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# Scientex's 4Q net profit up 10.7%, proposes 10 sen final dividend

**BY KAMARUL ANWAR**

KUALA LUMPUR: Scientex Bhd's net profit rose 10.7% to RM54.14 million or 23.54 sen a share for the fourth quarter ended July 31, 2016 (4QFY16) from RM48.91 million or 21.66 sen a share a year ago, on higher revenue contribution and better operational efficiency in the group's consumer packaging operations and resilient demand for its affordable properties in Johor.

Revenue increased 24% to RM561.06 million in 4QFY16 from RM452.5 million in 4QFY15.

The group has proposed a final dividend of 10 sen per share for FY16, subject to approval by shareholders at the upcoming annual general meeting. This brings total dividends for the year to 16 sen or RM73.6 million in payouts, making up 30.6% of FY16 net profit, based on an enlarged share base comprising 460 million shares after a one-for-one bonus issue that was completed on Aug 15.

For FY16, Scientex saw its net profit jump 52.3% to RM240.87 million or 105.88 sen a share from RM158.19 million or 70.43 sen a share in FY15, while revenue rose 22.2% to RM2.2 billion from RM1.8 billion.

Of total FY16 revenue, the group's manufacturing segment remained the major contributor at RM1.5 billion, rising 20.5%

from RM1.3 billion in FY15. The property development segment contributed the remaining RM651.5 million of FY16 revenue, up 26.3% from RM515.7 million in FY15.

Scientex said it also benefited from a lower effective tax rate of 19.5% in FY16 compared with 26.6% in the previous year due to reinvestment allowances.

In a statement yesterday, Scientex managing director Lim Peng Jin said: "FY16 growth was propelled by expansions in our polyethylene film production capacity and larger clientele across the region.

"This month, we will commission our new biaxially oriented polypropylene film plant, which will enable us to sell a more comprehensive range of consumer packaging films. This would also allow us to further grow our market share in the food and beverage market in Malaysia and Asia-Pacific," he said.

With this, Scientex would emerge as a fully integrated single-source supplier of both industrial and consumer packaging products in Asia-Pacific, he added.

"Complemented with steady demand for the group's affordable properties in Johor, we are confident that our growth momentum would be sustained going forward," Lim noted.

Unbilled sales of its property development segment amounted to RM717.2 million as at July 31, 2016, to be recognised until 2019.