



Heng Huat Resources Group Berhad
(969678-D)

PLANT VISIT BY YAB MENTERI BESAR OF KELANTAN AND OTHER STATE GOVERNMENT OFFICIALS

Heng Huat Resources Group Berhad and its subsidiaries (“The Group”) are principally involved in the manufacturing and trading of biomass material and value-added products, utilising the biomass wastes (i.e. oil palm empty fruit bunches (“EFB”) and coconut husks) to produce eco-friendly products namely oil palm EFB fibre, coconut fibre and coconut peat catering to both the overseas and domestic markets.

The Group has incorporated two subsidiaries in Kelantan, namely HK Gua Musang Sdn Bhd and HK Fibre Sdn Bhd. The former’s production plant was ready for commencement by end of 2016, principally involved in the manufacturing of oil palm EFB fibre; whilst the latter was established back in 2007, principally involved in the manufacturing of coconut fibre and coconut peat.



Heng Huat Resources Group Berhad



HK Fibre Sdn Bhd



HK Gua Musang Sdn Bhd

The Group is honoured to receive Menteri Besar of Kelantan – YAB Ustaz Dato’ Haji Ahmad Bin Yakob (SJKM., DJMK., JP.) and other state government officials comprising Timbalan Menteri Besar of Kelantan – YB Dato’ Haji Mohd Amar bin Nik Abdullah (DJMK., JMK.), Pengerusi Jawatankuasa Perindustrian, Perdagangan, Perpaduan Masyarakat dan Pembangunan Usahawan – YB Dato’ Haji Anuar Tan bin Abdullah (DJMK., JP.), Pengerusi Jawatankuasa Kerajaan Tempatan, Perumahan, Belia dan Sukan – YB Dato’ Haji Ab. Fattah bin Haji Mahmood (DJMK., JMK.), Pengerusi Jawatankuasa Kebudayaan, Pelancongan dan Warisan – YB Mejar (B) Dato’ Haji Md Anizam bin Abd. Rahman (DJMK., JMK.) and Ketua Jajahan Gua Musang – YM Tuan Zainal Abidin bin Tuan Yusof at HK Gua Musang Sdn Bhd’s production plant on 2 November 2017. The honourable guests were warmly welcomed by our Group Managing Director, Dato’ H’ng Choon Seng and Deputy Managing Director, Mr. Kee Swee Lai.





The Group, through its subsidiaries, invested approximately RM50 million in the production plant (which is attached with a power plant) built on a 10-acre land located at Gua Musang, Kelantan. The Group can produce up to 10,000 metric tonnes of oil palm EFB fibre per month, which are primarily exported to China – the country with the highest demand for oil palm EFB fibre.

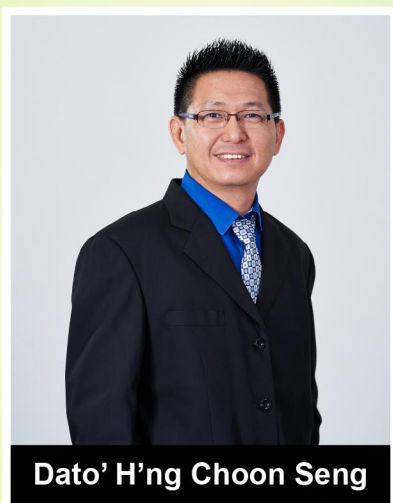
At present, HK Gua Musang Sdn Bhd focuses on the manufacturing of oil palm EFB fibre although the operations can be expanded to the production of other value-added product such as geotextile / fibre-mat. The expansion will require additional factory space and machineries.



Our eco-friendly operational model has been verbally commended by Menteri Besar during the visit. Menteri Besar has also advised the Group to consider expanding the production plant at Gua Musang to encompass manufacturing of other value-added products. The advice from Menteri Besar is valued by the Group and will be taken into consideration by the Group in its future expansion plan to ultimately convert HK Gua Musang Sdn Bhd into an integrated biomass materials and value-added products manufacturing company.



The Group's production plant for manufacturing of coconut fibre and coconut peat operated under its subsidiary, HK Fibre Sdn Bhd, is located at Bachok, Kelantan and was established back in 2007. That year, the Group's co-founders – Dato' H'ng Choon Seng and Mr. Kee Swee Lai made their first visit to Bachok. They discovered that there are vast areas of coconut plantation in Bachok but to their surprise, the coconut husks were considered as wastes and openly burnt. Motivated to recycle the wastes into eco-friendly products for better utilisation of natural resources, they decided to set up HK Fibre Sdn Bhd to produce coconut fibre and coconut peat from the coconut husks – commonly regarded as wastes by the locals.



Dato' H'ng Choon Seng



Mr Kee Swee Lai

HK Fibre Sdn Bhd is one of the pioneers in Kelantan to utilise coconut husks for manufacturing of value-added products. Over the years, HK Fibre Sdn Bhd has transformed itself into one of the leading manufacturers of coconut fibre and coconut peat in Malaysia. The Group is delighted that apart from generating good returns, the operations of HK Fibre Sdn Bhd has managed to make contribution to the local society by creating opportunities for entrepreneurship and employment. The coconut fibre sheet produced by HK Fibre Sdn Bhd is now primarily supplied to another subsidiary under the Group, namely Fibre Star (M) Sdn Bhd, for production of mattresses.

At present, HK Fibre Sdn Bhd is capable of producing up to 500 metric tonnes of coconut fibre sheet and up to 1,000 metric tonnes of coconut peat on a monthly basis, amongst the highest in Malaysia.

The Group is thankful to have received continuous supports from the State Government of Kelantan. At the inception of HK Fibre Sdn Bhd, the Group's co-founders – Dato H'ng Choon Seng and Mr. Kee Swee Lai were given the opportunity to meet with the then-prevalent Menteri Besar of Kelantan to discuss about the business plan of HK Fibre Sdn Bhd. Tawang State Assemblyman, YB Ustaz Dato' Haji Hassan Bin Mohamood has also rendered great support to the Group.

The Group is thankful for the good relationship with, and continuous support from, the State Government of Kelantan. Menteri Besar has recommended the Group to further expand the operations in Kelantan to encompass more value-added products. The Group will certainly give due consideration to the recommendation in its future expansion plan.



EFB Fibre

Long
Fibre



Agro-
Mulching



Roll Erosion
Control Mat



Landscaping



Growing
Media



Nursery





- ▲1. Material - Coconut husk
- ▲2. Main products - Coconut fibre
- ▲3. Value-added products - Coconut fibre sheet
- ▲4. By-products - Coconut peat



Downstream products - Coconut fibre mattress

