

OILS & FATS GIANT ENTERS POIC LAHAD DATU

KOTA KINABALU, Thurs. (Aug 12, 2010) - Mewah Group, a Singapore company with refineries in Malaysia, is investing RM150 million to set up a 900,000 metric tons per year palm oil refinery at the palm oil industrial cluster in Lahad Datu (POIC Lahad Datu),

An agreement on the purchase of 19.86 acres of land at POIC Lahad Datu was signed in Singapore last Tuesday between POIC Sabah Sdn Bhd and Mewah Oil Sabah Sdn Bhd.

The refinery, which will begin with an initial capacity of 500,000 metric tons, is the biggest in Sabah where there are currently 10 refineries scattered in different parts of the state.

POIC Sabah marketing manager Ms Doreen Lim said the entry of Mewah Group represents a strategic expansion of the Group as it seeks to expand its already significant presence in the palm oil refining sector.

Under the Mewah banner are established Singapore-based companies such as Ngo Chew Hong Edible Oils Ptd Ltd, Container Printers Pte Ltd, Choon Heng Transport & Warehousing, Pte Ltd, G&U Logistics Group. Its manufacturing units in Malaysia include Mewah Oils Sdn Bhd, Mewaholeh Industries Sdn Bhd, Moi Foods Malaysia Sdn Bhd and Container Fabricator (M) Sdn Bhd.

The Mewah Group made regional headlines recently when it was reported that it was planning to raise RM1.6 billion in a Singapore initial public offer (IPO) for expansion of its business.

"The Group's turnover is estimated to be US2 billion and its existing refineries (in Peninsular Malaysia) are reported to have a combined output of 2.5 million metric tons per year.

"So the (900,000-ton) refinery in POIC Lahad Datu is adding a significant volume to the Group's total output, thus making it an even bigger player in oils and fats."

Ms Lim said the RM150 million to be injected by Mewah in Lahad Datu represents only 'capital investment'.

The refinery is expected to create about 200 jobs.

Mewah becomes the second company to set up refinery at POIC Lahad Datu, which to date has attracted about 30 companies with total investment exceeding RM2 billion. The other refinery belongs to Zurex Corporation, a company with British interests. Zurex's 200,000 ton-per-year refinery is due to start operation in 2012.

The uniqueness of the two refineries is that their owners do not own oil palm plantations. That they are granted refinery licences by federal authorities to operate exclusively in POIC Lahad Datu is a measure of how hugely important is the state project which started in 2005. The presence of the refineries in Lahad Datu is expected to trigger an inflow of crude palm oil from neighbouring Kalimantan where many Malaysian plantation companies have assets.

Ms Lim said the investors are attracted to POIC Lahad Datu because of it being located near to raw materials, its liquid oil jetty and a natural deep harbour with draft of over 20 metres capable of accommodating vessels up to 100,000 deadweight tons.

Photo: *The Zurex Corporation palm oil refinery at POIC Lahad Datu ... completion in 2012.*

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