

RISK ALERT



**KEVIN LING, THE KK CONNECTIONS
CORPORATE GROUP AND ITS
LOGGING OPERATIONS IN
PAPUA NEW GUINEA**

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FOR A BETTER PNG

RISK ALERT AUTHOR AND CONTACT DETAILS

ACT NOW Limited
PO Box 5218, Boroko, NCD
Tel: +675 7715 9197
Email: info@actnowpng.org

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Cover image: Tropical rainforest logs from the Mengen FCA concession in East New Britain Province ready for export, 2023

SUMMARY

Business: The KK Connections corporate group

Principal shareholder(s): Kuok Tiang Ling (Kevin Ling), Han Hook See, Jiangfeng Zhang

Primary geographical areas of operation: East New Britain Province, Papua New Guinea.

Primary business areas: Forestry, agriculture, construction and manufacturing

LINKED COMPANIES IN PAPUA NEW GUINEA:

KK Connections Limited; K L Connections Limited; KKC Sawmill Limited; KKC Veneer Limited; KKC Veneer No.2 Limited; KKC Balsa Limited; Laloani No.8 Limited; Westenders Limited; Chain Reaction Limited; G88 Limited; PL Connections Limited; KKC Supermarket Limited.

RISKS IDENTIFIED

Credible evidence collated in this report indicates there is an elevated compliance risk associated with certain KK Group companies operating in Papua New Guinea due to: (1) historical corporate and personnel linkages with the Kerawara Group, an operator subject to adverse judicial findings concerning unlawful logging and governance failures; (2) participation in logging operations conducted under Forest Clearing Authority (FCA) permits, a licensing pathway identified in national inquiries and sectoral reviews as presenting heightened risks of regulatory non-compliance; (3) documented concerns in Commission of Inquiry proceedings regarding landowner consent processes linked to projects associated with KK Group entities; (4) judicial findings declaring FCA permit 15-10 (Dengnenge 'A') invalid due to deficiencies in mandatory consent verification procedures; (5) reported asymmetries in access to independent legal and technical advice affecting landowner participation in certain project approval processes; and (6) satellite-image-supported civil society reporting raising questions regarding the relationship between authorised agricultural development objectives and observed logging activity in selected concession areas.

RELEVANT STAKEHOLDERS

Given the risks identified in this report, these findings will be of direct relevance to organisations with anti-money laundering (AML), environmental compliance, and human-rights due-diligence obligations, with particular application to: (1) financial institutions, including commercial banks, development finance providers, and non-bank lenders; (2) commodities traders and timber purchasers; (3) corporate service providers and trust and company service professionals; (4) accounting and audit firms; (5) legal advisers engaged in project structuring, financing, or concession support; (6) shipping companies, freight operators, and port service providers involved in timber export logistics; and (7) machinery suppliers, infrastructure contractors, and other service providers supporting forestry and associated agricultural concession projects.

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EXECUTIVE SUMMARY

This Risk Alert examines the corporate structure, operational footprint, and compliance risk environment associated with the KK Connections corporate group (“KK Group”), a Malaysian-owned forestry operator active primarily in East New Britain Province, Papua New Guinea. It forms part of ACT NOW!’s ongoing programme to support risk-based monitoring of forestry-sector participants operating within Papua New Guinea.

Papua New Guinea’s forestry sector is widely recognised as presenting heightened compliance risks. National and international assessments have estimated that illegal logging may account for between 70% and 90% of exported timber by value, while recent analyses suggest illicit financial flows associated with forestry crime may exceed revenues generated through the legal timber market. Forest Clearing Authorities (FCAs)—a licensing pathway intended to support agricultural development—have been identified in multiple reviews as presenting particular governance vulnerabilities where logging activity appears to precede or substitute for genuine land conversion.

Against this sectoral backdrop, the KK Group was selected for review due to the scale of its operations and its concentration within East New Britain Province, a region that has accounted for a substantial proportion of FCA-related exports in Papua New Guinea over the past decade. Export monitoring data indicates that KK Group entities have ranked among the largest log exporters nationally, including topping recorded export volumes in 2022.

The report presents a number of core analyses designed to assist frontline professionals monitoring risk in Papua New Guinea’s forestry sector.

First, the report documents historical corporate and personnel linkages between the KK Group and the Kerawara Group, a forestry operator whose activities were subject to adverse judicial findings and critical oversight-body observations relating to unlawful logging, governance failures, regulatory breaches, and criminal contempt of court. From a compliance perspective, such legacy connections between the two forestry groups may increase exposure to governance-continuity risks where operational practices and institutional relationships persist across successor or affiliated entities.

Second, the report reviews evidence relating to aspects of the KK Group’s contemporary operations, particularly those conducted under Forest Clearing Authority permits. Material examined by the Commission of Inquiry into Special Agricultural and Business Leases (2011–2013), together with subsequent civil society investigations and judicial findings, point to concerns in certain concession areas regarding landowner consent processes, licence documentation, and the relationship between authorised agricultural development objectives and actual observed logging activity. While these matters do not establish wrongdoing by the KK Group, they highlight features of the operational environment that reasonably warrant enhanced scrutiny from an AML and due-diligence perspective.

Taken together, the material reviewed indicates that the KK Group operates at scale within a forestry governance environment widely recognised as presenting elevated compliance risk signals. Its operational footprint is concentrated in concession types and geographic areas that have been the subject of sustained regulatory and investigative attention. Historical personnel linkages with earlier forestry operators subject to adverse judicial findings further contribute to a composite organisational risk profile that warrants careful consideration by stakeholders applying risk-based monitoring frameworks.

Consistent with the objectives of the Risk Alert series, this report is intended as an intelligence resource to assist compliance professionals, law-enforcement agencies, and commercial counterparties in applying proportionate due-diligence measures in relation to forestry-sector engagement in Papua New Guinea. It should be read as a contribution to risk assessment, not as a determination of liability or wrongdoing.

1.0 INTRODUCTION

1.1 WHY RISK ALERTS?

Anti-money laundering (AML) provides a critical framework for identifying, monitoring, and disrupting networks linked to environmental crime. However, the effectiveness of AML depends in part on compliance professionals and law-enforcement agencies having access to reliable intelligence on higher-risk sectors, activities, and actors. In practice, such intelligence is not always readily available.

As a result, the Financial Action Task Force (FATF) argues that in specialist sectors such as forestry, civil society organisations can play an important role in supplying actionable intelligence to the wider compliance community.¹

This observation is particularly relevant to forestry activity in Papua New Guinea, where forestry and corporate data can be difficult to access, verify, and assess from a compliance perspective.

This matters because Papua New Guinea is a region of high ecological significance, containing the world's third-largest rainforest and forming part of New Guinea's globally significant tropical forest biome.²

Moreover, country-level risks associated with illegal logging in Papua New Guinea are widely regarded as substantial. In its 2017 National Risk Assessment, the country's central bank cited research suggesting that illegal logging may account for "between 70 and 90 percent of the total product exported," measured by value.³

Forest Trends' Timber Legality Risk Dashboard classified Papua New Guinea within its highest risk category, assigning a score of 83.4 out of 100.⁴

Recent international analyses have estimated that illicit proceeds linked to forestry-related crime in Papua New Guinea may exceed revenues generated through the legal timber market. According to studies conducted by the UNODC Law Enforcement Assistance Programme (LEAP), illicit financial flows from forestry crimes in Papua New Guinea are estimated to amount to between 80% and 130% of the value of the licit timber market.⁵

Certain categories of logging licences have also been identified as presenting heightened AML and compliance risks. Over the past decade, these concerns have centred largely on Forest Clearing Authorities (FCAs). Although FCAs are intended under the *Forestry Act* 1991 to permit forest clearing for genuine agricultural or development purposes, available analyses suggest they have at times been used to facilitate large-scale logging operations without corresponding agricultural development or, in some cases, without adequate landowner consent.

Civil society investigations indicate that logs harvested under FCA permissions may account for approximately one-third of Papua New Guinea's total log exports and that such logs can present elevated risks of legal non-compliance.

Forest Trends observes that: "Forest clearance permits intended for agricultural development, often used as a pretext for gaining access to timber, have become a major source of logs exported from PNG over the last decade. These permits are frequently issued illegally and without transparency or due process, in particular violating laws around customary land rights".⁶ The same report further notes that "the clearance of primary forests, ostensibly for conversion to agriculture, has increased dramatically and accounted for 20–30 percent of the volume of logs exported each year since 2010".⁷

These conclusions are supported by the Bank of Papua New Guinea in its sectoral review of forestry. The Bank concludes, "that no agricultural, economic, or other land use activities were developed on the areas cleared under these permits".⁸

Illegal logging activities are prohibited and subject to penalties under the regulatory offence provisions of the *Forestry Act* 1991.⁹

To support integrated risk monitoring by national and international stakeholders, Act Now! is publishing a series of Risk Alerts focusing on specific forestry participants. These alerts identify operators where the scale, nature, location, and operational characteristics of logging activities may indicate elevated levels of compliance risk.

Risk is not an accusation of wrongdoing. Rather, it is an estimation—based on environmental, organisational, and personnel circumstances—of the potential for wrongdoing. The riskier the circumstances, the greater the potential for wrongdoing. High-risk environments and/or high-risk actors therefore require enhanced levels of due diligence to ensure that all operations are compliant with the law.

Therefore, this publication series does not make findings of illegality or criminal wrongdoing. Rather, it documents indicators of elevated risk associated with particular forestry participants in Papua New Guinea, and it provides reference to the underlying data sources on which those indicators are based. The publications are intended as an intelligence resource to assist compliance professionals and law-enforcement agencies in applying risk-based monitoring, due-diligence, and investigative scrutiny, set against the challenging monitoring environment in Papua New Guinea.

1.2 CRITERIA FOR SELECTING THE KK GROUP

This Risk Alert focuses on the KK Group, a Malaysian-owned forestry operator primarily active in Papua New Guinea's East New Britain Province.

There are several reasons for selecting this forestry participant for further assessment.

East New Britain has been among the top three provinces in Papua New Guinea for log exports over the past decade, with a significant proportion of logs extracted under Forest Clearing Authorities (FCAs).¹⁰ Analysis of national export data indicates that East New Britain accounted for approximately 45% of total FCA-related log exports in Papua New Guinea between 2016 and 2023.¹¹



IMAGE: Papua New Guinea's East New Britain Province¹²

As in other regions of Papua New Guinea, reported irregularities have been identified in forestry projects in East New Britain operating under FCAs. Investigations and satellite imagery have documented what appears to be extensive selective logging under FCA permits, rather than forest clearance for agricultural development as required by law, particularly within the Makolkol, Dengnenge, and Mengen areas.¹³ Court proceedings, including complaints concerning landowner consent and alleged procedural irregularities in licence issuance, further indicate elevated systemic risk factors in East New Britain.¹⁴

KK Group is one of the most active forestry participants in East New Britain and, more broadly, within Papua New Guinea. The logging monitor Société Générale de Surveillance (SGS) observed that: “KK Connections Ltd group of companies topped the [national] log volume export in 2022 with 273,126 m3 followed by Rimbunan Hijau (PNG) Ltd group of companies with 261,404 m3”.¹⁵

Given the scale of the KK Group’s operations in a sector and province exhibiting elevated signals of risk, it was shortlisted for further examination.

This involved an in-depth corporate mapping exercise drawing on contemporary and historical corporate filings from Papua New Guinea and Malaysia. Data on shareholders, directors, managers, and related entities were tabulated and incorporated into network diagrams. SGS monitoring data were then used to identify concessions associated with KK Group entities and close affiliates. Together, this generated a structured map of relevant actors and operations. Each actor and operation was subsequently examined using verified open-source intelligence, including Commission of Inquiry reports and transcripts, court decisions, Ombudsman Commission reports, Auditor General reports, published research, and media reporting. These materials were triangulated to develop a risk profile of the group.

1.3 REPORT STRUCTURE

This report is structured in four parts.

Section 2 outlines the corporate structure of the KK Group based on available registry filings and export monitoring data. It identifies core entities and associated companies operating in Papua New Guinea and summarises the Group’s organisational footprint within the forestry sector.

Section 3 examines identified risk factors relevant to the Group’s compliance profile. It first reviews legacy risk indicators associated with the Kerawara Group, given documented historical personnel and operational linkages. It then considers evidence relating to aspects of the KK Group’s contemporary operations, including material arising from Commissions of Inquiry, judicial decisions, and civil society reporting concerning concession activity conducted under Forest Clearing Authority permits.

Section 4 identifies areas of potential exposure for external organisations linked to KK Group operations, including financial institutions, professional service providers, trading partners, and project collaborators. These relationships are considered from a risk-based due-diligence perspective.

Section 5 summarises the report’s findings and highlights their relevance for stakeholders applying compliance, monitoring, and enhanced due-diligence frameworks to the forestry-sector in Papua New Guinea.

2. KK GROUP CORPORATE STRUCTURE

The KK Group comprises a cluster of related companies registered in Papua New Guinea and headquartered at Section 64, Lot 53, Seaview Village, East New Britain Province (see Table 1). The group operates primarily in logging, sawmilling, veneer production, and agricultural activities.

The group was founded by Kuok Tiang Ling, who uses the anglicised name Kevin Ling. Ling is a Malaysian national based in East New Britain Province and was previously a senior employee of the Kerawara Group, a Malaysian-owned forestry operator active in the same province.

2.1 CORE KK GROUP ENTITIES

The KK Group does not appear to maintain a publicly accessible company website. No publicly available evidence could be identified of annual reports or other forms of voluntary corporate disclosure online. Statutory filings are available through Papua New Guinea's corporate registry; however, these filings are limited to basic company information. Historical corporate records predating the 2022-23 upgrade of the corporate register are not currently accessible.

The Papua New Guinea Forest Authority is legally required to maintain a public register of forestry licences and participants. At the time of review, such a register was not publicly accessible.

As a result of these information constraints, the corporate structure of forestry operators in Papua New Guinea must be reconstructed using the limited filings available through the national corporate registry administered by the Investment Promotion Authority (IPA). These records can then be triangulated with export monitoring data published by SGS, which allow forestry concessions and export volumes to be identified. Independent databases, including PNGi Portal, PNGi Forests, and OCCRP's Aleph, further supplement the limited official sources.

Through a manual corporate-mapping exercise drawing on available filings and databases, the core companies that appear to comprise the KK Group or are closely affiliated, are outlined in Table 1.



IMAGE: Tropical rainforest logs from the Mengen FCA concession waiting for export, 2023

Table 1: KK Group entities and close affiliates, based on IPA corporate filing data collated during 2025

Business name	Incorporation date	Current shareholders	Current directors	Current postal address	Current registered address
KK Connections Ltd	25/01/2005	Han Hook See; Kuok Tiang Ling; Jiangfeng Zhang; Nassain Nakikus	Han Hook See; Jiangfeng Zhang; Kuok Tiang Ling; Nassain Nakikus	PO Box 286, Kokopo, ENB	Section 64, Lot 53, Seaview Village, Kokopo
KL Connections Ltd	15/02/2015	Han Hook See; Jiangfeng Zhang; Kuok Tiang Ling; Ka Tai Lee; Chung Kui Law	Han Hook See; Jiangfeng Zhang; Kuok Tiang Ling; Ka Tai Lee; Chung Kui Law	PO Box 286, Kokopo, ENB	Section 64, Lot 53, Seaview Village, Kokopo
KKC Sawmill Ltd	28/05/2015	Kuok Tiang Ling; Han Hook See	Kuok Tiang Ling; Han Hook See	PO Box 286, Kokopo, ENB	Section 64, Lot 53, Seaview Village, Kokopo
KKC Veneer Ltd	05/04/2019	PL Jaya Limited; KKC Sawmill Limited	Dennis Lu Jing Ling; Lu Kiong Ling; Lu Siong Ling	PO Box 286, Kokopo, ENB	Section 64, Lot 53, Seaview Village, Kokopo
KKC Veneer No.2 Ltd	28/09/2021	Jiang Feng Zhang; Han Hook See; Chung Kui Law; Kuok Tiang Ling	Han Hook See; Chung Kui Law	PO Box 286, Kokopo, ENB	Section 64, Lot 53, Seaview Village, Kokopo
KKC Balsa Ltd	23/09/2021	Chung Kui Law; Han Hook See; Kuok Tiang Ling; Ka Tai Lee; Jiang Feng Zhang	Chung Kui Law; Han Hook See	PO Box 286, Kokopo, ENB	Section 64, Lot 53, Seaview Village, Kokopo
KKCV Supermarket Ltd	26/04/2022	Chan Pheng Lim	Chan Pheng Lim	PO Box 286, Kokopo, ENB	Section 64, Lot 53, Seaview Village, Kokopo
G88 Ltd	11/01/2000	Kuok Tiang Ling; Han Hook See; Jiangfeng Zhang; Ka Tai Lee; Chung Kui Law	Kuok Tiang Ling; Han Hook See; Jiangfeng Zhang; Ka Tai Lee; Chung Kui Law	PO Box 286, Kokopo, ENB	Section 64, Lot 53, Seaview Village, Kokopo
Laloani No.8 Ltd	02/04/2003	Kuok Tiang Ling; Han Hook See; Jiangfeng Zhang; Mary Aisa	Kuok Tiang Ling; Han Hook See; Jiangfeng Zhang; Mary Aisa	PO Box 286, Kokopo, ENB	Section 64, Lot 53, Seaview Village, Kokopo
PL Connections Ltd	13/11/2019	PL Jaya Limited	Dennis Lu Jing Ling; Lu Kiong Ling; Lu Siong Ling	PO Box 286, Kokopo, ENB	Section 64, Lot 53, Seaview Village, Kokopo
Westenders Ltd	14/08/2008	Kuok Tiang Ling; Han Hook See; JiangFeng Zhang; Chung Kui Law, Ka Tai Lee; Nassain Nakikus	Kuok Tiang Ling; Han Hook See; JiangFeng Zhang; Chung Kui Law, Ka Tai Lee; Nassain Nakikus	PO Box 286, Kokopo, ENB	Section 64, Lot 53, Seaview Village, Kokopo
Chain Reaction Ltd	08/08/2016	Kuok Tiang Ling; Han Hook See; Chung Kui Law; Ka Tai Lee; Nassain Nakikus	Kuok Tiang Ling; Han Hook See, Chung Kui Law, Ka Tai Lee; Nassain Nakikus	PO Box 286, Kokopo, ENB	Section 64, Lot 53, Seaview Village, Kokopo

KK Group entities comprise companies predominantly engaged in timber harvesting, log export, and associated agricultural and infrastructure projects in Papua New Guinea.

Corporate filings and testimony before the Commission of Inquiry into Special Agriculture and Business Leases (SABL Commission) indicate that a relatively small and recurring group of individuals appear across multiple entities as founders, directors, shareholders, or key personnel.

Kuok Tiang Ling (also known as Kevin Ling) is identified in SABL Commission proceedings as the founder and Managing Director of key group entity, KK Connections Ltd.¹⁶ Ling confirmed to the inquiry that he had previously worked as a senior employee of the Kerawara Group until approximately 2006, after which he established KK Connections Ltd.¹⁷

In his testimony, Ling described himself as the principal of KK Connections and outlined the company's role as a developer and contractor across projects in East New Britain Province.¹⁸ He stated that KK Connections was involved in road construction, logging operations, and agricultural developments associated with SABL-related projects.¹⁹

Corporate registry records identify several key KK Group shareholders and directors, including Kuok Tiang Ling (Malaysian national, born 02/1966), Nassain Nakikus (Papua New Guinea national, born 11/1955), Han Hook See (Malaysian national, born 08/1963), and Jiangfeng Zhang (Chinese national, born 10/1976).

A fifth individual, Ray Chee Keong Cheong, was identified in a 2013 media report as General Manager of KK Connections Ltd, following his participation in site inspections of KK Connections' road and bridge construction works in the Inland Baining area.²⁰ Judicial and corporate records indicate that, prior to his reported role at KK Connections Ltd, Cheong served as a Director at Kerawara Limited.²¹

Attention will now turn to the risks associated with KK Group entities or personnel.



IMAGE: Logging camp close to the Mengen FCA concession, 2023

3. IDENTIFIED RISK FACTORS

As one of Papua New Guinea's most active forestry participants over the past fifteen years, and given its involvement in large-scale round log exports, the KK Group is assessed as presenting a baseline moderate-to-high risk profile based on systemic environmental considerations.

Risk is not an accusation of wrongdoing. Rather, it is an estimation—based on environmental, organisational, and personnel circumstances—of the potential for wrongdoing. The riskier the circumstances, the greater the potential for wrongdoing. High-risk environments and/or high-risk actors therefore require enhanced levels of due diligence to ensure that all operations are compliant with the law.

This baseline profile for the KK Group reflects country-level estimates of illegal logging prevalence and documented governance weaknesses in the forestry sector, including in East New Britain Province. These factors increase the likelihood that forestry participants may be involved in improper activity. They do not constitute confirmation that any such activity has occurred.

This preliminary risk estimate may be mitigated or heightened by group-specific indicators identified through further review.

This section summarises the available evidence supporting an assessment that the KK Group presents elevated organisational risk indicators from a compliance perspective.

3.1 LEGACY RISKS: THE KERAWARA GROUP

This section summarises publicly documented risk factors associated with the Kerawara Group. Kerawara is a forestry participant that is separate from the KK Group. It is included in the risk profile as Kerawara Group is reported to have historical operational and personnel linkages with the KK Group.

3.1.1 - Kerawara Group and KK Group - the Ties

As noted, the KK Group has had historical operational and personnel linkages with the Kerawara Group, a Malaysian-owned forestry participant that was particularly active during the 1990s and 2000s, with a concentration of operations in East New Britain Province.²² The Kerawara Group's principal entity was Kerawara Limited, registered on 27 August 1992. Its operations were supported by related companies, including Hugo Sawmilling Ltd and Seribu Daya (PNG) Ltd, which were involved in the harvesting, processing, and export of round logs. Other entities associated with the Kerawara Group included Richard Gault Industries.

Corporate records, judicial decisions and Commission of Inquiry evidence indicate that Kuok Tiang Ling (also known as Kevin Ling) and Ray Chee Keong Cheong held senior roles within Kerawara's corporate network. When questioned at the Commission of Inquiry into Special Agriculture and Business Leases (COI SABL), Kevin Ling stated that prior to 2006 he had been employed by the Kerawara Group before establishing KK Connections Ltd.²³

A decision of the National Court of Papua New Guinea records that Kevin Ling also served as General Manager of related entity Hugo Sawmilling in or around 2001²⁴, while corporate filings show that Ray Cheong was a director of Hugo Sawmilling between 2002 and 2004. Both Kerawara Limited and Hugo Sawmilling were engaged in logging and the export of round logs.²⁵ Politician and businessman Sir Hugo Berghuser was a shareholder in Hugo Sawmilling until 2001 (see 3.1.2).

Judicial records further indicate that Ray Cheong served as a director and senior officer within Kerawara-linked entities in the late 1990s and early 2000s and was subsequently named in court proceedings relating to Kerawara's forestry operations.²⁶

Table 2: Shareholders and Office Holders, Kerawara Limited, 1998-2006²⁷

Year	Shareholders	Directors	Secretary
1998	You Hu Hwong (50%), Yih Wei Hwong (50%)	You Hu Hwong, Yih Wei Hwong	Hwong You Soon (James Hwong)
1999	Tung Leh Ling (50%), Bin Lopidi Genol (50%)	Tung Leh Ling, Bin Lopidi Genol	Hwong You Soon
2000	Tung Leh Ling (50%), Bin Lopidi Genol (50%)	Tung Leh Ling, Bin Lopidi Genol	Hwong You Soon
2001	Kong Fah Chong (50%), Kee Hui Lim (50%)	Kong Fah Chong, Kee Hui Lim, Boon Shin Kok	Hwong You Soon
2002	Kong Fah Chong (100%),	Kong Fah Chong, Ray Cheong, William Gary	Hwong You Soon
2003	Kong Fah Chong (100%),	Kong Fah Chong, Ray Cheong, William Gary	Hwong You Soon
2004	Kong Fah Chong (100%),	Kong Fah Chong, Ray Cheong, William Gary	Hwong You Soon
2005	Kong Fah Chong (100%),	Kong Fah Chong	Hwong You Soon
2006	Kong Fah Chong (100%),	Kong Fah Chong	Hwong You Soon

Table 3: Shareholders and Office Holders, Hugo Sawmilling, 1998-2006²⁸

Year	Shareholders	Directors	Secretary
1998	Sir Hugo Berghuser (51%), Kerawara Limited (49%)	Sir Hugo Berghuser, Kong Fah Chong	
1999	Sir Hugo Berghuser (51%), Kerawara Limited (49%)	Sir Hugo Berghuser, Kong Fah Chong	
2000	Sir Hugo Berghuser (51%), Kerawara Limited (49%)	Kong Fah Chong	
2001	Sir Hugo Berghuser (51%), Kerawara Limited (49%)	Kong Fah Chong	
2002	Yih Siang Hwong (51%), Kerawara Limited (49%)	Kong Fah Chong, Ray Cheong, William Gary	
2003	Yih Siang Hwong (51%), Kerawara Limited (49%)	Kong Fah Chong, Ray Cheong, William Gary	
2004	Yih Siang Hwong (51%), Kerawara Limited (49%)	Kong Fah Chong, Ray Cheong, William Gary	
2005	Yih Siang Hwong (51%), Kerawara Limited (49%)	Kong Fah Chong	
2006	Yih Siang Hwong (51%), Allan Wong Tin Chai (49%)	Allan Wong Tin Chai	Fausto Galamiton

Finally, until 2018, KK Connections Limited was listed within the Kerawara grouping in SGS log export monitoring reports.

IMAGE: Excerpt from the *Log Export Monitoring Monthly Report for December 2017 to the Papua New Guinea Forest Authority*.²⁹

Kerawara Ltd														
KK Connections Ltd	Inland Lassul Baining (FCA 15-11)	6,743	3,747	7,154	7,919	5,749	7,089	12,407	776	5,393	7,131	64,108		
Total for Exporter: KK Connections Ltd		6,743	3,747	7,154	7,919	5,749	7,089	12,407	776	5,393	7,131	64,108		
<i>Per Cent of Grand Total</i>		<i>1.7%</i>	<i>1.0%</i>	<i>2.2%</i>	<i>3.6%</i>	<i>2.5%</i>	<i>2.7%</i>	<i>4.1%</i>	<i>0.3%</i>	<i>2.0%</i>	<i>4.6%</i>	<i>2.0%</i>		
KL Connections Ltd	Makolkol Intergrated Agri. (FCA 15-09)	9,005	9,997	12,703	9,347	11,296	12,899	3,565	12,803	3,705	8,728	4,361	2,187	100,595
Total for Exporter: KL Connections Ltd		9,005	9,997	12,703	9,347	11,296	12,899	3,565	12,803	3,705	8,728	4,361	2,187	100,595
<i>Per Cent of Grand Total</i>		<i>2.3%</i>	<i>2.5%</i>	<i>3.9%</i>	<i>4.3%</i>	<i>4.8%</i>	<i>5.6%</i>	<i>1.4%</i>	<i>4.3%</i>	<i>1.5%</i>	<i>3.2%</i>	<i>2.8%</i>	<i>1.0%</i>	<i>3.1%</i>

Consideration will now be given to factors affecting the risk profile of Kerawara Group.

3.1.2 - Sir Hugo Berghuser and the Barnett Commission of Inquiry

Kerawara Group maintained historical ties with politician and businessman Sir Hugo Berghuser. From a compliance perspective, such associations may give rise to heightened political exposure risk. These risks are amplified by the official scrutiny of Sir Hugo Berghuser in the Barnett Commission of Inquiry.

In 1987, Justice Tos Barnett was commissioned to lead the landmark *Commission of Inquiry into Aspects of the Forestry Industry*³⁰. Forestry expert Dr Colin Filer summarised the Inquiry's findings as follows: "The Barnett Inquiry found that the logging industry of the 1980s was dominated by a set of unequal and unfair relationships between foreign (mostly Asian) logging companies and 'landowner companies' that were typically established by local politicians to serve their own personal interests rather than those of the majority of landowners in each logging concession."³¹

During the course of the Inquiry, a number of proposed timber projects came to Justice Barnett's attention that were considered sufficiently serious to warrant Interim Report No. 7.³²

This interim report documents evidence reviewed by the Commission indicating that Sir Hugo Berghuser MP's company, Superior Tropical Timbers, was at the time heavily indebted and in receivership. The Commission records that Sir Hugo developed a proposal under which he would obtain a logging and marketing agreement to operate a Timber Rights Purchase (TRP) area on the Rai Coast of Madang, with the intention that the TRP would subsequently be assigned to a foreign developer.³³ The Commission stated that the MP would "use his 'good offices' with the Ministers for Forests to obtain approval to assign the contract to the selected contractor".³⁴

An internal document reviewed by the Commission indicated that the foreign operator would be incentivised through a proposed transfer-pricing arrangement that could reduce Papua New Guinea tax liabilities on exported logs. In return, "Mr Berghuser anticipated receiving K300,000 per annum once his contractual rights in the Rai Coast had been sub-contracted ... this sum would be used by the bank to offset Sir Hugo's substantial indebtedness".³⁵

Justice Barnett also referred to allegations of a conspiracy involving the then Forestry Minister and Tropical Timbers to influence the contract tender process for operation rights over the Rai Coast TRP area by excluding two Malaysian bidders.

In his conclusions, Justice Barnett stated: "I regard Sir Hugo's claim that he intends and has always intended, to carry out or 'control' the operation himself, with the assistance of an unnamed American friend in Singapore as nonsense".³⁶ He further observed that "the clear references to proposed transfer pricing raise an element of criminal liability".³⁷ There is no publicly available evidence that Sir Hugo Berghuser was subsequently prosecuted in relation to these matters.

From an AML perspective, any commercial relationship between a forestry operator and a politically exposed person (PEP) may elevate corruption and governance risk exposure. This risk is heightened where official inquiries have raised serious concerns regarding probity within the sector and the politically exposed persons role in that sector.

3.1.3 - Illegal Logging and Alleged Collusion with National Forestry Authority Officers

Further risk indicators relevant to Kerawara's profile emerge from a decision of the National Court of Papua New Guinea, which found that Kerawara Pty Ltd and Richard Gault Industries Pty Ltd were involved in unlawful logging activities and collusive conduct with national forestry officials.³⁸

In *Rafflin v Richard Gault Industries Pty Ltd & Kerawara Pty Ltd* (1998), the Court recorded that Richard Gault Industries Pty Ltd held Timber Licence No. 15-8 over the Warongoi Timber Area, while Kerawara Pty Ltd acted as its joint operational partner.³⁹ Justice Woods concluded that the two companies entered the land and removed timber without the consent of the landholders, resulting in judgment against them for unlawful logging and trespass.⁴⁰

Justice Woods further noted that both defendants failed to substantively engage with the proceedings:

“Whilst the 1st [Richard Gault Industries] and 2nd defendants [Kerawara Pty Ltd] did respond with pleadings early in this matter they have failed to continue with pleadings or appear at mentions over the past year or more in spite of being served with the process and the court has been forced to accept that they are not interested in defending the claims.”⁴¹

The affected plaintiff leaseholders had acquired State Leases in 1991 over the relevant land portions under the Warongoi Cocoa Block Scheme, described by the Court as “a project, planned by the Department of Primary Industry, the Provincial Government and the Agriculture Bank for the economic development of the area into cocoa production by way of smallholder blocks”.⁴²

The Court found that, one year after the agricultural leases were issued, the Minister for Forests granted a Timber Licence over the Warongoi Timber Area to Richard Gault Industries Pty Ltd without lawful authority. In 1993, the defendants entered the plaintiffs’ land and “cut down and removed trees,” without separate consent from the plaintiffs.⁴³

Justice Woods held that the State had no authority to issue a Timber Permit over the plaintiffs’ land and observed that the National Forest Authority appeared to have “a very naïve understanding of land rights”.⁴⁴

The judgment also addressed the relationship between the defendant companies and forestry officials, stating:

“There is evidence that the Lands Department officers in East New Britain had queried the right of the defendant companies to enter onto and log the subject land, but they were overruled by officers of the Department of Forests ... the defendant companies clearly acknowledge that they had no agreement with the lessees to enter and log the land. The evidence suggests that the directors and other officers of the two defendant companies colluded with officers of the Forest Authority to ignore the concerns of the Lands Department officers and deliberately ignored the rights of the landowners and took timber belonging to the plaintiffs”.⁴⁵

On the basis of these findings, the Court declared:

“The first and second defendants were not entitled to enter onto the land of the plaintiffs and carry on logging operations thereon. I declare that the first and second defendants logging operations on the lands of the plaintiffs were unlawful. I order that the first and second defendants are restrained from entering and carrying on logging operations on the plaintiffs’ lands. I find that there has been a trespass by the first and second defendants, with the active encouragement and support of the Department of Forests and the National Forest Authority, onto the lands of the plaintiffs and that the first and second defendants are liable to pay damages to the plaintiffs for this trespass”.⁴⁶

Richard Gault Industries Pty Ltd, Kerawara Pty Ltd, and the State were held liable for K2,306,611.81 in damages.⁴⁷

3.1.4 - Ray Cheong and Contempt of Court

In *Daiva v Pukali; Ome Ome Forests Ltd v Cheong* (2002), the National Court found senior Kerawara-linked officers and a Kerawara executive guilty of contempt of court after funds were withheld from a landowner company in breach of court orders and payments were made to individual landowners rather than to the company itself.⁴⁸ The Court held Ray Cheong Cheong—who was later reported to hold senior roles within the KK Group—personally liable for contempt in relation to breaches of consent orders concerning landowner royalties.⁴⁹ The judgment further emphasised that the corporate veil may be lifted where officers are responsible for unlawful conduct.⁵⁰

The complainant was Ome Ome Forests Ltd, a landowner company. Ray Cheong, Jackson Hwong, and William Garey were named as the first three defendants.⁵¹ Jackson Hwong was Managing Director of Kerawara Limited, while Ray Cheong and William Garey were Directors of Kerawara Limited and Hugo Sawmilling Ltd.⁵²

The Court observed that Ome Ome had entered into a forestry extraction and marketing agreement with Hugo Sawmilling Ltd. Under that agreement, Hugo Sawmilling was required to pay Ome Ome royalties and premiums for each log extracted and exported.⁵³ The Court noted that Hugo Sawmilling acted as contractor and Kerawara Limited as subcontractor.⁵⁴ A dispute subsequently arose concerning the management of Ome Ome, and legal proceedings commenced in 2001.⁵⁵

During the proceedings, Hugo Sawmilling and Kerawara were ordered to withhold royalties and premiums pending resolution of the dispute. They were subsequently ordered to release payments totalling K547,000 and to meet Ome Ome's legal costs.⁵⁶ Ome Ome alleged that these orders were not complied with despite service and repeated requests for compliance.⁵⁷

Ray Cheong and Jackson Hwong denied knowledge of the relevant court orders. Justice Kandakasi rejected that defence, stating:

“I find that both Mr. Cheong and Mr. Hwong have deliberately failed to comply with the orders of this Court especially, those made by consent on the 13th of July, which ordered the payments to be made and released to Ome Ome. I find that, their claim of not being served is simply an attempt at trying to avoid being found guilty of contempt.”⁵⁸

With respect to William Garey, the Court found that payments had been made to individual shareholders of Ome Ome rather than to the company itself. The Court accepted that divisions existed within Ome Ome concerning the contractor and subcontractor arrangements. Justice Kandakasi held that payments were made to shareholders supportive of Kerawara Limited and found Garey in contempt. He stated:

“I find further that his motivation was to please part of the management and the shareholders [of Ome Ome] that were with him and his company and thereby sideline those who were against him and his company.”⁵⁹

The Court noted that Ome Ome's legal fees had ultimately been paid and therefore excluded that issue from the contempt findings.⁶⁰

The three defendants argued that, because they were not parties to the original proceedings between Ome Ome, Kerawara Limited, and Hugo Sawmilling, they could not be held personally liable. Justice Kandakasi rejected this argument, stating:

“... not only did the defendants fail to comply with the orders but they also have failed to retain [the withheld moneys] and [instead] made payments to Ome Ome's shareholders and not Ome Ome despite the clear terms of the orders. There is no evidence of the defendants drawing to the board of directors of the two companies as to the existence of the orders and the need to comply with them or do something about them to avoid being in contempt. If however, this was done, there should be a board decision regarding the compliance or otherwise of the orders but there is no evidence. This is critical because the payments to the [favoured Ome Ome] shareholders were not payments to the plaintiff [Ome Ome Forests Ltd] going by the separate legal personality principle. Consequently, both HSL [Hugo Sawmilling] and KL [Kerawara] could still be liable to Ome Ome for the amounts due to it but was wrongly paid to the shareholders. It could also amount to a fraud against these two companies to the extent of the payment, which could land the defendants within the ambit of section 421 of the Companies Act 1997. Since the conduct of the defendants were criminal in nature both from the perspective of section 421 of the Companies Act 1997 [misusing company assets] and the contemptuous conduct, I do not consider it appropriate that they should hide behind and take advantage of the corporate veil I consider it appropriate to add to the list of circumstances in which the corporate veil could be lift[ed], cases where a crime including contempt of Court is committed. It does not really matter who the crime is committed against ... Applying this to the present case, I find that the defendants were the persons who deliberately decided not to comply with the orders. Not only that, they also chose to act in direct breach of the orders by failing to retain and pay to Ome Ome premiums and other payments due to it. Instead, they chose to and did pay to persons not entitled to receive the payments. This deprived Ome Ome of the amount of money due to it ... I find that the defendants have been correctly named as the defendants to the contempt charges which have been established beyond any reasonable doubt. I therefore return a verdict of guilty against them.”⁶¹

From a compliance and governance perspective, this judgment is significant. It records criminal contempt findings against senior officers of Kerawara and Kerawara-linked entities, including Ray Cheong, who was later reported to hold senior roles within the KK Group entities, including as a director of Loloani No. 8 Limited and as General Manager of KK Connections Limited.⁶²

Further adverse observations concerning Kerawara Limited were recorded during the 2002–2004 Department of National Planning and Monitoring forestry review, which was supported by the World Bank. The findings are outlined in the following section.

3.1.5 Review Findings Published by the Department of National Planning and Monitoring

The Department of National Planning and Monitoring (DNPM) conducted a review of Papua New Guinea logging projects in 2003. As part of that process, a report was issued concerning Timber Permit 3-27 (Iva Inika). The report identifies Imi Development as the landowner company holding the Timber Permit over the Iva Inika area, with Kerawara Limited named as the logging and marketing contractor.⁶³ The field review was undertaken in July 2003, and the final report was issued in November 2003 after stakeholders were reportedly given an opportunity to respond to preliminary findings.

Under the logging and marketing agreement, the DNPM noted that Kerawara Limited was required to pay royalties, log export duties, reforestation levies, agricultural levies, and infrastructure development levies. Imi Development was required to apply these levies toward reforestation, agricultural projects, and agreed infrastructure works.⁶⁴ The agreement also required Kerawara Ltd to construct specified roads and bridges and to deliver certain infrastructure benefits directly to landowners.⁶⁵

The review recorded a number of concerns relating to Kerawara’s compliance with permit conditions and regulatory requirements. It was alleged in the report that: “The company appears to be operating without a current and valid environmental plan”.⁶⁶ The review further stated that there was no evidence that Kerawara had implemented the required Environmental Monitoring and Management Programme.⁶⁷

Kerawara was reportedly required under the Timber Permit to construct ten permanent bridges or concrete causeways. The review team claimed that “there were no permanent bridges or concrete causeways sighted during the field visit”.⁶⁸ The report also recorded that Kerawara had not allegedly upgraded the road from the Hiritano Highway to the Timber Rights Permit area. The company reportedly stated that the relevant land was privately held and could not lawfully be developed.

The review also documented landowner allegations that logging activities had taken place outside the Timber Rights Permit area.

Further concerns were recorded in relation to regulatory compliance requirements. The report noted that: “The Forestry Regulations require the lodgement of a Performance Bond and delivery of an original copy to the PNGFA Managing Director. There is no evidence within the PNGFA files that Kerawara Ltd has complied with this requirement”.⁶⁹

Concerns were also raised regarding employment practices. The report stated: “Logging camp and log pond personnel included a significant proportion of expatriates. In some cases they were undertaking jobs restricted to PNG Citizens by the Department of Labour and Industrial Relations, for example driving logging trucks”.⁷⁰

The review further observed alleged structural governance weaknesses within oversight arrangements, noting that: “PNGFA field staff have had to develop a close relationship with logging company field managers with respect to being provided with accommodation, meals, etc”.⁷¹

Landowner representatives also raised concerns regarding communication and financial transparency. The report records: “A particular concern raised by Imi Development Ltd officials is the lack of regular consultation between the company officials and Kerawara Ltd on the financial status of the Landowner Company and records of log shipments in the last 6 months”.⁷²

The report also recorded landowner claims that eight reserve police officers were present locally and were allegedly “paid by Kerawara Ltd, who refer to the General Manager of Kerawara Ltd as their boss”.⁷³ The Royal Papua New Guinea Constabulary stated that the officers were present to monitor drug trafficking and address law-and-order concerns in the community.

Finally, women in the landowner community specifically voiced concerns regarding the “mis-use and abuse of royalty monies by men” and a lack of community development from funds allocated to the landowner company.⁷⁴

3.1.6 Forestry and Conservation Project (FCP) Review Findings (2003)

A 2003 independent Forestry and Conservation Project (FCP) Review, commissioned by the Government of Papua New Guinea with World Bank involvement, examined three timber operations: Kiunga/Aiambak, Bonua Magarida, and Simbali.⁷⁵

The Review Team alleged significant breaches of the Forestry Act across all three projects. In relation to the Simbali project in East New Britain Province, Kerawara Limited and Hugo Sawmilling Limited were identified as subcontractors, and SSG PNG Services Limited was also reported to be participating in operations within the project area.⁷⁶

The Review Team claimed that SSG PNG Services Limited, Kerawara Limited, and Hugo Sawmilling Limited were operating under approvals issued to a different entity and were therefore allegedly operating “without legal right,” to an extent that, in the Review Team’s assessment, could individually justify deregistration and disqualification from participation in the forestry sector.⁷⁷

This key finding was accompanied by a range of other conclusions.

The Timber Authority for Simbali reportedly authorised logging over 40 hectares, with a maximum harvest of 1,000 m³. The Review Team found that “by January 2003 in excess of 34,000 m³ has been exported from Simbali,” with “more than 2,000 m³ of logs at the beach, apparently ready for shipment,” indicating that the approved harvest limit had potentially been exceeded by “nearly forty times”.⁷⁸

Although the Timber Authority was granted for a small-scale cocoa development, the Review Team found “there is little evidence of the proposed cocoa development” and concluded that “what has been presented as a modest agriculture development is in fact proceeding as a full scale logging operation”.⁷⁹

The Review Team argued that: “The involvement of Kerawara Limited and Hugo’s Sawmilling, as subcontractors, is in breach of section 87(4)” of the Forestry Act, which prohibits subcontracting under a Timber Authority”.⁸⁰

The review further stated that: “The harvesting and sale of logs from roadline clearing areas required a separately approved TA and the failure to obtain this is in breach of the Act”.⁸¹

The Review Team also documented oversight concerns, noting that: “There appears to have been no attempt by the PNGFA to advise the Chairman of the PFMC or the provincial minister of the known abuses in the Simbali area,” and that further Timber Authority applications were being processed even after breaches had been identified.⁸²

As a result of these findings, the Review Team recommended that “logging at Simbali” be halted; that “no further export approval should be given”; that logs be “seized under section 123”; and that “an action for damages under section 127 should be commenced against Kerawara Limited and Hugo Sawmilling for the full value (with no deductions) of all logs illegally harvested.”⁸³ The Review Team also explicitly contemplated deregistration and disqualification from future participation in the forestry sector.⁸⁴ It is unclear what steps if any were taken by the state in response to these findings.

3.1.7 DNPM Individual Project Review – TP 13-38 Buhem Mongi Busiga (2004)

The previously referenced Department of National Planning and Monitoring (DNPM) “Review of Current Logging Projects” produced an Individual Project Review Report (IPRR) No. 3 for Timber Permit (TP) 13-38 Buhem Mongi Busiga, based on a field review conducted in August 2003 and a final report was issued in March 2004.⁸⁵

The Timber Permit holder and marketer was Low Impact Logging Ltd, with Willis Kent Ltd acting as logging contractor. The report does not indicate that this project was a Kerawara operation; it is referenced here because the DNPM review records Ray Chee Keong Cheong as a Director of Willis Kent Ltd and explicitly notes that he “is also a Director of Kerawara Ltd”.⁸⁶ Ray Chee Keong Cheong was subsequently reported to hold senior roles within KK Group entities, including as a Director of Loloani No. 8 Limited and as General Manager of KK Connections Limited.

The DNPM review notes that although Willis Kent Ltd acted as logging contractor, “the responsibility for meeting the terms and conditions of the Project Agreement and the Timber Permit remain with Low Impact Logging Ltd”.⁸⁷

A number of compliance concerns were identified by the Review Team:

The Review Team described Willis Kent Ltd’s licence application as “flawed,” noting that the application specified the project as TP 13-31 Buhem Mongi, which had “expired on 4 January 1997... Despite these flaws, PNGFA issued the licence to Willis Kent Ltd”.⁸⁸

The Review Team further stated that it asked “the company and the PNGFA for a copy of the logging and marketing agreement (if any) but was not provided with one”.⁸⁹ The absence of such documentation limited verification of third-party contractual arrangements.

Although an Environmental Management and Monitoring Programme (EMMP) had been approved, the report records: “There is an approved EMMP but as there is no Environmental Monitoring Officer employed on site, the programme is not being followed or supervised for compliance”.⁹⁰

With respect to the Wangidu sub-log pond, the Review Team reported that it was “created without DEC’s [Department of Environment and Conservation] approval as required in the project’s Environmental Plan approval conditions”.⁹¹

The review also stated: “The Forestry Regulations and the Project Agreement require the lodgement of a Performance Bond by Timber Permit holders. The Regulations require the delivery of an original copy to the PNGFA Managing Director. There is no evidence within the PNGFA files that Low Impact Logging Ltd has complied with this requirement”.⁹²

In addition, the report notes: “Under the terms and conditions of the Licence, Willis Kent Ltd is required to lodge a performance bond. There is no evidence that this has been done”.⁹³

Finally, the report relays landowner concerns over the close relationship between the contractor, Willis Kent Ltd, and PNGFA officers: “Concern was also expressed over the close relationship between the PNGFA monitoring officers and the expatriate personnel belonging to the Logging Contractor [Willis Kent Ltd]. Landowners would like to see PNGFA staff totally independent of the Logging Contractor”.⁹⁴

3.1.8 Conclusion

This section has documented corporate and personnel linkages between the Kerawara Group and the KK Group.

The legacy linkages between Kerawara and KK are relevant given that the KK Group was founded by Kevin Ling, who previously is reported to have held a senior managerial role within the Kerawara Group, and was later joined at KK Group, according to public records, by Ray Cheong.

From a compliance perspective, these corporate and personnel links may elevate the risk that operational practices and governance approaches associated with one group could be replicated within successor or affiliated entities.

The historical material reviewed regarding Kerawara Group includes judicial findings and oversight reports recording allegations and determinations relating to unlawful logging, governance failures, regulatory breaches, and contempt of court.

The data collected for this report indicates that several of these risk indicators documented in relation to the Kerawara Group also appear in connection with aspects of the KK Group’s operations.

3.2 CONTEMPORARY RISKS: THE KK GROUP

By the end of 2024, the KK Group of companies had exported approximately three million cubic metres of logs from sixteen large-scale logging projects in Papua New Guinea since commencing operations in or around 2008. The majority of this activity has been concentrated in East New Britain Province, which accounts for fourteen of the Group's sixteen log export projects.

Table 4: Logging concessions tied to the KK Group⁹⁵

Province	Concession	Area (Ha)	Licence Type	Licence Number	Year(s) Acquired	Period (years)	Contractor/ Exporter	Parent Company	Log Exports
E.N.B.	Toriu Headwaters	30,830	FCA	15-04	2008	10	KK CONNECTIONS LIMITED	KERAWARA LIMITED	924,221
E.N.B.	Makolkol	23,656	FCA	15-09	2016	5	K L CONNECTIONS LIMITED	KK CONNECTIONS LIMITED	493,513
E.N.B.	Dengnenge 'A' Int. Agric Project	n/a	FCA	15-10	2016	8	LALOANI NO. 8 LIMITED	KK CONNECTIONS LIMITED	314,324
E.N.B.	Dengnenge B Agro Forestry	n/a	FCA	15-16	n/a	n/a	K L CONNECTIONS LIMITED	KK CONNECTIONS LIMITED	184,118
E.N.B.	Utnari Land Agro-Forestry	n/a	FCA	15-21	n/a	n/a	KK CONNECTIONS LIMITED	No parent	184,286
E.N.B.	Suikol	n/a	FCA	15-13	n/a	n/a	WESTENDERS LIMITED	KK CONNECTIONS LIMITED	15,711
E.N.B.	Taraiwara (Ext) Agro Reforestation	22,800	FCA	15-14	2018	10	KK CONNECTIONS LIMITED	No parent	403,958
E.N.B.	Inland Lassul Baining	n/a	FCA	15-11	n/a	n/a	KK CONNECTIONS LIMITED	No parent	7,859
E.N.B.	Mengen Integrated	n/a	FCA	15-22	n/a	n/a	KK CONNECTIONS LIMITED	No parent	77,214
E.N.B.	Makolkol Kamarere	n/a	TA	15-90	n/a	n/a	K L CONNECTIONS LIMITED	KK CONNECTIONS LIMITED	18,788
E.N.B.	Vunapalading Teak Plantation	n/a	TA	15-94	n/a	n/a	KK CONNECTIONS LIMITED	No parent	2,266
Central	Ormand Lako	19,621	TRP	03-30	1988	40	SUPER GREEN LIMITED	KK CONNECTIONS LIMITED	161,248
E.N.B.	Seraji & Extension	31,850	TRP	15-58	1970	40	KK CONNECTIONS LIMITED	No parent	275,220
E.N.B.	Inland Pomio (Galae)	63,668	TRP	15-49	1989	40	KK CONNECTIONS LIMITED	No parent	1,576
E.N.B.	Inland Pomio (Galae)	63,668	TRP	15-49	1989	40	CHAIN REACTION LIMITED	KK CONNECTIONS LIMITED	12,584
W.N.B.	Extended Mengen	57,100	TRP	14-41	n/a	n/a	G88 LIMITED	KK CONNECTIONS LIMITED	20,225

The company has also commissioned a veneer facility, KKC Veneer Mill, in East New Britain. When fully operational, the mill is reportedly expected to process approximately 200,000 cubic metres of logs annually and to produce veneer, wood chips, pellets, and plywood.⁹⁶

The KK Group's logging activities have primarily been conducted under Forest Clearing Authority (FCA) permits issued pursuant to the Forestry Act 1991.⁹⁷ Logging under FCA permits is legally permissible where forest clearance is incidental to an approved agricultural or development project. FCAs are not intended to be issued for the primary purpose of timber extraction. The Act does not authorise selective logging under FCA permits, and permits may be suspended where the approved agricultural project is "not progressing according to the development plan or implementation schedule".⁹⁸

FCA projects account for approximately 84% of the KK Group's recorded exports.⁹⁹ Nearly one-third of total exports derive from a single concession, the Toriu Headwaters FCA project, which generated 924,221 cubic metres of exports between 2008 and 2018.¹⁰⁰

Other company operations have been conducted under Timber Authorities (accounting for less than 1% of exports) and Timber Rights Purchase agreements (approximately 15%).¹⁰¹

One of the earliest systematic examinations of the KK Group's forestry operations was undertaken during the Commission of Inquiry into Special Agriculture and Business Leases (2011–2013).

3.2.1 The Commission of Inquiry into Special Agricultural and Business Leases (SABL)

The 2013 Commission of Inquiry into Special Agriculture and Business Leases (SABL) was established in response to mounting public concern that approximately 5.2 million hectares of customary land had been alienated through SABLs, often in connection with agro-forestry projects that were alleged to lack adequate safeguards.¹⁰² The Commission reported that the majority of SABLs reviewed were issued in breach of laws designed to protect the rights of customary landowners and were associated with documented environmental and human rights concerns.¹⁰³

The KK Group's logging operations were referenced in the inquiry in connection with SABL leases 903C and 904C in East New Britain Province, which had been issued to a locally owned company, Toriu Timber Limited.¹⁰⁴ PNG export records indicate that KK Connections Limited exported logs from the Inland Lassul Baining FCA (15-11) and the Toriu Headwaters FCA (15-04), which appears to correspond to the FCA licences associated with the SABL land.¹⁰⁵

According to testimony presented to the SABL Commission of Inquiry by Allan Balbal, who served as District Lands Coordinator for Gazelle District in East New Britain, Toriu Timber Limited was closely involved in the preparation of the Land Investigation Report (LIR).¹⁰⁶ The LIR is a key document containing factual findings relating to customary land proposed for an SABL, including ownership, boundaries, consent, and intended land use. Mr Balbal stated that the landowner company "were chipping in" to cover expenses incurred by lands officers conducting awareness activities and preparing the LIR.¹⁰⁷

In a 2012 report, Greenpeace suggested that it was unlikely that Toriu Timber Limited — as a company reportedly owned by local villagers — would have had the financial capacity to fund such expenses "without the direct financial assistance of the proponent, Malaysian logging company KK Connections Ltd, which eventually acquired the sublease."¹⁰⁸ In evidence to the Commission of Inquiry, KK Connections denied involvement in the landowner identification and consent process.¹⁰⁹

The Commission of Inquiry also reported concerns regarding the authenticity of certain signatures on environmental and land investigation documents submitted during the SABL approval process. During cross-examination, the Vice Chairman of Toriu Timber Limited, Lucas Koatnaski, acknowledged signing documents on behalf of six different Incorporated Land Groups (ILGs), despite being the chair of only one (Evar).¹¹⁰

The Commissioner: Now, you look at that one, and you see how many times your signature appears under different incorporated land group[s]. Are you the head of those 6 incorporated land groups?

Koatnaski: No.

The Commissioner: Then why did you sign for these ILGs instead of your own, which is Eval?

Koatnaski: Because [they are] my clan members in those areas.

The Commissioner: Do not worry about them in any where [any way]. They are different ILGs. You are from Eval, is that right? And I am not interested to know whether they are your family line elsewhere. They are different ILGs. Do you understand that you have no right to sign on their behalf? Do you understand that?

Koatnaski: I understand that but because before it is difficult to get [and] bring them together.

The Commissioner: It does not matter. You go and have them sign it. You have to climb mountains, you have to climb mountains. If it takes 2 months, if it takes 2 years, you do it. You understand that?

Koatnaski: Yes I do.

The Commissioner: Now [do you] understand that what you did there was wrong?

Koatnaski: Yes.

The Commissioner: That could easily amount to the crime of forgery. You forged their consent. Do you understand that?

Koatnaski: Yes.

...

Commissioner Jerewai: Counsel, specify the document. Let us go [us go] document by document. Let us [us] do it very clearly so that the witness know[s] exactly which document he is responding to.

Q: Yes. When you were signing the lease lease-back instrument, and the Land Investigation Report and the other one –

Commissioner Jerewai: Sub-lease with KK Connections. When you signed all these three documents, and you signed off for other villages which are not your village.

Koatnaski: Because it is hard for them to come out so I had to sign on their behalf.

These reported irregularities and concerns regarding possible forgery raised broader questions about whether affected landowners had provided informed consent to the SABL leases and the proposed agro-forestry operations. Evidence was tendered to the Commission suggesting that consent had not been properly obtained. One statement read during the inquiry asserted that the leases had been issued under “fraudulent circumstances”.

Box 2: Excerpt from transcript: COI SABL, *Transcript of Proceedings (Kokopo: Substantive Hearings, 28 October 2011)*.¹¹²

We the undersigned Qaqet formerly Baining, leaders and elders of the Qaqet-Baining tribe of the East New Britain, duly swear on oath and declare that the granting of above portions under SABL, under forest clearance license issued to the Toriu Timbers Limited was done without the informed consent of or generally consent by the landowners. Portions 904C and 903C, milinch Pondo, fourmil Rabaul in the northwest Gazelle area of East New Britain as per gazette number G37 dated 26 February 2010, spanning 11,240 hectares and 42,240 hectares respectively were approved under fraudulent circumstances. The gullibility of the traditional landowners was taken advantage of by the facilitators. The initiator of the project is the East New Britain Provincial Administration and KK Connections as the project developer. There was never any free prior and informed consent described as FPIC given by the traditional landowners of the area as required by law for any part of their land to be facilitated for the purpose of SABL. As well, we as leaders were never notified nor gave consent for this huge land areas to be facilitated under SABL.

Questions were also raised over whether those landowner leaders that were involved directly in negotiations, had sufficient independent advice. When Vice Chairman of Toriu Timbers, Lucas Koatnaski, was asked by the Commission about who explained the sub-leasing benefits and conditions, the witness informed the Commission that it was the developer KK Connections. When asked if they obtained independent legal advice, the leader confirmed they did from a law firm, but one which also acted for the developer KK Connections.

Box 3: Excerpt from transcript: COI SABL, *Transcript of Proceedings (Kokopo: Substantive Hearings, 9 November 2011)*.

The Commissioner: May I interrupt? And who explained these things to you?

Koatnaski: It is between us, the landowner groups and the developers.

The Commissioner: Translator ...

Q: So you did not receive any legal representative, a lawyer, to explain the contents?

Koatnaski: We got our lawyer who prepared this document.

Q: Okay, so who is your lawyer?

Koatnaski: Kivu and Associates.

Q: Yes, they are the ones that are actually on that particular document — they have actually prepared that document.

The Commissioner: Kivu and Associates, sorry, it is on that document.

Q: It is on the document. It is separated — flip back a few pages and you will see the names and address.

The Commissioner: All right. Was Kivu and Associates your lawyers only, or KK Connections' lawyer as well?

Koatnaski: They are the law firm representing the developer and us too.

The Commission noted with concern the potential information asymmetries and inequalities in business knowledge. Commissioner Alois Jerewai stated:

“This seems to be the methodology of these people, including KK Connections, to represent [sub-lease] figures in a way that is unclear to a person not of sufficient sophistication to be able to tell the difference. Take Mr Koatnaski. He cannot even speak English and had to be examined with an interpreter, with English translated into Pidgin so that he could understand. Yet he is the [Vice] Chairman of the Board of Directors of the landowner company, Toriu Timbers. He represents figures without explaining what they are in the format that [KK Connections manager] Mr Yayaa had presented...”¹¹³

In summarising the evidence provided to the Commission of Inquiry, Commissioner Jerewai stated that the inquiry had identified a number of issues affecting the validity of the SABL leases. These included landowners’ names being placed on consent forms without their knowledge or agreement; the landowner company acting without the authority of the landowners, and without prior consultation or consent, in entering into the sub-lease agreement with KK Connections; and agricultural development plans being changed “five or six times” from one type of development to another without prior consultation with relevant government agencies.¹¹⁴ The Commission also found alleged inconsistencies in the description of the currency in relation to the payment of export levies, with different documents referring either to USD or Papua New Guinean kina.

Finally, the Commission noted evidence of questionable agricultural development:

“Our agriculturalist visited the Toriu area where you claim to have this development. His name is Mr Simon Sipo, who holds a degree in Agricultural Science. While he confirms that a road of reasonable standard has been constructed, the agricultural development on both sides of the road is pathetic, to say the least. He observed numerous skidder and tractor tracks, which indicate the extraction of your forests rather than agricultural development.”¹¹⁵

The Commissioner indicated that there was no clear agreement on what development would in fact be delivered following forest clearance. He observed when addressing Lukas Koatnaski, the Vice Chairman of the landowner company Toriu Timbers Limited:

“There is nothing in the agreement that speaks of the KK Connection as a developer that commits them to develop your agriculture ... this sublease gives this people, KK Connection ... 60 years occupation of your land and because of that they can go and take your timber ... yet you have not nailed them down to a specific agriculture development”.¹¹⁶

When challenged on these inquiry findings for a 2017 Global Witness report, *Stained Trade*, lawyers for KK Connections maintained that the company and its subsidiary and related companies did not hold any SABL leases and that while one of its logging operations was being carried out under an SABL held by a landowner company, this SABL had not been declared illegal.¹¹⁷ KK Connections stated it and its related companies had not been involved in any illegal logging operations in Papua New Guinea.¹¹⁸

In summary, the SABL Commission of Inquiry hearings indicate that significant asymmetries existed between the KK Group and affected landowner communities in terms of expertise, information, and capacity. The evidence presented also suggested that certain government offices were operating with limited resources and, in some instances, appeared reliant on logistical or operational support from forestry operators.

Taken together, these structural factors arguably contribute to an elevated risk environment for logging operations, in which landowning communities and oversight bodies face constraints in effectively monitoring activities or enforcing compliance.

Subsequent evidence has identified compliance concerns relating to aspects of the KK Group’s operations conducted under Forest Clearing Authorities.

3.2.2 KK Group and Forest Clearing Authority Compliance

Forest Clearing Authority (FCA) permits have generated sustained controversy in Papua New Guinea in recent years. Published research and sectoral reviews have raised concerns that, in some cases, FCA permits are being used to facilitate large-scale selective logging rather than forest clearance genuinely linked to agricultural development projects.¹¹⁹ There is also documented evidence indicating that landowner consent processes have, at times, not been properly obtained.¹²⁰

Following an extensive review of academic literature, government documentation, and data sources — including analysis from Global Forest Watch — Forest Trends stated that in PNG “the failure of nearly all of these operations to result in viable agricultural projects indicates they are being used to access timber while avoiding the rules for sustainable forest management established under the Forestry Act.”¹²¹

A 2018 report by Global Witness, *A Major Liability*, documented case studies of alleged illegal logging in PNG and highlighted potential reputational and regulatory risks for China’s timber sector as a major purchaser of PNG timber.¹²²

Global Witness reported that its investigators visited two KK Connections logging sites in East New Britain Province — the Malkolkol and Dengnenge FCA areas. According to the report, satellite imagery indicated patterns consistent with selective logging rather than comprehensive forest clearance for agricultural conversion.¹²³ Global Witness stated that “the absence of large-scale agricultural clearance happening in those titles ... strongly suggests that these permits were obtained fraudulently.”¹²⁴

Additionally, Global witness highlighted that Kerawara Ltd. exported timber worth over PGK 16 million (around USD 5 million) from FCA 15-10 in East New Britain Province in 2017, even though the operation appeared to involve logging rather than agricultural clearance, in breach of the permit’s terms.¹²⁵ PNG export records for 2017 show the exporter from FCA 15-10 as Laloani No.8 Limited, which is listed as a member of the Kerawara company group.¹²⁶

When responding to questions from Global Witness, legal representatives for KK Connections stated that FCAs 15-09 and 15-10 had been obtained following landowner consent and submission of applications to the Provincial Forest Management Council and the National Forest Board.¹²⁷ The firm further stated: “The current Managing Director of PNG Forest Authority (Papua New Guinea Forest Authority) has given evidence testifying that there is no fraud or illegality on the grant of the FCA [15-09].”¹²⁸

The legal representatives did not address the separate allegation that FCA 15-10 was being subject to selective logging rather than forest clearance for agricultural development.¹²⁹

Act Now! has also recently published a detailed analysis of the Mengen FCA project, the most recent FCA permit issued to the KK Group.¹³⁰ Entitled *A New Forest Grab*, the report outlines a number of significant concerns regarding the Mengen FCA project. It states that although the project’s logging licence is formally linked to a proposed agricultural development, available analysis indicates that the Mengen project is operating in practice as a large-scale logging venture, with selective harvesting of high-value primary rainforest generating the principal revenue stream.¹³¹ The report questions whether the proposed timber plantation and agricultural components are genuine and economically viable.¹³²

The report further states that there is limited observable evidence of land clearance consistent with agricultural conversion within the project area to date.¹³³ In contrast, satellite imagery and field observations are cited as indicating extensive selective logging activity across substantial portions of the concession.¹³⁴ The report notes that selective logging is not authorised under an FCA permit.¹³⁵

While documentation suggests that certain landowners have provided signed consent, the report also records sustained and documented opposition to the project from multiple landowner groups within the affected area.¹³⁶

The Mengen FCA is reported to overlap with areas of recognised environmental significance, including the Nakanai Karst region, which has been included on the Tentative World Heritage List.¹³⁷

Finally, the report references allegations that police personnel have acted in support of company operations in the area, including claims that landowners have experienced pressure or suppression of dissent. These matters are presented in the report as serious governance concerns.¹³⁸

Prior to publication, Act Now contacted KK Connections Limited for comment on its findings. No response was received.¹³⁹

3.2.3 KK Group and Landowner consent

One of the largest logging projects involving KK Connections is the Dengnenge ‘A’ FCA in East New Britain Province. Between 2018 and 2022, the company is recorded as having exported almost 240,000 cubic metres of logs under FCA permit 15-10, which was issued in 2016.¹⁴⁰ This permit was referred to in the aforementioned Global Witness report, due the absence of evidence pointing to large-scale agricultural clearance.

FCA permit 15-10 was issued to the landowner company Dengnenge Resources Development Limited.¹⁴¹ Laloani No.8 Limited appear to have then been contracted by Dengnenge to undertake logging operations in the permit area. For 2016 and 2017, PNG export records list Laloani No.8 Limited is listed under the Kerawara corporate grouping, from 2018 it is listed under the KK Connections corporate grouping.¹⁴²

However, the permit – FCA 15-10 – was declared invalid and void by the National Court of Papua New Guinea in February 2019. In judicial review proceedings initiated by a group of landowners who stated that they had not consented to the issuance of the FCA, the Court found that mandatory requirements under the Forestry Act 1991 had not been satisfied prior to the grant of the licence.¹⁴³

The Court determined that incorrect forms had been used to verify landowner ownership and consent, and that signatures on those forms had not been witnessed by an authorised official.

The Court described these deficiencies as “critical” and “crucial,” concluding that the defects rendered the FCA application made by Dengnenge Resources Development Limited invalid.¹⁴⁴ The judgment further stated that overlooking such errors would “be detrimental to the landowners and their interests over their customary land”.¹⁴⁵

These findings reflect concerns similar to those documented during the SABL Commission of Inquiry regarding consent verification processes implemented by landowner companies looking to facilitate outsourced logging operations.

The Court awarded costs against all defendants in the proceedings, including KK Connections Limited and Laloani No. 8 Limited.

While the FCA permit was declared void, logging export data indicates logs were exported in 2020, 2021, and 2022,¹⁴⁶ under contracting arrangement with KK Connections Limited and Laloani No.8 Limited.

Ongoing logging conducted under FCA permits declared void by the courts has been identified by the Bank of Papua New Guinea as an area of elevated money-laundering risk¹⁴⁷. This does not mean that logs extracted after FCA 15-10 was declared void were illegally harvested. However, the factual circumstances indicate that there is a risk that such extraction may have occurred.

3.2.4 Conclusion

Taken together, the material reviewed in this section indicates that the KK Group has been a significant participant in Papua New Guinea’s forestry sector, with a substantial proportion of its export activity associated with projects operating under FCA permits, a licensing pathway that has attracted sustained scrutiny in national inquiries and sectoral reviews.

Evidence considered by the Commission of Inquiry into Special Agriculture and Business Leases (2011–2013), subsequent civil society reporting, and judicial findings in relation to FCA 15-10 (Dengnenge ‘A’) highlight concerns in some concession areas regarding landowner consent processes, the adequacy of documentation supporting licence approvals, and the relationship between authorised agricultural development objectives and observed logging activity.

These issues arise within a forestry governance environment widely recognised as presenting institutional capacity constraints and implementation challenges. While they do not in themselves establish wrongdoing by the KK Group, they indicate features of the Group’s operating context that, from an AML and due-diligence perspective, reasonably warrant closer scrutiny.

4. RISK EXPOSURE OF OUTSIDE ORGANISATIONS

A range of external organisations have been exposed to KK Group forestry operations, which are mapped in this section. No suggestion is made that these organisations have engaged in any improper conduct. However, organisations with ongoing commercial relationships with the KK Group are strongly encouraged to take the findings outlined in this report into account as part of their compliance and risk-review processes, particularly in light of the risk profile documented in Section Three.

4.1 FINANCE AND PROFESSIONAL SERVICES

Several financial institutions and professional service providers are referenced in documentation relating to KK Group operations. No suggestion is made that these organisations have engaged in any improper conduct.

For example, the Mengen Project is one of 17 current and past logging operations on New Britain Island associated with companies within the KK Connections corporate group. In documentation submitted in support of the Forest Clearing Authority (FCA) application for the Mengen Project, Australia and New Zealand (ANZ) Bank was listed as the “proposed banker” for KK Connections Limited.¹⁴⁸

ANZ notified ACT NOW! in 2023 that it did not have a banking relationship with the companies identified. The bank further indicated that it has a “limited appetite” for the forestry sector in Papua New Guinea and will generally only consider customers certified by the Forest Stewardship Council (FSC). ANZ declined to comment on whether it had previously held banking relationships with KK Connections or related entities.¹⁴⁹

The aforementioned FCA application for the Mengen concession also listed Sojitz Corporation, a major Japanese trading company, as a potential purchaser of timber.¹⁵⁰ Sojitz has previously been criticised for purchasing wood originating from illegal logging concessions in Papua New Guinea. An investigation by Global Witness in 2017 reported that the company stated it would “not handle wood obtained through illegal logging” and would “seek to mitigate any negative impact” on human rights.¹⁵¹

Sojitz Corporation was previously a secured creditor of KK Connections Limited. On 10 December 2010, KK Connections Limited registered a fixed charge in favour of Sojitz Corporation under Section 222 of the *Companies Act 1997*.¹⁵² The charge secured liabilities arising under a sales contract note, with a maximum prospective liability of US\$1,000,000. It was secured over vehicles and equipment owned by KK Connections Limited and was signed by Han Hook See in the capacity of Secretary/Director of the company.

Records indicate KK Group companies have also received financing from another non-bank lender Heduru Moni Limited.¹⁵³ Reported financing includes:

- Asset financing to K L Connections (2019) for seven Toyota Landcruisers;¹⁵⁴
- Asset financing to KK Connections (2017–2018) for four Isuzu trucks and twenty-one Toyota Landcruisers.¹⁵⁵

The total value of this financing is estimated to exceed K6 million (approximately US \$1.6 million).¹⁵⁶ When asked by ACT NOW! and Jubilee Australia, Heduru Moni did not reply to questions regarding these transactions or disclose its policies in relation to lending to the logging sector.¹⁵⁷

In addition to finance, KK Group has received professional services from Jb & Co. a public accountant in Papua New Guinea,¹⁵⁸ which specialises in providing secretarial, accounting and audit services.¹⁵⁹

Corporate filings also indicate KK Connections has received legal services from Blake Dawson, an international law firm later acquired by Ashurst.¹⁶⁰

No suggestion is being made that these companies are involved in any wrongdoing by providing these services.

4.2 VENTURE PARTNERS

KK Group companies have collaborated with external partners in several reported projects, which will now be briefly summarised.

4.2.1 Shin Yang Group

The Shin Yang Group is a major Sarawak timber conglomerate which operates under the Ling family.¹⁶¹ There is no evidence available that Kuok Tiang Ling (Kevin Ling), the founder of KK Connections Ltd, is a member of, or related to, Shin Yang's Ling family. The shared surname "Ling" appears in this context to reflect a common family name rather than a documented familial relationship.

KK Group's relationship with the Shin Yang Group occurs through Papua New Guinea company KKC Veneer Limited.

The shares in KKC Veneer are held by two entities, PL Jaya Limited (95%) and KKC Sawmill Limited (5%).¹⁶² Its board consists of Dennis Lu Jing Ling, Lu Kiong Ling, and Lu Siong Ling, who are all directors or executives in the Shin Yang Group. KKC Veneer's secretary is Dana Foon Ling, who appears to be daughter of Shin Yang's Group Managing Director.

The primary shareholder of KKC Veneer, PL Jaya Limited is closely tied into the Shin Yang Group. Its shareholders include Dennis Ling Lu Jing (26.83%), Lu Kiong Ling (26.84%), Lu Siong Ling (26.38%), and Malaysian registered entity, Indah Asiamas SDN BHD (19.5%).¹⁶³

Indah Asiamas SDN BHD Malaysian filings indicate it is based at Shin Yang Group's headquarters, while email contacts are all Shin Yang Group email addresses. Indah Asiamas SDN BHD is jointly owned by Ling Pau Pau, Derek Ling Lu Yung and Alfred Ling Lu Khiing, each holding 33.33% of the issued shares.¹⁶⁴

The minority shareholder of KKC Veneer is KKC Sawmill Limited, a KK Connections Group entity jointly owned by Kevin Ling and Han Hook See.¹⁶⁵

KKC Veneer Mill, it appears was set up to commission a veneer mill at Kurindal in Lasul-Baining, Gazelle district of East New Britain Province. When fully operational, the mill is reportedly expected to process approximately 200,000 cubic metres of logs annually and to produce veneer, wood chips, pellets, and plywood.¹⁶⁶

The project was launched in 2023 by Papua New Guinea Prime Minister Marape who noted significant tax exemptions offered to the joint venture. "The company deserves incentives from my government like export without levy, tax deductible if you build road, health and school to help people", the Prime Minister reportedly said.¹⁶⁷



IMAGE: Papua New Guinea Prime Minister on a visit to the KKC Veneer mill in March 2023 Copyright © 2026 PM James Marape News Page

A field investigation for this report indicates that the mill is no longer operational. According to local sources, the mill shut down in or around June 2024. It appeared heavy machinery had been removed from the mill site. It was claimed by local sources, that unanticipated costs had made the project unviable, leading to the site shutdown.

4.2.2. Ningbo Yongli

Corporate records and project documentation indicate that KK Group personnel have had links with a timber company connected to China-based interests in Ningbo.

Ningbo ND Import and Export Co Ltd is the only shareholder of PNG ND Resources Investment Co which is a PNG registered holding company.¹⁶⁸ PNG ND Resources Investment Co in turns holds 100% of the shares (from at least 2014) in Tian Suyn Limited, a logging company operating in Papua New Guinea.¹⁶⁹

Corporate registry records indicate that Tian Suyn Limited had overlapping directors and shareholders with KK Group entities predominantly throughout the period 2014 to 2017. Han Hook See and Kuok Tiang Ling were directors and shareholders of Tian Suyn Limited during this period.¹⁷⁰ The board included representatives of PNG ND Resources Investment Co alongside Ling and See.

Export and forestry records show that between 2010 and 2017, Tian Suyn Limited exported logs from multiple concessions, including the Suikol-Makolkol Forest Clearing Authority area in East New Britain Province and the Rai Coast Timber Rights Purchase agreement area in Madang Province.¹⁷¹ The exports appear to have occurred when Tian Suyn Limited had directors and shareholder from the KK Group, alongside PNG ND Resources Investment Co.¹⁷²

5. CONCLUSION

5.1 THE KK GROUP

Section Three of this report has identified a number of circumstances relating to KK Group entities and personnel that may contribute to an elevated initial risk profile, particularly when considered against wider systemic risk factors affecting the forestry sector in Papua New Guinea.

First, KK Group entities have historical corporate and personnel links with the Kerawara Group. Judicial findings and oversight reports have previously associated Kerawara Group operations with illegal logging activity, collusive practices, and regulatory breaches. Court records further indicate that certain Kerawara officers—including one individual later reported to have served as a General Manager within the KK Group—were found guilty of criminal contempt of court.

Second, aspects of KK Group logging operations in East New Britain have been identified as raising concern in publicly available sources. Evidence presented to the Special Agriculture and Business Lease Commission of Inquiry, and in related judicial proceedings, identified procedural failures in the processes through which landowner consent was obtained for leases and permits connected to operations involving KK Group entities. While responsibility for these procedural failures was primarily attributed to government officers and landowner companies, Commissioner Alois Jerewai noted concerns regarding apparent landowner dependencies on KK Group, in a relationship the Commissioner claimed was marked by inequalities in sectoral expertise and resources.

In addition, research published by organisations including Global Witness and Act Now! has raised questions regarding whether certain operations associated with KK Group entities meet the criteria of genuine forest clearance activities as contemplated under the Forestry Act 1991.

Fourth, one of the largest logging operations associated with KK Connections—the Dengnenge ‘A’ Forest Clearing Authority (FCA 15-10)—was declared invalid and void by the National Court, after the Court identified critical deficiencies in the statutory processes used to verify landowner ownership and consent. Notwithstanding this ruling, export records indicate that substantial volumes of logs were exported under this permit between 2019 and 2022.

Taken together, these cumulative factors support the classification of KK Group as a higher-risk forestry sector participant within the context of broader systemic risks affecting Papua New Guinea’s forestry governance environment.

Importantly, a higher-risk classification does not imply involvement in unlawful activity. Rather, it indicates that available information points to features that warrant enhanced scrutiny by regulators, financial institutions, and other gatekeepers in order to support effective compliance and risk-management processes.

Accordingly, organisations engaged in monitoring forestry sector risks, or interacting with activities linked to KK Group entities, should consider applying enhanced due-diligence measures proportionate to sectoral risk conditions.

5.2 THE WIDER CONTROL ENVIRONMENT IN PAPUA NEW GUINEA

This Risk Alert also highlights wider structural weaknesses in Papua New Guinea’s control environment. These systemic issues form part of the context in which the country has been placed on the Financial Action Task Force (FATF) grey list.

Most fundamentally, there are significant limitations in the availability and accessibility of corporate and market data. Papua New Guinea does not currently maintain a public beneficial ownership register, and existing company filings contain limited information, much of which is unaudited and only accessible through a paywalled system. In addition, registry accessibility and data usability declined following system changes introduced in 2022-23, at a time when many jurisdictions were moving toward greater transparency and digital availability of corporate information.

Given the recognised risks associated with the forestry sector, the absence of a comprehensive public register of forestry licences and participating entities represents a further constraint on effective due-diligence activity.

As a result, organisations undertaking risk assessments in relation to forestry participants in Papua New Guinea face significant verification challenges. The specialist resources required to overcome these data gaps are not routinely available to many private-sector actors. As a result, it is almost certain that risks are systematically going undetected, allowing illicit financial flows emanating from Papua New Guinea to move out of the country undetected and into global financial and asset systems.

There is therefore a clear need to strengthen Papua New Guinea's registry infrastructure and information systems, including improvements to corporate transparency mechanisms and the publication of a comprehensive public register of forestry licences and sector participants.

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