



CORPORATE BACKGROUNDER

THE OPTIMAL GROUP OF COMPANIES

The OPTIMAL Group of Companies (OPTIMAL) are affiliates of Petroliam Nasional Berhad (PETRONAS), Malaysia's state-owned oil corporation and The Dow Chemical Company (Dow) of the US.

It is a synergistic partnership of two forerunners in the industry. The OPTIMAL Group of Companies gains from PETRONAS a well-developed infrastructure, competitive feedstock and an educated workforce whilst Dow, the world's leading chemical company, provides state-of-the-art petrochemical technology, a global market presence and an established distribution chain in the region.

The Group was established in July 1998 and comprises of three corporate entities:

- OPTIMAL OLEFINS (MALAYSIA) SDN. BHD.
- OPTIMAL GLYCOLS (MALAYSIA) SDN. BHD.
- OPTIMAL CHEMICALS (MALAYSIA) SDN. BHD.

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The OPTIMAL Complex

OPTIMAL's world-class fully integrated production facility complex is located within the greater PETRONAS Petroleum Industry Complex (PPIC) in Terengganu, on the East Coast of Peninsular Malaysia.

The PPIC is an ideal site for the OPTIMAL complex as it has easy access to competitive feedstock, raw materials and a central utility facility.

Furthermore, it has at its doorsteps terminal and port facilities and an easy access to railway and roads – an important criterion for OPTIMAL in accessing its key markets.

With a total production capacity of approximately 1.5 million metric tonnes per annum, OPTIMAL manufactures and supplies petrochemical products to key markets that include South East Asia, Japan, South Korea, China and Taiwan.

Almost 40% of its products are for the export market and the remaining 60% to meet local demands.

The products are generally used as intermediate building blocks in the manufacture of various industrial and consumer products such as personal care, cosmetics, household cleaners, paints, coatings and adhesive

OPTIMAL employs approximately 650 personnel located at its site in Kertih as well as its corporate head office in Kuala Lumpur.

More than 90% of its staff strength is made up of Malaysians which is in line with OPTIMAL's commitment of developing the skills of its local workforce and to ensure efficient transfer of Dow's expertise and know-how.

OPTIMAL's Health, Safety & Environment Practices

OPTIMAL adopts the chemical industry's commitment towards 'Responsible Care' which promotes responsible health, safety and environmental management.

It has for example, invested over RM40 million to put in place a high standard of health, safety and environmental protection measures to eliminate injuries at its production site, to ensure no health impairments to the people at its facility and within the neighborhood and to promote conservation of the surrounding environment.

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MILESTONES

1996	<ul style="list-style-type: none">▪ Union Carbide Corporation (before merger with The Dow Chemical Company) & PETRONAS signed Letter Of Intent
1997	<ul style="list-style-type: none">▪ OPTIMAL sent 200 young Malaysians for training in North America to prepare them with technical skills for operating the OPTIMAL plant
1998	<ul style="list-style-type: none">▪ Joint Venture Agreement Signed Between Union Carbide Corporation & PETRONAS▪ Five Contracts Awarded For OPTIMAL project<ul style="list-style-type: none">○ PMC Contract – Kvaener (Malaysia) Sdn Bhd○ Olefins Contract – Linde AG & Samsung Engineering Company Ltd. (primary sub-contractor)○ Glycol Contract – Toyo Engineering Corporation○ Butanol & Derivatives Contract – Bechtel Bina (Malaysia) Sdn Bhd○ General Facilities Contract – TECHNIP Geoproduction (M) Sdn Bhd▪ The clearing of land of OPTIMAL site in Kertih, Terengganu commenced
1999	<ul style="list-style-type: none">▪ Construction of the OPTIMAL Complex commenced
2000	<ul style="list-style-type: none">▪ OPTIMAL Olefins welcomes additional shareholder, Sasol Polymers International Investments (Pty) Ltd. Of South Africa
2002	<ul style="list-style-type: none">▪ January: The first on-specification ethylene was produced marking OPTIMAL's transition from being a "project" to a fully operational product producing petrochemical company▪ March: OPTIMAL's first export product, Mono Ethylene Glycol was sold.▪ October: Final reactor in the OPTIMAL complex was successfully started-up. Project phase completed
2003	<ul style="list-style-type: none">▪ OPTIMAL successfully passes Department of Occupational Safety and Health (DOSH) shutdown inspection and is now in full commercial operation