

Scientex 1Q20 net profit surges 50.9% to RM81.0 million

- *Revenue in the first quarter ended 31 October 2019 (1Q20) rises 22.9% on larger manufacturing operations and favourable product mix, as well as property development's progress billings*
- *Manufacturing segment's capacity expansion, sustainable packaging and continuous landbanking to drive future prospects*

Shah Alam, Selangor, Malaysia, 17 December 2019 - Global packaging manufacturer and leading property developer **Scientex Berhad's** (Scientex, 森德公司, Bloomberg: SCI MK; Reuters: STIK.KL) net profit surged 50.9% to RM81.0 million in 1Q20 from RM53.7 million a year ago on an enlarged operations base and favourable product mix in the manufacturing segment, as well as higher progress billings in the property development division.

The bottomline performance outpaced the 22.9% revenue rise to RM877.4 million from RM713.6 million previously.

The manufacturing segment was the larger revenue contributor with RM655.9 million in 1Q20, increasing 13.9% year-on-year compared to RM575.8 million previously. This was due to higher utilisation rates across its manufacturing plants, as well as contributions from the acquired converting businesses of Daibochi Berhad (Daibochi) and Mega Printing & Packaging Sdn Bhd (MPP).

Scientex acquired a 61.9% stake in Daibochi in April 2019. In turn, Daibochi completed the acquisition of MPP in August 2019.

Meanwhile, the property development segment registered 60.7% higher revenue of RM221.5 million compared to RM137.8 million a year ago, attributed to higher sales and steady progressive billing from four projects, namely Taman Pulau Mutiara and Taman Senai Utama in Johor, Taman Scientex Rawang in Selangor, and Taman Scientex Durian Tunggal in Melaka.

Commenting on the performance, Scientex's Managing Director Mr. Lim Peng Jin said that the 1Q20 performance clearly showcased the outcome of ongoing product mix enhancement, successful consolidation of new acquisitions with Daibochi recording its best-ever quarterly revenue, as well as robust demand for strategically-located affordable homes.

“Our growth in 1Q20 has established a firm foundation to sustain our performance in FY2020.

In the manufacturing segment, the consolidation of the converting business through the acquisitions of Daibochi and MPP catapults Scientex’s progress to become an integrated producer of customised and niche flexible plastic packaging (FPP) products. On top of the higher margin product mix, these end-to-end capabilities enhance our ability to fulfill increasing demand for sustainable packaging agenda.

Our property development division aims to launch RM1.1 billion worth of new properties in FY2020. The segment is headed for steady growth backed by our continuous landbanking exercise, the most recent being the new landbanks in Tasek Gelugor, Penang, Kundang, Selangor and Kota Tinggi, Johor which bring our total landbank in Peninsular Malaysia to be close to 4,000 acres and thus, last for more than 10 years.”

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

Scientex currently has 19 manufacturing facilities across Malaysia, Vietnam, Myanmar and the United States producing primarily FPP products. With the recent integration of Daibochi and MPP, the Group can move up the FPP value chain by expanding its manufacturing product offerings, which now includes stretch film, custom film, specialty products and FPP products under the new converting segment.

In the property development division, the Group has landbank in Johor, Melaka, Selangor, Perak, and Penang. Scientex specialises in building affordable homes, and to date, has built more than 18,500 of its targeted 50,000 units to be completed by 2028.

Lim concluded: “Our goal is to build businesses that are adaptable to users demand and thus, imbue greater resilience into Scientex. We have laid the solid platform of growth and strive for the next catalyst to new heights.”

At the Group’s Annual General Meeting today, shareholders approved a final dividend of 10 sen per share in respect of the financial year ended 31 July 2019 (FY2019), with ex-date on 26 December 2019 and payment date on 10 January 2020.



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, 209-acre land in Durian Tunggal, Melaka and 22-acre land in Meru, Ipoh, and is in the process of acquiring another 86-acre land in Kota Tinggi, Johor, 158-acre land in Jasin, Melaka, 166-acre land in Kundang Jaya, Rawang, a 180-acre land in Tasek Gelugor, Penang. To date, Scientex has delivered RM5.0 billion worth of properties and has projects-in-hand of RM2.1 billion.

Issued for and on behalf of SCIENTEX BERHAD by Aquilas Advisory (Malaysia) Sdn. Bhd.

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