)	Johor Corporation	Amiruddin Abdul Satar (Professional)	Kamaruzzaman Abu Kassim (Professional)	KPJ Healthcare

Figure 3.12: Sectoral presence & internal management control in Insurance

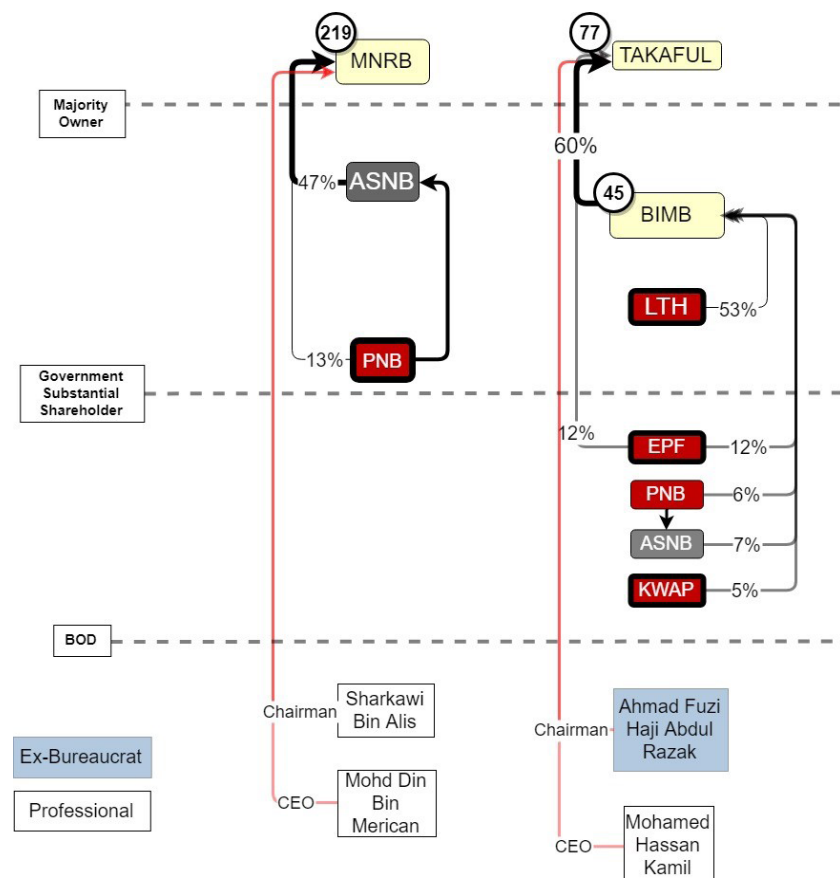


Table 3.13: Key Actors and Institutions in Insurance

Level	Key Decision Control (Actors)	Internal Management Control of Key Ownership Institutions		Key Government Ownership Institution	Internal Management Control of GLCs / PLCs		GLCs
		MD	Chairman		MD	Chairman	
Federal	Prime Minister, Najib Razak	Abdul Rahman Ahmad (Professional)	Abdul Wahid Omar (Professional)	ASNB	Mohd Din Merican (Professional)	Sharkawi Alis (Professional)	MNRB Holdings
	Minister in the Prime Minister's Department, Jamil Khir Baharom	Johan Abdullah (Professional)	Abdul Azeez Abdul Rahim (Politician)	LTH	Mohamed Hassan Kamil (Professional)	Ahmad Fuzi Abdul Razak (Ex-bureaucrat)	Takaful

Figure 3.13: GLCs with majority ownership by Yayasan Pelaburan Bumiputera

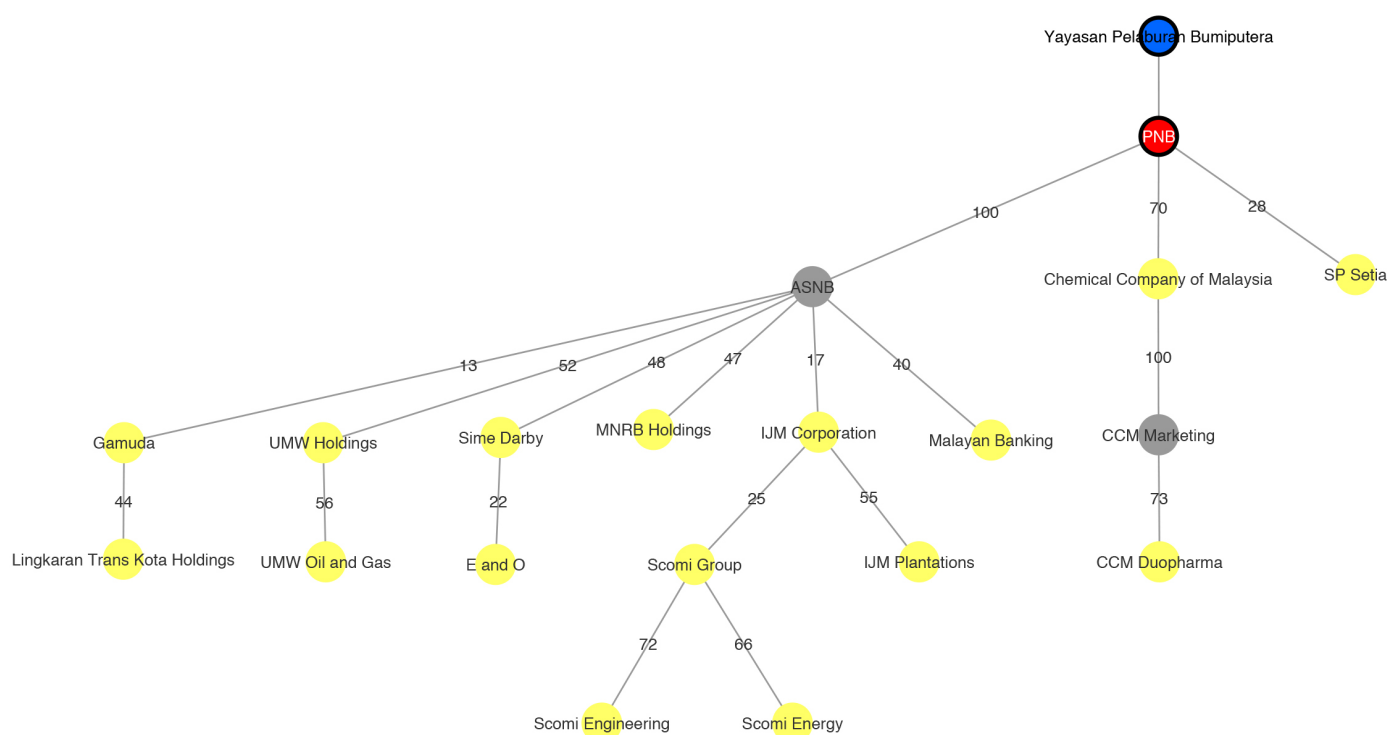


Figure 3.14: GLCs with majority ownership by LTAT

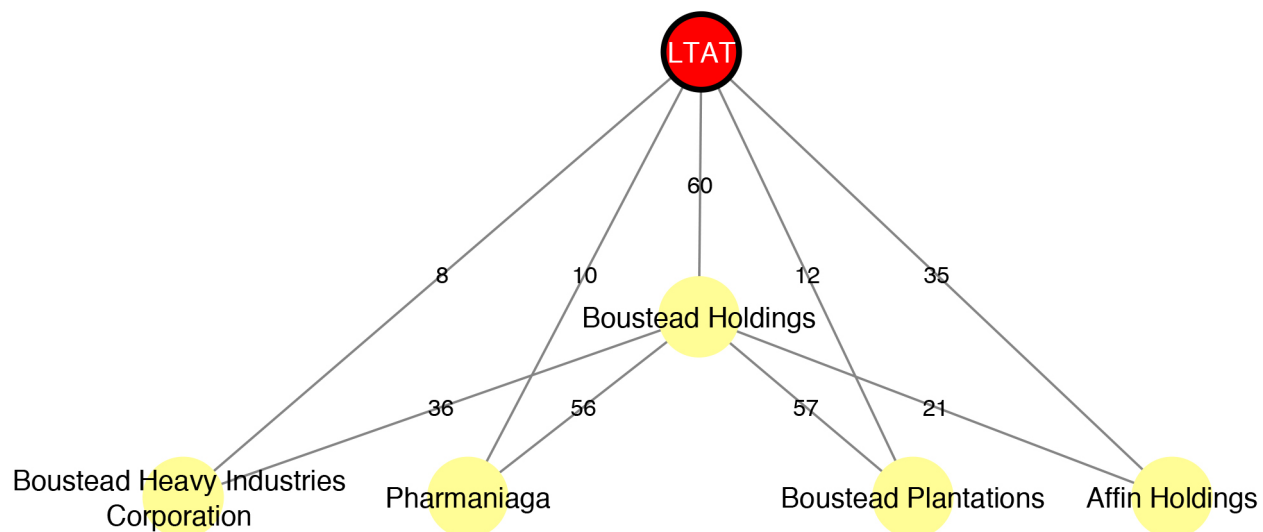


Table 3.14: Substantial Shareholding (government substantial shareholding with private/foreign majority)

Rank	Company	Sector	Total Government Shares (%)	Other Government Shareholders	Private/ Majority Owner Shares (%)	Foreign Owner Shares (%)
3	Public Bank	Banking	18.20	EPF (12.77%); ASNB (4.33%); KWAP (1.10%)	23.54	Teh Hong Piow
14	Hong Leong Bank	Banking	17.31	EPF (13.30%); PNB via ASNB (2.76%); Khazanah (0.50%); KWAP (0.43%); PERKESO (0.32%)	64.52	Quek family (Quek Leng Chan)
50	Alliance Financial Group	Banking	17.13	EPF (16.33%); KWAP (0.80%)	29.07	Minister for Finance Inc, Singapore
155	Tune Protect Group	Insurance	21.58	Khazanah via CIMB (9.40%); KWAP (7.87%); EPF (4.31%)	29.43	Tony Fernandes and Kamaruddin Meranun
295	Red Sena	SPAC	5.28	KWAP	20.00	Tan Eng Guan, Tan Ang Meng, Koh Kin Lip, Ismail Abdul Halim, Ong Kuee Hwa
7	Maxis	Utility	23.46	PNB via ASNB (10.66%); EPF (9.37%); PNB (0.26%); LTH (1.71%); KWAP (1.46%)	64.91	T. Ananda Krishnan
11	Digi DotCom	Utility	28.87	EPF (11.10%); PNB (10.77 %); KWAP (5.14%); LTH (1.37%); Khazanah (0.22%); Valuecap (0.27%)	49.00	Telenor ASA
30	YTL Power	Utility	16.54	PNB via ASNB (7.26%); EPF (5.16%); KWAP (2.38%); LTH (1.74%)	63.04	Yeoh family
87	Pos Malaysia	Utility	29.95	EPF (12.93%); KWAP (11.99%); PNB via ASNB (3.79%); Bank Rakyat (0.33%); National Trust Fund (0.91%)	32.21	Syed Mokhtar Albukhary
113	Taliworks Corporation	Utility	8.84	LTH (6.77%); EPF (1.30%); KWAP (0.36%); National Trust Fund (0.41%)	49.55	Lim family (Lim Chee Meng)
190	Ranhill Holdings	Utility	22.27	Johor State via Permodalan Darul Ta'zim (10.59%); LTH (7.82); KWAP (1.08%); MIDF Amanah Investment Bank (2.78%)	33.51	Hamdan Mohamad
307	Puncak Niaga Holdings	Utility	11.96	LTH (9.91%); EPF (1.62%); KWAP (0.43%)	39.68	Rozali Ismail
708	HeiTech Padu	Technology	27.54	PNB	29.96	Owner under nominee
163	Prestariang	Technology	20.53	KWAP (12.00%); EPF (3.94%); PNB via ASNB (2.53%); PNB (0.87%); Bank Rakyat (1.19%)	27.41	Abu family (Abu Hasan Ismail)
80	Inari Amerton	Technology	16.91	EPF (9.03%); KWAP (6.79%); PNB via ASNB (1.09%)	21.58	Thong Kok Khee
247	Cypark Resources	Technology	16.12	LTH (10.09%); EPF (3.21%); KWAP (2.01%); Kumpulan Wang Simpanan Guru Guru (0.81%)	18.69	Razali Ismail
188	UCHI Technologies	Technology	15.66	LTH (5.78%); Valuecap (4.01%); EPF (2.70%); KWAP (2.53%); National Trust Fund (0.64%)	27.66	Kao family (Kao De-Tsan)

710	Malaysian Genomics Resource Centre	Technology	13.75	Khazanah	69.45 Hercus family (Robert George Hercus)
705	Sedania Innovator	Technology	11.41	PNB via Malayan Banking	54.68 Noor Azrin Mohd Noor
538	Notion Vtec	Technology	7.21	LTH	21.68 Choo family (Choo Wing Hong)
233	GHL Systems	Technology	7.16	KWAP (5.42%); EPF (1.74%)	28.32 Cycas
102	Sarawak Oil Palms	Plantations	27.94	Sarawak State via Pelita Holdings (20.26%); State Financial Secretary Sarawak (7.68%)	35.54 Ling family (Ling Chiong Ho)
17	KLK	Plantations	27.02	EPF (15.29%); PNB via ASNB (5.47%); KWAP (1.67%); FELDA (4.28%); PERKESO (0.31%)	46.61 Lee family
507	Astral Asia	Plantations	26.91	Pahang State via Perbadanan Kemajuan Pertanian Negeri Pahang	27.14 Lim Kang Poh
52	United Plantations	Plantations	28.15	EPF (14.73%); Perbadanan Pembangunan Pertanian Negeri Perak (6.45%); PNB via ASNB (5.96%); KWAP (1.01%)	47.36 Bek-Nielsen family (Carl Bek-Nielsen)
38	Genting Plantations	Plantations	19.33	EPF (13.50%); KWAP (4.6%); PERKESO (1.23%)	51.03 Lim family
15	IOI Corporation	Plantations	19.04	PNB via ASNB (8.77%); EPF (6.19%); PNB (0.49%); KWAP (3.59%)	47.28 Lee family (Lee Shin Cheng)
105	Hap Seng Plantations Holdings	Plantations	32.90	Sabah State via Innoprise Corporation (15.00%); EPF (8.71%); LTH (6.34%); PNB via ASNB (1.69%); KWAP (0.56%); Valuecap (0.2%); Bank Rakyat (0.17%); National Trust Fund (0.23%)	53.04 Lau Cho Kun
140	United Malacca	Plantations	11.89	EPF (6.25%); Khazanah (3.02%); KWAP (2.62%)	14.14 Oversea-Chinese Banking Corporation Ltd
40	Batu Kawan	Plantations	7.41	FELDA (6.76%); EPF (0.38%); KWAP (0.27%)	51.11 Lee family
198	Rimbunan Sawit	Plantations	5.36	Sarawak State via State Financial Secretary	53.52 Tiong family (Tiong Hiew King)
337	PLS Plantations	Plantations	8.60	Johor State via Kumpulan Prasarana Rakyat Johor via Serumpun Abadi	32.65 Lim family (Lim Kang Hoo)
111	Ta Ann Holdings	Plantations	8.69	EPF (8.04%); PERKESO (0.65%)	34.59 Abdul Hamed Sepawi
48	Lafarge Malaysia	Industrial Products	25.61	PNB via ASNB (12.10%); EPF (9.10%); KWAP (2.91%); Khazanah (1.20%); LTAT (0.3%)	51.00 LafargeHolcim Ltd
425	Formosa Prosonic Industries	Industrial Products	21.64	PNB	28.00 Wistron Corporation

65	Cahaya Mata Sarawak	Industrial Products	24.87	EPF (11.85%); Sarawak Economic Development Corp (5.67); LTH (4.49%); Valuecap (1.11%); KWAP (0.69%); PERKESO (0.43%); National Trust Fund (0.63%)	38.69 Taib family (Hanifah Taib-Alsree)
220	Wah Seong Corporation	Industrial Products	18.50	PNB via ASNB (5.30%); LTAT (4.50%); LTH (4.10%); EPF (4.60%)	42.00 Tan family (Robert Tan Chung Meng)
338	Sarawak Cable	Industrial Products	16.53	Sarawak State via State Financial Secretary	22.52 Mahmud Abu Bekir Taib
99	DRB HICOM	Industrial Products	15.43	EPF (6.79%); LTH (4.73%); KWAP (3.91%)	55.92 Syed Mokhtar Albukhary
144	Tan Chong Motor Holdings	Industrial Products	13.57	EPF (7.81%); PNB via ASNB (5.76%)	42.10 Tan family (Tan Heng Chew)
68	Kossan Rubber	Industrial Products	13.51	EPF (11.12%); KWAP (2.39%)	51.34 Lim family (Lim Kuang Sia)
733	Leader Steel Holdings	Industrial Products	13.46	PNB via ASNB	53.00 Goh family (Goh Cheng Huat)
239	Southern Acids	Industrial Products	13.05	LTH	39.71 Low Boon Lai
202	APM Automotive Holdings	Industrial Products	10.95	EPF (6.64%); KWAP (1.30%); Khazanah (3.01%)	48.35 Tan family (Tan Heng Chew)
524	Yi Lai	Industrial Products	10.83	LTH	32.63 Tan Jian Hong and Kang Hui Lin
44	Top Glove	Industrial Products	10.15	EPF (8.90%); KWAP (1.25%)	37.65 Lim family (Lim Wee Chai)
267	White Horse	Industrial Products	9.82	LTH	13.13 Liao family (Liao Yuan Shun)
409	Weida M	Industrial Products	9.61	LTH	26.49 Lee family (Lee Choon Chin)
41	Hartalega	Industrial Products	9.48	EPF (7.35%); KWAP (2.13%)	52.37 Kuan family (Kuan Kam Hon)
67	Oriental Holdings	Industrial Products	9.43	EPF (8.41%); KWAP (1.02%)	57.50 Loh Kian Chong
572	Adventa	Industrial Products	9.38	LTH	43.46 Low family (Low Chin Guan)
136	Kian Joo Can Factory	Industrial Products	9.28	EPF	32.90 Yeoh Jin Hoe
771	YLI Holdings	Industrial Products	9.19	LTH	29.18 Samsuri Rahmat and Ali Sabri Ahmad
465	Choo Bee Metal Industries	Industrial Products	8.68	LTH (7.12%); PNB via ASNB (1.56%)	56.72 Soon family (Soon Cheng Hai)

126	SKP Resources	Industrial Products	8.39	EPF (5.35%); KWAP (2.3%); National Trust Fund (0.74%)	49.94 Gan family (Gan Kim Huat)
584	APB Resources	Industrial Products	7.98	LTH	46.82 Yap Kow aka Yap Kim Fah
323	Hiap Teck Venture	Industrial Products	6.76	LTH	26.31 Law family (Law Tien Seng)
181	CSC Steel Holdings	Industrial Products	5.00	LTH	46.30 China Steel Asia Pacific Holdings Pte Ltd
27	Astro Malaysia Holdings	Media	31.77	Khazanah via Pantai Cahaya Bulan Ventures (20.71%); EPF: (6.45%); PNB via ASNB (4.3%); PNB (0.31%)	40.98 T. Ananda Krishnan
120	Star Media Group	Media	27.71	PNB via ASNB (15.99%); EPF (6.33%); LTH (5.39%)	42.48 Malaysian Chinese Association (MCA)
180	Reach Energy	Oil & Gas	10.81	LTH (9.51%); KWAP (1.30%)	23.38 Shahul Hamid Mohd Ismail
224	Hengyuan Refining Co	Oil & Gas	15.15	PNB via ASNB (10.72%); EPF (2.66%); Khazanah (1.12%); KWAP (0.65%)	51.00 Malaysia Hengyuan International Ltd
142	Amway Holdings	Consumer Products	36.92	PNB via ASNB (21.50%); KWAP (9.18%); EPF (6.05%); LTH (0.12%); PNB via Yayasan Tun Ismail Mohd Ali Berdaftar (0.07%)	51.70 Alticor Global Holdings Inc
209	Asia File Corporation	Consumer Products	27.70	PNB via ASNB (24.10%); EPF (1.70%); KWAP (1.90%)	43.62 Lim family (Lim Soon Huat)
37	Fraser & Neave	Consumer Products	27.22	PNB via ASNB (18.40%); EPF (7.40%); PNB (1.10%); KWAP (0.19%); PERKESO (0.13%)	55.51 Fraser & Neave Ltd
73	Dutch Lady Milk Industries	Consumer Products	19.99	PNB via ASNB (15.49%); EPF (3.76%); KWAP (0.24%); National Trust Fund (0.50%)	50.96 Friesland Campina DDMI Malaysia Holding B.V
302	Apollo Food Holdings	Consumer Products	18.69	PNB via ASNB	51.31 Liang and Tan families
72	Aeon Co M	Consumer Products	17.05	EPF (7.81 %); PNB via ASNB (5.00%); KWAP (4.24%)	51.68 Aeon Co Ltd
789	Focus Point Holdings	Consumer Products	15.00	PNS	59.58 Liaw family (Liaw Choon Liang)
23	Nestle	Consumer Products	13.29	EPF (7.70%); PNB via ASNB (3.17 %); KWAP (1.10%); Valuecap (0.75%); PERKESO (0.57%)	72.61 Nestlé SA

108	Panasonic Manufacturing Malaysia	Consumer Products	12.21	EPF (6.74%); KWAP 5.47%	47.45 Panasonic Asia Pacific Pte Ltd
207	Magni Tech Industries	Consumer Products	11.41	PNS (7.44%); EPF (2.88%); PETRONAS (0.58%); KWAP (0.51%)	35.97 Tan family (Tan Kok Ping)
22	PPB Group	Consumer Products	10.65	EPF (8.11%); KWAP (2.26%); UKM (0.28%)	52.20 Kuok Family (Robert Kuok)
318	Sasbadi Holdings	Consumer Products	9.67	EPF (6.92%); KWAP (1.37%); PETRONAS (0.89%); UM (0.49%)	36.50 Law King Hui
729	Cheetah Holdings	Consumer Products	7.96	LTH	64.12 Chia family (Chia Kee Foo)
29	British American Tobacco	Consumer Products	7.95	EPF (5.90%); Valuecap (1.61%); PNB (0.44%)	50.00 British American Tobacco Holdings (M) BV
716	Tomei Consolidated	Consumer Products	7.22	Terengganu State via Lembaga Tabung Amanah Warisan Negeri Terengganu	60.48 Ng family (Ng Teck Fong)
389	YSP Southeast Asia Holding	Consumer Products	6.32	LTH (5.03%); EPF (0.83%); PERKESO (0.46%)	53.74 Lee family (Lee Fang Chuan)
54	QL Resources	Consumer Products	6.22	PNB via ASNB (5.79%); EPF (0.43%)	43.15 Chia family (Chia Song Kun)
376	Hovid	Consumer Products	5.81	KWAP (5.49%); UM (0.32%)	34.15 David Ho Sue San
42	MMC Corporation	Trading & Services	36.70	PNB via ASNB (21.57%); LTH (6.73%); EPF (4.98%); KWAP (3.42%)	51.76 Syed Mokhtar Albukhary
494	Brahims Holdings	Trading & Services	25.66	LTH (19.28%); KWAP (3.15%); PNS (0.31%); LTAT (0.27%); EPF (0.58%); Kumpulan Wang Simpanan Guru Guru (0.42%); UM (0.90%); Bank Rakyat (0.75%)	30.05 Ibrahim Ahmad and Mohd Ibrahim Mohd Zain
263	Uzma	Trading & Services	22.82	LTH (9.28%); EPF (5.48%); KWAP (8.06%)	40.62 Kamarul Redzuan Muhamed and Rozita Mat Shah
75	Bumi Armada	Trading & Services	21.79	PNB via ASNB (12.40%); EPF 5.13%; KWAP (2.45%); LTH (0.89%); Khazanah (0.54%); PERKESO (0.38%)	34.92 T. Ananda Krishnan
176	Dayang Enterprise Holdings	Trading & Services	22.28	KWAP (9.45%); LTH (8.86%); EPF (2.20%); LTAT (1.41%); Bank Rakyat (0.36%)	29.06 Hasmi Hasnan and Abdul Hamed Sepawi
200	Malaysian Bulk Carriers	Trading & Services	18.96	Bank Pembangunan Malaysia (18.39%); EPF (0.40%); KWAP (0.17%)	34.46 Kuok Singapore Ltd

241	Barakah Offshore Petroleum	Trading & Services	14.44	FELDA (8.91%); EPF (4.43%); KWAP (0.80%); LTH (0.30%)	48.63 Nik Hamdan Daud
26	Westports Holdings	Trading & Services	13.17	EPF (5.02%); KWAP (3.76%); PNB via ASNB (3.68%); PNB direct (0.71%)	45.58 Gnanalingam family
398	AlamMaritim Resources	Trading & Services	12.76	LTH (10.13%); EPF (2.09%); PNB via ASNB (0.54%)	36.12 Azmi Ahmad and Shaharuddin Warno
315	WZ Satu	Trading & Services	12.47	LTH (9.03%); PNS 3.44%	25.78 Uzir Ubaidillah
499	Integrated Logistics	Trading & Services	11.92	LTH	12.04 Makoto Takahashi
206	Parkson Holdings	Trading & Services	11.53	LTH (9.76%); EPF (1.77%)	59.75 Cheng family (William Cheng)
82	Yinson Holdings	Trading & Services	10.28	EPF	33.57 Lim Family (Lim Han Weng)
599	Progressive Impact Corporation	Trading & Services	9.90	LTH	55.82 Zaid family (Zaid Abdullah)
353	Petra Energy	Trading & Services	9.88	LTH	27.54 Bustari Yusof
46	Air Asia	Trading & Services	8.17	EPF (5.12%); PNB via ASNB (3.05%)	32.23 Tony Fernandes and Kamaruddin Meranun
703	Asia Bioenergy Technologies	Trading & Services	8.81	MARA via Pelaburan Mara Bhd	9.81 CPE Growth Capital Limited
531	T7 Global	Trading & Services	7.79	LTH	12.48 Tan Kean Soon
402	Globaltec Formation	Trading & Services	6.25	LTAT	19.51 Goh Tian Chuan
230	Iskandar Waterfront City	Construction & Property Development	21.10	Johor State via Kumpulan Prasarana Rakyat Johor (20.64%); EPF (0.46%)	24.21 Lim Family (Lim Kang Hoo)
504	Ewein	Construction & Property Development	30.1	MARA via Med Bumikar (28.84%); Bank Simpanan Nasional via Amanah Saham Bank Simpanan Nasional (0.40%); BSN Dana Al Jadid (0.16%); UM (0.70%)	42.31 Ewe family (Ewe Swee Kheng)
168	Hock Seng Lee	Construction & Property Development	21.02	PNB via ASNB (15.35%); EPF (4.30%); LTH (0.25%); KWAP (0.40%); PERKESEO (0.72%)	58.46 Yii and Yu family (Yu Chee Hoe)
76	Mah Sing Group	Construction & Property Development	20.43	EPF (9.38%); LTH (5.83%); KWAP (5.22%)	34.57 Leong Hoy Kum
254	Glomac	Construction & Property Development	16.72	LTH (10.29%); EPF (4.69%); KWAP (1.09%); National Trust Fund (0.65%)	36.1 Mansor family (Fateh Iskandar Mohamed Mansor)

76	Mah Sing Group	Construction & Property Development	20.43	EPF (9.38%); LTH (5.83%); KWAP (5.22%)	34.57 Leong Hoy Kum
254	Glomac	Construction & Property Development	16.72	LTH (10.29%); EPF (4.69%); KWAP (1.09%); National Trust Fund (0.65%)	36.1 Mansor family (Fateh Iskandar Mohamed Mansor)
276	Naim Holdings	Construction & Property Development	15.71	LTH (9.93%) Valuecap (4.99%); EPF (0.48%); Khazanah (0.31%)	37.93 Hasmi Hasnan and Abdul Hamed Sepawi
47	Sunway	Construction & Property Development	15.61	PNB via ASNB (8.37%); EPF (6.38%); PNB (0.36%); Khazanah (0.5%)	61.11 Cheah Family (Jeffrey Cheah)
486	Damansara Realty	Construction & Property Development	14.20	Johor State via Sindora Bhd (9.70) and Kulim M Bhd (4.50)	51 Daing A. Malek
178	Mitrajaya Holdings	Construction & Property Development	13.34	PNB via ASNB (5.09%); PNB (2.00%); EPF (2.67%); LTH (0.92%); Amanahraya Trustee Bhd (0.84%); KWAP (0.53 %); Valuecap (0.47%); Bank Kerjasama Rakyat (0.82%)	40.61 Tan Eng Piow
313	Sentoria Group	Construction & Property Development	13.62	Pahang State via State Secretary (11.37%); Lembaga Kemajuan Perusahaan Pertanian Negeri Pahang (2.25%)	62.03 Chan Kong San and Gan Kim Leong
153	Muhibbah Engineering	Construction & Property Development	13.74	LTH (9.27%); KWAP (2.4%); PNB via ASNB (0.77%); PERKESO (1.30%)	15.30 Mac Ngan Boon
154	LBS Bina Group	Construction & Property Development	13.26	KWAP (10.15%); EPF (2.50%); PERKESO (0.61%)	44.97 Lim family (Lim Hock San)
133	MCT	Construction & Property Development	12.60	LTH (10.09%); KWAP (2.51%)	32.95 Regent Wise Investments Ltd
463	TRC Synergy	Construction & Property Development	11.80	LTH (9.33%); EPF (2.47%)	34.46 Sufri Mohd Zin
35	IOI Properties	Construction & Property Development	11.24	PNB via ASNB (5.46%); EPF (5.36%); KWAP (0.42%)	59.58 Lee family (Lee Shin Cheng)
170	Kumpulan Europlus	Construction & Property Development	10.64	PNB via IJM Corporation (5.09%); EPF via IJM Corporation (3.51%); LTH via IJM Corporation (1.37%); KWAP via IJM Corporation (0.67%)	25.58 Surin Upatkoorn
71	Eco World Development Group	Construction & Property Development	10.10	EPF (6.70%); KWAP (2.80%); Khazanah (0.60%)	47.88 Leong Kok Wah
257	Mudajaya Group	Construction & Property Development	10.00	LTH	20.47 Ng Ying Loong, Anto SF Joseph, Wee Teck Nam
229	Tambun Indah Land	Construction & Property Development	9.81	KWAP (5.05%); EPF (4.16%); LTH (0.60%)	39.16 Teh Kiak Seng

361	Ikhmas Jaya Group	Construction & Property Development	9.78	LTH (5.46); EPF (1.89%); KWAP (1.48%); PETRONAS (0.28%); UM (0.48%); Kumpulan Wang Simpanan Guru Guru (0.19%)	65.00 Khoo Ping Seng, Ang Cheng Siong, Kun Haw Choy
612	TSR Capital	Construction & Property Development	8.86	LTH	31.10 Mustapha Mohamed and Rahaimi Abdul Rahman
24	YTL Corporation	Construction & Property Development	8.83	EPF (6.53%); PNB via ASNB (2.30%)	53.46 Yeoh family (Yeoh Tiong Lay)
561	Melati Ehsan Holdings	Construction & Property Development	7.21	LTH	49.99 Yap family (Yap Suan Chee)
289	Eversendai Corporation	Construction & Property Development	6.68	LTH (5.21%); Khazanah (1.47%)	71.76 Nathan Elumalay
327	Gabungan AQRS	Construction & Property Development	6.15	KWAP (5.19%); EPF (0.96%)	13.32 Ow Chee Cheoon, Bernard Lim Soon Chiang, Azizan Jaafar
79	IGB Corporation	Construction & Property Development	5.89	EPF (5.02%); PERKESO (0.87%)	73.44 Tan family (Robert Tan Chung Meng)
443	Fajarbaru Builder Group	Construction & Property Development	5.08	LTH	9.02 Kuan Peng Soon

Table 3.15: List of Joint Ownership Companies

Rank	Company	Sector	Total Government Shares (%)	Largest Government Shareholder	Other Government Shareholders	Private/Foreign Substantial Shareholders
28	AMMB Holdings	Banking	26.26	EPF (15.16%)	PNB via ASNB (7.15%); KWAP (1.76%); Via CIMB: Khazanah, EPF, PNB, KWAP, LTAT (2.19%)	Australia & New Zealand Banking Group Ltd (23.78%) Azman Hashim (12.97%)
101	WCT Holdings	Construction & Property Development	36.78	PNB via ASNB (13.06%)	EPF (7.70%); LTH (9.75%); KWAP (6.27%)	Desmond Lim Siew Choon (19.57%)
482	Bioalpha Holdings	Consumer Products	24.34	KHAZANA H via MTDC (13.40%)	Perbadanan Nasional Bhd (10.31%); EPF (0.63%)	William Hon Tian Kok (14.70%)
34	Sapura Kencana Petroleum (Now known as Sapura Energy)	Oil & Gas	31.99	EPF (15.10%)	PNB via ASNB (11.33%); PNB (0.43%); KWAP (3.54%); LTH (0.78%); LTAT (0.42%); Khazanah (0.39%)	Shahril and Shahrman Shamsuddin (16.01%) Mokhzani Mahathir (10.34%)
39	Dialog Group	Oil & Gas	27.93	EPF (12.61%)	PNB via ASNB (6.23%); KWAP (6.29%); LTH (2.80%)	Ngau Boon Keat (15.90%)
81	Gas Malaysia	Oil & Gas	31.32	PETRONAS (8.98%)	LTH (7.56% + 2% via MMC Corporation); PNB via ASNB (6.67% via MMC Corporation + 1.16% via Petronas Gas); EPF (1.54% via MMC Corporation + 1.5% via Petronas Gas); KWAP (1.06% via MMC Corporation + 0.8% via Petronas Gas); PNB via Petronas Gas (0.05%)	Tokya Gas (18.50%) Syed Mokhtar (16.00%)
164	Globetronics Technology	Technology	18.55	EPF (13.36%)	PNB via ASNB (1.65%); KWAP (0.75%); Bank Rakyat (0.69%); National Trust Fund (0.68%); Khazanah via MTDC via Wiserite (1.421%)	Ng Family (Ng Kweng Chong) (16.2%) Manulife Asset Management Services Bhd (5.42%)
95	Bermaz Auto	Trading & Services	33.52	PNB via ASNB (14.88%)	EPF (11.27%); KWAP (6.15%); Khazanah (1.22%)	Vincent Tan (17.55%)
461	BHS Industries (Now known as Nextgreen Global)	Trading & Services	21.98	FELDA (11.33%)	MARA (10.65%)	Lim Thiam Huat (20.16) Ling Siew Luan (8.13)
63	Time DotCom	Utility	32.20	Khazanah (20.70%)	Khazanah (11.29% + 9.38% via Pulau Kapas Ventures); KWAP (8.05%); EPF (3.49%)	Afzal Abdul Rashim and Patrick Corso (21.90%)
43	Malakoff	Utility	42.37	EPF (12.86%)	PNB via ASNB (10.21%); LTH (10.17%); KWAP (8.13%); PNB (0.47%); Yayasan Hasanah (0.35%)	Syed Mokhtar Albukhary (19.44%)

Table 3.16: Politicians in GLCs, Substantial Shareholding, Joint Ownership

<i>Politician</i>	<i>Profile</i>	<i>Position in Listed Companies</i>	<i>Majority Shareholder of Listed Companies</i>
Normala Abdul Samad	UMNO MP Pasir Gudang, Johor	Chairman of CCM Duopharma Biotech, Chemical Company of Malaysia	PNB
Muhammad Yusof Pehimi	UMNO ADUN Jertih, Terengganu	Chairman of Golden Pharos	Terengganu state government
Idris Buang	PBB ADUN Muara Tuang, Sarawak (2016-present)	Chairman of Hock Seng Lee	Yu/Yii Family (Yu Chee Hoe) (Yu Chee Hoe is reportedly a business associate of Taib Mahmud's family) (Cramb and McCarthy, 2016)
Ahmad Zahri Jamil (ex-politician)	UMNO ADUN Sri Medan, Parit Sulong, Batu Pahat Johor (1999-2013); Chairman of the Executive Committee, Housing, Local Government and Public Amenities of Johor State (2008-2013); Director of Johor Corporation (2009-2013)	Chairman of Damansara Realty	Daing A Malek (Politician: UMNO Kota Tinggi division chief. Reported to be close to Johor sultan) (<i>Malaysiakini</i> 18 July 2014)
Husein Ahmad (ex-politician)	Deputy Chief Minister of Kelantan (1978-1982); Senator (1985); Deputy Minister of Housing and Local Development (1988); Head of Information, UMNO (1982-1995)	Chairman of Astral Asia	Lim Kang Poh (Brother of Lim Kang Hoo, a business partner of the Johor Sultan) (<i>Kinibiz Online</i> 10 June 2014)
Ong Ka Ting (ex-politician)	MP Pontian, Johor (1990-2004); President of MCA (2003-2008); Minister of Housing and Local Government (1999-2008)	Chairman of Taliworks Corporation	Lim Family (Lim Chee Meng)
Sohaimi Shahdan	UMNO Supreme Council Member since 2013	Chairman of BHS Industries (now known as Nextgreen Global Bhd)	Lim Thiam Huat (Shares ownership of Paramount Billion Sdn Bhd with Nazifuddin Najib, son of Najib Razak) (<i>The Star Online</i> 16 Nov 2011)
Fateh Iskandar Mohamed Mansor	Former UMNO Kelana Jaya Vice-Chief (<i>The Star Online</i> 11 Dec 2004)	MD of Glomac Chairman in Media Prima	Fateh Iskandar Mohamed Mansor

		Independent Non-Executive Director in Telekom Malaysia	
Adnan Yaakob	UMNO Chief Minister of Pahang	Chairman in Mentiga Corporation, Pasdec Holdings	Pahang state
Isa Samad	UMNO MP Jempol, Negeri Sembilan	Chairman in FGV, MSM Malaysia Holdings, Encorp	FELDA
Wong See Wah	Negeri Sembilan MCA adviser; Former MP for Rasah, Negeri Sembilan; and former Negeri Sembilan EXCO; former Deputy Finance Minister	Chairman in IJM Plantations Non-Executive Director in Unisem M Bhd	PNB
Abdul Ghani Othman	Chairman of UMNO Disciplinary Board (<i>Utusan Online</i> 12 April 2018)	Chairman in Sime Darby	PNB
Zakaria Nordin	Former UMNO ADUN Ampangan, Negeri Sembilan (<i>The Edge Markets</i> 18 Feb 2016)	MD in Encorp	FELDA
Ahmad Ibni Hajar	Tanjung UMNO Division Chief (<i>New Straits Times</i> 19 May 2016)	Chairman of KUB Malaysia	MoF Inc.

Table 3.17: Well-connected actors in GLCs, Substantial Shareholding, Joint Ownership

<i>Name</i>	<i>Position in Company</i>	<i>Notes</i>
GLCs		
Lodin Wok Kamaruddin	- Deputy Chairman and Group MD, Boustead Holdings - Vice Chairman, Boustead Plantations - Chairman, Pharmaniaga, Boustead Heavy Industries Corporation	Reportedly a close business associate of Najib Razak (Gomez et al., 2018)
Substantial Shareholding		
Yu Chee Hoe	Shareholder and MD in Hock Seng Lee	Reportedly a close business associate of Taib Mahmud's family (Cramb and McCarthy, 2016)
Lim Kang Hoo	- Shareholder and Executive Vice Chairman, Iskandar Waterfront City - Shareholder and Non-Independent Non-Executive Director, PLS Plantations Holds position and shares in listed firms not in substantial shareholding: - Shareholder, Knusford Bhd	Business partner of Johor Sultan (<i>Kinibiz Online</i> 10 June 2014)
	Shareholder and Chairman, Ekovest Bhd (Lim Kang Poh, brother of Lim Kang Hoo, is a shareholder and Deputy Executive Chairman of Astral Asia and shareholder and Non-Independent Non-Executive Director of PLS Plantations) (Lim Kang Yew, brother of Lim Kang Hoo, is a shareholder and MD of PLS Plantations and Deputy Executive Chairman of TSR Capital) (Lim Guan Shiun, son of Lim Kang Poh, is a MD in Astral Asia)	
Mahmud Abu Bekir Taib	- Shareholder and Deputy Group Chairman, Cahya Mata Sarawak - Shareholder and Chairman, Sarawak Cable	Son of Taib Mahmud, former Chief Minister of Sarawak (<i>The Sun Daily</i> 4 July 2018)
Syed Mohd Yusof Tun Syed Nasir	- Chairman, YLI Holdings Holds position and shares in listed firm not in substantial shareholding: - Non-Independent Non-Executive Director in Titijaya Land Bhd	Son of late Syed Nasir Ismail (UMNO) and reportedly a business partner of the Sultan of Selangor (<i>The Star Online</i> 17 Dec 2005)

Mah Siew Kwok	- Chairman, Kian Joo Can Factory Holds positions and shares in listed firms not in substantial shareholding: - Shareholder and Deputy Chairman, Ho Hup Construction - Shareholder and Vice Chairman, Omesti Bhd - Shareholder, Microlink Solutions - Independent Non-Executive Director, Voir Holdings - Shareholder and Chairman, Diversified Gateway Solutions Bhd	Related to Mah Siew Keong, Gerakan president. ¹
Syed Mokhtar Albukhary	- Shareholder, MMC Corporation, Pos Malaysia, DRB Hicom Shareholder in joint ownership firms: - Malakoff - Gas Malaysia	Close associate of Mahathir Mohamad (<i>The Edge Markets</i> 18 July 2018)
Abdul Hamed Sepawi	- Shareholder and Chairman, Naim Holdings, Ta Ann Holdings - Shareholder, Dayang Enterprise Holds position and shares in listed firms not in substantial shareholding: - Shareholder, SMTrack Bhd, Perdana Petroleum - Chairman, Sarawak Plantation	Cousin of Taib Mahmud (<i>The Star Online</i> 8 February 2014)
Hasmi Hasnan	- Shareholder, Dayang Enterprise - Shareholder and MD, Naim Holdings Holds shares in listed firm not in substantial shareholding: - Shareholder, Perdana Petroleum	Business partner of Hamid Sepawi, Taib Mahmud's cousin. (<i>Sarawak Report</i> 7 April 2011) In Dayang Enterprise, Perdana Petroleum and Naim Holdings, Hasmi Hasnan and Hamid Sepawi are the two largest shareholders.
Tiong Hiew King	- Shareholder and Executive Director, Rimbunan Sawit Holds position and shares in listed firms not in substantial shareholding: - Shareholder, Subur Tiasa Holdings	Brother of Tiong Thai King, ADUN Dudong, Sarawak. (<i>Utusan Borneo Online</i> 8 May 2016) Reported to have been privy to timber concessions and his company,

¹ See: <http://www.mykasih.com.my/dashboard/modules/cms/cms~file/ff3e7dd8268941999e3923ecf5aa7a1c.pdf>

	• Shareholder, Jaya Tiasa Holdings • Shareholder and Chairman, Media Chinese International (Tiong Chiong Ong, son of Tiong Hiew King, is Chairman of Rimbunan Sawit)	Rimbunan Hijau, is associated with Taib Mahmud's family (<i>Sarawak Report</i> 7 December 2012)
Ling Chiong Ho	• Shareholder and Chairman, Sarawak Oil Palms Holds position and shares in listed firm not in substantial shareholding: • Shareholder and Chairman, Shin Yang Shipping Corporation	Reported to have been privy to concessions (<i>Sarawak Report</i> 19 April 2011)
Joint Ownership		
Lim Thiam Huat	• Shareholder and MD, BHS Industries (now known as Nextgreen Global Bhd)	Shares ownership of Paramount Billion Sdn Bhd with Nazifuddin Najib, son of Najib Razak. (<i>The Star Online</i> 16 Nov 2011)
Desmond Lim	• Shareholder and Chairman, WCT Holdings	Reported to be a close associate of Najib Razak's family (<i>Kinibiz Online</i> 11 March 2013)
	Holds position and shares in listed firm not in joint ownership: • Shareholder and Chairman, Malton Bhd	
Azman Hashim	• Shareholder and Chairman, AMMB Holdings Holds shares in listed firms not in joint ownership: • Shareholder, Amcorp Properties, RCE Capital, ECM Libra Group	Controls AmBank
Shahril Shamsuddin	• Shareholder and MD, Sapura Kencana Petroleum (now known as Sapura Energy) Holds positions and shares in listed firms not in joint ownership: • Shareholder and Non-Independent Non-Executive Director, Sapura Resources Bhd • Deputy Chairman, Sapura Industrial Bhd	Son of Shamsuddin Kadir who has links to Mahathir (Gomez, 2009)

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