

Star Biz

Scientex plans to launch RM600mil properties

KUALA LUMPUR: Scientex Bhd reported an improved set of financial results in the first half and plans to launch RM600mil of new properties, mainly affordable homes, in the second half of the financial year ending July 31, 2018.

The global packaging manufacturer and property developer announced that its earnings in the second quarter ended Jan 31, 2018 (Q2 FY18) rose 4.2% to RM67.98mil from RM65.19mil a year ago.

The increase in earnings was due to a stronger performance by its manufacturing segment including its flexible plastic packaging (FPP) business.

The company's revenue increased by 8.2% to RM634.75mil from RM586.25mil.

Earnings per share was 14.05 sen compared to 14.09 sen earlier.

In terms of its manufacturing segment, this saw export contribution rise 16.2% to RM354.90mil in Q2 FY18 from RM305.40mil previously.

Scientex's property development segment

revenue also grew by 2.3% to RM178.3mil in Q2FY18 from RM174.3mil last year, attributed to resilient demand for the Group's on-going affordable developments in Johor, Melaka and Perak.

In the first half, the company's earnings climbed 19.7% to RM140.38mil from RM117.25mil in the previous corresponding period on increasing contribution from the manufacturing and property development segments.

Its revenue was up 15.4% to RM1.29bil from RM1.12bil.

Scientex managing director Lim Peng Jin said: "Our manufacturing segment performed commendably as we stamped our mark with more orders from our regional clientele and recorded steadily increasing capacity utilisation.

"The sustained growth validates the recently completed expansions to our capacity and product range, which allows us to capture more opportunities in the increasing global FPP market especially in high-growth Asia,"

he said.

Lim said the upcoming integration of Klang Hock Plastics Industries into its operations would enhance its edge in the global FPP market.

"We also stand to benefit from great synergies such as in operational efficiency and product innovation initiatives."

On prospects for the near-term, Lim said the group was eyeing continued growth in both its manufacturing and property operations in FY2018.

"For our manufacturing segment, we are confident of achieving a stronger performance going forward, buoyed by increasing global demand.

"We have made commendable progress in securing new customers and larger orders thus far, and are poised to fill up our capacities for the rest of the year," Lim said.

The group is also looking to launch RM600mil worth of new properties for H2'18 to cater to increasing demand for affordably priced homes in the country, he said.