

Scientex recorded net profit of RM69.6 million in 3Q20 on sustained demand for flexible plastic packaging

- ***Integrated flexible plastic packaging (FPP) operations continues supply to diverse sectors such as industrials as well as essential Food & Beverage (F&B) and Fast-Moving Consumer Goods (FMCG)***
- ***Property development segment recommenced activities with Standard Operation Procedures (SOP) in place; targeting two new affordable homes launches in Selangor and Penang in the second half of 2020***
- ***Declares interim dividend of 10 sen in respect of the financial year ending 31 July 2020 (FY2020)***

Shah Alam, Selangor, Malaysia, 23 June 2020 - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCI MK; Reuters: STIK.KL) recorded net profit of RM69.6 million for the third quarter ended 30 April 2020 (3Q20) on revenue of RM772.2 million.

In comparison, the Group reported net profit of RM72.9 million on revenue of RM828.5 million for the third quarter ended 30 April 2019 (3Q19).

Despite the challenging economic and operating environment in light of COVID-19, Scientex's integrated FPP manufacturing division continued to serve its diverse clients in 3Q20 including the industrial and essential F&B and FMCG sectors, while adhering to comprehensive SOPs.

The stable performance of the manufacturing segment helped mitigate the temporary inactivity of the property development division due to the Movement Control Order initiated on 18 March 2020.

Segmentally, the Group's manufacturing revenue of RM614.4 million in 3Q20 improved marginally from RM602.8 million in 3Q19, while property development revenue declined to RM157.8 million in 3Q20 versus RM225.7 million one year ago.

“Our unique position as an integrated FPP provider to diverse industrial and consumer-based clients, including the essential F&B and FMCG sectors, catalyzed the stable sales orders in our manufacturing segment during this period. Not only were we able to continue fulfilling customers’ requirements, we also played a crucial role in ensuring that our customers were able to maintain the supply of essential services to the larger society.

While our property development segment faced temporary operational disruptions, we have since recommenced construction activities with strict adherence to SOPs, and are optimistic of improved performance in the coming quarters. We remain focused on the affordable housing segment, which has continued to demonstrate resilient demand, and would benefit from Bank Negara’s reduction of the Overnight Policy Rate to 2% as well as other stimulus measures announced by the government to bolster the property industry.

We will continue to closely monitor the latest global economic developments to adapt our strategies and resume our growth trajectory in the long-run.”

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

For the nine months ended 30 April 2020 (9M20), Scientex registered 23.8% higher net profit of RM248.1 million from RM200.3 million a year ago. The better performance was achieved on the back of group revenue rising 11.1% to RM2.6 billion in 9M20 from RM2.3 billion previously, on enhanced contribution from the manufacturing and property development divisions.

The manufacturing division contributed RM1.9 billion to 9M20 group revenue, rising 11.7% from RM1.7 billion previously, with the increase mainly due to full 9-month contributions from the converting businesses following its acquisition in the third quarter ended 30 April 2019 (3Q19).

Meanwhile, the property development segment recorded topline contribution of RM634.3 million in 9M20, which was 9.1% higher than the RM581.1 million recorded in 9M19. This rise in revenue was mainly attributed to new property launches in Melaka and Johor.

In addition, Lim also mentioned that Scientex’s prospects for both its manufacturing and property development segments remain positive:

“Demand for our FPP products was sustained even throughout these challenging times, which underscores our competitive strengths in the industry. We would look towards further enhancing capacities, capabilities and efficiency in producing more sustainable and value-added products to meet increasing demand.”

“In our property development segment, we have ensured that all our construction workers have undergone COVID-19 screening to protect their health and safety, and the segment has now resumed normal operations. We are also committed to building more affordable homes for the masses, and strengthening our position such as through adopting digital platforms to complement conventional face-to-face transactions.”



“For the second half of 2020, we target to launch two new projects expediently, located in Tasek Gelugor, Penang and Kundang, Selangor, in line with efforts to expand our affordable housing activities across more states throughout Peninsular Malaysia.”

Scientex declared an interim dividend of 10 sen per share in respect of FY2020, with ex-date on 15 July 2020 and payment date on 24 July 2020. The dividend payout of RM51.6 million amounted to 20.8% of 9M20 net profit.

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 RM5.1 billion worth of properties and has projects-in-hand of RM2.4 billion.

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