

Scientex extends growth streak with 43% higher net profit of RM61.3 million in 3Q16

- *Witnessed strong sales of consumer and industrial packaging across the region, as well as buoyant demand for affordable properties in Johor and Melaka*
- *Shareholders approve 1-for-1 bonus issue of up to 230.0 million new ordinary shares of RM0.50 par*
- *Declares interim dividend of 12 sen per share, payable on 5 August 2016*

Shah Alam, Selangor, Malaysia, 1 June 2016 - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCI MK; Reuters: STIK.KL) continued its growth streak by recording 42.6% higher net profit of RM61.3 million in the third quarter ended 30 April 2016 (3Q16), compared to RM43.0 million a year ago.

3Q16 group revenue rose 19.5% to RM543.9 million from RM455.3 million previously.

3Q16 manufacturing sales increased 20.1% to RM382.8 million from RM318.8 million previously, as Scientex expanded its customer coverage in the Asia Pacific region. The property segment meanwhile noted 18.0% higher revenue of RM161.1 million in 3Q16 versus RM136.5 million a year ago, on the back of progress billings and steady take-up rates for properties in Melaka as well as Pasir Gudang, Skudai, Kulai and Senai in Johor.

Of total manufacturing revenue in 3Q16, consumer packaging sales contributed RM183.9 million, growing 44.6% year-on-year from RM127.1 million. Industrial packaging revenue amounted to RM198.9 million, 3.8% higher than RM191.6 million a year ago.

“Scientex is clearly benefitting from the expansion of our consumer packaging operations, which allows us to become a larger-scale and operationally-efficient producer. Serving the recession-proof food and beverage (F&B) and fast moving consumer goods (FMCG) sectors also work to our advantage in terms of sales stability and growth.

Furthermore, our Scientex technical development team is spearheading new product development in line with the changing form factor of packaging. For instance, the prevalence of e-commerce has resulted in higher demand for protective packaging, while packaging for the healthcare sector has to adhere to higher standards of hygiene. In this respect, we are actively engaging with customers to introduce new innovations to hone our competitive edge.

Similarly, our property division has fared well with steady take up rates, and has total unbilled sales of RM652.7 million to be recognised until 2018. We intend to maintain the strategy of offering affordable homes below the RM500,000 mark to fulfil market demand for affordable properties.”

Mr. Lim Peng Jin (林炳仁)
Managing Director of Scientex Berhad

For the nine months ended 30 April 2016 (9m16), group revenue rose 21.5% to RM1.6 billion from RM1.3 billion previously, driven largely by increased contribution from consumer packaging.

Net profit grew at a faster pace of 70.9% to RM186.7 million from RM109.3 million a year ago, enhanced by favourable sales mix within and across segments, and reduced effective tax rate due to Reinvestment Allowances.

The Board of Directors proposed an interim single tier dividend of 12 sen per share, with ex-dividend and payment dates of 14 July 2016 and 5 August 2016 respectively.

Lim remained optimistic of the Group's prospects, given the smooth progress of capacity expansion and ongoing business development activities in the consumer packaging division.

Scientex's consumer division currently comprises polyethylene (PE), cast polypropylene (CPP) and biaxially oriented polypropylene (BOPP) films. The Group is also on track to commence operations of its upcoming new BOPP plant in mid-2016, which would increase its BOPP production capacity by 10 times to 60,000 MT p.a. PE, CPP and BOPP films are components required by flexible packaging manufacturers.

“With our upcoming new BOPP facility complementing our CPP and PE film plants, Scientex is poised to be a single-source supplier for F&B and FMCG players and converters in Asia Pacific. We believe that this would enable us to make significant inroads in the region in the years to come,” concluded Lim.

At the Extraordinary General Meeting today, Scientex shareholders approved the 1-for-1 bonus issue which would entail the issuance of up to 230.0 million new shares of RM0.50 par. The bonus issue, which is targeted for completion in the third quarter of 2016, would increase the liquidity of the Group's shares, and also enlarge the Group's existing issued and paid up capital to reflect its current scale of operations.

Financial Summary (Unaudited Consolidated Results)						
RM'000	3Q16 to 30.04.16	3Q15 to 30.04.15	Change	9m16 to 30.04.16	9m15 to 30.04.15	Change
Revenue	543,896	455,250	19.5%	1,639,923	1,349,186	21.5%
Operating profit (EBIT)	77,848	58,359	33.4%	238,466	147,854	61.3%
Profit before tax	75,791	56,505	34.1%	236,424	143,966	64.2%
Net profit to shareholders	61,255	42,958	42.6%	186,730	109,279	70.9%
Basic EPS (sen)	26.86	19.02	41.2%	82.39	48.69	69.2%

About Scientex Berhad (森德公司, www.scientex.com.my)

Scientex Berhad (Scientex) is a leading industrial packaging manufacturer and a reputable property developer in South Malaysia. Scientex is also the largest stretch film producer in Asia and among the top three globally with a production output of 120,000 MT annually.

Established in 1968 as a PVC cloth and leather manufacturer, Scientex today produces stretch film, consumer packaging (PE, BOPP and CPP films), PP strapping bands, form-fill-seal (FFS) bags, polypropylene (PP) and PE woven and laminated bags, raffia tapes, flexible intermediate bulk containers (FIBC), polyurethane (PU) adhesives and polymer materials such as laminated products, TPO and PVC sheets for automotive interior parts and solar encapsulant films.

To date, Scientex has manufacturing facilities in Malaysia and Vietnam; as well as sales and marketing arms in Japan, Indonesia, and Singapore. Approximately 75% of its manufacturing products are exported to over 60 countries worldwide.

Scientex's property arm has township development projects in Pasir Gudang, Kulai, Skudai and Senai, all in Johor, and in Ayer Keroh, Melaka. Its township developments are the 1,100-acre Taman Scientex Pasir Gudang, the 250-acre Taman Scientex Kulai I, the 48.4 acre Taman Scientex Kulai II, the 150-acre Taman Mutiara Mas, Skudai; the 250-acre mixed development of Taman Scientex Senai in Johor and the 137-acre Taman Muzaffar Heights in Ayer Keroh. It has also recently acquired a 323-acre land in Pulai, Johor slated for mixed development. To date, Scientex has delivered more than RM2.4 billion worth of properties and has projects-in-hand of RM1.4 billion.

Issued for and on behalf of SCIENTEX BERHAD by Aquilas Advisory (Malaysia) Sdn. Bhd.

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