

Scientex targets to fill up BOPP consumer packaging capacity over two years

- *New 60,000 MT p.a. biaxially-oriented polypropylene (BOPP) manufacturing plant commenced in September 2016; eyeing opportunities in domestic and export markets*
- *Recent launch of affordable homes in new Pulai township registers excellent public response with bookings of close to 75%*
- *Shareholders approve single-tier final dividend of 10 sen per share payable on 13 January 2017*

Shah Alam, Selangor, Malaysia, 15 December 2016 - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCIMK; Reuters: STIK.KL) targets to fill up the capacity of its newly-commenced biaxially oriented polypropylene (BOPP) film manufacturing plant over the next two years, following its commencement in September 2016.

The new BOPP film manufacturing plant with annual capacity of 60,000 metric tonnes effectively strengthens the Group's capability to supply flexible packaging films to packaging converters and other manufacturers in the region. The Group's other consumer packaging products include polyethylene (PE) and cast-polypropylene (CPP) films.

“With three major product categories now in our portfolio, Scientex is now a formidable and comprehensive consumer packaging provider in the region.

Our BOPP film is undergoing trial runs with potential customers in Malaysia and Southeast Asia with encouraging feedback to date. Together with the supply to our joint venture partner Futamura Chemical Co., Ltd. which would take up one-third of our capacity, we are well on track to reach our target of filling up the BOPP plant capacity over the next two years.

Overall, our integrated flexible consumer packaging operations is now strongly positioned to tap into growth opportunities in Asia Pacific, where consumer-driven demand is anticipated to be on an uptrend for the long term. We are confident that our range of films featuring superior quality and cost leadership would be well-accepted by converters and manufacturers in the region.”

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

Scientex's manufacturing segment contributed RM379.7 million in revenue for the first quarter ended 31 October 2017 (1Q17), compared to RM392.0 million previously. The lower contribution was attributed to weaker orders for industrial and consumer packaging in the quarter.

The Group's property segment contributed RM155.0 million to 1Q17 revenue, largely unchanged from RM158.6 million a year ago.



Combined, 1Q17 revenue amounted to RM534.7 million, declining marginally from RM550.6 million previously. 1Q17 net profit stood at RM52.1 million, 14.5% lower from RM60.9 million previously due to the lower revenue and the Group's enlarged scale of operations on commencement of new manufacturing plants.

Commenting on the Group's performance and future prospects, Lim said:

"In 1Q17, we experienced slower orders of industrial and consumer packaging in Malaysia and key export markets due to weaker consumer sentiment and economic uncertainties. That said, the region holds positive long-term prospects in line with various development initiatives. Scientex, with our wide product portfolio, is ready to capture a greater share of regional demand and achieve optimal utilisation rate for our new plants."

"In our property development segment, we will continue to roll out affordable homes to fulfil consumer demand. Our most recent launches in the 326-acre Taman Mutiara Pulai township in Johor have seen excellent response with bookings of close to 75% since mid-2016. We target to launch up to RM700 million worth of new property launches for FY2017, compared to RM660 million in the previous year as we continue to see resilient demand for our projects," Lim concluded.

Of the new property launches planned for FY2017, Scientex launched RM181 million worth of properties in 1Q17.

Apart from Pulai, Scientex's other ongoing township developments are located in Pasir Gudang, Kulai, Senai, and Skudai in Johor, as well as Ayer Keroh in Melaka. The Group has ongoing projects of RM1.6 billion in gross development value as at 1Q17.

At the Annual General Meeting today, shareholders approved the final dividend of 10 sen per share, with ex-dividend and payment dates of 28 December 2016 and 13 January 2017 respectively.

Together with an earlier-paid interim dividend of 6* sen per share, total dividend declared amounted to 16* sen per share in respect of FY2016. This translates into a payout of RM74.0 million or 30.7% of FY2016 net profit. Comparatively, Scientex paid total dividend of 11* sen in the previous financial year ended 31 July 2015 (FY2015). Scientex has a dividend policy to pay out a minimum of 30% of its net profit to shareholders.

**adjusted based on 460,000,000 ordinary shares of RM0.50 each after 1:1 bonus issue*



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, the 326-acre Taman Mutiara Pulai in Johor, and the 137-acre Taman Muzaffar Heights in Ayer Keroh. To date, Scientex has delivered more than RM2.7 billion worth of properties and has projects-in-hand of RM1.6 billion.

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

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