


# The *Planter's* Scheme of Choice

▲ BY CHEAH CHOR SOOI

The East West One Plantation Scheme (EWOPS) has emerged as a highly innovative investment vehicle that allows the diversification of one's investment portfolio into the fast growing Malaysian oil palm industry.



Dr Jessie Tang

For investors who are keen for a piece of action in the plantation sector but can ill afford the development cost (i.e. shouldering the various risks associated with developing huge chunks of land), East West One Consortium Bhd has come up with a viable solution through its East West One Planter's Scheme (EWOPS).

EWOPS is a fixed short-term investment that is different from other growers' scheme in that it does not only participate in a highly sustainable oil palm industry but boasts an investment period of only six or eight years with guaranteed monthly returns paid every quarterly. On top of that the scheme guarantees a full capacity pay back at the end of the investment period.

This is the third planter's scheme to be made available in Malaysia after the Country Heights Growers Scheme and Golden Palm Growers Scheme.

"All-in, our founders and the management team have been involved in the agriculture industry and specifically the oil palm sector for a combined total



The EWOPS scheme has access to clones of high yielding seedlings

In September 2011, we passed stringent vetting by the Companies Commission of Malaysia, which was very particular indeed in wanting the mechanics to be in place to ensure that investor interest was well taken care of.

Furthermore, we have engaged the services of TMF Trustees Malaysia Bhd, a renowned government-approved international Trustee, which will, among its many duties, pay the quarterly dividends to our Planters. Internationally-acclaimed audit firm, Crowe Horwath, has been retained to audit our accounts, while an independent consultant will conduct a review of our plantation operations twice a year.

The management team will seek to limit investment risks through effective resource management, close supervision and effective cost-control.

**Dr Jessie Tang, CEO of East West One Consortium Bhd**



of more than 120 years,” Dr Jessie Tang, Chief Executive Officer of East West One Consortium, tells ***Malaysian Business***.

“The length of their experience alone is an indication that you are dealing with people who know the ins and outs of the sectors.”

No doubt a medical doctor by training, the Sungai Petani-born Dr Tang is no stranger in the plantation sector as her family is involved in rubber and oil palm plantations. Aside from her, two other principal shareholders of East West One Consortium are Datuk Seri Panglima

Tham Nyip Shen (Chairman) and Datuk Peter Khoo (Managing Director).

A former Deputy Chief Minister in Sabah, Tham’s family is involved in a 4,000-hectare (10,000-acre) oil palm plantation and an oil palm mill in Keningau, while Khoo’s family is involved in rubber and oil palm cultivation.

#### **GOOD RETURNS**

To facilitate the introduction of EWOPS to investors, East West One Consortium was set up in 2004 to identify suitable lands for the scheme. To date, a total of 6,290 hectares (15,725 acres) has been made available for the scheme in Sabah. Additionally, another 12,000 ha (30,000 acres) will also be developed in phases.





THE PRICES OF CRUDE PALM OIL (CPO) HAVE BEEN AND WILL CONTINUE TO BE MUCH HIGHER THAN OUR PRODUCTION COST BECAUSE THE DEMAND WILL ALWAYS BE THERE DUE TO THE GROWING GLOBAL POPULATION. IN SHORT, WE ARE DEALING WITH A BUSINESS (OIL PALM CULTIVATION), WHICH IS WELL PROVEN AND NOT IN SOMETHING, WHICH IS NEW OR IMMERSE IN UNCERTAINTIES. THE RISKS THEN ARE REALLY MINIMAL, IF AT ALL.

— DR JESSIE TANG

“Sabah has the vastness of land for a steady plantation sector. The agronomic factors in Sabah – in particular, good soil and even rainfall – are most suitable for oil palm cultivation,” stresses Dr Tang.

Today, 30% of Malaysia’s total oil palm plantation is located in Sabah and the acreage is growing although not all regions give the best yields. With an oil palm hectareage in excess of 1.5 million, some estates in Sabah are bigger than the state of Perlis itself.

“We now have access to clones of high yielding seedlings and this makes good sense given Sabah is well-documented in the statistics of the Malaysian Palm Oil Board (MPOB) – the authority on oil palm in Malaysia – as the highest yielding area for the crop’s cultivation (average of 22 to 25 tonnes of fresh fruits bunches per ha per year),” enthuses Dr Tang.

Such yields will be more than sufficient to provide profits to East West One Consortium, a healthy portion of which will be channelled to investors in the form of dividends as stipulated in the company’s prospectus.

EWOPS boasts a guaranteed return of fixed dividends, which are paid on a quarterly basis in addition to a 100% capital refund upon maturity. The returns range from 8% in the first five years to as high as 16% in the Premier category, with average

annual returns of 8%, 9% and 10% depending on the category invested.

Response from investors towards EWOPS has been most encouraging with more than 30% of the available units snapped up to date. To further spark awareness, East West One Consortium, which is headquartered in Kota Kinabalu, has opened up branch offices in strategic locations such as Kuala Lumpur, Penang and Malacca.

New offices will soon open in Kuching, Johor Bahru and Kota Bahru. To reach out to potential investors, more than 200 Planters Consultants who are well versed with the mechanics of EWOPS are available to brief individuals, corporate bodies and investment firms on the viability aspects of the scheme.

“The short-term and guaranteed attractive returns of up to 10% per annum are key drivers,” rationalises Dr Tang. “And the early bird investors have so far received up to four payments.”

#### SEEDLINGS

Of a total land size of just over 6,000 ha (15,000 acres), about 1,000 ha (2,500 acres) have already been terraced and is in the process of being planted. To date, the planted area is close to 800 ha (2,000 acres). Currently, East West One Consortium has





(Left to right): Datuk Peter Khoo (EWOPS' Managing Director), Dr Jessie Tang, Tan Sri Bernard Dompok (Minister of Plantation Industries and Commodities) and Datuk Seri Panglima Tham Nyip Shen (EWOPS' Chairman)

about 300,000 of seedlings in its nursery, a figure sufficient to plant more than 2,000 ha (5,000 acres).

"For a plantation of our size, it also makes economic sense to develop a 60-tonne per hour mill of our own," explains Dr Tang. "The mill will be a boon for smallholders in and around the area given they currently have to send their FFB (fresh fruit bunches) to nearby collection centres for a much lower price."

Despite obvious volatility in the pricing of crude palm oil, the medical doctor-turned-industry leader emphasises that the oil palm industry is highly sustainable and is poised to provide more than adequate returns on the medium to longer term.

"Palm oil prices have been fluctuating over the past 50 years or so but nevertheless always point to an upward trend that reflects an increase in the global population. This is because palm oil is the most cost-efficient and widely traded edible oil on the global edible oils and fats market."

For discerning investors, there are four categories of Planters Blocks under the EWOPS – Premier, Gold, Silver and Bronze – which entitle 'the Planters' to enjoy monthly returns for a period of six to eight years depending on the category invested. Of the total 16,588 Planters Blocks established, 2,668 come under the Premier category (priced at RM58,888 each) of which Phase 1 and 2 were fully sold as of end-August 2012 (Phase 3 is currently available).

There are 2,184 Blocks under the Gold category and 6,000 Blocks under the Silver category, which are priced at RM28,888 and RM10,000, respectively. The 5,736 Blocks under the Bronze category are priced at RM5,000 each. Except for the Gold category, which is for a six-

year investment period, the other three categories are for eight years.

"Anyone can join the scheme should they have spare cash, which they would rather put aside for a medium-length investment," Dr Tang points out. "If compared to a bank's 12-month fixed deposit, EWOPS pays more in terms of percentage."

This sounds a viable proposal for pensioners who are looking for safe investment instrument. With an investment term spanning six to eight years, EWOPS is obviously a worthwhile venture for the 55 to 65 age group given the investment fund will unlikely get locked up for a long time.

"This explains why even institutional investors have made enquiries and have committed funds in our scheme," quips Dr Tang. **mb**

Visit [www.eastwestone.com](http://www.eastwestone.com) for more information on the East West One Planter's Scheme (EWOPS).