

a report by

**bruno manser fonds**

for the peoples of the rainforest



# THE ADELAIDE HILTON CASE

How a Malaysian politician's family  
laundered \$ 30 million in South Australia

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## **How a Malaysian politician's family laundered \$ 30 million in South Australia**

This report has been released in September 2015 by the Bruno Manser Fund, a charitable association registered in Basel, Switzerland.

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*“We know that corrupt PEPs [Politically Exposed Persons] use methods similar to organised crime groups to conceal the proceeds of their crimes, and they have also been known to use their positions of influence to protect themselves and criminal associates from investigation.*

*Money laundering methods used by corrupt PEPs include using trusts, third parties, professional facilitators, international funds transfers and international trade in services payments.*

*Corruption, including bribery, is recognised as a serious global issue because it has significant effects on economic development, political stability and international crime.”*

Paul Jevtovic, CEO AUSTRAC (Australian Transaction Reports and Analysis Centre),  
8 July 2015

## Executive Summary

This report investigates the finances of Sitehost Pty Ltd, an Australian proprietary company which is controlled by Politically Exposed Persons (PEPs) from Malaysia and best known as the owner and operator of the Adelaide Hilton Hotel.<sup>1</sup>

Sitehost was founded by the family of Malaysian business tycoon Ting Pek Khiing in November 1993. Today, Sitehost is owned and directed by the family of Taib Mahmud, Governor and former Chief Minister of the Malaysian state of Sarawak. Taib Mahmud's deceased wife and their four children became major shareholders of Sitehost when they acquired shares worth AUD 9.5 million on 31 January 1994. At the time, Taib Mahmud was Chief Minister of Sarawak, earning a moderate salary (MYR 590'000, respectively, AUD 209'000).<sup>2</sup> It is unclear how Taib Mahmud's closest family members could have legally earned the money needed to purchase their Sitehost shares.

On 23 February 1994, when Sitehost Pty Ltd acquired the property of the Hilton Hotel, the company took up an unsecured loan of AUD 20.75 million from a non-bank lender whose identity remained undisclosed for over ten years. The fact that no security was given for the loan suggests a co-equivalence of interest and ownership between the lender and the shareholders of Sitehost Pty Ltd – the Taib family.

In 2007, Sitehost finally disclosed its lender, Golborne Pty Ltd, a proprietary company based in Victoria, Australia ("Golborne Australia"). Golborne Australia was then named as a related party - although it remains unclear how Golborne Australia is exactly related to Sitehost. Around 2011, the loan was transferred to another proprietary company in Queensland, Australia, Fordland Pty Ltd ("Fordland Australia"). There is strong circumstantial evidence, including a shadow structure on the Isle of Man, that Golborne Australia and Fordland Australia represent the same beneficial owners. i.e. that they are also controlled by the Taib family.

A comparison of Sitehost's financial statements with AUSTRAC's recently published indicators for money laundering is showing that seven AUSTRAC indicators for money laundering are met, including transactions involving large unexplained amounts of

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<sup>1</sup> Australian Securities and Investments Commission (ASIC): Sitehost Pty Ltd, '1994 Notification of Resolution', page 1.

<sup>2</sup> Bruno Manser Fund: 417 Taib Family Linked Companies in 25 countries and offshore jurisdiction, 12. November 2011, in: <http://www.stop-timber-corruption.org/resources>.

money and the use of offshore trusts by PEPs from a country with poor governance. In particular, it is noteworthy that Sarawak Governor Taib Mahmud, the strong man of the Taib family, is currently being investigated for corruption by Malaysia's Anti Corruption Commission MACC.

The Bruno Manser Fund alleges that Sitehost as well as Golborne Australia, Fordland Australia and related companies on the Isle of Man and the British Virgin Islands have been used by the Taib family and their Australian business partners as vehicles for laundering the proceeds of corruption from Sarawak, Malaysia.

The facts laid out in this report amount to prima facie evidence of money laundering and should suffice to trigger criminal proceedings in Australia and other official investigations against the corporate entities and individuals named in this report.

## List of Abbreviations

AASB = Australian Accounting Standards Board  
AIC = Australian Institute of Criminology  
ASIC = Australian Securities and Investments Commission  
AUD = Australian Dollar(s)  
AUSTRAC = Australian Transaction Reports and Analysis Centre  
BHC = Bakun Hydroelectrical Corporation  
BMF = Bruno Manser Fund  
BVI = British Virgin Islands  
CEO = Chief Executive Officer  
cf. or cf = compare to/with  
CMS = Cahya Mata Sarawak  
f. = and the following page  
ff. = and the following pages  
IRO = International Refugee Organisation  
INSAN = Institut Analisa Sosial (Malaysia)  
IOM = Isle of Man  
KLSE = Kuala Lumpur Stock Exchange  
Ltd = Limited  
m = million  
MACC = Malaysian Anti Corruption Commission  
NAB = National Australia Bank  
PEP = Politically Exposed Persons  
PEFP = Politically Exposed Foreign Persons  
Pty = Proprietary  
SA = Société Anonyme / Sociedad Anonima  
TBML = Trade Based Money Laundering  
UK = United Kingdom

## **Recommendations by the Bruno Manser Fund**

The Bruno Manser Fund calls on Australian authorities to take decisive action against alleged money laundering activity by Politically Exposed Persons (PEPs) from Malaysia and their Australian counterparts named in this report and recommends specifically:

1 That the alleged money laundering of all corporate entities and related parties named in this investigation (namely Sitehost, Golborne, Fordland etc.) and the associated breaches of corporate financial reporting and compliance of laws relating to foreign investment be immediately investigated by AUSTRAC, Australian Federal Police, Foreign Investment Review Board and ASIC.

2 That all Taib family assets in Australia on whose origin no credible explanation can be given be immediately frozen in view of later restitution / asset recovery to Malaysia.

3 That consistent with global efforts to crack down on money laundering, tax avoidance and corruption and mindful of more rigorous legislative frameworks in many countries Australia pursues stronger anti corruption and anti bribery legislation.

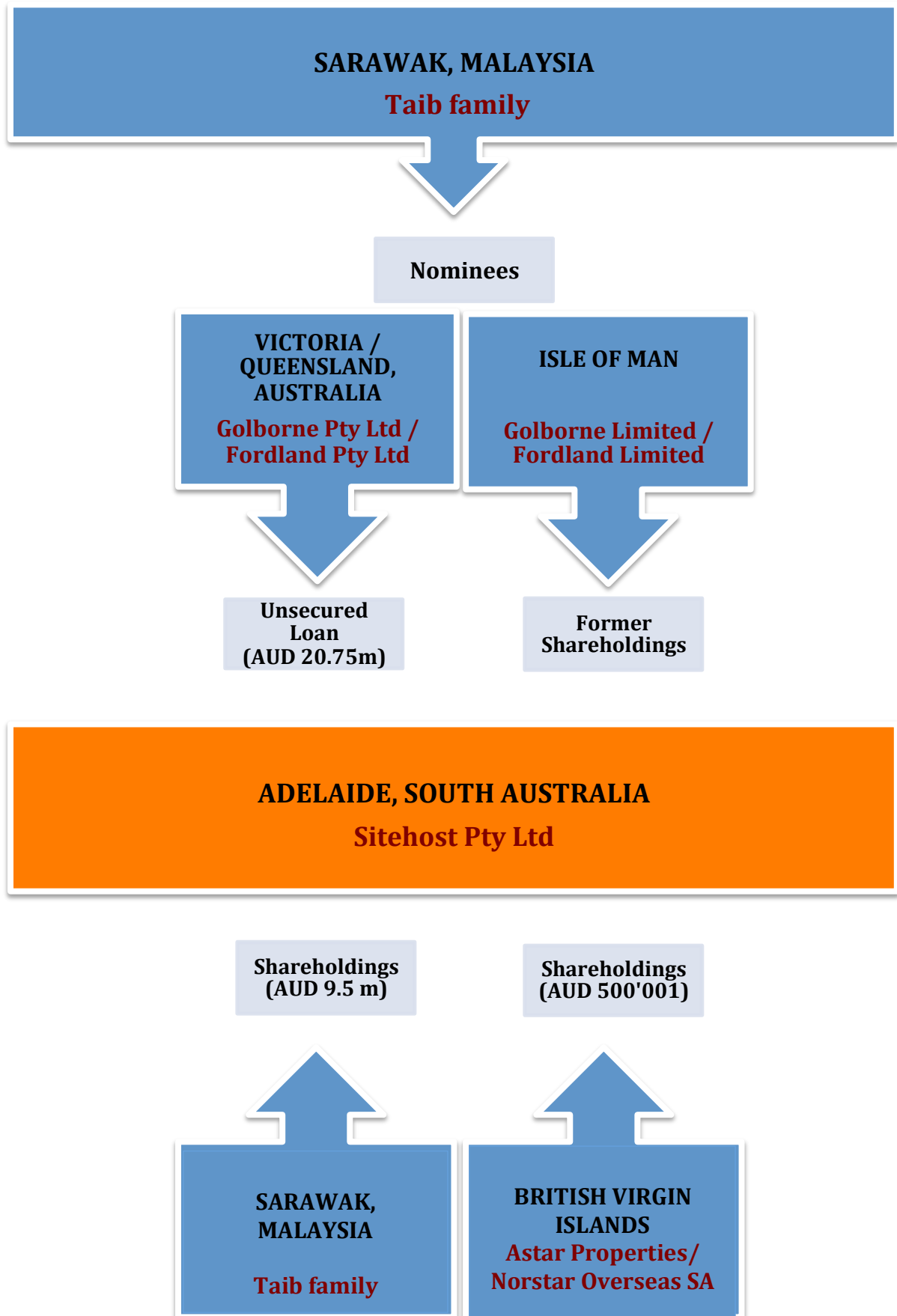
4 That Australia adopts higher levels of transparency in corporate reporting especially since the light being shone on Sitehost and its lenders exposed a deficiency in reporting on significant financial transactions with related parties.

5 That ASIC explain any exemptions it may have given or failure to enforce existing corporate reporting requirements that has allowed financial reporting of the companies involved to be so intermittent and scant.

6 That the Department of Immigration reviews the level of due diligence and risk it applies to the Significant Investor Visa scheme in light of money laundering in the region.

7 That the Australian Government establish an inquiry into the extent to which Australia is being used as a safe haven for money laundering in the region and the existence of or potential for domestic corruption at local, state and federal level through political connections and property development in the light of this report and other recent reports.





## 1 Introduction

This report investigates Australian real estate investments by politically exposed persons (PEPs) from Malaysia who have been involved in corruption and the embezzlement of public funds. They have generated and laundered huge profits from these illegal activities.

According to AUSTRAC, the Australian Government's Transaction Reports and Analysis Centre, PEPs are "in positions that potentially can be abused for the purpose of money laundering and related predicate offences, including corruption and bribery."<sup>3</sup> In many countries, banks and other financial service providers dealing with PEPs are legally obliged to enhanced due diligence in order to prevent money laundering.

This report reviews publicly available financial records of Sitehost Pty Ltd, the operating company of the Hilton hotel in Adelaide, and compares the findings with AUSTRAC's recently published indicators for money laundering. Sitehost is owned by the immediate family members of Taib Mahmud, a politician from Sarawak, a Malaysian state in Borneo.

## 2 Taib Mahmud ("Taib"), a PEP from Malaysia

Taib Mahmud ("Taib") was born in 1936 and has served over 50 years as a minister at the state and federal level in Malaysia. From March 1981 to February 2014, he was Chief Minister of Sarawak; since 1 March 2014, he is Governor of Sarawak. According to the constitution of Sarawak, both the Chief Minister and the Governor "shall not hold any office of profit and shall not actively engage in any commercial enterprise."<sup>4</sup>

As holder of a prominent public office, Taib is a politically exposed person (PEP). According to AUSTRAC, the definition PEP applies also to the immediate family

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<sup>3</sup> Australian Transaction Reports and Analysis Centre (AUSTRAC): Draft guidance. Key terms used in 'politically exposed person' definition, 2015, page 1. <http://www.austrac.gov.au/sites/default/files/second-draft-guidance-peps.pdf> (last accessed in August 2015).

<sup>4</sup> The Constitution of the State of Sarawak, Articles 2(2) and 6(5). Government Printer, Kuching (Sarawak), 1981.

members and closest associates of an office-holder.<sup>5</sup>

During Taib Mahmud's tenure as Chief Minister, close to 90 percent of the once lush tropical forests of Sarawak have been logged, with enormous consequences for the rainforest environment and the forest-dependent indigenous communities.<sup>6</sup> In his position as Chief Minister, Minister of Finance and Minister of Resource Planning, Taib Mahmud has abused his office to enrich himself and his closest family members who became billionaires.<sup>7</sup> Research by the Bruno Manser Fund has shown that the family has business interests in more than 400 companies in 25 countries; the family's stakes in 14 Malaysian companies alone are worth USD 1.2 billion.<sup>8</sup>

In 2011, Malaysia's Anti-Corruption Commission (MACC) announced that it had opened an investigation against Taib. In June 2014, Malaysian Minister in the Prime Minister's Department, Paul Low, confirmed that the investigation against Taib continued on the instruction of the Attorney General's Chambers and that Taib's appointment as Governor did not grant him immunity from criminal prosecution.<sup>9</sup>

### 3 Adelaide and the Taib family

The Taib family's relationship to Adelaide dates back to the late 1950s when Taib read law at Adelaide University. As the eldest of ten children of a craftsman, Taib was able to study in Australia thanks to a Colombo plan scholarship. Also in Adelaide, he met his first wife, Laila (also spelt "Lejla") Chalecki whom he married in 1959 at the Adelaide mosque. Laila Chalecki was of Polish-Lithuanian origin and had arrived in Australia in 1949 without means on a refugee ship from Naples. She died in 2009.<sup>10</sup>

Taib graduated in or around 1961 and first became assistant at the Supreme Court of South Australia. He was the first lawyer of Asian origin to be admitted to practice by the

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<sup>5</sup> AUSTRAC: Strategic analysis brief. Politically exposed persons, corruption and foreign bribery, 2015, page 3.

<sup>6</sup> Lukas Straumann: Money Logging. On the Trail of the Asian Timber Mafia, Basel, 2014 (Bergli Books).

<sup>7</sup> Straumann, Money Logging, 2014, p. 264; Bruno Manser Fund: The Taib Timber Mafia. Facts and Figures on Politically Exposed Persons (PEPs) from Sarawak, Malaysia, September 2012, [http://www.bmf.ch/upload/berichte/bmf\\_taib\\_family\\_report\\_2012\\_09\\_20\\_2.pdf](http://www.bmf.ch/upload/berichte/bmf_taib_family_report_2012_09_20_2.pdf).

<sup>8</sup> Bruno Manser Fund: 417 Taib family linked companies in 25 countries and offshore jurisdictions, 12 November 2011, <http://www.stop-timber-corruption.org/resources>.

<sup>9</sup> Low: Taib no royal, graft probe continues, *Malaysiakini*, 12 June 2014.

<sup>10</sup> Laila's father, Abu-Bekir Chalecki was a medical doctor and for many years chairman of the Australian Muslim Council. On the Taib family history in Adelaide, see: Straumann, Money Logging, p. 87-89.

Supreme Court in Adelaide. After his return to Sarawak, Taib entered politics and became a minister in the newly independent state in 1963. He remained a politician ever since, serving over 50 years as a minister in Kuala Lumpur and Kuching, Sarawak.

Over the years, Taib maintained a close relationship with Adelaide University, to which he made significant donations. He also became a director of the Australian Universities International Alumni Convention, a company registered in South Australia.<sup>11</sup>

In return, Adelaide University awarded Taib a honorary doctorate and named a courtyard on its campus in 2008 the “Taib Mahmud, Chief Minister of Sarawak Court”. The exact amount of money the university received from Taib has never been disclosed. In 2013, the University said that “Mr Taib’s gifts involve permanent trust obligations and agreements with which the university is bound to comply.”<sup>12</sup>

However, after student protests and an international campaign against Taib corruption, the relationship between the University and its alumnus deteriorated.<sup>13</sup> In late 2014, the University “refused his request to visit and attend our 140<sup>th</sup> Anniversary Gala Dinner”.

Vice-Chancellor Warren Bebbington stated in early 2015 that the University had no longer dealings with Taib and announced that he would draw the request to rename the Taib Mahmud Court to the University’s Estates Committee.<sup>14</sup>

## **4 The Taibs, Sitehost and the Adelaide Hilton**

Since early 1994, the Taib family holds a controlling majority of Sitehost Pty Ltd (“Sitehost”), the company operating and owning the Adelaide Hilton hotel. Sitehost was incorporated on 18 November 1993 with its principal activity being “accommodation and hotel operations”.<sup>15</sup>

Sitehost purchased the Adelaide Hilton Hotel on 23 February 1994 for AUD 28.25

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<sup>11</sup> ASIC: Australian Universities International Alumni Convention Pty Ltd files, accessed 23 April 2010.

<sup>12</sup> Kylar Loussikian: Student protest over Taib Mahmud plaza in Adelaide, *The Australian*, 18 September 2013.

<sup>13</sup> See for instance: Kylar Loussikian: Student protest over Taib Mahmud plaza in Adelaide, *The Australian*, 18 September 2013.

<sup>14</sup> Letter by Vice-Chancellor Professor Warren Bebbington to the Bruno Manser Fund, 20 January 2015.

<sup>15</sup> ASIC: Sitehost Pty Ltd, ‘1995 Annual Return’, page 1.

million.<sup>16</sup> To finance the “underlease transfer”, an unsecured loan of AUD 20.75 million was taken up. Additionally, the share capital of Sitehost was increased from 1 million to AUD 11.5 million.<sup>17</sup> 9.5 million shares at a nominal value of AUD 1 were acquired by the members of the Taib family.

In 2011, Sitehost had 361 employees, revenues of AUD 1.3 million, assets of AUD 52 million and equity (net assets) of AUD 26 million. The company’s main liability was an AUD 18.5 million interest bearing loan (at 7% per annum) owed to Fordland Pty Ltd (“Fordland Australia”).<sup>18</sup>

Sitehost’s current directors are Jamilah Taib (a daughter of Sarawak Governor Taib Mahmud), her Canadian husband Sean Murray and two Australian lawyers, Gary Patrick Doherty and John Antoine Kiosoglous. Between November 1993 and March 1998, two sons of Sarawak construction and timber tycoon Ting Pek Khiing, Sie Chuong Ting and Sie Ping Ting, were directors of Sitehost.

#### **4.1 Sitehost’s financial statements**

Sitehost’s financial statements have not been filed regularly. From the financial year 1998 (‘1999 Financial Statements’) to 2006 (‘2009 Financial Statements’) no financial statements were filed with the Australian Securities and Investments Commission (ASIC).<sup>19</sup> The first available financial statement is for the year ended 1995 (‘1996 Financial Statements’). The latest available financial statement is for the year ended 31 December 2011 (‘2011 Financial Statements’).

Sitehost’s auditors have remained the same for the past 16 years. Whilst Arthur Andersen was Sitehost’s auditor from 27 May 1994 to 15 November 1999, Ernst & Young have been auditors since 15 November 1999.<sup>20</sup>

Australian Accounting Standards apparently do not have mandatory applicability to

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<sup>16</sup> Lands Titles Registration Office, Adelaide, Australia, ‘7665663A Transfer of Underlease to 4660086A to Sitehost Pty Ltd’, page 2.

<sup>17</sup> ASIC: Sitehost Pty Ltd, ‘1994 Notification of Resolution’, page 1.

<sup>18</sup> Sitehost’s equity consists of AUD 10 million “contributed equity”, AUD 14.5 million “retained earnings” and AUD 1.48 million “reserve”. ASIC: Sitehost Pty Ltd, ‘2011 Financial Statements’.

<sup>19</sup> Sitehost’s ‘Financial Statements’ exist for the years ended 31 December 1996, 1997, 1998, 2007, 2011.

<sup>20</sup> ASIC: Sitehost Pty Ltd, ‘2015 Current & Historical Company Extract’, page 3f.

Sitehost as it is “*not a reporting entity.*”<sup>21</sup> As a consequence, Sitehost stated repeatedly that it had no obligation to disclose related party transactions.<sup>22</sup>

Nevertheless, Sitehost revealed in its financial statement 2007 that interest is “paid or payable” to “related parties”.<sup>23</sup> The related party is Golborne Australia.<sup>24</sup>

According to the Australian Institute of Criminology, related party transactions are relevant because “*there is a higher risk of related party transactions being used for fraud and for TBML [trade based money laundering].*”<sup>25</sup>

## 4.2 Sitehosts’ current and historic shareholders

Sitehost’s shares are currently held by the four children of Sarawak Governor Taib Mahmud (95%) and by Astar Properties Ltd (“Astar”), a company registered on the British Virgin Islands (5%).<sup>26</sup>

### 4.2.1 The Ting family

Ting Pek Khiing is a businessman from Sarawak who has been active in business sectors such as construction, timber and palm oil. Sie Ping Ting and Sie Chuong Ting, two sons of Ting Pek Khiing, are the original shareholders of Sitehost.

Sie Ping Ting and Sie Chuong Ting became shareholders on 23 November 1993 with one share each. On 31 January 1994 they raised their equity to 249’998 AUD each. Their brother Sie Huong Ting became shareholder on 31 January 1995. The Ting brothers owned AUD 500’001 of Sitehost’s share capital until 12 February 2002 when Astar Properties Ltd, a company registered in the British Virgin Islands (BVI), acquired all their shares.

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<sup>21</sup> ASIC: Sitehost Pty Ltd, ‘2011 Financial Statements’, page 7. ‘Australian Accounting Standards Board: Accounting Standard. Application of The Reporting Entity Concept and Other Amendments, AASB 1025, 1991.

<sup>22</sup> ASIC: Sitehost Pty Ltd, ‘1996 Financial Statements’, page 6; ‘1997 Financial Statements’, page 5; ‘1998 Financial Statements’, page 6; ‘2007 Financial Statements’, page 14; ‘2011 Financial Statements’, page 7.

<sup>23</sup> ASIC: Sitehost Pty Ltd, ‘2007 Financial Statements’, page 18.

<sup>24</sup> ASIC: Sitehost Pty Ltd, ‘2007 Financial Statements’, page 23.

<sup>25</sup> Australian Institute of Criminology (AIC): Trade-based money laundering: Risks and regulatory responses, 2011, p.8.

<sup>26</sup> ASIC: Sitehost Pty Ltd, ‘2004 Change to company details’, page 10ff.

**TABLE 1: Sitehost's current and historic shareholders**

From	Shareholder	Jurisdiction	No of shares held (sold)	Total No. of shares in issue at the time
23 Nov 1993	Sie Ping Ting	Malaysia	1	2
23 Nov 1993	Sie Chuong Ting	Malaysia	1	2
21 Dec 1993	Sie Chuong Ting & Sie Ping Ting	Malaysia	1	98
21 Dec 1993	Golborne Limited	Isle of Man	95	98
31 Jan 1994	Jamilah Hamidah Taib	Canada	1'899'905	9'999'900
31 Jan 1994	Mahmud Abu Bekir Taib	Malaysia	1'900'000	9'999'900
31 Jan 1994	Hanifah Jahar Taib	Malaysia	1'900'000	9'999'900
31 Jan 1994	Lejla Taib	Malaysia	1'900'000	9'999'900
31 Jan 1994	Sulaiman Abdul Taib	Malaysia	1'900'000	9'999'900
31 Jan 1994	Sie Ping Ting	Malaysia	249'998	9'999'900
31 Jan 1994	Sie Chuong Ting	Malaysia	249'998	9'999'900
31 Dec 1995	Golborne Limited	Isle of Man	(95)	10'000'001
31 Dec 1995	Jamilah Hamidah Taib	Canada	1'900'000	10'000'001
31 Dec 1995	Sie Ping Ting	Malaysia	100'000	10'000'001
31 Dec 1995	Sie Chuong Ting	Malaysia	250'000	10'000'001
31 Dec 1995	Sie Huong Ting	Malaysia	(150'000)	10'000'001
12 Feb 2002	Sie Ping Ting	Malaysia	(100'000)	10'000'001
12 Feb 2002	Sie Chuong Ting	Malaysia	(250'000)	10'000'001
12 Feb 2002	Sie Chuong Ting & Sie Ping Ting	Malaysia	(1)	10'000'001
12 Feb 2002	Sie Huong Ting	Malaysia	(150'000)	10'000'001
12 Feb 2002	Astar Properties Limited (Norstar Overseas S.A.)	British Virgin Islands (BVI)	500'001	10'000'001
27 Nov 2013	Lejla Taib	Malaysia	(1'900'000)	10'000'001
27 Nov 2013	Jamilah Hamidah Taib	Canada	3'800'000	10'000'001

Source: ASIC, Sitehost Pty Ltd, 'Annual Returns'

#### 4.2.2 Golborne Limited, Isle of Man ("Golborne Isle of Man")

In the end of 1993, an Isle of Man company, Golborne Limited ("Golborne Isle of Man"), held 95 out of 98 shares of Sitehost (at AUD 1 each), i.e. the vast majority of the company's equity.<sup>27</sup> Two years later, when the share capital had been raised to AUD 10 million, these 95 shares were transferred to Jamilah Taib.

On 12 July 2011, after the Bruno Manser Fund exposed Golborne Australia's ties to the Taib family, Golborne Isle of Man changed its name to Fordland Limited ("Fordland Isle of Man"). In 2014, the company was dissolved.<sup>28</sup> According to the Isle of Man company

<sup>27</sup> ASIC: Sitehost Pty Ltd, '1993 Notification of Allotment of Shares', page 1, Golborne Limited is there falsely called 'Goldborne' Limited. Golborne was incorporated in 1987.

<sup>28</sup> Isle of Man (IOM) Companies Registry: Golborne Limited, '2011 Approval of Change of Name of a Company', page 1; IOM Companies Registry: Fordland Limited '2014 Dissolution by Application'.

registry, Golborne Isle of Man was managed and owned by companies and individuals of the Isle of Man.<sup>29</sup> The Isle of Man is a known offshore jurisdiction and was in this case used to conceal the identity of the beneficial owners of Golborne Isle of Man.

One of Golborne Isle of Man's shareholders, Tagus Investments Limited ("Tagus Investments"), an offshore trust registered on the British Virgin Islands, has known connections to the Taib family. Until 2001, Tagus Investments was a shareholder of the Taib family's British real estate firm, Ridgeford Properties Ltd.<sup>30</sup>

From 2007 onwards, the names "Golborne" and "Fordland" appear as Sitehost's main lenders. Obviously, these Australian companies and the companies on the Isle of Man are related but the exact connection remains unclear.

#### **4.2.3 The Taib family**

The current major shareholders of Sitehost, holding jointly 95% of the shares, are the four children of Sarawak Governor Taib Mahmud. Mahmud Abu Bekir Taib, Sulaiman Abdul Rahman Taib and Hanifah Jahar Taib hold 1.9 million shares (at AUD 1) each; Jamilah Taib Murray, who took over the shares of her deceased mother Lejla Taib Chalecki in November 2013, holds 3.8 million shares. The Taib family members officially became shareholders on 31 January 1994.

#### **4.2.4 Astar Properties Ltd, British Virgin Islands ("Astar")**

The remaining 5% of shares are held by Astar Properties Ltd ("Astar"), an offshore trust registered in the British Virgin Islands (BVI). Astar became a shareholder of Sitehost in 2002 when it took over the shares of Sie Chuong Ting and Sie Ping Ting, worth AUD 500'001.<sup>31</sup>

Although Sitehost's company documents suggest that Astar is a Guernsey-based company, research undertaken by the Bruno Manser Fund has shown that no company

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<sup>29</sup> The '1995 Annual Return' of Golborne Limited is showing that Listard Limited - which was owned by Winterslow Limited (Listard Limited, '1996 Annual Return') and Athol Fiduciaire Limited (Listard Limited, '1995 Annual Return') - were Golborne's major shareholders. Charles Colvington and Brian Hyslop (Isle of Man) are listed as shareholders of these companies (IOM Companies Registry: '1994 Annual Return' of Winterslow, which is owned by Athol companies, and Athol Fiduciaire).

<sup>30</sup> UK Companies House: Ridgeford Properties Ltd, '2000 Annual Return Declaration'; Isle of Man (IOM) Companies Registry: Golborne Limited, '2008 Annual Report'; On Ridgeford, see: <http://www.sarawakreport.org/2010/07/growing-scandal-the-london-connection>.

<sup>31</sup> ASIC: Sitehost Pty Ltd, '2004 Change to company details', page 10ff.



bearing this name is registered in Guernsey.<sup>32</sup> However, a company named Astar Properties Ltd with known ties to the Taib family is registered in the British Virgin Islands.<sup>33</sup>

By indicating that Astar is a Guernsey rather than a BVI company, Sitehost's official shareholder information is clearly misleading and likely in breach of ASIC regulations. This might be interpreted as an attempt to conceal the real ownership of Sitehost. It is unclear why Sitehost would attempt to mislead the public over the real place of incorporation of Astar. Astar is most likely a related party and was, until 2001, also the controlling shareholder of the Taib family's British real estate firm, Ridgeford Properties Ltd.<sup>34</sup>

### 4.3 Sitehost's current and historic directors

**TABLE 2: Sitehost's past and current directors**

Director	Appointed	Resigned
Geoffrey Arthur Cole	18/11/1993	23/11/1993
Barbara Joy Cole	18/11/1993	23/11/1993
Sie Chuong Ting	23/11/1993	18/03/1998
Sie Ping Ting	23/11/1993	18/03/1998
Arthur Lopez	21/12/1993	27/05/1994
Jamilah Taib	21/12/1993	Current
Gary Patrick Doherty	27/05/1994	Current
Sean Murray	27/05/1994	Current
John Antoine Kiosoglous	31/12/1996	Current

Source: ASIC, Sitehost Pty Ltd, 'Annual Returns'.

Sitehost was founded on 18 November 1993. 5 days later, on 23 November 1993, Sie Chuong Ting and Sie Ping Ting, the sons of Sarawak tycoon Ting Phek Kiing, were appointed directors of the company. One month later, on 21 December 1993, Jamilah Taib and Arthur Lopez became directors and subsequently signed the important "Underlease transfer" contract to purchase the Adelaide Hilton on 23 February 1994.

In summary, it can be said that Sitehost was incorporated by the children of a Sarawak businessman, became soon after a common endeavour of this businessman's family with

<sup>32</sup> Guernsey Registry, [www.greg.gg](http://www.greg.gg).

<sup>33</sup> cf. BVI Registry of Corporate Affairs: Astar Properties Ltd.

<sup>34</sup> UK Companies House: Ridgeford Properties' '2000 Annual Return Declaration'.

the then Chief Minister's family, before it ended up entirely in the hands of the Chief Minister's family.

Currently, only one Taib family member, Jamilah Taib, is a Sitehost director, together with her Canadian husband, Sean Murray. Sie Chuong Ting and Sie Ping Ting resigned as directors in 1998 (they remained shareholders until 2002).<sup>35</sup>

The other two current directors - John Antoine Kiosoglous and Gary Patrick Doherty - are both Australian lawyers. John Kiosoglous (MBE) is a former member of the Administrative Appeals Tribunal.<sup>36</sup> Gary Patrick Doherty, partner at the Sydney lawfirm Low Doherty & Stratford, is a "director of several property development companies", one of which bears the intriguing name "Conceal Pty Ltd".<sup>37</sup> Conceal Pty Ltd was registered on 18 March 1998, the same day that Doherty became company secretary of Sitehost. This might indicate a relationship between Conceal and the Taib family. Conceal, an AUD 5\$ company, is involved in massive property developments in Western Sydney.<sup>38</sup>

#### 4.4 Sitehosts's company secretaries

**TABLE 3: Sitehost's past and current company secretaries**

Director	Appointed	Resigned
Geoffrey Arthur Cole	18/11/1993	23/11/1993
Sie Ping Ting	23/11/1993	18/03/1998
Gary Patrick Doherty	18/03/1998	Current

Source: 'Annual Returns' of Sitehost Pty Ltd

<sup>35</sup> ASIC: Sitehost Pty Ltd '1993 Notification of change to officeholders', page 2.

<sup>36</sup> <https://www.adelaide.edu.au/lumen/issues/11823/news11901.html> (last accessed: 10 June 2015)

<sup>37</sup> ASIC files on Conceal Pty Ltd.

<sup>38</sup> [http://www.stop-timber-corruption.org/campaign\\_update/?show=32](http://www.stop-timber-corruption.org/campaign_update/?show=32) and [http://www.stop-timber-corruption.org/resources/australian\\_taib\\_companies\\_A\\_Z.pdf](http://www.stop-timber-corruption.org/resources/australian_taib_companies_A_Z.pdf) (last accessed: 10 June 2015)

## 5 The business ties between the Tings and the Taibs

The business ties between the families of Ting Pek Khiing and Taib Mahmud are not limited to Australia. According to the Malaysian economist and scholar Edmund Terence Gomez, Ting Pek Khiing's business has been closely associated with family members of Sarawak's Chief Minister Taib Mahmud, "*particularly in connection with the privatized Bakun dam project*".<sup>39</sup> The Bakun dam, which was constructed between 1994 and 2011, is Asia's biggest dam outside China and was the object of a long controversy between indigenous communities, civil society and the Malaysian government.<sup>40</sup>

### 5.1 Ting Pek Khiing ("Ting"), Ekran and the Taibs

Ting Pek Khiing is a businessman from Sarawak who has been active in business sectors such as timber, palm oil and construction.

His main business vehicle was Ekran Bhd ("Ekran"), which he founded in September 1991 and directed as Executive Chairman through the 1990s.<sup>41</sup> His son Ting Sie Chuong (former director and shareholder of Sitehost) has been a director of Ekran since 5 February 1999.<sup>42</sup> In 1992, Ekran took over several Malaysian companies by a share swap and raised its paid-up capital from MYR 2 million (in 1991) to MYR 128.57 million (in 1992).<sup>43</sup>

Following a reverse take-over, Ekran's main shareholders were - amongst others - Ting Pek Khiing and his wife (with 30.25 per cent of the equity). The two sons of Sarawak Chief Minister Taib Mahmud - Mahmud Abu Bekir Taib and Sulaiman Abdul Rahman Taib - held 1 per cent of the equity each.<sup>44</sup>

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<sup>39</sup> Gomez, Edmund Terence: Chinese Business in Malaysia. Accumulation, Accommodation and Ascendance, 1999, page 180.

<sup>40</sup> On the Bakun controversy, see: INSAN: Power Play. Why the Bakun Hydroelectric Project is Damned, Kuala Lumpur, 1996, 2nd edition.

<sup>41</sup> Bloomberg Business Profile: Pek Khiing Ting, <http://www.bloomberg.com/research/stocks/private/person.asp?personId=8387848&privcapId=878121> (last accessed: 10 July 2015), Gomez, Edmund Terence, Chinese Business in Malaysia: Accumulation, Accommodation and Ascendance, 1999, page 170f.

<sup>42</sup> Bloomberg Business Profile: Sie Chuong Tin, <http://www.bloomberg.com/research/stocks/private/person.asp?personId=8388287&privcapId=878121> (last accessed: 10 July 2015)

<sup>43</sup> Gomez, Edmund Terence: Chinese Business in Malaysia. Accumulation, Accommodation and Ascendance, 1999, page 172.

<sup>44</sup> Gomez, Edmund Terence: Chinese Business in Malaysia. Accumulation, Accommodation and Ascendance, 1999, page 172 and KLSE Annual Companies Handbook 21 (2), 1996, page 453ff.

## 5.2. Ekran, the Bakun Dam and the Adelaide Hilton

Ekran's most important business deal ever was a MYR 15 billion (AUD 7.5 billion at the time) contract to build the Bakun dam in Sarawak, Malaysia, which it was granted in January 1994 by the Malaysian Prime Minister, Mahathir Mohamad.

It is striking that Ekran was granted this record contract in the very same month that the Taib family increased their share capital in Sitehost to AUD 9.5 million (on 31 January 1994). This raises the question if it was Ting who provided the Taib family the necessary money to purchase the Adelaide Hilton. As Sarawak Chief Minister, Taib clearly had an important stake in the Bakun dam negotiations and it may have been necessary for Ting to curry favour with Taib in order to smoothen the negotiations with the Malaysian government.

The award of the Bakun dam contract to Ting's Ekran without public tender smacked of corruption. This was already the object of strong criticism in the 1990s:<sup>45</sup>

*"Although Ting quickly established a strong reputation for himself in construction, the (...) decision to award the massive Bakun Dam contract to a single company that had no relevant construction experience suggests favouritism (...)." <sup>46</sup>*

Subsequently, Ekran incorporated two companies, Bakun Hydroelectrical Corporation Sdn Bhd ("BHC"), which should construct and own the dam, and Bakun Management Sdn Bhd, which should oversee the implementation of the project.<sup>47</sup> The State of Sarawak became a shareholder of BHC with a 28 per cent stake.<sup>48</sup>

In return, there were spin-offs from the Bakun dam project, from which Taib family companies benefited.<sup>49</sup> The contract to build an access road to the dam was awarded to a subsidiary of Cahya Mata Sarawak Bhd ("CMS"), a company majority-owned by

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<sup>45</sup> Gomez, Edmund Terence: Chinese Business in Malaysia. Accumulation, Accommodation and Ascendance, 1999, page 172 and KLSE Annual Companies Handbook 21 (2), 1996, page 173.

<sup>46</sup> Edmund Terence Gomez and Jomo K.S.: Malaysia's Political Economy, Cambridge University Press 1997, page 110ff.

<sup>47</sup> Gomez, Edmund Terence: Chinese Business in Malaysia. Accumulation, Accommodation and Ascendance, 1999, page 172 and KLSE Annual Companies Handbook 21 (2), 1996, page 174.

<sup>48</sup> Gomez, Edmund Terence: Chinese Business in Malaysia. Accumulation, Accommodation and Ascendance, 1999, page 172 and KLSE Annual Companies Handbook 21 (2), 1996, page 174.

<sup>49</sup> Gomez, Edmund Terence: Chinese Business in Malaysia. Accumulation, Accommodation and Ascendance, 1999, page 172 and KLSE Annual Companies Handbook 21 (2), 1996, page 176.

members of the Taib family.<sup>50</sup>

In November 1997, the Malaysian federal government took over the Bakun Dam project. Ekran received nearly MYR 1 billion in compensation.<sup>51</sup> In 2005, Transparency International labelled the Bakun dam a “monument of corruption”.<sup>52</sup>

## 6 Sitehost’s purchase of the Adelaide Hilton

Sitehost purchased the 3598 square meter large Adelaide Hilton Hotel property for AUD 28.25 million on 23 February 1994 – one month after Ting’s Ekran had received the multi-billion dollar Bakun dam contract from the Malaysian government.<sup>53</sup> At the time, Ting’s two sons, Sie Chuong Ting and Sie Ping Ting, were directors of Sitehost together with Taib’s daughter, Jamilah Taib, and Arthur Lopez. Jamilah Taib and Arthur Lopez (who resigned shortly afterwards) were the ones who signed the lease contract.

To fund the “underlease transfer” (i.e. the purchase of the Adelaide Hilton), the share capital of Sitehost was raised from AUD 1 million to AUD 11.5 million.<sup>54</sup> Additionally an unsecured loan of AUD 20.75 million was taken up.<sup>55</sup>

## 7 Sitehost’s lenders

Sitehost’s main banking connection is the National Australia Bank (NAB) where the company had an account with liquidity between 1.1 million in 1997<sup>56</sup> and 7.6 million in 2011.<sup>57</sup> On the financing side, Sitehost is and was principally dependent on non-bank financing. The lenders mentioned in Sitehost’s financial statements are: Golborne Pty

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<sup>50</sup> <http://www.cmsb.com.my/works/PPES%20WORKS%20CORPORATE%20PROFILE.pdf>, page 15f. (last accessed: 10 July 2015). On CMS see Bruno Manser Fund: Corruption Management Sarawak – Cahya Mata Sarawak and Malaysia’s Taib family, January 2015. [http://www.bmf.ch/upload/berichte/cms\\_report.pdf](http://www.bmf.ch/upload/berichte/cms_report.pdf)

<sup>51</sup> Aslam, Mohamed: Heterodox measures and corporate crisis in Malaysia, 2004, *Journal of Economic Corporation* 25, 2, page 92f.

<sup>52</sup> Bosshard, Peter: The environment at risk from monuments of corruption, in: Transparency International, *Global Corruption Report 2005*, London, 2005, page 21.

<sup>53</sup> Lands Titles Registration Office, Adelaide, Australia, 7665663A ‘1994 Transfer of Underlease’ to Sitehost Pty Ltd’.

<sup>54</sup> ASIC: Sitehost Pty Ltd, ‘1994 Notification of Resolution’, page 1.

<sup>55</sup> ASIC: Sitehost Pty Ltd, ‘1996 Financial Statements’, page 12.

<sup>56</sup> ASIC: Sitehost Pty Ltd, ‘1997 Financial Statements’, page 12.

<sup>57</sup> ASIC: Sitehost Pty Ltd, ‘2011 Financial Statements’, page 16.

Ltd (“Golborne Australia”)<sup>58</sup> and Fordland Pty Ltd (“Fordland Australia”)<sup>59</sup>. The ties between the two lenders (Golborne Australia and Fordland Australia) will be analyzed in section 7.5.

**TABLE 4: Summary of Sitehost’s loans**

Year	Loan holder	Amount in AUD	Security	Interest Rate	Term
1995	Not disclosed	20’752’999	Unsecured loan	Not disclosed	
1996	Not disclosed	18’252’999	Unsecured loan	Not disclosed	
1997	Not disclosed	14’752’999	Unsecured loan	Not disclosed	
1998	Not disclosed	12’752’999	Borrowing	Not disclosed	
2006	Golborne Pty Ltd	18’538’838	Unsecured loan	5.6%	10 years
2007	Golborne Pty Ltd	18’538’838	Unsecured loan	7%	10 years
2010	Fordland Pty Ltd	18’538’838	Unsecured loan	7%	10 years
2011	Fordland Pty Ltd	18’538’838	Unsecured loan	7%	10 years

Source: Sitehost’s ‘Financial Statements’

## 7.1 Golborne Pty Ltd (“Golborne Australia”)

Golborne Australia was incorporated on 20 October 1993 in Elsternwick, Victoria, with a share capital of AUD 12. Its principal activity was described as “Trustee, Investment Trust”.<sup>60</sup> On 26 October 1993, the Victoria businessmen Gabriel Amira and Max Moar – both born in Tel Aviv in the 1940s – became directors and shareholders (with 6 shares each) of Golborne Australia. In early 1996, Golborne Australia declared assets and liabilities “incurred by the company as a trustee” of AUD 1.42 million.<sup>61</sup> After Max Moar’s resignation in June 1997, Gabriel Amira remained as the only director and shareholder of the company (with 12 shares).

Max Moar is the managing director of Lustig & Moar, “one of Australia’s most prestigious property developers”. Projects carried out by Lustig & Moar include the Park Hyatt Hotel and Treasury Gardens Apartments (Melbourne), Grand Hyatt Hotel (Melbourne),

<sup>58</sup> ASIC: Sitehost Pty Ltd, ‘2007 Financial Statements’, page 23.

<sup>59</sup> ASIC: Pty Ltd, ‘2011 Financial Statements’, page 20.

<sup>60</sup> ASIC: Golborne Pty Ltd, ‘1994 Annual Return’.

<sup>61</sup> ASIC: Golborne Pty Ltd, ‘Supplementary document to Annual Return’, 29 January 1996.

Lucient (Melbourne), Chatswood Chase (Sydney) and Grand Hyatt Hotel (Hong Kong).<sup>62</sup> Moar's and his ex-wife Iris Lustig-Moar's net worth has been estimated at AUD 350 million.<sup>63</sup>

Gabriel Amira, a commercial builder licensed by the Victoria Building Commission, is involved in an unusually high number of corporate entities. In 2010, he was a director and secretary of 30 Australian companies and a former director of another 56 Australian companies.<sup>64</sup>

Golborne Australia's "2002 Annual Return" is the company's last document filed with ASIC and open to public scrutiny.<sup>65</sup>

## 7.2 The Golborne loan

An unsecured loan appears in Sitehost's books since 1996.<sup>66</sup> The lender was disclosed in 2007 as a related party, Golborne Australia. In Sitehost's 2007 Financial Statements, Golborne Australia appears as creditor of an unsecured AUD 18.54 million loan granted for 10 years at an interest rate of 7 per cent per annum.<sup>67</sup>

In February 2011, the Bruno Manser Fund listed Golborne Australia during its "stop timber corruption campaign" as a Taib family corporation on a "black list of Taib's secret foreign assets".<sup>68</sup> This public exposure apparently led to a rearrangement of the loan and its transfer to Fordland Australia.

## 7.3 Fordland Pty Ltd ("Fordland Australia")

Fordland Australia was incorporated on 6 December 2012 in Brisbane, Queensland, with a share capital of AUD 2. Julianne Eleanor Reardon and John James Nuell are the current directors and shareholders of the proprietary company. Fordland Australia has no annual returns or financial statements that are open to public scrutiny.<sup>69</sup> But it appears clear that Ms. Reardon and Mr. Nuell are acting as nominees and are not the beneficial

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<sup>62</sup> <http://lustigmoar.com/about/> (last accessed: 10 July 2015)

<sup>63</sup> [http://www.brw.com.au/p/lists/rich-200/2013/iris\\_lustig\\_moar\\_and\\_max\\_moar\\_Kk0mdFZCOdUaZwaK8Fiv6L](http://www.brw.com.au/p/lists/rich-200/2013/iris_lustig_moar_and_max_moar_Kk0mdFZCOdUaZwaK8Fiv6L) (last accessed: 10 July 2015)  
[http://www.ottawamenscentre.com/news/20040710\\_Heather\\_Lustig.htm](http://www.ottawamenscentre.com/news/20040710_Heather_Lustig.htm) (last accessed: 10 July 2015)

<sup>64</sup> Results of a name search on Gabriel Amira with ASIC records, 27 May 2010

<sup>65</sup> <https://connectonline.asic.gov.au> (last accessed: 10 July 2015)

<sup>66</sup> ASIC: Sitehost Pty Ltd, '1996 Financial Statements', page 12.

<sup>67</sup> ASIC: Sitehost Pty Ltd, '2007 Financial Statements', pages 18, 23.

<sup>68</sup> [http://www.stop-timber-corruption.org/resources/black\\_list\\_taib\\_assets\\_2011\\_02\\_21.pdf](http://www.stop-timber-corruption.org/resources/black_list_taib_assets_2011_02_21.pdf)

<sup>69</sup> <https://connectonline.asic.gov.au> (last accessed: 10 July 2015)

owners of Fordland Australia.

## 7.4 Loan transfer to Fordland

In Sitehost's 2011 Financial Statements (signed on 21 November 2012), Golborne Australia's AUD 18.54 million-loan suddenly appears under the name of Fordland Australia - despite the fact that Fordland Australia was only incorporated in December 2012.<sup>70</sup> Obviously this is still the same loan from parties related to Sitehost. Apparently, Sitehost tried to remove the name Golborne from its books after Golborne's relationship with the Taib family was publicly exposed.

## 7.5 Ties between Golborne and Fordland

There are ties between Golborne (incorporated in 1993) and Fordland (incorporated in 2012), which are outlined in the following:

Golborne Australia appears as a related party and lender of an unsecured AUD 18.54 million-loan in Sitehost's 2007 financial statements.<sup>71</sup> Fordland Australia appears as lender of the same AUD 18.54 million-loan in Sitehost's 2011 financial statements.<sup>72</sup> Both loans are for 10 years at an interest rate of 7% per annum.

Golborne Isle of Man and Fordland Isle of Man are the same company. Golborne Isle of Man was incorporated on 3 July 1987 and changed its name to Fordland Limited on 12 July 2011 - after the Bruno Manser Fund launched its international campaign against Taib corruption and revealed Taib Mahmud's ties to Sitehost and to Golborne Australia.<sup>73</sup>

Golborne Isle of Man was the main shareholder of Sitehost in 1993. Fourteen years later, Golborne Australia appears as the main lender of Sitehost in the company's "2007 Financial Statements".

It is impossible to understand the exact ties between the Australian based companies (Golborne Australia/Fordland Australia) and their mirror companies on the Isle of Man

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<sup>70</sup> ASIC: Sitehost Pty Ltd, '2011 Financial Statements', page 20.

<sup>71</sup> ASIC: Sitehost Pty Ltd '2007 Financial Statements', page 18, 23.

<sup>72</sup> ASIC: Sitehost Pty Ltd '2011 Financial Statements', page 20.

<sup>73</sup> <http://bmf.ch/en/news/taib-corruption-scandal-reaches-australian-university> (accessed: 11 July 2015).



from the publically accessible documents.

The description of Golborne Australia as a “related party” in Sitehost’s financial reports makes it clear that Golborne / Fordland are closely linked to (and presumably beneficially owned by) the Taib family.

## **8 Sitehost and AUSTRAC indicators for money laundering**

In July 2015, AUSTRAC published a strategic analysis brief on politically exposed persons, corruption and foreign bribery. The purpose of the paper was “to provide information about money laundering methods, vulnerabilities and indicators associated with politically exposed persons (PEPs) and laundering the proceeds of corruption including foreign bribery.”<sup>74</sup>

AUSTRAC states that under Australian anti money laundering rules, PEPs are individuals who hold a prominent public position or function in a government body or an international organization, such as heads of state or government, senior government officials or executives of state enterprises. “The PEP definition also includes immediate family members and close associates of PEPs.”<sup>75</sup> Thus, both Taib Mahmud’s wife and children as well as the Ting family, known business associates of the Taibs, can be regarded as PEPs.

According to AUSTRAC, “it is the existence of multiple indicators which raises suspicion of criminal activity.”<sup>76</sup> This report has shown that at least seven AUSTRAC indicators for money laundering<sup>77</sup> are met in the Adelaide Hilton case:

- 1. A PEP has significant holdings in bank term deposits and other high-wealth products such as shares and investment portfolios in another country.**

**Comment:** 95% of the shares of Sitehost, a company with assets of AUD 52 million, are very significant holdings in the hands of the Taib family.

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<sup>74</sup> AUSTRAC: Strategic analysis brief. Politically exposed persons, corruption and foreign bribery, 2015, page 2.

<sup>75</sup> AUSTRAC: Strategic analysis brief. Politically exposed persons, corruption and foreign bribery, 2015, page 3.

<sup>76</sup> AUSTRAC: Strategic analysis brief. Politically exposed persons, corruption and foreign bribery, 2015, page 12.

<sup>77</sup> AUSTRAC: Strategic analysis brief. Politically exposed persons, corruption and foreign bribery, 2015, page 12.

**2. A PEP is associated with, or undertakes transactions involving large, unexplained amounts of money.**

**Comment:** The source of the AUD 10 million invested by Taib Mahmud's wife and four children in share capital in January 1994 is completely unclear. Corruption is the most plausible explanation.

**3. A PEP is unable or reluctant to provide details or credible explanations for establishing a business relationship, opening an account or conducting transactions.**

**Comment:** Taib Mahmud has never given an explanation on the origin of his and his family member's immense wealth. He systematically refuses to speak to foreign media whom he accuses of interfering in Sarawak's domestic politics.

**4. A PEP uses a trust fund as a vehicle to move money.**

**Comment:** Golborne Australia, Fordland Australia and their mirror companies in the Isle of Man, a known offshore jurisdiction, have been identified as trust funds related to the Taib family. With an outstanding loan of currently AUD 18.5 million, Fordland Australia is Sitehost's main lender.

**5. PEPs from countries with poor governance.**

**Comment:** Malaysia, and in particular Sarawak, have a track record of corruption at the highest levels of government. According to Global Financial Integrity, Malaysia is one of the countries with the world's highest outflows of illicit capital.<sup>78</sup> Currently, Malaysian Prime Minister Najib Razak, is facing a major credibility crisis because of a "donation" of USD 681 million paid to his personal bank account. On 1 September 2015, Transparency International stated that Malaysia was "facing a major corruption crisis."<sup>79</sup>

**6. Personal and business transactions are difficult to distinguish**

**Comment:** The Taib family and the Ting family have been simultaneously involved in personal and official business transactions in Australia and in Sarawak. In January 1994, Ting's Ekran was the main beneficiary of contracts granted by the Malaysian government for the construction of the Bakun dam, a multi-billion dollar project in Sarawak. In the same month, the Taib family members suddenly raised AUD 10 million to purchase the Adelaide Hilton. The

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<sup>78</sup> Dev Kar and Joseph Spaniers / Global Financial Integrity: Illicit Financial Flows from Developing Countries, 2003 – 2012, Washington DC 2014.

<sup>79</sup> Malaysia facing corruption crisis, says anti-graft watchdog. The Malaysian Insider, 1 September 2015.

question arises if these two transactions were not a simple “quid pro quo”, i.e. Ting paid off the Chief Minister’s family with the Adelaide Hilton to curry favour and smoothen the Bakun dam negotiations.

#### **7. Use of corporate vehicles to obscure ownership**

**Comment:** 5% of Sitehost’s shares are held by Astar Properties, an offshore trust registered in the British Virgin Islands. Astar Properties’ beneficial owners remain unknown. However, it is known that Astar Properties is related to (and presumably controlled by) the Taib family as the company used to be a shareholder of another Taib family real estate firm, Ridgeford Properties in the UK.

Further to the indicators as defined by AUSTRAC, additional indicators suggest that Sitehost has been involved in money laundering activity:

#### **8. Attempts of concealment**

**Comment:** Astar Properties, one of Sitehost’s main shareholders, is not and has never been registered in Guernsey as purported by Sitehost in its official company records filed with ASIC.

#### **9. Involvement of PEPs with a track record of corruption and money laundering**

**Comment:** The Taib family has a reputation of corruption that goes back to the 1980s. Since the 1980s, the Taibs started to invest in real estate in foreign jurisdictions such as the United States, Canada, the United Kingdom and Australia. There is documentary evidence that, in 1988, Taib Mahmud was the secret majority shareholder of a multi-million dollar California real estate company run by his children and two of his brothers, Sakti International Holdings.<sup>80</sup> In 1996, his daughter Jamilah Taib granted a CAD 20 million loan to a developer in Ottawa, Canada, controlled by the Taibs. The loan was linked to offshore companies in Hong Kong and Jersey.<sup>81</sup> In 2010, Taib Mahmud said at an election meeting that he had “more money than I can ever spend”.<sup>82</sup> In 2011, the Malaysian Anti Corruption Commission opened an anti-graft investigation against

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<sup>80</sup> Action by Unanimous Written Consent of the Board of Directors of Sakti International Corporation, 8 April 1988, BMF archives, Ross Boyert papers.

<sup>81</sup> Ottawa-Carleton Land Registry, instruments nr. LT994558 and LT994559.

<sup>82</sup> <https://www.youtube.com/watch?v=QAAXLR0EnUE>

Taib Mahmud.

## **Conclusion**

The detailed review of the finances of Sitehost Pty Ltd, the company owning and operating the Adelaide Hilton, leads to several important questions:

1. Where did the Taib family, Politically Exposed Persons (PEPs) from Malaysia, raise the AUD 9.5 million in share capital needed to purchase the Adelaide Hilton in January / February 1994?
2. Is there a connection between the role Sarawak businessman Ting Pek Kiing's sons played as co-owners of the Adelaide Hilton and the award of the multi-billion dollar Bakun dam contract to Ting's Ekran Bhd by the Malaysian government in January 1994?
3. Why is Sitehost attempting to conceal the beneficial owners behind Golborne Australia / Fordland Australia, Sitehost's main lender, which has once been described as a related party?
4. What is the source of the currently AUD 18.5 million in loans granted by Fordland Australia to Sitehost?
5. What is the role of Golborne Australia / Fordland Australia's mirror companies in the Isle of Man?

The multiple (seven) AUSTRAC indicators for money laundering met in the case of Sitehost make it clear that there is reasonable ground to suspect that Sitehost has been used by the Taib family as a vehicle for laundering the proceeds of corruption from Sarawak. The facts laid out in this report thus amount to prima facie evidence of money laundering and should suffice to trigger an official investigation.

The Bruno Manser Fund therefore calls on the Australian authorities to take action, open criminal proceedings against Sitehost and freeze Taib family assets in Australia for later restitution to Sarawak.