

25-06-2008: Scientex 3Q net profit up 47% to RM10.3m

by Surin Murugiah

KUALA LUMPUR: Scientex Bhd's net profit for the third quarter (3Q) ended April 30, 2008 rose 47% to RM10.3 million from RM7 million a year earlier, driven by property sales at its flagship Taman Scientex project in Johor as well as improved performance from its manufacturing business.

Its revenue climbed 10% to RM165.6 million from RM150.3 million in 2007, while operating profit margin improved from 6.2% to 8.4% due to higher selling prices as well as overall improvement in operational efficiency in the manufacturing division.

Scientex yesterday declared an interim dividend of three sen per share.

In a statement, its group managing director Lim Peng Jin said the results reflected the successful execution of its strategy to focus on enhancing competitiveness in each core business to ensure long-term sustainable earnings growth.

The company said its property division was anchored by the 445.34ha-Taman Scientex township development in Pasir Gudang of which 40% has been developed.

Scientex has another 101.21ha of mixed residential and commercial property in Kulai that is expected to contribute positively to its future profits.

The company said the Kulai project would start contributing revenue in 2H08, and said the two ongoing developments were expected to generate a gross development value (GDV) of RM1.3 billion over the next eight to 10 years.

Meanwhile, Scientex said its wholly owned Scientex Packaging had entered into a joint venture (JV) with Japan-based Tsukasa Chemical Industry Co Ltd to further expand its Vietnam operations.

It said the JV entailed each party injecting US\$1 million (RM3.3 million) into Scientex Packaging's existing packaging entity Woventex (Vietnam) Co Ltd to expand its capacity and product range.

Woventex produces packaging products such as polypropylene (PP) and polyethylene woven bags, fabrics and flexible intermediate bulk containers (FIBC).

Scientex said the JV would create synergies through operational integration and transfer of technological know-how, as well as tapping into Tsukasa Chemical's established distribution networks in Japan.