

## **Scientex makes commendable start to new financial year with 14.3% higher net profit of RM92.5 million in 1Q21**

- *Driven by better sales mix from diverse range of packaging solutions; accelerated product innovation to enhance global competitiveness*
- *Packaging segment's operating profit rises 23.7% to RM68.6 million on stronger margins through diverse range of packaging products*
- *Shareholders approve 2-for-1 bonus issue and free warrants, as well as final dividend of 13 sen per share in respect of FY2020*

Shah Alam, Selangor, Malaysia, 17 December 2020 - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCIMK; Reuters: STIK.KL) made a commendable start to its new financial year with net profit in the first quarter ended 31 October 2020 (1Q21) climbing 14.3% to RM92.5 million from RM81.0 million a year ago.

The double-digit growth was driven by better packaging sales mix from its diverse range of packaging solutions. 1Q21 revenue stood at RM802.3 million compared to RM877.4 million in the preceding year's corresponding quarter.

The packaging division remained the Group's largest revenue contributor with RM583.8 million in 1Q21, versus RM655.9 million previously. With stronger margins through its diverse range of packaging products, the packaging segment's operating profit rose 23.7% to RM68.6 million from RM55.5 million last year.

The property segment registered steady construction progress from ongoing projects in Johor, Melaka and Perak, leading to stable revenue of RM218.4 million in 1Q21 versus RM221.5 million in the previous year. Operating profit moderated 7.7% to RM58.2 million from RM63.1 million a year ago on product mix.

“Scientex’s double-digit growth amidst the challenging landscape globally underscores our foresight in strategically placing crucial components within our packaging and property businesses to remain resilient, particularly in setting clear market leadership for steady-demand markets. We know that this stable foundation will form the base for growth in performance in the new financial year and onwards.

We intend to continue enhancing our global competitiveness in the high-growth packaging segment, as we increasingly support demand from essential food and beverage and fast-moving consumer goods conglomerates. Apart from accelerating technical and product innovation, we are closely collaborating with customers on making significant headway in the sustainable packaging agenda.

Our property segment is also poised to chart significant milestones, by ramping up our construction progress and new launches, as well as enlarging our landbank further. We will leverage on our strong brand in the affordable housing segment to expand our footprint.”

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

In September 2020, Scientex completed the acquisition of a 138.6-acre landbank in Cheras, Selangor. As part of ongoing landbanking activities, the Group also completed the acquisition of a 17.6-acre landbank next to its current development in Kundang Jaya, Selangor in November 2020.

Additionally, the pending acquisitions of landbanks in Seremban, Negeri Sembilan, Jasin, Melaka and Pulai, Johor are expected to be completed by the first half of the calendar year 2021.

At the Group’s 52<sup>nd</sup> Annual General Meeting today, the Group’s shareholders approved a final dividend of 13 sen per share in respect of the financial year ended 31 July 2020 (FY2020). Together with an earlier paid interim dividend of 10 sen per share for FY2020, total dividend payout of RM118.8 million constitutes 30.4% of the Group’s FY2020 net profit.

The ex-date of the final dividend would be on 5 January 2021, with payment date on 13 January 2021.

Subsequently, at Scientex’s Extraordinary General Meeting, shareholders approved the proposed 2-for-1 bonus issue and 1-for-5 free warrants issue.

The proposed bonus issue involves the issuance of up to about 1.0 billion new ordinary shares assuming the existing 100 treasury shares are resold in the open market at the acquisition cost. The bonus issue would increase the total number of the Group’s ordinary shares to around 1.6 billion shares, with the value of Scientex’s share capital remaining unchanged.



The Group would also issue a maximum of 103.4 million free warrants. The warrants would have an exercise price of RM4.30 per warrant, with a tenure of five years commencing from the date of issuance of the warrants.

Assuming full exercise of the warrants under the maximum scenario, Scientex would raise a maximum of RM413.5 million in proceeds over the five-year period, to be utilised for working capital requirements and to fund future expansion for both packaging and property development segments whenever any opportunities arise in the future. Under the maximum scenario and assuming full exercise of warrants, the Group's enlarged share capital would increase to RM1.1 billion comprising 1.7 billion shares.

Lim elaborated further: "The bonus issue would further enhance the marketability and trading liquidity of our shares, potentially enticing more interest from the investment community. Additionally, we are rewarding our existing shareholders with free warrants, providing an avenue for them to increase their equity shareholding and benefit from future capital appreciation in tandem with the bright prospects of the company going forward."

#### **About Scientex Berhad (森德公司, [www.scientex.com.my](http://www.scientex.com.my))**

Scientex Berhad (Scientex) is a leading flexible plastic packaging manufacturer and a reputable property developer in Malaysia. Scientex is also the largest stretch film producer in Asia, and among the world's largest producers.

Established in 1968, Scientex today produces flexible plastic packaging (FPP) products: stretch film, custom film (polyethylene (PE) film, biaxially oriented polypropylene (BOPP) film, cast polypropylene (CPP) film, agricultural film, PE flexitanks tubing), and specialty products (automotive interior, polypropylene (PP) strapping bands, raffia, solar encapsulant film). Scientex also expanded its portfolio and scope to include film converting, following the acquisition of Daibochi Berhad in April 2019, which now sees the Group supply high-value and high-performance FPP to leading multinational companies in the food and beverage (F&B) and fast-moving consumer goods (FMCG) segments.

To date, Scientex has packaging facilities in Malaysia, Vietnam, Myanmar and the United States of America; as well as sales and marketing arms in Australia, Indonesia, Singapore, Thailand, Philippines and Japan. 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, and Pulai (all in Johor), Ayer Keroh and Durian Tunggal (both in Melaka), Rawang (Selangor), as well as Ipoh (Perak). The Group recently acquired an 86-acre land in Kota Tinggi (Johor), 184-acre land in Kundang Jaya (Selangor), 180-acre land in Tasek Gelugor (Penang), 139-acre land in Cheras (Selangor), and is in the process of acquiring a 158-acre and 1,357-acre land in Jasin (Melaka), 109-acre land in Seremban (Negeri Sembilan), as well as another 202-acre land in Pulai (Johor). To date, Scientex has delivered RM6.1 billion worth of properties and has projects-in-hand of RM2.1 billion.

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