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Minister of Research and Technology Welcomes Asia Pacific Rayon's Commitment to R&D

Pangkalan Kerinci, Indonesia – 6 March 2020: The Minister of Research and Technology and the National Innovation Research Agency (BRIN), Bambang Brodjonegoro, has welcomed the focus by <u>Asia Pacific Rayon (APR)</u> on research and development (R&D) as part of its wider contribution to the national textile industry.

During a visit to the company's operations in Pangkalan Kerinci in Riau Province, Sumatra, the Minister was shown the spinning process used to test the quality of fibres and fabrics at the APR Textile Lab. The newly opened lab, designed to improve quality control and ensure that the rayon fibre produced by APR is in line with customer needs.

The Minister acknowledged the value of APR's investment in the latest technology and R&D, and the resulting benefits for the country's textile sector. "What APR is doing is in line with President Joko Widodo's direction to encourage the private sector to increase research activities in the development of high-value products in this country," he said.

Basrie Kamba, Director, APR said the company's R&D team was committed to ongoing research and testing to improve the quality of rayon products for the domestic textile industry. APR's <u>viscose rayon fibre</u> is a sustainable alternative raw material to cotton, which is currently entirely imported. The company's fibre is produced from renewable, <u>traceable</u> and biodegradable raw materials.

"We hope to develop more advanced research for rayon as a sustainable textile raw material, which will continue to strengthen the Indonesian textile industry," he said.

With a total investment value of IDR 15 trillion, the APR production facility in Riau has an annual production capacity of 240,000 tons. The company, which is part of the <u>Royal Golden</u> <u>Eagle Group</u>, supports the government's downstream vision for the transformation of value-added businesses, by processing renewable pulp into rayon fibres.

Last month, the President of Indonesia, Joko Widodo, inaugurated the APR facility which is located 70 km from the city of Pekanbaru. In his remarks, the President welcomed the implementation of the APR technology which is capable of processing wood fibre into rayon.

"Don't let our garment industry lose to Vietnam. We already have our own raw materials in Indonesia (APR's viscose rayon). A fast country will defeat a slow country and we want to be a fast country," he said, speaking at the inauguration ceremony.

APR's raw materials are supplied by PT. Riau Andalan Pulp and Paper (PT. RAPP), the operating arm of APRIL Group, and recognized as a responsible pulp producer through

national (Timber Legality Verification System) and international (Program for the Endorsement of Forest Certification/PEFC) certifications.

"We can guarantee that the dissolving pulp we supply comes from sustainably and responsibly managed plantations. The presence of APR in the same complex makes the production process more effective and efficient," said Sihol Aritonang, President Director, <u>PT. Riau Andalan Pulp and Paper</u>, who accompanied the Minister during his visit.

APR's products are exported to 15 countries including some of the world's key textile markets, such as Pakistan, Bangladesh, Vietnam, Turkey, and Brazil, as well as several countries in Europe. The company's production output is also designed to help meet domestic demand for textile raw materials.

About Asia Pacific Rayon:

Asia Pacific Rayon is the first fully integrated viscose rayon producer in Asia. The factory with 240,000 ton capacity, located in Pangkalan Kerinci, Riau, uses the latest production technology to produce high-quality rayon to meet textile needs. APR is committed to become a leading viscose rayon producer that has the principles of sustainability, transparency and operational efficiency, serves the interests of the community and the country, and provides value to customers. APR is part of the RGE (Royal Golden Eagle) group of resource-based manufacturing companies.

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