

Scientex raises RM156m from private placement

PETALING JAYA: Scientex Bhd has raised RM156 million in proceeds via a private placement exercise, which will be used as working capital and to expand its manufacturing and property development segments.

It issued 20 million new shares, which were oversubscribed by two times, at an issue price of RM7.80 per share.

“Despite the global economic doldrums, we at Scientex are confident of our growth path in the future, because we have focused our efforts to become a highly cost-efficient player and are continuing with our expansion plans to gain more market share in both our manufacturing and property segments,” its managing director Lim Peng Jin said.

Furthermore, Lim said the proceeds would enhance the group’s proforma net gearing from 0.4 times to 0.25 times as at Jan 31, 2017, which is within the management’s comfortable level of below 0.5 times.

Lim added that the incoming proceeds were timely, just as the group was witnessing an uptrend in production volumes in the second quarter ended Jan 31, 2017 for its consumer packaging, including cast-polypropylene (CPP) and biaxially-oriented polypropylene (BOPP) film.

“We have noted encouraging sales of consumer packaging films in Q2’17, as our CPP and BOPP film plants gain traction in securing new businesses, since their commencement last year. At the same time, we are making good progress in our new industrial stretch film plant in Arizona, US and are on track to complete the installation of the two production lines in end-2017.

“Together with resilient sales of affordable properties in our property development segment, we are confident of trekking a continuous growth story going forward,” he said.