

Scientex net profit grows 4.2% to RM107.2 million in 1Q23

- *Packaging division continuing to develop and commercialise sustainable and recyclable solutions on top of embedding sustainable processes*
- *Seeing strong take-up of affordable homes developments across Peninsular Malaysia; continuing landbank expansions*
- *Shareholders approve final dividend of 5 sen per share in respect of FY2022*

Shah Alam, Selangor, Malaysia, 8 December 2022 - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCI MK) started its financial year on a stable note, with net profit of RM107.2 million in the first quarter ended 31 October 2022 (1Q23) rising 4.2% from RM102.9 million in the previous corresponding quarter.

The better earnings performance was driven by revenue growth of 11.0% to RM1.0 billion from RM928.2 million previously, on healthy contribution from its packaging and property divisions.

“Scientex is achieving sustainable growth, as we simultaneously generate economic profits alongside community development and environmental preservation, undergirded by a culture of innovation.

To this end, our packaging division has marked new innovation milestones, as we successfully commercialized 27 new packaging innovations in the last financial year ended 31 July 2022 (FY22) alone. These include various new innovations for sustainable and fully-recyclable solutions in collaboration with global brand owners to fulfil rapidly-growing demand. We are contributing to the global push towards a circular economy, and are proud to support brand owners in achieving their environmental and sustainability goals.

In our property division, we are committed to providing more affordable homes to the local communities. To date, we have built over 27,000 affordable homes built, with most of them priced below RM300,000 to address the vastly underserved market. We also continue to acquire competitively priced landbanks at strategic locations, as well as enhance our operating efficiency and industrialised building technologies, to address rising operational costs and maintain homes affordability.”

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

The packaging division registered 5.6% revenue growth to RM716.0 million from RM678.1 million previously, on firm consumer packaging demand in Southeast Asia and Oceania, mitigating lower industrial packaging sales as global customers remained cautious on trade sentiment.



Meanwhile, the property division posted 25.5% higher revenue of RM313.9 million versus RM250.1 million previously, driven by healthy construction progress for the Group's affordable property developments across Peninsular Malaysia, as well as strong demand for new affordable homes launches in Tasek Gelugor in Penang, Jasin in Melaka, and Pulai and Kota Tinggi in Johor.

Commenting on the Group's outlook, Mr Lim said:

“Global uncertainties and elevated operating costs caused by supply chain disruptions and elevated inflation remain key themes, and could affect global packaging demand in the near term. Notwithstanding these, Scientex continues to strengthen our operational and supply chain efficiencies, as well as upgrade our capabilities to maintain competitiveness. Furthermore, we remain on track in our expansion plans which are tailored for longer-term growth.”

“In our property division, we have lined up several new phases of launches across our developments in Peninsular Malaysia which will leverage on our strong branding, affordable pricing, and strategic locations. We expect stable demand for our affordably priced homes, and are undertaking cost management initiatives to address higher construction costs.”

At the Group's 54th Annual General Meeting today, the Group's shareholders approved a final dividend of 5 sen per share in respect of FY2022. Together with an earlier paid interim dividend of 4 sen per share, the estimated total dividend payout of RM139.6 million constitutes 34.1% of FY2022 net profit.

The ex-date of the final dividend would be on 23 December 2022, with payment date on 9 January 2023.

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About Scientex Berhad (森德公司, www.scientex.com.my)

Scientex Berhad (Scientex) is a leading manufacturer in flexible plastic packaging and a prominent developer of affordable homes in Malaysia.

Established in 1968, our drive to achieve continuous growth has seen us become one of the world's top manufacturers of stretch film and an end-to-end flexible plastic packaging producer with a presence across the packaging value chain, from stretch films, base films and printed films to bags and multi-layered flexible plastic packaging solutions used in industrial and consumer packaging.

To date, Scientex has 18 manufacturing plants across Malaysia, Vietnam, Myanmar and the United States of America; as well as sales offices in 9 countries, namely, Australia, Indonesia, Japan, Myanmar, New Zealand, Philippines, Singapore, Thailand and USA. Approximately 70% of its packaging products are exported to over 60 countries worldwide.

Scientex's property arm has township development projects in Pasir Gudang, Kulai, Skudai, Senai, Pulai, and Kota Tinggi (all in Johor), Ayer Keroh, Durian Tunggal and Jasin (all in Melaka), Rawang and Kundang Jaya (both in Selangor), Tasek Gelugor (Penang), as well as Ipoh (Perak). The Group recently acquired a 139-acre land in Cheras (Selangor), 158-acre and 1,357-acre lands in Jasin (Melaka), 109-acre land in Seremban (Negeri Sembilan), 202-acre land in Pulai (Johor), 161-acre land in Sungai Petani (Kedah), 343-acre land in North Seberang Perai (Penang), and 219-acre land in Ipoh, Perak. The Group is also in the process of acquiring 251-acre land in Jenjarom, Selangor and 960-acre land in Tebrau (Johor). To date, Scientex has delivered RM7.9 billion worth of properties and has projects-in-hand of RM3.1 billion.

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

For media enquiries, please contact:

Mr. Tay Tze Yi

E: tayty@aquilas.com.my

T: 03-2711 1391 / 016-3380 555

For investor enquiries, please contact:

Ms. Julia Pong

E: julia@aquilas.com.my

T: 03-2711 1391 / 012-3909 258