

Scientex accelerates growth pace in 3Q19

- *Double-digit revenue and net profit growth boosted by better utilisation rate at existing manufacturing operations and contributions from newly-acquired subsidiaries; steady progress billings in property projects*
- *Declares first interim dividend of 10 sen in respect of FY2019*

Shah Alam, Selangor, Malaysia, 26 June 2019 - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCI MK; Reuters: STIK.KL) reported accelerated growth pace in the third quarter ended 30 April 2019 (3Q19) with double-digit expansion in revenue and net profit.

3Q19 revenue rose 38.9% to RM828.5 million in 3Q19 from RM596.4 million previously.

The manufacturing segment constituted RM602.8 million revenue in 3Q19, increasing from RM452.1 million previously mainly due to better utilisation rate of existing operations and contributions from newly-acquired subsidiaries.

This was complemented by a strong showing in the property development segment, as revenue improved to RM225.6 million from RM144.3 million a year ago, on new sales and progress billings in property projects in Johor, Melaka, Rawang, and Ipoh.

Meanwhile, group net profit grew 19.2% to RM72.9 million in 3Q19 from RM61.1 million previously, driven mainly by the improved performance at the property development segment, which offset foreign exchange losses at the manufacturing segment.

“Our ability to track commendable progress in the flexible plastic packaging (FPP) and property development businesses despite a keener operating landscape, attests to our competitive edge in providing customer-centric high-quality products to discerning local and international customers.

Our FPP segment stands to gain further traction, as we not only grow sales in existing businesses, but also potentially add Daibochi’s acquisition of Mega Plastic & Packaging (MPP) to the mix.

For our property development segment, we would continue to launch more projects as well as expand our landbank. The recent 526 acres of lands purchased from April 2019 to date across Melaka, Rawang, Ipoh, and Penang brings our landbank to 3,795 acres, and demonstrates our commitment to build more affordable homes.”

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



For the nine months ended 30 April 2019 (9M19), group revenue rose 22.7% to RM2.3 billion from RM1.9 billion previously. Net profit remained largely unchanged at RM200.3 million in 9M19 versus RM201.5 million previously, as the manufacturing segment's performance was weighed by foreign exchange translation effects.

Scientex had since April 2019 held a 61.9% stake in Daibochi, a leading regional FPP provider that serves reputed multinational consumer brands.

In May 2019, Daibochi announced the proposed acquisition of MPP, which focuses on downstream FPP products mainly for food and beverage applications such as confectionery, snacks, noodles and powdered beverages. The acquisition is expected to be completed in the third quarter of 2019.

On prospects, Lim commented: "The proposed acquisition of MPP enables Daibochi to serve more regional customers, adding on to its existing clientele comprising multinational companies. The enlarged production capacity and capabilities also lead to increased economies of scale, and would support joint development towards more product innovation."

Lim added: "Our property segment is also poised for growth, with new launches worth approximately RM500.0 million in gross development value lined up for the last quarter of FY2019, as we strive to capture increasing demand for affordable homes across Malaysia."

Scientex declared an interim dividend of 10 sen in respect of FY2019 with ex-date on 15 July 2019 and payment date on 23 July 2019.

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

Scientex Berhad (Scientex) is a leading industrial packaging manufacturer and a reputable property developer in 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 flexible plastic packaging (FPP) products: stretch film, custom film (polyethylene (PE) film, biaxially oriented polypropylene (BOPP) film, cast polypropylene (CPP) film, agricultural film, PE flexitanks tubing), and specialty products (automotive interior, polypropylene (PP) strapping bands, raffia, solar encapsulant film). Scientex also expanded its portfolio and scope to include film converting, following the acquisition of Daibochi Berhad in April 2019, which now sees the Group supply high-value and high-performance FPP to leading multinational companies in the food and beverage (F&B) and fast moving consumer goods (FMCG) segments.

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 70% 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, the 48-acre Taman Scientex Kulai II, the 146-acre Taman Mutiara Mas, Skudai, the 250-acre Taman Scientex Senai, the 121-acre Taman Scientex Utama (Senai II), 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, Alor Gajah, the 80-acre mixed development in Ipoh, and the 66-acre Taman Scientex in Rawang. The Group recently acquired a 336-acre land in Pulai, Johor and 209-acre land in Durian Tunggal, Melaka, and is in the process of acquiring another 158-acre land in Jasin, Melaka, 166-acre land in Kundang Jaya, Rawang, 22-acre land in Meru, Ipoh, and 180-acre land in Tasek Gelugor, Penang. To date, Scientex has delivered RM4.6 billion worth of properties and has projects-in-hand of RM1.9 billion.

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