

Star Biz

Scientex earnings up in Q3

PETALING JAYA: Packaging materials manufacturer and property developer Scientex Bhd posted 8.6% increase in net profit to RM66.5mil and 17% gain in revenue to RM636.2mil in the third quarter ended April 30, 2017 (Q3 17).

The improved performance was mainly attributed to stronger exports in the group's manufacturing segment and higher progress billings for ongoing property development projects.

Cumulatively, revenue for the nine months amounted to RM1.8bil, increasing 7.1% from RM1.6bil previously.

However, the group posted a marginal decline in net profit to RM183.7mil from RM186.7mil a year ago, in line with its market penetration strategy.

Scientex has declared an interim dividend of 6 sen per share in respect of financial year 2017, with ex-date on July 5 and payable on July 21. The estimated payout would stand at RM29mil or 15.8% of nine-month 2017 net profit.

The group has a dividend policy to distribute at least 30% of net profit to shareholders.

Managing director Lim Peng Jin said in a statement Scientex's consumer packaging division reported growth from export markets, especially for cast-polypropylene and biaxially-oriented polypropylene films.

Meanwhile, the group's ongoing expansion at its consumer packaging plant in Ipoh to double up annual capacity to 24,000 tonnes is expected to complete by August.

The increased capacity, particularly for form-fill-seal bags, hygiene bags and label films, would allow for additional growth in its consumer packaging division.

"Additionally, our new stretch film plant in Arizona, United States, is seeing good progress in factory renovations.

"We have also acquired five stretch film rewinders that are set to commence in October 2017, and two cast film production lines to be installed in December 2017 and early 2018 respectively," Lim said.

He said the group's property development segment continued to achieve commendable sales, with average take-up rate above 75% across ongoing projects as at Q3 17.

"As a recognised leader in affordable development, we will continue to focus on bringing reasonably priced and quality houses to the masses, and look forward to consistently growing our property division," Lim added.

About 70% of its Q3 17 revenue was derived from the manufacturing segment with RM442.8mil, which rose 15.7% from RM382.8mil previously.

The boost was led by exports of industrial and consumer packaging.