

Scientex net profit up 10.7% to RM54m in fourth quarter

PETALING JAYA: Scientex Bhd's net profit for the fourth quarter ended July 31, 2016 rose 10.68% to RM54.14 million from RM48.91 million a year ago despite lower operating profit, due to lower tax expenses.

In a filing with Bursa Malaysia yesterday, the company reported lower tax expenses of RM15.38 million during the quarter compared with RM27.16 million a year ago.

For the manufacturing division, profit from operations fell to RM15.9 million from RM24.8 million a year ago due to lower product margins.

For the property division, profit from operations fell to RM58.2 million from RM61.5 million a year ago due to product mix for the new project launches in Pasir Gudang.

Revenue for the quarter rose 23.99% to

RM561.06 million from RM452.50 million a year ago due to higher revenue achieved in both divisions.

The company has recommended a single tier final dividend of 20% or 10 sen per share. The dividend is payable on Jan 13, 2017, subject to shareholders' approval at the forthcoming AGM.

Moving forward, the company expects uncertainty and volatility in the marketplace to persist while sales demand for the manufacturing division is expected to remain challenging for financial year ending July 31, 2017 (FY17).

"The group has started to make in-roads into new markets for both its industrial and consumer packaging products based on different marketing strategies adopted for specific markets to boost sales demand," it said.

It is confident that demand from both local and overseas will be positive for FY17 as it offers quality products with a wider and diversified product portfolio.

For the property division, the company is preparing for the launch of its two pieces of land in Ipoh, scheduled for the first or second quarter of FY17 while the acquisition of the land in Meru is expected to be completed this month, further boosting sales.

It expects the affordable housing segment to continue playing a pivotal role in contributing to the group's top and bottom line for FY17.

For the full year ended July 31, 2016, net profit rose 52.26% to RM240.87 million from RM158.19 million a year ago while revenue rose 22.16% to RM2.20 billion from RM1.80 billion a year ago.