

Scientex reaches new record in quarterly earnings

- *3Q17 net profit rises to quarterly record of RM66.5 million on best-ever revenue from property and manufacturing segments*
- *New BOPP and CPP film production lines noting healthy sales to domestic and export markets*
- *Declares 6 sen interim dividend in respect of FY2017*

Shah Alam, Selangor, Malaysia, 20 June 2017 - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCI MK; Reuters: STIK.KL) reached a new record in quarterly performance in the third quarter ended 30 April 2017 (3Q17) with 8.6% increase in net profit to RM66.5 million and 17.0% gain in revenue to RM636.2 million.

The stronger performance was mainly attributed to stronger exports in the Group's manufacturing segment and higher progress billings for ongoing property development projects.

“Our consumer packaging reported growth in adoption from export customers, especially for cast-polypropylene (CPP) and biaxially-oriented polypropylene (BOPP) films which started in early and end-2016 respectively.

Meanwhile, the ongoing expansion at our consumer packaging plant in Ipoh to double up annual capacity to 24,000 metric tonnes is expected to complete by August 2017. The increased capacity, particularly for form-fill-seal (FFS) bags, hygiene bags, and label films, would allow for additional growth in our consumer packaging division.

Additionally, our new stretch film plant in Arizona, United States, is seeing good progress in factory renovations. We have also acquired five stretch film rewinders that are set to commence in October 2017, and two cast film production lines to be installed in December 2017 and early-2018 respectively.

Furthermore, our property development segment continues to achieve commendable sales, with average take-up rate above 75% across ongoing projects as at 3Q17. As a recognised leader in affordable developments, we will continue to focus on bringing reasonably priced and quality houses to the masses, and look forward to consistently growing our property division.”

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

Approximately 70% of total 3Q17 revenue was derived from the manufacturing segment with RM442.8 million, which rose 15.7% from RM382.8 million previously. The boost was led by exports of industrial and consumer packaging. Exports made up 75.9% of manufacturing segment revenue in 3Q17, compared to 72.4% in 3Q16.

The Group's property segment contributed the remaining RM193.4 million to 3Q17 revenue, growing 20.0% from RM161.1 million a year ago on higher progress billings for ongoing development projects in Johor, Melaka and Ipoh.

Cumulatively, revenue for the nine months ended 30 April 2017 (9M17) amounted to RM1.8 billion, increasing 7.1% from RM1.6 billion previously. However, the Group posted a marginal decline in net profit to RM183.7 million from RM186.7 million a year ago, in line with the Group's market penetration strategy.

Scientex declared an interim dividend of 6 sen per share in respect of FY2017, with ex-date on 5 July 2017 and payable on 21 July 2017. The estimated payout would stand at RM29.0 million or 15.8% of 9M17 net profit. The Group has a dividend policy to distribute at least 30.0% of net profit to shareholders.

Commenting on future prospects, Lim said:

"We are pleased that the expansion plans for our consumer packaging segment are en route for completion by end-2017, rendering us able to focus on maximizing its capacity in the near term."

"Meanwhile, we continue to replenish our landbank, and have recently completed the acquisition of 197.4 acres of land in Melaka. We also expect to complete the purchase of another 121.2 acres of land situated in Senai, Johor in the second half of 2017."

"With demand for affordable homes on the rise, we would strive to launch more projects going forward to capture a larger share of the market."

Financial Summary (Unaudited Consolidated Results)						
	3Q17	3Q16		9M17	9M16	
RM'000	30.4.17	30.4.16	Change	30.4.17	30.4.16	Change
Revenue	636,154	543,896	17.0%	1,757,086	1,639,923	7.1%
Operating profit (EBIT)	88,173	77,848	13.3%	239,567	238,466	0.5%
Profit before tax	85,440	75,791	12.7%	233,685	236,424	-1.2%
Net profit to shareholders	66,497	61,255	8.6%	183,746	186,730	-1.6%
Basic EPS (sen)	14.34	13.43	6.8%	39.77	41.20	-3.5%



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

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

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