



Apical Acquires Kutai Refinery Nusantara;

Poised for Further Investment in Downstream

20 June 2018

Apical Group, one of the largest exporters of palm oil in Indonesia, has acquired Kutai Refinery Nusantara (KRN) in East Kalimantan, Indonesia. A member of the RSPO, KRN's assets includes a 1,500 metric ton per day refinery that is expected to double its production by August 2018 and a 1,000 metric ton per day biodiesel plant. The acquisition was completed on 20 June 2018.

Apical Group's President Dato' Yeo How said, "KRN is a strategic acquisition that will reinforce Apical Group's value proposition as a key participant with an extensive palm oil business value chain, from sourcing, refining, processing to trading of palm oil in domestic and international markets".

Apical's current operations include four refineries, two biodiesel plants, an oleochemical plant and two kernel crushing plants. These facilities are located in Jakarta, Sumatra and Kalimantan in Indonesia, Nanjing, China and Huelva, Spain.

The Group plans to build new facilities including palm oil refineries, palm kernel crushing plants, bulking stations and power plants in the next 3 years. "Palm oil's quality and functionality are superior but sustainability is the fundamental requisite for today's global demand. Our mission is to make more sustainable palm oil available to the market. We have to do this by engaging more suppliers and influencing them to commit to sustainability." added Dato' Yeo.

Apical's investment interest in the palm oil downstream industry is in the potential of leveraging on the value-added downstream activities, including the higher production of palm oil derivatives. This is intended to boost export volumes, create new markets for palm oil and its derivatives, and expand its business to East Asia markets such as China, Japan and Korea.

These growth plans also support Indonesia's goal to increase palm oil production to 42 million tons by 2020 and provide employment opportunities.

About Apical Group

Apical Group Ltd is one of the largest exporters of palm oil in Indonesia, owning and controlling an extensive spectrum of the palm oil business value chain from sourcing to distribution. It is also engaged in the refining, processing and trading of palm oil for both domestic use and international export. Its operations are located in Indonesia, China and Spain, and include four refineries, two biodiesel plants, an oleochemical plant and a kernel crushing plant. Apical's business is built on a broad sourcing network in Indonesia with integrated refinery assets at strategic locations in Indonesia and China. These are strengthened by efficient logistic channels supported by Apical's own infrastructure to deliver to a wide range of clients from international trade houses to local industrial buyers. With its unique business model, Apical has been able to control product quality and address sustainability and food safety issues, while running highly efficient operations at its world-class refineries and integrated storage and bulking facilities.



Apical Group Sustainability

Since launching the Apical Sustainability Policy 2014, Apical has made strides in its transformation journey by adopting global standards and best practices within its operations, subsidiaries and in partnership with suppliers. Apical refineries have been certified by the International Sustainability and Carbon Certification (ISCC) since 2010 and it has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2011. It achieved full traceability to mills in 2015 and has targeted full traceability to plantations by 2020. The Group promotes the protection of high conservation value and high carbon stock areas, peatland and towards positive socio-economic development. It partnered with The Forest Trust (TFT), Proforest and Daemeter (CORE) to integrate its supply chain transformation, ensure responsible sourcing and continuous improvement in its supply chain. Apical is committed to sustainable operations as the fundamental core of its business to deliver high value products for today's global market demands. For more information, please visit Apical's [Progress Dashboard](#).