

Company Name : Heng Huat Resources Group Berhad
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Heng Huat Invests RM35 Million To Build New EFB Fibre Manufacturing Facility

GEORGE TOWN, June 25 (Bernama) -- Heng Huat Resources Group Bhd, an integrated manufacturer of oil palm and coconut biomass products, will invest RM35 million to build a new oil palm empty fruit bunch (EFB) fibre manufacturing facility in Gua Musang, Kelantan.

Its co-founder/managing director, H'ng Choon Seng, said this would enable the group to meet increasing demand from China as well as enter new export markets namely Japan, South Korea and Australia.

"Over the years, we have consistently grown our exports of oil palm EFB fibre to China. This expansion is timely amid anticipation of strong demand and utilisation rate of about 90 per cent in our existing plants.

"The new facility is expected to be operational in the second quarter of next year," H'ng told reporters after the group's annual general meeting and extraordinary general meeting (EGM) here Thursday.

Currently, Heng Huat operates two oil palm EFB fibre manufacturing facilities in Seberang Perai here.

H'ng said following the expansion, the group's total oil palm EFB fibre production lines would increase to 27 lines from 20 lines, while the annual production capacity was expected to rise to over 135,000 metric tonnes (MT) from 100,500 MT.

Of the total RM35 million investment, RM11 million was for the purchase of land and construction of the factory building, RM12 million for new production machinery and RM2 million for supporting vehicles and equipment, he said.

"The remaining RM10 million would be used for a new biomass co-generation power plant, which would enable the group to reduce its operating costs via a better energy-efficiency and re-utilisation of production waste materials," he said.

Heng Huat currently exports over 90 per cent of its oil palm EFB fibre to China, which was used for the production of mattresses, briquette, geotextile, paper pulp, landscaping, horticulture and others.

At the EGM, Heng Huat obtained shareholders' approval to transfer its listing status to the Main Market of Bursa Malaysia from the ACE market, and the exercise is likely to be completed by year-end.

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