

# Star **BIZ**

## Scientex earnings jump

Company's Q2 results push stock to record high

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**PETALING JAYA:** Scientex Bhd shares surged to a record high of RM12.94 after posting a 79% jump in its second quarter net profit.

The industrial packaging and property company's shares rose 64 sen, or 5.2%, to RM12.94. The counter hit a high of RM12.98 during intra-day trading yesterday. Scientex's net profit jumped 79% to RM64.6mil in the second quarter ended Jan 31, 2016 from RM36.05mil over the same period last year.

Its revenue for the quarter grew to RM545.43mil, from RM462.87mil, on the back of improved contributions from both its manufacturing and property development divisions.

Scientex said the stronger performance was driven by a higher contribution from the group's consumer packaging operations and resilient demand for its affordable properties in Johor.

"Our aggressive focus on affordable property sales and continued expansion of consumer packaging operations have enabled us to sustain the group's earnings in the second quarter of financial year 2016 (FY16), amidst the ongoing challenges in the property and consumer sectors in the domestic and regional markets," managing director Lim Peng Jin said in a statement.

Growth in its manufacturing segment was underpinned by higher consumer packaging sales, which grew 47.4% to RM190.2mil on a year-on-year basis. Industrial packaging sales grew 7% to RM211.8mil.

Meanwhile, exports made up 46.4% of the company's consumer packaging revenue during the quarter compared to 33.5% the year before.

In line with the growth in exports, Scientex



**Lim:** 'Our aggressive focus on affordable property sales and continued expansion of consumer packaging operations have enabled us to sustain the group's earnings in the second quarter of financial year 2016.'

also benefited from a better product mix and favourable exchange rates due to the weaker ringgit, it said.

The group's property segment contributed the remaining RM143.4mil of the second-quarter FY16 revenue, rising 5.6% from RM135.9mil previously. This was attributed to strong take-up rates for affordable properties and higher progress billings from the group's projects in Johor.

It had unbilled sales of RM630.2mil as at Jan 31 to be recognised until 2018.

For the first six months to Jan 31, Scientex's profit surged 89.2% to RM125.5mil from

RM66.3mil a year ago, while revenue grew 22.6% to RM1.1bil from RM893.9mil previously.

In a separate filing, Scientex has proposed a one-for-one bonus issue, which entails the issuance of up to 230 million new shares with a par value of 50 sen apiece.

The bonus issue, which is pending approval by shareholders at an upcoming extraordinary general meeting, would increase the liquidity of Scientex shares while enlarging its issued and paid-up capital to reflect the company's current scale of operations, it said.