



6 December 2021

Steven Gan
Editor-In-Chief,
MalaysiaKini

Dear Steven,

I refer to the article titled ***"Timber firm keeps millions offshore, as Penan mount blockades to save forest"*** (<https://www.malaysiakini.com/news/600154>) by Andy Heong which was published on the MalaysiaKini website on 22 November 2021 ("Article").

At the outset, I must say it was most disappointing to note the many untruths and inaccuracies contained in the Article. Whilst I appreciate and value your quest in reporting on matters that are of public interest, I equally believe, and very strongly too, that in doing so, you must be objective and fair in your reporting of the facts. Sadly, objectivity and fair reporting were clearly absent from the Article and in the process, you have scandalised us.

I am equally disappointed that despite us providing answers to your queries, our answers, for reasons best known to you, were not published or quoted. In fact, the facts as we had narrated them, were not even presented to ensure unbiased and fair reporting.

Thus, I am duty bound and compelled to point out the numerous inaccuracies and at the same time provide factual clarity to your readers who have thus far only read an inaccurate narrative.

Point 1:

Switzerland-based NGO Bruno Manser Fonds (BMF) claimed that the Long Pakan villagers saw the first trees being cut by Samling Group in late August, comprising 109 logs at Ba Nyepangah.

In our response to your reporter, we emphasised clearly that:

- Samling did not carry out any logging operations in Long Pakan as the area is outside its concession area.
- As far as the 109 logs of Ba Nyepangah are concerned, the Permit to Enter Coup (PEC) awarded to us allows for the initial extraction of some logs for the purpose of building bridges and roads. Samling has paid royalty for these logs and the extraction was made with the approval of the Forest Department of Sarawak.
- Ba Nyepangah is not part of the Native Customary Rights (NCR) land.

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Point 2:

The disputes between Samling and the Penan are still unresolved and the blockades remain till today.

In our response to your reporter and as stated in our previous press releases on the matter (the links of which were also given to your reporter), Samling had pointed out that:

- The police reports lodged by the village heads, namely Peter Tingang Lalo, Lucas Ngao and Tearie Abeng, made clear that the blockade in Long Ajeng was erected by a group of Penan from Ba Ajeng, Ba Muong and Ba Sebatu. These areas are located at a considerable distance from the area where we have been licensed to carry out activities;
- Our stand is that this is a matter of dispute between the respective villagers in the area and one that the villagers themselves should resolve;
- At all times, we have engaged with, and obtained consent from, village heads in Ba Bubo and Long Selaan.
- As far as the blockade in Long Pakan is concerned, it was the villagers themselves who had dismantled the blockade set up by the Ketua Kampung Padang Juta.
- In their police report, the villagers opposing the blockade confirmed that a majority of the 60-odd Ketua Bilik had consented to Samling operating in the area. So far, we have obtained the consent of 56 Ketua Bilik from Long Pakan.
- We have never been involved in the dismantling of the blockades. There is no dispute between us and the villagers, with whom we have had continuous and positive engagement thus far.
- This has led to a resolution between the villagers and the Ketua Kampung Padang Juta and the blockades have since been removed. It is exactly this type of peaceful resolution that we are in favour of and which we firmly believe is achievable with sincere dialogue and mutual understanding.

Point 3:

According to BMF, some 90 percent of Sarawak's primary forest has been logged.

- This allegation can only be clarified by the State Government of Sarawak and the Sarawak Forest Department. It is rather disappointing that MalaysiaKini has chosen to print a sweeping statement by the BMF as being factually correct.
- It is also disconcerting that MalaysiaKini chose to publish these unsubstantiated accusations without seeking confirmation or clarification from the agencies concerned.



Point 4:

Samling was involved with Concord Pacific Ltd, a company fined US\$100 million in 2011 (approximately RM305.59 million at then exchange rates) by the Papua New Guinea government for large-scale illegal logging as part of the country's Kiunga-Aiambak road project.

- This matter has been clarified time and again – there is no link whatsoever between the Samling Group and Concord.
- The apparent attempt to link Samling to Concord is clearly biased and unfair as you have sought to publish this with a view to influence your readers and public opinion against Samling when none should be made in the first place.

Point 5:

In 2010, the Norwegian Pension Fund divested its state in Samling Global Limited, which was then listed in the Stock Exchange of Hong Kong, due to claims that the group had repeatedly breached regulations in its timber activities in Sarawak and Guyana contributing to illegal logging and severe environmental damage.

- The claims made by the Norwegian government with regards to illegal logging in Guyana have been addressed in depth by the Guyanese government which resulted in the Norwegian government issuing a clarification on their allegations;
- In a response dated 25 August 2010, Guyana's Agricultural Minister Robert Persaud said the statement by the Norwegian government gave the false impression that Samling's subsidiary Barama Company Limited's operations in Guyana had resulted in serious environmental damage;
- Persaud also asserted that the Guyana Forest Commission, which was engaged in the continuous monitoring of Barama's operations had "found little evidence to substantiate such a position (of serious environmental damage)".
- You can access his comments at this link:
<https://www.kaieteurnewsonline.com/2010/08/25/guyana-to-lodge-formal-representation-with-norway/>
- In a response to the Norwegian government, the state government of Sarawak had vouched for Samling's commitment to sustainable forest practices.
- The then Second Minister of Planning and Resource Management Datuk Amar Awang Tengah Ali Hassan described Samling as a caring organisation whose corporate social responsibility was "second to none".
- He had also called into question the investigation of the Norwegian Pension Funds' Council of Ethics, which led to the censure.
- Referring to the investigation's conclusions as the "public defamation of Samling", the Minister added that the investigation was based on "biased, uncollaborated and incomplete information".
- It is regrettable and disappointing that your reporter had omitted to mention the positions taken by the Guyana and Sarawak governments' on this same exact issue which would have contradicted the narrative that was found in the Article itself.

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Point 6:

Penan community leader and founder of the NGO Keruan, Joe Komeok, said that contrary to claims by timber companies, the firms have never negotiated with the Penan before commencing activities in the area.

"Most logging companies do not obtain free, prior and informed consent from the indigenous communities...this has led to the disenfranchisement of our people and dispossession of our lands," Komeok told Malaysiakini.

- Once again, in our earlier press statements which we had referred your reporter to, it is stated clearly that Samling has consulted with, and obtained consent from, the villagers in the areas which we have permits to operate in. Samling has written consent from the villagers concerned, as required by the local authorities and agencies in charge of the licensing process.
- Hence the accusation by Komeok that firms have "never negotiated with the Penan before commencing activities in the area" is clearly untrue, baseless and designed to scandalise us. No particulars were provided in your Article;
- We would also like to point out that the reporter concerned did not speak to any Samling spokesperson at any time with regards to this article, even though his constant citing of a Samling spokesperson is intended to give an impression (albeit false) that he did.
- Further, your reporter Andy Heong had submitted a list of questions related to "a story concerning the Penan community in the Baram area." Because of the lack of detail with regards to the story that MalaysiaKini was planning to write, we had responded to Andy saying, "...given the lack of information on the purpose and intent of your article, we feel that it is inappropriate to give our views via a written interview as this does not provide us with the space nor the time to address issues which you may intend to include in your article."
- We had then referred him to two previous press statements we released on the blockade issue while also confirming that Long Pakan was located outside of the area that Samling was operating in.
- In our unequivocal reply to Andy, it was stated: "To be clear, Samling Timber has held prior, and continues to hold, engagement sessions with the communities in order to obtain their consent and update them on the scope of work to be undertaken."
- This fact and Samling's previous press statements were nowhere to be found in the Article.

Point 7:

"They have no choice as they can no longer see the forest as a place for their survival, even though they realise the companies do not pay them well," he (Komeok) said.

Where there is a medical emergency, the Penan have no choice but to seek help from the logging camps, leaving them in a difficult position given the standoff with Samling.

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Some who spoke to Malaysiakini now fear that with the current dispute, the Samling employees will not assist the Penan in cases of emergency.

- All employees of Samling are paid the same wages and there is no discrimination based on employee racial background.
- Some 80% of our employees in the timber upstream sector are members of native communities including the Penan.
- We strenuously deny that we threatened to withhold any services from the Penan community. We have been providing the community with transportation to schools, clinics and grocery stores for as many years as we have been operating in the Baram region.
- Roads that have been built for our use have also directly benefited the community by providing important linkages between the villages located in the interior with health and education facilities.
- Even though we have no obligation to maintain facilities such as roads and bridges, the community continue to rely on us for repairs and maintenance of these facilities.
- The Penan community are fully aware that they can turn to us for any kind of emergency without fear of being turned away.

Point 8:

As the Penan try their best to protect their forest and way of life, business continue as usual for Samling.

On Nov 2 this year, the Samling Power Company Ltd, a subsidiary of the Samling Group in Nepal, concluded an initial public offering.

Business is good.

- Firstly, a simple fact check on our website would have shown that the Samling Power Company in Nepal is in no way related to the Samling Group. Samling Power Company in Nepal is not a subsidiary of the Samling Group;
- Our previous press statements on the blockade have addressed the numerous false allegations made against us by BMF namely,
- *"It is not, and has never been, our intention to drive any indigenous communities from their traditional and ancestral homes. We strongly believe that modernity can co-exist with tradition for the indigenous communities, and that they should be allowed to decide for themselves how they would like their communities to progress.*
- *"Decisions should never be forced upon the communities – be they to remain in their present state of economic hardship or to be forced to adopt modern lifestyles incongruent with their traditions. Instead, communities should be provided with the tools and opportunities to decide for themselves what is best for their communities. "As part of the Baram family, it is our wish that communities will be empowered to speak for themselves and bring their issues of concern directly to the government bodies and not remain dependent on foreign-based NGOs to fight their causes."*



We have pointed out the many inaccuracies and untruths contained in the Article. It is indeed hard to believe that you proceeded to publish the Article riddled with so many inaccurate and untruthful statements to our detriment and prejudice.

We understand that sensational news sells but we would also like to believe that it cannot come at our expense simply because we are a "soft target". We stress that we are not against reporting of such matters as some may feel it is in the public interest to do so. But as you publish and present the facts, we hope they are made with a view to provide your readers with the means to discover the truth. This includes unbiased and fair reporting where the facts we presented to you, no matter how unnewsworthy you deem them to be, have to be published. I have always thought that is what fair and truthful reporting means.

We hope that you will enable the publication of this response so as to correct the inaccuracies and distortion of facts in the Article. We also state that this response is not to be construed as a waiver of our rights, all of which are expressly reserved.

More importantly, we would ask that you cease publishing news reports about the Samling Group of Companies that are factually inaccurate or erroneous and biased against us. If you are to publish stories about the Samling Group of Companies in the future, we ask that you seek our side of the story so that a balanced presentation of the facts can be made.

While do not believe in unnecessary litigation or suing the media, we would feel extremely constrained to do so if falsehoods are continuously presented against us. We hope our position in this regard is clear and unequivocal.

Thank you

A handwritten signature in black ink, consisting of several overlapping loops and a final horizontal stroke.

JAMES HO YAM KUAN
Chief Operating Officer