



Oil Palm Plantation Development

With a total land bank of 13,000 hectares (ha), Subur Tiasa Holdings oil palm (or 椰園, 椰園) plantations are a major part of our strategic business development plans. A breakdown of the current development of our oil palm plantations located in East Malaysia's Mukah and Kapit is as follows: 1,300ha of Mature Area, 3,100ha of Immature Area and 250ha of Young Palm Area.

Contrary to myths claiming that oil palm plantation activity is a major contributor to global warming and deforestation, findings by Reinhardt from Institute for Energy and Environmental Research has shown that palm oil produced least carbon dioxide compared to other vegetable oils, while Stem Report clarified that oil palm plantation activity accounts for only 20-30% of forest land cleared in Malaysia and Indonesia.

Evidently, palm oil has remained as an immensely popular export product. Reuters reported in May 2010 ("Malaysia's \$25-bln palm oil refining sector") Malaysia is the world's second largest producer of palm oil.

It was highlighted that in China, the lead importer, agricultural companies have converted palm oil into cooking oil and instant noodle makers use palm oil to deep-fry flour noodles for a longer shelf life. Other global F&B giants such as Unilever, Nestle, Kraft, Burger King Holdings and McDonald's Corp also buy refined palm oil products to aid in their baking and frying food production. While beauty companies like L'Oreal use refined palm kernel oil for cosmetics and other palm oil products for hair and body products.

The development of Subur Tiasa's oil palm plantation was initiated in 2006 and has grown steadily since. As at 2010, we are reaping approximately 2,000 metric tonnes of fresh fruit bunches on a monthly basis.

Our oil palm plantations have also remained rigorously compliant with statutory requirements including the submission of Environmental Impact Assessment Report, quarterly submission of Environmental Monitoring Report and half-yearly submission of Progress Report on Oil Palm Plantation Development.