

Scientex Q2 profit up on higher manufacturing, property sales

PETALING JAYA: Scientex Bhd's net profit for the second quarter ended Jan 31, 2019 soared 8.5% to RM73.75 million from RM67.98 million in the previous corresponding period, in line with the higher sales recorded in both the manufacturing and property divisions.

The group achieved revenue of RM766.59 million, an increase of 21.5% against RM630.68 million recorded in the same period a year ago.

For the six-month period, Scientex, however, saw its net profit fall 9.2% to RM127.41 million from RM140.38 million a year ago, due to the slight decline in the revenue recognised by the property division and a foreign exchange loss of RM5.6 million for current financial period compared with a foreign exchange gain of RM9.1 million recorded in the preceding year corresponding period.

This was on the back of a 15.1% increase in revenue to RM1.48 billion from RM1.29 billion.

On prospects in manufacturing, the group will continue to increase the production capacity of its stretch film manufacturing facility in Phoenix, Arizona as part of its global strategy to penetrate new markets within the US.

Scientex also said it remains focused on expanding its market presence and exploring untapped markets such as Myanmar via its proposed acquisition of Daibochi Bhd which has a presence there.

On property, the group remains cautiously optimistic that the strategic location of its Rawang development, coupled with the its affordably priced products will be another successful project contributing positively to the group's earnings in the future.

It remains supportive of the various initiatives outlined by the federal and state government including providing more affordable homes to the masses.

Supported by an accommodative interest rate regime, Scientex remains optimistic that, barring any unforeseen circumstances, demand for affordable housing is expected to remain strong and resilient in the current financial year.