

Scientex boosts landbank with RM123.6 million acquisition in Johor

- *Purchases 121 acres of land in Kulai for township development in the future*
- *Group's total landbank increases to approximately 2,400 acres for the next 10 to 15 years development*

Shah Alam, Selangor, Malaysia, 28 December 2016 - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCIMK; Reuters: STIK.KL) has further boosted its landbank with the acquisition of two parcels of land amounting to 121 acres in the Kulai District, Johor for a total cash consideration of RM123.6 million.

The lands are situated in Senai town along the North-South Expressway and Senai Highway, and are approximately 15 and 20 minutes from Scientex's existing townships, namely the 250-acre Taman Scientex Senai and 326-acre Taman Pulai Mutiara.

“This acquisition is a new opportunity of growth for us, allowing Scientex to extend our expertise in providing affordable properties to cater to a larger population in Johor. More importantly, it also reiterates the Group's financial strength and continued aspiration even in the tough economic climate.

With this, our landbank amounts to approximately 2,400 acres in total, rendering us sufficient sustaining power for our property development segment for the next 10 to 15 years. We will continue our stance of delivering products that are attuned to buyers' affordability and preferences to cement the performance of this segment going forward.”

Mr. Lim Peng Jin (林炳仁)
Managing Director of Scientex Berhad

Notable landmarks in the vicinity include the Senai International Airport, Johor Premium Outlets, and Seri Omega Private & International School.

The acquisition is subject to conditions precedent and approval from the Estate Land Board, and expected to complete in the second half of calendar year 2017. It will be financed by a combination of internally-generated funds and bank borrowings, the ratio of which has yet to be determined.

Currently, Scientex has ongoing projects worth RM1.6 billion, consisting mainly of five townships in Johor (in Pasir Gudang, Kulai, Skudai, Senai, Pulai) and a mixed development in Melaka.

For the financial year ended 31 July 2016 (FY2016), the property development segment contributed RM652 million in revenue, making up 30% of group revenue. The balance was derived from the manufacturing segment, comprising consumer and industrial packaging for the local and international markets.



Lim added: “Scientex remains committed to upholding our twin engines of growth in manufacturing and property. We have just concluded a RM450 million capital expenditure exercise over the past three years to expand the annual capacity of our consumer packaging business from 30,000 metric tonnes (mt) to 156,000 mt by calendar year 2017.

We will always be on the lookout to enhance the prospects of both segments well into the future.”

About Scientex Berhad (森德公司, www.scientex.com.my)

Scientex Berhad (Scientex) is a leading industrial packaging manufacturer and a reputable property developer in South Malaysia. Scientex is also the largest stretch film producer in Asia, and among the world’s largest producers.

Established in 1968 as a PVC cloth and leather manufacturer, Scientex today produces stretch film, consumer packaging (blown film, BOPP film, and CPP film), PP strapping bands, form-fill-seal (FFS) bags, polypropylene (PP) and polyethylene (PE) woven and laminated bags, raffia tapes, flexible intermediate bulk containers (FIBC), polyurethane (PU) adhesives and polymer materials such as laminated products, TPO and PVC sheets for automotive interior parts and solar encapsulant films.

To date, Scientex has manufacturing facilities in Malaysia and Vietnam; as well as sales and marketing arms in Japan, Indonesia, and Singapore. Approximately 75% of its manufacturing products are exported to over 60 countries worldwide.

Scientex’s property arm has township development projects in Pasir Gudang, Kulai, Skudai, Senai, and Pulai, all in Johor, and in Ayer Keroh, Melaka. Its township developments are the 1,100-acre Taman Scientex Pasir Gudang, the 250-acre Taman Scientex Kulai I, the 48.4 acre Taman Scientex Kulai II, the 150-acre Taman Mutiara Mas, Skudai, the 250-acre mixed development of Taman Scientex Senai, the 326-acre Taman Pulai Mutiara in Johor, and the 137-acre Taman Muzaffar Heights in Ayer Keroh. To date, Scientex has delivered more than RM2.7 billion worth of properties and has projects-in-hand of RM1.6 billion.

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For media enquiries, please contact:

Ms. Julia Pong

julia@aquilas.com.my

Tel: +603-2711 1391 H/P: +6012-3909 258

Mr. Tay Tze Yi

tayty@aquilas.com.my

Tel: +603-2711 1391 H/P: +6016-3380 555