

Scientex's 3Q net profit jumps 43% as revenue improves

BY SURIN MURUGIAH

KUALA LUMPUR: Industrial packaging manufacturer and property developer Scientex Bhd's net profit for the third quarter ended April 30, 2016 (3QFY16) jumped 43% to RM61.26 million, from RM42.96 million a year earlier.

Revenue for the quarter rose 19.5% to RM543.89 million, from RM455.25 million, its bourse filing yesterday showed. It also proposed an interim single-tier dividend of 12 sen per share, payable on Aug 5.

In a statement, Scientex said its 3QFY16 manufacturing sales increased 20.1% to RM382.8 million, from RM318.8 million previously, as Scientex expanded its customer

coverage in the Asia-Pacific region.

It said the property segment, meanwhile, noted a 18% higher revenue of RM161.1 million in 3QFY16, versus RM136.5 million a year ago, on the back of progress billings and steady take-up rates of properties in Melaka, as well as in Pasir Gudang, Skudai, Kulai and Senai in Johor.

It said of the total manufacturing revenue in 3QFY16, consumer packaging sales contributed RM183.9 million, growing 44.6% year-on-year from RM127.1 million.

It said industrial packaging revenue amounted to RM198.9 million, 3.8% higher than RM191.6 million a year ago.

Scientex managing director Lim Peng Jin said the company was

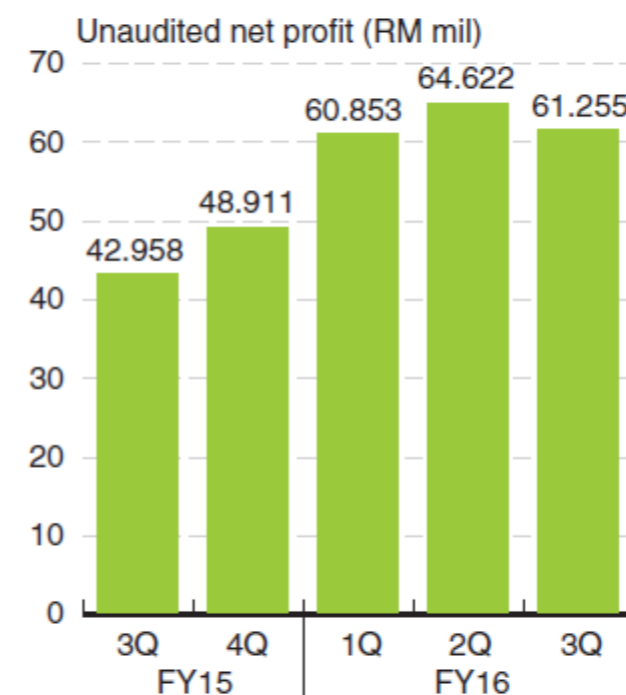
clearly benefitting from the expansion of its consumer packaging operations, which allowed it to become a larger-scale and operationally efficient producer.

"Serving the recession-proof food and beverage (F&B) and fast-moving consumer goods (FMCG) sectors also work to our advantage, in terms of sales stability and growth.

"Furthermore, our Scientex technical development team is spearheading new product development, in line with the changing form factor of packaging.

"For instance, the prevalence of e-commerce has resulted in higher demand for protective packaging, while packaging for the health-

Scientex's quarterly earnings



care sector has to adhere to higher standards of hygiene. In this respect, we are actively engaging

with customers to introduce new innovations to hone our competitive edge," he said.

Lim remains optimistic about the company's prospects, given the smooth progress of capacity expansion and ongoing business development activities in the consumer packaging division.

"With our upcoming new biaxially oriented polypropylene facility complementing our CPP and PE film plants, Scientex is poised to be a single-source supplier for F&B and FMCG players and converters in the Asia-Pacific.

"We believe that this would enable us to make significant inroads into the region in the years to come," said Lim.