

# Scientex net profit jumps 24.3% to RM109.8 million in 3Q23

- *Performance boosted by strong demand for affordable properties across various developments in Peninsular Malaysia*
- *Declares interim dividend of 5 sen per share in respect of FY2023, payable on 21 July 2023*

Shah Alam, Selangor, Malaysia, 20 June 2023 - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCI MK) reported a 24.3% jump in net profit for the third quarter ended 30 April 2023 (3Q23) to RM109.8 million compared to RM88.3 million in the previous corresponding quarter, driven by robust demand for affordable properties across its developments throughout several states in Malaysia.

Revenue maintained stable at RM997.1 million in 3Q23 versus RM993.8 million previously, as the strong property division performance helped offset challenges faced by the packaging division due to slower market demand globally, highlighting the resilience of its twin-core model.

“In 3Q23, our property division propelled our overall growth, driven by higher sales of affordable homes and healthy construction progress across our developments in Johor, Melaka, Negeri Sembilan, Selangor, and Penang. Leveraging our efficient Industrialized Building System (IBS) and extensive experience, we are well-positioned to meet the rising demand for affordable homes in Malaysia.

Meanwhile, our packaging division remains resilient in adapting to evolving global challenges. As a leading flexible packaging provider, we collaborate with major multinational brands to deliver innovative and sustainable solutions that support their long-term sustainability objectives. Furthermore, we continue to innovate and invest in value-added and sustainable product categories to capture growth opportunities.

Our twin-core model has proven instrumental in driving sustainable growth, ensuring continued success in the markets we operate.”

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

In 3Q23, the property division achieved 48.1% growth in revenue to RM361.7 million from RM244.2 million previously, on higher progress billings from on-going projects in Kundang in Selangor, Tasek Gelugor in Penang, and Pulai in Johor. This was complemented by robust demand for new launches in Kundang in Selangor, Seremban in Negeri Sembilan, and Durian Tunggal in Melaka.

As at 30 April 2023, ongoing development projects amounted to RM3.7 billion in gross development value, consisting mainly of affordable landed residential properties.

Meanwhile, the packaging division posted lower revenue of RM635.4 million compared to RM749.7 million previously, on moderated demand for packaging due to challenges in the external operating environment.



Group revenue for the nine-month period ended 30 April 2023 (9M23) grew 4.6% to RM3.0 billion from RM2.9 billion on higher contribution from the property development division. Group net profit rose 13.5% to RM323.2 million in 9M23 versus RM284.9 million previously.

The Group also declared an interim dividend of 5 sen per share in respect of FY2023, with ex-date on 5 July 2023 and payment date on 21 July 2023. The dividend payout will amount to RM77.6 million or 24.0% of 9M23 net profit.

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

"Scientex is committed to strengthening our fundamentals in the packaging division, enhancing operational efficiency, and effectively managing costs and wastage. Additionally, our ongoing investments and expansion initiatives aim to cater to growth areas of increasingly innovative and value-added products, where demand for niche and functional, and sustainably produced packaging continue to rise."

"While global demand for packaging may continue to be affected in the near term due to operational challenges and uncertainties, we are cautiously optimistic of relatively stable performance for the current financial year."

"In the property division, we anticipate strong demand for our affordably priced properties, and will continue to launch new phases of developments, as well as leverage on our branding, affordable pricing and strategic locations. Together with the faster processes in obtaining authorities' approval and easing labour shortages, we expect for this division's growth pace to remain robust."

"We will maintain our strategy to optimize land use, mitigate higher costs, and enhance efficiency. Leveraging also on our bulk purchases of construction materials, we continue to ensure cost-effectiveness of our projects."

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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), Seremban (Negeri Sembilan), Rawang and Kundang Jaya (both in Selangor), Ipoh (Perak), Tasek Gelugor (Penang), as well as Sungai Petani (Kedah). The Group is also in the process of acquiring 251-acre land in Jenjarom, Selangor. To date, Scientex has delivered RM8.3 billion worth of properties and has projects-in-hand of RM3.7 billion.

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

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