

Scientex delivers strong double-digit growth in 1Q18

- *1Q18 net profit leaps 39.1% to record high RM72.4 million on higher exports in Group's manufacturing segment and increased sales of affordable houses in Peninsular Malaysia*
- *Eyes better performance in FY2018 from exports and affordable home sale*
- *Shareholders approve final dividend of 10 sen per share in respect of FY2017*

Shah Alam, Selangor, Malaysia, 6 December 2017 - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCI MK; Reuters: STIK.KL) saw strong double-digit growth in its core businesses of manufacturing and property development, as net profit leapt 39.1% to RM72.4 million in the first quarter ended 31 October 2017 (1Q18) compared to RM52.1 million last year.

Revenue grew 23.2% to RM658.7 million in 1Q18 versus RM534.7 million previously, attributed mainly to higher exports of flexible packaging and increased revenue contribution from the sales of affordable homes across its property developments.

Scientex's 1Q18 results is its best-ever quarterly performance since listing on Bursa Malaysia Securities Berhad in 1990.

The Group is nearing completion of its RM500 million expansion plan for the manufacturing segment since 2014. To date, it has not only expanded its maximum annual output to 344,000 metric tonnes (MT) from 184,000 MT in 2014, but also broadened its line of packaging products.

The Group would also commence operations of a new stretch film manufacturing facility in Arizona, United States in January 2018, with maximum annual output of 30,000 MT.

"We expect to deliver stronger performance in the current financial year ending 31 July 2018 (FY2018), as we enlarge our customer reach in the export markets alongside our capacity expansions. Additionally, our new stretch film facility in Arizona, United States would add a new dimension in our stretch film performance, as we stand to benefit from good logistics connectivity to major resin suppliers and customers in the Western region.

In FY2018, we would also launch more affordable homes, and expect to exceed the RM620 million worth of new launches last year. Our property offerings are targeted at meeting resilient demand in the affordable sector, and are expected to register satisfactory sales performance."

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

The Group's manufacturing segment contributed RM469.1 million to total 1Q18 revenue, growing 23.6% from RM379.7 million last year. The property development segment contributed RM189.6 million, up 22.3% from RM155.0 million in the previous year.

At the Group's Annual General Meeting today, shareholders approved the payment of a final dividend of 10 sen per share in respect of the financial year ended 31 July 2017 (FY2017), with ex-date on 26 December 2017 and payable on 26 January 2018.

Together with an earlier paid interim dividend of 6 sen per share, total dividend in respect of FY2017 stands at 16 sen per share with total payout of approximately RM77.4 million or 30.2% of FY2017 net profit. Scientex has a policy to distribute at least 30% of net profit to shareholders.

Additionally, at an Extraordinary General Meeting today, shareholders approved a Dividend Reinvestment Plan (DRP) that provides shareholders the option to reinvest their cash dividend in new ordinary shares of the Group. Under the DRP, the new shares may be issued at a discount, which would benefit existing shareholders seeking to increase their shareholdings. The Group also expects to retain additional funds for working capital or capital expenditure, and potentially improve trading liquidity of its shares resulting from the enlarged share capital base.

Financial Summary (Unaudited Consolidated Results)			
	1Q18	1Q17	
RM'000	31.10.17	31.10.16	Change
Revenue	658,682	534,684	23.2%
Operating profit (EBIT)	93,238	68,834	35.5%
Profit before tax	92,566	66,413	39.4%
Net profit to shareholders	72,402	52,057	39.1%
Basic EPS (sen)	14.97	11.32	32.2%



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

Scientex Berhad (Scientex) is a leading 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, blown film, BOPP film, 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, Vietnam, and the United States of America; 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 and Durian Tunggal, 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 Taman Scientex Senai, the 326-acre Taman Pulai Mutiara in Johor, the 137-acre Taman Muzaffar Heights in Ayer Keroh, the 197-acre Taman Scientex in Durian Tunggal, and the 80-acre mixed development in Ipoh. It has also recently acquired a 121-acre land in Senai, Johor, and 65-acre land in Rawang, Selangor. To date, Scientex has delivered more than RM3.5 billion worth of properties and has projects-in-hand of RM1.4 billion.

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

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