

Scientex doubles up performance in three years

- *Net profit leaps 52.3% to RM240.9 million on manufacturing segment growth and resilient demand for affordable properties in Johor*
- *Consumer packaging to lead manufacturing segment growth in the year ahead*
- *New launch of affordable properties in Pulai, Johor with more than 80% taken up to date*
- *Proposes final single-tier dividend of 10 sen per share*

Shah Alam, Selangor, Malaysia, 26 September 2016 - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCI MK; Reuters: STIK.KL) recorded RM240.9 million net profit on RM2.2 billion revenue in the financial year ended 31 July 2016 (FY2016), successfully doubling up within three years, ahead of its initial five year internal vision.

On a year on year basis, Scientex's net profit and revenue grew 52.3% and 22.2% respectively from RM158.2 million and RM1.8 billion previously.

Scientex's Managing Director Mr Lim Peng Jin said that the strong outperformance is the result of organic and inorganic expansions in the Group's consumer packaging operations, as well as the broadening of its clientele.

“Scientex is making excellent headway in the consumer packaging segment. FY2016 growth was propelled by expansions in our polyethylene (PE) film production capacity and larger clientele across the region.

In September 2016, we will commission our new biaxially oriented polypropylene (BOPP) film plant, which will enable us to sell a more comprehensive range of consumer packaging films. This would also allow us to further grow our market share in the food and beverage (F&B) market in Malaysia and Asia Pacific.

With this, Scientex would emerge as a fully integrated single-source supplier of both industrial and consumer packaging products in Asia Pacific, synonymous with high quality and product innovation to meet increasing demand in the region.

Complemented with steady demand for the Group's affordable properties in Johor, we are confident that our growth momentum would be sustained going forward.”

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

Of total FY2016 revenue, Scientex's manufacturing segment remained the major contributor at RM1.5 billion, rising 20.5% from RM1.3 billion a year ago.

Growth in the manufacturing segment was led by higher consumer packaging sales, which increased 44.7% to RM745.8 million from RM515.4 million earlier on larger

clientele and full-year contribution from Scientex Great Wall (Ipoh) Sdn Bhd (formerly known as Mondi Ipoh Sdn Bhd), which was acquired in August 2015. Exports made up 53.1% of consumer packaging revenue in FY2016, from 44.3% a year ago.

Sales of industrial packaging grew 4.3% to RM803.7 million from RM770.5 million earlier.

The Group also benefitted from a lower effective tax rate of 19.5% in FY2016 compared to 26.6% in the previous year due to reinvestment allowances.

Meanwhile, Scientex's property development segment contributed the remaining RM651.5 million of FY2016 revenue, an increase of 26.3% from RM515.7 million a year ago, attributed to strong take-up rates and higher progress billings for the Group's ongoing projects in Pasir Gudang, Kulai, Skudai, Senai, and Melaka.

Unbilled sales of its property development segment amounted to RM717.2 million as at 31 July 2016, to be recognized until 2019.

For the fourth quarter ended 31 July 2016 (4Q16), Group net profit rose 10.7% to RM54.1 million from RM48.9 million a year ago, while revenue expanded 24.0% to RM561.1 million from RM452.5 million previously. The growth is mainly attributed to higher revenue contribution and better operational efficiency in the Group's consumer packaging operations, and resilient demand for its affordable properties in Johor.

In respect of FY2016, the Group proposed a final single-tier dividend of 10 sen per share, subject to approval by shareholders at the upcoming Annual General Meeting. Together with the earlier paid interim single-tier dividend of 6* sen per share, total dividends in respect of FY2016 amount to 16* sen or RM73.6 million in payouts, and make up 30.6% of FY2016 net profit. (**Based on enlarged share base comprising 460 million ordinary shares of RM0.50 each after 1-for-1 bonus issue completed on 15 August 2016*)

Based on the previous base of 230 million ordinary shares prior to its 1-for-1 bonus issue, Scientex declared total dividends of 32 sen per share in respect of FY2016.

On future prospects, Lim expressed confidence on Scientex delivering commendable growth in the current financial year ending 31 July 2017 (FY2017).

“Our consumer packaging operations would continue to lead growth in the year ahead, driven mainly by increasing sales and clientele of our PE film operations. We also expect to complete the ongoing capacity expansions of our PE film operations in 2017, which would allow us to target more growth opportunities going forward.”

“For our property development segment, we are confident that demand for affordable homes would remain firmly intact. A case in point is our maiden launch in Pulai in July 2016, comprising 341 units of double-storey and 2.5-storey terrace homes with gross development value of RM128.8 million, which has seen a take up of more than 80% to date.”

“In this regard, we target to launch approximately RM600 million worth of projects in FY2017, primarily focusing on the affordable residences market, and are optimistic on achieving respectable sales for the year.”

Financial Summary (Unaudited Consolidated Results)						
RM'000	4Q16 to	4Q15 to	Change	FY16 to	FY15 to	Change
	31.07.16	31.07.15		31.07.16	31.07.15	
Revenue	561,057	452,498	24.0%	2,200,980	1,801,684	22.2%
Operating profit (EBIT)	74,094	77,123	-3.9%	312,560	224,978	38.9%
Profit before tax	69,908	76,996	-9.2%	306,332	220,962	38.6%
Net profit to shareholders	54,135	48,911	10.7%	240,865	158,190	52.3%
Basic EPS (sen)	23.54	21.66	8.7%	105.88	70.43	50.3%

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 world's largest producers 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 (blown film, BOPP film, and CPP film), PP strapping bands, form-fill & seal (FFS) bags, polypropylene (PP) and polyethylene (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, Senai, and Pulai, 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, the 326-acre Taman Scientex Pulai in Johor, and the 137-acre Taman Muzaffar Heights in Ayer Keroh. To date, Scientex has delivered more than RM2.6 billion worth of properties and has projects-in-hand of RM1.5 billion.

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

For media enquiries, please contact:

Ms. Julia Pong

julia@aquilas.com.my

Tel: +603-2711 1391 H/P: +6012-3909 258

Mr. Tay Tze Yi

tayty@aquilas.com.my

Tel: +603-2711 1391 H/P: +6016-3380 555