

**SCIENTEX**

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Scientex 2Q net profit up 15% to RM112m on robust property sales

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KUALA LUMPUR (March 9): Scientex Bhd said its latest quarterly net profit rose 15.07% to RM112.17 million, from RM97.47 million a year earlier, on robust property sales and construction progress, as well as stable packaging segment contributions.

Revenue for the second quarter ended Jan 31, 2021 (2QFY21) slipped by a marginal 0.86% year-on-year (y-o-y) to RM906.55 million, from RM914.38 million, dragged by lower packaging revenue.

The group did not declare any dividend for this quarter.

In a filing with Bursa Malaysia, Scientex said its packaging revenue for the quarter fell 6.2% to RM618.8 million, due to lower sales tonnage amid challenges in the global economy.

The recent raw material cost hike and sudden surge of freight cost due to the global shortage of shipping containers also led to lower operating profit of RM63 million, compared with RM65.2 million a year ago, the group said.

Meanwhile, its property revenue increased 12.9% y-o-y to RM287.8 million, driven by steady site construction progress in its development at Scientex Taman Pulau Mutiara 2 in Johor and Scientex Durian Tunggal in Melaka.

In tandem with the higher revenue,

the segment's operating profit rose to RM86.2 million, from RM75.6 million a year ago.

For the cumulative first half ended Jan 31, 2021, the group's net profit grew 14.72% to RM204.7 million, from RM178.44 million a year earlier. Half-year revenue, however, dropped 4.63% to RM1.71 billion, from RM1.79 billion.

Scientex chief executive officer Lim Peng Jin said the group is cautiously optimistic that the global packaging market would post a gradual but firm recovery on the back of improving economies and with global vaccination efforts underway.

"We would also focus on improving production efficiency to drive down operational costs as we look to rebound strongly from this uncertain period," he said.

Meanwhile, the group expects to launch its first development on the Jasin land in the fourth financial quarter while the Seremban land is expected to be launched in early 2022, marking the group's maiden entry into Negeri Sembilan.

Lim said the group's total land bank would increase to more than 5,800 acres across Johor, Melaka, Negeri Sembilan, Selangor, Perak, Penang and Kedah, which is sufficient for more than 10 years of development activities.

"Our latest ambitious land bank expansion initiatives would go a long way in helping us meet our goal of building 50,000 affordable homes by 2028, with more than 22,000 already built to date," he said.

Scientex's share price fell one sen or 0.25% to RM4 today, valuing the group at RM6.19 billion.

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