

Scientex net profit rises 32.2% to RM97.5 million in 2Q20

- *Benefiting from favourable sales mix of flexible plastic packaging (FPP) and acquired converting businesses*
- *Continue to see strong demand for affordable homes in Peninsular Malaysia*

Shah Alam, Selangor, Malaysia, 11 March 2020 - Global packaging manufacturer and leading property developer Scientex Berhad (Scientex, 森德公司, Bloomberg: SCI MK; Reuters: STIK.KL) reported 32.2% higher net profit of RM97.5 million in the second quarter ended 31 January 2020 (2Q20) from RM73.7 million a year ago, driven by higher sales and favourable product mix in the manufacturing segment, as well as increased property development billings.

Group revenue rose 19.3% to RM914.4 million in 2Q20 from RM766.6 million previously.

The manufacturing segment revenue grew 20.1% to RM659.4 million in 2Q20 from RM549.0 million previously on higher sales volume of FPP, as well as contributions from the acquired converting businesses of Daibochi Berhad (Daibochi) and Mega Printing & Packaging Sdn Bhd (MPP).

The property development segment made up RM255.0 million of revenue in 2Q20, expanding 17.2% from RM217.6 million previously on growth in sales of affordable properties, steady progress billings from existing affordable township developments in various states in Malaysia, and maiden contribution from newly-launched Taman Pulai Mutiara 2.

“We have built a formidable manufacturing base that produces a comprehensive range of FPP essential to many industries worldwide, and have significantly expanded our manufacturing footprint in Southeast Asia and the United States.

Going forward, we continue to be focused on our strengths in enhancing efficiency and innovation, to consistently deliver greater solutions to our customers. We are also driving sustainable growth via capacity expansions, as well as enhancing our products and solutions capabilities across the manufacturing value chain.

Additionally, we have considerable successes in building affordable homes for the Malaysian population via our townships in various states and have delivered more than 18,500 units and growing. We have continued to acquire new lands to support our future growth and bring the Scientex brand to various states in Peninsular Malaysia, and target to launch our maiden project in Penang and Kundang Jaya in the second half of 2020.”

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



Scientex purchased 455 acres of new lands in 1H20 amounting to RM302.5 million in consideration. The land acquisitions comprised 86 acres in Kota Tinggi, Johor, 166 acres in Kundang Jaya, Selangor, 23 acres in Meru in Ipoh, and 180 acres in Tasek Gelugor, Penang.

1H20 group revenue rose 21.0% to RM1.79 billion, while net profit surged 40.0% to RM178.4 million, on enhanced contribution from both the manufacturing and property development segments.

Commenting on prospects, Lim said:

“We expect to register sustainable growth in the performance of our manufacturing segment in FY2020 on stable demand. That said, we are closely monitoring developments of COVID-19 which poses uncertainties in global markets, and remain focused on our long-term strategy to enhance production efficiency.”

“Furthermore, our affordable properties continue to benefit from resilient demand, and we are on track to launch RM1.1 billion in gross development value in FY2020, growing from RM447.5 million worth of launches in 1H20. The Central Bank of Malaysia had also announced further reductions in Overnight Policy Rate to help spur economic growth, and the accommodative monetary policy would play a factor in supporting housing sales.”

“We are committed to bringing more affordable homes to the Malaysian population, and would continuously work towards maintaining competitive pricing through cost optimization while maintaining quality standards. For instance, the standardisation of our building designs enables us to complete larger volumes of affordable homes at a quicker pace and at lower costs, thus reinforcing our efforts in making home ownership affordable for the masses.”



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, the 336-acre Taman Pulai Mutiara 2, 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 209-acre land in Durian Tunggal, Melaka, 22-acre land in Meru, Ipoh, 86-acre land in Kota Tinggi, Johor, 166-acre land in Kundang Jaya, Rawang, 180-acre land in Tasek Gelugor, Penang, and is in the process of acquiring another 158-acre land in Jasin, Melaka, and 108-acre land in Seremban, Negeri Sembilan. To date, Scientex has delivered RM5.0 billion worth of properties and has projects-in-hand of RM2.1 billion.

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