

Scientex to invest USD25 million into new manufacturing facility in USA

- *Group's first overseas stretch film plant to produce quality stretch film for North, Central and South Americas, leveraging on highly-efficient production practices and strategic location*
- *New plant to house two new lines with production capacity of 30,000 metric tonnes (MT) per annum*

Shah Alam, Selangor, Malaysia, 10 November 2016 - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCI MK; Reuters: STIK.KL) is investing USD25 million to set up a new stretch film manufacturing plant in Arizona, United States of America and has formed a wholly-owned subsidiary **Scientex Phoenix, LLC** to undertake the new venture in Arizona.

Scientex Phoenix, LLC would produce quality stretch film to target the North, Central and South American markets. The plant would tap into these huge markets, and take advantage of the anticipated ample supply of shale gas-based resin for its raw materials.

The new plant would be Scientex's first stretch film plant overseas, complementing the Group's existing facilities in Pulau Indah, Malaysia. Upon its targeted completion in end-2017, the Arizona plant would house two stretch film lines with annual production capacity of 30,000 metric tonnes (MT), effectively reinforcing Scientex's position among the top stretch film suppliers in the world.

“Being the largest stretch film producer in Asia Pacific, Scientex is today the leading supplier of stretch film for Japan. With this new Arizona plant, we will bring into the market our proven Japanese quality stretch film, using our expertise in cost-efficient production.

The new plant would also create job opportunities in Arizona, supporting the initiatives of the state government.

Moreover, our strategic location in the USA places us close to the source of raw materials, enabling us to enjoy competitive prices and cost savings in logistics. Combined with our strong track record in highly-efficient production practices, we believe that this new plant would enhance our competitive advantage in the global arena.”

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

The USD25 million investment, financed by internally-generated funds and bank borrowings, would be utilised to acquire the building facility and machineries, as well as working capital.

Lim added that Scientex exports some of its stretch film to the USA at present, despite the current long lead time and high freight costs.



“Setting up a manufacturing base close to customers would enable us to establish a more significant foothold in the US market by catering to their requirements to a greater degree and in a quicker manner. This would boost Scientex’s reputation as a leading supplier of stretch film for various industries worldwide,” concluded Lim.

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.

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.

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For media enquiries, please contact:

Ms. Julia Pong

julia@aquilas.com.my

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

Mr. Tay Tze Yi

tayty@aquilas.com.my

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