

Scientex raises RM156 million in private placement

- *Completes issuance of 20 million new shares to third-party institutional funds at RM7.80 apiece*
- *Proceeds to fund expansion plans and working capital requirements in manufacturing and property development segments*

Shah Alam, Selangor, Malaysia, 17 May 2017 - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCI MK; Reuters: STIK.KL) has raised RM156.0 million in proceeds through a private placement exercise, involving the issuance of 20 million new shares at issue price of RM7.80 per share.

The 20 million private placement shares were more than twice oversubscribed, attracting long-term institutional funds of asset management companies, retirement and pension funds, insurance companies, foundation and banking corporations. The issuance of placement shares to these third-party investors represented 4.3% of the Group's total number of issued ordinary shares (excluding treasury shares) of 463.6 million, and raised its number of issued ordinary shares to 483.6 million.

The RM156.0 million gross proceeds raised from the exercise would be utilised as working capital and to fund its expansion plans of its manufacturing and property development segments.

“Despite the global economic doldrums, we at Scientex are confident of our growth path in the future, because we have focused our efforts to become a highly cost-efficient player and are continuing with our expansion plans to gain more market share in both our manufacturing and property segments.

This corporate exercise was primarily to give established institutional funds an opportunity to participate in the advancement of Scientex. We are heartened by the overwhelming support of long-term funds for this exercise, and believe that it underscores their trust in our ability to deliver sustainable growth.”

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

Additionally, the proceeds would enhance the Group's proforma net gearing from 0.40 time to 0.25 time as at 31 January 2017, which is within the management's comfortable level of below 0.50 time.

Lim added that the incoming proceeds were timely, just as the Group was witnessing an uptrend in production volumes in the second quarter ended 31 January 2017 (2Q17) for its consumer packaging, including *cast-polypropylene* (CPP) and *biaxially-oriented polypropylene* (BOPP) film.



“We have noted encouraging sales of consumer packaging films in 2Q17, as our CPP and BOPP film plants gain traction in securing new businesses, since their commencement last year. At the same time, we are making good progress in our new industrial stretch film plant in Arizona, USA, and are on track to complete the installation of the two production lines in end-2017.”

“Together with the resilient sales of affordable properties in our property development segment, we are confident of trekking a continuous growth story going forward,” concluded Lim.

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 Perak, Malacca, and Johor in Malaysia.

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

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