

Scientex 1Q earnings sustained by demand for packaging materials, houses

The company is maintaining expansion of capacity and capabilities of packaging and property divisions

SCIENTEX Bhd recorded 11.2% higher net profit of RM102.9 million in the first quarter ended Oct 31, 2021 (1Q22) versus a net profit of RM92.5 million it made in 1Q21.

Revenue for the period rose 15.7% year-on-year (YoY) to RM928.2 million, driven by firm demand for packaging products and more sales of affordable homes, the company stated in a statement yesterday.

Scientex's packaging division remained the main revenue contributor at RM678.1 million in 1Q22, growing 16.2% YoY in the quarter on healthy sales of industrial and consumer packaging products in the domestic and export markets.

The property division registered revenue of RM250.1 million, up 14.5% YoY, from steady progress billings for ongoing projects and good-take up rate for its new launches in Johor and Penang.

Quarterly revenue from the property division improved due to



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Pic by Muhd Amin Noharul

completion of several project phases in Rawang, Selangor and Durian Tunggal, Melaka.

To deliver sustainable growth, Scientex is maintaining expansion of capacity and capabilities of both divisions.

The company will continue with its "Cross Boundary Development Strategy" for its property develop-

ment division by lining up new launches in maiden locations of Jasin, Seremban, Cheras, Sungai Dua and Sungai Petani in financial year ending July 31, 2022 (FY22).

"We are also accelerating our pace with a new target to build 8,000 homes a year by FY23, up from 6,000 homes a year, representing our commitment to bring more

affordable homes on the back of robust demand," Scientex CEO Lim Peng Jin was quoted in the release.

Scientex's existing property developments are situated in Johor, Melaka, Selangor, Perak and Penang while maiden launches are expected in Negri Sembilan and Kedah in the current FY22.

Scientex had, from August to

November 2021, completed the acquisitions of 544 acres (220ha) of land in Johor (Pulai) and Penang (Sungai Dua) for a total RM431.4 million.

The group is in the process of acquiring an additional 1,211 acres of land in Selangor (Jenjarom) and Johor (Tebrau), for a total of RM725.7 million to be completed in stages from 2022 until 2024.

In its packaging division, the expansion programme undertaken from FY20 to FY22 remains on track, with additional investments in new machinery, as well as automation and factory enhancements at various plants in Selangor, Melaka and Perak.

At the group's 53rd AGM yesterday, Scientex shareholders approved a final dividend of five sen per share in respect of the FY21.

Together with an earlier paid interim dividend of four sen per share for FY21, the estimated total dividend payout of RM139.6 million constitutes 30.5% payout of the group's FY21 net profit.

The ex-date of the final dividend would be on Jan 4, 2022, with the payment date set for Jan 13, 2022. — TMR