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Asia Pacific Rayon to Ramp Up Viscose Fibre Production to Meet Market Demand

Jakarta, 22 February 2021 – Asia Pacific Rayon (APR) plans to increase its production capacity to 600,000 tonnes to meet the strong growth potential of viscose staple fiber (VSF) and strengthen its market position in Indonesia and export markets across the region. The additional capacity will be achieved through improved optimisation and efficiencies, and by adding 300,000-tonne viscose production facility in Pangkalan Kerinci, where APR is co-located with sister company and fiber supplier APRIL Group.

The expansion will utilise APRIL's current rayon grade AE pulp capacity from existing pulp production lines, with fiber supply sourced from APRIL's existing responsibly managed renewable fiber plantations in compliance with internationally recognised forest certification standards and its sustainability policy and in keeping with the recently announced APRIL2030 commitments and targets.

Construction of the additional APR production lines is scheduled to commence in the second half of 2021 and will include features such as a chemical recovery process upgrade, slush-pulp processing installation and other investments aimed at reducing APR's energy use and environmental footprint. Upon the additional lines' completion in 2023, APR will be the world's largest single-site integrated viscose manufacturing facility, seamlessly integrating dissolving wood pulp from APRIL's renewable fiber plantations.

"As a relatively new entrant in the VSF market, APR has established a strong market presence within two years with a growing network of customers in Bangladesh, India, Pakistan and Turkey. Our VSF business will continue to expand into the international markets by partnering with others in the textile value chain. With the advantage of economies of scale, we are committed to responding to customer demand for sustainable viscose with quality, differentiated product offerings, and competitive pricing," said Sachin Malik, APR Sales Head.

Formally inaugurated by Indonesia President Joko Widodo in February 2020, APR is a vertically integrated operation from renewable fiber plantations to high-value textile development, located in Riau, Sumatra. In the same year, Asia Pacific Yarn (APY) and Jakarta Fashion Hub (JFH) were established to respectively support yarn research and development, and promote fashion design talent and collaboration.

APR ensures that dissolving wood pulp sources come from internationally recognised, credible forest certification systems such as PEFC™ which guarantee the wood fibre to be from sustainably managed forests and controlled sources. APR will continue to maintain 100% PEFC™ Chain of Custody certification for our viscose.

APR's products carry the labels MADE in GREEN by OEKO-TEX®, USDA Biobased, Seedling, OK biodegradable, and Medically Tested-Tested for Toxins by FKT. The company obtained ISO 9001 quality management and 14001 environmental management systems, and 45001 for occupational health and safety management systems.

About Asia Pacific Rayon

Asia Pacific Rayon is the first fully integrated viscose rayon producer in Asia. Located in Pangkalan Kerinci, Riau, uses the latest production technology to produce high-quality rayon to meet textile needs. APR is committed to becoming a leading viscose rayon producer with 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.

Sustainability is fundamental to APR. The APR Sustainability Policy, updated in September 2020, include additional commitments on pulp sourcing and clean manufacturing.

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