



SCIENTEX BERHAD
 (Company No: 196801000264 [7867-P])
 (Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 30 April 2021
 The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the nine months ended 30 April 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30.4.2021 RM'000	Preceding year corresponding quarter 30.4.2020 RM'000	Current year to date 30.4.2021 RM'000	Preceding year corresponding period 30.4.2020 RM'000
Revenue	976,798	772,229	2,685,602	2,563,972
Operating profit	148,589	106,444	424,519	365,734
Interest expense	(2,951)	(3,942)	(7,618)	(13,525)
Investing results	3,262	2,238	9,551	7,865
Profit before tax	148,900	104,740	426,452	360,074
Taxation	(32,310)	(28,706)	(88,885)	(90,849)
Profit for the quarter / period	116,590	76,034	337,567	269,225
Profit attributable to:				
Owners of the Company	109,880	69,626	314,579	248,062
Non-controlling interests	6,710	6,408	22,988	21,163
Profit for the quarter / period	116,590	76,034	337,567	269,225
Earnings per share attributable to owners of the Company (sen per share)	7.09	4.50	20.30	16.04

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2020)



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QUARTERLY REPORT

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the nine months ended 30 April 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30.4.2021 RM'000	30.4.2020 RM'000	30.4.2021 RM'000	30.4.2020 RM'000
Profit for the quarter / period	116,590	76,034	337,567	269,225
Other comprehensive (loss)/income, net of income tax: Items that may be reclassified subsequently to profit or loss:				
- Foreign currency translation of foreign operations	(6,157)	14,290	(15,492)	13,814
Other comprehensive (loss)/income for the quarter / period, net of income tax	(6,157)	14,290	(15,492)	13,814
Total comprehensive income for the quarter / period, net of income tax	110,433	90,324	322,075	283,039
Total comprehensive income for the quarter / period attributable to:				
Owners of the Company	108,583	79,469	305,444	256,846
Non-controlling interests	1,850	10,855	16,631	26,193
	110,433	90,324	322,075	283,039

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2020)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 April 2021

	AS AT CURRENT FINANCIAL QUARTER ENDED 30.4.2021 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31.7.2020 RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	1,365,009	1,322,579
Right-of-use assets	5,919	7,477
Investment properties	16,900	16,900
Land held for property development	1,346,642	972,973
Investment in joint venture	13,503	24,602
Investment in associate	81,581	46,548
Other investments	21,430	28,593
Deferred tax assets	18,853	18,970
Goodwill	332,936	338,077
	3,202,773	2,776,719
Current assets		
Property development costs	422,989	340,416
Inventories	293,252	354,017
Trade and other receivables	852,927	716,039
Cash and cash equivalents	113,489	413,244
	1,682,657	1,823,716
TOTAL ASSETS	4,885,430	4,600,435
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	702,985	691,782
Reserves	2,107,413	1,869,610
Equity attributable to owners of the Company	2,810,398	2,561,392
Non-controlling interests	203,883	194,260
Total equity	3,014,281	2,755,652
Non-current liabilities		
Borrowings	351,303	357,337
Lease liabilities	3,607	5,291
Retirement benefits obligations	40,896	39,032
Deferred tax liabilities	90,211	89,893
	486,017	491,553
Current liabilities		
Borrowings	669,577	683,723
Lease liabilities	4,265	4,133
Trade and other payables	643,011	624,467
Tax liabilities	68,279	40,907
	1,385,132	1,353,230
Total liabilities	1,871,149	1,844,783
TOTAL EQUITY AND LIABILITIES	4,885,430	4,600,435
Net assets per share attributable to owners of the Company (RM)	1.81	1.66

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2020)



SCIENTEX BERHAD
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 APRIL 2021**

	Reserves					Retained earnings RM'000	Attributable to the equity holders of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Property revaluation surplus RM'000	Foreign currency translation reserve RM'000	Other reserves RM'000				
As at 1 August 2020	691,782	(1)	90,719	15,465	461	1,762,966	2,561,392	194,260	2,755,652
Profit for the period	-	-	-	-	-	314,579	314,579	22,988	337,567
Other comprehensive loss for the period	-	-	-	(9,135)	-	-	(9,135)	(6,357)	(15,492)
Total comprehensive income for the period	-	-	-	(9,135)	-	314,579	305,444	16,631	322,075
Issuance of ordinary shares pursuant to Share Grant Plan	11,203	-	-	-	-	-	11,203	-	11,203
Expenses in relation to Bonus Issue and issuance of free warrants	-	-	-	-	-	(449)	(449)	-	(449)
Dividends	-	-	-	-	-	(67,192)	(67,192)	(7,008)	(74,200)
As at 30 April 2021	702,985	(1)	90,719	6,330	461	2,009,904	2,810,398	203,883	3,014,281
As at 1 August 2019	685,776	(1)	54,877	7,668	461	1,476,027	2,224,808	173,684	2,398,492
Profit for the period	-	-	-	-	-	248,062	248,062	21,163	269,225
Other comprehensive income for the period	-	-	-	8,784	-	-	8,784	5,030	13,814
Total comprehensive income for the period	-	-	-	8,784	-	248,062	256,846	26,193	283,039
Non-controlling interests arising from fair value adjustments	-	-	-	-	-	-	-	(561)	(561)
Issuance of ordinary shares pursuant to Share Grant Plan	6,006	-	-	-	-	-	6,006	-	6,006
Dividends	-	-	-	-	-	(51,588)	(51,588)	(8,213)	(59,801)
As at 30 April 2020	691,782	(1)	54,877	16,452	461	1,672,501	2,436,072	191,103	2,627,175

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2020)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the nine months ended 30 April 2021

	9 MONTHS ENDED 30.4.2021 RM'000	9 MONTHS ENDED 30.4.2020 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before taxation	426,452	360,074
Adjustments	90,806	95,573
Operating profits before working capital changes	<u>517,258</u>	<u>455,647</u>
Movement in working capital:		
Decrease in inventories	60,549	57,080
Decrease in development properties	120,551	36,937
(Increase)/decrease in receivables	(157,201)	49,211
Increase/(decrease) in payables	10,149	(65,940)
Cash generated from operations	<u>551,306</u>	<u>532,935</u>
Taxation paid	(60,602)	(46,526)
Gratuity and retirement benefits paid	(2,176)	(777)
Net cash from operating activities	<u>488,528</u>	<u>485,632</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Acquisition of subsidiary, net of cash and cash equivalents acquired	-	(89,931)
Investment in an associate company	(16,000)	-
Purchase of other investments	(4,000)	(4,000)
Purchase of property, plant and equipment	(68,264)	(69,289)
Deposit paid for purchase of plant and equipment	(20,572)	(35,933)
Purchase of land held for development	(546,299)	(265,707)
Deposit paid for purchase of land held for development	(44,906)	(6,619)
Proceeds from disposal of property, plant and equipment	265	480
Proceeds from disposal of associate company	-	10,000
Capital reduction from investment in joint venture	12,500	-
Dividend income received	3,566	12,525
Interest received	2,167	3,540
Net cash used in investing activities	<u>(681,543)</u>	<u>(444,934)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Dividends paid to:		
Shareholders of the Company	(67,192)	(51,588)
Non-controlling shareholders of subsidiaries	(7,008)	(8,213)
Expenses in relation to bonus issue and issuance of free warrants	(449)	-
Net drawdown of Sukuk Murabahah	-	100,000
Net repayment of term loans	(9,158)	(16,891)
Net repayment of short term borrowings	(6,566)	(5,837)
Repayment of lease liabilities	(2,099)	(1,507)
Finance cost paid	(14,268)	(21,462)
Net cash used in financing activities	<u>(106,740)</u>	<u>(5,498)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(299,755)	35,200
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	413,244	257,644
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>113,489</u>	<u>292,844</u>
Cash and cash equivalents in the cash flow statement comprise :		
Cash and bank balances	87,763	179,591
Short term deposits	25,726	113,253
	<u>113,489</u>	<u>292,844</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2020)

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2021

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 and Appendix 9B of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 July 2020 which were prepared under Malaysian Financial Reporting Standards (“MFRS”). These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 July 2020.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 July 2020, except for the adoption of the following amendments to MFRSs that are effective for financial statements beginning on 1 August 2020, as disclosed below:

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 16	COVID-19 – Related Rent Concessions
Amendments to MFRS 101 and MFRS 108 MFRSs	Definition of Material
	Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the above amendments to MFRSs are not expected to have significant impact on the financial statements of the Group.

A2 Audit report

The Group's preceding annual financial statements for the financial year ended 31 July 2020 was not qualified.

A3 Seasonal or cyclical factors

The business operations of the Group for the current financial quarter under review were not materially affected by any seasonal or cyclical factors.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no material items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the current financial quarter under review.

A5 Material changes in estimates

There were no changes in estimates of amounts reported in prior interim periods that have a material effect in the current financial quarter under review.

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A6 Changes in debts and equity securities

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period under review, except for the followings:-

Share Grant Plan

On 5 October 2020, the Company issued and allotted 988,000 new ordinary shares to the eligible employees of Scientex Berhad's group of companies, pursuant to the Scientex Berhad Share Grant Plan.

Bonus Issue of Shares and Issuance of Free Warrants

On 17 December 2020, the shareholders of the Company had approved the proposed bonus issue of shares and issuance of free warrants during the Extraordinary General Meeting.

The bonus issue of 1,033,729,544 new ordinary shares in the Company ("Scientex Share") on the basis of two (2) bonus shares for every one (1) existing Scientex Share were issued and allotted on 14 January 2021. A total of 103,372,778 free warrants in the Company on the basis of one (1) warrant for every five (5) existing Scientex Shares were issued and allotted on 15 January 2021. The exercise price of the warrants was fixed at RM4.30 per warrant.

Conversion of Warrants to Ordinary Shares

On 27 April 2021, a total of 20 new ordinary shares were issued pursuant to the exercise of 20 warrants at the exercise price of RM4.30 per warrant. The shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 30 April 2021.

As at 30 April 2021, the total number of issued shares of the Company was 1,550,594,436 ordinary shares, out of which 100 ordinary shares were held as treasury shares. The total number of unexercised warrants was 103,372,758.

A7 Dividends paid

The amount of dividend paid by the Company since 31 July 2020 was as follows:

RM'000

In respect of the financial year ended 31 July 2020:

Single tier final dividend of 13 sen per ordinary share declared on 17 December 2020
and paid on 13 January 2021

67,192

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A8 Segment information

Segment information is presented in respect of the Group's business segments.

9 months ended 30 April 2021

	Packaging RM'000	Property Development RM'000	Total RM'000
Revenue	1,874,060	811,542	2,685,602
Results			
Operating profit	196,129	228,390	424,519
Investing results			9,551
Interest expense			(7,618)
Profit before taxation			426,452

9 months ended 30 April 2020

	Packaging RM'000	Property Development RM'000	Total RM'000
Revenue	1,929,708	634,264	2,563,972
Results			
Operating profit	179,898	185,836	365,734
Investing results			7,865
Interest expense			(13,525)
Profit before taxation			360,074

A9 Disclosure items

The following items have been included in arriving at profit before tax:

	3 months ended		9 months ended	
	30.4.2021 RM'000	30.4.2020 RM'000	30.4.2021 RM'000	30.4.2020 RM'000
(a) Interest income	(547)	(1,004)	(2,167)	(3,540)
(b) Other income	(1,242)	(698)	(2,888)	(2,877)
(c) Interest expense	2,831	3,833	7,252	13,191
(d) Interest on lease liabilities	120	109	366	334
(e) Depreciation of property, plant and equipment	26,592	26,641	80,131	80,116
(f) Depreciation of right-of-use assets	1,172	666	2,725	2,007
(g) Net provision/(write back) of receivables	46	53	(152)	(323)
(h) Net provision of inventories	135	693	216	2,096
(i) Gain on disposal of plant and equipment	(98)	(65)	(176)	(249)
(j) Property, plant and equipment written off	32	552	201	552
(k) Net foreign exchange (gain)/loss	3,124	13,108	(12,121)	17,241

In the current financial quarter and current financial year-to-date ended 30 April 2021, there were no:

- Impairment of assets;
- Gain or loss on disposal of quoted or unquoted investments;
- Gain or loss on derivatives; and
- Any other material items not disclosed above.

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A10 Valuation of property, plant and equipment and investment properties

The valuation of property, plant and equipment and investment properties were brought forward without any amendments from the preceding annual financial statements.

A11 Events subsequent to the end of the reporting period

There were no material events subsequent to the end of the current financial quarter which have not been reflected in the financial statements for the said period as at the date of this report, except as disclosed in Note B6.

A12 Changes in the composition of the Group

There were no material changes in the composition of the Group during the current financial quarter under review.

A13 Contingent liabilities

There were no contingent liabilities or assets for the Group as at the end of the current financial quarter under review.

A14 Capital commitments

As at the end of the current financial quarter under review, the capital commitments not recognised in the financial statements were as follows:

	As at 30.4.2021 RM'000	As at 30.4.2020 RM'000
Approved and contracted for:		
Purchase of plant and machinery	152,396	74,202
Balance payment for purchase of land held for development	404,157	127,635
	556,553	201,837

A15 Related party transactions

The Group's related party transactions in the current financial quarter and current financial year-to-date ended 30 April 2021 were as follows:

	3 months ended		9 months ended	
	30.4.2021 RM'000	30.4.2020 RM'000	30.4.2021 RM'000	30.4.2020 RM'000
Purchase of goods from associated companies	46,175	24,220	105,154	74,700
Sales of goods to associated company	(95)	-	(200)	-
Rental income from associated company	(139)	-	(278)	-
Rental income from jointly controlled entity	(232)	(232)	(695)	(695)

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ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2021

PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of performance

	INDIVIDUAL QUARTER		Changes %	CUMULATIVE QUARTER		Changes %
	Current year quarter	Preceding year corresponding quarter		Current year quarter	Preceding year corresponding quarter	
	30.4.2021 RM'000	30.4.2020 RM'000		30.4.2021 RM'000	30.4.2020 RM'000	
Revenue	976,798	772,229	26.5%	2,685,602	2,563,972	4.7%
Operating profit	148,589	106,444	39.6%	424,519	365,734	16.1%
Profit attributable to owners of the Company	109,880	69,626	57.8%	314,579	248,062	26.8%

(i) Current quarter review

For the current financial quarter ended 30 April 2021, the Group recorded revenue of RM976.8 million compared to preceding year corresponding quarter of RM772.2 million. The Group's operating profit stood at RM148.6 million, an increase of 39.6% compared to RM106.4 million in the preceding year corresponding quarter.

Packaging revenue was RM671.5 million, an increase of 9.3% compared to RM614.4 million recorded in the preceding year corresponding quarter. In tandem with the higher revenue, operating profit for the current financial quarter stood at RM64.5 million compared with preceding year corresponding quarter of RM59.3 million.

Property revenue was RM305.3 million, a sharp increase of 93.5% compared to RM157.8 million recorded in the preceding year corresponding quarter. The higher revenue was mainly contributed by strong progress billings from our on-going projects in Taman Scientex Rawang and Scientex Kundang Jaya in Selangor, Scientex Durian Tunggal in Melaka and Taman Pulau Mutiara in Johor. In addition, the increase in revenue was also due to the five new projects launched in Scientex Tasek Gelugor, Penang, Scientex Kundang Jaya, Selangor and Scientex Durian Tunggal 2, Melaka which received overwhelming response from our purchasers. Operating profit for the current financial quarter stood at RM84.0 million compared with preceding year corresponding quarter of RM47.2 million, in tandem with the higher revenue generated. Furthermore, the lower revenue and operating profit recorded in the preceding year corresponding quarter was mainly impacted by the Movement Control Order 1.0 ("MCO 1.0"), which saw a disruption of constructional activities during the MCO 1.0 period.

(ii) 9-month review

For the 9-month financial period ended 30 April 2021, the Group recorded revenue of RM2.69 billion compared to the preceding year corresponding period of RM2.56 billion. Operating profit stood at RM424.5 million compared to the preceding corresponding period of RM365.7 million.

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B1 Review of performance (Cont'd)

(ii) 9-month review (Cont'd)

Packaging revenue was RM1.87 billion for current financial period, decrease compared to the preceding year corresponding period of RM1.93 billion. Operating profit increased from RM179.9 million to RM196.1 million mainly due to better sales mix.

Property revenue stood at RM811.5 million for the current financial period, an increase of 28.0% compared to the preceding year corresponding period of RM634.3 million. In line with the increase in revenue, operating profit increased from RM185.8 million to RM228.4 million for the same period. The increase in revenue and operating profit were mainly contributed by steady construction progress and strong take up rates for new launches in Scientex Tasek Gelugor, Penang, Scientex Kundang Jaya, Selangor, Scientex Durian Tunggal, Melaka and Taman Pulau Mutiara, Johor.

B2 Variations of the quarterly results as compared to the results of the preceding quarter

	Current quarter	Preceding quarter	Changes %
	30.4.2021 RM'000	31.1.2021 RM'000	
Revenue	976,798	906,545	7.7%
Profit before tax	148,900	149,522	-0.4%
Profit attributable to owners of the Company	109,880	112,166	-2.0%

The Group's revenue for the current financial quarter stood at RM976.8 million compared to the preceding financial quarter of RM906.5 million. The increase in revenue was mainly due to higher export sales in the packaging division. The Group's profit before tax stood at RM148.9 million for the current financial quarter, remained stable as compared to the preceding financial quarter.

B3 Current financial year prospects

Whilst the global economic recovery continues to recover, particularly in the major economies, recovery in some economies may be affected by the resurgence in the Covid-19 pandemic, especially the variant strains. As such, uncertainty as to the successful curbing of the pandemic and potential risks of heightened financial market volatility may continue to afflict the global economy. On the other hand, the current vaccination drive undertaken by the world economies is expected to boost sentiments as market confidence gradually returns.

Packaging

Coupled with the on-going uncertainties surrounding the pandemic, volatility of raw material prices, rising logistic costs and heightened financial market volatility, the Group shall continue to monitor the global developments and manage such volatility to minimise any adverse impact on its operations. The Group will continue to strengthen and enhance its operational efficiencies, manage rising production and logistics costs, expand capacity in areas of competitive strengths with continued focus on developing innovative, sustainable and value added products with local and international brand owners. Barring unforeseen developments, the Group is optimistic that the current financial year will perform within expectations.

The overall market environment remains challenging as Malaysia enforced the Full Movement Control Order ("FMCO") phase of the Covid-19 lockdown in early June 2021. The Group's manufacturing entities form part of the essential supply chain segment and our plants have been granted approvals from the relevant government authorities to continue operations in strict compliance with the Standard Operating Procedures ("SOP") in place.

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B3 Current financial year prospects (Cont'd)

Property

During the current financial quarter, the Group completed the acquisition of 161.6 acres of development lands in Sungai Petani, Kedah and 157.8 acres of prime lands in the vicinity of Jasin town, Melaka. Following the completion of the land acquisitions, the Group expects to launch its developments in these lands in the coming financial year 2022 to meet the robust demand for affordable housing in these localities. In addition, the Group has todate committed to purchase additional development lands in Pulau and Tebrau, Johor and in Seberang Perai Utara, Penang. Further information is as disclosed in Note B6.

With Bank Negara Malaysia maintaining its Overnight Policy Rate at 1.75 per cent, it is expected to provide enabling conditions for a sustainable economic recovery for the domestic economy. The Group remains focused on the affordable housing segment by leveraging on cost controls and efficient land use to maximise returns whilst ensuring cost competitive products continue to go on-stream. The Group will also continue to seize opportunities to acquire more competitively priced landbanks at suitable locations within Peninsular Malaysia to expand its affordable housing brand name to these locations.

Since the announcement of the FMCO lockdown effective from 1 June 2021, certain development sites of the Group were gradually granted approvals from the relevant authorities to continue operations in strict compliance with the SOP in place. Notwithstanding the approvals, the Group foresees that there could be potential delays in obtaining permits and approvals from the relevant authorities as well as delays in constructional activities, hence impacting our progress billings for the coming quarter.

B4 Variations of actual profit from forecast profit

This note is not applicable as the Group did not issue and publish any profit forecast for the current financial quarter under review.

B5 Taxation

Details of tax expense for the current financial quarter and current financial year-to-date were as follows:

	3 months ended		9 months ended	
	30.4.2021 RM'000	30.4.2020 RM'000	30.4.2021 RM'000	30.4.2020 RM'000
In respect of current quarter:				
- Income tax	31,647	28,706	88,564	90,849
- Deferred taxation	663	-	321	-
	<u>32,310</u>	<u>28,706</u>	<u>88,885</u>	<u>90,849</u>

The Group's effective tax rate for the current financial quarter and current financial year-to-date is lower than the statutory income tax rate mainly due to the utilisation of tax incentive by some of the subsidiaries.

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B6 Status of corporate proposals

There were no material corporate proposals announced and not completed as at the date of this report, except for the following:-

(i) Proposed acquisition of lands in the State of Johor

a) Pulai

On 21 September 2020, the Company announced that Scientex Quatari Sdn Bhd (“SQSB”), a wholly-owned subsidiary of the Company entered into a Sale and Purchase Agreement (“SPA”) with Lee Pineapple Company (Pte) Limited for the proposed acquisition of eight (8) parcels of freehold land, all situated in Mukim of Pulai, District of Johor Bahru, State of Johor, measuring in aggregate an approximate area of 202.2 acres for a total purchase consideration of RM185.0 million.

Subsequently, the vendor and SQSB have agreed that the vendor be released from delivering vacant possession of an area of 0.3 acres from Geran 555512 Lot 166154, Mukim of Pulai, District of Johor Bahru, State of Johor via a Supplemental Agreement dated 4 May 2021. The total purchase consideration of the SPA is therefore reduced to RM184.7 million. The condition precedent as set out in the SPA has been satisfied and accordingly, the proposed acquisition has become unconditional. The proposed acquisition is expected to be completed in the second half of year 2021.

b) Tebrau

On 7 May 2021, the Company announced that SQSB, a wholly-owned subsidiary of the Company, entered into a conditional SPA with Pelangi Sdn Bhd for the proposed acquisition of eight (8) pieces of freehold land, all situated in Mukim Tebrau, District of Johor Bahru, State of Johor, measuring in aggregate an approximate area of 959.7 acres for a total purchase consideration of RM518.1 million. The proposed acquisition will be completed in stages up to the first half of year 2024.

(ii) Proposed acquisition of lands in the State of Pulau Pinang

On 5 April 2021, the Company announced that SQSB and Scientex (Skudai) Sdn Bhd (“SSSB”), both the wholly-owned subsidiaries of the Company entered into two SPAs with the following vendors: -

- a) A SPA entered into between SQSB as the purchaser and Sunrich Conquest Sdn Bhd as the vendor, for the acquisition of all that piece of freehold agricultural land held under Geran 57798 Lot 4358, Mukim 12, District of Seberang Perai Utara, State of Pulau Pinang, measuring in area of approximately 204.7 acres for a purchase consideration of RM147.1 million; and
- b) A SPA entered into between SSSB as the purchaser and Titanium Greenview Sdn Bhd as the vendor, for the acquisition of 2 pieces of freehold agricultural land held under Geran 19398 Lot 249 and Geran Mukim 288 Lot 248, both situated in Mukim 12, District of Seberang Perai Utara, State of Pulau Pinang, having aggregate area of approximately 138.5 acres for a total purchase consideration of RM99.5 million.

The total purchase consideration for both SPAs is RM246.7 million. The proposed acquisition is expected to be completed in the first half of year 2022.

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B7 Borrowings and debt securities

As at 30 April 2021	Long term RM'000	Short term RM'000	Total borrowings RM'000
<u>Secured</u>			
Denominated in RM			
- Sukuk Murabahah	350,000	-	350,000
<u>Unsecured</u>			
Denominated in USD			
- Term loan	-	7,235	7,235
- Trade financing	-	326,516	326,516
Denominated in JPY			
- Trade financing	-	73,910	73,910
Denominated in AUD			
- Trade financing	-	18,921	18,921
Denominated in RM			
- Term loan	1,303	1,590	2,893
- Trade financing	-	241,405	241,405
Total	351,303	669,577	1,020,880

As at 30 April 2020	Long term RM'000	Short term RM'000	Total borrowings RM'000
<u>Secured</u>			
Denominated in RM			
- Sukuk Murabahah	350,000	-	350,000
- Trade financing	-	367	367
<u>Unsecured</u>			
Denominated in USD			
- Term loan	7,588	12,121	19,709
- Trade financing	-	481,799	481,799
Denominated in JPY			
- Trade financing	-	141,600	141,600
Denominated in AUD			
- Trade financing	-	10,640	10,640
Denominated in RM			
- Term loan	2,905	2,541	5,446
- Trade financing	-	47,299	47,299
Total	360,493	696,367	1,056,860

B8 Material litigation

There was no material litigation involving any member of the Group as at the date of this report.

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B9 Dividend

In respect of the financial year ending 31 July 2021, the Board of Directors declared a single tier interim dividend of 4 sen per ordinary share (single tier interim dividend for financial year 2020 of 3.33 sen per ordinary share), payable on 23 July 2021.

B10 Earnings per share

		3 months ended		9 months ended	
		30.4.2021	30.4.2020	30.4.2021	30.4.2020
(i) Basic earnings per share					
Profit attributable to equity holders of the Company	(RM'000)	109,880	69,626	314,579	248,062
Weighted average number of ordinary shares in issue	('000)	1,550,594	1,547,631	1,549,845	1,546,686
Basic earnings per share	(sen)	7.09	4.50	20.30	16.04

The earnings per share for the current financial quarter ended 30 April 2021 and its preceding year corresponding quarter had been adjusted to reflect the bonus issue of two (2) bonus shares for every one (1) existing share of the Company held by the entitled shareholders. The bonus issue of shares was completed on 15 January 2021.

(ii) Fully diluted earnings per share

Diluted earnings per ordinary share is not presented as the warrants are anti-dilutive where the average market price of ordinary shares during the current financial period does not exceed the exercise price of the warrants.

By Order of the Board

Tung Wei Yen (MAICSA 7062671)
Ong Ling Hui (MAICSA 7065599)
Company Secretaries

23 June 2021