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## Industrialisation and Chinese big business in colonial Singapore, Malaya, and China: The transnational enterprises of Lim Peng Siang (1904–41)

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*While most studies of industrialisation and modernisation in Singapore have focused on the post-1960 period and the role of the new nation-state, multinational corporations, and government-linked companies, Lim Peng Siang's business career shows that these processes and engagements were already under way before the Second World War. This study seeks to foreground the dynamics of industrialisation and modernisation in the historiography of Chinese business in colonial Singapore, Malaya, and Southeast Asia through examining Lim's business career. It shows how the projects of industrialisation and modernisation that Lim and his contemporaries embodied extended beyond business and the economy, and were entangled in broader cultural, sociopolitical, and urban forces and developments in Singapore and other parts of colonial Southeast Asia, maritime Asia, and the world-at-large between the late nineteenth and early twentieth centuries. His experiences highlight the pitfalls of assuming a simple traditional-modern dichotomy, and any essentialistic and ethnic constructions of culture, and the discourses surrounding business strategy, behaviour, and thought.*

One of the greatest magnates living in Singapore is Mr Lim Peng Siang, J.P., founder of the famous Ho Hong firms. His is a romantic career, furnishing an outstanding example of hard work, energy and enterprise—a combination which marks the truly great pioneer.<sup>1</sup>

In July 1936, a reporter from the *Sunday Tribune* described Lim Peng Siang, the founder of the 'famous' Ho Hong group in Singapore, as one of the 'greatest magnates'. This group had interests not only in oil and rice processing, shipping, and banking,

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<sup>1</sup> 'Founder of Great Ho Hong enterprises', *Sunday Tribune*, 26 July 1936, p. 13.

but also cement manufacturing and shipbuilding. In his book on the Overseas Chinese Banking Corporation (OCBC), Dick Wilson opines that Lim—whose Ho Hong Bank was one of the three predecessors of OCBC—was among the first to ‘reclaim swampland for industry, long before Jurong was even a gleam in Dr Goh Keng Swee’s eyes’.<sup>2</sup>

Yet, little research has been done on Lim Peng Siang as compared to his better-known contemporaries such as Tan Kah Kee and Oei Tiong Ham. The making and vicissitudes of Lim’s Ho Hong conglomerate have been surveyed by Yong Ching Fatt with limited information obtained from business reports.<sup>3</sup> Lim’s philanthropic activities, lineage, and business interests in China have been covered by Ng Gee Ling and Lin Ben Liang.<sup>4</sup> Taken together, these works provide important details on Lim’s social and business activities without taking into account the broader connections and issues of industrialisation and modernisation in colonial Singapore and Southeast Asia, and debates in the field of Chinese business history in Southeast and East Asia.

While most studies of industrialisation and modernisation in Singapore have focused on the post-1960 period and the role of the new nation-state, multinational corporations and government-linked companies,<sup>5</sup> Lim’s business career shows that these processes and engagements were already under way before the Second World War.<sup>6</sup> His entrepreneurial career and experiences thus offer important insights into debates surrounding Chinese business history not only in Singapore, but also colonial Southeast Asia and China in the late nineteenth and early twentieth centuries.

Using documents from the National Archives of Singapore’s Registry of Companies and Businesses and the Public Records Office of Hong Kong, trade journals, newspaper articles, oral history, and findings from fieldwork conducted in Lim Peng Siang’s ancestral hometown in Zhangzhou, this study seeks to show how Lim’s enterprises were exemplified by the adoption of modern manufacturing technology, and new business structures and strategies. His ventures in manufacturing, shipping, and finance show that the economic spaces of colonial Singapore and Southeast Asia, if not South China, were sites of innovation and change propelled by the agency of Asian entrepreneurs like him.

2 Dick Wilson, *Solid as a rock: The first forty years of the Overseas-Chinese Banking Corporation* (Singapore: OCBC, 1972), p. 33.

3 Yong Ching Fatt, ‘新加坡殖民时期林秉祥与和丰集团的建立 Xinjiapo zhimin shiqi lin bingxiang yu hefeng jituan de jianli [Lim Peng Siang and the building of the Ho Hong empire in colonial Singapore]’, *Asian Culture* 28 (2004): 1–26.

4 Ng Gee Ling, ‘林秉祥：二十世纪初新加坡华商领袖研究 Lin bingxiang: Ershi shiji chu xinjiapo huashang lingxiu yanjiu [Lim Peng Siang: A study of a Singapore Chinese business leader]’ (BA Hons thesis, National University of Singapore, Department of Chinese Studies, 2017); Lin Ben Liang, 林和坂林秉祥专辑 *Lin heban lin bingxiang zhuanji* [The biography of Lim Ho Puah and Lim Peng Siang] (Longhai: Literature and History Committee of the CPPCC, Longhai, 2018).

5 Lee Soo Ann, *Industrialisation in Singapore* (Melbourne: Longman Australia, 1973); Kunio Yoshihara, *Foreign investment and domestic response: A study of Singapore’s industrialisation* (Singapore: Eastern Universities Press, 1976); Gary Rodan, *The political economy of Singapore’s industrialization: National state and international capital* (Basingstoke: Palgrave Macmillan, 1989); Liu Hong and Jeremy Goh, ‘Emerging business transnationalism in Singapore and China: governance, networks, and strategies’, *Asia Pacific Business Review* (2022), <https://doi.org/10.1080/13602381.2022.2136232>.

6 Goh Chor Boon, *Technology and entrepôt colonialism in Singapore, 1819–1940* (Singapore: ISEAS, 2013); W.G. Huff, *The economic growth of Singapore: Trade and development in the twentieth century* (Cambridge: Cambridge University Press, 1994).

### Industrialisation, modernisation and Chinese business

The period spanning the late nineteenth to early twentieth centuries represents an important watershed in modern Southeast Asian history. This era saw the expansion, elaboration, and consolidation of colonial states, carving up the region into clearly delineated ‘geo-bodies’, providing the foundations for contemporary Southeast Asian nation-states. It was a period of rapid transformation, embodied in new economic enterprises, migration, urbanisation, infrastructural and environmental change, as well as social and cultural changes.<sup>7</sup> The forces of capitalism and colonialism paralleled technological developments in transport, communications, production, and consumption, all of which connected the world in new ways, expanding the movement of people, goods, ideas, and capital to a scale hitherto unseen, as Southeast Asia came to be incorporated into the modern industrial capitalist world-system.<sup>8</sup> It was, as Takashi Shiraishi puts it, an ‘Age in Motion’.<sup>9</sup> The modern and the industrial became key catch-phrases and embodiments of this new order.<sup>10</sup>

Chinese migration, enterprise, and labour played an important role in these transformations, encouraged by colonial states in Southeast Asia in their early expansion and consolidation phase. While not the only migrant community enticed or brought into these new frontiers or port-cities—Chinese mercantile and labour migration had been an important dimension of early modern Southeast Asian history—the Chinese were, for much of the nineteenth century, seen as the most significant by the colonial regimes, especially in the creation of new economies, infrastructure, and urban centres, providing important sources of capital, manpower, and revenue, while performing intermediary functions in the new order.<sup>11</sup> By the late nineteenth

7 Nicholas Tarling, ‘The establishment of the colonial regimes’, in *The Cambridge history of Southeast Asia, vol. 2: The nineteenth and twentieth centuries*, ed. Nicholas Tarling (Cambridge: Cambridge University Press, 1992), pp. 5–78; Carl Trocki, ‘Political structures in the nineteenth and early twentieth centuries’, in *The Cambridge history*, pp. 79–130; Robert Elson, ‘International commerce, the state and society: Economic and social change’, in *The Cambridge history*, pp. 131–96.

8 Immanuel Wallerstein, *World-systems analysis: An introduction* (Durham, NC: Duke University Press, 2004).

9 Takashi Shiraishi, *An Age in Motion: Popular radicalism in Java, 1912–1926* (Ithaca, NY: Cornell University Press, 1990). Although Shiraishi’s work was about popular radicalism in Java, and the early history of Sarekat Islam, the idea of a ‘world in motion’ (as in the novel *Doenia Bergerak*) and a ‘world of movement’, was founded on the ‘arena’ constituted by two ‘Age(s) of Capital’, one shaped by ‘reorganisation’ and the other by ‘the Modern Age’. He was referring to not only the nationalist movements in Indonesia, but also how they were connected to and needed to be considered alongside other popular movements in Asia. Nevertheless, it is in this sense of an ‘Age in Motion’ shaped by capital and modernity (and by extension, industrialisation/industrialism) that we use Shiraishi’s phrase here.

10 Reinhard Bendix, ‘Tradition and modernity reconsidered’, *Comparative Studies in Society and History* 9, 3 (1967): 292–346; C.A. Bayly, *The birth of the modern world, 1780–1914: Global connections and comparisons* (Malden, MA: Wiley-Blackwell, 2004); C.A. Bayly, *Remaking the modern world 1900–2015: Global connections and comparisons* (Hoboken, NJ: John Wiley & Sons, 2018); Jack Goody, *Capitalism and modernity: The great debate* (Cambridge: Polity, 2008); Jürgen Osterhammel and Patrick Camiller, *The transformation of the world: A global history of the nineteenth century* (Princeton, NJ: Princeton University Press, 2015); Jürgen Osterhammel and Niels P. Petersson, *Globalization: A short history* (Princeton, NJ: Princeton University Press, 2005); Norman G. Owen, ed., *The emergence of modern Southeast Asia: A new history* (Honolulu: University of Hawai‘i Press, 2005).

11 See, among others, Wong Lin Ken, *The Malayan tin industry to 1914, with special reference to the states of Perak, Selangor, Negri Sembilan, and Pahang* (Tucson: Association for Asian Studies;

century, however, they were increasingly seen and portrayed in a negative light by European officials and business circles, in terms of their inefficient labour-intensive production methods, the environmental impact of their agricultural and mining methods and technologies, the parochialism of their business practices, the threat posed by their numbers and social institutions (such as secret societies) to law and order, and as competitors to European enterprise.<sup>12</sup> The domination of the Chinese in key sectors of the colonial economy was seen as an impediment to the ideals of progress, development, and order which had become important tropes in the legitimising narratives of colonial states and European-American business circles alike in Southeast Asia.<sup>13</sup>

Nonetheless, between the late nineteenth and early twentieth centuries, Chinese entrepreneurs in colonial Southeast Asia, especially in mining and agriculture, as well as other new sectors in the port-cities and satellite towns, were facing growing competition from new enterprises backed by financial markets and banks in western Europe, North America, and Asia, which operated on a scale and scope that few Asian enterprises could match.<sup>14</sup> These European and American enterprises brought in more capital, better technology, and expertise to achieve greater economies of scale and scope in key sectors.<sup>15</sup> In the face of these challenges and the changing economic environment, some Chinese business people in Singapore and other parts of Southeast

University of Arizona Press, 1965); Jennifer Wayne Cushman and Craig J. Reynolds, *Family and state: The formation of a Sino-Thai tin-mining dynasty, 1797–1932* (Singapore: Oxford University Press, 1991); Wu Xiao An, *Chinese business in the making of a Malay State, 1882–1941: Kedah and Penang* (London: RoutledgeCurzon, 2003); Carl Trocki, *Prince of pirates: The temenggongs and the development of Johor and Singapore* (Singapore: Singapore University Press, 1979); Carl Trocki, *Opium and empire: Chinese society in colonial Singapore, 1800–1910* (Ithaca, NY: Cornell University Press, 1990); Khoo Kay Kim, *The western Malay states, 1850–1873: The effects of commercial development on Malay politics* (Kuala Lumpur: Oxford University Press, 1972).

12 At the same time, there was growing interest in Chinese business practices and cultures. See M.R. Fernando and David Bulbeck, *Chinese economic activity in Netherlands India: Selected translations from the Dutch* (Canberra: Economic History of Southeast Asia Project, Research School of Pacific Studies, Australian National University, 1992); Twan Djie Liem, *De Distribueerende Tusschenhandel Der Chineezzen Op Java* (Gravenhage: M. Nijhoff, 1952); Twan Djie Liem, *The distributive intermediate trade of the Chinese in Java* (Honolulu: East-West Centre, 1964); J.L. Vleming, *Het Chineesch Zakenleven in Nederlandsch-Indie* (n.p.: Dienst der Belastingen, Dutch East Indies, 1925).

13 These stereotypes underlined repeated attempts to promote European as well as American and Japanese investment, and to create the conditions for them in the colonial economies. The colonial states and the European business lobbies (often represented by chambers of commerce in these regions) created or lobbied for the enactment of laws for ‘modern’ business institutions, practices, and governance, so as to foster ‘modern’ business cultures, and to bring capital, but also technology, and new types of business enterprises and cultures to colonial Southeast Asia. See Sikko Visscher, *The business of politics and ethnicity: A history of the Singapore Chinese Chamber of Commerce and Industry* (Singapore: National University of Singapore Press, 2007); Ongkhokham, ‘Chinese capitalism in Dutch Java’, *Southeast Asian Studies* 27, 2 (1989): 156–76; Jeremy Goh, ‘Singapore Chinese Chamber of Commerce and Industry: An institution in transition’, in *A general history of the Chinese in Singapore*, ed. Kwa Chong Guan and Kua Bak Lim (Singapore: World Scientific, 2019), pp. 345–59.

14 Rajeswary Ampalavanar Brown, *Capital and entrepreneurship in South-East Asia* (New York: St. Martin’s Press, 1994).

15 See Wong, *The Malayan tin industry*; Huff, *The economic growth of Singapore*; John H. Drabble, *Malayan rubber: The interwar years* (London: Palgrave Macmillan, 1991); John Butcher, ‘Revenue farming and the changing state in Southeast Asia’, in *The rise and fall in revenue farming*, ed. John Butcher and Howard Dick (Hampshire: Macmillan, 1993), pp. 29–35.

Asia, especially those with access to European business or government circles, were adopting Western practices and expertise to improve and expand their own enterprises.<sup>16</sup>

These modernisation and industrialisation projects within Chinese business communities in Southeast Asia and late Qing/early Republican China were closely intertwined with issues of reform, nationalism, and growth.<sup>17</sup> This era saw various attempts by Chinese entrepreneurs and enterprises in Southeast Asia and China, as well as the Chinese state, to adopt new technologies, managerial expertise and practices, as well as Western business institutions like joint-stock companies, modern banks, insurance companies and chambers of commerce, to enter new business sectors.<sup>18</sup> These business modernisation projects overlapped with various initiatives for reform, if not revolution, across Chinese society, from politics to education to popular culture.<sup>19</sup>

While these issues have been explored for late nineteenth century and early twentieth century China, they have been discussed in a more limited fashion with respect to Chinese business in Southeast Asia in the same period, despite the important role that the latter played in the former. Michael Godley's work on Thio Thiau Siat (Chang Pi Shih) has shown how the late Qing state looked to prominent Chinese entrepreneurs in Southeast Asia for capital, expertise, and connections in economic modernisation projects, involving the establishment of new railroad and steamship companies, albeit under the *Guandu Shangban* system.<sup>20</sup>

Rajeswary Brown has argued that Chinese business in colonial Southeast Asia was characterised by a lack of investment in industrialisation. This unwillingness to invest in manufacturing, Brown writes, was due not only to Chinese entrepreneurs' tendency to send funds to China to support economic modernisation, but also their preference for earning short-term profits through speculation rather than committing to

16 Arnold Wright and H.A. Cartwright, *Twentieth century impressions of British Malaya: Its history, people, commerce, industries, and resources* (London: Lloyd's Greater Britain, 1908); Wong, *The Malayan tin industry*; Huff, *The economic growth of Singapore*; Cushman and Reynolds, *Family and state*; Tan Kah Kee, A.H.C. Ward, Raymond W. Chu and Janet Salaff, *The memoirs of Tan Kah-Kee* (Singapore: Singapore University Press, 1994); Lian Kwen Fee and Koh Keng We, 'Chinese enterprise in colonial Malaya: The case of Eu Tong Sen', *Journal of Southeast Asian Studies* 35, 3 (2004): 415–32; Wu, *Chinese business*.

17 Michael Godley, *The Mandarin capitalists from Nanyang: Overseas Chinese enterprise and the modernisation of China 1873–1911* (Cambridge: Cambridge University Press, 1981); Wellington Chan, *Merchants, mandarins and modern enterprises in Late Ch'ing China* (Cambridge, MA: Harvard University Press, 1977).

18 Hao Yen Ping, *The comprador in nineteenth century China: Bridge between East and West* (Cambridge, MA: Harvard University Press, 1970); Lee Pui Tak, 'Understanding and practice of "new business" in nineteenth-century China', in *Chinese business enterprise: Critical perspectives on business and management, vol. I*, ed. Rajeswary A. Brown (London: Routledge, 1996); Wong Siu Lun, 'The Chinese family firm: A model', *British Journal of Sociology* 36, 1 (1985): 58–72; Robert Gardella, Andrea McElderry and Jane Leonard, 'Chinese business history: Interpretive trends and priorities for the future', *Chinese Studies in History* 31, 3–4 (1998): 3–190.

19 Christopher Rea and Nicolai Volland, eds, *The business of culture: Cultural entrepreneurs in China and Southeast Asia, 1900–65* (Vancouver: UBC Press, 2015).

20 Godley, *The Mandarin capitalists*. A key innovation in the late Qing modernisation movement, *Guandu Shangban* was a system in which private businessmen managed enterprises under official supervision in strategic economic sectors such as manufacturing, shipping, and mining.

long-term capital investment in machinery and technology, which hindered specialisation in related industries.<sup>21</sup> In addition, the lack of support from the colonial state discouraged investment in large-scale manufacturing. The peripheral markets of British Singapore and Malaya, as Wong Lin Ken writes, exported primary commodities to the colonial metropole and imported manufactured goods from it.<sup>22</sup> With this arrangement, on the periphery of the Wallersteinian modern world-system, there was ‘never a good time’ for these colonial regimes and their metropolitan governments to encourage industrialisation in the manufacturing sector.<sup>23</sup>

Nevertheless, case studies of entrepreneurs have shown that prominent Chinese businessmen in colonial Singapore and Malaya, and other parts of Southeast Asia, were also adopting new technologies and practices, as they sought to expand their business interests and compete in a rapidly changing landscape. However, most of these studies have treated modernisation and industrialisation as background factors, and situated these entrepreneurial careers or communities within the colonial political economy and Chinese business-colonial state ties, as well as broader Chinese diasporic networks in Southeast and East Asia. They also offer insights into the dynamics of family, interpersonal networks (both Chinese and interethnic), and alliances with the colonial or Chinese state, as well as European and indigenous elites.

This study seeks to foreground the dynamics of industrialisation and modernisation in the historiography of Chinese business in colonial Singapore, Malaya, and Southeast Asia through examining the business career of Lim Peng Siang. Lim achieved fame in the first half of the twentieth century for building a conglomerate that included not only older types of businesses like parboiled rice, but also new ones like the industrial production of oil and cement, and the creation of a regional (and later transregional) steamship line. He was also involved in the establishment of two modern Chinese banks, and in the formation of insurance companies, and expanded his banking, shipping and other business interests to Southern China. The range of his business interests and the strategic sectors that he chose to invest in reflected broader pressures and opportunities in the changing business landscape of early twentieth century Asia and the world. Far from being just speculative investments with a view to short-term returns, or the diversification of his business interests to reduce risk, Lim invested in the creation of an integrated business group combining modern industry, transport, and finance straddling Southeast Asia and China, and in the case of his industries, producing for global markets.

Lim Peng Siang’s career also provides insights into key debates in Chinese business history, especially with regard to the relative importance of culture, family, ethnicity, and networks vis-à-vis context/environment, the modern managerial enterprise, and formal rationality in explaining business strategy, behaviour, and structure, and ultimately success and failure. Even as he drew on familial and even hometown ties at times, he was ready to tap on extra-familial networks of capital and technological expertise in expanding his business concerns. He also utilised modern business

21 Brown, *Capital and entrepreneurship*, pp. 231–8.

22 Wong Lin Ken, ‘The economic history of Malaysia: A bibliographic essay’, *Journal of Economic History* 25, 2 (1965): 248.

23 Greg Huff, ‘Boom-or-bust commodities and industrialisation in pre-World War II Malaya’, *Journal of Economic History* 62, 4 (2002): 1074–5.

institutions like the limited liability company and the joint-stock company, albeit transforming some of them into effectively family-controlled businesses. His experiences and strategies warn against the pitfalls of assuming a simple traditional–modern dichotomy, and any essentialistic and ethnic constructions of culture, and the discourses surrounding business strategy, behaviour, and thought.<sup>24</sup>

Ultimately, as we will show, the projects of industrialisation and modernisation that Lim and his contemporaries embodied extended beyond business and the economy, and were entangled in broader cultural, sociopolitical, and urban forces and developments in Singapore and other parts of Southeast Asia, maritime Asia, and the world-at-large during this period.<sup>25</sup> Thus, even their philanthropic contributions to schools and the development of modern education were not just examples and expressions of nationalism, parochial ties, and social responsibility, as they have often been framed, but were very important attempts to create a modern society and economy, and to produce people with the necessary skills, discipline, and outlook for modern industrial and mass consumer society. While acknowledging the importance of culture, family, and ethnic/national identities, moving the inquiry beyond ethnic and national frameworks, essentialistic constructions of cultures and identities, engaging with debates about modernity, industrialisation, and capitalism enables us to transcend the parameters of the older debates within Chinese business history in Southeast Asia, and situate them within wider Southeast Asian, Asian, and global histories.

### Family and the emergence of Ho Hong

Family was a key component underlying Lim Peng Siang's enterprises. He gained an advantage in terms of education, expertise, and capital as compared to his peers who were less well-off by leveraging on familial ties and hometown connections through his father. Family here referred not only to his patrilineal connections to the Lim family, but also his ties through his father and wife to the *peranakan* Wee family, which provided the foundations for his early entrepreneurial career. These family dynamics and connections reflected the dynamics of Straits Chinese or what William Skinner called the 'creolised' Chinese communities in Southeast Asia, in which an established Chinese *peranakan* merchant family would marry their daughter to a capable new migrant from China, in this case from their home region.<sup>26</sup> It was a means of recruiting and co-opting capable newcomers to the family business and family networks.

24 Liu Hong and Fan Xin, 'Changing approaches to diasporic Chinese entrepreneurship', in Choi Chi-cheung, Tomoko Shiroyama and Takashi Oishi, *Chinese and Indian merchants in modern Asia* (Leiden: Brill, 2019), pp. 132–7.

25 Rudolf Mrazek, *Engineers of Happy Land: Technology and nationalism in a colony* (Princeton, NJ: Princeton University Press, 2002); Scot Barmé, *Woman, man, Bangkok: Love, sex, and popular culture in Thailand* (Lanham, MD: Rowman & Littlefield, 2002); Henk Schulte Nordholt, 'Indonesia in the 1950s: Nation, modernity, and the post-colonial State', *Bijdragen tot de Taal-, Land- en Volkenkunde* 167, 4 (2011): 386–404; Henk Schulte Nordholt, 'Modernity and cultural citizenship in the Netherlands Indies: An illustrated hypothesis', *Journal of Southeast Asian Studies* 42, 3 (2011): 435–57; 'Modernity and middle classes in the Netherlands Indies', in *Photography, modernity and the governed in late-colonial Indonesia*, ed. Susie Protschky (Amsterdam: Amsterdam University Press, 2015), pp. 223–54; Terence Chong, *Modernization trends in Southeast Asia* (Singapore: Institute of Southeast Asian Studies, 2005); Rea and Volland, *The business of culture*.

26 This was also typical of other 'creolised' and *peranakan* or *mestizo* families in the colonial port cities in maritime Asia. Up to the early nineteenth century, it was these creolised communities who constituted

Lim Peng Siang was the sixth son of Lim Ho Puah, who was born in 1841 at Chengnei village, Longxi county, Zhangzhou.<sup>27</sup> Upon arrival in Singapore in the mid-nineteenth century, the elder Lim was hired and trained by Wee Bin, who was also born in Longxi county.<sup>28</sup> According to Song Ong Siang, Wee's family enterprise, Chop Hong Guan, was the 'greatest importer of products from [Bali] ... traded in all kinds of earthenware [and] built up a fleet of over 20 vessels for the Chinese and Dutch Indies trade' during this period.<sup>29</sup> Originally employed as an apprentice to assist the company's cook in purchasing raw ingredients, Lim gradually rose to the position of bookkeeper as Wee recognised his capability and integrity in accounting, book-keeping and financial management.<sup>30</sup> Impressed with his 'industry and business intelligence', Wee made Lim his son-in-law by persuading him to marry his sole daughter, Wee Chee Ha, although he was already a married man in China.<sup>31</sup> Wee Bin was said to have told him: 'China is China, you can always marry again in Nanyang. It is alright that you marry my only daughter as your second wife.'<sup>32</sup> In 1868, Wee Bin passed away and left the business in the hands of his son, Wee Boon Teck, who 'materially improved and strengthened' the profitability and scale of Chop Hong Guan with assistance from Lim Ho Puah.<sup>33</sup> By 1901, with the passing of Wee Boon Teck and his son, Wee Siang Tat, Lim became the majority shareholder of Chop Hong Guan.<sup>34</sup>

Lim Peng Siang was born in Chengnei village in 1872 during his father's assistantship in Chop Hong Guan.<sup>35</sup> He spent his childhood years studying Chinese classics and history at a private school.<sup>36</sup> Subsequently, the teenage Lim arrived in Singapore and learnt English at St Joseph's Institution and through private tuition

the dominant sociopolitical and economic elites in these port-cities. See G. William Skinner, 'Creolized Chinese societies in Southeast Asia', in *Sojourners and settlers: Histories of Southeast Asia and the Chinese*, ed. Anthony Reid and Kristine Alilunas-Rodgers (St Leonards: Allen & Unwin, 1996); Jean Gelman Taylor, *The social world of Batavia: Europeans and Eurasians in colonial Indonesia*, 2nd ed. (Madison: University of Wisconsin Press, 2009); Engseong Ho, 'Before parochialization: Diasporic Arabs cast in creole waters', in *Transcending borders: Arabs, politics, trade, and Islam in Southeast Asia*, ed. Huub de Jonge and Nico Kaptein (Leiden: KITLV Press, 2002); Engseong Ho, *Graves of Tarim* (Berkeley: University of California Press, 2006).

27 Lin, *The biography*, p. 11. This information was also certified by an anonymous great grandson of Lim Ho Puah in Zhangzhou.

28 Lin, *The biography*, p. 12.

29 Song Ong Siang, *One hundred years' history of the Chinese in Singapore* (London: John Murray, 1923), pp. 114–15.

30 Lin, *The biography*, pp. 8–10; Lim Kim Teck, 'A very special feature: An episode on the rise and fall of the Ho Hong empire', p. 2 (manuscript, n.d.). Lim Kim Teck was the son of Lim Peng Mau. Special thanks to Mr Kua Bak Lim for sharing this invaluable source written by Lim.

31 Song, *One hundred years' history*, p. 115; Kua Bak Lim, 世界福建名人录: 新加坡篇 *Shijie Fujian mingren lu: Xinjiapo pian* [Prominent figures of Fujian communities in the world: Singapore edition] (Singapore: Hokkien Huay Kuan, 2012), p. 175.

32 This information was obtained from the granddaughter of Lim Ho Puah's eleventh son in Xiamen.

33 Kua, *Prominent figures*, p. 176; Song, *One hundred years' history*, p. 115.

34 Lin, *The biography*, p. 14.

35 Song, *One hundred years' history*, p. 116. It remains unclear whether Lim was born to the first wife of Lim Ho Puah. There was no mention of wives in the elder Lim's final will, except for a concubine. See 'Probate No. 368 of 1932: Lim Hoh Poah, deceased', 1932, Public Record Office of Hong Kong, HKRS 144 (4/3786).

36 Su Xiao Xian, 漳州十属旅星同乡 *Zhangzhou shishu luxing tongxiang lu* [A record of the ten dependencies of Zhangzhou] (Singapore: Qiaoguang, 1958), p. 62.

under Lim Ho Puah's direction.<sup>37</sup> Armed with bilingual language skills, Lim joined Chop Hong Guan and received training from his father.<sup>38</sup> At the turn of the century, Lim took charge of managing the company's fleet with his younger brother, Lim Peng Mau.<sup>39</sup> Under the tutelage of his father, Lim obtained the necessary experience and access to social and business networks, which were instrumental in his successful petition to become a naturalised British subject in 1902, a political identity that was crucial in the expansion of his enterprises in the subsequent decades.<sup>40</sup> With a loan of S\$50,000 at an interest rate of 7.2 per cent per annum from Lim Ho Puah, Lim Peng Siang and Lim Peng Mau established and named their new family concern as the Ho Hong Company in 1904, one which combined the first character of Chop Hong Guan and Chop Ho Guan, another firm owned by the elder Lim.<sup>41</sup> The Latin motto of this firm, 'Concordia Et Copia'—which means Ho Hong in Chinese—illustrates their vision for 'harmony and wealth' through enterprise.<sup>42</sup> The use of this motto reflects the cosmopolitan environment that Lim Peng Siang was operating in, and his aim of reaching out to a broader clientele beyond the Chinese communities.

Like other Chinese counterparts, Lim Peng Siang developed the technological base of his enterprises through partnerships with Western businessmen, as well as by employing European and American managers and engineers.<sup>43</sup> Lim's receptiveness towards Western expertise and technology might have been shaped by the English education he received in Singapore.<sup>44</sup> This openness may also have been due to his work experience in Lim Ho Puah's enterprises, which included an engineering concern named Central Engine Works, or Chop Hong Chang Keok, comprising Western 'engineers, boilermakers, contractors, iron and brass founders'.<sup>45</sup>

Expertise and technology from Europe and America were an indispensable feature of the Ho Hong conglomerate's emergence in 1904, which started off in rice processing and coconut oil manufacturing. A Scottish engineer and manager of Central Engine Works, James Alexander Hamilton, planned and organised Ho Hong's machinery and production setup.<sup>46</sup> Hamilton brought in two high-speed engines with 25 and 80 horsepower, respectively, that enabled the mill to produce 100 tons

37 Song, *One hundred years' history*, p. 116. There is presently no known source indicating the exact year of Lim Peng Siang's arrival in Singapore.

38 Ibid.

39 'Singapore and Straits directory', 1901, National Library of Singapore (NL) 1181, p. 118.

40 Song, *One hundred years' history*, p. 117; Lin Bo Ai et al., 南洋名人集传, 第二集上册 *Nanyang mingren jizhuan, dierji shangce* [The autobiographies of prominent personalities of Nanyang, vol. 2, part 1] (Penang: Editorial Department of the Nanyang Civil History Compilation Office, 1922), p. 173.

41 Lim, 'A very special feature', pp. 3–4. The naming of 'Ho Hong' was also possibly derived from combining the first character of Lim Ho Puah's first name and Chop Hong Guan. Newspapers indicate that Lim Peng Siang took over the proprietorship of Chop Ho Guan. See 'An account of the proceedings in the formation of a Chinese united steamship company in Singapore', *Lat Pau*, 1 July 1913, p. 16. S\$ refers to the Straits Settlements dollar.

42 'Cheque from the Ho Hong Bank', <https://www.roots.gov.sg/Collection-Landing/listing/1133548> (accessed 11 Aug. 2021).

43 Edmund Gomez, Loh Wei Leng and Lee Kam Hing, 'Malaysia', in *Chinese business in Southeast Asia: Contesting cultural explanations, researching entrepreneurship*, ed. Edmund Gomez and Michael Hsiao (London: RoutledgeCurzon, 2004), p. 65.

44 Yong, 'Lim Peng Siang', pp. 1–3.

45 'Singapore and Straits directory', 1906, NL 1182, p. 191.

46 Wright and Cartwright, *Twentieth century impressions*, p. 650.

of white and parboiled rice daily.<sup>47</sup> At the same time, Lim Peng Siang employed another engineer from England, G. Frankland, to supervise the construction of the Ho Hong Oil Mill. Frankland brought in machines ‘embodying all the latest improvements’, which included a 250 horsepower ‘surface condensing engine’ that allowed the oil mills to manufacture 130 tons of coconut oil and 70 tons of oilcake weekly for domestic consumption as well as overseas markets in Europe and America. Both mills were also ‘lighted throughout with electricity (with) complete service of water pipes and fittings for coping (with) fire’.<sup>48</sup>

After building Lim’s production facilities, both Hamilton and Frankland stayed on as overall superintending engineer and manager of the Ho Hong Oil and Rice Mills, respectively.<sup>49</sup> Lim Peng Siang served as the managing proprietor of this newly formed family concern with his younger brothers, Lim Peng Chin and Lim Peng Mau as partners.<sup>50</sup> His enterprise also benefited from local expertise through the hiring of staff who were previously employed in Chop Hong Guan, such as Tay Kim Yan, who served as a bill collector in both Lim Peng Siang’s and his father’s companies. The profits, as Lim Kim Teck recounts, served as the basis of Lim Peng Siang’s subsequent business expansion in the ensuing decade.<sup>51</sup>

### Shipping, finance, and manufacturing (1911–19)

The 1910s witnessed a rapid expansion of Lim Peng Siang’s business interests into the new fields of shipping, shipbuilding, cement manufacturing, banking, and insurance in Singapore, Malaya, and China. Besides astute leadership, this expansion was supported by favourable conditions such as the implementation of the new Straits Settlements currency system, the expansion of *laissez-faire* economies in Southeast Asia, and inflow of cheap labour from India and China.<sup>52</sup>

In 1911, Lim Peng Siang started to broaden and integrate his business interests by using accumulated profits from rice processing and coconut oil manufacturing to purchase assets from Lim Ho Puah’s liquidated business enterprises following the latter’s retirement.<sup>53</sup> At a public auction of Chop Hong Guan’s assets, Lim acquired four steamships.<sup>54</sup> He formed a shipping department within Ho Hong to coordinate the operations of these steamships, which sailed weekly between Singapore, Penang, Hong Kong, Shantou and Xiamen.<sup>55</sup> By obtaining control of the transportation for his products, it was possible for Lim to raise the overall profitability of his portfolio by lowering their logistics costs.

47 Ibid., p. 652.

48 Ibid.

49 ‘Singapore and Straits directory’, 1907, NL 1182, p. 152.

50 Lim Peng Chin was another younger brother of Lim Peng Siang. See ‘Probate no. 368 of 1932: Lim Hoh Poah, deceased’, HKRS 144 (4/3786), Public Record Office of Hong Kong.

51 Lim, ‘A very special feature’, p. 5.

52 Wong Lin Ken, ‘Singapore: Its growth as an entrepot port, 1819–1941’, *Journal of Southeast Asian Studies* 9, 1 (1978): 62–7.

53 Lin, *The biography*, p. 15; Song, *One hundred years’ history*, p. 115.

54 Lim, ‘A very special feature’, pp. 5–6; ‘Preliminary notice’, *Straits Times*, 8 Feb. 1911, p. 14.

55 ‘Singapore and Straits directory’, 1913, NL 1184, p. 165; ‘Singapore shipping’, *Straits Times*, 8 May, 13 May and 20 Oct. 1911, pp. 5, 7.

After purchasing another steamship two years later, Lim Peng Siang incorporated this department as a separate concern, the Ho Hong Steamship Company Ltd, under the Companies Ordinance of the Straits Settlements.<sup>56</sup> Along with other shipping companies, such as Heap Eng Moh and Tan Kim Tian and Company Ltd, the Ho Hong Steamship Company engaged in trade between ports in Malaya, the Dutch East Indies, and Southern China, competing effectively with Western shipping concerns on these routes.<sup>57</sup> This company was essentially a family concern controlled and managed by himself, Lim Peng Mau, and Lim Peng Chin as the directors and majority shareholders. Lim Peng Siang hired kin, such as Lim Seow Kiew, his eldest son, as well as trusted personnel such as Tay Kim Yan and J.A. Hamilton.<sup>58</sup> According to Tan Keong Hee, a former employee of the Ho Hong Steamship Company, Lim delegated control over employment to his manager, with the exception of ship captains who required his personal approval.<sup>59</sup> In particular, he took extra care in hiring captains operating China routes, preferring Chinese nationals with networks in ports across Southern China, or the descendants of kinsmen who had helped his father in Zhangzhou. This indicates that Lim, as well as his contemporaries, did not merely hire individuals based solely on common ancestry, place of birth, or altruism. Rather, it was their connections that Lim leveraged on to expand his shipping concern in China.

The Ho Hong Steamship Company was also significant as an amalgamation of the family business structure with the British limited liability model, which limited the extent of losses to assets invested in the company. It was a means to reduce economic uncertainty and risk, particularly with the high capital outlay, by separating the concern's capital from the Lim family's personal assets. Importantly, Lim's adoption of limited liability indicates a certain degree of 'institutional trust' in the British colonial government and legal infrastructure as it required him to make extensive financial disclosures not only to the state, but also the general public.<sup>60</sup> In contrast, Chinese businesses in China only embraced limited liability during the 1950s due to a lack of trust in and relative instability of the late-Qing state and ensuing Republican governments.<sup>61</sup> This suggests that British colonial regulations were not completely antagonistic towards Chinese businesses as Lim, like others, managed to adopt the system in the interests of their family enterprises.

Lim Peng Siang had a broader vision for Chinese-owned interests in shipping beyond the Ho Hong Steamship Company. In July 1913, as president of the Singapore Chinese Chamber of Commerce (SCCC), Lim proposed the formation of a United Eastern Steamship Company Limited (Liandong lunchuan youxian gongsi) that sought to reduce competition between Chinese steamship companies of the day.<sup>62</sup>

56 'Agreement between Ho Hong Steamship Co. Ltd. and Straits Steamship Co. Ltd.', 26 Sept. 1932, ROC 354 (34/22), National Archives of Singapore (NAS); 'Sale of Properties and a Steamer', *Singapore Free Press*, 15 Jan. 1913, p. 6.

57 Song, *One hundred years' history*, p. 350.

58 'Singapore and Straits directory', 1914, NL 1185, p. 173.

59 'Tan Keong Hee', 9 Dec. 1986, Oral History Interviews, accession no. 000735, NAS.

60 Wong Siu Lun, 'Chinese entrepreneurs and business trust', in *Asian business networks*, ed. Gary Hamilton (New York: De Gruyter, 1996), pp. 13–26.

61 Gu Minkang, *Understanding Chinese company law*, 3rd ed. (Hong Kong: Hong Kong University Press, 2017), pp. 5–6.

62 'An account of the proceedings', *Lat Pau*, 1 July 1913, p. 16.

Initial plans to incorporate this company in Singapore with an initial investment of S\$2 million received the support of SCCC members across *bang* groups, including Leow Chia Heng, the Teochew deputy president of SCCC. Through this proposal, Lim intended to bring together the shipping interests of different Chinese *bang* to better compete with rival companies owned by the ‘outsiders’ (*wairen*) based on scale. However, there is no further evidence on the development of this proposal at the time of writing. It is plausible that the First World War disrupted plans to incorporate this company.

The First World War served as an impetus for the swift growth of the Ho Hong Steamship Company and its affiliated concerns. The retreat of Western vessels back to Europe reduced shipping services in Asia, which led to a spike in freight prices, as well as the prices of commodities such as rice and copra.<sup>63</sup> Given this opportunity, Lim expanded the Ho Hong Steamship Company’s fleet by acquiring seven steamships between 1914 and 1918, and broadened its coverage in Asia by adding routes to Bombay, Rangoon, Muar, Pulau Sugi, Mersing, and Cucob.<sup>64</sup> During the War, he also extended his control over Ho Hong’s agencies in these ports, being the sole proprietor of Ho Thong Company and Ho Chay Company in Hong Kong and Xiamen.<sup>65</sup>

Lim Peng Siang’s dominance of the region’s shipping was recognised and supported by the British colonial government, with a public appeal by the Secretary for Chinese Affairs for him to maintain his shipping activities during the First World War.<sup>66</sup> His leading position in Asian shipping gave him a stronger negotiating position when the colonial administration issued a requisition order on local vessels to support the war effort in May 1918.<sup>67</sup> This order led to dissatisfaction among the Asian shipowners, who felt that the requisition of ships made by shipping companies ‘act[ed] harshly against one industry leaving other industries unaffected’.<sup>68</sup> Agreeing with these sentiments, Lim noted that this requisition diverged from the government’s aim of supporting local shipping interests in a meeting at the SCCC on 28 May 1918.<sup>69</sup> In response, the colonial authorities implemented the Local Liner Requisition Scheme, in which Asian ships were ‘run on (the) government’s account’.<sup>70</sup> This episode is indicative of the influence of Lim and his fellow shipowners in shaping colonial economic policy in Singapore during this period. In addition, this policy was crucial in enabling Lim to maintain the financial health of his steamship concern in the face of adverse economic conditions after the First World War.

63 Huff, *The economic growth of Singapore*, p. 122; Lim Guan Hock and Chui Kwei Chiang, ‘远洋辟路, 内河沧桑: 航运与驳船业 Yuan yang pilu, nei he cang sang: Hangyun yu bochuan ye [Opening up distant seas, rapidly changing rivers: The shipping and barge industry]’, in 头路: 新加坡福建人的行业 *Toulu: Xinjiapo fujianren de hangye* [Headways: The professions of the Singapore Hokkiens] (Singapore: Hokkien Huay Kuan, 2008), p. 43.

64 ‘Mr Lim Peng Siang J.P.’, *Eastern Illustrated Review* 11 (1919), p. 46.

65 Zhang Fu Ren, 厦门交通志 *Xiamen jiaotong zhi* [A record of Xiamen’s traffic] (Beijing: China Communications Press, 1989), pp. 36–7; Hong Pu Ren, 厦门航运百年 *Xiamen hangyun bainian* [One hundred years of Xiamen’s shipping] (Xiamen: Xiamen University Publishing, 2009), p. 81.

66 Lim and Chui, ‘Opening up’, p. 43.

67 ‘Local shipping: Question of requisitioning’, *Malaya Tribune*, 29 May 1918, p. 5.

68 *Ibid.*

69 ‘General meeting, Singapore Chinese Chamber of Commerce’, 28 May 1918, NA 007, NAS.

70 ‘Legislative Council’, *Singapore Free Press*, 9 Aug. 1921, p. 7; ‘The Colony: Legislative Council Address’, *Malaya Tribune*, 9 Oct. 1919, p. 5.

In capitalising on the shipping shortage, Lim Peng Siang not only expanded his fleet of steamships and routes but also engaged in shipbuilding in the late 1910s. He collaborated with Sime Darby and Company Ltd—a Western plantation and trading company in Malacca—to form Anglo-Chinese Steamships Ltd.<sup>71</sup> Despite being a joint partnership, this concern was run as a de facto Lim family concern with explicit rules in its articles of association which cemented his position as a majority shareholder with 37.5 per cent of shares, with the power to appoint or remove directors.<sup>72</sup> With an issued capital of S\$1 million, this firm was organised to construct two wooden vessels to support the Singapore–Hong Kong trade.<sup>73</sup> Western expertise was crucial: an engineer, Graham Hutchinson, was hired to design and build both ships.<sup>74</sup> Hutchinson used teakwood imported from India, two 500 horsepower engines manufactured by Skandia Pacific Oil Engine Company—based in Oakland, California—as well as auxiliary boilers from Wallsend, England, at a shipyard in Tanjong Rhu, Singapore.<sup>75</sup> In late 1918, Anglo-Chinese Steamships launched the completed wooden steamers, *Tanjong Rhu* and *Tanjong Kling*, with ‘unprecedented success’.<sup>76</sup> Indeed, these were the first steamships to be built locally, an achievement which ‘mark[ed] a new era in the history of Singapore’s port’ and demonstrated how ‘service to Imperial interests can profitably be done (through) shipbuilding’ during the Great War.<sup>77</sup>

Amicable relations with the British colonial government were indeed important in the expansion of Lim Peng Siang’s family enterprises during the First World War. Under war legislation, the administration had interned German residents and confiscated their properties.<sup>78</sup> In 1916, the acting Colonial Secretary alerted the Registrar of Companies to the nationality of Singapore Oil Mills Ltd—a German oil manufacturer with assets beyond S\$1 million—and ordered its liquidation.<sup>79</sup> With the assistance of Lim Boon Keng, a Queen’s Scholar who was also born in Zhangzhou, Lim Peng Siang made a successful bid to procure this company in October 1917.<sup>80</sup> Through doing so, Lim horizontally integrated his oil production interests, which became one of ‘considerable importance’.<sup>81</sup> This acquisition, along with Lim’s enlarged

71 Lim, ‘A very special feature’, p. 3; ‘Motorcraft building in Far East increases’, *Far Eastern Fortnightly: The Bulletin of the Far Eastern Bureau* 6, 1919, p. 7.

72 ‘Articles of Association of the Anglo-Chinese Steamships Ltd.’, 23 Nov. 1917, ROC 153 (34/1917), NAS. In contrast, Sime Darby owned 13% of shares in this concern.

73 ‘Motorcraft building’, p. 7; ‘Summary of share capital and shares of the Anglo-Chinese Steamships Ltd.’, 1 June 1918 ROC 153 (34/1917), NAS.

74 Hutchinson was director of East Indies Petroleum Corporation in 1911 and was later part of the colonial government, as Surveyor-General of Ships. See ‘East Indies Petroleum Co. Ltd.’, *The Singapore Free Press*, 3 Oct. 1911, p. 10; ‘Control of twakows’, *Straits Times*, 4 May 1926, p. 10.

75 ‘The Tanjong Rhu and the Tanjong Kling American-engined oriental ships’, *Motorship and Diesel Boating* 5, 1920, p. 323.

76 ‘The Tanjong Rhu’, *Singapore Free Press*, 18 Dec. 1919, p. 7; ‘Singapore’s wooden ships’, *Straits Times*, 23 Sept. 1918, p. 8.

77 ‘Singapore shipbuilding: Wooden vessels for Straits and China trade’, *Straits Times*, 12 Sept. 1918, p. 8.

78 C.M. Turnbull, *A history of modern Singapore 1819–2005* (Singapore: NUS Press, 2009), p. 137.

79 ‘Memorandum of Association of The Singapore Oil Mills Ltd.’, 1 Oct. 1909; ‘Profit and loss account for 1913’, 15 June 1914; ‘Correspondence between Ag. Colonial Secretary and Registrar of Companies, Singapore’, 31 Mar. 1916, ROC 46 (2/1909), NAS.

80 Lim, ‘A very special feature’, p. 5; ‘Singapore Oil Mills’, *Singapore Free Press*, 18 Oct. 1917, p. 244.

81 ‘Singapore Oil Mills’, *Singapore Free Press*, 18 Oct. 1917, p. 244.

shipping concern, enabled him to fully capitalise on the rise in freight and oil prices during this period.

Rather than remitting his profits back to China, Lim Peng Siang reinvested the profits accumulated from his family concerns to diversify his manufacturing interests in the Straits Settlements. In 1918, he invested more than SS\$1 million to install facilities for producing cement, a product which was ‘insufficiently supplied’ by British and Dutch cement factories in Kuala Lumpur and Sumatra.<sup>82</sup> As in the case of shipbuilding, Lim invested in talent and machinery from the United States, and installed British boilers.<sup>83</sup> James Cecil Muir, a member of the American Society of Civil Engineers, led the design and construction of Lim’s cement factory in Ulu Pandan, a crocodile-infested swampland in Singapore. Muir prepared the site for development by reclaiming land using imported portable engines and dragline excavators from New York and Pennsylvania. Subsequently, he procured rolling machines, wash-mills, and pulverising and packing equipment from Chicago, Massachusetts, and Wisconsin to process sea corals, obtained from the shores of Singapore and neighbouring islands, into Portland cement that ‘supersedes all standards for strength and fineness’ set by the British colonial government.<sup>84</sup> Upon completion, Muir’s brainchild produced 3,000 barrels of quality cement daily.<sup>85</sup> With the additional support provided by Lim’s other concerns, the Ho Hong Portland Cement Factory’s ‘economic independence’ allowed it to ‘underbid all contractors’ in the Straits Settlements.<sup>86</sup>

Also important in this decade was Lim Peng Siang’s foray into insurance, a step which several of his contemporaries took in order to reduce the economic risk inherent in their commercial, industrial, and shipping concerns.<sup>87</sup> In 1913, Lim Peng Siang collaborated with leading Chinese entrepreneurs from different dialect groups to form the Eastern United Assurance Corporation Ltd. He purchased 1.82 per cent of the total shares available—divided among 138 investors—with SS\$50,000, and served as one of the founding directors of this company, which sold fire, marine and life insurance policies to both individuals and businesses.<sup>88</sup> The establishment of this inter-dialect concern reflected the need for Chinese enterprises to extend their interests into insurance in a setting where Western insurance agents charged them higher rates relative to European firms.<sup>89</sup>

Besides mitigating risk at lower costs, Lim Peng Siang, like other Chinese businessmen of the day, also sought to gain cheaper access to liquid capital needed for the expansion of his enterprises by establishing modern banks modelled after their

82 Julius Morgan Clements, *Cement industry of China* (Washington, DC: Government Printing Office, 1922), p. 1; ‘Patent and trademark and trade opportunities’, *Patent and Trademark Review* 17, 6 (1919): 131–2.

83 C.A. Wilson, ‘The first cement mill in the Straits Settlements’, *Concrete* 20, 2 (1922): 111–14.

84 *Ibid.*

85 ‘Mr Lim Peng Siang J.P.’, p. 47.

86 Wilson, ‘The first cement mill’, pp. 111–14.

87 Lee Kam Hing, *A matter of risk: Insurance in Malaysia, 1826–1990* (Singapore: NUS Press, 2012), pp. 231–46.

88 ‘Articles of Association of The Eastern United Assurance Corporation, Ltd.’, 24 May 1913, ROC 106 (18/1913), NAS; ‘Statement’, 30 Apr. 1914, ROC 106 (18/1913), NAS.

89 ‘General meeting, Singapore Chinese Chamber of Commerce’, 7 May 1913, NA 007, NAS.

Western counterparts.<sup>90</sup> In September 1912, he collaborated with entrepreneurs, such as Lim Boon Keng and Lee Choon Guan—who was his brother-in-law—to form the Chinese Commercial Bank Ltd, the first modern Hokkien bank formed in Malaya and Singapore.<sup>91</sup> Both himself and Lee, out of all 138 investors, were the biggest shareholders of this bank, owning 5 and 5.5 per cent of its total shares, worth SS\$100,000 and SS\$110,000, respectively.<sup>92</sup> This bank had an issued capital of SS\$2 million, with Lee as chairman and Lim as vice-chairman-cum-managing director.<sup>93</sup> Under their leadership, the Chinese Commercial Bank introduced new banking facilities modelled upon Western banks to the Chinese communities in Singapore, such as the adoption of current accounts, which enabled firms to issue cheques and obtain bank overdrafts. These accounts occupied 50 per cent of the bank's total assets, which were valued at SS\$2,550,610.50 in October 1914.<sup>94</sup>

Despite being a boon for his business interests discussed above, the First World War adversely affected Lim Peng Siang's investments in banking. Its onset led to widespread financial panic in Singapore, particularly among Chinese account holders, who withdrew SS\$260,000 from the Chinese Commercial Bank on 4 August 1914, causing a liquidity crisis.<sup>95</sup> Interpersonal networks and the British colonial administration were crucial in restoring public confidence, as Lim Boon Keng arranged a meeting between himself, Lim Peng Siang, Lee Choon Guan, and Governor Arthur Young to seek assistance from the colonial government.<sup>96</sup> Convinced that the bank's accounts were healthy, and to avoid a financial contagion in the Straits Settlements, Governor Young declared the government's confidence in the bank and agreed to 'lend a sum of money equal to the amount it raised' through investments and deposits.<sup>97</sup> With this assurance, the Chinese Commercial Bank resumed business successfully and made an overall profit of approximately SS\$68,000 in 1914.<sup>98</sup> Due to this debacle, however, a director of the bank, Tan Cheng Seong—the father of Tan Chin Tuan—called for Lim Peng Siang's resignation.<sup>99</sup> Taking responsibility, Lim resigned from the Chinese Commercial Bank, which subsequently implemented a 'Safety First' policy that prioritised the accumulation of reserves rather than branch expansion.<sup>100</sup>

Lim Peng Siang went on to establish the Ho Hong Bank Ltd (HHB) with a paid-up capital of SS\$1.75 million in 1917.<sup>101</sup> According to Lim Boon Keng, Lim had 'no difficulty in (raising) the money required' to form this bank with support

90 Brown, 'Chinese business and banking', pp. 136–7.

91 Tan Ee Leong, 'The Chinese banks incorporated in Singapore & Malaya', *Journal of the Malayan Branch of the Royal Asiatic Society* 26, 1 (1953): 119.

92 'List of persons holding shares in Chinese Commercial Bank Ltd.', 1912, ROC 99 (22/1912), NAS.

93 'Proposed Hokien bank in Singapore', *Weekly Sun*, 25 Aug. 1912, p. 6.

94 'Balance Sheet', 15 Oct. 1914, ROC 99 (22/1912), NAS.

95 'The situation in Malaya: Run on Chinese Commercial Bank', *Straits Times*, 24 Aug. 1912, p. 9.

96 Tan, 'The Chinese banks', p. 117.

97 *Ibid.*, p. 118.

98 'Second Annual Report, The Chinese Commercial Bank Ltd.', 6 Nov. 1914, ROC 99 (22/1912), NAS.

99 'Tan Ee Leong', 28 May 1981, Oral History Interviews, accession no. 000003, NAS.

100 Tan, 'The Chinese banks', p. 118; 'The Chinese Commercial Bank', *Straits Times*, 26 Nov. 1917, p. 10.

101 'Articles of Association of The Ho Hong Bank Ltd.', 15 Jan. 1917, ROC 145 (4/1917), NAS; 'Singapore and Straits directory', 1919, NL 1188, p. 116.

from his network of friends, relatives and business acquaintances.<sup>102</sup> These individuals, who served as the founding directors of the bank, were Lim Boon Keng himself, Lee Choon Guan, Chee Swee Cheng, Tan Cheng Lock, Chan Kang Swi, Goh Soo Pin, Teo Soon Lan, and Ng Ah Si.<sup>103</sup> Chee, Tan, Chan and Goh were owners of rubber plantations in Malacca, whereas Teo and Ng were general merchants and landowners in Muar.<sup>104</sup> Lim Peng Siang's collaboration with these businessmen made it possible for HHB to set up its headquarters in Singapore and branches in Malacca and Muar simultaneously.<sup>105</sup>

The founding directors chose to name their bank this way in order to leverage upon the reputation of Lim's Ho Hong family concerns in manufacturing and shipping.<sup>106</sup> Despite this, they stressed the distinctiveness of this bank from other Ho Hong institutions. Without the presence of founders' management shares, HHB was a joint stock company with limited liability rather than a private treasury of the Ho Hong conglomerate. Nonetheless, its share structure and elaborate regulations meant that it was a de facto family bank. Lim Peng Siang and his family members owned 63.7 per cent of the bank's 35,000 shares upon its founding, indicating their clout.<sup>107</sup> As a means to perpetuate their majority ownership, the bank's articles of association gave its directors the authority to block share transfers 'without assigning any reason'.<sup>108</sup> By permitting directors to make contracts with the bank as 'vendor purchaser or otherwise', these articles also legitimised close dealings between HHB and Lim's other concerns.

Despite such arrangements, Lim Peng Siang, as the Chairman, ran HHB without any 'injudicious lending' practices that, as Rajeswary Brown noted, were often associated with Chinese banks with strong dialect and kinship ties.<sup>109</sup> According to the bank's articles of association, the management board had to appoint an external auditor with no interests in the bank.<sup>110</sup> The directors were also to maintain accounts that reflected HHB's 'true financial condition'. Adhering to these regulations, the bank hired a Western accountant, W.F. Chopard, to prepare the bank's financial records.<sup>111</sup> Lim also obtained the services of Seow Poh Leng, a shrewd 'all-round[er]' who worked previously as an assistant manager of the Chinese Commercial Bank.<sup>112</sup> Lim tasked Seow, along with Lim Peng Mau, to manage HHB's daily operations and to recommend suitable individuals for employment and promotion.<sup>113</sup>

HHB, as Victor Tan highlights, led the Chinese banking industry in Singapore and Malaya in breaking the monopoly in foreign exchange hitherto held by the

102 'Ho Hong Bank, Hong Kong', *Singapore Free Press*, 12 Oct. 1923, p. 7.

103 'Prospectus of the Ho Hong Bank Ltd.', 15 Jan. 1917, ROC 145 (9/1917), NAS.

104 Song, *One hundred years' history*, p. 406; 'Malacca appointments', *Malaya Tribune*, 4 Dec. 1915, p. 9; *Malaya Tribune*, 22 Jan. 1920, p. 4; *Straits Times*, 26 July 1926, p. 10.

105 'Prospectus', ROC 145 (9/1917).

106 *Ibid.*

107 'List of persons holding shares in Ho Hong Bank Ltd.', 1917, ROC 145 (4/1917), NAS.

108 'Articles of Association', ROC 145 (4/1917).

109 Brown, 'Chinese business and banking', p. 137.

110 'Articles of Association', ROC 145 (4/1917).

111 'Singapore and Straits directory', 1919, NL 1188, pp. 116–17.

112 Tan, 'The Chinese banks', p. 120.

113 'Tan Ee Leong', 3 Jan. 1980, Oral History Interviews, accession no. 000003, NAS.

Western and Japanese banks.<sup>114</sup> In 1918, the bank, using profits and capital obtained through additional share offerings, formed a new branch in Penang and established agencies in Trang, Hong Kong, Xiamen, and Shanghai. Upon the expansion of its branches and networks, Lim organised a foreign exchange department, the first for a Chinese bank in Singapore and Malaya.<sup>115</sup> According to Tan, Lim wanted to expand his financial interests in the lucrative Chinese remittance industry spanning Singapore, Malaya and China.<sup>116</sup> Indeed, control over exchange transactions would have boosted Lim's capital liquidity, which in turn facilitated the regional and trans-regional expansion of his enterprises in this period.

Using acquired technical expertise, funds, as well as products and services from oil, shipping, and banking concerns discussed above, Lim Peng Siang expanded his business beyond Singapore and Malaya. In 1917, he collaborated with 27 Overseas Chinese businessmen, members of the local gentry and chamber of commerce to establish the Huatai Timber Milling and Electric Lightning Company Ltd in Shima District, the commercial and production heartland of Longxi County.<sup>117</sup> This firm had an issued capital of C\$50,000 which was divided into 500 shares worth C\$100 each.<sup>118</sup> The Overseas Chinese and local investors owned 412 and 88 shares, respectively, indicating that control was in the hands of the former. According to Lim Boon Keat, the former general manager of this concern, Lim initiated this collaboration to introduce mechanisation in his hometown.<sup>119</sup> The company hired technicians from Shanghai to operate its equipment, which included a 110 horsepower gas machine and 60 kilowatt direct current locomotive.<sup>120</sup> These machines boosted the productivity of timber sawing—as well as other production activities in the area—and provided electrical lighting to the inhabitants of Longxi.<sup>121</sup>

Lim Peng Siang utilised such equipment to provide gas and electricity for another firm, the Kiansiang Electrical Weaving Factory. Instead of the partnership model in Shima, this factory, with a working capital of approximately C\$130,000, was funded solely by Lim in 1918. Located at Xumao, it offered employment to female workers who resided in the vicinity of Lim's ancestral home.<sup>122</sup> Lim hired technicians and procured yarns, dyes, and weaving machines from Hong Kong. With such expertise, technology, and materials, Lim's weaving factory produced muslin garments, socks, and medical gauze for markets in Fujian and Singapore. His steamships must have played

114 Tan, 'The Chinese banks', p. 121.

115 Ibid.

116 For more information on the commercial and economic aspects of Overseas Chinese remittances during the early twentieth century, see George Hicks ed., *Overseas Chinese remittances from Southeast Asia, 1910–1940* (Singapore: Select, 1993).

117 Lim Boon Keat, '石码华泰公司 Shima huatai gongsi [Shima Huatai Company]', in 龙海文史资料 *Longhai wenshi ziliao* [Historical materials of Longhai] (Longhai: Committee of Historical Materials, CPPCC, 1963), p. 40.

118 Ibid. 'C\$' refers to the Chinese Yuan.

119 Lim, 'Shima', pp. 40–41.

120 Ibid.

121 Xu Chu-ming, '林秉祥: 华侨的旗帜 Lim binxiang: Huaqiao de qizhi [Lim Peng Siang: The flag of the overseas Chinese]', *Minnan Daily*, 24 Jan. 2013, p. 15.

122 Lim Boon Keat, '龙溪县最早的机制纺织业 建祥电机织造厂 Longxi xian zuizao de jizhi fangzhiye [The earliest weaving concern in Longxi County: Kian Siang Electrical Weaving Factory]', in *Longhai wenshi*, p. 43.

an instrumental role in facilitating these exports by internalising and reducing transport costs. By the same token, it is highly possible that the HHB coordinated remittances and financial flows between both localities. Indeed, through expansion, diversification, vertical, and horizontal integration, Lim Peng Siang's business interests developed into an integrated industrial business empire characterised by firms with varying capital structures in colonial Singapore, Malaya, and South China during the First World War and its immediate aftermath.

### Consolidation (1920–28)

The political and economic environments during the 1920s and 1930s were less favourable to private enterprise relative to the preceding decade with a general decline in global trade due to rising economic nationalism.<sup>123</sup> In this period, the family and limited liability system took central stage in Lim Peng Siang's restructuring and divestment strategies that allowed his Ho Hong group to remain financially afloat.

The post-war trade recession of the early 1920s ended the phenomenal growth of the Ho Hong conglomerate. This economic downturn occurred due to over-speculation in commodities and the Allied countries' decision to raise interest rates in April 1920 as a means to combat inflation caused by this post-war speculation.<sup>124</sup> With higher interest rates, the cost of credit rose globally and caused liquidity problems for most enterprises. In 1921, interest rates reached new heights at 36 per cent in Singapore.<sup>125</sup> Such financial difficulties resulted in a 45 per cent reduction in the value of Singapore's imports and exports from S\$1,515 million to S\$829.6 million between 1920 and 1922.<sup>126</sup>

In response, Lim Peng Siang consolidated his various manufacturing interests to lower their operating costs through generating economies of scale and using the limited liability system in more enterprises to reduce risk. In October 1920, he merged the previously German owned-Singapore Oil Mills and Ho Hong Oil Mills to form the Ho Hong Oil Mills Ltd.<sup>127</sup> This limited liability company had a paid-up capital of S\$4,276,000, which was split into 8,552 shares worth S\$500 each.<sup>128</sup> Lim and his brother, Lim Peng Mau owned 54.17 per cent and 40.63 per cent of shares in this firm, respectively, with the remainder going to Lim Boon Keng and other family members.<sup>129</sup> This majority shareholding enabled him to operate the newly formed company as a family concern with stricter control on shares with its articles of association containing clauses requiring the 'unanimous consent' of its directors for share transfers to individuals who were 'desirable in the interests of the Company'.<sup>130</sup>

123 Wong, 'Singapore', p. 70.

124 Choo Eng Kang, 'The Singapore trade depression 1920–1922' (BA Hons thesis, National University of Singapore, Department of History, 1975), pp. 10–11.

125 *Ibid.*, pp. 29–30.

126 *Ibid.*, p. 13.

127 'Memorandum and articles of association of the Ho Hong Oil Mills Ltd.', 1920, ROC 184 (42/1920), NAS.

128 'Summary of share capital and shares of the Ho Hong Oil Mills Ltd.', 30 Apr. 1921, ROC 184 (42/1920), NAS.

129 'List of persons holding shares in the Ho Hong Oil Mills Ltd.', 30 Apr. 1921, ROC 184 (42/1920), NAS.

130 'Memorandum of the Ho Hong Oil Mills Ltd.', ROC 184 (42/1920), NAS.

This reliance on family and the modern legal notion of limited liability was also utilised for Lim Peng Siang's cement manufacturing business. In 1921, Lim Peng Siang established the Ho Hong Portland Cement Works Ltd, which had a paid-up capital of S\$3 million divided into 6,000 shares worth S\$500 each.<sup>131</sup> In contrast to the Ho Hong Oil Mills, Lim's new cement business had 34 shareholders who were either members of the Lim and Wee clans, Hokkien entrepreneurs in Singapore, or Western engineers, or staff members of other Ho Hong companies.<sup>132</sup> This arrangement might be a result of the high capital outlay of this company that was accumulated since its roots in 1918, thus necessitating outside investment. Even so, Lim and his brother, Lim Peng Mau, as majority shareholders owning 52.17 per cent and 38.88 per cent of shares, perpetuated their control of this concern through the articles of association of Ho Hong Portland Cement Works which authorised 'holders of three-fourths of the issued capital (to) enforce the transfer of any shares'.<sup>133</sup> Indeed, the inclusion of such regulations indicate the flexibility of Lim's family concerns in enforcing control and reducing risk by adopting limited liability amid a worsening economic climate.

In a similar vein, the decline in trade during the early 1920s posed difficulties for Lim Peng Siang's Ho Hong Steamship Company, made worse with intensified competition from the Western steamships which had returned to Asia after the First World War.<sup>134</sup> Amicable relations with the colonial state helped this concern to maintain financial viability as Lim obtained a S\$400,000 loan from the British colonial government under the Local Liner Requisition Scheme, which included measures to maintain the financial health of local shipping firms.<sup>135</sup> Responding to the heightened competition, Lim changed the overall strategy of his shipping concern to one that focused on routes between Southeast Asia and China, paying relatively lesser attention to routes within Southeast Asia. Lim's revamped strategy was evident from a Chinese advertisement published in 1925, which advertised the routes between Singapore, Hong Kong, Shantou, and Xiamen without any mention of its routes within Southeast Asia, to Chinese readers.<sup>136</sup> In so doing, he avoided the intensified competition in the latter and capitalised on the increasing volume of Chinese immigrants travelling to Singapore and Malaya.<sup>137</sup> Nonetheless, competition in the maritime shipping routes between China and Southeast Asia remained high with the presence of companies such as the Ocean Steamship Company and the Blue Funnel Line.<sup>138</sup> Thus, Ho Hong Steamship lowered its fares to remain competitive. At the height of

131 'Return of allotments of the Ho Hong Portland Cement Works Ltd.', 22 Nov. 1921, ROC 192 (19/1921), NAS.

132 'List of persons holding shares in the Ho Hong Portland Cement Works Ltd.', 5 Feb. 1923, ROC 192 (19/1921), NAS.

133 'Memorandum and articles of association of the Ho Hong Portland Cement Works Ltd.', 6 Oct. 1921, ROC 192 (19/1921), NAS.

134 Tai, *Chinese capitalism*, pp. 314–15.

135 'Legislative Council', *Malaya Tribune*, 17 Jan. 1920, p. 5.

136 '和丰轮船有限公司广告 Hefeng lunchuan youxian gongsi guanggao [Advertisement of Ho Hong Steamship Company Ltd.]', *Nanyang Siang Pau*, 31 Mar. 1925, p. 6.

137 Lim and Chui, 'Opening up', p. 43; 'Chinese in Straits Settlements', *Malaya Tribune*, 18 May 1931, p. 2.

138 Tai, *Chinese capitalism*, p. 315.

the price war on these routes, it reduced freight rates drastically from SS\$30 to SS\$6.<sup>139</sup> To maintain profitability by achieving high turnover rates with marginal profit levels, Lim further expanded his steamship fleet to include 14 vessels by 1926.<sup>140</sup>

Compared with other firms in Lim Peng Siang's portfolio, HHB flourished during the 1920s, generating a profit of SS\$3,306,216.16 between 1921 and 1927.<sup>141</sup> With the improvement in economic conditions due to the Stevenson Rubber Restriction Scheme in 1922, the bank accelerated its policy to develop foreign exchange services with the establishment of branches in Hong Kong and Shanghai in 1923 and 1927, respectively.<sup>142</sup> The creation of both branches helped to reduce transaction costs in its foreign exchange business, but also extending his branch network to two important economic and business centres in China and East Asia. It also facilitated the interaction between banking professionals from East and Southeast Asia through his branch network. Huang Hanliang—an economics doctorate holder from Columbia University who worked as a manager in the Shanghai Commercial and Savings Bank, as well as the China Banking Corporation's Manila Branch—was hired to manage the Shanghai and Hong Kong offices. Staff members such as Lim Bock Kee and Kwa Siew Tee were transferred to these branches from the Southeast Asian branches. They managed to obtain valuable experience in modern exchange services through their training and observations in both the Hong Kong and Shanghai branches.<sup>143</sup> These staff members went on to occupy key managing roles in OCBC during the 1930s.<sup>144</sup> HHB's branches in East and Southeast Asia made it 'one of the principal (Asian) exchange banks' that provided exchange services involving the Chinese yuan, British sterling and Straits Settlements dollar.<sup>145</sup>

To fund this expansion, Lim Peng Siang raised the bank's paid-up capital to SS\$4 million by offering 45,000 shares worth SS\$50 each in September 1920.<sup>146</sup> These shares were mostly taken up by staff members of other Ho Hong firms and Chinese businessmen in Singapore, Malacca, Muar and Penang. As a result, the number of shareholders increased from 76 to 200, with the percentage of shareholdings of Lim and his immediate family members dwindling from 63.70 per cent to 39.81 per cent between 1917 and 1925.<sup>147</sup> This demonstrates the limits of family networks in terms of business expansion, as conceding control through their shareholding was

139 Chun Zhen, '惊涛骇浪中的华侨航运业 Jingtao hailang zhong de huaqiao hangyun ye [Overseas Chinese shipping industry in turbulent waters]', 早期侨志 *Zaoqi Qiaozhi* [Early Sojourner Journal] 5 (2000): 44–5, cited in Tai, *Chinese capitalism*, p. 315.

140 'Singapore and Straits directory', 1927, NL 6655, p. 99.

141 'Directors' Annual Report of the Ho Hong Bank Ltd.', 7 Mar. 1921; 31 May 1922; 26 Mar. 1923; 8 Apr. 1924; 28 Apr. 1925; 13 Apr. 1926; 3 May 1927, ROC 145 (4/1917), NAS.

142 'Ho Hong Bank, Hong Kong', *Singapore Free Press*, 12 Oct. 1923, p. 7.

143 Tan, 'The Chinese banks', p. 123. Huang went on to serve as China's Vice-Minister for Railways and Minister for Finance during the Nanjing Decade. See Parks M. Coble, *The Shanghai capitalists and the Nationalist Government, 1927–1937* (Cambridge, MA: Harvard University Asia Centre, 1986), p. 96.

144 Wilson, *Solid as a rock*, p. 27.

145 Tan, 'The Chinese banks', p. 121.

146 'The Ho Hong Bank Ltd.: Resolution', 10 Sept. 1920; 'Balance sheet', 31 Dec. 1920, ROC 145 (4/1917), NAS.

147 'List of persons holding shares in the Ho Hong Bank Ltd.', 23 May 1925, ROC 145 (4/1917), NAS.

inevitable in raising the additional capital necessary to fund the bank's transregional expansion.

### The Great Depression and restructuring

The Great Depression, which started in the late 1920s, led to a drastic fall in the global prices of commodities, manufactured products, consumer confidence and spending levels, which culminated in the failure of several prominent Chinese big businesses such as Tan Kah Kee and Company.<sup>148</sup> Existing accounts on Lim Peng Siang suggest that his business career ended during this period too.<sup>149</sup> However, a close analysis of relevant documents suggests that Lim managed to save his business career by divesting his multifaceted enterprises and obtaining capital investments from his immediate family members.

Lim Peng Siang's Ho Hong Portland Cement Works was a significant casualty, with losses between S\$5 and S\$8 million.<sup>150</sup> Aside from low demand and prices of Portland cement caused by the Depression, technical difficulties took their toll on this concern since the mid-1920s, when its equipment often malfunctioned as they were originally designed to produce Portland cement from limestone instead of the coral readily found along Singapore's coast.<sup>151</sup> Yeo Tiam Siew, a former staff member of the Ho Hong conglomerate, recounted that the coral was 'too viscous, without the binding and hardening properties of cement'.<sup>152</sup> Rather than Chinese entrepreneurs' unwillingness to make long-term capital investments in Singapore and Malaya, as Brown argues, the case of Lim's cement factory suggests that the problem lay in difficulties in technological transfer from the West to Singapore, and the application of these technologies to the local and regional material environment. Due to these difficulties, Lim liquidated the Ho Hong Portland Cement Works in 1932.<sup>153</sup>

Besides the global economic malaise, British economic policy was another development which worsened the prospects of Lim Peng Siang's business interests, particularly in banking. In September 1931, Britain abandoned the gold standard and devalued the Sterling pound to raise the competitiveness of British exports.<sup>154</sup> This

148 Tan et al., *The memoirs of Tan Kah Kee*; William Tai, 陈嘉庚企业兴亡的历史经验 *Chen Jiageng qiye xingmang de lishi jingyan* [The historical experience of the rise and fall of Tan Kah Kee's enterprise] (Kuala Lumpur: 南大教育与研究基金会 Nanda jiaoyu yu yanjiu jijing hui, 2012); Peter Boomgaard and Ian Brown, eds, *Weathering the storm: The economies of Southeast Asia in the 1930s Depression* (Singapore: Institute of Southeast Asian Studies, 2000); Kuo Huei-Ying, 'Rescuing businesses through transnationalism: Embedded Chinese enterprise and nationalist activities in Singapore in the 1930s Great Depression', *Enterprise and Society* 7, 1 (2006): 98–127; W.G. Huff, 'Entitlements, destitution, and emigration in the 1930s Singapore Great Depression', *Economic History Review* 54, 2 (2001): 290–323; Loh Kah Seng, 'Beyond "rubber prices" history: Life in Singapore during the Depression years' (MA thesis, National University of Singapore, Department of History, 2004), pp. 36–44.

149 Ng, 'Lim Peng Siang', p. 14; Yong, 'Lim Peng Siang', pp. 1–26.

150 '工业之最大不幸 gongye zhi zuida buxing [The most unfortunate incident in Industry]', *Nanyang Siang Pau*, 25 Jan. 1934, p. 5.

151 Wilson, 'The first cement mill', pp. 111–14.

152 Yeo Tiam Siew, *Destined to survive: The story of my life* (Singapore: Toppan, 1993), p. 54.

153 Ibid.

154 James Titcomb, 'How the Bank of England abandoned the gold standard', *The Telegraph*, 7 Jan. 2015, <http://www.telegraph.co.uk/finance/commodities/11330611/How-the-Bank-of-England-abandoned-the-gold-standard.html> (accessed 9 Mar. 2022).

decision was damaging for HHB, which kept large amounts of Sterling for its foreign exchange operations.<sup>155</sup> Its assets depreciated by more than S\$2 million overnight.<sup>156</sup> Despite this, HHB's balance sheet in December 1931 suggests that its accounts remained healthy with S\$9,093,953.58 and S\$1,782,021.31 worth of liquid capital and government securities, respectively.<sup>157</sup> Nonetheless, taking responsibility for this setback, Lim and his brother resigned from HHB before its amalgamation with the Chinese Commercial Bank and Overseas-Chinese Bank to form the OCBC in October 1932.<sup>158</sup>

Similar to Britain's devaluation of the Sterling pound, the British colonial government's Immigration Restriction Ordinance accentuated financial losses for Lim Peng Siang's Ho Hong Steamship Company. Passed in 1930, this Ordinance reduced the number of annual Chinese male arrivals, which fell from 158,000 to 14,000 between 1930 and 1933.<sup>159</sup> In response to this development, coupled with the declining demand for passenger and freight shipping, Lim sold his shipping concern to the Straits Steamship Company for S\$900,000 in August 1932.<sup>160</sup>

The sale of the Ho Hong Steamship Company enabled Lim Peng Siang to perform several transactions which ultimately saved his oil concern from collapse, thus indicating the importance and usefulness of his control over capital flow between family enterprises during the crisis. Using the cash proceeds from the sale of his shipping company, coupled with S\$350,000 obtained from mortgaging his personal properties to HHB and S\$150,000 provided by his immediate family members, Lim restructured the Ho Hong Oil Mills to form the Ho Hong Oil Mills (1931) Ltd,<sup>161</sup> with a reduced paid-up capital of S\$1,125,000 as compared to the previous S\$4,276,000.<sup>162</sup> In this process, he cleared the existing debts of this company with the Union Insurance Society of Canton and eliminated the possibility of forced liquidation.<sup>163</sup> In return for the investment from his family members, Lim allocated preference shares to them, which, relative to ordinary shares, had priority in the sharing of annual dividends but not voting rights.<sup>164</sup> Through so doing, Lim retained control of his restructured family firm by owning 50.42 per cent of ordinary shares.<sup>165</sup>

With the insertion of family funds and firm restructuring, Ho Hong Oil Mills (1931) survived the Depression. News reports suggest that its scale of production remained large with the 'most up-to-date' machinery that processed the 'biggest (imports) of copra' into oil and soap for local, American, European and Chinese

155 Tan, 'The Chinese banks', p. 123.

156 *Ibid.*

157 'Balance sheet, The Ho Hong Bank Ltd.', ROC 145 (9/1917).

158 Tan, 'The Chinese banks', p. 123.

159 Turnbull, *A history*, pp. 145–6.

160 'Correspondence between the Ho Hong Steamship Co. Ltd. and Straits Steamship Co. Ltd.', 18 Aug. 1932, ROC 354 (34/32), NAS.

161 'Mortgage, Ho Hong Oil Mills (1931) Ltd.', 31 July 1931; 'Debenture made in favour of Tan Po Neo, Lim Liang Neo, Wee Guat Choo Neo and Lim Seow Eng', 28 May 1934, ROC 347 (13/31), NAS.

162 'Summary of share capital', 29 Dec. 1934, ROC 347 (13/31), NAS.

163 'Deed of conveyance of the equity of redemption by Lim Peng Siang to Union Insurance Society of Canton Ltd.', 27 July 1931, ROC 347 (13/31), NAS.

164 'List of persons holding shares in the Ho Hong Oil Mills (1931) Ltd.', 14 Dec. 1932, ROC 347 (13/31), NAS.

165 *Ibid.*

markets.<sup>166</sup> Indeed, it was likely that Lim took advantage of the Imperial Preference schemes implemented by Britain to lower tariffs for products manufactured in the Empire. Under this scheme, the Federated Malay States charged a tariff rate of 25 per cent on perfume, soap and cosmetics exported from the Straits Settlements and a rate of 50 per cent for similar goods from places outside the Empire.<sup>167</sup> Thus, by capitalising on this policy, divesting other concerns, as well as reinvesting proceeds obtained from downsizing and from his family members, Lim managed to prevent the Ho Hong group from collapse during the 1930s.

As in colonial Singapore and Malaya, the Depression and government policies adversely affected Lim Peng Siang's business interests in Fujian. In 1928, the Nanjing government pursued economic nationalist measures, such as the 'National Goods' (*guohuo*) policy, to reclaim its tariff autonomy from the Western powers.<sup>168</sup> These measures excluded firms owned by the Overseas Chinese. In addition, Lim's Huatai and Kiansiang concerns faced hostility from the military and local governments in Zhangzhou which refused to pay their electric bills to the Huatai concern.<sup>169</sup> Upon the outbreak of the Second Sino-Japanese War in 1937, the government requisitioned the assets of this company to avoid leaving them to the Japanese.<sup>170</sup> Given the economic and political chaos of this period, Lim liquidated the Kiansiang Factory in the same year.<sup>171</sup>

Nonetheless, the closure of both concerns did not signal the end of Lim Peng Siang's business in China. In March 1936, Lim incorporated his shipping concerns, including Ho Thong Company and Ho Chay Company, to form the Ho Hong Company (China) Ltd in Hong Kong.<sup>172</sup> The company's articles of association mention its intention to 'purchase, charter, hire, build, acquire ships (and) to carry on business as ... shipowners, shipping agents (and) warehousemen'.<sup>173</sup> This limited liability company was run as a partnership between Lim and his business partners in Hong Kong and Xiamen. Similar to other Ho Hong enterprises, Clause 44 of its articles of association empowered the directors to 'refuse or suspend' any share transfers 'whom they do not approve', which indicates the desire of Lim and his brother to maintain their majority stake in this company.<sup>174</sup> Indeed, such control suggests that Lim continued to have a stake in shipping outside of Singapore, which must have facilitated his oil exports to Hong Kong and China during the 1930s.

166 'New \$200,000 oil mill in Singapore', *Malaya Tribune*, 15 Mar. 1935, p. 13; 'Founder of Ho Hong Enterprises', *Sunday Tribune*, 26 July 1936, p. 13.

167 'Startling change in S.S. and F.M.S. tariffs', *Straits Times*, 14 Oct. 1932, p. 10.

168 Kuo, *Networks beyond empires*, pp. 205–9.

169 Lim, 'Shima Huatai', in *Longhai wenshi*, p. 42.

170 Ibid.

171 Lim, 'The earliest weaving concern', p. 46.

172 Ho Chay Co. was established in Xiamen in 1916 and served the ports of Swatow, Hong Kong, Burma and the Straits Settlements. There is currently no information on the Hong Kong-based Ho Thong Co. Existing sources indicate that it was operating in the same shipping network as Ho Chay Co. in the late 1910s. See 'Amoy, China', in *Pacific Ports Manual 1920* (Seattle: Pacific Ports, 1920), p. 357; 'Mr Lim Peng Siang J.P.', *Eastern Illustrated Review* (1919), p. 46.

173 'Memorandum and Articles of Association of the Ho Hong Co. (China) Ltd.', 11 Mar. 1936, CRHK, CR 0001365.

174 Ibid.

### Lim Peng Siang and modern business in Singapore and Malaya

In colonial Southeast Asia, the debates over modernity and tradition intersected with notions of race and culture. Writing in the 1990s, Jack Goody showed how research on the economic and business histories of the developing and developed world was largely premised upon the dichotomous labels of ‘traditional’ and ‘modern’, respectively, with the former being understood to be less adequate in economic rationality and entrepreneurship than the latter.<sup>175</sup> Similarly, in the context of colonial Southeast Asia, Asian entrepreneurs and enterprises, in general, were equated with traditional modes of business, and at best, part of an intermediate layer between the traditional indigenous economy and the modern capitalist sectors.<sup>176</sup> European and American businesses were seen as the harbingers of modern machinery, methods, and ideas in terms of agriculture, extraction, manufacturing, and business in general.

Asian business in contrast was seen as predominantly fixated with trade and economic sectors that produced the maximum returns on capital investments, rather than infrastructural change and changes in methods of doing, organising, and envisioning business. These stereotypes underlined repeated attempts to promote European, as well as American and Japanese investment in the colonial economies. The colonial states and the European business lobbies (often represented by chambers of commerce) created or lobbied for the enactment of laws for ‘modern’ business institutions, practices, and governance, so as to foster ‘modern’ business cultures, and to bring not only capital, but also technology, types of business enterprises, and cultures to colonial Southeast Asia.<sup>177</sup> In these late colonial frameworks, Chinese business, along with other Asian businesses, have often been seen as ‘traditional’ and an impediment to the colonial projects of modernisation and development.<sup>178</sup>

Lim Peng Siang’s entrepreneurial career and the history of the Ho Hong Group raises important questions about such representations of Chinese business in colonial Asia and the modern–traditional dichotomy. His companies were ‘modern’ in many respects, be it the economic sectors and industries they were situated in, his emphasis on manufacturing, or the business methods, institutions, organisational forms, as well as the professional managerial expertise that he adopted. Yet, family and parochial ancestral hometown ties remained important in his negotiation of the colonial Southeast Asian and Southern China environments, alongside the emerging force of Chinese nationalism. In many ways, he straddled modernity and tradition, the ethnocentric and the cosmopolitan, as well as Southeast Asia and China.

In a testament to the scale and scope of Lim’s business empire, Kunio Yoshihara, in his article on the Oei Tiong Ham Concern, another big Chinese conglomerate in

175 Jack Goody, *The East in the West* (Cambridge: Cambridge University Press, 1996); Jack Goody, *The theft of history* (Cambridge: Cambridge University Press, 2006).

176 J.H. Boeke, *The structure of Netherlands Indian economy* (New York: International Secretariat, Institute of Pacific Relations, 1942); S.D. Chapman, ‘The agency houses: British mercantile enterprise in the Far East c.1780–1920’, *Textile History* 19, 2 (1988): 239; Wong Lin Ken, ‘Commercial growth before the Second World War’, in *A history of Singapore*, ed. Ernest Chew and Edwin Lee (New York: Oxford University Press, 1991), pp. 60–61.

177 Visscher, *The business of politics and ethnicity*; Ongkokham, ‘Chinese capitalism’; Goh, ‘Singapore Chinese Chamber of Commerce and Industry’.

178 Brown, *Capital and entrepreneurship*, pp. 220–50.

Southeast Asia, had noted how the Ho Hong group was the most 'diversified' conglomerate in Malaya that declined after the First World War.<sup>179</sup> The present study has shown that this conglomerate was not merely diversified but also highly integrated in terms of how Lim's companies were connected to each other. His investments in the Ho Hong Steamship Company and Eastern United Assurance Corporation enabled him to internalise and reduce transportation costs incurred in shipping. The Ho Hong Bank was an important vehicle that provided the capital liquidity and remittance services for Lim's myriad of businesses spanning colonial Singapore, Malaya and South China. They reflected his attempts to build and control key institutions associated with a modern economy within his business empire. Furthermore, the Ho Hong Group also did not merely go into decline after the First World War, or even after the Great Depression. Rather, Lim Peng Siang exhibited great resilience in restructuring ownership and control of his enterprises, although political developments in China with the outbreak of the Sino-Japanese war, and later in Southeast Asia with the Japanese Occupation, dealt debilitating blows to his enterprises in Southern China.

Key to his early business expansion was his investment in Western technology and technological expertise. Following his father in Central Engine Works, Lim worked closely with European and American engineers in establishing his oil and rice mills, shipbuilding operations and cement factory. Importantly, it must be noted that the adoption of 'modern' technology had its limits, as seen from the failure of the imported machinery for producing cement using corals. Nonetheless, it remains clear that Lim sought to be 'modern' and 'up-to-date' in terms of long-term capital investments in machinery beyond mere ownership of property and other appreciating assets. This was not typical, according to Rajeswary Brown, for Asian businesses in Southeast Asia during the early twentieth century.<sup>180</sup>

Even as he adopted different forms of the modern enterprise, ethnicity, family, and personal control remained important in organising these concerns and financing them. By incorporating his concerns as limited liability companies, he sought to utilise modern company law to reduce the risk posed by these enterprises to his personal and family fortunes. As he adopted the joint-stock model to reach a wider capital market for financing his companies, Lim ensured that ownership remained in his hands through majority shareholding and regulations in the articles of association of his incorporated companies that controlled share transfers to individuals outside his family. Indeed, Lim's family members were crucial as their capital injections helped the Ho Hong Group avoid liquidation during the 1930s. Alongside family and the adoption of limited liability, 'Chinese' nationalism was also important in Lim's modern enterprises. This was evident from the proposed formation of the United Eastern Steamship Company, when he evoked nationalistic sentiments to persuade his contemporaries to combine their shipping interests against the non-Chinese *wairen*.

Taken together, Lim Peng Siang's efforts in building up his transregional business empire suggests how the economic spaces of colonial Singapore and Southeast Asia, if

179 Kunio Yoshihara, 'Oei Tiong Ham Concern: The first business empire of Southeast Asia', *Southeast Asian Studies* 27, 2 (1989): 138.

180 Brown, *Capital and entrepreneurship*, pp. 220–50.

not South China, were sites of experimentation, contestation and change. Taking issue with the argument put forward by 'New Institutional Economics' on the primacy of institutions shaping economic behaviour, several historians have highlighted the importance of individual agency, alongside institutions, in shaping 'multiple modernities'.<sup>181</sup> Nurfadzilah Yahaya and Fahad Bishara have shown how Islamic commercial groups played an active role in the development and modernisation of Islamic commercial law in Asia between the nineteenth and mid-twentieth centuries.<sup>182</sup> Peter Post illustrates how Oei Tiong Ham sought to be the 'vanguard of modernity' and construct the world's largest Chinese conglomerate not restricted to any single nation, empire, ethnic or cultural identity.<sup>183</sup>

Lim Peng Siang's entrepreneurial vision and his business empire could indeed be positioned alongside these different 'modernity projects' that sought not only to amalgamate 'traditional' and 'modern' business structures and dynamics to better compete with their Western rivals in the first half of the twentieth century, but also to create new societies through modern education,<sup>184</sup> a new public sphere,<sup>185</sup> and the promulgation of a new nationalism. Through these interrelated projects, Lim and his contemporaries in Southeast Asia and China, such as Aw Boon Haw, Oei Tiong Ham, and Liu Hongsheng, among others, were responding to the potential and promises of modern industrial capitalism, as seen in Europe, North America, and Japan. These technologies, cultures, and sociopolitical forces were shaping Asian societies (especially in the colonial port-cities) and economies in the first half of the twentieth century in more direct ways beyond their 'periphery' positions in the Wallersteinian world system.<sup>186</sup>

181 Daron Acemoglu and James Robinson, *Why nations fail: The origins of power, prosperity and poverty* (London: Profile, 2013), p. 42; Douglass North, *Institutions, institutional change and economic performance* (New York: Cambridge University Press, 1990); Eric Tagliacozzo, 'Capitalism's missing link: What happened beyond Southeast Asia', in *Capitalisms: Towards a global history*, ed. Kaveh Yazdani and Dilip M. Menon (Oxford: Oxford University Press, 2020), pp. 180–200.

182 Nurfadzilah Yahaya, *Fluid jurisdictions: Colonial law and Arabs in Southeast Asia, 1860–1941* (Ithaca, NY: Cornell University Press, 2020); Fahad Bishara, *A sea of debt: Law and economic life in the Western Indian Ocean 1780–1950* (Cambridge: Cambridge University Press, 2017).

183 Peter Post, 'Founding an ethnic Chinese business empire in colonial Asia: The strategic alliances of Major Oei Tiong Ham', *Journal of the Malaysian Branch of the Royal Asiatic Society* 92, 2 (2019): 29–56; Peter Post, 'Bringing China to Java: The Oei Tiong Ham Concern and Chen Kung-po during the Nanjing Decade', *Journal of Chinese Overseas* 15 (2019): 33–61.

184 Ng, 'Lim Peng Siang'; Lin, *The biography*. Also see Sai Siew Min, 'Mandarin lessons: modernity, colonialism and Chinese cultural nationalism in the Dutch East Indies, c.1900s', *Inter-Asia Cultural Studies* 17, 3 (2016): 375–94.

185 Huang Jianli, 'Entanglement of business and politics in the Chinese diaspora: Interrogating the wartime patriotism of Aw Boon Haw', *Journal of Chinese Overseas* 2, 1 (2006): 79–110; Chua Ai Lin, 'Nation, race, and language: Discussing transnational identities in colonial Singapore, circa 1930', *Modern Asian Studies* 26, 2 (2012): 283–302; Sin Yee Theng and Nicolai Volland, 'Aw Boon Haw, the tiger from Nanyang: Social entrepreneurship, transregional journalism, and public culture', in Rea and Holland, *The business of culture*, pp. 132–7.

186 Rea and Volland, *The business of culture*; Sherman Cochran, *Encountering Chinese networks: Western, Japanese, and Chinese corporations in China, 1880–1937* (Berkeley: University of California Press, 2000); Sherman Cochran, *Chinese medicine men: Consumer culture in China and Southeast Asia* (Cambridge, MA: Harvard University Press, 2006); Chan Kai Yiu, *Business expansion and structural change in pre-war China: Liu Hongsheng and his enterprises, 1920–1937* (Hong Kong: Hong Kong University Press, 2006); Parks M. Coble, Jr, *Chinese capitalists in Japan's new order: The occupied*

Ultimately, Lim Peng Siang's business career provides an interesting case study for rethinking the historiography of Chinese business not only in colonial Singapore and Malaya, but also in colonial Southeast Asia more broadly. Going beyond the ethno-cultural frames of Chinese-ness and Chinese nationalism, as well as the traditional-modern and Chinese-versus-Western dichotomies, his career strongly suggests that Southeast Asian Chinese business and entrepreneurial histories should be situated within the broader nexus of modern industrial capitalism, colonialism, and globalisation during an Asian 'Age in Motion'.

*Lower Yangzi, 1937–1945* (Berkeley: University of California Press, 2003); Coble, Jr, *The Shanghai capitalists*; Nara Dillon and Jean Chun Oi, *At the crossroads of empires: Middlemen, social networks, and state-building in Republican Shanghai* (Stanford, CA: Stanford University Press, 2008); Thomas G. Rawski, *China's transition to industrialism: Producer goods and economic development in the twentieth century* (Ann Arbor: University of Michigan Press, 1980).