

## Scientex attains RM438 million net profit on record-high RM4 billion revenue in FY2023

- *Steady progress billings and robust demand for affordable housing nationwide propel property division; offsetting softer global demand for packaging*
- *Proposes single-tier final dividend of 5 sen per share for shareholders' approval; 35% dividend payout in respect of FY2023 exceeding minimum 30% policy*

Shah Alam, Selangor, Malaysia, 20 September 2023 - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCI MK) attained net profit of RM438.1 million for the financial year ended 31 July 2023 (FY2023) on record-high revenue of RM4.08 billion, buoyed by improved performance of its property division.

FY2023 bottomline rose 6.9% from RM409.9 million previously, as revenue increased 2.3% from RM3.99 billion a year ago.

The Group's property segment drove topline growth, increasing by a healthy 29.1% to RM1.45 billion in FY2023 from RM1.12 billion previously, on strong take-up rates for new launches as well as higher sales and steady construction progress in on-going projects.

The robust property division mitigated the packaging segment's performance which continued to witness softer global demand coupled with higher operating costs. Packaging revenue reduced 8.2% to RM2.63 billion in FY2023 versus RM2.86 billion a year ago.

For the fourth quarter ended 31 July 2023 (4Q23), Scientex posted RM114.9 million net profit on RM1.07 billion revenue, compared to RM125.0 million net profit on RM1.11 billion in the previous corresponding quarter. The decline in net profit during the quarter was largely due to rising operating costs, particularly higher energy costs, in addition to an impairment of goodwill of RM22.7 million in relation to its Myanmar operations.

The property segment continued to display favourable performance in 4Q23 with higher progress billing from on-going projects in Melaka, Selangor and Penang, in addition to robust demand for new launches in Johor, Selangor and Kedah. This outshone the softer demand for all product segments in the packaging division, which witnessed rising operating costs.

Scientex CEO Mr. Lim Peng Jin was heartened that on top of the Group's relentless commitment to pursuing efficiency, its twin core strategy of packaging and property businesses had enabled Scientex weather the vagaries of the macroenvironment.

“We are confident that the positive performance of the property division will continue to gain momentum in the current financial year ending 31 July 2024 (FY2024), as we reap the benefits of existing strategies such as bulk purchase, optimising land use and deploying Industrialised Building System to maintain affordability and competitiveness of our homes.

As we anticipate robust demand for affordable housing, we are well prepared to seize this opportunity. In addition to launching several new phases in existing developments in Peninsular Malaysia, the expected completion of land acquisitions including Jenjarom in Selangor, Tebrau and Kulai in Johor Bahru will contribute positively in the near future.

We endeavour to reiterate the similar discipline of production efficiency to our packaging division to mitigate the effects of softer global market demand and rising production costs. Furthermore, we expect to explore more opportunities and expand into new markets more aggressively, resulting from our ongoing focus on innovating value-added products, including sustainable and fully recyclable packaging solutions.

All in all, Scientex is well-placed to maintain our resilience in FY2024.”

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

The Group's enhanced property operations performance was also aided by smoothed processes for authority approvals and easing of labour shortages. As at 31 July 2023, the Group's ongoing development projects had a total gross development value of RM4.0 billion, primarily comprising double-storey landed homes priced at RM300,000 and below per unit.

Meanwhile, in the packaging division, the Group remains on track in its growth strategy of expanding capacity and capability, as well as adopting advanced technology, to optimise quality and production efficiency.

Scientex proposed a single tier final dividend of 5 sen per share in respect of FY2023 for shareholders' approval at the forthcoming Annual General Meeting.

If approved, and taking into account the earlier-paid interim dividend of 5 sen per share, Scientex would have declared total dividend of 10 sen per share in respect of FY2023. The dividend payout of RM155.1 million represents 35.4% of FY2023 net profit, thus exceeding the Group's dividend policy of minimum 30% of net profit.

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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 acquiring 251 acres of land in Jenjarom, Selangor, 960 acres in Tebrau, Johor, and 551 acres in Kulai, Johor. To date, Scientex has delivered RM8.7 billion worth of properties and has projects-in-hand of RM4.0 billion.

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

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