

Company Name : China Stationery Limited
Date : 10 December 2012
Source : The Star Online

Pelikan Expects US\$10m To US\$20m Sales In Tie-Up With China Stationery

KUALA LUMPUR: Pelikan International Corp Bhd expects to rack up sales of some US\$10mil to US\$20mil (RM30.6mil to RM61.2mil) over the next two years from its freshly-inked dealership agreement with China Stationery Ltd (CSL), said CEO Loo Hooi Keat.

The stationery-based firms signed on Monday a two-year deal for CSL to distribute and sell Pelikan products in China and Hong Kong.

Under the agreement, CSL will distribute and sell on a non-exclusive basis Pelikan's office and stationery products via its distribution network.

The companies said in a joint statement the deal would enable Pelikan to leverage on CSL's supply chain in the fast-growing China region.

"China is such a vast market. Without this agreement, expanding there would have taken us a lot of time and expenses," Loo told reporters after the signing.

He added that Pelikan and CSL were looking to set up a research and development hub in southern China, possibly in Shenzhen or Shanghai, as Pelikan shifts focus away from its ailing European operations, which make up 80% of its business.

CSL had in October bought a 9.79% stake in Pelikan for RM50mil via a share swap.

The Fujian-based maker of plastic stationery, which made its debut on the Main Market of Bursa Malaysia in February, will also increase its production capacity to 44,000 tonnes by next year from 33,000 tonnes currently, according to executive chairman Chan Fung.