

**SPEECH FOR YBHG. DATO' AZMAN MAHMUD  
CHIEF EXECUTIVE OFFICER OF MIDA**

**GROUND BREAKING CEREMONY OF  
NORMAN PROCESS OILS MALAYSIA PLANT SDN. BHD.  
(A SUBSIDIARY OF ORGKHIM BIOCHEMICAL HOLDING)**

**12 FEBRUARY 2018, 1.30 PM, DOUBLE TREE HILTON JOHOR BAHRU**

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**Acknowledgement**

YB Datuk Tee Siew Kiong  
Chairman of Johor State Tourism, Domestic Trade and Consumerism  
Committee

Mr. Nikolay Khodov  
CEO of Orgkhim Biochemical Holding

Mr. Aleksandr Volkov  
Director, Norman Process Oils Malaysia Plant Sdn. Bhd.

Distinguished Guests,

Members of the Media,

Ladies and Gentlemen,

1. Good afternoon. Thank you for having MIDA to witness the ground breaking ceremony for Orgkhim's new investment here in Malaysia. We are glad to host Norman Process Oils Malaysia Plant, a subsidiary of Orgkhim here in the country. We are proud to note that Malaysia was chosen as the group's first and largest investment outside of Russia.

2. Orgkhim's investment in Tanjung Langsat Industrial Complex (TLIC) is a good example of companies that are riding Asia's growth. The 5,000 acres complex located at the Eastern Gate Development Zone (Flagship D) is one of the five designated growth zones within Iskandar Malaysia.
3. Supported by the Tanjung Langsat Port, which has oil-storage facilities, a liquid jetty and a dry jetty, the Tanjung Langsat Complex caters for the industries related to palm oil, petrochemical, chemical, O&G, steel fabrication and marine.
4. As the global demand for carcinogen-free rubber process oils (RPOs) continues to expand, I would like to congratulate Orgkhim group for making the right decision to seize the growing opportunities in the region.
5. This investment does not only demonstrate your confidence in Malaysia's long-term investment propositions, but also the thriving state of the chemical industry in the country. Under the 11th Malaysia Plan, the chemical industry is identified as a key rapid growth alongside the electronics, machinery, aerospace and medical devices sectors.
6. As at September 2017, a total of 2,073 manufacturing projects in the chemical industry have been approved with investment worth RM96.5 billion. Out of the total, 59.5% (RM57.4 billion) was from foreign sources while the balance of 40.5% (RM39.1 billion) was from local sources. These projects have created a total more than 97,000 jobs for the country.

Ladies and Gentlemen,

7. We are excited that upon completion of this project, Orgkhim will be the first company to produce carcinogen-free RPOs in Malaysia. It will strategically put Malaysia on the map as one of the few places in the world producing this specialty chemical. Presently other countries that are producing RPOs are Germany, USA, China, UK and India.
8. This production will be based on Russian patented technology that is superior compared to the existing foreign analogues. Malaysia will certainly benefit from the sizeable technology transfer into the country.
9. The direct users of this specialty material, especially companies in the tire and rubber industry, will benefit much from the presence of Orgkhim here. They will be able to source for more cost-competitive raw materials and improve the quality of their output, resulting in safer and more EU compliant products that are fit for export purposes.
10. When fully implemented, a total of 69 Malaysians will have the opportunity to work with this international company. Local vendors can also leverage on business opportunities arising from the many services required by the plant operation.
11. This strategic project is in line with Malaysia's aim to increase the country's petrochemicals output to cater to Asia-Pacific's rising demand for premium specialty and eco-friendly chemicals.

Ladies and Gentlemen,

12. Orgkhim's presence here also adds to the portfolio of companies from Russia that have invested in Malaysia. As to date, a total of 13 manufacturing projects with Russian participation valued at RM138.80 million have been approved, creating more than 600 job opportunities for the country.
13. We certainly hope that today's groundbreaking will be the impetus to attract more Russian companies to consider Malaysia as their investment destination of choice in this region.
14. Recognising Russia's strength in new growth and advanced technology, there are many potential areas for Russian companies to do business in Malaysia. These include industries such as the specialty chemicals; aerospace; oil & gas and petrochemicals; and medical & scientific equipment. Our vibrant services sector also offers multiple ranges of opportunities such as regional establishments as well as ICT services.

Ladies and Gentlemen,

15. As an open economy, Malaysia continues to welcome quality foreign investments into our country. They provide avenues for employment creation as well as sharing of knowledge and technology that will lead to overall industry improvements.
16. We are a growing nation that strives to become an advanced economy. Collaborations with foreign companies such as Orgkhim will contribute to this goal as we foster greater partnerships with global firms and facilitate strategic linkages between them and our local companies.

17. Given the vibrant business environment prevailing in the country, we are optimistic that Orgkhim will continue to enjoy the many advantages Malaysia offers. Rest assured that the Government through MIDA will continue to facilitate and nurture a conducive business environment for your investment to grow.
  
18. In closing, let me extend my warmest congratulations to the management and staff of Orgkhim on the groundbreaking of Norman Process Oils Malaysia Plant. I wish you every success in the years ahead.

Thank you.