

PRESS RELEASE

BEIJING (4 May 2017) : Sabah state-owned POIC Sabah Sdn Bhd signed memorandum of understanding with four China companies here today that once again brought into focus the economic potentials in oil palm and biomass in the state.

The four companies are Hebei-based Tangshan Chunhua Grain & Oil Group Co Ltd (唐山春华粮油集团有限公司) and Xinji Xinyuan Biotech Co Ltd (辛集兴源生物科技有限公司); and Top Honesty Biotechnology Co Ltd (深圳市顶昂生物科技有限公司) and Hong Kong-based Utility Sugar Trading Ltd (億糖業貿易有限公司).

The signing, held at the China World Hotel here, was witnessed by Malaysia's Deputy Minister of Plantation Industries and Commodities (MPIC) Datuk Datu Nasrun Haji Mansur, who welcomed the China companies' interest in Sabah the credited it as a result of promotional efforts undeterred by current economic challenges.

Nasrun, who is on a 4-day Economy & Technical Mission on Palm Oil to China visit, noted that all four companies have footprints around the globe and in sectors that can exploit the vast potentials in the abundance of palm oil and oil palm-based biomass

"We (Sabah) have a lot (about 1.5 million hectares) of oil palm plantations. We export most of our crude palm oil and are still waiting for serious investors to exploit the biochemical potentials," he told investors in a MPIC seminar in the Chinese city. "We hope your intent will become a reality in the near future."

Nasrun, who is also Member of Parliament of Lahad Datu and chairman of POIC Sabah, pointed to recent trends in China's interests in Malaysia evidenced by massive investments in properties and industries, as well as growing tourist arrivals.

"We in Sabah can surely benefit from your company's expertise and exposure in technologies, financial strength and marketing."

Chunhua, based in Tangshan City in Hebei Province, is a 38-year-old company specialised in agriculture products and edible oil, especially peanut oil which it processes about 300,000 metric tons per year. It also value-adds to the various types of edible oil it refines, and has gone upstream into planting its own raw materials, including a 10,000-hectare peanut plantation in Sudan.

Xinji Xinyuan Biotech is part of the Xingyuan Group, based in Xinji City. The group was incorporated in 1990 specialising in machinery such as boiler, foam & plastic machines, and is increasingly being known for its aggressive forays into producing activated carbon from waste materials.

It also has factories producing bio-coal and activated carbon from coconut shells in Indonesia, Thailand, Philippines and Peninsular Malaysia (Johor), and has sent feelers to Sabah to identify the feasibility of using oil palm biomass to produce the two products.

The super absorbent activated carbon are in huge demand in China to satisfy the demand of a programme to rehabilitate vast areas of farm land made toxic by years of unabated fertiliser, weed-killer and pesticide use.

Utility Sugar Trading Ltd, based in Hong Kong, is a major global supplier of sugar and syrup set up in 1985, with an annual turnover of about US\$60 million.

Top Honesty Group, based out of Macau, is a public-listed company with a market capitalisation of USD59.6 million. Its core businesses are in consumer durables and renewable energy.

POIC Sabah which is developing the 4,000-acre palm oil industrial cluster in Lahad Datu is in the forefront of promoting Sabah as a global investment destination in palm oil and biomass downstream. Established in 2005, the park has attracted more than RM4 billion in investments. With an operating bulk terminal, a liquid terminal, a barge landing point and a RM450-million container terminal due for completion in 2018, it is known for being the industrial park with the most comprehensive port facilities in one location. That the Malaysian government funded most of this expensive infrastructure is a testament of its recognition of the park's as well as Lahad Datu's economic potentials.

Sabah's biomass development initiatives were made on the back of the National Biomass Strategy 2020 launched in 2010 when technologies were few and even fewer were commercially proven. But rapid advancements have caught experts by surprise so much so that going for the lowest hanging fruits is no longer an option because of the vast and lucrative potentials on the horizon.

One time easy-going biomass owners now drive hard bargains. Before the NBS, they were on record offering anyone to remove biomass from the oil palm mills for free. Today, the biomass (including mesocarp fibres, palm kernel shells, fronds, trunks, palm kernel shells and palm oil mill effluent) can be monetized depending on what investors want out of them, from the rather straight-forward production of pellets, or compost or animal feed to sophisticated extraction of industrial sugars and chemicals with proprietary technologies.

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Please direct inquiries to 088-272261 (office hours) or

Addendum

Briefs on companies which signed MOUs with POIC Sabah Sdn Bhd

1. Tangshan Chunhua Grain & Oil Group Co Ltd
 - Based in Tangshan, Hebei Province
 - Established 38 years ago
 - Agriculture products and vegetable oil products
 - Processed 300,000 ton of groundnuts per annum
 - Overseas offices in Hong Kong, Canada
 - Representative offices in Malaysia, Senegal, Ethiopia
 - Upcoming project – Phase 1 of RMB900 million, 360 –acre integrated edible oil refinery to go into operation in 2017
2. Utility Sugar Trading Ltd
 - Incorporated in 1985
 - Is this same as Utility Sugar Ltd of 18th Flr, Honour Industrial Centre, 6 Sun Yip Street, Chai Wan, Hong Kong, incorporated in 1997?

- Internet search yielded a company Utility Sugar Trading Ltd but incorporated on April 14, 2015
 - Supplier of sugar and syrup
 - Annual turnover USD60 million
 - Major customers: CocoCola, McDonald's, Hong Kong Disneyland, Cathay Pacific, etc
3. Top Honesty Biotechnology Co Ltd
- A subsidiary of Top Honesty Group Inc
 - o Hq in Macau
 - o PLC, market cap \$59.6 million, consumer durables
 - o Incorporated in 2014
 - o Integrated financial services and renewable energy
4. Xinji Xinyuan Biotech Co Ltd
- A subsidiary of Xingyuan Group
 - o Established in 1990
 - o Hq in Xinji City, Hebei
 - o Businesses: activated carbon, biotech, foam&plastic machinery, chemicals, boiler equipment, biomass drying equipment, agriculture cooperatives
 - o 3 activated carbon projects in Indonesia using coconut shells; also in Thailand, Philippines and Peninsular Malaysia