

Scientex eyes global top 5 spot by end-2011

By Azlan Abu Bakar
alan@nstp.com.my
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SCIENTEX Bhd, an industrial packaging manufacturer and property developer, aims to be among the top five stretch film producers in the world by end- 2011.

Its managing director Lim Peng Jin said the company is confident of reaching the target, especially following the installation of a new stretch film production at its plant in Pulau Indah in Selangor.

"We spent RM24 million on capital expenditure for the financial year ended July 31 2010, of which 60 per cent was used for the line expansion," he said.

Speaking to reporters after Scientex's shareholders meeting in Subang Jaya yesterday, Lim said with the installation, the plant now boasts eight lines with annual production capacity of 100,000 tonnes of stretch films, an increase of 15,000 tonnes from before.

The production line is expected to contribute positively to the group's profitability in financial year 2011.

To date, Scientex has factories in Malaysia and Vietnam, with sales and marketing arms in Japan and Indonesia. More than 78 per cent of its products are exported to over 60 countries. Lim said the company is also looking at spending another RM18 million to increase capacity, where investments will cover facilities for both the stretch film and strapping band.

In total, Scientex have spent close to RM130 million in capital expenditure since 2006. As for property development, Lim said Scientex has several townships and mixed development projects in hand, namely in Pasir Gudang, Kulai, Skudai and Ayer Keroh, with a gross development value of RM1.8 billion.

"The projects can last us up to 10 years," he said.

For the first quarter ended October 31 2010, Scientex posted a 33.6 per cent rise in net profit to RM17 million, against RM12.7 million for the same period last year. It was on the back of a 13.2 per cent increase in revenue to RM186.6 million from RM164.7 million previously.