

Scientex profit slips 8.1% in Q3 on lower property contribution

Posted on 20 June 2018 - 02:16pm

sunbiz@thesundaily.com

PETALING JAYA: Scientex Bhd's net profit declined 8.1% to RM61.14 million for the third quarter ended April 30, 2018 versus RM66.5 million in the previous corresponding period, due to lower contribution from the property division as the recently launched projects were still in the early stages of progress billings despite having registered commendable sales for its launches.

Revenue was also down by 5.7% to RM600.18 million from RM636.15 million.

Scientex has proposed to declare an interim dividend of 10 sen per share for the quarter under review.

The group said in a filing with the stock exchange that profit from manufacturing operations increased to RM34.3 million compared with RM25.2 million in the preceding year corresponding quarter as a result of better product mix and margins achieved.

However, profit from property operations decreased to RM43.7 million against RM63 million in the preceding year corresponding quarter because of slower progress billings from its latest projects launched in Taman Scientex Durian Tunggal, Malacca and Scientex Meru which were all in early stages of construction progress.

"The division was also impacted by longer-than-expected timeframe in attaining regulatory approvals and permits for some of the projects due to uncertainty during the election period."

For the first nine months of the year, Scientex reported a 9.7% rise in net profit to RM201.52 million from RM183.75 million, while revenue expanded 7.8% to RM1.89 billion from RM1.76 billion.

Looking ahead, the group is planning to expand its manufacturing presence in the US and the Phoenix stretch film plant, which began operations in January this year, is expected to play a pivotal and strategic supporting role in the future with its close proximity to its US customers and its sources of raw materials.

For the property division, Scientex is confident that demand for its affordable housing will continue to remain strong and resilient in the foreseeable future.

At the noon break, its shares were unchanged at RM6.70 with 169,700 shares changing hands.