

Company Name : Heng Huat Resources Group Berhad
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Heng Huat pumps RM35mil into facility

GEORGE TOWN: Heng Huat Resources Group Bhd, an integrated manufacturer of oil palm and coconut biomass products, will invest RM35mil 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% 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 AGM and EGM here yesterday.

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 tonnes from 100,500 tonnes.

Of the total RM35mil investment, RM11mil was for the purchase of land and construction of the factory building, RM12mil for new production machinery and RM2mil for supporting vehicles and equipment,

he said.

"The remaining RM10mil 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% 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. — Bernama