



Ogilvy Public Relations Worldwide

Client: Emery Oleochemicals
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Size: 21cm x 8.5cm
AD Value: RM 1,487.50
PR Value: RM 4,462.50

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Emery to issue RM480m Islamic bonds

KUALA LUMPUR: Emery Oleochemicals Group will be raising RM480 million to fund its expansion plans over the next few years. The plans include projects under the Economic Transformation Programme (ETP).

Emery is expected to issue Islamic bonds within the next four months. HSBC Holdings plc and Maybank Investment Bank Bhd will be advisers for the bond issue.

Part of the proceeds raised from the bonds will be used to finance three projects, two of which are oleochemical plants that Emery will be constructing with joint venture partners in Telok Panglima Garang, Banting.

Of the two plants, one will be a joint venture with local company Platinum Energy to produce green polymer additives. It is likely to start operations by the third quarter of this year.

Emery will also be collaborating with Platinum Energy on research and development to develop next-generation plastic additives.

"The green polymer additives production plant, with a capacity of 15,000 to 30,000 tonnes a year, would be our first additives plant outside Germany with an investment of about RM140 million," Dr Kongkrapan Intarajang, Emery's CEO said at a press conference yesterday.

"Our Malaysian operation, upon

completion of the expansion plans, is expected to contribute about 50% to group revenue after 2013," he added. Currently, local operations make up about a third of group revenue. Europe and North America also currently contribute over 30% each to group revenue.

Emery, the world's largest producer of green polymer additives, is a 50-50 joint venture between Sime Darby Plantation Sdn Bhd and Thailand-based PTT Chemical International.

Emery will also be collaborating with South Korea-based AK ChemTech and Europe-based ERCA Group to expand its specialty-products portfolio and broaden its global

footprint in home and personal wellness products, which Kongkrapan says has improving potential.

Emery will invest RM416.2 million in three projects to produce bio-lubricants and green polymer additives, in a bid to boost Malaysia's downstream palm oil business. Emery's investment is expected to contribute some RM155 million to gross national income.

"Malaysia has yet to capture the full potential of downstream palm oil ... especially in the finished segments, such as oleo derivatives, that generate higher value," Prime Minister Datuk Seri Najib Razak was quoted as saying.