

Scientex net profit doubles to RM81m in first quarter

PETALING JAYA: Scientex Bhd posted a 50.9% increase in net profit for its first quarter ended Oct 31 to RM81 million, from RM53.7 million on an enlarged operations base and favourable product mix in the manufacturing segment, as well as higher progress billings in the property development division.

Revenue for the quarter also rose 22.9% to RM877.4 million from RM713.6 million previously.

At the group's annual general meeting, shareholders approved a final dividend of 10 sen per share in respect of the financial year ended July 31 2019 (FY2019), with ex-date on Dec 26 2019

and payment date on Jan 10, 2020.

According to a statement from the group, the manufacturing segment was the larger revenue contributor with RM655.9 million in 1Q'20, increasing 13.9% year-on-year compared to RM575.8 million, due to higher utilisation rates across its manufacturing plants, as well as contributions from the acquired converting businesses of Daibochi Berhad (Daibochi) and Mega Printing & Packaging Sdn Bhd (MPP).

Scientex acquired a 61.9% stake in Daibochi in April 2019. In turn, Daibochi completed the acquisition of MPP in August 2019.

Meanwhile, the property

development segment registered higher revenue of RM221.5 million compared to RM137.8 million a year ago, attributed to higher sales and steady progressive billing from four projects, namely Taman Pulau Mutiara and Taman Senai Utama in Johor, Taman Scientex Rawang in Selangor, and Taman Scientex Durian Tunggal in Malacca.

The group's managing director Lim Peng Jin said that the 1Q'20 performance clearly showcased the outcome of ongoing product mix enhancement, successful consolidation of new acquisitions with Daibochi recording its best-ever quarterly revenue, as well as robust

demand for strategically-located affordable homes.

In the manufacturing segment, the consolidation of the converting business through the acquisitions of Daibochi and MPP catapults Scientex's progress to become an integrated producer of customised and niche flexible plastic packaging products.

Lim also said the property development segment aims to launch RM1.1 billion worth of new properties in FY2020.

The group has landbank in Johor, Malacca, Selangor, Perak, and Penang, totalling close to 4,000 acres which will last for more than 10 years.