

# Scientex to expand food packaging ops

## Firm plans to consolidate businesses under single entity

**SUBANG JAYA:** Scientex Inc Bhd is expanding into food packaging to enhance its exposure in the packaging industry, managing director Lim Peng Jin said.

The group, via its subsidiary Scientex Packaging Bhd (SciPack), produces industrial packaging products and solutions for the domestic market and exports.

"Our chemical division is already providing services to the food industry but we have yet to penetrate the food packaging business," Lim said after the company EGM yesterday.

"The demand for packaging products is growing and there is a huge potential to be tapped.

The global food industry is growing rapidly with an estimated value of US\$180bil." The food packaging industry in South-East Asia is growing at about 10% per annum.

The group has proposed a voluntary general offer for SciPack to consolidate the businesses of Scientex and SciPack under a single listed entity.

Scientex is involved in property development and also manufactures polymer products.

Lim said under the new entity, the group would expand the food packaging industry and acquire new machines for its food packaging processes. It is expected to invest about US\$3mil to expand production capacity at its plant in Vietnam.

"This will allow greater operational efficiency and cost savings as a result of streamlining and rationalising the resources of both companies," he added.

The exercise involves a share-swap in which one Scientex share valued at RM1.30 is offered for one SciPack share.



»The demand for packaging products is growing«

LIM PENG JIN

Lim said he expected the exercise to be completed next month. The closing date of the offer is March 17.

About 80% of Scientex shareholders had accepted the deal, he said.