

Scientex expects consumer packaging exports to drive FY2017 growth

- **Manufacturing segment's new BOPP and CPP film production lines seeing increasing sales**
- **2Q17 net profit rises to RM65.19 million on higher revenue of RM586.25 million**

Shah Alam, Selangor, Malaysia, 22 March 2017 - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCIMK; Reuters: STIK.KL) expects its growth in the financial year ending 31 July 2017 (FY2017) to be driven by exports of its enlarged consumer packaging business.

As at end-December 2016, the Group had completed its expansions in *biaxially-oriented polypropylene* (BOPP) film manufacturing and setup of its new *cast-polypropylene* (CPP) film plant.

The enlarged capacity helped Scientex achieve its best quarterly performance in its corporate history in the second quarter ended 31 January 2017 (2Q17), with revenue and net profit of RM586.25 million and RM65.19 million respectively.

For comparison, the Group achieved revenue and net profit of RM545.43 million and RM64.62 million respectively in the corresponding quarter a year ago.

“Our new BOPP and CPP film manufacturing plants are seeing encouraging progress with growing sales to both local and export markets. We look forward to ramping up production in subsequent quarters, as we complete various qualification process with existing partners as well as secure new customers going forward.

We are also on track to complete the expansions of our *polyethylene* (PE) film manufacturing plants in the second half of 2017. Our PE film manufacturing capacity has now increased to 72,000 metric tonnes per annum (MT p.a.) from 60,000 MT p.a., and would reach a total of 84,000 MT p.a. upon completion. This provides us the additional production capacity to sustain long term growth.

Meanwhile, Scientex's property development segment continues to perform positively on the back of resilient demand for affordable properties. We have recently extended our footprint to Northern Malaysia with the launch of two new projects in Ipoh which saw encouraging sales and would strengthen our prospects going forward.”

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

Scientex's manufacturing segment made up RM411.91 million of 2Q17 revenue, growing 2.5% from RM401.99 million previously, attributed to stronger contribution from the new BOPP and CPP film manufacturing plants.

Meanwhile, the Group's property segment contributed RM174.34 million to 2Q17 revenue, growing 21.5% from RM143.44 million a year ago on stable sales of ongoing projects and new launches in the Group's developments.

Cumulatively, revenue for the first half ended 31 January 2017 (1H17) amounted to RM1.12 billion, increasing 2.3% from RM1.10 billion previously. 1H17 net profit stood at RM117.25 million, 6.6% lower from RM125.48 million previously, due to lower contribution from the manufacturing segment.

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

"Coming off from a subdued 1Q17 on weaker prospects in domestic and export markets, our manufacturing segment has noted a promising uptick in production volume in 2Q17, led by increasing sales of consumer packaging films. This was largely attributed to the progress of our CPP and BOPP film plants, which are steadily securing new businesses."

"Going forward, we strive to increase sales of flexible packaging across our manufacturing business, through larger orders from existing customers, as well as securing new customers".

"Coupled with our exposure to the affordable properties segment which is anticipated to be resilient, we are confident of prospects for the rest of FY2017."

Financial Summary (Unaudited Consolidated Results)						
	2Q17		2Q16	1H17		1H16
RM'000	31.1.17	31.1.16	Change	31.1.17	31.1.16	Change
Revenue	586,248	545,429	7.5%	1,120,932	1,096,027	2.3%
Operating profit (EBIT)	82,560	78,553	5.1%	151,394	160,618	-5.7%
Profit before tax	81,832	79,853	2.5%	148,245	160,633	-7.7%
Net profit to shareholders	65,192	64,622	0.9%	117,249	125,475	-6.6%
Basic EPS (sen)	14.09	14.29	-1.4%	25.41	27.77	-8.5%



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

Scientex Berhad (Scientex) is a leading manufacturer of industrial and consumer packaging, with operations in Malaysia, Vietnam, and Indonesia. Renowned for its quality and reliability, the Group's products are sold to more than 60 countries, and trusted by prominent distributors and manufacturers in various sectors for their packaging needs. Scientex is also a reputable property developer with developments in the states of Johor, Melaka, and Perak in Malaysia.

For more information, please log on to www.scientex.com.my

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