

Scientex maintains growth momentum with net profit rising 32.7% to RM141.0 million in 2Q24

- *Steady construction progress and strong demand for affordable properties driving property division growth; mitigating weaker export demand for consumer packaging*

Shah Alam, Selangor, Malaysia, 26 March 2024 - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCI MK) maintained its growth momentum with net profit rising 32.7% to RM141.0 million for the second quarter ended 31 January 2024 (2Q24), accompanied by a 11.7% growth in revenue to RM1.1 billion.

The Group's property division was the primary driver, with revenue increasing 41.3% to RM456.9 million in 2Q24 compared to RM323.3 million in the previous corresponding quarter. The growth was attributed to steady construction progress on all developments across Northern, Central, and Southern Peninsular Malaysia, alongside strong response for new launches in Penang, Kedah, Perak, Melaka, and Johor.

Despite global market challenges, the Group's packaging division performance was largely sustained. Revenue amounted to RM635.8 million compared to RM655.1 million previously, mainly due to lower export demand for consumer packaging. However, other packaging segments for both domestic and export markets remained resilient.

"The consistent performance of our packaging division, amidst challenging market conditions, reflects the competitiveness of our solutions that we provide to our global customers. We prioritise innovation and the development of value-added solutions, while responding to the increasing demand for sustainable and fully recyclable solutions.

Additionally, our property division is steadily making progress towards our goal of delivering 50,000 homes by 2028, marking significant progress in addressing the crucial demand for affordable housing in the country.

As part of our Cross-Border Expansion strategy, we are committed to expanding our affordable property presence across the country, currently spanning seven states, with ongoing strategic land acquisitions expected to contribute positively to future performance."

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

For the six-month period ended 31 January 2024 (1H24), revenue increased 9.5% to RM2.2 billion from RM2.0 billion in the previous corresponding period, while net profit improved 30.6% to RM278.9 million from RM213.5 million previously.

Looking ahead, Lim expressed confidence in Scientex's prospects for the remainder of the financial year: "We are focusing on our packaging division's core for driving sustainable growth, and are optimistic of sustaining the division's performance."

“We are committed to enhancing operational efficiency and prioritizing cost, quality, and delivery to our customers, thereby improving our competitive edge. Moreover, the ongoing implementation of solar PV systems across our factories in Malaysia will help off-set high energy costs and advance our environmental sustainability initiatives.”

“In the property division, robust demand for affordable properties continues to underpin growth, with notable take up across our new launches nationwide.”

###



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), 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 1,094 acres in Muar, Johor and 826 acres in Bestari Jaya, Selangor. To date, Scientex has delivered RM9.8 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

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:

Mr. Terence Loo
E: terence@aquilas.com.my
T: 03-2711 1391 / 012-629 5618