

Scientex revenue leaps to near RM1 billion in 4Q19

- **Net profit rises to a record RM133.4 million in 4Q19, exceeding RM100 million milestone; while revenue expanded to RM938.8 million**
- **Strong growth in manufacturing and property development segments propels FY19 results to record high in Group's corporate history**
- **Proposes final dividend of 10 sen per share**

Shah Alam, Selangor, Malaysia, 26 September 2019 - Global packaging manufacturer and leading property developer Scientex Berhad (Scientex, 森德公司, Bloomberg: SCI MK; Reuters: STIK.KL) saw its revenue for the fourth quarter ended 31 July 2019 (4Q19) near the RM1 billion mark, posting 30.3% revenue growth to RM938.8 million on the back of double-digit growth in both the manufacturing and property development segments.

Meanwhile, net profit leaped 60.8% to a record quarterly high of RM133.4 million in the fourth quarter ended 31 July 2019 (4Q19), marking the first time the Group's quarterly revenue exceeded the RM100 million mark.

“Amidst the prevailing market doldrums in the domestic and international arena, Scientex has truly bucked the trend to report record-breaking performance, propelled by double-digit expansion through our organic growth initiatives and strategic inorganic measures.

Our manufacturing segment has grown from strength to strength, driven by our prowess in product innovation and manufacturing efficiency. Our comprehensive range of Flexible Plastic Packaging (FPP) solutions was further strengthened by the recent acquisition of our 61.9%-subsidiary, Daibochei Berhad, followed promptly by its acquisition of Mega Printing & Packaging, reaffirming our growth path as we aim to stake a larger claim in the global and regional arenas.

At the same time, our property development segment continues to shine, underpinned by resilient demand for affordable homes in Peninsular Malaysia. We are heartened by recent nationwide efforts to accelerate home ownership and ease affordability, which would spur demand for affordable homes. All said, Scientex is well geared towards achieving our vision of delivering 50,000 affordable homes by 2028.”

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

For the twelve months financial period ended 31 July 2019 (FY19), Scientex scaled a new billion-ringgit mark as revenue jumped 24.8% to RM3.2 billion from RM2.6 billion a year ago. This led to the Group ending the financial year with new milestones in profitability, as FY19 profit before tax rose 27.0% to RM450.6 million from RM354.7 million previously, and net profit expanded 17.3% to a record performance of RM333.7 million compared to RM284.5 million previously.

The Group's manufacturing segment posted 23.8% jump in revenue to RM2.4 billion in FY19 from RM1.9 billion a year ago, on organic sales growth in its existing operations, contributions from newly-acquired businesses of Klang Hock Plastic Industries (KHPI) and Daibochi Berhad, and higher utilisation rate across all businesses.

At the same time, the property development segment reported 27.4% growth in revenue to RM889.6 million in FY19 from RM698.2 million a year ago, underscoring unabated demand and stable progress billings for its affordable property offerings in Johor, Melaka, Rawang and Ipoh.

In line with the enhanced performance, Scientex proposed a final dividend of 10 sen per share in respect of FY2019, which will be tabled for shareholders' approval in the upcoming Annual General Meeting.

Commenting on prospects for FY2020, Mr Lim said that both the manufacturing and property development segments are expected to perform resiliently.

"In our manufacturing segment, we are targeting higher sales to both the domestic and export markets for FPP, as well as expecting enhanced efficiency at our subsidiary, Daibochi, in the upcoming quarters."

"Additionally, in line with rising demand for affordable homes in Peninsular Malaysia and the strong take up rates of our launches, we are targeting a larger scale of launch worth RM1.3 billion in gross development value in FY2020, from RM1.1 billion in the previous year," Lim concluded.



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 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 flexible plastic packaging (FPP) products: stretch film, custom film (polyethylene (PE) film, biaxially oriented polypropylene (BOPP) film, cast polypropylene (CPP) film, agricultural film, PE flexitanks tubing), and specialty products (automotive interior, polypropylene (PP) strapping bands, raffia, solar encapsulant film). Scientex also expanded its portfolio and scope to include film converting, following the acquisition of Daibochi Berhad in April 2019, which now sees the Group supply high-value and high-performance FPP to leading multinational companies in the food and beverage (F&B) and fast moving consumer goods (FMCG) segments.

To date, Scientex has manufacturing facilities in Malaysia, Vietnam, Myanmar and the United States of America; as well as sales and marketing arms in Japan, Indonesia and Singapore. Approximately 70% 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 and Durian Tunggal, Melaka. Its township developments are the 1,100-acre Taman Scientex Pasir Gudang, the 250-acre Taman Scientex Kulai, the 48-acre Taman Scientex Kulai II, the 146-acre Taman Mutiara Mas, Skudai, the 250-acre Taman Scientex Senai, the 121-acre Taman Scientex Utama (Senai II), the 326-acre Taman Pulai Mutiara in Johor, the 137-acre Taman Muzaffar Heights in Ayer Keroh, the 197-acre Taman Scientex in Durian Tunggal, Alor Gajah, the 80-acre mixed development in Ipoh, and the 66-acre Taman Scientex in Rawang. The Group recently acquired a 336-acre land in Pulai, Johor and 209-acre land in Durian Tunggal, Melaka, and is in the process of acquiring another 158-acre land in Jasin, Melaka, 166-acre land in Kundang Jaya, Rawang, 22-acre land in Meru, Ipoh, and 180-acre land in Tasek Gelugor, Penang. To date, Scientex has delivered RM5.0 billion worth of properties and has projects-in-hand of RM2.0 billion.

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