

Scientex to expand Vietnam plant capacity

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SCIENTEX Inc Bhd, Asia's largest producer of stretch films, will invest as much as US\$3 million (RM9.6 million) to help expand production capacity at its plant in Vietnam.

Group managing director Lim Peng Jin said the industrial maker would raise expansion funds via a mixture of internal sources and bank borrowings.

"We will add five production lines by third quarter this year for our new product, raffia tape," Lim told reporters in Subang after the company's extraordinary general meeting.

At the meeting, shareholder approved a plan to undertake a voluntary take-over offer for shares in Scientex Packaging Bhd (SPB), which it doesn't own. Scientex currently owns more than 80 per cent of SPB.

The privatisation exercise, which might be completed by as early as April, should help the group rationalise its resources as well as improve on its liquidity, said Lim.

With this in mind, Scientex also plans to venture into the US\$180 billion (RM576 billion a year) food packaging business by the third quarter of this year.

Elsewhere, Scientex plans to build 4,200 units of double-storey landed property on 101.25ha of land in Kulai, Johor, soon.

The project, scheduled to be completed within 12 months upon commencement of construction is expected to have a gross development value of RM500 million.