

## Scientex 2Q23 net profit rises 13.5% to RM106.3 million

- *Packaging division long term growth plans on track; developing more sustainable packaging solutions and undertaking cost-optimisation and efficiency measures*
- *Successfully launched maiden Kedah project, also exploring meeting regional demand for affordable homes*

Shah Alam, Selangor, Malaysia, 15 March 2023 - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCI MK) registered healthy bottomline growth in the second quarter ended 31 January 2023 (2Q23) with 13.5% higher net profit to RM106.3 million from RM93.7 million in the previous corresponding quarter, on better product mix with consumer packaging as well as improved property sales and steady construction progress.

Revenue increased 2.8% to RM978.4 million in 2Q23 from RM952.0 million previously, as higher contributions from the property division mitigated a slight dip from the packaging division in line with global sentiment.

“Scientex’s long-term plans for the packaging division are intact, including prioritising sustainable innovations in collaboration with global customers to meet their sustainability goals with greener solutions. We also continue to bring new innovations to our customers that enhance their product value, competitive edge, as well as optimize performance and efficiency.

Meanwhile, our property division is seeing strong take-up for the RM1.15 billion worth of affordable homes launched in the first half of financial year ending 31 July 2023 across various states in Malaysia, namely Johor, Melaka, Selangor, Penang, as well as maiden launch in Kedah.

Moving forward, Scientex intends to upkeep a steady pace of growth across both engines, centred on achieving overall well-being of stakeholders including customers and the larger society as part of our Environmental, Social, and Governance thrust.”

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

The packaging division registered revenue of RM655.1 million in 2Q23 compared to RM692.8 million previously on lower industrial packaging sales as global buyers remained cautious due to market volatility, mitigated by firm demand for consumer packaging as well as enhanced product mix.

Meanwhile, the property division posted 24.7% higher revenue of RM323.3 million compared to RM259.2 million previously, on the back of improving sales and healthy construction progress, as well as positive demand for new affordable homes launches in Sungai Petani, Kedah.



Group revenue for the six-month period ended 31 January 2023 (1H23) grew 6.8% to RM2.0 billion from RM1.9 billion in the previous period on stable sales in the packaging division, and higher contribution from the property development division. The higher revenue led to a rise in group net profit by 8.6% to RM213.5 million in 1H23 versus RM196.6 million previously.

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

“Our packaging division is committed to improving our cost competitiveness through operating efficiency, which has been our hallmark and success factor in the past decades. In addition, we will consistently pursue the development of high-value innovative and sustainable packaging solutions, therefore positioning us well to weather the weaker global demand environment due to ongoing uncertainties.”

“In the latest financial year ended 31 July 2022 (FY2022), we commercialised 27 new innovations, including recyclable industrial packaging, as well as consumer packaging with post-industrial and post-consumer recycled content for food manufacturers.”

“In our property division, the improved authority approval process, gradual easing of labour shortages, and pause in interest rate hike by Bank Negara Malaysia support a better outlook for the sector. We are also continuing efforts to enhance resource planning and optimisation to address rising operational costs, as well as greater adoption of Industrialised Building System in our projects.”

“While witnessing robust demand for affordable homes in Malaysia, we are also exploring opportunities to expand into new markets in the Southeast Asia region, which can benefit from our building technology and experience in affordable homes to meet the demands of increasing populations.”

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**About Scientex Berhad (森德公司, [www.scientex.com.my](http://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 202-acre land in Pulai (Johor), 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. To date, Scientex has delivered RM8.0 billion worth of properties and has projects-in-hand of RM3.8 billion.

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

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