

## **Scientex 1Q24 net profit grows 28.6% to RM137.8 million**

- *Smooth construction progress and robust demand for affordable properties driving property division growth; mitigating weaker global sentiment for packaging solutions*
- *Shareholders approve final dividend of 5 sen per share in respect of FY2023; dividend payout of 35% exceeds minimum 30% policy*

**Shah Alam, Selangor, Malaysia, 14 December 2023** - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCI MK) commenced its new financial year on a robust note, reporting a 28.6% growth in net profit to RM137.8 million for the first quarter ended 31 October 2023 (1Q24), on the back of a 7.4% increase in revenue to RM1.1 billion.

The improved performance was driven mainly by the property division, which recorded 45.3% higher revenue of RM456.1 million in 1Q24 from RM313.9 million in the previous corresponding quarter. The growth was propelled by smooth construction progress for all projects across Northern, Central and Southern Peninsular Malaysia. Additionally, strong take up for new launches in Scientex Sungai Dua, Scientex Seremban and Scientex Bandar Jasin contributed to the firm results.

Meanwhile, Scientex's packaging division demonstrated resilience despite weaker global sentiment, achieving revenue of RM650.4 million compared to RM716.0 million previously. The 9.2% dip in revenue was mainly attributed to softer exports in the consumer packaging segment. Other packaging segments remained robust, particularly in domestic and export markets for industrial packaging, as well as domestic demand for consumer packaging.

“As Scientex propels forward, our new corporate vision of “Sustainable Growth, Better Tomorrow” guides our strategy towards long term success. This vision underscores our commitment to responsible practices, environmental stewardship, and a better future.

In the packaging division, we focus on innovation and developing value-added product customised to the needs of our global customers, while addressing evolving market demand for sustainable and fully recyclable packaging solutions. Equipped with innovation and up-to-trend capacity and capabilities, we are well positioned to explore new opportunities and expand our market share globally.

Concurrently, our property division is set to launch new phases of affordable housing and acquire strategic landbanks across Peninsular Malaysia as part of our Cross Border expansion strategy to meet robust demand for affordable homes. Having already delivered over 32,700 homes to date, we remain steadfast in our goal of reaching 50,000 homes by 2028.”

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

Comparing to the preceding quarter ended 31 July 2023 (4Q23), Scientex's packaging division achieved a 4.9% increase in 1Q24 revenue to RM650.4 million, due to improved demand in the market. Similarly, 1Q24 operating profit for the division rose 7.4% quarter-on-quarter to RM50.4 million, after excluding a goodwill impairment of RM22.7 million in 4Q23.

Commenting on prospect, Lim expressed optimism towards the current financial year ending 31 July 2024 (FY2024), supported by strategies to achieve sustainable growth:

“The packaging division prioritizes operational efficiency, and we continue to drive down operating costs and reduce production wastage which enhance our competitiveness. These measures help us mitigate the temporary challenges of softer global market sentiment and increased energy costs. Additionally, our proactive approach includes the adoption of solar PV systems, with a long-term plan for implementation across all domestic plants, which will reduce our carbon footprint and enhance the sustainability of our operations.”

“In our property division, our latest land acquisitions in Jenjarom in Selangor, Tebrau and Kulai in Johor Bahru, are expected to be completed in 2024 and contribute positively to our performance in the near future. To foster sustainable growth, we will continue to source for competitively priced landbanks to sustain our long-term development.”

At the Group's 55th Annual General Meeting today, shareholders approved a final dividend of 5 sen per share in respect of the financial year ended 31 July 2023 (FY2023), with ex-date on 2 January 2024 and payment date on 26 January 2024. Total dividends for FY2023 amounted to 10 sen per share, with total payout of RM155.1 million constituting 35.4% of FY2023 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 and Sungai Dua (both in 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 RM9.4 billion worth of properties and has projects-in-hand of RM3.6 billion.

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

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